

THE OUDH SUGAR MILLS LIMITED

Facing Challenges with Fortitude



ANNUAL REPORT **2014-15**

FORWARD LOOKING STATEMENT

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

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Corporate Information

BOARD OF DIRECTORS

Mr. Chandra Shekhar Nopany,
Chairman-cum-Managing Director
Mr. Anand Ashvin Dalal
Mr. Chand Bihari Patodia
Mr. Rohit Kumar Dhoot
Mr. Nirad Kant Bagla
Mr. Yashwant Kumar Daga
Ms. Shashi Sharma
Mr. Arun Kumar Aggarwal,
Nominee of IDBI Bank Ltd.

COMMITTEES OF DIRECTORS

Finance & Corporate Affairs Committee

Mr. Chandra Shekhar Nopany - Chairman
Mr. Rohit Kumar Dhoot
Mr. Nirad Kant Bagla

Audit Committee

Mr. Anand Ashvin Dalal - Chairman
Mr. Chand Bihari Patodia
Mr. Rohit Kumar Dhoot
Mr. Nirad Kant Bagla
Mr. Yashwant Kumar Daga

Stakeholders' Relationship Committee

Mr. Nirad Kant Bagla - Chairman
Mr. Yashwant Kumar Daga
Ms. Shashi Sharma

Nomination and Remuneration Committee

Mr. Rohit Kumar Dhoot - Chairman
Mr. Chand Bihari Patodia
Mr. Anand Ashvin Dalal

Risk Management Committee

Mr. Chand Bihari Patodia - Chairman
Mr. Yashwant Kumar Daga

Corporate Social Responsibility Committee

Mr. Chandra Shekhar Nopany - Chairman
Mr. Chand Bihari Patodia
Mr. Yashwant Kumar Daga

EXECUTIVES

Mr. Dilip Patodia - President (Finance) & Chief Financial Officer
Mr. Devendra Kumar Sharma - Executive President, Hargaon
Mr. Chandra Mohan Singh - Executive President, Narkatiaganj
Mr. Bal Kishore Malpani - Executive President, Rosa
Mr. Poresh Kumar Saini - Executive President, Hata
Mr. M P Singh - Executive Vice President, Allahabad
Mr. Anand Sharma - Vice President (Legal) & Company Secretary

AUDITORS

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

ADVOCATES & SOLICITORS

Khaitan & Co. LLP

BANKERS

State Bank of India
IDBI Bank Ltd.
State Bank of Hyderabad
Union Bank of India

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
(Unit : The Oudh Sugar Mills Limited)
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078
Tel. No.: 91- 022 - 2596 3838, Fax No.: 91- 022 - 2594 6969
E-mail : mumbai@linkintime.co.in

REGISTERED OFFICE

P. O. Hargaon District - Sitapur, (U. P.)
Pin Code - 261 121
Tel. No. : (05862) 256220, Fax No. : (05862) 256225
E-mail : birlasugar@birla-sugar.com
Website : www.birla-sugar.com
CIN - L15432UP1932PLC025186

CORPORATE & HEAD OFFICE

Birla Building
9/1, R.N. Mukherjee Road, 5th Floor
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

MUMBAI OFFICE

Solaris Building no. 1, 'D' Wing, 6th Floor
Saki Vihar Road, Opp : L&T Gate No. 6,
Andheri (East), Mumbai - 400 072.
Tel. No. : 91 - 022-2847 0249, Fax No. : 91 - 022-2847 0275
E-mail : oudhsugar@mtnl.net.in

SUGAR MILLS

1. Hargaon, Dist. Sitapur, (U. P.)
2. Narkatiaganj, Dist. West Champaran, (Bihar)
3. Rosa, Dist. Shahjahanpur, (U. P.)
4. Hata, Dist. Kushinagar (U.P.)

DISTILLERIES

1. Hargaon, Dist. Sitapur, (U. P.)
2. Narkatiaganj, Dist. West Champaran, (Bihar)

CO-GENERATION POWER PLANT

1. Hargaon, Dist. Sitapur, (U. P.)
2. Narkatiaganj, Dist. West Champaran, (Bihar)
3. Hata, Dist. Kushinagar (U.P.)

FOOD PROCESSING FACTORY

P.O. Bamrauli, Allahabad, (U. P.)

Chairman's Communique



In 2014-15, our Revenue from Operations (Gross) grew by almost 20% and stood at ₹ 1,42,965.29 lacs (₹ 1,19,298.28 lacs 2013-14), on account of better supply of good quality cane resulting into higher realisations and higher sales.

Overall, we have put in a lot of emphasis on enhancement of operational efficiency, ensuring optimum raw material usage and re-engineering of processes.

Dear Shareholders,

The year 2014-15 was another tough year for the sugar industry across the world, particularly in India. As an industry, we have made strong representation to the Government, to help in the creation of a competitive operating environment, for cane prices to be linked to realisation across the country and for incentivising exports.

Global Scenario

The overall global sugar balance is normalising. Although sugar production in China, Brazil and Thailand declined during 2014-15, it was compensated by an increase in India, Ukraine and the Euro Zone. Therefore, the overall global output remained largely static at 172 million tonnes.

The global sugar prices remained depressed during the year. However, with the surplus coming down significantly (from 2.6 million tonnes in 2013-14 to 0.6 million tonnes in 2014-15), the downward spiral in the global sugar prices is likely to be arrested. However, prices remain to be depressed, with prices touching a six year low of nearly 11 cents/lb in 2014-15. The consecutive surplus years, high stocks across the world and the decline of the Brazilian currency against the dollar have contributed to keeping prices low.

Indian context

The Indian sugar industry is faced with multiple challenges from a structural and regulatory perspective. Moderate domestic demand growth coupled with higher production (from 24.4 million tonnes in 2013-14 to 28.3 million tonnes in 2014-15) are leading to an oversupply and increase in carry forward stocks of nearly 10 million tonnes. Together with this, exports were also unattractive given the low global prices.

Such a tough operating environment was only made tougher by unrealistic and unsustainable cane pricing, especially in Uttar Pradesh. The State Advised Price is significantly higher than what is the Fair and Remunerative Price, in the current scenario. Moreover, there is no finalisation on the government support / subsidy to sugar mills too. Therefore, many of the mills in Uttar Pradesh are running up cane arrears besides becoming unviable, especially in the weak pricing scenario.

There are many steps that the Central Government has taken to support sugar manufacturers, and to help them pay the cane-arrears. Some of them include a subsidy per tonne for exports of raw sugar, interest free loans and withdrawal of import benefits for raw sugar, and hike in import duty of processed sugar. The reduction in the period for discharging sugar export obligations are designed to prevent leakage in the domestic market.

These initiatives are all commendable and encouraging, but sadly, they are not enough. This is because the most important structural issue facing the industry is unviable cane prices.

The sugar industry has three principal requests for the government, and these include creation of buffer stock of 10% of sugar production, financial restructuring of loans and reforming the cane pricing mechanism by linking it to sugar prices.

Oudh Sugar Mills – performing through challenges

Looking back at the performance of the Company, I would like to say that turbulent times continued. In 2014-15, our Revenue from Operations (Gross) grew by almost 20% and stood at ₹ 1,42,965.29 lacs (₹ 1,19,298.28 lacs 2013-14), on account of better supply of good quality cane resulting into higher realisations

and higher sales. We reported a net loss of ₹ 7,387.10 lacs against ₹ 5,459.98 lacs in 2013-14 due to lower offtake and subdued sugar sales realisation. Overall, we have put in a lot of emphasis on enhancement of operational efficiency, ensuring optimum raw material usage and re-engineering of processes.

Looking forward

We believe that the sugar industry in India will stabilise and demand will increase with rising middle-class population and income levels and a greater consumption of sugar based items. The world sugar industry is also expected to touch 50 million tonnes in production on the back of rising demand and more efficient sugar production. Greater blending will result in a more attractive return from by-products such as ethanol as well.

To be able to realise these benefits, and ensure that the sugar industry does not get crippled with excruciating circumstances, which in-turn do not help even the farmers, a rationalisation of policy is a must.

With gratitude

The Company has what it is because of our people and I am sure that our management team has the courage, calibre and commitment to take Oudh to higher levels and surpass over these tough times. I am confident that you share this feeling and would like to thank all stakeholders for their continued support and deep faith in our ability to create positive value for the community at large.

Thank you,

Chandra Shekhar Nopany

Chairman-cum-Managing Director

Directors' Report

To
The Members,

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

Financial Results and Appropriations

₹ in lacs

	Year ended 31st March, 2015		Year ended 31st March, 2014	
Revenue from Operations (Gross)	1,42,965.29		1,19,298.28	
Profit before Finance Costs, Tax, Depreciation and Amortisation	4,569.59		9,049.66	
Less: Depreciation & Amortisation Expenses	2,847.29		4,173.81	
Finance Costs	12,887.11	15,734.40	13,198.47	17,372.28
Profit/(Loss) Before Tax	(11,164.81)		(8,322.62)	
Less: Provision for Tax:				
Deferred Tax Charge/(Credit)	(3,777.71)		(2,862.64)	
Profit/(Loss) After Tax	(7,387.10)		(5,459.98)	

Operating Performance

In face of overall subdued market conditions, your Company has delivered top line growth and performed ahead of underlying sugar season 2014-15 which is mainly due to having supply of good cane quality resulting into higher recoveries and expedite 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"**.

Financial Performance 2014-15

The Company had recorded Total Revenue of ₹ 1,38,386.60 lacs (including other income aggregating to ₹ 173.11 lacs) during the financial year ended 31st March, 2015. The Revenue from Operations (Gross) of the Company for the year 2014-15 stood at ₹ 1,42,965.29 lacs.

The Profit before Finance Costs, Tax, Depreciation and Amortisation for the year under review stood at ₹ 4,569.59 lacs representing 3.30% of the total revenue. The decline in PBIDT of the Company during the period under review is mainly attributed to subdued 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 2015 and date of this report.

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

Research & Development

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

Dividend

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

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 2015 stood at ₹ 2,604.43 lacs and whereas the paid up Preference Share Capital of the Company stood at ₹ 5,000.00 lacs. However, in terms of authorisation provided by the shareholders in their general meeting and subsequent to in – principle approval of both the Stock Exchanges, your Company has preferred an application for reduction of capital to the tune of ₹ 6,400/- only before the Hon'ble High Court at Allahabad, Lucknow Bench and the proceedings in the said application are pending.

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.

Corporate Governance

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

Directors

The Board of Directors comprises of seven Non-Executive Directors having experience in varied fields and a Chairman cum Managing Director. Out of seven Non-Executive Directors, four of them are Independent Directors.

Mr. Aniket Agarwal ceased to be the Director of the Company with effect from 30th January, 2015 due to his resignation on account his illness & increasing professional engagement. The Board of Directors record their appreciation for the services rendered by him during his tenure as a Director of the Company.

In order to fill up the casual vacancy caused in the office of Independent Director upon resignation of Mr. Aniket Agarwal, the name of Ms. Shashi Sharma as an Independent Director has been recommended both by the Nomination and Remuneration Committee and by the Board of Directors to ensure meeting compliances with the requirements of Section 149(1) of the Companies Act, 2013, read with rule 3(i) of the Companies (Appointment and Qualification of Directors) Rules, 2014, subject to the approval of the shareholders at the ensuing Annual General Meeting. She has given declaration that she fulfils and complies with all the conditions specified in the Companies Act 2013 making her eligible to be appointed as an Independent Director. The Board of Directors are also of the opinion that she fulfils all the conditions specified in the Companies Act, 2013 making her eligible for appointment as an Independent Director.

IDBI Bank had made substitution of their nominee Director Mr. Umesh Jain with Mr. Arun Kumar Aggarwal with effect from 13th March, 2015. The Board of Directors records the appreciation of the services rendered by Mr. Jain during his tenure as a Director of the Company.

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

Mr. Anand Ashvin Dalal, Mr. Rohit Kumar Dhoot, Mr. Yashwant Kumar Daga and Mr. Nirad Kant Bagla were severally appointed as Independent Directors at the Annual General Meeting (AGM) held on 8th September, 2014 pursuant to the provisions of Section 149 of the Companies Act 2013 for a period of 5 years w.e.f. date of AGM and they will not be liable to retire by rotation during their respective terms of 5 years.

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

Key Managerial Personnel

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

- a. Mr. Chandra Shekhar Nopany, Chairman – cum – Managing Director
- b. Mr. Dilip Patodia, President and Chief Financial Officer
- c. Mr. Anand Sharma, 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 Managing Director is made part of Corporate Governance Report which forms part of this report. The Code is available on the Company's website at www.birlasugar.com. All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

Board Evaluation

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

Audit Committee

The Audit Committee was constituted on 25.08.2000 and the Committee now comprises of Mr. Anand Ashvin Dalal, Mr. Chand Bihari Patodia, Mr. Yashwant Kumar Daga, Mr. Rohit Kumar Dhoot and Mr. Nirad Kant Bagla. 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 Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

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

Stakeholders' Relationship Committee

The Investors Grievance Committee was constituted on 25.08.2000 and was renamed as Stakeholders' Relationship Committee w.e.f. 13.05.2014 to comply with the requirements of the Companies Act 2013 and the Listing Agreement. The Committee now comprises of Mr. Nirad Kant Bagla, Mr. Yashwant Kumar Daga and Ms. Shashi Sharma. The Company Secretary acts as the Secretary to the Committee. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

Nomination And Remuneration Committee

The Remuneration Committee was constituted on 02.09.2002 and was renamed as Nomination and Remuneration Committee w.e.f. 13.05.2014 to comply with the requirements of the Companies Act 2013 and the Listing Agreement. The Committee now comprises of Mr. Rohit Kumar Dhoot, Mr. Anand Dalal and Mr. Chand Bihari Patodia. 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.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on 13.05.2014 and the Committee now comprises of Mr. Chandra Shekhar Nopany, Mr. Chand Bihari Patodia, and Mr. Yashwant Kumar Daga. The Company Secretary acts as the Secretary to the Committee. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

Internal Complaints Committee

An Internal Complaints Committee was constituted by the Company in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Act aims at protecting women's right to gender equality, life and liberty at workplace to encourage women participation at work. The Committee meets all

the criteria including its composition mentioned in the Act and relevant Rules. No complaint has been received by the Committee during the year under review.

Remuneration Policy

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

Corporate Social Responsibility Policy

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 CSR Policy as approved by the Board is available on Company's website at www.birla-sugar.com.

Meetings

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

The Independent Directors of the Company have had a separate meeting on January 29, 2015 to review the performance and evaluation of Independent Directors and Board as a whole and assess the quality, quantity and timeliness of flow of information from the Company management to the Directors.

Directors' Responsibility Statement

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

- a. that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note 2.1 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Auditors, Audit Qualifications and Board's Explanations

Statutory Auditors

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

The Board, on the recommendation of the Audit Committee, proposed that Messrs S R Batliboi & Co LLP, Chartered Accountants, be re-appointed as the Statutory Auditors of the Company for a period beginning the conclusion of the ensuing Annual General Meeting of the Company and ending on the conclusion of the Annual General Meeting to be held next thereafter.

The remarks / observations made by the Statutory Auditors in their report are self explanatory and does not require any further clarifications/ explanation. However, the Statutory Auditors have commented upon recognition of Deferred Tax Asset (net) of ₹ 12,904.91 lacs (including ₹ 3,771.71 lacs for the year up to 31.03.2015) based on the future profitability projections. The Industry is in active discussions with Central and State Governments on the matter of pricing of Sugarcane and other incentives in order to make operations viable. The Company is hopeful of positive outcome of the discussions with the Govt. and expects to be in a position to generate positive cash flows and profitability and is certain that there would be sufficient taxable income in future to claim the above tax credit.

Cost Auditors

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

Secretarial Auditor

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

Subsidiary Companies and Consolidated Financial Statements

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

- i. Hargaon Investment & Trading Company Limited
- ii. Champaran Marketing Company Limited
- iii. OSM Investment & Trading Company Limited
- iv. Hargaon Properties Limited – step down subsidiary
- v. Palash Securities Limited

- vi. Allahabad Canning Limited
- vii. Vaishali Sugar & Energy Limited
- viii. Avadh Sugar & Energy Limited–A Joint Venture Company

During the year three wholly owned subsidiaries being no. (v), (vi) & (vii) and one joint venture company being no. (viii) have been set up to facilitate the proposed scheme of re-arrangement and the said companies are yet to commence business.

The Company has also formulated a policy for determining material subsidiaries in line with the requirement of Listing Agreement. The said Policy is being disclosed on the Company's website at www.birla-sugar.com.

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

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

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

Fixed Deposits

The Company 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.

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 8th September, 2014 on the website of the Company www.birla-sugar.com, as also on the website of the Ministry of Corporate Affairs www.mca.gov.in.

Internal Control

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

Loans, Guarantee and Investments

It is the Company's policy not to give any loans, directly or indirectly, to any person (other than to employees under contractual obligations) or to other body corporate or person. In compliance with section 186 of the Companies Act, 2013, loans to employees bear applicable interest rates. During the year under review, the Company has made investment in securities of other body corporate as disclosed for the purpose of proposed restructuring exercise.

The details of Investments, Loans and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes 13, 15 & 16 to the Standalone Financial Statements.

Related Party Contracts / Arrangements

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

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

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

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

Particulars of Employees

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

Extract of Annual Return

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

CEO/CFO Certification

Mr. Chandra Shekhar Nopany, the Chairman cum Managing Director and Mr. Dilip Patodia, President (Finance) & Chief Financial Officer have submitted certificates to the Board as contemplated in Clause 49 of the Listing Agreement.

Acknowledgement

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

For and on behalf of the Board

Mumbai

Dated 7th May, 2015

Chandra Shekhar Nopany

Chairman-cum-Managing Director

Annexure A

Management Discussion & Analysis

Global Economy

The world showed uneven growth in FY 2014-15 with robust growth seen in the US economy. Emerging Asia remained one of the fastest growing regions. The Eurozone remained fragile with sluggish economic activity. Japan experienced positive growth in Q4 of 2014-15 and consumer confidence and exports increased although industrial production declined. China witnessed slower growth but its consumption rate remains pronounced nevertheless.

Bearish trend was seen in global commodity prices in 2014-15. This included global agricultural prices that declined by 4.8% in 2014-15, as per World Bank estimates. The collapse of crude prices was another important development, and crude averaged about US\$ 47/ bbl in January 2015 and about US\$ 90/bbl (April 2014-January 2015) for the whole year. (Source: RBI)

Reducing international commodity prices prove to be a favourable external shock for crude importers. The IMF forecasts global economy to grow to 3.3 % in 2014-15 and rise to 3.5% in 2015-16.

Table 1: Global Growth Trend (%)

	Projections			
	2013	2014	2015	2016
World Output	3.3	3.3	3.5	3.7
Advanced Economies	1.3	1.8	2.4	2.4
United States	2.2	2.4	3.6	3.3
Euro Area	-0.5	0.8	1.2	1.4
Japan	1.6	0.1	0.6	0.8
United Kingdom	1.7	2.6	2.7	2.4
Other Advanced Economies *	2.2	2.8	3.0	3.2
Emerging and Developing Economies	4.7	4.4	4.3	4.7
China	7.8	7.4	6.8	6.3
India**	5.0	5.8	6.3	6.5

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

**For India, data and forecasts are presented on a fiscal year basis and output growth is based on GDP at market prices. Corresponding growth rates for GDP at factor cost are 4.7, 5.6, 6.3, and 6.5 percent for 2013/14, 2014/15, 2015/16, and 2016/17, respectively.

(Source: International Monetary Fund 2015)

Indian Economy

The CSO (Advanced Estimates) projects GDP growth at 7.5% for FY 2014-15. Agriculture is estimated to grow at 1.1%, industry is expected to grow at 6.5% and services are estimated to grow at 9.8% in the year. India has attracted huge financial flows in 2014-15, over US\$ 55 billion, and has built forex reserves of US\$ 340 billion.

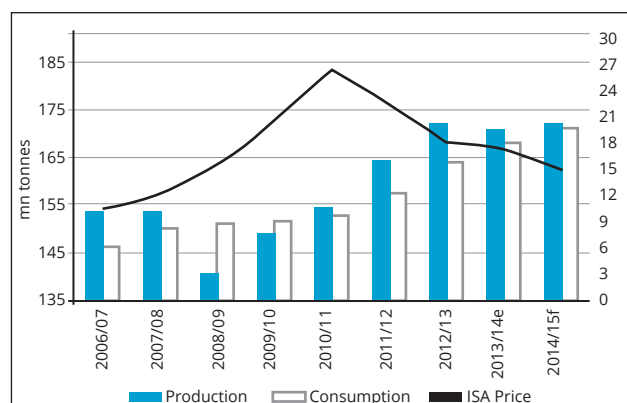
As crude prices decline, import costs shall reduce leading to a much lower current account deficit. CAD is anticipated to be 1.3% of GDP in 2014-15 and less than 1% in 2015-16 (Source: Economic Survey 2014-15, and RBI). RBI has reduced repo (rate at which RBI lends to banks) rates to 7.5%, which gives policy support to growth by fuelling household spending and reducing corporate debt burden.

A muted inflationary expectation from consumers is expected to sustain further decline in inflation. Retail inflation has consistently fallen since September 2014 and is estimated to lie below 6% in 2015-16. Rural wages have fallen and contributed to declining inflation. However, risks from sub-par monsoons may increase food inflation and pull up CPI inflation.

Improved macro-economic fundamentals, a balanced budget, lower CAD and fiscal deficit, pro-growth initiatives like the GST expected to come into force in the current fiscal, Make in India and Swachh Bharat initiatives- all signal the potential for steady growth in India ahead.

Global Sugar Industry

The sugar surplus is expected to be 0.620 million tonnes and after four years of a sugar glut, world production and consumption are fairly balanced in 2014-15 (Source: International Sugar Organisation(ISO)).



(Source: International Sugar Organisation, February 2015)

Production and consumption

In 2014-15, global sugar production is estimated to grow by 1.081 million tonnes to 172.083 million tonnes, tel quel. This includes cane sugar production (80.6% of total sugar production) and beet sugar production. Despite lower production in Brazil, China and Thailand, output is estimated to be high owing to better crops in Ukraine, India and European Union (EU). EU production is estimated to be up 1.685 million tonnes as against last year and Indian sugar output is estimated to be up 2.354 million tonnes. Production in Ukraine is up 0.885 million tonnes. Global export supply is projected to be unchanged at 56.036 million tonnes as against 56.366 million tonnes estimated for 2013-14.

World consumption is projected to rise 1.84%, to 171.463 million tonnes. This includes a 4.889 million tonnes adjustment for unknown net trade.

Table 2: Region wise changes in Sugar Production
(in mn tonnes)

Falls	Changes from 2013-14 in mn tonnes tel quel	Rises	Changes from 2013-14 in mn tonnes, tel quel
Brazil	(2.047)	EU	1.685
China	(1.318)	India	1.354
Thailand	(0.483)	Ukraine	0.885

(Source: International Sugar Organisation, February 2015)

Table 3: World sugar production

(in mn tonnes)

1970s	1980s	1990s	2000s	2012-13	2013-14e	2014-15f
81.9	101.8	118.4	140.2	172.0	171.0	172.1

(Source: International Sugar Organisation, February 2015)

Prices

The global sugar market continues to reel under price volatility. With surplus considerably decreasing from 2.6 million tonnes in 2013-14 to 0.6 million tonnes in 2014-15, the bearish trend in sugar prices is likely to end in the next 1-2 years.

However, barring China, where prices rose 10% due to fall in production, and Russia where sugar prices rose nearly 60% during August-January, several countries experienced declining sugar prices in the domestic markets (the six month period to January).

Week ending 20.03.2015, New York Raw Sugar future for March'15 was 12.68 Cents/lb, lowest in last 5 years.

The ISA daily price (monthly average) fell from 16.19 cents/lb in November 2014 to 15.33 cents/lb in December 2014 and reached 15.34 cents/lb in January 2015. White sugar prices have also reached the lowest level in 6 years (17.50 cents/lb). Price recovery hopes remain dim and not expected before a substantial reduction in global sugar stocks.

Table 4: World Sugar Balance

(in mn tonnes,%)

	2014-15	2013-14	Change	
	In mn tonnes	In mn tonnes	In mn tonnes	In %
Production	172.083	171.002	1.081	0.63
Consumption	171.463	168.368	3.095	1.84
Surplus/Deficit	0.620	2.634		
Import demand	55.720	56.390	(0.670)	(1.19)
Export availability	56.036	56.366	(0.330)	(0.59)
End stocks	79.885	79.581	0.304	0.38
Stock/Consumption ratio(%)	46.59	47.27		

(Source: International Sugar Organisation, 2015)

Outlook

Both export availability and import demand are expected to decrease slightly year-on-year in 2014-15. Preferential exporting countries in African Caribbean Pacific (ACP) region will increase exports of sugar to world markets.

In the long term, world sugar production is expected to increase by 50 Mt to reach 209 million tonnes in 2020-21 on account of an efficient and lean sugar industry. Sugar production is also likely to benefit from alternative uses of sugar to generate electricity and ethanol fuel.

Indian sugar industry

India is the world's second largest sugar producer after Brazil and the largest consumer of sugar. India is expected to continue its fifth year of continuous surplus output as more mills operate in 2014-15 (508 mills in 2014-15 as against 491 last season). India is estimated to produce 27.5 million tonnes of sugar in the current sugar season as against 24.4 million tonnes last season. This is against a consumption demand of 24.7-24.8 million tonnes (Indian Sugar Mills' Association (ISMA)). From the

previous inventory of sugar stocks (7.5 million tonnes) and the surplus crop this year, over 9.5 million tonnes of stocks shall be carried forward.

Problems faced by Sugar Industry

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

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

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

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

For the first time in the history of the country, sugarcane arrears have crossed ₹ 21,000 crore. ISMA as well as the Cooperative Mills have approached the Central Government to provide a bail out package for this

industry. The industry has requested for the creation of a strategic/buffer stock of at least 3.5 million tonnes of sugar, restructuring loans of ₹ 36,000 crore and providing interest free loans to the industry to allow timely payment to the farmers. It is hoped that the Central Government would take a decision soon.

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

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

Regional Update

Estimated from the satellite images of mid-June 2014, the total cane area in 2014-15 is seen to be around 5.23 million hectares, lower by 2% as compared to last sugar season (SS). Sugarcane acreage has increased in Maharashtra (by 13% over last year) and Karnataka and lowered for Uttar Pradesh (lower by 9%) and Tamil Nadu. Sugar recoveries are at 9.53% this year. (Source: ISMA)

Cane Production

Out of 530 sugar mills, 240 sugar mills have finished crushing. Of the remaining 290 sugar mills, 100 mills are in Maharashtra, 50 mills in U.P., 44 in Karnataka and 36 in Tamil Nadu.

Cane Production in States

State	(in mn tonnes)	
	2013-14	2014-15
Maharashtra	7.44	9.96
Uttar Pradesh	6.25	7.50
Karnataka	4.5	4.11
Tamil Nadu	1.01	0.825
Andhra Pradesh & Telengana	0.977	0.875

(Source: Economic times, April 2015)

Cane Prices

Governments in Karnataka and Maharashtra have rationalised cane prices (cane prices fixed after taking into consideration finished products' prices). Uttar Pradesh has fixed high prices and fares poorly in terms of sugar production viability, having a very large number of sugar mills in the state.

State Advised Cane Prices

State	(in ₹/tonne)	
	2014-15	2013-14
India(FRP)	2,200	2,100
UP	2,800	2,800
Punjab	2,850	2,800
Haryana	3,050	2,950
Karnataka	2,500	2,500
Tamil Nadu	2,650	2,650

(Source: Agriwatch)

Sugar Prices

Sugar prices crashed as mills dumped sugar into domestic market in order to raise cash to pay cane farmers. ISMA estimates reveal that all-India average cost of sugar production is ₹ 28.64 a kg but prices are 10-15% lower in the open market.

Demand drivers for Sugar industry

- **Rising per capita consumption:** Sugar consumption is expected to be the highest in Asia and within Asia, India is estimated to have 18.8% of global consumption.
- **Demographics:** As per Census of India, India's growing population (estimated to reach 1.3 billion by 2020) is likely to intake more sugar in the future. Sugar users such as soft drink manufacturers, bakeries, confectionary, hotel and restaurant consumers account for 60% of milled sugar demand in India.
- **Rising incomes and urbanisation:** People demand more processed food (high on sugar content) as incomes rise and dietary habits change.
- **Deregulation:** Government initiatives in cane price rationalisation and levy on sugar imports will augur well for the domestic industry.

- **Urgent need for renewable biofuels:** Unprecedented opportunities emerge from diversifications like electricity and ethanol for sugar millers (ethanol from molasses). Supportive government policies in both these by-products can drive demand for sugar millers.

Exports and Imports

In 2014-15 (April 2014-February 2015), sugar exports are 16.91 lac tonnes and imports are 15.38 lac tonnes, making India a net exporter in the current FY (Source: Department of Commerce, AGRICOOP data). Raw sugar is mainly exported to countries such as China, and West Asia to be used at their refineries. The government has allowed exports to EU and USA via preferential quota i.e. through M/s. Indian Sugar Exim Corporation Limited. Sugar imports in India attract 25% import duty.

The export incentive in production and export of raw sugar has been delayed by 5 months. Raw sugar prices have plunged down steeply making raw sugar exports unviable despite the incentives. There is need to subsidise white sugar exports as well for another 15-20 lac tonnes, as this shall give millers more time till September 2015 to enter into export contracts for white sugar (as against April 2015 to export raw sugar).

Government Policies

Ethanol blending Mandate

Oil Marketing Companies (OMCs) are mandated to meet the 5% blending target and require 1550 million litres of ethanol annually. Sugar millers have an option to produce more of potable alcohol for alcohol manufacturers because alcohol producers can pay any price for ethanol to ensure supply from sugar millers (Ethanol is a raw material that costs only 10-15% of alcohol price).

OMCs have to pay competitive rates for ethanol, to get higher ethanol procurement, and raise prices comparable to alcohol manufacturers. The GOI has fixed landed-ethanol prices at ₹ 48.50 to 49.50 depending on depot distance from mill.

Exports under Tariff Rate Quota (TRQ)

Traders can export sugar to the EU and the US under the TRQ, a quota wherein lower tariff shall be imposed on Indian sugar in the US market. The quota for the EU is 10,000 tonnes and 8,000 tonnes for the US.

The government has designated Indian Sugar Exim Corporation, formed by two sugar associations - Indian Sugar Mill Association (ISMA) and National Federation of Cooperative Sugar Factories Limited (NFCSF) - to facilitate this. After the quota is exhausted, India's exports will attract a higher tariff in the overseas countries. Export of preferential quota sugar to the EU and the USA has become 'Free' subject to (certain) conditions (Source: Directorate General of Foreign Trade (DGFT)).

Export Subsidy

The GOI has given incentive of ₹ 4000 a tonne for export of up to 1.4 million tonnes of raw sugar. In case of mills having alcohol production capacities, the incentive shall be given if they offer ethanol to Oil Marketing Companies (OMCs) under the Ethanol Blending Programme (EBP) up to 25% of their annual production level of alcohol.

Ethanol

Global Scenario

Global production of ethanol is estimated to increase by 0.8% in 2015 to reach 93.77 bn litres. Global ethanol consumption is estimated to rise from 90.95 bn litres in 2014 to a record 93.4 bn litres in 2015, up by 2.7%. The rise in global production is driven by increases in ethanol production in the EU and in Argentina, India, China and Thailand.

India

In 2014-15, fuel ethanol production is estimated to increase to 720 million litres as against 585 million litres last year. This is much less than over 1 bn litres required under the ethanol blending programme. Oil majors buy ethanol from sugar mills following a tendering process. In July 2014, oil majors floated tenders for procurement of 1.55 bn litres for 2014-15 delivery. Sugar mills offered 620 million litres of which OMCs picked 350 million litres at ₹ 47.5/litre. Maharashtra supplied 65% of the total ethanol supplies purchased by OMCs.

Demand for ethanol from chemical industry has also reduced owing to low prices globally and chemical players are importing ethanol

However, the country could achieve only 1.4% ethanol blending limit in the last fiscal (Source: Financial Express, February 2015).

Molasses Production

Currently, alcohol is produced from molasses which contains fermentable sugars that cannot be economically recovered by mills. For every tonne of sugarcane that is crushed, mills produce 95 kg of sugar and 45 kg of molasses yielding about 10.8 litres of ethanol.

India is expected to produce more molasses from a bigger cane crop, at 11.2 million tonnes of molasses output in 2014-15. As crude prices fall, sugar mills avoid selling ethanol to OMCs to divert into producing molasses/alcohol for better realisation.

Cogeneration

After the sugarcane crushing process, bagasse is the residue left which is used to generate steam. This is used as a biofuel to supply all needs of the sugar mill. The remainder energy is used in cogeneration (produce both thermal and electric energy simultaneously) to supply electricity to power grids. Being produced from a waste residue, this energy is eco-friendly and reduces greenhouse gas emissions besides also bringing additional revenue to the sugar industry.

About OSML

The Oudh Sugar Mills Limited (OSML) belongs to the K.K. Birla Group of sugar companies. The Company began operations in 1932. Recognised for its commitment across various stakeholders-farmers, employees and the community around its mills, OSML has a vibrant presence in India's history. Key products include sugar, ethanol, molasses, bagasse and power. The Company has been serving the real economy (of India) with industry-best capabilities that help it to adapt to market challenges. It has successfully grown from a single unit sugar manufacturing company to four sugar manufacturing units with an aggregate crushing capacity of [28700] tonnes of sugarcane per day, two distilleries having capacity to produce [160] kilo litre per day (KLPD) of industrial alcohol/ethanol, three Co-generation Power Plants with a total capacity of [55] MW Power and two Bio-Compost plant producing organic fertilisers.

The Company operates through 4 highly efficient mills located across Uttar Pradesh and Bihar. It educates farmers to adopt high-yielding practices in their fields. This is because the Company believes in enhancing revenues from sugar, increasing the proportion of value-added products and creating a shared sense of purpose even as it consolidates its sugar business.

Operational Highlights

Sugar Production

	Sugar Season 2014-15					Sugar Season 2013-14				
	Haragaon	Rosa	Narkatiaganj	Hata	Total	Haragaon	Rosa	Narkatiaganj	Hata	Total
Sugarcane Crushed (lac quintals)	145.00	28.85	82.09	61.81	317.75	132.23	46.06	95.44	73.08	346.81
Recovery (%)	10.30	9.55	9.32	9.00		10.00	9.65	9.30	9.52	
Sugar produced (lac quintals)	14.93	3.71	7.64	5.50	31.78	13.22	4.44	8.87	6.95	33.48
Crushing Days	151	103	117	102		140	119	142	117	

Alcohol Production (including Ethanol)

	Financial Year 2014-15			Financial Year 2013-14		
	Haragaon	Narkatiaganj	Total	Haragaon	Narkatiaganj	Total
Alcohol produced (lac litres)	256.65	167.80	424.45	295.83	176.42	472.25
Recovery (%) (litres per quintal)	22.21	22.45		22.28	23.26	
No. of days the Distillery worked	256	280		287	275	

Power Generated, Consumed and Sold

	Financial Year 2014-15				Financial Year 2013-14			
	Haragaon	Narkatiaganj	Hata	Total	Haragaon	Narkatiaganj	Hata	Total
Power Generated	464.93	224.55	749.63	1439.11	482.12	189.74	653.09	1324.95
Power Sold to Grid (units in lac)	364.12	125.79	743.13	1233.04	307.49	114.62	646.09	1068.20
No. of days worked	151	152	102		131	114	114	

Financial Highlights

Particulars	Amount (₹ in lacs)
Revenue from Operations (Gross)	142965.29
Other Income	173.11
Profit before Finance Cost, Depreciation & Tax	4569.59
Finance Cost	12887.11
Depreciation	2847.29
Tax Expenses - Deferred Tax (Credit)	(3777.71)
Net Profit/Loss	(7387.10)

HR and IR

In 2014-15, the Company continued to maintain good industrial relations at each of its mills. The current management resource strength is 82. It employs a total of 1955 non-management manpower in the Hargaon sugar mills, Rosa Sugar Works, New India Sugar mills in UP and New Swadeshi Sugar Mills in Bihar.

The Company organises several training activities for employee development.

Community Development

The Company invests in enhancing the capabilities of its employees. Besides this, it also enables education for underprivileged children, by giving free books and running an inter-level college. It also organises regular health check up camps and gives free medicines and emergency medical equipment to the needy.

In 2014-15, the Company organised several health camps and ran several other initiatives.

Internal control and compliance

The Company follows a robust internal control system to track financial transactions and to assist departments to comply with financial discipline and statutory rules and regulations besides enabling operational efficiency. The Company also uses a strong accounting and internal reporting system with SAP package. SARVAM & Associates a chartered accountant firm, conducts audits and submits reports to the Audit committee on a quarterly basis. The Audit committee is the final authority to oversee the control system at the Company and point out corrective measures that are then institutionalised.

Risk Management

The risk committee comprises members of the Board of Directors. The committee has prepared a complete Risk Management policy that is imbibed at the operations level to curb internal and external risk challenges. The committee also spreads awareness among employees about various risks associated with the market. An enterprise-wide risk identification, management and reduction programme helps OSML take risk-eliminating actions more proactively and in advance.

The Committee implements measures to counter all risks. Structural risks like sugar price volatility, low sugar recovery, State Advised Price fixation by Government and other industry risks are mitigated through R&D, organising seminars to educate farmers about efficient harvesting practices and adopting operational efficiency at the facilities. These help increase cane yields, improve sugar recovery and help the Company navigate various industry risks and challenges.

Cautionary statement

Some statements in the Management Discussion and Analysis describing the Company's objectives, predictions, expectations and the macro-economic estimates may be "forward-looking statements". Actual results may differ from the forward looking statements contained in this document due to various uncertainties. These uncertainties may be due to various factors affecting global supply-demand and export-import trend, macro-economic policy fluctuations, new regulations and pricing. The Company does not assume responsibility for any of the forward looking statements contained in this report as the same may be altered in future due to the subsequent development and events.

Annexure B

Report on Corporate Governance

1. Company's Philosophy

The Oudh Sugar Mills Limited (OSML), a part of K K Birla Group of Sugar Industries, firmly believes that Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objective of the organisation most effectively and efficiently. Corporate Governance in fact denotes acceptance by the management of the inalienable rights of the shareholders as true owners of the organisation and of their own role as trustees on behalf of the shareholders.

By harnessing ethical values with business acumen the executive functions of OSML is structured to institutionalise policies and practices that enhance the efficacy of the Board, Key Managerial Personnel and the Senior Management of the Company and inculcate a culture of accountability, transparency and integrity across the Company as a whole. OSML has a strong legacy of fair, transparent and ethical Governance practices and procedures and through these pages renews its commitment to uphold and nurture the core values of integrity, passion, responsibility, quality and respect in dealing with its customers, cane growers and other stakeholders of the Company. The other enablers for the Company are 'team work' and 'adherence' to professionalism.

OSML is also in compliance with the mandatory requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

2. Board of Directors

The Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilised for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders. Based on the reports / certifications received from the Company's functional heads, Key Managerial Personnel and the Auditors, the Managing Director periodically informs the Board about compliance with respect to laws applicable to the Company.

Composition

- i) The Board of Directors as on 31st March, 2015 comprised of eight Directors with considerable professional experience in divergent areas connected with corporate functioning. Out of these 8 Directors, 4 (50%) are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges. The Board is headed by the Executive Chairman Shri Chandra Shekhar Nopany who also acts as the Managing Director of the Company and is entrusted with substantial powers of management of the Company subject to superintendence, control and directions of the Board.
- 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) In accordance with 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.
- iv) The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Clause 49 of the Listing Agreement. Independent Directors do not serve in more than 7 listed companies.
- v) No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.
- vi) During the year under review Mr. Aniket Agarwal has resigned from the directorship of the Company with effect from 30th January, 2015 in order to pursue his professional engagements. Further, IDBI Bank Limited (IDBI) has made substitution of their nominee by replacing Mr. Umesh Jain with Mr. Arun Kumar Aggarwal as the nominee Director on the Board of the

Company, which has been given effect from 13th March, 2015. The Board has put on record its appreciation for the contributions received from them as Directors of the Company.

Board meetings

The meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Chairman and Managing Director 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 five Board Meetings were held on 13th May, 2014, 28th July, 2014, 5th November, 2014, 29th January, 2015 and 13th March, 2015 respectively.

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships / Committee membership (viz. only Audit Committee and Stakeholders Relationship Committee are considered as per clause 49(II)(D) of revised listing agreement) held by them during the year 2014-15 are tabulated below:

Sl.	Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM	No. of Directorships in other Bodies Corporate	No. of Chairmanship/ Membership of Board Committees in other Companies		No. of Equity Shares held
						Chairman	Member	
1.	Mr. Chandra Shekhar Nopany (DIN - 00014587)	CMD	5	No	8	3	-	73,804
2.	Mr. Anand Ashvin Dalal (DIN - 0353555)	I/NED	4	Yes	3	-	-	NIL
3.	Mr. Chand Bihari Patodia (DIN - 01389238)	NED	1	No	-	-	-	NIL
4.	Mr. Rohit Kumar Dhoot (DIN - 00016856)	I/NED	2	No	3	-	-	NIL
5.	Mr. Pradeep Sarkar - Nominee of SBI (DIN - 01082282)	NED	3	No	4	-	2	NIL
6.	Mr. Aniket Agarwal * (DIN - 00054252)	I/NED	-	No	-	-	-	NIL
7.	Mr. Nirad Kant Bagla (DIN - 00762914)	I/NED	1	No	1	-	-	NIL
8.	Mr. Yashwant Kumar Daga (DIN - 00040632)	I/NED	3	No	7	-	8	NIL
9.	Mr. Umesh Jain - Nominee of IDBI Bank Ltd @ (DIN - 00033729)	NED	4	No	-	-	-	NIL
10.	Mr. Arun Kumar Aggarwal - Nominee of IDBI Bank Ltd # (DIN - 07154002)	NED	-	No	-	-	-	NIL
CMD -		Chairman cum Managing Director			I	-	Independent	
NED -		Non-Executive Director						

* resigned with effect from 30th January, 2015.

@ IDBI substituted Mr. Umesh Jain with Mr. Arun Kumar Aggarwal as the nominee Director on the Board of Directors of the Company, given effect from 13th March 2015.

Appointed w.e.f. April 10, 2015

Not less than two thirds of the total number of Directors (excluding Independent Directors) shall be liable to retire by rotation. One third of the number of Directors liable to retire by rotation will retire by rotation every year. Mr. Chand Bihari Patodia is liable to retire by rotation and is eligible for re-appointment. Brief particulars about Mr. Chand Bihari Patodia 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, Corporate Social Responsibility 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 25th August, 2000)

Overall purpose/objective

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

Terms of Reference

The role 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 of any related party transactions
 - g. Qualifications 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, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review 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.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition and Meetings

The Audit Committee comprises of five Non-Executive Directors viz. Mr. Anand Ashvin Dalal, Mr. Chand Bihari Patodia, Mr. Rohit Kumar Dhoot, Mr. Yashwant Kumar Daga and Mr. Nirad Kant Bagla. Out of these five Directors, four of them are Independent Directors. Mr. Anand Ashvin Dalal is the Chairman of the Committee. All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

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

During the period the Committee met five times on 12th May, 2014, 28th July, 2014, 5th November, 2014, 29th January, 2015 and 13th March, 2015.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	No. of meetings Attended
Mr. Anand Ashvin Dalal	Chairman	4
Mr. Chand Bihari Patodia	Member	1
Mr. Rohit Kumar Dhoot	Member	1
Mr. Yashwant Kumar Daga	Member	4
Mr. Nirad Kant Bagla	Member	2

4. Stakeholders' Relationship Committee (Constituted on 25th August, 2000)

Overall purpose/objective

This committee was formed by the Board as Investor Grievance Committee on 25.8.2000 specifically to look into the redressal of grievances of shareholders and other security holders of the Company. In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board renamed the Investors' Grievance Committee as the "Stakeholders' Relationship Committee".

Terms of Reference:

The Stakeholders' Relationship Committee oversees the redressal of complaints of investors such as transfer of credit of shares to demat accounts, non-receipt of dividend/annual reports, approval of physical shares above 1000 shares, etc. It also approves allotment of shares and matters incidental thereto. By a resolution of the Board of Directors of the Company dated 28th April, 2011 the terms of reference of the Stakeholders' Relationship Committee has further been enlarged to include 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.

Composition & Meetings:

The Stakeholders' Relationship Committee, as on 31st March, 2015, comprises of two Independent Directors Mr. Nirad Kant Bagla as the Chairman and Mr. Yashwant Kumar Daga as a Member because during the year under review Mr. Aniket Agarwal ceased to be a Member of the Stakeholders' Relationship Committee with effect

from 30th January, 2015 upon his resignation from the Directorship of the Company. Mr. Anand Sharma, Company Secretary, also functions as the Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchanges.

Five meetings of the Committee were held during the period under review on 30th April, 2014, 15th July, 2014, 15th October, 2014, 16th January, 2015 and 3rd March, 2015. The attendance of the members at the meeting was as follows:

Name of the Member	Status	No. of meetings Attended
Mr. Yashwant Kumar Daga	Member	4
Mr. Nirad Kant Bagla	Member	5
Mr. Aniket Agarwal#	Member	1

ceased to be a member with effect from 30th January, 2015

The Board of Directors have authorised the Company Secretary to approve transfers / transmissions of shares in physical form up to 1000 shares. The transfers/transmissions approved by the Company Secretary are periodically placed before the Committee. During the period under review the Company received 2 complaints/grievances 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 was no unresolved complaint as on 31st March 2015. There were no share transfer applications pending for registration as on 31st March 2015.

5. Nomination and Remuneration Committee (Constituted on 2nd September, 2002)

Overall Purpose/ objectives:

The Board has constituted the Committee with the objective and purposes viz:

- 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.

To meets 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, has renamed the existing Remuneration Committee as the Nomination and Remuneration Committee.

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.

Composition & Meetings:

The Committee as on 31st March, 2015, comprises of three Directors being Mr. Rohit Kumar Dhoot, an Independent Director, as the Chairman, Mr. Chand Bihari Patodia, a Non-Executive Director and Mr. Anand Ashvin Dalal, an Independent Director as Members. The Company Secretary act as the Secretary to the Committee.

During the period the Committee met thrice on 5th May, 2014, 16th July, 2014 and 19th September, 2014. Attendance of the members at the meeting was as follows:

Name of the Member	Status	No. of meetings Attended
Mr. Rohit Kumar Dhoot	Chairman	3
Mr. Anand Ashvin Dalal	Member	3
Mr. Chand Bihari Patodia	Member	0

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 "E" to the Directors' Report

Remuneration of Directors:

The Non-Executive Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. They are also entitled to 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 197, 198 of the Companies Act, 2013. During the year under review the Company has not been able to pay any commission to the Non-Executive Directors in view of inadequacy of the profits of the Company.

The Company pays a sitting fee of ₹ 5,000/- and ₹ 2,500/- per meeting to each Director for attending

meetings of the Board of Directors and Committees thereof respectively. The details of sitting fees paid during the financial year 2014-15 are as follows:

Sl. No.	Name of the Director	Amount ₹
1	Mr. Anand Ashvin Dalal	37,500
2	Mr. Chand Bihari Patodia	7,500
3	Mr. Rohit Kumar Dhoot	20,000
4	Mr. Nirad Kant Bagla	32,500
5	Mr. Yashwant Kumar Daga	35,000
6	Mr. Umesh Jain - Nominee of IDBI @	20,000
7	Mr. Pradeep Sarkar- Nominee of SBI	15,000
8	Mr. Aniket Agarwal #	2,500

resigned with effect from 30th January, 2015.

@ IDBI substituted Mr. Umesh Jain with Mr. Arun Kumar Aggarwal as the nominee Director on the Board of the Company, with effect from 13th March, 2015.

None of the Non-Executive Directors of the Company holds any shares/securities of the Company.

Apart from receiving sitting fees none of the Non-Executive Directors of the Company has any pecuniary relationship or transaction with the Company.

The detail of remuneration paid to the Managing Directors Shri Chandra Shekhar Nopany for the financial year 2014-15:

Managing Director	Salary ₹	Perquisites ₹	Retirement Benefits ₹	Total ₹
Mr. Chandra Shekhar Nopany	39,00,000	75,43,000	4,68,000	1,19,11,000

Mr. Chandra Shekhar Nopany's remuneration package includes salary, free furnished accommodation with all expenses for upkeep and maintenance thereof, contribution to Provident Fund, reimbursement of medical expenses, leave travel concession, car with driver and telephone etc.

6. Corporate Social Responsibility (CSR) Committee - (Constituted on 13th May 2014)

Overall Purpose/ objectives:

As required under the Section 135 of the Companies Act, 2013, Corporate Social Responsibility Committee

was constituted on 13.05.2014 to undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of operations of the Company that may include:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by
- Socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection or flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art' setting up public libraries' promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the

scheduled castes, the scheduled tribes, other backward classes, minorities and women;

- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects etc.

Terms of Reference:

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises to review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 from time to time and to provide guidance on various CSR activities to be undertaken by the Company vis a vis to monitor its progress.

Composition & Meetings:

The Committee as on 31st March, 2015, comprises of Mr. Chandra Shekhar Nopany, as the Chairman, Mr. Chand Bihari Patodia, a Non-Executive Director and Mr. Yashwant Kumar Daga, an Independent Director as Members. The Company Secretary act as the Secretary to the Committee.

During the period the Committee met only once on 11th July, 2014 to finalise the Corporate Social Responsibility Policy and the CSR Policy approved by the Board is available on Company's website www.birla-sugar.com. Attendance of the members at the meeting was as follows:

Name of the Member	Status	No. of meetings Attended
Mr. Chandra Shekhar Nopany	Chairman	1
Mr. Yashwant Kumar Daga	Member	1
Mr. Chand Bihari Patodia	Member	0

7. Risk Management Committee - (Constituted on 18th 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. Chand Bihari Patodia, Non-Executive Director as its Chairman and Mr. Yashwant Kumar Daga, Independent Director as its member.

8. Independent Directors' Meeting

During the year under review, the Independent Directors met on January 29, 2015, inter alia, to discuss:

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

9. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors

individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance of individual Directors were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company etc.

10. Subsidiary Companies

The Company do have material subsidiaries wherein investments of the Company in the subsidiary exceeds 20% of its consolidated net worth of the Company as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year and accordingly, a Policy for determining material subsidiaries has been formulated by the Board in its meeting held on 5th November 2014 and such Policy has been disclosed on the Company website at www.birla-sugar.com.

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

11. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Again, there were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the

Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website and such Policy has been disclosed on the Company website at www.birla-sugar.com.

12. 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.

13. General Body Meetings

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

Financial Year	Date	Time	Location	Whether any Special Resolution passed
2013-14	08.09.2014	11.00 a.m.	Registered Office:	Yes
2012-13	07.08.2013	11.00 a.m.	Hargaon, Dist. Sitapur (U. P.),	Yes
2011-12	27.11.2012	11.00 a.m.	Pin-261 121.	Yes

The last Annual General Meeting was held on 8th September, 2014, which was chaired by Mr. Anand Ashvin Dalal, Chairman of the Audit Committee. Special resolutions were passed for the following business:

- To amend the Articles of Association
- Re-appointment of Mr. Chandra Shekhar Nopany as the Managing Director of the Company.
- 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

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.

One Special Resolution was passed at the Annual General Meeting held on 7th August, 2013 with respect to giving Corporate Guarantee to UCO Bank and State Bank of India, with respect to the financial assistance to sugarcane growers for cultivation of sugarcane crop in the command areas of the Sugar Mills of the Company.

A Special Resolution was passed at the Annual General Meeting held on 27th November, 2012 for Reduction of the Share Capital of the Company by an amount of ₹ 6400/- accorded to Bearer Equity Coupons of ₹ 12.5/₹ 25.

Postal Ballot:

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

- a. To make any loan, invest or give guarantee or provide security beyond the prescribed limits and Sec 186 of the Companies Act, 2013; and
- b. To adopt new Articles of Association in line with the provisions of Companies Act, 2013.

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

14. Disclosures

- i) There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related

Parties are disclosed in Note No. 34 to the Accounts in the Annual Report.

- ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.
- iii) The Company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- iv) The Company has complied with all the applicable mandatory requirements.
- v) In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

15. Means of Communication

- i) The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) 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 recently re-designed website www.birla-sugar.com and can be downloaded.

- iii) The Company also displays official press releases as and when released on above website.
- iv) 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 and National Stock Exchange of India Limited are filed electronically on BSE's on-line portal and NSE's NEAPS portal.
- v) Email id earmarked for redressing Investor queries in terms of Clause 47(f) of the Listing Agreement is birlasugar@birla-sugar.com
- vi) No presentation was made to any Institutional Investor or to any Analysts during the year.

16. General Shareholders' Information

i) 83rd Annual General Meeting

Day	: Monday
Date	: 14th September, 2015
Time	: 11.00 a.m.
Venue	: Registered Office of the Company at - Sugar Mills Complex Hargaon, District – Sitapur Uttar Pradesh – 261 121

ii) Tentative Financial Calendar for the year 2015-16

Approval of Audited Annual Results (2014-15)	7th May, 2015
First Quarter Results	On or before 14th August, 2015
Second Quarter Results	On or before 14th November, 2015
Third Quarter Results	On or before 14th February, 2015
Audited Annual Results (2015-16)	On or before 30th May, 2016

(iii) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 7th September, 2015 (Monday) to 14th September, 2015 (Monday) (both days inclusive) for the purpose of Annual General Meeting.

(iv) Dividend Payment Date

The Board of Directors did not recommend any dividend for the year under review.

(v) Listing on Stock Exchanges and Stock Codes

The Company's shares are listed on following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

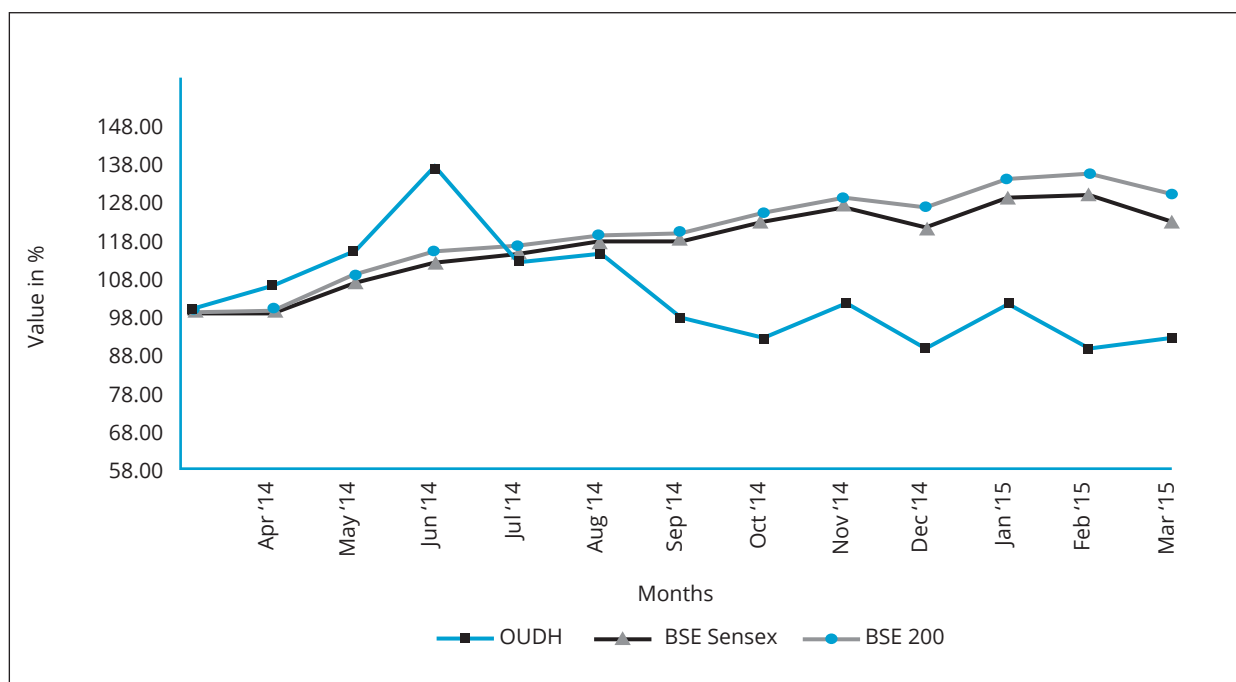
Name and Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised Shares)
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	507260	
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	ODHSUG	INE594A01014

vi) Market Price data

Monthly high/low of market price of the Company's Equity Shares traded on BSE Ltd. and National Stock Exchange of India Ltd. during the last financial year was as follows:

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
	₹	₹	₹	₹
April, 2014	23.70	20.75	24.75	20.90
May, 2014	28.40	19.60	28.35	19.80
June, 2014	29.90	24.45	29.70	24.60
July, 2014	29.95	22.35	29.60	21.30
August, 2014	25.95	18.75	28.50	21.15
September, 2014	29.00	20.55	25.80	20.25
October, 2014	22.60	18.25	22.55	18.50
November, 2014	25.85	19.10	26.00	19.30
December, 2014	23.70	16.25	22.40	18.20
January, 2015	22.60	18.65	21.50	18.90
February, 2015	24.00	18.00	22.00	17.70
March, 2015	21.95	15.15	21.75	15.60

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



viii) Registrar & Share Transfer Agent

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

Link Intime India Pvt. Ltd.**Unit: The Oudh Sugar Mills Ltd.**

C-13, Pannalal Silk Mills Compound
L.B.S Marg, Bhandup (West)
Mumbai - 400 078
Tel : 91 022 2596 3838
Fax : 91 022 2594 6969
E-mail : mumbai@linkintime.co.in

ix) Share Transfer System

The Board of Directors have authorised the Company Secretary to approve transfer/transmission of up to 1,000 shares. After the requests for transfer/transmission of above 1000 shares in physical form are approved by the Stakeholders' 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 4351 Equity Shares were transferred / transmitted during the financial year 2014-15. The dematerialised shares are directly transferred to the beneficiaries by the Depositories.

(x) Distribution of Shareholding

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

No. of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 - 500	10,125	82.46	14,97,958	5.78
501- 1000	1,006	8.19	7,93,890	3.06
1001 - 2000	549	4.47	8,13,959	3.14
2001 - 3000	211	1.72	5,39,387	2.08
3001 - 4000	100	0.81	3,58,574	1.38
4001 - 5000	53	0.43	2,49,332	0.96
5001 - 10000	125	1.02	8,80,719	3.40
10001 and above	110	0.90	2,07,83,466	80.20
Total	12,279	100.00	2,59,17,285	100.00

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

Category	No. of Shares held	% of Shareholding
Promoters	1,59,85,077	61.68
Financial Institutions, Banks, Mutual Funds, Insurance Companies, etc.	17,54,082	6.77
Bodies Corporate	16,56,341	6.39
Indian Public	64,24,881	24.79
NRIs / OCBs / FIIs / Foreign Nationals/Clearing Members	96,904	0.37
Total	2,59,17,285	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. and National Stock Exchange of India Ltd., under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 99.18% of the Equity Shares of the Company have already been dematerialised.

xii) Outstanding GDRs /ADRs/Warrants or Convertible Instrument

The Company has never issued GDRs and ADRs. There are no outstanding Warrants or Convertible Instruments.

xiii) Location of Plants:**Sugar Mills:**

- a) Hargaon, District Sitapur, Uttar Pradesh, Pin-261 121.
- b) Narkatiaganj, District West Champaran, Bihar, Pin-845 455.
- c) Hata, District Kushinagar, Uttar Pradesh, Pin-274 207.
- d) Rosa, District Shahjahanpur, Uttar Pradesh, Pin-242 406.

Distillery:

- a) Hargaon, District Sitapur, Uttar Pradesh, Pin-261 121.
- b) Narkatiaganj, District West Champaran, Bihar, Pin-845 455.

Co-generation Power Plants:

- a) Hargaon, District Sitapur, Uttar Pradesh, Pin-261 121.
- b) Narkatiaganj, District West Champaran, Bihar, Pin-845 455.
- c) Hata, District Kushinagar, Uttar Pradesh, Pin-274 207.

Food Processing Factory:

P.O. Bamrauli, Allahabad, Uttar Pradesh, Pin-211 012

xiv) Address for Correspondence:**The Company Secretary**

The Oudh Sugar Mills Ltd.
5th Floor, Birla Building
9/1, R.N. Mukherjee Road, Kolkata 700 001
Tel No: 91 - 033 - 2243 0497
Fax No: 91 - 033 - 2248 6369
E-mail: birlasugar@birla-sugar.com

Link Intime India Private Limited
(Unit: The Oudh Sugar Mills Ltd.)
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West), Mumbai 400 078
Tel. No.: 91 - 022 - 2596 3838
Fax No.: 91 - 022 - 2594 6969
E-mail : mumbai@linkintime.co.in

xv) Transfer of unpaid/unclaimed 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.

17. CEO and CFO Certification

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

18. Appointment/Re-appointment of Directors

Mr. Chand Bihari Patodia is liable to retire by rotation and is eligible for re-appointment. Pursuant to Section 161 of the Companies Act, 2013 Ms. Shashi Sharma holds office up to the date of the ensuing Annual General Meeting and may be appointed as Director according to the provisions of Section 161 and all other applicable provisions of the Companies Act, 2013. Brief particulars of the said Directors are given below:

- (i) Mr. Chand Bihari Patodia, aged 66 years possesses rich experience of over 37 years especially in Cane Marketing, Sugar Manufacturing Process, Administration and Finance. Mr. Patodia does not hold any Equity Share in the Company.

Names of other Indian public limited companies in which Mr. Chand Bihari Patodia is a Director or Chairman/Member of the Board/Committees:

Sl. No.	Name of the Company	Name of Board Committee	Chairman/Member
1	Avadh Sugar & Energy Limited	-	-
2	Allahabad Canning Limited	-	-
3	Palash Securities Limited	-	-
4	Spinkraft (India) Limited	-	-

- (ii) Ms. Shashi Sharma, aged 54 years possesses rich experience of over 28 years especially in general management, resource raising, treasury management in banking, finance and hospitality space. Ms. Sharma does not hold any Equity Share in the Company. She is not on the Board of any other Public Limited Company.

19. 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.

20. Code of Conduct & Ethics

The Company has also adopted a Code of Conduct

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

21. Legal Compliances

The Board reviews periodically compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non compliances, if any.

22. 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. The Company has submitted the quarterly compliance report in the prescribed format to the Stock Exchanges for the quarters ended June 30, 2014, September 30, 2014, December 31, 2014 and March 31, 2015

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges. The said certificate is annexed to this Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Uttar Pradesh along with the Annual Report.

23. Shareholders' Rights:

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

Annexure C

Declaration on Code of Conduct

To
The Members
The Oudh Sugar Mills Ltd.
P.O. Hargaon, Dist – Sitapur
U.P – 261 121

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, I, Chandra Shekhar Nopany, Chairman-cum-Managing Director of The Oudh Sugar Mills Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the financial year 2014-15.

Chandra Shekhar Nopany

Chairman-cum-Managing Director

Dated 7th May, 2015

Annexure D

Auditors' Certificate

To
The Members of **The Oudh Sugar Mills Limited**

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

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

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

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

For **S.R.Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

per **Kamal Agarwal**

Partner

Membership Number: 58652

Place : Kolkata

Date : 07th May 2015

Annexure E

Remuneration Policy

Introduction:

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

Objective and purpose of the Policy:

The objective and purpose of this policy are:

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

Effective Date:

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

Constitution of the Nomination and Remuneration Committee:

The Board of Directors at its meeting held on 13th May, 2014, in order to align with the requirements of Companies Act, 2013, changed the name of the Remuneration Committee constituted on 2nd September, 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 The Oudh Sugar Mills Limited.

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

"Key Managerial Personnel (KMP) means" -

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

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

Applicability

The Policy is applicable to

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

General

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

PART – A

Matters to be Dealt with, Perused and Recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

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

PART – B

Policy for Appointment and Removal of Director, Key Managerial Personnel and Senior Management

Guiding principles

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

- When determining the remuneration policy and arrangements for Executive Directors/ KMP's and Senior Management personnel, the Remuneration Committee considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.
- The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully.

- The Committee while considering a remuneration package must ensure a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

• Term / Tenure:

1. Managing Director/Whole-time Director:

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

2. Independent Director:

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

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

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

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

- **Evaluation:**

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

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

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder

or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

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

PART - C

Policy Relating to the Remuneration for The Whole-time Director, KMP and Senior Management Personnel

General

1. The remuneration / compensation / commission etc. to the Managing/Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director, wherever required.
4. Where any insurance is taken by the Company on behalf of its Managing/Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium

paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

5. Remuneration packages will be designed to attract high-calibre executives in a competitive global market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.
6. Remuneration is designed to motivate delivery of company's key business strategies, create a strong performance-orientated environment and reward achievement of meaningful targets over the short- and long-term.
7. The Executives may be entitled to customary non-monetary benefits such as company cars and company health care, telephone etc. In addition thereto in individual cases company housing and other benefits may also be offered.

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

1. Fixed pay:

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

2. Minimum Remuneration:

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

3. Provisions for excess remuneration:

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

Remuneration to Non-Executive / Independent Director:

1. Remuneration / Commission:

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

2. Sitting Fees:

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

3. Commission:

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

Disclosure

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

Approval of the Remuneration Policy

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

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

Annexure F

Secretarial Audit Report

Form No. MR-3

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

To,
The Members,
The Oudh Sugar Mills Limited
Uttar Pradesh

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company as specified in Annexure I and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

Management Responsibility:

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

Our Observations

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

Matters of Emphasis:

Being a listed company, the Company was required to appoint at least one Woman Director on its Board ensuring compliance with the provisions of Section 149 (1) of Act, 2013 read with Clause 49 (II)(A)(1) of LA. Pursuant to sub-section (2) of section 149 the Company should have within 1 year from commencement of the Act (i.e. within March 31, 2015) appointed a Woman Director. As on March 31, 2015 the Company does not have a Woman Director on its Board. However, the Nomination and Remuneration Committee of the Company at its meeting held April 22, 2015 has identified and recommended to the board, a Woman Director for necessary appointment by the board for necessary compliance.

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:

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors to the extent that the Company does not have a woman Director.

The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

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

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

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

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

Special resolution in terms of section 180 (1) (a) & (c) was passed by the Company at the Annual General Meeting held on September 08, 2014 to affirm the borrowing powers and power to create mortgage/charge/hypothecation on the movable, immoveable property of the Company to the extent of ₹ 1,500 crore;

Vinod Kothari & Company
Company Secretaries in Practice

Vinod Kothari
ACS 4718
C P No. 1391

Kolkata
Dated May 06, 2015

Annexure

List of documents

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

Annexure G

Form AOC- 1

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

Sl. No.	Financial Information	Champan Marketing Company Limited	Hargaon Investment & Trading Company Limited	OSM Investment & Trading Company Limited	Hargaon Properties Limited #	Vaishali Sugar & Energy Limited	Palash Securities Limited	Allahabad Canning Limited
1	Reporting Currency	₹	₹	₹	₹	₹	₹	₹
2	Share capital	1,08,72,500	3,04,57,270	1,74,04,180	49,99,990	5,00,000	5,00,000	5,00,000
3	Reserves & surplus	5,21,15,311	16,31,55,148	5,83,33,955	70,204	(28,210)	(28,210)	(28,210)
4	Total assets	26,80,70,938	38,85,26,751	11,10,35,635	50,75,194	5,00,000	5,00,000	5,00,000
5	Total Liabilities	26,80,70,938	38,85,26,751	11,10,35,635	50,75,194	5,00,000	5,00,000	5,00,000
6	Investments	5,31,37,572	18,31,64,978	10,77,07,627	47,23,634	-	-	-
7	Turnover	3,26,66,200	4,30,13,423	56,60,635	-	-	-	-
8	Profit before taxation	38,01,068	1,55,01,358	54,95,849	(34,866)	(28,210)	(28,210)	(28,210)
9	Provision for taxation	1,82,800	1,96,000	-	-	-	-	-
10	Profit after taxation	36,18,268	1,53,05,358	54,95,849	(34,866)	(28,210)	(28,210)	(28,210)
11	Proposed Dividend	-	-	-	-	-	-	-
12	% of shareholding	100	100	100	100	100	100	100

Holding 56% through Hargaon Investment & Trading Co. Ltd and 44 % through Champan Marketing Co. Ltd.

- Names of subsidiaries which are yet to commence operations -
 - Vaishali Sugar & Energy Limited
 - Palash Securities Limited
 - Allahabad Canning Limited
- 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			Network attributable to Shareholding as per latest audited Balance Sheet	Profit/Loss for the year		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated
		No.	Amount of investment in joint venture	Extent of Holding %		Considered in consolidation	Not considered in consolidation		
Associate									
Avadh Sugar & Energy Limited	31.03.2015	25,000	2,50,000	50%	(24,105)	-	(24,105)	Due to percentage of shareholding	Refer to Note 1(e) of Consolidated Financial Statements

For and on behalf of the Board of Directors

Chand Bahari Patodia
Director

Chandra Shekhar Nopany
Chairman-cum-Managing Director

Place : Mumbai
Date : 07th May 2015

Anand Sharma
Company Secretary

Dilip Patodia
Chief Financial Officer

Annexure H

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

A. Conservation of Energy:

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

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

- (a) Various machineries and equipment installed during earlier year besides increasing generation of steam tend to reduce consumption of steam and fuel.
- (b) Auto control combustion system fitted with all the boilers reduces the consumption of bagasse.
- (c) The modified system of heating sugarcane juices and bleeding of vapours for pan boiling is working satisfactorily in the form of considerably reducing consumption of steam and fuel.

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

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

- (a) Use of DG sets for generating electricity has been kept to bare minimum.
- (b) Electricity is generated in Co-Generation Power Plant using Bagasse as fuel which is a renewable source of energy. Captive requirement of electricity is met out of this generation and the balance power is sold to the State Grid.

(iii) **the capital investment on energy conservation equipments;**

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

B. Technology Absorption

(i) **the efforts made towards technology absorption;**

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

1) Control of Insect, Pest and Disease

- i) **Through Moist, Hot Treatment:** In order to maintain the genetic purity of varieties of Sugarcane, treatment is given to cane seed with moist hot air treatment. It improves the quality and yield of sugarcane. This process shall continue for the future also.
- ii) **Chemical Control:** In order to control the Insect, Pest and Borer, insecticide and pesticide is being applied on the crop just before indent of Pest and Borer for its control.
- iii) **Biological Control of Bore:** Parasites Trichogramma have been applied in the crop to protect from Insects, Pests and Borers.

2) Ratoon Management

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

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

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

(iv) The Company had incurred an expenditure on research and cane development amounting to ₹ 394.24 lacs.

C. Foreign Exchange Earnings and Outgo

a)	Earnings in foreign exchange	-	₹ 226.15 lacs
b)	Expenditure in foreign currency	-	₹ 20.63 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	79.87 : 1												
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary	Mr. Chandra Shekhar Nopany, Managing Director- 3.84% Mr. Dilip Patodia, CFO - 36.14% Mr. Anand Sharma, Company Secretary - NA (w.e.f. 1st July 2014)												
(iii)	Percentage increase in the median remuneration of employees in the financial year	7.74%												
(iv)	Number of permanent employees on the rolls of Company;	2037 employees as on 31.3.2015.												
(v)	Explanation on the relationship between average increase in remuneration and Company performance	Increase of 7.74% in median remuneration of employees during current year over previous year is satisfactory considering the 19.65% increase in the Revenue whereas the Profitability showed negative trend by 35.29% over previous year.												
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Increase of 22.64% in remuneration of Key Managerial Personnel during current year over previous year as compare to 19.65% increase in the Revenue whereas the Profitability showed negative trend by 35.29% over previous year.												
(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	<table border="1"> <thead> <tr> <th>Share Price</th> <th>As on 31.03.2015</th> <th>As on 31.03.2014</th> <th>% decrease</th> </tr> </thead> <tbody> <tr> <td>BSE</td> <td>18.75</td> <td>20.70</td> <td>9.42</td> </tr> <tr> <td>NSE</td> <td>19.60</td> <td>20.50</td> <td>4.39</td> </tr> </tbody> </table> <p>The market Capitalisation as on 31st March, 2015 was ₹ 48.59 crore (₹ 53.65 crore as on 31st March, 2014). The Company has not made any Public issue of securities in the recent past, so comparison of current share price with the public offer price has not been made.</p> <p>The Company's shares are listed on National Stock Exchange and BSE Ltd.</p>	Share Price	As on 31.03.2015	As on 31.03.2014	% decrease	BSE	18.75	20.70	9.42	NSE	19.60	20.50	4.39
Share Price	As on 31.03.2015	As on 31.03.2014	% decrease											
BSE	18.75	20.70	9.42											
NSE	19.60	20.50	4.39											
(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	<p>Average Salary increase of non-managerial employees and managerial employees is 7 %.</p> <p>The increase in Remuneration was to cover up the inflationary cost.</p> <p>There are no exceptional circumstances for increase in the managerial remuneration.</p>												

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 the 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	The Managing Director is the highest paid Director of the Company. There are no employees receiving remuneration more than the Managing Director.
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the financial year 2014-15 is as per the Remuneration Policy of the Company.

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

Name	Age	No of shares held	Designation/ Nature of Duties	Gross Remuneration (₹)	Qualification	Experience (years)	Date of commencement of employment	Previous employment & position held
Mr. Chandra Shekhar Nopany	49	73,804	Chairman cum Managing Director	1,19,11,000	B. Com., A.C.A., M.S.I.A.	25	1st July, 1995	None
Mr. Dilip Patodia	49	-	President (Finance) & Chief Financial Officer	88,19,513	B.Com, ACA, ACS	25	1st July, 2011	Rashmi Metalics Ltd

Notes :

- The remuneration includes salary, Company's contribution to provident fund and perquisite value of rent paid.
- The appointment is contractual.
- Other terms and conditions are as per rules of the Company.
- No employee is a relative of any Director or Key Managerial Personnel of the Company. Rule 5(iii) of the captioned Rules is not applicable.

For and on behalf of the Board

Mumbai
Dated 7th May, 2015

Chandra Shekhar Nopany
Chairman-cum-Mg Director

Annexure J

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015

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

I. Registration and Other Details

CIN	L15432UP1932PLC025186
Registration Date	26-07-1932
Name of the Company	The Oudh Sugar Mills Limited
Category / Sub-Category of the Company	Public Company/Limited by Shares
Address of the Registered office and contact details	P O Hargaon Dist Sitapur Uttar Pradesh 261 121 Tel No : 05862 256220
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13 Pannalal Silk Compound L.B.S Marg, Bhandup (West), Mumbai-400 078 Tel : 91 022 2596 3838 Fax : 91 022 2594 6969 E-mail : mumbai@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	83.75

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	Champaran Marketing Company Limited	U15424WB1951PLC019451	Subsidiary	100	2(87)
2	OSM Investment and Trading Limited	U67120WB1986PLC041677	Subsidiary	100	2(87)
3	Hargaon Investment & Trading Limited	U67120WB1986PLC041679	Subsidiary	100	2(87)
4	Hargaon Properties Limited	U70101WB2003PLC097280	Subsidiary	100	2(87)
5	Vaishali Sugar & Energy Limited	U15122UP2015PLC069634	Subsidiary	100	2(87)
6	Allahabad Canning Limited	U15122UP2015PLC069645	Subsidiary	100	2(87)
7	Palash Securities Limited	U74120UP2015PLC069675	Subsidiary	100	2(87)
8	Avadh Sugar & Energy Limited	U15122UP2015PLC069635	Joint Venture	50	2(6)

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

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares at the end of the year (As on 31-03-2015)			% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
A. Promoter and Promoter Group									
(1) Indian									
Individuals/Hindu Undivided Family	84,605	0	84,605	0.33	84,605	0	84,605	0.33	0.00
Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	1,59,00,472	0	1,59,00,472	61.35	1,59,00,472	0	1,59,00,472	61.35	0.00
Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (Total)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(1)	1,59,85,077	0	1,59,85,077	61.68	1,59,85,077	0	1,59,85,077	61.68	0.00
(2) Foreign									
Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (Total)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1,59,85,077	0	1,59,85,077	61.68	1,59,85,077	0	1,59,85,077	61.68	0.00
B. Public shareholding									
1. Institutions									
Mutual Funds/UTI	0	3,350	3,350	0.01	0	3,350	3,350	0.01	
Financial Institutions/Banks	45,33,345	630	4,53,975	1.75	4,53,295	630	4,53,925	1.75	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	15,23,533	10	15,23,543	5.88	12,96,797	10	12,96,807	5.00	0.88
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)	19,76,878	3,990	19,80,868	7.64	17,50,092	3,990	17,54,082	6.76	0.88

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares at the end of the year (As on 31-03-2015)			% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
2. Non-institutions									
Bodies Corporate	12,89,545	2851	12,92,396	4.99	15,18,666	2,851	15,21,517	5.87	0.88
Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >₹ 1 Lac.	45,87,921	2,19,517	48,07,438	18.55	44,73,778	2,05,480	46,79,258	18.05	(0.50)
Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of ₹ 1 Lac	16,82,165	0	16,82,165	6.49	17,45,623	0	17,45,623	6.74	0.25
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Member	64,798	0	64,798	0.25	1,34,824	0	1,34,824	0.52	0.27
Directors/Relatives	0	0	0	0	0.00	0	0	0	0.00
Foreign Company	0	0	0	0	0.00	0	0	0	0.00
Foreign National	0	1,019	1,019	0.00	0	1,019	1,019	0	0
HUF	0	0	0	0	0.00	0	0	0	0.00
Non Resident Indians (Non Repat) I	15,802	0	15,802	0.06	17,820	0	17,820	0.07	0.01
Non Resident Indians (Repat)	87,722	0	87,722	0.34	78,065	0	78,065	0.30	(0.04)
Office Bearers	0	0	0	0.00	0	0	0	0.00	0.00
Trust	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(2)	77,27,953	2,23,387	79,51,340	30.68	79,68,776	0	81,78,126	31.55	0.87
Total Public Shareholding (B)= (B)(1)+(B)(2)	97,04,831	2,27,377	99,32,208	38.32	97,18,868	0	99,32,208	38.32	0.00
Total (A)+(B)	2,56,89,908	2,27,377	2,59,17,285	100.00	2,57,03,945	0	2,59,17,285	100.00	0.00
Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0.00	0.00
Promoter and Promoter Group	0	0	0	0	0	0	0	0.00	0.00
Public	0	0	0	0	0	0	0	0.00	0.00
Grand Total (A)+(B)+(C)	2,56,89,908	2,27,377	2,59,17,285	0	2,57,03,945	0	2,59,17,285	0.00	0.00

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

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the year (As on 31-03-2015)			% change in shareholding during the year
	No of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
Uttar Pradesh Trading Co Ltd	33,26,901	12.84	0.00	33,26,901	12.84	0.00	0.00
SCM Investment & Trading Co Ltd	27,97,296	10.79	0.00	27,97,296	10.79	0.00	0.00
New India Retailing And Investment Ltd	27,78,044	10.72	10.72	27,78,044	10.72	10.72	0.00
RTM Investment And Trading Co Ltd	23,46,169	9.05	9.05	23,46,169	9.05	9.05	0.00
GMB Investments Private Limited	9,88,670	3.81	0.00	9,88,670	3.81	0.00	0.00
Sidh Enterprises Ltd	7,95,039	3.07	0.00	7,95,039	3.07	0.00	0.00
Sonali Commercial Ltd	6,68,000	2.58	2.32	6,68,000	2.58	2.32	0.00
Yashovardhan Investment & Trading Co Ltd	5,18,935	2.00	0.00	5,18,935	2.00	0.00	0.00
Deepshikha Trading Co Private Limited	4,60,919	1.78	1.78	4,60,919	1.78	1.78	0.00
Ronson Traders Limited	8,49,267	3.28	1.14	8,49,267	3.28	1.14	0.00
Uttam Commercial Ltd	3,05,000	1.18	0.00	3,05,000	1.18	0.00	0.00
Chandra Shekhar Nopany	73,804	0.28	0.00	73,804	0.28	0.00	0.00
Rajpur Farms Limited	39,705	0.15	0.00	39,705	0.15	0.00	0.00
Narkatiaganj Farms Limited	25,292	0.10	0.00	25,292	0.10	0.00	0.00
Nandini Nopany	10,801	0.04	0.00	10,801	0.04	0.00	0.00
The Oudh Trading Co (P) Ltd	1,235	0.00	0.00	1,235	0.00	0.00	0.00
	1,59,85,077	61.68	25.00	1,59,85,077	61.68	25.00	0.00

iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the year (As on 01-04-2014)		Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	1,59,85,077	61.68		
Changes during the year			No change during the year	
At the end of the year	1,59,85,077	61.68		

(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 (01-04-2014 to 31-03-2015)	
		No of Shares at the beginning (01-04-2014)/ end (31-03-2015) of the year	% of total shares of the Company				No of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	8,23,243	3.18	01-04-2014	No change			
		8,23,243	3.18	31-03-2015	during the year			
2	Punjab National Bank	4,53,295	1.75	01-04-2014	No change			
		4,53,295	1.75	31-03-2015	during the year			
3	National Insurance Company Ltd	4,50,773	1.74					
				06-06-2014	(89,489)	Transfer	3,61,284	1.39
				13-06-2014	(10,00,00)	Transfer	2,61,284	1.01
				30-06-2014	(10,511)	Transfer	2,50,773	0.97
				30-09-2014	(26,716)	Transfer	2,24,057	0.86
				31-12-2014	(20)	Transfer	2,24,037	0.86
				31-03-2015			2,24,037	0.86
4	Earthstone Holding (Two) Private Limited	2,24,037	0.86					
		2,48,846	0.96	01-04-2014	No change			
5	The New India Assurance Company Limited	2,48,846	0.96	31-03-2015	during the year			
		1,85,670	0.72	01-04-2014	No change			
6	Manu Gopaldas Chhabria	1,85,670	0.72	31-03-2015	during the year			
		1,83,673	0.71	01-04-2014				
				11-04-2014	200	Transfer	1,83,873	0.71
				16-05-2014	3,796	Transfer	1,87,669	0.72
				23-05-2014	47,228	Transfer	2,34,897	0.91
				30-05-2014	25,583	Transfer	2,60,480	1.01
				06-06-2014	1,308	Transfer	2,61,788	1.01
				13-06-2014	11,434	Transfer	2,73,222	1.05
				20-06-2014	9,040	Transfer	2,82,262	1.09
				30-06-2014	22,276	Transfer	3,04,538	1.18
				04-07-2014	630	Transfer	3,05,168	1.18
				11-07-2014	2,950	Transfer	3,08,118	1.19
				18-07-2014	2,371	Transfer	3,10,489	1.20
				25-07-2014	250	Transfer	3,10,739	1.20
				05-09-2014	200	Transfer	3,10,939	1.20
				12-09-2014	200	Transfer	3,11,139	1.20
				19-09-2014	300	Transfer	3,11,439	1.20
				30-09-2014	100	Transfer	3,11,539	1.20
				31-10-2014	1,600	Transfer	3,13,139	1.21
				07-11-2014	2,640	Transfer	3,15,779	1.22
				21-11-2014	11,551	Transfer	3,27,830	1.26
				19-12-2014	400	Transfer	3,28,230	1.27
				31-12-2014	1,590	Transfer	3,29,820	1.27

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No of Shares at the beginning (01-04-2014)/ end (31-03-2015) of the year	% of total shares of the Company				No of Shares	% of total shares of the Company
				02-01-2015	1,540	Transfer	3,31,360	1.28
				16-01-2015	8,975	Transfer	3,40,635	1.31
				23-01-2015	4,450	Transfer	3,45,085	1.33
				30-01-2015	9,912	Transfer	3,54,997	1.37
				06-02-2015	700	Transfer	3,55,697	1.37
				13-02-2015	3,125	Transfer	3,58,822	1.38
				20-02-2015	900	Transfer	3,59,722	1.39
				27-02-2015	3,627	Transfer	3,63,349	1.40
				06-03-2015	1,073	Transfer	3,64,422	1.41
				13-03-2015	2,500	Transfer	3,66,922	1.42
				20-03-2015	(11,400)	Transfer	3,55,522	1.37
		3,55,522	1.37	31-03-2015			3,55,522	1.37
7	Joshi Haren Navnitlal	80,158	0.31	01-04-2014	No change			
		80,158	0.31	31-03-2015	during the year			
8	Pavan Kumar Sanwarmal	79,000	0.30	01-04-2014				
				15-08-2014	(79,000)	Transfer		
		0	0.00	31-03-2015			0	0.00
9	Dalal Street Investment Limited	258	0.00	01-04-2014				
				15-08-2014	79,000	Transfer	79,258	0.31
				06-03-2015	(75,000)	Transfer	4,258	0.02
		4,258	0.02	31-03-2015			4,258	0.02
10	Comfort Securities Limited	0	0.00	01-04-2014				
				13-03-2015	75,000	Transfer	75,000	0.29
		75,000	0.29	31-03-2015			75,000	0.29
11	Bonanza Portfolio Ltd	25,032	0.10	01-04-2014			25,032	0.10
				04-04-2014	(700)	Transfer	24,332	0.10
				11-04-2014	(723)	Transfer	23,609	0.09
				18-04-2014	2,178	Transfer	25,787	0.09
				25-04-2014	2,581	Transfer	28,368	0.10
				02-05-2014	2,137	Transfer	30,505	0.11
				09-05-2014	500	Transfer	31,005	0.12
				16-05-2014	260	Transfer	31,265	0.12
				23-05-2014	(2,452)	Transfer	28,813	0.12
				30-05-2014	2,143	Transfer	30,956	0.11
				06-06-2014	8,631	Transfer	39,587	0.12
				13-06-2014	16,915	Transfer	56,502	0.15
				20-06-2014	(8,240)	Transfer	48,262	0.22
				30-06-2014	(4,439)	Transfer	43,823	0.19
				04-07-2014	9,357	Transfer	53,180	0.17
				11-07-2014	24,833	Transfer	78,013	0.21
				18-07-2014	(2,700)	Transfer	75,313	0.30
				25-07-2014	1,801	Transfer	77,114	0.29

Sl No	Name	Shareholding			Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)			
		No of Shares at the beginning (01-04-2014)/ end (31-03-2015) of the year	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No of Shares	% of total shares of the Company
				01-08-2014	185	Transfer	77,299	0.30
				08-08-2014	(100)	Transfer	77,199	0.30
				22-08-2014	265	Transfer	77,464	0.30
				29-08-2014	(290)	Transfer	77,174	0.30
				05-09-2014	3,077	Transfer	80,251	0.31
				19-09-2014	10,065	Transfer	90,316	0.31
				30-09-2014	100	Transfer	90,416	0.35
				07-11-2014	201	Transfer	90,617	0.35
				14-11-2014	(200)	Transfer	90,417	0.35
				21-11-2014	3,858	Transfer	94,275	0.35
				28-11-2014	500	Transfer	94,775	0.37
				05-12-2014	68	Transfer	94,843	0.37
				12-12-2014	475	Transfer	95,318	0.37
				19-12-2014	300	Transfer	95,618	0.37
				16-01-2015	1,020	Transfer	96,638	0.37
				23-01-2015	(23)	Transfer	96,615	0.37
				30-01-2015	2,718	Transfer	99,333	0.38
				06-02-2015	150	Transfer	99,483	0.38
				13-02-2015	200	Transfer	99,683	0.38
				27-02-2015	742	Transfer	1,00,425	0.39
				13-03-2015	2,097	Transfer	1,02,522	0.40
				20-03-2015	(3,651)	Transfer	98,871	0.38
				27-03-2015	(51,776)	Transfer	47,095	0.18
		47,095	0.18	31-03-2015			47,095	0.18
12	Globe Capital Market Limited	0		01-04-2014				
				20-03-2015	1,76,143	Transfer	1,76,143	0.68
				27-03-2015	85,500	Transfer	2,61,643	1.01
		2,78,941	1.08	31-03-2015	17,298	Transfer	2,78,941	1.08
13	The Punjab Produce and Trading Company Private Limited	70,000	0.27	01-04-2014	No change			
		70,000	0.27	31-03-2015	during the year			
14	Industry House Limited	64,908	0.25	01-04-2014	No change			
		64,908	0.25	31-03-2015	during the year			

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No	Name	Shareholding		Date		Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No of Shares at the beginning (01-04-2014)/ end (31-03-2015) of the year	% of total shares of the Company	Increase/ Decrease in shareholding	No of Shares		% of total shares of the Company	
A. Directors:								
1	Mr. Chandra Shekhar Nopany, Chairman and Managing Director	73,804	0.28	01-04-2014	No change		-	-
		73,804	0.28	31-03-2015	during the year		-	-
B. Key Managerial Personnel (KMPs)								
1	Mr. Dilip Patodia, President (Finance) & Chief Financial Officer	-	-	01-04-2014	No change		-	-
		-	-	31-03-2015	during the year		-	-
2	Mr. Anand Sharma, Company Secretary and Compliance Officer	-	-	01-04-2014	No change		-	-
		-	-	31-03-2015	during the year		-	-

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

	Secured Loans excluding deposits	Unsecured Loans	Working Capital	Total Indebtedness
(Amount in ₹)				
Indebtedness at the beginning of the financial year				
i) Principal Amount	94,262.11	15,986.90	-	1,10,249.01
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	607.83	-	-	607.83
Total (i+ii+iii)	94,869.94	15,986.90	-	1,10,856.84
Change in Indebtedness during the financial year				
Addition	2,666.00	-	-	2,666.00
Reduction	6,508.99	1,071.90	-	7,580.89
Net Change	(3842.99)	(1,071.90)	-	(4,914.89)
Indebtedness at the end of the financial year				
i) Principal Amount	86,578.26	14,915.00	-	1,01,493.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	380.48	-	-	380.48
Total (i+ii+iii)	86,958.74	14,915.00	-	1,01,873.74

VI. Remuneration of Directors and Key Managerial Personnel

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

		(Amount in ₹)	
Sl No.	Particulars of Remuneration	Mr. Chandra Shekhar Nopany, Chairman and Managing Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,00,000	39,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,72,105	28,72,105
	(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)	67,72,105	67,72,105

B. Remuneration to other Directors:

1. Independent Directors

		(Amount in ₹)					
Sl No.	Particulars of Remuneration	Name of Director					Total Amount
		Mr. Anand Ashvin Dalal	Mr. Rohit Kumar Dhoot	Mr. Yashwant Kumar Daga	Mr. Nirad Kant Bagla	Mr. Aniket Agarwal	
	Fee for attending Board/Committee Meetings	37,500	20,000	35,000	32,500	2,500	1,27,500
	Commission						
	Others, please specify						
	Total B (1)	37,500	20,000	35,000	32,500	2,500	1,27,500

2. Other Non-Executive Directors

		(Amount in ₹)			
Sl No.	Particulars of Remuneration	Mr. Chand Bihari Patodia	Mr. Umesh Jain, Nominee IDBI Bank Limited	Mr. Pradeep Kumar Sarkar, Nominee State Bank of India	Total Amount
	Fee for attending Board/Committee Meetings	7,500	20,000	15,000	42,500
	Commission				
	Others, please specify				
	Total B (2)	7,500	20,000	15,000	42,500
	Total (B) = (B)(1)+(B)(2)				1,70,000

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

				(Amount in ₹)
Sl No.	Particulars of Remuneration	Mr. Dilip Patodia, Chief Financial Officer	Mr. Anand Sharma, Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,57,350	28,98,000	89,55,350
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	17,79,163	5,01,800	22,80,963
	(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)	78,36,513	33,99,800	1,12,36,313

VII. Penalties / Punishment/ Compounding of Offences:

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

FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of
The Oudh Sugar Mills Limited
Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

reasonable assurance about whether the financial statements are free from material misstatement.

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

Basis for Qualified Opinion

As indicated in Note 14 to the financial statements, the Company has recognized Deferred Tax Asset (DTA) (net) of ₹ 12,904.91 lacs (including ₹ 3,777.71 lacs for the year) up to March 31, 2015, based on the future profitability projections made by the management. In our opinion, in the absence of virtual certainty about the above projections, as required in terms of Accounting Standard - 22, had the above impact been considered, loss for the year would have been ₹ 20,292.01 lacs (including DTA of ₹. 9,001.60 lacs recognised up to March 31, 2014) as against the reported loss of ₹ 7,387.10 lacs and Reserves & surplus as at the balance sheet date would have been (-) ₹ 28,012.88 lacs as against the reported figure of (-) ₹ 15,107.97 lacs.

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

Qualified Opinion

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

the effect of the matter stated in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, of its loss, and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 40 to the financial statements, regarding significant losses leading to material uncertainty about the Company's ability to continue as a going concern and based on mitigating factor, as fully described therein, the accompanying financial statements have been prepared under the going concern assumption.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) Except for the matter described in the Basis for Qualified Opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) Except for the matter stated in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply

with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) The matters discussed in the Basis for Qualified Opinion and Emphasis of matter paragraph above in our opinion, may have an adverse effect on functioning of the Company.
- (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) The qualification relating to the maintenance of accounts and the other matters connected therewith are stated in the Basis for qualified opinion paragraph above.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 7 & 36 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R.Batliboi & Co. LLP**

Chartered Accountants

Firm Registration Number: 301003E

per **Kamal Agarwal**

Partner

Place : Kolkata

Date : 07th May 2015

Membership Number: 58652

Annexure to the Independent Auditors' Report

(Referred to in our report of even date to the members of The Oudh Sugar Mills Limited as at and for the year ended 31st March, 2015)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas. There is no sale of services during the year.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it though there have been slight delays in few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, value added tax & cess on account of any dispute, are as follows:-

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Bihar Finance Act, 1981	Tax on sale of Alcohol for non submission of declaration forms	4.19	1995-96	Appellate Tribunal, Patna
U.P. Tax on Entry of Goods Act, 2007	Interest demand on Entry Tax on Sugar	0.74	2008-09	Joint Commissioner Appeal

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax demand on Stock transfer	16.00	1999-00,1993-94, 1996-97 to 1997-98, 2007-08, 2008-09	Joint Commissioner (Appeals) / High Court, Allahabad
	Taxability on alcohol sale	10.46	1977-78 to 1981-82	High Court, Allahabad Lucknow Bench
	Demand for Sales Tax due to non submission of Declaration Forms	9.31	2003-04, 2006-2007	Appellate Tribunal, Patna/ Lucknow
	Demand for VAT on sale of country spirit and various other matter	12.35	1985-86 to 1989-90, 2001-02, 2006-2007, 2009-10	High Court, Lucknow, Tribunal, Lucknow, 1st appeal Sitapur, Hon'ble High Court, Patna
Central Excise Act,1944	Disallowance of Cenvat Credit on Certain inputs / capital items / input services	4,372.31	2000-01 to 2014-15	Commissioner Appeal /CESTAT / High Court, Allahabad
	Excise Duty on burnt / waste and loss on storage of molasses etc.	37.21	1977-78, 1991-92, 2002-03 to 2005-06 & 2010-11	Commissioner (Appeals) / CESTAT / High Court, Allahabad
	Demand towards differential amount of sugar cess on duty paid stock	43.47	2007-08	CESTAT
State Act	Administration Charges on Molasses	116.29	2009-10	Supreme court of India

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act,1956 (1 of 1956) and rules made thereunder.
- (viii) Without considering the consequential effects, if any, of the matter stated in the Basis for Qualified Opinion paragraph of our auditor's report, the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss in the current year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks or debenture holders.
- (x) According to the information and explanations given to us, the Company has given guarantees for loans taken by others from a bank, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from other financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which these were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

per **Kamal Agarwal**

Place : Kolkata
Date : 07th May 2015

Partner
Membership Number: 58652

Balance Sheet

as at 31st March 2015

₹ in lacs

	Notes	As at 31st March 2015	As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	7,604.43	7,604.43
Reserves and Surplus	4	(15,107.97)	(7,482.82)
Bearer Equity Share Coupons	32	0.06	0.06
		(7,503.48)	121.67
Non-current Liabilities			
Long-term borrowings	5	31,204.74	33,663.83
Other long-term liabilities	6	489.22	721.46
Long-term provisions	7	272.80	134.34
		31,966.76	34,519.63
Current Liabilities			
Short-term borrowings	8	65,163.43	70,303.54
Trade payables	9	51,998.10	49,687.08
Other current liabilities	9	13,517.19	16,001.34
Short-term provisions	7	338.66	312.43
		1,31,017.38	1,36,304.39
Total		1,55,480.66	1,70,945.69
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	53,182.69	54,730.40
Intangible Assets	11	86.63	124.88
Capital Work-in-Progress	12	257.26	277.25
Non-current Investments	13	1,080.23	1,080.23
Deferred tax assets (net)	14	12,904.91	9,001.60
Loans and advances	15	17.81	28.45
Other Non-current assets	18.2	59.03	52.02
		67,588.56	65,294.83
Current assets			
Current Investments	16	17.50	-
Inventories	17	69,359.30	95,118.70
Trade Receivables	18.1	4,990.54	3,991.72
Cash and bank balances	19	426.88	376.45
Loans and advances	15	2,025.11	3,053.82
Other current assets	18.2	11,072.77	3,110.17
		87,892.10	1,05,650.86
Total		1,55,480.66	1,70,945.69
Summary of significant accounting policies	2.1		

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

As per our report of even date

For **S.R.Batliboi & Co. LLP**

Firm registration number : 301003E

Chartered Accountants

per **Kamal Agarwal**

Partner

Membership No.: 58652

For and on behalf of the Board of Directors

Chand Bihari Patodia

Director

Chandra Shekhar Nopany

Chairman-cum-Managing Director

Anand Sharma

Company Secretary

Dilip Patodia

Chief Financial Officer

Place : Kolkata

Date : 07th May 2015

Place : Mumbai

Date : 07th May 2015

Statement of Profit and Loss

for the year ended 31st March 2015

₹ in lacs

	Notes	Year ended 31st March 2015	Year ended 31st March 2014
INCOME			
Revenue from Operations (gross)	20	1,42,965.29	1,19,298.28
Less : Excise duty		3,833.36	3,374.65
Cess		918.44	702.38
Revenue from Operations (net)		1,38,213.49	1,15,221.25
Other Income	21	173.11	436.84
Total Revenue (I)		1,38,386.60	1,15,658.09
EXPENSES			
Cost of Raw Materials consumed	22	91,674.18	96,381.09
Purchase of Traded Goods	23	772.04	665.22
Decrease / (Increase) in Inventories of Finished Goods, Traded Goods and Goods under Process	23	24,795.54	(6,359.86)
Employee benefits expenses	24	5,487.67	5,006.60
Other expenses	25	11,087.58	10,915.38
Total (II)		1,33,817.01	1,06,608.43
Profit before finance costs, tax, depreciation and amortization [(I) - (II)]		4,569.59	9,049.66
Depreciation and Amortization expenses	26	2,847.29	4,173.81
Finance Costs	27	12,887.11	13,198.47
Profit / (Loss) before tax		(11,164.81)	(8,322.62)
Tax expenses			
Deferred tax charge / (credit)		(3,777.71)	(2,862.64)
Total tax expense / (credit)		(3,777.71)	(2,862.64)
Profit / (Loss) for the year		(7,387.10)	(5,459.98)
Earnings per equity share		₹	₹
[Nominal value of share ₹ 10 (₹ 10)]	29		
Basic & Diluted		(30.47)	(22.99)
Summary of significant accounting policies	2.1		

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

As per our report of even date

For **S.R.Batliboi & Co. LLP**

Firm registration number : 301003E

Chartered Accountants

per **Kamal Agarwal**

Partner

Membership No.: 58652

Place : Kolkata

Date : 07th May 2015

For and on behalf of the Board of Directors

Chand Bihari Patodia

Director

Anand Sharma

Company Secretary

Place : Mumbai

Date : 07th May 2015

Chandra Shekhar Nopany

Chairman-cum-Managing Director

Dilip Patodia

Chief Financial Officer

Cash Flow Statement

for the year ended 31st March 2015

	₹ in lacs	
	Year ended 31st March 2015	Year ended 31st March 2014
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit / (Loss) before tax	(11,164.81)	(8,322.62)
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation and Amortization expenses	2,847.29	4,173.81
Finance Costs	12,887.11	13,198.47
Loss on fixed assets sold / discarded (net)	44.66	7.81
Bad debts, irrecoverable claims and advances written off	72.13	1.78
Provision for bad and doubtful debts / advances	17.70	10.44
Provision for Warranties & Claims	6.65	9.89
Molasses Storage & Maintenance Reserve	5.85	8.07
Cane Purchase Tax Remission	-	(513.36)
Cane Commission Remission	-	(191.83)
Unspent Liabilities, Provisions no longer required and Unclaimed		
Balances adjusted	(79.64)	(203.85)
Interest Income	(10.84)	(11.74)
Dividend Income	(0.08)	(0.08)
Operating Profit before Working Capital Changes :	4,626.02	8,166.79
Increase in Trade Payables	2,388.04	13,581.90
Increase / (Decrease) in Long Term Provisions	138.46	(18.28)
Increase / (Decrease) in Short Term Provisions	19.58	(10.01)
(Decrease) in Other Current Liabilities	(1,400.33)	(6,609.55)
(Decrease) / Increase in Other Long Term Liabilities	(4.89)	4.31
(Increase) in Trade Receivables	(1,004.03)	(920.31)
(Increase) / Decrease in Non-current Loans & Advances	(1.81)	356.75
Decrease / (Increase) in Current Loans & Advances	769.07	(442.18)
(Increase) in Other Current Assets	(7,957.90)	(2,981.97)
Decrease / (Increase) in Inventories	25,759.40	(6,844.44)
Cash Generated from Operations:	23,331.61	4,283.01
Direct Taxes Paid	(0.03)	(1.05)
Net Cash From Operating Activities	23,331.58	4,281.96
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from sale of Tangible Assets	7.47	8.27
Purchase of Fixed Assets, including CWIP and Capital Advances	(1,615.24)	(883.09)
Molasses Storage & Maintenance Reserve utilised	-	(4.90)
Purchase of Current Investments	(17.50)	-
Loan Received Back	17.67	0.65
Interest Received	10.80	16.72
Dividend Received	0.08	0.08
Redemption / Maturity of Bank Deposits having original maturity of more than 3 months (net)	2.75	19.18
Receipt of Capital Subsidy	-	40.00
Net Cash Used in Investing Activities	(1,593.97)	(803.09)

Cash Flow Statement

for the year ended 31st March 2015

₹ in lacs

	Year ended 31st March 2015	Year ended 31st March 2014
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Long Term Borrowings	(6,281.64)	(5,089.26)
Proceeds from Long Term Borrowings	2,666.00	6,250.00
Repayment / Proceeds of / from Short Term Borrowings (net)	(5,133.21)	7,411.27
Repayment to Subsidiary Companies	(3,098.00)	(22.00)
Proceeds from Subsidiary Companies	3,251.10	1,151.00
Interest Paid	(13,041.54)	(13,185.82)
Other Borrowing Cost	(47.91)	(96.98)
Net Cash Used In Financing Activities	(21,685.20)	(3,581.79)
Net Changes In Cash & Cash Equivalents (A+B+C)	52.41	(102.92)
Cash & Cash Equivalents at the beginning of the year	367.32	470.24
Cash & Cash Equivalents at the end of the year *	419.73	367.32

* represents Cash and Bank Balances as indicated in Note 19 and excludes ₹ 7.15 lacs (₹ 9.13 lacs) being balances having maturity of more than 3 months.

As per our report of even date

For **S.R.Batliboi & Co. LLP**

Firm registration number : 301003E

Chartered Accountants

per **Kamal Agarwal**

Partner

Membership No.: 58652

Place : Kolkata

Date : 07th May 2015

For and on behalf of the Board of Directors

Chand Bihari Patodia

Director

Anand Sharma

Company Secretary

Place : Mumbai

Date : 07th May 2015

Chandra Shekhar Nopany

Chairman-cum-Managing Director

Dilip Patodia

Chief Financial Officer

Notes to Financial Statements

as at and for the year ended 31st March 2015

1. CORPORATE INFORMATION

The Oudh Sugar Mills Limited (the Company) is a public Company domiciled in India. Its shares are listed on National and Bombay 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 Food Processing Products. The Company presently has manufacturing facilities at Hargaon District Sitapur, Dhadha Bujurg District Kushinagar, Rosa District Shahjahanpur and Allahabad in the State of Uttar Pradesh and at Narkatiaganj District West Champaran in the State of Bihar.

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, except for the change in accounting policy explained below.

2.1 Summary of Significant Accounting Policies

Change in Accounting Policy

Depreciation on Fixed Assets

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

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

Based on transitional provision given in Schedule II to the Companies, 2013, the carrying value of assets whose useful lives are already exhausted amounting to ₹ 243.90 Lacs (net of deferred tax of ₹ 125.60 Lacs) has been added to opening debit balance of the Statement of Profit and Loss. Had there been no change in useful lives of fixed assets, the charge to the Statement of Profit and Loss would have been higher by ₹ 1,307.41 Lacs.

(a) Use of Estimates

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

(b) Tangible Fixed Assets

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

Notes to Financial Statements

as at and for the year ended 31st March 2015

parts as individual assets with specific useful lives and depreciates them accordingly.

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

Gains or losses arising from derecognition of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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

(c) Depreciation on Tangible Fixed Assets

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

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

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

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

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

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

(d) Intangible Assets

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

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

(e) Leases

Operating Lease

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

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

Notes to Financial Statements

as at and for the year ended 31st March 2015

lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to the expenses account.

(f) Borrowing Costs

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

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

(g) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

(h) Government Grants and Subsidies

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

When the grant or subsidy relates to an expense item, it is recognized as income

over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

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

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

(i) Investments

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

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

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

(j) Inventories

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

Goods under process, finished goods (including Power Banked), traded goods and standing

Notes to Financial Statements

as at and for the year ended 31st March 2015

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

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

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

(k) Revenue Recognition

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

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

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

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

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

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

(l) Foreign Currency Transactions

Initial recognition

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

Conversion

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

Exchange differences

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

(m) Retirement and other Employee Benefits

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

Notes to Financial Statements

as at and for the year ended 31st March 2015

scheme as an expenditure, when an employee renders the selected service.

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

Short term compensated absences are provided for based on estimates.

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

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

(n) Income taxes

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

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

depreciation and tax losses, deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

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

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

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

Notes to Financial Statements

as at and for the year ended 31st March 2015

(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 average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period

attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

(q) Cash and Cash Equivalents

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

(r) Excise Duty

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

(s) Provisions

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

(t) Contingent Liabilities

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

Notes to Financial Statements

as at and for the year ended 31st March 2015

3. SHARE CAPITAL

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
Authorized :		
4,00,00,000 (4,00,00,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
5,00,00,000 (5,00,00,000) Preference Shares of ₹ 10/- each	5,000.00	5,000.00
3,00,00,000 (3,00,00,000) Unclassified Shares of ₹ 10/- each	3,000.00	3,000.00
Total	12,000.00	12,000.00
Issued :		
2,61,70,410 (2,61,70,410) Equity Shares of ₹ 10/- each	2,617.04	2,617.04
5,00,00,000 (5,00,00,000) Preference Shares of ₹ 10/- each	5,000.00	5,000.00
Total	7,617.04	7,617.04
Subscribed and fully paid-up :		
2,59,17,285 (2,59,17,285) Equity Shares of ₹ 10/- each	2,591.73	2,591.73
5,00,00,000 (5,00,00,000) Preference Shares of ₹ 10/- each	5,000.00	5,000.00
	7,591.73	7,591.73
Add : Forfeited shares (amount originally paid-up)	12.70	12.70
Total	7,604.43	7,604.43

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

	As at 31st March 2015		As at 31st March 2014	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Equity shares of ₹ 10/- each				
Outstanding at the beginning and at the end of the year	2,59,17,285	2,591.73	2,59,17,285	2,591.73

Preference shares

	As at 31st March 2015		As at 31st March 2014	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Preference shares of ₹ 10/- each				
Outstanding at the beginning and at the end of the year	5,00,00,000	5,000.00	5,00,00,000	5,000.00

(b) Terms / rights attached to Equity Shares

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 (CRPS) carries dividend @ 8.5% per annum.

CRPS shall be redeemable at par on 2nd August 2023 being twelve years and one day from the date of allotment i.e. 01st August 2011 with a right vested to the Board of Directors to redeem it earlier, subject to the consent of the lenders and dividend is payable at the time of redemption of the CRPS. However, the Board reserves the right to pay the dividend earlier with the consent of the Lenders and subject to the availability of profit.

Notes to Financial Statements

as at and for the year ended 31st March 2015

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

Name of the shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10/- each fully paid				
Uttar Pradesh Trading Co. Ltd.	33,26,901	12.84%	33,26,901	12.84%
SCM Investment & Trading Co. Ltd.	27,97,296	10.79%	27,97,296	10.79%
New India Retailing & Investment Ltd.	27,78,044	10.72%	27,78,044	10.72%
RTM Investment & Trading Co. Ltd.	23,46,169	9.05%	23,46,169	9.05%
CRPS of ₹ 10/- each fully paid				
Sutlej Textile & Industries Ltd.	5,00,00,000	100.00%	5,00,00,000	100.00%

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

4. RESERVES AND SURPLUS

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
Capital Reserve		
As per the last financial statements	195.88	195.88
Capital Redemption Reserve		
As per the last financial statements	37.69	37.69
Securities Premium Account		
As per the last financial statements	9,315.03	9,315.03
Molasses Storage and Maintenance Reserve		
Balance as per the last financial statements	113.14	109.97
Add: Provided during the year	5.85	8.07
Less : Utilised during the year	-	4.90
Closing balance	118.99	113.14
Effluent Disposal Reserve		
As per the last financial statements	2.84	2.84
Surplus / (Deficit) in the Statement of Profit and Loss *		
Balance as per last financial statements	(17,147.40)	(11,687.42)
Add : Adjustment for change in useful life, net of deferred taxes (Note 2.1)	(243.90)	-
Profit / (Loss) for the year	(7,387.10)	(5,459.98)
Net Surplus / (Deficit) in the Statement of Profit and Loss	(24,778.40)	(17,147.40)
Total Reserves and Surplus	(15,107.97)	(7,482.82)

* after adjusting ₹ 3,375.12 lacs being transfer from General Reserve during the year 2006-2007 to 2010-2011 to set off the debit balance in Profit & Loss Account.

Notes to Financial Statements

as at and for the year ended 31st March 2015

5. LONG-TERM BORROWINGS

	₹ in lacs			
	Non-current portion		Current portion	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Term Loans (secured) :				
From Banks -				
Term Loan	20,549.00	23,505.25	2,956.25	1,630.04
Funded Interest Term Loan (FITL)	-	1,298.97	1,298.97	3,420.98
Under Financial Assistance Scheme (SEFASU 2014)	8,916.00	6,250.00	-	-
From Sugar Development Fund	1,739.74	2,609.61	869.87	1,230.62
	31,204.74	33,663.83	5,125.09	6,281.64
Less : Amount disclosed under the head "other current liabilities" (Note 9)			5,125.09	6,281.64
Net amount	31,204.74	33,663.83	-	-

- (a) Term Loans and FITL from Banks carry interest rate in the range of 13.77% to 14.99% and are repayable in 32 and 12 quarterly instalments respectively by 30th June 2020 and 30th June 2015. These loans 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 Hargaon, Narkatiaganj and Dhadha Bujurg (Hata) and Distillery Unit at Hargaon, ranking pari-passu amongst the various lenders, subject to prior charges created on movables for working capital borrowings from the Company's bankers.

The above Term Loans including FITL are further secured as follows.

- (i) Second charge on current assets of Sugar Unit at Dhadha Bujurg (Hata) ranking pari-passu amongst the various lenders.
Second charge on fixed assets of Sugar Unit at Rosa ranking pari-passu amongst the various lenders.
 - (ii) Third charge on current assets of Sugar Unit at Narkatiaganj.
 - (iii) Third charge on current assets of Sugar & Distillery Units at Hargaon.
 - (iv) Pledge of 64,79,294 equity shares of the Company held by the promoter group companies, ranking pari-passu amongst the various lenders.
- (b) Term loans from banks under Financial Assistance Scheme (SEFASU 2014), carry interest rate in the range of 12% to 13% p.a. and is repayable in 12 quarterly instalments by 30th June 2019. The Company is entitled to interest subvention from the Government of India upto 12% as per terms of scheme and the same will be directly reimbursed to bank by Department of Food & Public Distribution and hence, no liability towards interest has been provided in these accounts. The above loan is secured by the first pari passu charge on all the fixed assets of both present and future of Sugar and Co-generation units of the Company at Hargaon & Dhadha Bujurg (Hata) and Sugar units of the Company at Narkatiaganj & Rosa.
- (c) Term loans from the Sugar Development Fund, which carry interest of 4% p.a., are secured by a second charge on all the immovable / movable assets (save and except book debts) present and future of the Company's Sugar Units at Hargaon and Narkatiaganj.

Notes to Financial Statements

as at and for the year ended 31st March 2015

The above loans are repayable as under.

	₹ in lacs		Repayment Schedule
	As at 31st March 2015	As at 31st March 2014	
(i) Hargaon Sugar unit	1,874.01	2,498.68	5 yearly instalments ending on 30th September 2017.
(ii) Hargaon Distillery unit	-	360.75	8 half yearly instalments ending on 18th August 2014.
(iii) Narkatiaganj Sugar unit	735.60	980.80	5 yearly instalments ending on 1st April 2018.
	2,609.61	3,840.23	

6. OTHER LONG-TERM LIABILITIES

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
Interest accrued but not due on borrowings	380.48	607.83
Trade and other deposits	108.74	113.63
Total	489.22	721.46

7. PROVISIONS

	₹ in lacs			
	Long-term		Short-term	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Provision for employee benefits				
Gratuity (Note 30)	272.80	134.34	100.00	100.00
Leave	-	-	183.77	158.26
	272.80	134.34	283.77	258.26
Other provisions				
For warranties	-	-	5.33	4.16
For wealth tax	-	-	4.00	4.45
For litigation, claims and contingencies	-	-	45.56	45.56
	-	-	54.89	54.17
	272.80	134.34	338.66	312.43

Provision for warranties

A provision is recognized for expected warranty claims on products based on the management's estimate computed on the basis of past experience. It is expected that the entire provision will be utilized within one year of the reporting date, since the warranty is generally for one year. The table below gives information about movement in warranties provisions.

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
At the beginning of the year	4.16	6.20
Add : Additions during the year	6.65	9.89
Less : Utilized / written back during the year	(5.48)	(11.93)
At the end of the year	5.33	4.16

Notes to Financial Statements

as at and for the year ended 31st March 2015

Provision for litigation, claims and contingencies

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

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
At the beginning of the year	45.56	45.56
Add : Arisen during the year	-	-
Less : Utilized / unused amount reversed during the year	-	-
At the end of the year	45.56	45.56

8. SHORT-TERM BORROWINGS

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
Cash credit from Banks (secured) (repayable on demand)	50,248.43	54,316.64
Other Loans & Advances (unsecured)		
From Subsidiary Companies (Note 34g)	3,900.00	3,906.90
Inter-Corporate Deposits		
From related parties (Note 34g)	6,825.00	6,825.00
From others	4,190.00	5,255.00
	65,163.43	70,303.54

Cash Credit from bank other than from District Co-operative Bank Ltd. is secured by hypothecation of the entire current assets of the Company and also by a charge on the immovable assets as follows :

- (i) Canning factory at Allahabad - First Charge;
- (ii) Sugar Unit at Rosa - First Charge;
- (iii) Sugar Unit at Dhadha Bujurg (Hata) - Second Charge;
- (iv) Sugar Units at Hargaon and Narkatiaganj - Third Charge.

In addition, Cash Credit from banks are also secured by pledge of 64,79,294 equity shares of the Company held by the promoter group companies, ranking pari-passu amongst the various lenders.

Cash credit of ₹ 12,156.16 lacs (₹ 14,082.15 lacs) from District Co-operative Bank Ltd. is secured by pledge of the Stock of Sugar pertaining to Sugar Units at Hargaon and Rosa.

Cash Credit borrowings carry interest rates ranging between 11.75% to 13.00% p.a.

Notes to Financial Statements

as at and for the year ended 31st March 2015

9. OTHER CURRENT LIABILITIES

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
Trade Payables (refer Note 42 for details of dues to micro and small enterprises)	51,998.10	49,687.08
Other liabilities :		
Current maturities of long-term borrowings (Note 5)	5,125.09	6,281.64
Payable towards deduction against crop loan by a bank	-	1,711.12
Payable towards purchase of capital goods	70.97	35.69
Payable to employees	601.11	666.11
Advance against Sales	315.52	151.49
Interest accrued but not due on borrowings, deposits etc.	805.27	767.82
Investor Education and Protection Fund will be credited by following amounts (as and when due) -		
Unclaimed dividend	4.00	4.00
Others -		
Statutory dues	345.10	308.77
Excise Duty on Closing Stocks	2,483.43	2,525.46
Crop Loan from a Bank pending disbursement to cane growers	3,742.46	3,518.11
Miscellaneous	24.24	31.13
	13,517.19	16,001.34
	65,515.29	65,688.42

Notes to Financial Statements

as at and for the year ended 31st March 2015

10. TANGIBLE ASSETS

	Freehold Leasehold							Furniture and Fixtures	Vehicles	Office Equipments	Total (c)
	Land (a) & (b)	Land	Buildings	Plant and Equipments	Data Processing Equipment	Computer and Data Processing Equipment	and Fixtures				
Cost											
At 1st April 2013	2,254.11	23.50	5,939.03	81,649.13	195.21	228.33	420.62	101.32	90,811.25		
Additions	2.32	-	348.77	321.07	30.90	26.20	50.01	13.44	792.71		
Disposals	-	-	0.18	46.78	21.65	17.75	15.46	9.49	111.31		
At 31st March 2014	2,256.43	23.50	6,287.62	81,923.42	204.46	236.78	455.17	105.27	91,492.65		
Additions	-	-	822.80	769.39	27.59	11.77	40.00	11.41	1,682.96		
Disposals	-	-	48.31	536.52	13.26	10.08	24.09	3.25	635.51		
At 31st March 2015	2,256.43	23.50	7,062.11	82,156.29	218.79	238.47	471.08	113.43	92,540.10		
Depreciation											
At 1st April 2013	-	3.85	1,094.39	31,094.87	128.12	131.71	223.15	42.50	32,718.59		
Charge for the year	-	0.78	150.85	3,911.37	19.51	10.62	34.34	11.42	4,138.89		
Disposals	-	-	1.75	37.14	20.56	15.36	13.66	6.76	95.23		
At 31st March 2014	-	4.63	1,243.49	34,969.10	127.07	126.97	243.83	47.16	36,762.25		
Added to opening balance of Statement of Profit & Loss (Note 2.1)	-	-	108.64	232.07	7.45	2.67	14.57	4.10	369.50		
Charge for the year	-	0.79	416.73	2,280.23	33.29	21.60	36.18	20.29	2,809.11		
Disposals	-	-	45.59	489.61	12.62	9.84	22.68	3.11	583.45		
At 31st March 2015	-	5.42	1,723.27	36,991.79	155.19	141.40	271.90	68.44	39,357.41		
Net Block											
At 1st March 2014	2,256.43	18.87	5,044.13	46,954.32	77.39	109.81	211.34	58.11	54,730.40		
At 31st March 2015	2,256.43	18.08	5,338.84	45,164.50	63.60	97.07	199.18	44.99	53,182.69		

(a) Includes ₹ 3.46 lacs (₹ 3.46 lacs) being the value of agricultural land measuring about 3839 acres together with estimated written down value of immovable assets thereon, taken over by the Government of Uttar Pradesh under the U.P. Imposition of Ceiling of Land Holding Act, 1960, a case whereof is pending in the court.

(b) Title deeds for ₹ 433.26 lacs (₹ 433.26 lacs) are yet to be executed in favour of the Company.

(c) Includes assets held in joint ownership with others - Gross Block ₹ 201.22 lacs (₹ 201.22 lacs) and Net Block ₹ 88.55 lacs (₹ 104.91 lacs), head-wise details of which is as under :

	Freehold Leasehold							Furniture and Fixtures	Vehicles	Office Equipments	Total
	Land (a) & (b)	Land	Buildings	Plant and Equipments	Data Processing Equipment	Computer and Data Processing Equipment	and Fixtures				
At 31st March 2014											
Gross Block	0.80	-	88.19	22.67	1.61	37.71	44.44	5.80	201.22		
Net Block	0.80	-	64.54	9.54	0.24	18.04	10.22	1.53	104.91		
At 31st March 2015											
Gross Block	0.80	-	88.19	22.67	1.61	37.71	44.44	5.80	201.22		
Net Block	0.80	-	63.07	7.07	0.15	14.74	2.27	0.45	88.55		

Notes to Financial Statements

as at and for the year ended 31st March 2015

11. INTANGIBLE ASSETS

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Computer Software :		
Opening gross block	190.01	171.31
Additions	-	18.70
Disposals	0.43	-
Closing balance	189.58	190.01
Amortization		
Opening balance	65.13	30.21
Charge for the year	38.18	34.92
Disposals	0.36	-
Closing balance	102.95	65.13
Net block	86.63	124.88

12. CAPITAL WORK-IN-PROGRESS

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Balance brought forward from the previous year	277.25	217.57
Add : Additions during the year	376.21	549.18
	653.46	766.75
Less : Transfer to Tangible Assets during the year	396.20	489.50
Balance carried to Balance Sheet	257.26	277.25

Notes to Financial Statements

as at and for the year ended 31st March 2015

13. NON-CURRENT INVESTMENTS

			₹ in lacs	
	Number of Units / shares	Face Value Per Unit/ Share	As at 31st March 2015	As at 31st March 2014
Non Trade				
(valued at cost unless stated otherwise)				
Quoted (fully paid)				
Investment in Equity Instruments				
Upper Ganges Sugar & Industries Ltd.	18,562	10.00	13.23	13.23
			13.23	13.23
Unquoted (fully paid)				
Investment in Equity Instruments				
In Subsidiary Companies				
Champaran Marketing Company Ltd.	43,49,000	2.50	192.96	192.96
Hargaon Investment & Trading Co. Ltd.	30,45,727	10.00	609.14	609.14
OSM Investment & Trading Co. Ltd.	17,40,418	10.00	261.06	261.06
			1,063.16	1,063.16
In Other Companies				
Bihar State Financial Corporation Ltd.	70	100.00	0.07	0.07
Moon Corporation Ltd. ('A' Class)	745	100.00	0.77	0.77
Moon Corporation Ltd. ('B' Class)	2,502	5.00	0.13	0.13
Birla Buildings Ltd.	1,920	10.00	0.19	0.19
The Oudh Trading Co. Pvt. Ltd.	25	100.00	0.03	0.03
A.P.V. Texmaco Ltd. (in liquidation)	28,750	10.00	-	-
[at cost less provision for other than temporary diminution ₹ 0.86 lacs]				
			1.19	1.19
In Government Securities				
11 % Bihar State Development Loan, 2001		(a)	0.53	0.53
6 Years National Savings Certificates		(a)	2.12	2.12
5 1/2 % U.P.State Development Loan, 1977		(a) & (b)		
7 Years National Defence Certificates		(a) & (b)		
12 Years National Plan Savings Certificates		(a) & (b)		
			2.65	2.65
			1,080.23	1,080.23
Aggregate amount of quoted investments			13.23	13.23
[Market value : ₹ 7.04 lacs (₹ 6.50 lacs)]				
Aggregate amount of unquoted investments			1,067.00	1,067.00

(a) Deposited / pledged with various Government authorities.

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

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

Name of the Company	No. of shares	Face Value per share (in ₹)
Jai Hind Publishing Company Limited (in liquidation)	80	25.00
Akhil Bharat Printers Limited (in liquidation)	150	100.00

Notes to Financial Statements

as at and for the year ended 31st March 2015

14. DEFERRED TAX ASSET (NET)

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Deferred Tax Asset		
Carry forward of Unabsorbed Depreciation and Business Losses	21,430.93	16,974.31
Expenditure allowable against taxable income in future years	2,577.84	3,217.82
	24,008.77	20,192.13
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	11,103.86	11,190.53
	11,103.86	11,190.53
Net Deferred Tax Asset	12,904.91	9,001.60

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

15. LOANS AND ADVANCES

₹ in lacs

	Non-current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good except stated otherwise)				
Capital advances	5.39	17.84	-	-
Sundry Deposits				
Considered good	12.42	10.61	36.11	70.67
Considered doubtful	-	-	1.44	1.44
	12.42	10.61	37.55	72.11
Less : Provision for doubtful deposits	-	-	1.44	1.44
	12.42	10.61	36.11	70.67
Loan (Interest free) to a subsidiary company (Note 34f)	-	-	292.85	452.85
Advances recoverable in cash or in kind or for value to be received or pending adjustments				
Considered good *	-	-	493.91	742.79
Considered doubtful	-	-	550.33	552.02
	-	-	1,044.24	1,294.81
Less : Provision for doubtful advances	-	-	550.33	552.02
	-	-	493.91	742.79
Other loans and advances				
Loan to employees	-	-	45.58	63.25
Deposits against demand under appeal and / or under dispute	-	-	239.41	265.52
Claims / Refund Receivable	-	-	31.97	159.07
Prepaid Expenses	-	-	88.42	48.85
Tax deducted at source	-	-	4.39	4.36
Balances with Excise and Other Government Authorities	-	-	792.47	1,246.46
	-	-	1,202.24	1,787.51
	17.81	28.45	2,025.11	3,053.82

* Includes ₹ 0.81 Lacs (₹ 39.64 Lacs) to a related party refer Note 34e.

Notes to Financial Statements

as at and for the year ended 31st March 2015

16. CURRENT INVESTMENTS

		₹ in lacs		
	Number of Units / shares	Face Value Per Unit/ Share	As at 31st March 2015	As at 31st March 2014
Non Trade				
(valued at cost unless stated otherwise)				
Unquoted (fully paid)				
Investment in Equity Instruments				
In Subsidiary Companies				
Allahabad Canning Ltd.	50,000	10.00	5.00	-
Palash Securities Ltd.	50,000	10.00	5.00	-
Vaishali Sugar & Energy Ltd.	50,000	10.00	5.00	-
			15.00	-
In Joint Venture Company				
Avadh Sugar & Energy Ltd.	25,000	10.00	2.50	-
			17.50	-

17. INVENTORIES

		₹ in lacs	
	Notes	As at 31st March 2015	As at 31st March 2014
Valued at Lower of Cost and Net Realisable Value			
Raw materials	22	1,149.33	1,337.49
Goods under process	23	1,050.53	2,045.28
Finished goods	23	60,382.66	85,031.38
Traded goods	23	333.75	283.52
Stores, Chemicals and spare parts etc.		1,965.16	2,190.37
Power - Banked	23	70.88	58.99
Bio-compost	23	95.80	56.39
Agriculture Products - Standing Crop	23	98.94	92.29
Valued at Estimated Realisable Value			
By-Products	23	4,180.99	3,993.22
Scrap	23	31.26	29.77
		69,359.30	95,118.70
The above includes stock in transit :			
Stores, Chemicals and spare Parts etc.		40.28	49.66

Notes to Financial Statements

as at and for the year ended 31st March 2015

18. TRADE RECEIVABLES AND OTHER ASSETS

18.1 Trade Receivables

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	40.06	53.63
Considered doubtful	41.89	30.95
	81.95	84.58
Less :Provision for doubtful trade receivables	41.89	30.95
	40.06	53.63
Other receivables		
Secured, considered good	9.52	37.14
Unsecured, considered good*	4,940.96	3,900.95
	4,950.48	3,938.09
	4,990.54	3,991.72

* Includes ₹ 370.55 lacs (₹ Nil) receivable accrued on account of revision in power tariff.

18.2 Other Assets

₹ in lacs

	Non-current		Current	
	As at	As at	As at	As at
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
(Unsecured, considered good)				
Non-current Bank balance (Note 19)	15.80	16.57	-	-
Interest accrued on Loans, Advances, Deposits, Investments etc.	-	-	5.31	5.27
Unamortised ancillary cost of arranging the borrowing	43.23	35.45	13.56	8.90
Claims and Refunds Receivable towards Subsidy & Incentives (also refer to Note 38)	-	-	8,978.60	1,499.87
Renewable Energy Certificates entitlement	-	-	2,075.30	1,596.13
	59.03	52.02	11,072.77	3,110.17

19. CASH AND BANK BALANCES

₹ in lacs

	Non-current		Current	
	As at	As at	As at	As at
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Cash and cash equivalents				
Balances with banks:				
On current accounts			321.91	248.26
On unpaid dividend account			4.00	4.00
Cheques / Drafts on hand			54.21	49.89

Notes to Financial Statements

as at and for the year ended 31st March 2015

19. CASH AND BANK BALANCES (CONTD.)

	₹ in lacs			
	Non-current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Cash on hand			39.61	65.17
			419.73	367.32
Other Bank Balances *	-	-	6.85	8.83
Deposits with original maturity of more than 3 months and not more than 12 months	15.80	16.57	-	-
Deposits with original maturity of more than 12 months	-	-	0.30	0.30
In Post office savings bank account				
	15.80	16.57	7.15	9.13
Less : Amount disclosed under other non-current assets (Note 18.2)	15.80	16.57	-	-
	-	-	7.15	9.13
	-	-	426.88	376.45

* Includes ₹ 22.95 lacs (₹ 25.70 lacs) pledged / lodged with various Government Authorities and Banks as security / earmarked / margin money.

20. REVENUE FROM OPERATIONS

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Revenue from operations		
Sale of products		
Finished goods	1,31,401.39	1,07,572.81
Traded goods	907.78	782.65
Power	5,770.58	4,591.42
By products	2,136.09	3,258.82
Others	528.46	483.41
	1,40,744.30	1,16,689.11
Less : Claims, Rebates etc.	48.42	35.47
	1,40,695.88	1,16,653.64
Other operating revenue		
Proceeds from Agriculture Products	45.76	49.40
Renewable Energy Certificates Credit	1,234.94	1,863.73
Cane Price Subsidy*	936.22	-
Cane Purchase Tax Remission	-	513.36
Cane Commission Remission	-	191.83
Export Incentives	12.05	19.35
Scrap Sales	40.44	6.97
Revenue from operations (gross)	1,42,965.29	1,19,298.28
Less : Excise duty	3,833.36	3,374.65
Cess	918.44	702.38
Revenue from operations (net)	1,38,213.49	1,15,221.25

* pertaining to earlier year.

Notes to Financial Statements

as at and for the year ended 31st March 2015

20. REVENUE FROM OPERATIONS (CONTD.)

Detail of products sold

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Finished goods		
Sugar	1,15,093.28	89,478.44
Spirit	13,351.48	15,132.03
Food Processing Products	2,941.80	2,955.12
Fusel Oil	14.83	7.22
	1,31,401.39	1,07,572.81
Traded goods		
Food Processing Products	907.78	782.65
By products		
Molasses	165.91	1,266.51
Bagasse	1,970.18	1,992.31
	2,136.09	3,258.82

21. OTHER INCOME

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Interest income on		
Loans, deposits, advances etc.	10.51	11.66
Refund from Income Tax Department	0.27	-
Long-term investments	0.06	0.08
Dividend income on Long-term investments	0.08	0.08
Insurance and Other Claims	13.05	182.52
Rent and Hire Charges	21.70	18.85
Unspent Liabilities, Provisions no longer required and Unclaimed Balances adjusted	79.64	203.85
Gain on Foreign Exchange fluctuations (net)	4.36	8.46
Miscellaneous Receipts	43.44	11.34
	173.11	436.84

22. COST OF RAW MATERIALS CONSUMED

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Inventory at the beginning of the year	1,337.49	1,276.85
Add : Purchases and procurement expenses*	91,486.02	96,441.73
	92,823.51	97,718.58
Less: Inventory at the end of the year	1,149.33	1,337.49
	91,674.18	96,381.09

* After adjusting subsidy / remission of ₹ 9,333.23 lacs (₹1,827.58 lacs) allowed by the State Governments. (also refer to Note 38)

Notes to Financial Statements

as at and for the year ended 31st March 2015

22. COST OF RAW MATERIALS CONSUMED (CONTD.)

Details of raw materials consumed

	₹ in lacs	
	As at	As at
	31st March 2015	31st March 2014
Sugarcane	87,830.25	92,694.35
Molasses - consumed in Distillery units	7,707.88	7,023.43
Bagasse - consumed in Co-generation units	6,193.36	4,644.49
Fresh fruits and vegetables	757.68	660.89
Sugar - consumed in Food Processing unit	255.01	316.74
Press mud	69.26	49.09
Seed, Manures and fodder	31.96	66.00
	1,02,845.40	1,05,454.99
Less : Inter-unit transfer of own produced materials	11,171.22	9,073.90
	91,674.18	96,381.09

Details of raw material inventory

	₹ in lacs	
	Year Ended	Year Ended
	31st March 2015	31st March 2014
Sugarcane	74.64	30.85
Molasses - at Distillery units	991.92	737.05
Bagasse - at Co-generation units	33.18	512.69
Fresh fruits and vegetables	29.88	36.69
Sugar - at Food Processing Unit	5.53	10.49
Press mud	14.18	9.72
	1,149.33	1,337.49

Details of Inter-unit transfer of own produced materials

	₹ in lacs	
	Year Ended	Year Ended
	31st March 2015	31st March 2014
Sugarcane	80.57	90.17
Molasses	5,839.30	4,533.18
Bagasse	4,984.92	4,149.69
Sugar	224.77	284.72
Press mud	41.66	16.14
	11,171.22	9,073.90

Notes to Financial Statements

as at and for the year ended 31st March 2015

23. DECREASE / (INCREASE) IN INVENTORIES

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Inventories at the end of the year		
Finished goods	60,382.66	85,031.38
Traded goods	333.75	283.52
Power - Banked	70.88	58.99
By Products	4,180.99	3,993.22
Goods under process	1,050.53	2,045.28
Bio-compost	95.80	56.39
Agriculture Products - Standing Crop	98.94	92.29
Scrap	31.26	29.77
	66,244.81	91,590.84
Inventories at the beginning of the year		
Finished goods	85,031.38	79,588.32
Traded goods	283.52	232.55
Power - Banked	58.99	61.17
By Products	3,993.22	3,723.81
Goods under process	2,045.28	1,404.57
Bio-compost	56.39	22.96
Agriculture Products - Standing Crop	92.29	78.92
Scrap	29.77	28.07
	91,590.84	85,140.37
	25,346.03	(6,450.47)
Decrease / (Increase) of excise duty on inventories	(550.49)	90.61
	24,795.54	(6,359.86)

Details of purchase of traded goods

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Food Processing Products	772.04	665.22
	772.04	665.22

Notes to Financial Statements

as at and for the year ended 31st March 2015

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

Details of inventory

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
Finished goods		
Sugar	57,092.81	83,689.67
Spirit	2,500.72	666.12
Food Processing Products	789.13	675.59
	60,382.66	85,031.38
Traded goods		
Food Processing Products	333.75	283.52
By-products		
Molasses	3,648.91	3,348.71
Bagasse	532.08	644.51
	4,180.99	3,993.22
Goods under process		
Sugar	943.08	1,782.44
Molasses	68.92	166.07
Food Processing Products	38.53	45.81
Semi Bio-compost	-	50.96
	1,050.53	2,045.28

24. EMPLOYEE BENEFITS EXPENSES

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Salaries, wages, bonus etc.	4,729.03	4,418.68
Contribution to provident & other funds	428.06	382.45
Gratuity expense (Note 30)	181.42	48.03
Employees' welfare expenses	149.16	157.44
	5,487.67	5,006.60

25. OTHER EXPENSES

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Consumption of stores and spares	1,946.81	1,872.31
Packing Materials	2,353.69	2,483.82
Power & Fuel	753.43	1,120.12
Repairs to and Maintenance of :		
Buildings	334.94	392.50
Machinery	2,075.76	1,850.96
Others	103.60	80.25
Rent	221.36	221.81
Rates & Taxes	65.99	57.01
Insurance	90.55	78.31

Notes to Financial Statements

as at and for the year ended 31st March 2015

25. OTHER EXPENSES (CONTD.)

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Payment to Auditors		
As Auditors		
Audit Fees	22.50	17.25
Limited Review Fees	10.35	10.35
In other capacity		
Tax Audit Fees	6.00	5.35
For Certificates and Other services	6.68	10.56
Reimbursement of Expenses	5.01	5.92
Payment to Cost Auditors	1.44	1.34
Commission on sales	538.34	456.72
Freight & forwarding charges etc.	796.52	778.76
Charity and Donations	3.60	10.69
Provision for bad and doubtful debts / advances	17.70	10.44
Provision for Warranties & Claims	6.65	9.89
Bad debts, irrecoverable claims and advances written off	77.96	24.49
Less : Adjusted against provisions	5.83	22.71
Loss on fixed assets sold / discarded (net)	44.66	7.81
Molasses Storage & Maintenance Reserve	5.85	8.07
Director's Sitting fees	1.73	1.73
Miscellaneous Expenses	1,602.29	1,421.63
	11,087.58	10,915.38

26. DEPRECIATION AND AMORTIZATION EXPENSES

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Depreciation of tangible assets	2,809.11	4,138.89
Amortization of intangible assets	38.18	34.92
	2,847.29	4,173.81

27. FINANCE COSTS

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Interest	12,851.64	13,145.84
Other Borrowing Cost	35.47	52.63
	12,887.11	13,198.47

Notes to Financial Statements

as at and for the year ended 31st March 2015

28. AGRICULTURAL INCOME

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

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Income		
Revenue from Operations		
Sales of products [including inter-transfers ₹ 80.57 lacs (₹ 90.17 lacs)]	126.33	139.57
Rent & Hire charges	9.07	5.19
Unspent Liabilities, Provisions no longer required and Unclaimed balances adjusted	0.23	0.85
Miscellaneous Receipts	26.79	0.48
	162.42	146.09
Expenses		
Cost of Raw Materials Consumed	31.96	66.00
(Increase) / Decrease in Stocks :		
Opening Stock	92.29	78.92
Less : Closing Stock	98.94	(6.65)
		92.29
		(13.37)
Consumption of stores and spares	0.01	1.41
Repairs to and Maintenance of :		
Building	0.44	0.07
Machinery	0.08	0.09
Others	2.09	1.25
Rent	4.02	11.66
Rates & Taxes	0.24	1.24
Employee benefits expenses :		
Salaries, wages, bonus etc.	48.70	48.75
Contribution to provident & other funds	1.79	1.73
Gratuity expense	1.55	-
	52.04	50.48
Insurance	0.47	0.46
Loss on tangible assets sold / discarded (net)	0.12	-
Miscellaneous Expenses	22.92	22.68
Depreciation	15.80	9.27
	123.54	151.24
Agricultural Income / (Loss)	38.88	(5.15)

Notes to Financial Statements

as at and for the year ended 31st March 2015

29. EARNINGS PER SHARE (EPS)

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

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Profit / (Loss) after tax	(7,387.10)	(5,459.98)
Dividends on Non-Convertible Cumulative Redeemable Preference Shares & tax thereon	509.97	497.23
Net profit / (loss) for calculation of basic and diluted EPS	(7,897.07)	(5,957.21)
	Nos.	Nos.
Weighted average number of equity shares in calculating basic & diluted EPS	2,59,17,285	2,59,17,285
	₹	₹
Earnings per equity share [Nominal value of share ₹ 10 (₹ 10)]		
Basic & Diluted	(30.47)	(22.99)

30. GRATUITY - DEFINED BENEFIT PLAN

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

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

Statement of Profit and Loss

Net employee benefit expense recognized in employee costs

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Current service cost	72.66	77.29
Interest cost on benefit obligation	101.57	92.21
Expected return on plan assets	(82.41)	(81.45)
Net actuarial (gain) / loss recognized in the year	89.60	(40.02)
Net benefit expense	181.42	48.03
Actual return on plan assets	81.17	77.44

Balance Sheet

Net Benefit liability / (asset)

	Year Ended 31st March 2015	Year Ended 31st March 2014
Present value of defined benefit obligation	1,314.96	1,204.63
Fair value of plan assets	942.16	970.29
Plan liability / (asset)	372.80	234.34

Notes to Financial Statements

as at and for the year ended 31st March 2015

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

	₹ in lacs	
	31st March 2015	31st March 2014
Opening defined benefit obligation	1,204.63	1,169.81
Current service cost	72.66	77.29
Interest cost	101.57	92.21
Benefits paid	(152.26)	(90.65)
Actuarial (gains) / losses on obligation	88.36	(44.03)
Closing defined benefit obligation	1,314.96	1,204.63

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

	₹ in lacs	
	31st March 2015	31st March 2014
Opening fair value of plan assets	970.29	917.19
Expected return	82.41	81.45
Contributions by employer	42.96	66.31
Benefits paid	(152.26)	(90.65)
Actuarial gains / (losses)	(1.24)	(4.01)
Closing fair value of plan assets	942.16	970.29

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

The principal assumptions are shown below :

	₹ in lacs	
	31st March 2015	31st March 2014
Discount rate	7.80%	9.00%
Expected rate of return on assets	9.00%	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 2015

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

₹ in lacs

	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Gratuity					
Defined benefit obligation	1,314.96	1,204.63	1,169.81	1,078.27	1,053.79
Plan assets	942.16	970.29	917.19	899.20	944.38
Surplus / (deficit)	(372.80)	(234.34)	(252.62)	(179.07)	(109.41)
Experience (gain) / loss adjustments on plan liabilities	(12.34)	19.20	35.37	(19.15)	52.70
Experience gain / (loss) adjustments on plan assets	(1.24)	(4.01)	(32.70)	(22.38)	52.50

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 the date, applicable to the year 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 2015	Year Ended 31st March 2014
Contribution to Provident / Pension Funds	403.98	380.56
Contribution to Superannuation Fund	24.08	1.89
	428.06	382.45

31. LEASES

Operating lease :

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

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Lease payments made for the year *	221.36	221.81
	221.36	221.81

* including lease rent for use of agriculture land ₹ 4.02 lacs (₹ 11.66 lacs).

32. Bearer Equity Share Coupons having a realized value of ₹ 0.06 lacs (₹ 0.06 lacs) has been shown separately under "Shareholders' Funds" as the holders of such coupons are yet to tender coupon certificates to claim the underlying security i.e. equity shares of equal paid up value.

Notes to Financial Statements

as at and for the year ended 31st March 2015

33. 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 "Food processing" 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

Food Processing Products - Consists of Canned Fruits and Vegetables, Jams, Jellies, Squashes and Juices

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

Notes to Financial Statements

as at and for the year ended 31st March 2015

33. SEGMENT INFORMATION (CONTD.)

Business Segments

Year ended 31st March 2015

Particulars	₹ in lacs				Total
	Sugar	Spirits	Co-generation	Food processing	
Revenue *					
Segment revenue	1,28,514.44	12,957.71	11,003.13	3,778.30	1,56,253.58
Less : Inter segment	12,756.73	50.81	5,232.55	-	18,040.09
Total revenue from operations (net)	1,15,757.71	12,906.90	5,770.58	3,778.30	1,38,213.49
Results					
Segment results	(4,595.33)	3,285.27	3,621.46	87.86	2,399.26
Unallocated Income / (Expenses) (net of unallocable expenses / income)					(676.96)
Operating profit					1,722.30
Finance costs					12,887.11
Profit / (Loss) before tax					(11,164.81)
Deferred tax charge / (credit)					(3,777.71)
Net profit / (loss)					(7,387.10)

As at 31st March 2015

Particulars	₹ in lacs				Total
	Sugar	Spirits	Co-generation	Food processing	
Segment assets					
Unallocated assets	1,10,547.93	13,737.63	14,789.91	1,882.43	1,40,957.90
Total assets					14,522.76
Segment liabilities	58,914.90	575.31	133.67	673.25	60,297.13
Unallocated liabilities					1,02,687.01
Total liabilities					1,62,984.14
Other segment information					
Capital expenditure					
Tangible assets	1,489.06	113.40	24.69	35.82	1,662.97
Intangible assets	-	-	-	-	-
Depreciation	1,898.95	579.86	312.89	17.41	2,809.11
Amortization	38.18	-	-	-	38.18
Non-cash expenses	5.85	-	-	-	5.85

Notes to Financial Statements

as at and for the year ended 31st March 2015

33. SEGMENT INFORMATION (CONTD.)

Business Segments

Year ended 31st March 2015

Particulars	₹ in lacs				Total
	Sugar	Spirits	Co-generation	Food processing	
Revenue *					
Segment revenue	1,02,570.71	14,645.30	8,719.58	3,686.31	1,29,621.90
Less: Inter segment	10,272.49	-	4,128.16	-	14,400.65
Total revenue from operations (net)	92,298.22	14,645.30	4,591.42	3,686.31	1,15,221.25
Results					
Segment results	(4,750.33)	4,137.75	2,866.56	173.06	5,427.04
Unallocated Income / (Expenses) (net of unallocable expenses / income)					(551.19)
Operating profit					4,875.85
Finance costs					13,198.47
Profit / (Loss) before tax					(8,322.62)
Deferred tax charge / (credit)					(2,862.64)
Net profit / (loss)					(5,459.98)

As at 31st March 2015

Particulars	₹ in lacs				Total
	Sugar	Spirits	Co-generation	Food processing	
Segment assets	1,31,560.76	12,899.93	13,805.83	1,892.96	1,60,159.48
Unallocated assets					10,786.21
Total assets					1,70,945.69
Segment liabilities	57,922.67	422.61	85.53	760.10	59,190.91
Unallocated liabilities					1,11,633.11
Total liabilities					1,70,824.02
Other segment information					
Capital expenditure					
Tangible assets	732.49	116.34	2.30	1.26	852.39
Intangible assets	18.70	-	-	-	18.70
Depreciation	2,672.37	640.02	817.93	8.57	4,138.89
Amortization	34.92	-	-	-	34.92
Non-cash expenses	8.07	-	-	-	8.07

Notes to Financial Statements

as at and for the year ended 31st March 2015

33. SEGMENT INFORMATION (CONTD.)

Geographical segments

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

	₹ in lacs		
Year ended 31st March 2015	India	Overseas	Total
Revenue *			
Revenue from operations	1,37,987.34	226.15	1,38,213.49
Other segment information			
Segment assets	1,40,957.90	-	1,40,957.90

	₹ in lacs		
Year ended 31st March 2014	India	Overseas	Total
Revenue *			
Revenue from operations	1,14,844.09	377.16	1,15,221.25
Other segment information			
Segment assets	1,60,159.48	-	1,60,159.48

Note : All the fixed assets of the company are located in India and hence separate figures for fixed assets / additions to fixed assets have not been furnished.

* net of excise duty and cess.

Notes to Financial Statements

as at and for the year ended 31st March 2015

34. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists

Subsidiary Companies

Champaran Marketing Company Limited
OSM Investment & Trading Company Limited
Hargaon Investment & Trading Company Limited
Hargaon Properties Limited
Allahabad Canning Limited (w.e.f. 19th March 2015)
Palash Securities Limited (w.e.f. 23rd March 2015)
Vaishali Sugar & Energy Limited (w.e.f. 19th March 2015)

Joint Venture Company

Avadh Sugar & Energy Limited (w.e.f. 19th March 2015)

Related parties with whom transactions have taken place during the year

Key Management Personnel

Shri Chandra Shekhar Nopany - Chairman-cum-Managing Director
Shri Dilip Patodia - President (Finance) and Chief Financial Officer
Shri Anand Sharma - Company Secretary

Relatives of Key Management Personnel

Smt. Nandini Nopany - Mother of Shri Chandra Shekhar Nopany
Smt. Shalini Nopany - Wife of Shri Chandra Shekhar Nopany

Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Upper Ganges Sugar & Industries Limited
SIL Investments Limited
SCM Investment & Trading Company Limited
RTM Investment & Trading Company Limited
Uttar Pradesh Trading Company Limited
Nilgiri Plantations Limited
Ronson Traders Limited

Notes to Financial Statements

as at and for the year ended 31st March 2015

34. RELATED PARTY TRANSACTIONS

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

	Year ended	Sale of Goods	₹ in lacs	
			Amount owed by related parties	Amount owed to related parties
a. Sale of Goods				
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
Upper Ganges Sugar & Industries Limited	31st March 2015	197.65	-	-
	31st March 2014	201.53	-	-
b. Purchase of Goods				
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
Upper Ganges Sugar & Industries Limited	31st March 2015	393.22	-	-
	31st March 2014	388.57	-	-
c. Sale of Fixed Assets				
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
Upper Ganges Sugar & Industries Limited	31st March 2015	-	-	-
	31st March 2014	7.02	-	-
d. Purchase of Fixed Assets				
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
Upper Ganges Sugar & Industries Limited	31st March 2015	-	-	-
	31st March 2014	1.89	-	-

Notes to Financial Statements

as at and for the year ended 31st March 2015

34. RELATED PARTY TRANSACTIONS (CONTD.)

e. Receivable / Payable outstanding (net)		₹ in lacs			
	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties	
In Subsidiary Companies	31st March 2015	-	0.23	-	-
Allahabad Canning Limited	31st March 2014	-	-	-	-
Palash Securities Limited	31st March 2015	-	0.23	-	-
	31st March 2014	-	-	-	-
Vaishali Sugar & Energy Limited	31st March 2015	-	0.23	-	-
	31st March 2014	-	-	-	-
In Joint Venture Company	31st March 2015	-	0.12	-	-
Avadh Sugar & Energy Limited	31st March 2014	-	-	-	-
Enterprises owned or significantly influenced by Key Management Personnel or their relatives					
Upper Ganges Sugar & Industries Limited	31st March 2015	-	-	173.46	-
	31st March 2014	-	39.64	-	-
Uttar Pradesh Trading Company Limited	31st March 2015	-	-	29.71	-
	31st March 2014	-	-	37.34	-
f. Loans / Inter-corporate deposits given and receipts thereof					
	Year ended	Loan / Inter-corporate deposits given	Receipts / adjustment	Interest accrued / paid	Amount owed to related parties
Subsidiary Companies	31st March 2015	-	160.00	-	292.85
OSM Investment & Trading Company Limited	31st March 2014	-	-	-	452.85
g. Loans / Inter-corporate deposits taken and repayment thereof					
	Year ended	Loan / Inter-corporate deposits taken	Repayment / adjustment	Interest accrued / paid	Amount owed to related parties
Subsidiary Companies	31st March 2015	2,050.00	2,098.00	293.35	2,000.00
Champaran Marketing Company Limited	31st March 2014	16.00	13.50	300.00	2,048.00
Hargaon Investment & Trading Company Limited	31st March 2015	1,041.10	1,000.00	278.69	1,900.00
	31st March 2014	1,135.00	8.50	284.59	1,858.90

Notes to Financial Statements

as at and for the year ended 31st March 2015

g. Loans / Inter-corporate deposits taken and repayment thereof (Contd.)

	Year ended	Loan / Inter-corporate deposits taken	Repayment / adjustment	Interest accrued / paid	Amount owed to related parties
Enterprises owned or significantly influenced by Key Management Personnel or their relatives					
SIL Investments Limited	31st March 2015	1,500.00	1,500.00	215.01	1,500.00
	31st March 2014	1,100.00	-	220.81	1,500.00
SCM Investment & Trading Company Limited	31st March 2015	2,325.00	2,825.00	336.35	1,825.00
	31st March 2014	500.00	687.50	358.07	2,325.00
RTM Investment & Trading Company Limited	31st March 2015	3,000.00	2,500.00	367.14	3,000.00
	31st March 2014	-	675.00	406.62	2,500.00
Nilgiri Plantations Limited	31st March 2015	500.00	500.00	70.00	500.00
	31st March 2014	-	-	70.00	500.00
Ronson Traders Limited	31st March 2015	-	-	-	-
	31st March 2014	-	100.00	11.99	-

h. Investments made

	Year ended	Investment made during the year	Investment sold during the year	Closing Balance
In Subsidiary Companies				
Allahabad Canning Limited	31st March 2015	5.00	-	5.00
	31st March 2014	-	-	-
Palash Securities Limited	31st March 2015	5.00	-	5.00
	31st March 2014	-	-	-
Vaishali Sugar & Energy Limited	31st March 2015	5.00	-	5.00
	31st March 2014	-	-	-
In Joint Venture Company				
Avadh Sugar & Energy Limited	31st March 2015	2.50	-	2.50
	31st March 2014	-	-	-

i. Remuneration to Key Managerial Personnel

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Shri Chandra Shekhar Nopany	31st March 2015	43.68*	-	-
	31st March 2014	43.68*	-	-
Shri Dilip Patodia	31st March 2015	88.19	-	-
	31st March 2014	64.78	-	-
Shri Anand Sharma	31st March 2015	37.72	-	-
	31st March 2014	-	-	-

* Excludes ₹ 36.00 lacs (₹ 36.00 lacs) and ₹ 39.43 lacs (₹ 35.03 lacs) paid towards rent and maintenance respectively for the accommodation provided to the Managing Director which has been included under "Rent" and "Miscellaneous Expenses" in note 25. 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.

Notes to Financial Statements

as at and for the year ended 31st March 2015

35. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 263.54 lacs (₹ 144.75 lacs).

36. CONTINGENT LIABILITIES

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
(a) Demands / Claims by various Government Authorities and others not acknowledged as debt and contested by the Company :		
(i) Excise Duty & Service Tax	10,329.87	5,908.33
(ii) Sales & Entry Tax	174.22	96.08
(iii) Duty under State Acts	361.04	188.92
(iv) Others	68.28	144.90
Total	10,933.41	6,338.23
(b) Outstanding towards Crop Loan disbursed to growers for which corporate guarantee is given to a bank	588.52	762.35
(c) Bank Guarantees outstanding	1,157.97	935.28
(d) Bills discounted with banks	-	83.80
(e) Arrear Dividend (including tax) on Non-convertible Cumulative Redeemable Preference Shares (CRPS)	1,835.57	1,325.60

* 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.

37. A civil suit is pending against the Company's sugar unit at Dhadha Bujurg (Hata), which is already in operation. The Company has been legally advised that the said civil suit is not tenable as per law.

38. The Government of Uttar Pradesh has announced Subsidy for Sugar Industry for the Sugar Season 2014-2015 linked to average selling price of sugar and its by-products during the period 1st October 2014 to 31st May 2015. The average selling prices of sugar and the by-products have been significantly lower than the thresholds specified in the subsidy scheme considering the actual and future realisation. In view of this, the Company has estimated and recognised subsidy amounting to ₹ 6,172.61 lacs during the year. The Company is confident of realising the subsidy in view of the current prices of sugar and the by-products.

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

40. Due to Steep decline in sugar realization, the Company has incurred significant higher losses during the current year and net-worth of the Company is completely eroded. The Sugar manufacturers are in active discussions with the State and Central Governments on the matter of sugar cane and other incentives for the sugar industry in order to make the operations viable. The management is hopeful of positive outcome from the discussions with the Governments and expects to be in a position to generate positive cash flow and profitability in future and accordingly, these financial statements have been drawn up on the going concern assumption.

Notes to Financial Statements

as at and for the year ended 31st March 2015

41. Loans and advances in the nature of loans given to subsidiaries and associates and firms / companies in which the directors are interested and which are outstanding at the end of the year in terms of Clause 32 of the Listing Agreement with Stock Exchanges.

Particulars	Outstanding amount		Maximum amount outstanding during the year	
	As at	As at	As at	As at
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Maximum amount outstanding during the year OSM Investment & Trading Co. Ltd.	292.85	452.85	452.85	452.85

₹ in lacs

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

	₹ in lacs	
	31st March 2015	31st March 2014
(i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).	88.91	20.30
(ii) Interest due on above.	1.79	1.14
Total of (i) & (ii)	90.70	21.44
(iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	0.74	4.91
(iv) Amount paid to the suppliers beyond the respective due date.	79.48	39.16
(v) Amount of interest due and payable for the year of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	3.21	1.08
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year.	5.00	2.22
(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	13.61	11.30

43. VALUE OF IMPORTS CALCULATED ON CIF BASIS

	₹ in lacs	
	31st March 2015	31st March 2014
Packing Materials	-	25.70
	-	25.70

44. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	₹ in lacs	
	31st March 2015	31st March 2014
(a) Travelling	16.30	11.66
(b) Selling Commission	4.33	11.72
	20.63	23.38

Notes to Financial Statements

as at and for the year ended 31st March 2015

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

	31st March 2015		31st March 2014	
	Consumption %	Value ₹ in lacs	Consumption %	Value ₹ in lacs
Raw Materials				
Indigenous	100.00%	91,674.18	100.00%	96,381.09
	100.00%	91,674.18	100.00%	96,381.09
Stores and Spares				
Imported	1.26%	24.45	3.88%	72.57
Indigenous	98.74%	1,922.36	96.12%	1,799.74
	100.00%	1,946.81	100.00%	1,872.31

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

46. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

Year of remittance (ending on)	₹ in lacs	
	31st March 2015	31st March 2014
Exports of goods at F.O.B. Value	226.15	377.16
	226.15	377.16

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

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

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

Place : Kolkata
Date : 07th May 2015

For and on behalf of the Board of Directors

Chand Bihari Patodia
Director

Anand Sharma
Company Secretary

Place : Mumbai
Date : 07th May 2015

Chandra Shekhar Nopany
Chairman-cum-Managing Director

Dilip Patodia
Chief Financial Officer

Independent Auditors' Report

To the Members of
The Oudh Sugar Mills Limited
Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Oudh Sugar Mills Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing

standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

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

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

Basis for Qualified Opinion

As indicated in Note 14 to the financial statements, the Holding Company has recognized Deferred Tax Asset (DTA) (net) of ₹ 12,904.91 lacs (including ₹ 3,777.71 lacs for the year) up to March 31, 2015, based on the future profitability projections made by the management. In our opinion, in the absence of virtual certainty about the above projections, as required in terms of Accounting Standard - 22, had the above impact been considered, loss for the year would have been ₹ 20,048.16 lacs (including DTA of ₹ 9,001.60 lacs recognised up to March 31, 2014) as against the reported loss of ₹ 7,143.25 lacs and Reserves & Surplus as at the balance sheet date

would have been (-) ₹ 25,751.96 lacs as against the reported figure of (-) ₹ 12,847.05 lacs.

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

- a) We draw attention to Note 40 to the financial statements, regarding significant losses leading to material uncertainty about the Holding Company's ability to continue as a going concern and based on mitigating factor, as fully described therein, the accompanying financial statements have been prepared under the going concern assumption.
- b) We draw attention to Note 13 regarding non-provision of Rs. 561.32 lacs towards diminution in the value of certain quoted investments held by certain subsidiary companies based on the last quoted price, which in the opinion of the management is temporary in nature.

Our opinion is not qualified in respect of above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company and subsidiary companies we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable that:
 - (a) Except for the matter described in the Basis for Qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for

the purpose of our audit of the aforesaid consolidated financial statements;

- (b) Except for the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors;
- (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) Except for the effect of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The matters discussed in the Basis for Qualified Opinion paragraph and Emphasis of matter paragraph above in our opinion, may have an adverse effect on functioning of the Group;
- (f) On the basis of written representations received from the directors of the Holding Company as on March 31, 2015, and taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act of the subsidiary companies, none of the directors of the Group's Companies is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated financial statements has disclosed the impact of pending litigations on the consolidated financial position of the Group – Refer Note 7 & 36 to the Consolidated financial statements;
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries.

statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report referred in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

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

Other Matters

We did not audit financial statements/financial information of subsidiaries whose financial statements/ financial information reflect total assets of ₹ 3,629.92 lacs as at March 31, 2015, total revenues of ₹ 242.34 lacs and net cash inflows amounting to ₹ 86.05 lacs for the year then ended, on that date, as considered in the consolidated financial statements. These financial

For **S.R.Batliboi & Co. LLP**

Chartered Accountants

Firm Registration Number: 301003E

per **Kamal Agarwal**

Place : Kolkata

Partner

Date : 07th May 2015

Membership Number: 58652

Annexure to the Independent Auditors' Report

(Referred to in our Report of even date to the members of The Oudh Sugar & Mills Limited and its Subsidiaries ("the Group") as at and for the year ended 31st March, 2015)

- (i) (a) The Holding Company and its subsidiaries have maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in case of a subsidiary who does not have any fixed assets and hence clause 3(i) (a) & (b) of the order are not applicable to them.
- (b) All fixed assets have not been physically verified by the management of the Holding Company and subsidiaries during the year but there is a regular programme of verification which, in our opinion and as reported by the other auditors who audited the financial statements / financial information of the aforesaid subsidiaries, is reasonable having regard to the size of the of the Holding Company and its subsidiaries and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management of the Holding Company have conducted physical verification of inventory at reasonable intervals during the year. However as reported by the auditors of Subsidiaries who have audited the financial statements / financial information of the aforesaid subsidiaries, the subsidiaries has no manufacturing and/or trading activities and as such question of having physical verification of Inventory does not arise.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company.
- (c) The Holding Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of subsidiaries, the Holding Company and subsidiaries have not

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

- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of subsidiaries, there is an adequate internal control system commensurate with the size of the Holding Company and its subsidiaries and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the Holding & its Subsidiaries. During the course of our audit and as reported by the other auditors who audited the financial statements / financial information of subsidiaries, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the subsidiaries in respect of these areas.
- (v) The Holding Company and the subsidiaries have not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Holding Company and to the extent applicable pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its products and are of the opinion that prima facie, the specified accounts and records have

been made and maintained. We have not, however, made a detailed examination of the same. To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements / financial information of the subsidiaries, the subsidiary companies are not required to maintain any cost records under Section 148(1) of the Act.

- (vii) (a) The Holding Company and its subsidiaries are regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable to the respective covered entities though there have been slight delays in few cases in respect of the Holding Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and subsidiaries.
- (c) According to the records of the Holding Company and its subsidiaries and as reported by other auditor who audited the financial statements / financial information of subsidiaries, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, value added tax & cess on account of any dispute, are as follows :-

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Bihar Finance Act, 1981	Tax on sale of Alcohol for non-submission of declaration forms	4.19	1995-96	Appellate Tribunal, Patna
U.P. Tax on Entry of Goods Act, 2007	Interest demand on Entry Tax on Sugar	0.74	2008-09	Joint Commissioner Appeal
Central Sales Tax Act, 1956	Central Sales Tax demand on Stock transfer	16.00	1999-00,1993-94, 1996-97 to 1997-98, 2007-08, 2008-09	Joint Commissioner (Appeals) / High Court, Allahabad
	Taxability on alcohol sale	10.46	1977-78 to 1981-82	High Court, Allahabad Lucknow Bench
	Demand for Sales Tax due to non-submission of Declaration Forms	9.31	2003-04, 2006-2007	Appellate Tribunal, Patna/Lucknow
	Demand for VAT on sale of country spirit and various other matter	12.35	1985-86 to 1989-90, 2001-02, 2006-2007, 2009-10	High Court, Lucknow, Tribunal, Lucknow, 1st appeal Sitapur, Hon'ble High Court, Patna

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Disallowance of Cenvat Credit on Certain inputs / capital items / input services	4,372.31	2000-01 to 2014-15	Commissioner Appeal /CESTAT / High Court, Allahabad
	Excise Duty on burnt / waste and loss on storage of molasses etc.	37.21	1977-78, 1991-92, 2002-03 to 2005-06 & 2010-11	Commissioner (Appeals) / CESTAT / High Court, Allahabad
	Demand towards differential amount of sugar cess on duty paid stock	43.47	2007-08	CESTAT
State Act	Administration Charges on Molasses	116.29	2009-10	Supreme court of India

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

(viii) Without considering the consequential effects of the matter stated in the Basis for Qualified Opinion paragraph, the Holding Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Holding Company has incurred cash loss in the current year and in the immediately preceding financial year. As reported by the other auditors who audited the financial statements / financial information of the subsidiaries, there are no accumulated losses at the end of the financial year and they have not incurred any cash losses in the current and immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Holding Company has not defaulted in repayment of dues to financial institutions and banks. As reported by the auditors of the subsidiaries who audited the financial statements / financial information, the subsidiaries have not taken any loan from financial institution or banks. Further, the Holding Company & its subsidiaries did not have any outstanding debentures during the year.

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

Holding Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from other financial institutions. As reported by the auditors of the subsidiaries who audited the financial statements / financial information, the Subsidiaries have not given any guarantee for loans taken by others from bank and financial institution.

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

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

For **S.R.Batliboi & Co. LLP**

Chartered Accountants

Firm Registration Number: 301003E

per **Kamal Agarwal**

Partner

Place : Kolkata

Date : 07th May 2015

Membership Number: 58652

Consolidated Balance Sheet

as at 31st March 2015

₹ in lacs

	Notes	As at 31st March 2015	As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	7,604.43	7,604.43
Reserves and Surplus	4	(12,847.05)	(5,465.75)
Bearer Equity Share Coupons	32	0.06	0.06
		(5,242.56)	2,138.74
Non-current Liabilities			
Long-term borrowings	5	31,204.74	33,663.83
Other long-term liabilities	6	489.22	721.46
Long-term provisions	7	272.80	134.34
		31,966.76	34,519.63
Current Liabilities			
Short-term borrowings	8	65,163.43	70,296.64
Trade payables	9	51,998.10	49,687.41
Other current liabilities	9	13,519.74	16,005.79
Short-term provisions	7	349.11	322.52
		1,31,030.38	1,36,312.36
TOTAL		1,57,754.58	1,72,970.73
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	53,290.74	54,838.45
Intangible Assets	11	86.63	124.88
Capital Work-in-Progress	12	257.26	277.25
Non-current Investments	13	3,407.16	3,407.16
Deferred tax assets (net)	14	12,904.91	9,001.60
Loans and advances	15	17.81	28.45
Other Non-current assets	18.2	59.03	52.02
		70,023.54	67,729.81
Current assets			
Current Investments	16	17.50	-
Inventories	17	69,359.30	95,118.70
Trade Receivables	18.1	4,990.54	3,991.72
Cash and bank balances	19	524.95	388.97
Loans and advances	15	1,765.90	2,631.28
Other current assets	18.2	11,072.85	3,110.25
		87,731.04	1,05,240.92
TOTAL		1,57,754.58	1,72,970.73
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

Chartered Accountants

per **Kamal Agarwal**

Partner

Membership No.: 58652

For and on behalf of the Board of Directors

Chand Bihari Patodia

Director

Chandra Shekhar Nopany

Chairman-cum-Managing Director

Anand Sharma

Company Secretary

Dilip Patodia

Chief Financial Officer

Place : Kolkata

Date : 07th May 2015

Place : Mumbai

Date : 07th May 2015

Consolidated Statement of Profit and Loss

for the year ended 31st March 2015

₹ in lacs

	Notes	Year ended 31st March 2015	Year ended 31st March 2014
INCOME			
Revenue from Operations (gross)	20	1,42,965.29	1,19,298.28
Less : Excise duty		3,833.36	3,374.65
Cess		918.44	702.38
Revenue from Operations (net)		1,38,213.49	1,15,221.25
Other Income	21	415.45	596.98
Total Revenue (I)		1,38,628.94	1,15,818.23
EXPENSES			
Cost of Raw Materials consumed	22	91,674.18	96,381.09
Purchase of Traded Goods	23	772.04	665.22
Decrease / (Increase) in Inventories of Finished Goods, Traded Goods and Goods under Process	23	24,795.54	(6,359.86)
Employee benefits expenses	24	5,487.67	5,006.60
Other expenses	25	11,095.29	10,922.65
Total (II)		1,33,824.72	1,06,615.70
Profit before finance costs, tax, depreciation and amortization		4,804.22	9,202.53
Depreciation and Amortization expenses	26	2,847.29	4,173.81
Finance Costs	27	12,874.10	13,188.73
Profit / (Loss) before tax		(10,917.17)	(8,160.01)
Tax expenses			
Current tax		3.79	2.70
Excess provision pertaining to earlier year written back		-	0.04
Deferred tax charge / (credit)		(3,777.71)	(2,862.64)
Total tax expense / (credit)		(3,773.92)	(2,859.98)
Profit / (Loss) for the period		(7,143.25)	(5,300.03)
		₹	₹
Earnings per equity share			
[Nominal value of share ₹ 10 (₹ 10)]	29		
Basic & Diluted		(29.53)	(22.37)
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.Batlboi & Co. LLP**

Firm registration number : 301003E

Chartered Accountants

per **Kamal Agarwal**

Partner

Membership No.: 58652

For and on behalf of the Board of Directors

Chand Bihari Patodia

Director

Chandra Shekhar Nopany

Chairman-cum-Managing Director

Anand Sharma

Company Secretary

Dilip Patodia

Chief Financial Officer

Place : Kolkata

Date : 07th May 2015

Place : Mumbai

Date : 07th May 2015

Consolidated Cash Flow Statement

for the year ended 31st March 2015

	₹ in lacs	
	Year ended 31st March 2015	Year ended 31st March 2014
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit / (Loss) before tax	(10,917.17)	(8,160.01)
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation and Amortization expenses	2,847.29	4,173.81
Finance Costs	12,874.10	13,188.73
Loss on fixed assets sold / discarded (net)	44.66	7.81
Bad debts, irrecoverable claims and advances written off	72.13	1.78
Provision for bad and doubtful debts / advances	17.70	10.44
Provision for Warranties & Claims	6.65	9.89
Provision for Standard Assets	0.36	0.09
Molasses Storage & Maintenance Reserve	5.85	8.07
Cane Purchase Tax Remission	(936.22)	(513.36)
Cane Commission Remission	-	(191.83)
Unspent Liabilities, Provisions no longer required and Unclaimed	(79.64)	(203.85)
Balances adjusted		
Interest Income	(11.83)	(11.99)
Dividend Income	(241.43)	(159.97)
Operating Profit before Working Capital Changes :	3,682.45	8,159.61
Increase in Trade Payables	3,323.93	13,581.92
Increase / (Decrease) in Long Term Provisions	138.46	(18.28)
Increase / (Decrease) in Short Term Provisions	19.58	(10.01)
(Decrease) in Other Current Liabilities	(1,399.47)	(6,609.43)
(Decrease) / Increase in Other Long Term Liabilities	(4.89)	4.31
(Increase) in Trade Receivables	(1,004.03)	(920.31)
(Increase) / Decrease in Non-current Loans & Advances	(1.81)	356.75
Decrease / (Increase) in Current Loans & Advances	769.07	(442.18)
(Increase) in Other Current Assets	(7,957.90)	(2,981.97)
Decrease / (Increase) in Inventories	25,759.40	(6,844.44)
Cash Generated from Operations:	23,324.79	4,275.97
Direct Taxes Paid	(7.15)	(25.42)
Net Cash from Operating Activities	23,317.64	4,250.55
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from sale of Tangible Assets	7.47	8.27
Purchase of Fixed Assets, including CWIP and Capital Advances	(1,615.24)	(883.09)
Molasses Storage & Maintenance Reserve utilised	-	(4.90)
Purchase of Current Investments	(17.50)	-
Loan Received Back	17.67	1,000.65
Interest Received	11.79	19.11
Dividend Received	241.43	159.97
Redemption / Maturity of Bank Deposits having original maturity of more than 3 months (net)	3.25	15.68
Receipt of Capital Subsidy	-	40.00
Net Cash (Used In) / from Investing Activities	(1,351.13)	355.69

Consolidated Cash Flow Statement

for the year ended 31st March 2015

₹ in lacs

	Year ended 31st March 2015	Year ended 31st March 2014
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Long Term Borrowings	(6,281.64)	(5,089.26)
Proceeds from Long Term Borrowings	2,666.00	6,250.00
Repayment / Proceeds of / from Short Term Borrowings (net)	(5,133.21)	7,411.27
Interest Paid	(13,031.29)	(13,178.27)
Other Borrowing Cost	(47.91)	(96.98)
Net Cash Used in Financing Activities	(21,828.05)	(4,703.24)
Net Changes in Cash & Cash Equivalents (A+B+C)	138.46	(97.00)
Cash & Cash Equivalents at the beginning of the year	376.34	473.34
Cash & Cash Equivalents at the end of the year *	514.80	376.34

* represents Cash and Bank Balances as indicated in Note 19 and excludes ₹ 10.15 lacs (₹ 12.63 lacs) being balances having maturity of more than 3 months.

As per our report of even date

For **S.R.Batliboi & Co. LLP**

Firm registration number : 301003E

Chartered Accountants

per **Kamal Agarwal**

Partner

Membership No.: 58652

Place : Kolkata

Date : 07th May 2015

For and on behalf of the Board of Directors

Chand Bihari Patodia

Director

Anand Sharma

Company Secretary

Place : Mumbai

Date : 07th May 2015

Chandra Shekhar Nopany

Chairman-cum-Managing Director

Dilip Patodia

Chief Financial Officer

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

1. PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of The Oudh Sugar Mills Limited ("the Company") and its subsidiary companies (collectively referred as "the Group") have been prepared on the following basis :

- (a) The financial statements of the Company and its subsidiaries are combined 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 is accordance with Accounting Standard (AS-21) "Consolidated Financial Statements".
- (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 subsidiaries and their respective equity as on the date of investment is treated as Goodwill / Capital Reserve, as the case may be, in the consolidated financial statements.
- (d) The Subsidiary Companies considered in the financial statements are as follows:

Name	Country of Incorporation	% of voting power / ownership as on	
		31st March 2015	31st March 2014
Hargaon Investment & Trading Company Limited	India	100	100
OSM Investment & Trading Company Limited	India	100	100
Champaran Marketing Company Limited	India	100	100
Hargaon Properties Limited	India	100	100

- (e) The following Subsidiary Companies and Joint Venture Company were incorporated during the year for the purpose of restructuring as detailed in Note 39. 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	Palash Securities Limited Allahabad Canning Limited Vaishali Sugar & Energy Limited
Joint Venture Company	Avadh Sugar & Energy Limited

2. BASIS OF PREPARATION

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

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

2.1 Summary of Significant Accounting Policies

Change in Accounting Policy

Depreciation on Fixed Assets

Till the year ended 31st March 2014, Schedule XIV to the Companies Act, 1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Effective from 1st April, 2014, the Company has provided depreciation on fixed assets based on useful lives as provided in Schedule II of the Companies Act, 2013 or as re-assessed by the Company. The management believes that depreciation rates currently

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used fairly reflect its estimate of the useful lives and residual value of fixed assets, though these rates in certain cases are different from the rates based on the useful lives prescribed under Schedule II.

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

Based on transitional provision given in Schedule II to the Companies, 2013, the carrying value of assets whose useful lives are already exhausted amounting to ₹ 243.90 Lacs (net of deferred tax of ₹ 125.60 Lacs) has been added to opening debit balance of the Statement of Profit and Loss. Had there been no change in useful lives of fixed assets, the charge to the Statement of Profit and Loss would have been higher by ₹ 1,307.41 Lacs.

(a) Use of Estimates

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

(b) Tangible Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses determined, if any. The cost comprises the purchase price inclusive of duties (net of

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

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

Gains or losses arising from derecognition of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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

(c) Depreciation on Tangible Fixed Assets

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

Notes to Consolidated Financial Statements

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

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

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

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

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

(d) Intangible Assets

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

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

(e) Leases

Operating Lease

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

Finance Lease

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

(f) Borrowing Costs

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

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

(g) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine, if there is any indication of impairment based on internal/external

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as at and for the year ended 31st March 2015

factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

(h) Government Grants and Subsidies

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

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

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

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

(i) Investments

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

On initial recognition, all investments are measured at cost. The cost comprises

purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

(j) Inventories

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

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

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

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

(k) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will

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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 / actual receipt 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 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

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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 realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available in future.

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

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

(o) Segment Reporting

Identification of segments

The Company has identified that its operating segments are the primary segments. The Company's operating businesses are organized and managed separately according to the nature of

Notes to Consolidated Financial Statements

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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 average 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.

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3. SHARE CAPITAL

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Authorized :		
4,00,00,000 (4,00,00,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
5,00,00,000 (5,00,00,000) Preference Shares of ₹ 10/- each	5,000.00	5,000.00
3,00,00,000 (3,00,00,000) Unclassified Shares of ₹ 10/- each	3,000.00	3,000.00
Total	12,000.00	12,000.00
Issued :		
2,61,70,410 (2,61,70,410) Equity Shares of ₹ 10/- each	2,617.04	2,617.04
5,00,00,000 (5,00,00,000) Preference Shares of ₹ 10/- each	5,000.00	5,000.00
Total	7,617.04	7,617.04
Subscribed and fully paid-up :		
2,59,17,285 (2,59,17,285) Equity Shares of ₹ 10/- each	2,591.73	2,591.73
5,00,00,000 (5,00,00,000) Preference Shares of ₹ 10/- each	5,000.00	5,000.00
	7,591.73	7,591.73
Add : Forfeited shares (amount originally paid-up)	12.70	12.70
Total	7,604.43	7,604.43

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

	As at 31st March 2015		As at 31st March 2014	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Equity shares of ₹ 10/- each				
Outstanding at the beginning and at the end of the year	2,59,17,285	2,591.73	2,59,17,285	2,591.73

Preference shares

	As at 31st March 2015		As at 31st March 2014	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Preference shares of ₹ 10/- each				
Outstanding at the beginning and at the end of the year	5,00,00,000	5,00,00,000	5,00,00,000	5,00,00,000

(b) Terms / rights attached to Equity Shares

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 (CRPS) carries dividend @ 8.5% per annum.

CRPS shall be redeemable at par on 2nd August 2023 being twelve years and one day from the date of allotment i.e. 01st August 2011 with a right vested to the Board of Directors to redeem it earlier, subject to the consent of the lenders and dividend is payable at the time of redemption of the CRPS. However, the Board reserves the right to pay the dividend earlier with the consent of the Lenders and subject to the availability of profit.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

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

Name of the shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Equity shares of ₹ 10/- each				
Uttar Pradesh Trading Co. Ltd.	33,26,901	12.84%	33,26,901	12.84%
SCM Investment & Trading Co. Ltd.	27,97,296	10.79%	27,97,296	10.79%
New India Retailing & Investment Ltd.	27,78,044	10.72%	27,78,044	10.72%
RTM Investment & Trading Co. Ltd.	23,46,169	9.05%	23,46,169	9.05%
CRPS of ₹ 10/- each fully paid				
Sutlej Textile & Industries Ltd.	5,00,00,000	100.00%	5,00,00,000	100.00%

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

4. RESERVES AND SURPLUS

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
Capital Reserve		
As per the last financial statements	198.60	198.60
Capital Redemption Reserve		
As per the last financial statements	82.69	82.69
Securities Premium Account		
As per the last financial statements	9,315.03	9,315.03
Molasses Storage and Maintenance Reserve		
Balance as per the last financial statements	113.14	109.97
Add: Provided during the year	5.85	8.07
Less : Utilised during the year	-	4.90
Closing balance	118.99	113.14
Effluent Disposal Reserve		
As per the last financial statements	2.84	2.84
Reserve Fund		
As per the last financial statements	421.97	389.34
Add : Addition during the year	49.25	32.63
Closing balance	471.22	421.97
General Reserve		
As per the last financial statements	324.50	324.50
Surplus / (Deficit) in the Consolidated Statement of Profit and Loss *		
Balance as per last financial statements	(15,924.52)	(10,591.86)
Add : Adjustment for change in useful life, net of deferred taxes (Note 2.1)	(243.90)	-
Profit / (Loss) for the year	(7,143.25)	(5,300.03)
Transferred to Reserve Fund	49.25	32.63
Net Surplus / (Deficit) in the Consolidated Statement of Profit and Loss	(23,360.92)	(15,924.52)
Total Reserves and Surplus	(12,847.05)	(5,465.75)

* after adjusting ₹ 3,375.12 lacs being transfer from General Reserve during the years 2006-2007 to 2010-2011 to set off the debit balance in Profit & Loss Account.

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as at and for the year ended 31st March 2015

5. LONG-TERM BORROWINGS

₹ in lacs

	Non-current portion		Current portion	
	As at	As at	As at	As at
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Term Loans (secured) :				
From Banks -				
Term Loan	20,549.00	23,505.25	2,956.25	1,630.04
Funded Interest Term Loan (FITL)	-	1,298.97	1,298.97	3,420.98
Under Financial Assistance Scheme (SEFASU 2014)	8,916.00	6,250.00	-	-
From Sugar Development Fund	1,739.74	2,609.61	869.87	1,230.62
	31,204.74	33,663.83	5,125.09	6,281.64
Less : Amount disclosed under the head "other current liabilities" (Note 9)	-	-	5,125.09	6,281.64
Net amount	31,204.74	33,663.83	-	-

- (a) Term Loans and FITL from Banks carry interest rate in the range of 13.77% to 14.99% and are repayable in 32 and 12 quarterly instalments respectively by 30th June 2020 and 30th June 2015. These loans 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 Hargaon, Narkatiaganj and Dhadha Bujurg (Hata) and Distillery Unit at Hargaon, ranking pari-passu amongst the various lenders, subject to prior charges created on movables for working capital borrowings from the Company's bankers.

The above Term Loans including FITL are further secured as follows.

- (i) Second charge on current assets of Sugar Unit at Dhadha Bujurg (Hata) ranking pari-passu amongst the various lenders.
Second charge on fixed assets of Sugar Unit at Rosa ranking pari-passu amongst the various lenders.
 - (ii) Third charge on current assets of Sugar Unit at Narkatiaganj.
 - (iii) Third charge on current assets of Sugar & Distillery Units at Hargaon.
 - (iv) Pledge of 64,79,294 equity shares of the Company held by the promoter group companies, ranking pari-passu amongst the various lenders.
- (b) Term loans from banks under Financial Assistance Scheme (SEFASU 2014), carry interest of 12% to 13% p.a. and is repayable in 12 equal quarterly instalments by 30th March 2019. The Company is entitled to interest subvention from the Government of India upto 12% as per terms of scheme and the same will be directly reimbursed to bank by Department of Food & Public Distribution and hence, no liability towards interest has been provided in these accounts. The above loan is secured by the first pari passu charge on all the fixed assets of both present and future of Sugar and Co-generation units of the Company at Hargaon & Dhadha Bujurg (Hata), and Sugar units of the Company at Narkatiaganj & Rosa.
- (c) Term loans from the Sugar Development Fund, which carry interest of 4% p.a., are secured by a second charge on all the immovable / movable assets (save and except book debts) present and future of the Company's Sugar Units at Hargaon and Narkatiaganj.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

The above loans are repayable as under.

Disbursed To	Balance as at		Repayment Schedule
	31st March 2015	31st March 2014	
(i) Hargaon Sugar unit	1,874.01	2,498.68	5 yearly instalments ending on 30th September 2017.
(ii) Hargaon Distillery unit	-	360.75	8 half yearly instalments ending on 18th August 2014.
(iii) Narkatiaganj Sugar unit	735.60	980.80	5 yearly instalments ending on 1st April 2018.
	2,609.61	3,840.23	

₹ in lacs

6. OTHER LONG-TERM LIABILITIES

	As at	
	31st March 2015	31st March 2014
Interest accrued but not due on borrowings	380.48	607.83
Trade and other deposits	108.74	113.63
	489.22	721.46

₹ in lacs

7. PROVISIONS

	As at			
	Long-term		Short-term	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Provision for employee benefits				
Gratuity (Note 30)	272.80	134.34	100.00	100.00
Leave	-	-	183.77	158.26
	272.80	134.34	283.77	258.26
Other provisions				
For warranties	-	-	5.33	4.16
For standard assets	-	-	10.45	10.09
For litigation, claims and contingencies	-	-	45.56	45.56
For wealth tax	-	-	4.00	4.45
	-	-	65.34	64.26
	272.80	134.34	349.11	322.52

₹ in lacs

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Provision for warranties

A provision is recognized for expected warranty claims on products based on the management's estimate computed on the basis of past experience. It is expected that the entire provision will be utilized within one year of the reporting date, since the warranty is generally for one year. The table below gives information about movement in warranties provisions.

	₹ in lacs	
	As at	As at
	31st March 2015	31st March 2014
At the beginning of the year	4.16	6.20
Add : Additions during the year	6.65	9.89
Less : Utilized / written back during the year	(5.48)	(11.93)
At the end of the year	5.33	4.16

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	As at
	31st March 2015	31st March 2014
At the beginning of the year	45.56	45.56
Add : Arisen during the year	-	-
Less : Utilized / unused amount reversed during the year	-	-
At the end of the year	45.56	45.56

8. SHORT-TERM BORROWINGS

	₹ in lacs	
	As at	As at
	31st March 2015	31st March 2014
Cash credit from Banks (secured) (repayable on demand)	50,248.43	54,316.64
Other Loans & Advances (unsecured)		
Inter-Corporate Deposits		
From related parties (Note 34g)	10,725.00	10,725.00
From others	4,190.00	5,255.00
	65,163.43	70,296.64

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

Cash Credit from banks other than District Co-operative Bank Ltd. is secured by hypothecation of the entire current assets of the Company and also by a charge on the immovable assets as follows:

- (i) Canning factory at Allahabad - First Charge;
- (ii) Sugar Unit at Rosa - First Charge;
- (iii) Sugar Unit at Dhadha Bujurg (Hata)- Second Charge;
- (iv) Sugar Units at Hargaon and Narkatiaganj - Third Charge.

In addition, Cash Credit from banks are also secured by pledge of 64,79,294 equity shares of the Company held by the promoter group companies, ranking pari-passu amongst the various lenders.

Cash credit of ₹ 12,156.16 lacs (₹ 14,082.15 lacs) from District Co-operative Bank Ltd. is secured by pledge of the Stock of Sugar pertaining to Sugar Units at Hargaon and Rosa.

Cash Credit borrowings carry interest rates ranging between 11.75% to 13.00%.

9. OTHER CURRENT LIABILITIES

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
Trade Payables (refer Note 42 for details of dues to micro and small enterprises)	51,998.10	49,687.41
Other liabilities :		
Current maturities of long-term borrowings (Note 5)	5,125.09	6,281.64
Payable towards deduction against crop loan by a bank	-	1,711.12
Payable towards purchase of capital goods	70.97	35.69
Payable to employees	601.11	666.11
Advance against Sales	315.52	151.49
Interest accrued but not due on borrowings, deposits etc.	797.54	762.85
Investor Education and Protection Fund will be credited by following amounts (as and when due) -		
Unclaimed dividend	4.00	4.00
Others -		
Statutory dues	354.03	318.19
Excise Duty on Closing Stocks	2,483.43	2,525.46
Crop Loan from a Bank pending disbursement to cane growers	3,742.46	3,518.11
Miscellaneous	25.59	31.13
	13,519.74	16,005.79
	65,517.84	65,693.20

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

10. TANGIBLE ASSETS

	Freehold Leasehold								Total
	Land (a) & (b)	Land	Buildings	Plant and Equipments	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments	
Cost									
At 1st April 2013	2,362.16	23.50	5,939.03	81,649.13	195.21	228.33	420.62	101.32	90,919.30
Additions	2.32	-	348.77	321.07	30.90	26.20	50.01	13.44	792.71
Disposals	-	-	0.18	46.78	21.65	17.75	15.46	9.49	111.31
At 31st March 2014	2,364.48	23.50	6,287.62	81,923.42	204.46	236.78	455.17	105.27	91,600.70
Additions	-	-	822.80	769.39	27.59	11.77	40.00	11.41	1,682.96
Disposals	-	-	48.31	536.52	13.26	10.08	24.09	3.25	635.51
At 31st March 2014	2,364.48	23.50	7,062.11	82,156.29	218.79	238.47	471.08	113.43	92,648.15
Depreciation									
At 1st April 2013	-	3.85	1,094.39	31,094.87	128.12	131.71	223.15	42.50	32,718.59
Charge for the year	-	0.78	150.85	3,911.37	19.51	10.62	34.34	11.42	4,138.89
Disposals	-	-	1.75	37.14	20.56	15.36	13.66	6.76	95.23
At 31st March 2014	-	4.63	1,243.49	34,969.10	127.07	126.97	243.83	47.16	36,762.25
Added to opening balance of Statement of Profit & Loss (Note 2.1)	-	-	108.64	232.07	7.45	2.67	14.57	4.10	369.50
Charge for the year	-	0.79	416.73	2,280.23	33.29	21.60	36.18	20.29	2,809.11
Disposals	-	-	45.59	489.61	12.62	9.84	22.68	3.11	583.45
At 31st March 2015	-	5.42	1,723.27	36,991.79	155.19	141.40	271.90	68.44	39,357.41
Net Block									
At 31st March 2014	2,364.48	18.87	5,044.13	46,954.32	77.39	109.81	211.34	58.11	54,838.45
At 31st March 2015	2,364.48	18.08	5,338.84	45,164.50	63.60	97.07	199.18	44.99	53,290.74
(a) Includes ₹ 3.46 lacs (₹ 3.46 lacs) being the value of agricultural land measuring about 3839 acres together with estimated written down value of immovable assets thereon, taken over by the Government of Uttar Pradesh under the U.P. Imposition of Ceiling of Land Holding Act, 1960, a case whereof is pending in the court.									
(b) Title deeds for ₹ 433.26 lacs (₹ 433.26 lacs) are yet to be executed in favour of the Company.									
(c) Includes assets held in joint ownership with others - Gross Block ₹ 201.22 lacs (₹ 201.22 lacs) and Net Block ₹ 88.55 lacs (₹ 104.91 lacs), head-wise details of which is as under :									
At 31st March 2014									
Gross Block	0.80	-	88.19	22.67	1.61	37.71	44.44	5.80	201.22
Net Block	0.80	-	64.54	9.54	0.24	18.04	10.22	1.53	104.91
At 31st March 2015									
Gross Block	0.80	-	88.19	22.67	1.61	37.71	44.44	5.80	201.22
Net Block	0.80	-	63.07	7.07	0.15	14.74	2.27	0.45	88.55

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

11. INTANGIBLE ASSETS

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
Computer Software :		
Opening gross block	190.01	171.31
Additions	-	18.70
Disposals	0.43	-
Closing gross block	189.58	190.01
Amortization :		
Opening balance	65.13	30.21
Charge for the year	38.18	34.92
Disposals	0.36	-
Closing balance	102.95	65.13
Net block	86.63	124.88

12. CAPITAL WORK-IN-PROGRESS

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
Balance brought forward from the previous year	277.25	217.57
Add : Additions during the year	376.21	549.18
	653.46	766.75
Less : Transfer to Tangible Assets during the year	396.20	489.50
Balance carried to Balance Sheet	257.26	277.25

13. NON-CURRENT INVESTMENTS

			₹ in lacs	
	Number of Units / shares	Face Value Per Unit/ Share	As at 31st March 2015	As at 31st March 2014
Non Trade				
(valued at cost unless stated otherwise)				
Quoted				
Investment in Equity Instruments (fully paid)				
Sutlej Textiles & Industries Ltd.	26,60,026	10.00	514.71	514.71
SIL Investments Ltd.	17,58,125	10.00	396.04	396.04
Upper Ganges Sugar & Industries Ltd.	11,72,260	10.00	867.44	867.44
New India Retailing & Investment Ltd.	2,66,874	10.00	212.64	212.64
Chambal Fertilisers & Chemicals Ltd.	3,02,500	10.00	55.00	55.00
Manavta Holding Ltd.	72,000	10.00	3.53	3.53
Manbhawani Investment Ltd.	67,500	10.00	2.07	2.07
			2,051.43	2,051.43
Unquoted				
Investment in Equity Instruments (fully paid)				
Modern Dia-Gen Services Ltd.	23,752	10.00	2.38	2.38
SCM Investment & Trading Co. Ltd	37,50,000	10.00	750.00	750.00

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

13. NON-CURRENT INVESTMENTS (CONTD.)

			₹ in lacs	
	Number of Units / shares	Face Value Per Unit/ Share	As at 31st March 2015	As at 31st March 2014
Taparia Ltd.	3,500	10.00	0.40	0.40
Shree Vihar Properties Ltd.	7,47,692	10.00	65.77	65.77
India Educational & Research Institutions Pvt. Ltd.	24,500	10.00	2.45	2.45
Bihar State Financial Corporation Ltd.	70	100.00	0.07	0.07
Moon Corporation Ltd. ('A' Class)	745	100.00	0.77	0.77
Moon Corporation Ltd. ('B' Class)	2,502	5.00	0.12	0.12
Birla Buildings Ltd.	1,920	10.00	0.19	0.19
The Oudh Trading Co. Pvt. Ltd.	25	100.00	0.03	0.03
A.P.V. Texmaco Ltd. (in liquidation)	28,750	10.00	-	-
[at cost less provision for other than temporary diminution ₹ 0.86 lacs]				
			822.18	822.18
Investment in Equity Instruments (partly paid)				
Modern Dia-Gen Services Ltd. (₹ 2/- paid up)	15,45,044	10.00	30.90	30.90
			30.90	30.90
Investment in Preference Instruments (fully paid)				
8% Non - Convertible Cumulative Redeemable Preference Shares				
New India Retailing & Investment Ltd.	5,00,000	100	500.00	500.00
			500.00	500.00
In Government Securities (fully paid)				
11 % Bihar State Development Loan, 2001		(a)	0.53	0.53
6 Years National Savings Certificates		(a)	2.12	2.12
5 1/2 % U.P.State Development Loan, 1977		(a) & (b)		
7 Years National Defence Certificates		(a) & (b)		
12 Years National Plan Savings Certificates		(a) & (b)		
			2.65	2.65
			3,407.16	3,407.16
Aggregate amount of quoted investments [Market value : ₹ 10,139.52 lacs (₹ 7,055.19 lacs)]			2,051.43	2,051.43
Aggregate amount of unquoted investments			1,355.73	1,355.73

(a) Deposited / pledged with various Government authorities.

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

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

Name of the Company	No. of shares	Face Value per share (in ₹)
Jai Hind Publishing Co. Ltd. (in liquidation)	80	80
Akhil Bharat Printers Ltd. (in liquidation)	150	150
Maruti Ltd. (In liquidation)	10,000	10,000
Leas Communication Ltd.	21,000	21,000
Chandausi Rice Mills Ltd.	1,000	1,000
Swadeshi Jute Machinery Corporation Ltd.	15,000	15,000

(d) There is a diminution of ₹ 561.32 lacs (₹ 665.16 lacs) in the value of certain quoted investments based on the last quoted price. The above investments being long term and strategic in nature and diminution in value of said investments being temporary in nature, no provision there against is required in the accounts.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

14. DEFERRED TAX ASSET (NET)

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Deferred Tax Asset		
Carry forward of Unabsorbed Depreciation and Business Losses	21,430.93	16,974.31
Expenditure allowable against taxable income in future years	2,577.84	3,217.82
	24,008.77	20,192.13
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	11,103.86	11,190.53
	11,103.86	11,190.53
Net Deferred Tax Asset	12,904.91	9,001.60

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

15. LOANS AND ADVANCES

₹ in lacs

	Non-current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good except stated otherwise)				
Capital advances	5.39	17.84	-	-
Sundry Deposits				
Considered good	12.42	10.61	36.11	70.67
Considered doubtful	-	-	1.44	1.44
	12.42	10.61	37.55	72.11
Less : Provision for doubtful deposits	-	-	1.44	1.44
	12.42	10.61	36.11	70.67
Advances recoverable in cash or in kind or for value to be received or pending adjustments				
Considered good *	-	-	493.91	742.79
Considered doubtful	-	-	550.33	552.02
	-	-	1,044.24	1,294.81
Less : Provision for doubtful advances	-	-	550.33	552.02
	-	-	493.91	742.79
Other loans and advances				
Loan to employees	-	-	45.58	63.25
Deposits against demand under appeal and / or under dispute	-	-	239.41	265.52
Claims / Refund Receivable	-	-	31.97	159.07
Prepaid Expenses	-	-	88.42	48.85
Tax deducted at source	-	-	38.03	34.67
Balances with Excise and Other Government Authorities	-	-	792.47	1,246.46
	-	-	1,235.88	1,817.82
	17.81	28.45	1,765.90	2,631.28

* Includes ₹ 0.81 Lacs (₹ 39.64 Lacs) to a related party refer Note 34e.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

16. CURRENT INVESTMENTS

₹ in lacs

	Number of Units / shares	Face Value Per Unit/ Share	As at 31st March 2015	As at 31st March 2014
Non Trade (valued at cost unless stated otherwise)				
Unquoted (fully paid)				
Investment in Equity Instruments				
In Subsidiary Companies *				
Allahabad Canning Ltd.	50,000	10	5.00	-
Palash Securities Ltd.	50,000	10	5.00	-
Vaishali Sugar & Energy Ltd.	50,000	10	5.00	-
			15.00	-
In Joint Venture Company *				
Avadh Sugar & Energy Ltd.	25,000	10	2.50	-
			17.50	-

* Refer Note 1(e)

17. INVENTORIES

₹ in lacs

	Notes	As at 31st March 2015	As at 31st March 2014
Valued at Lower of Cost and Net Realisable Value			
Raw materials	22	1,149.33	1,337.49
Goods under process	23	1,050.53	2,045.28
Finished goods	23	60,382.66	85,031.38
Traded goods	23	333.75	283.52
Stores, Chemicals and spare parts etc.		1,965.16	2,190.37
Power - Banked	23	70.88	58.99
Bio-compost	23	95.80	56.39
Agriculture Products - Standing Crop	23	98.94	92.29
Valued at Estimated Realisable Value			
By-Products	23	4,180.99	3,993.22
Scrap	23	31.26	29.77
		69,359.30	95,118.70
The above includes stock in transit :			
Stores, Chemicals and spare Parts etc.		40.28	49.66

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

18. TRADE RECEIVABLES AND OTHER ASSETS

18.1 Trade Receivables

	₹ in lacs	
	As at	As at
	31st March 2015	31st March 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	40.06	53.63
Considered doubtful	41.89	30.95
	81.95	84.58
Less :Provision for doubtful trade receivables	41.89	30.95
	40.06	53.63
Other receivables		
Secured, considered good	9.52	37.14
Unsecured, considered good*	4,940.96	3,900.95
	4,950.48	3,938.09
	4,990.54	3,991.72

* Includes ₹ 370.55 lacs (₹ Nil) receivable accrued on account of revision in power tariff.

18.2 Other Assets

	₹ in lacs			
	Non-current		Current	
	As at	As at	As at	As at
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
(Unsecured, considered good)				
Non-current Bank balance (Note 19)	15.80	16.57	-	-
Interest accrued on Loans, Advances, Deposits, Investments etc.	-	-	5.39	5.35
Unamortised ancillary cost of arranging the borrowing	43.23	35.45	13.56	8.90
Claims and Refunds Receivable towards Subsidy & Incentives (also refer to Note 38)	-	-	8,978.60	1,499.87
Renewable Energy Certificates entitlement	-	-	2,075.30	1,596.13
	59.03	52.02	11,072.85	3,110.25

19. CASH AND BANK BALANCES

	₹ in lacs			
	Non-current		Current	
	As at	As at	As at	As at
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Cash and cash equivalents				
Balances with banks:				
On current accounts			416.91	257.08
On unpaid dividend account			4.00	4.00
Cheques / Drafts on hand			54.21	49.89
Cash on hand			39.68	65.37
			514.80	376.34

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

19. CASH AND BANK BALANCES (CONTD.)

₹ in lacs

	Non-current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Other Bank Balances *				
Deposits with original maturity of more than 3 months and not more than 12 months	-	-	9.85	12.33
Deposits with original maturity of more than 12 months	15.80	16.57	-	-
In Post office savings bank account	-	-	0.30	0.30
	15.80	16.57	10.15	12.63
Less : Amount disclosed under other non-current assets (Note 18.2)	15.80	16.57		
	-	-	10.15	12.63
	-	-	524.95	388.97

* Includes ₹ 22.95 lacs (₹ 25.70 lacs) pledged / lodged with various Government Authorities and Banks as security / earmarked / margin money.

20. REVENUE FROM OPERATIONS

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Revenue from operations		
Sale of products		
Finished goods	1,31,401.39	1,07,572.81
Traded goods	907.78	782.65
Power	5,770.58	4,591.42
By products	2,136.09	3,258.82
Others	528.46	483.41
	1,40,744.30	1,16,689.11
Less : Claims, Rebates etc.	48.42	35.47
	1,40,695.88	1,16,653.64
Other operating revenue		
Proceeds from Agriculture Products	45.76	49.40
Renewable Energy Certificates Credit	1,234.94	1,863.73
Cane Price Subsidy*	936.22	-
Cane Purchase Tax Remission	-	513.36
Cane Commission Remission	-	191.83
Export Incentives	12.05	19.35
Scrap Sales	40.44	6.97
	1,42,965.29	1,19,298.28
Less : Excise duty	3,833.36	3,374.65
Cess	918.44	702.38
	1,38,213.49	1,15,221.25

* pertaining to earlier year.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

20. REVENUE FROM OPERATIONS (CONTD.)

Detail of products sold

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Finished goods		
Sugar	1,15,093.28	89,478.44
Spirit	13,351.48	15,132.03
Food Processing Products	2,941.80	2,955.12
Fusel Oil	14.83	7.22
	1,31,401.39	1,07,572.81
Traded goods		
Food Processing Products	907.78	782.65
By products		
Molasses	165.91	1,266.51
Bagasse	1,970.18	1,992.31
	2,136.09	3,258.82

21. OTHER INCOME

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Interest income on		
Loans, deposits, advances etc.	10.80	11.75
Refund from Income Tax Department	0.97	0.16
Long-term investments	0.06	0.08
Dividend income on Long-term investments	241.43	159.97
Insurance and Other Claims	13.05	182.52
Rent and Hire Charges	21.70	18.85
Unspent Liabilities, Provisions no longer required and Unclaimed Balances adjusted	79.64	203.85
Gain on Foreign Exchange fluctuations (net)	4.36	8.46
Miscellaneous Receipts	43.44	11.34
	415.45	596.98

22. COST OF RAW MATERIALS CONSUMED

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Inventory at the beginning of the year	1,337.49	1,276.85
Add : Purchases and procurement expenses*	91,486.02	96,441.73
	92,823.51	97,718.58
Less: Inventory at the end of the year	1,149.33	1,337.49
	91,674.18	96,381.09

* net of subsidy / remission of ₹ 9,333.23 lacs (₹ 1,827.58 lacs) allowed by the State Governments. (also refer to Note 38)

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

22. COST OF RAW MATERIALS CONSUMED (CONTD.)

Details of raw materials consumed

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Sugarcane	87,830.25	92,694.35
Molasses - consumed in Distillery units	7,707.88	7,023.43
Bagasse - consumed in Co-generation units	6,193.36	4,644.49
Fresh fruits and vegetables	757.68	660.89
Sugar - consumed in Food Processing unit	255.01	316.74
Press mud	69.26	49.09
Seed, Manures and fodder	31.96	66.00
	1,02,845.40	1,05,454.99
Less : Inter-unit transfer of own produced materials	11,171.22	9,073.90
	91,674.18	96,381.09

Details of raw material inventory

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Sugarcane	74.64	30.85
Molasses - at Distillery units	991.92	737.05
Bagasse - at Co-generation units	33.18	512.69
Fresh fruits and vegetables	29.88	36.69
Sugar - at Food Processing Unit	5.53	10.49
Press mud	14.18	9.72
	1,149.33	1,337.49

Details of Inter-unit transfer of own produced materials

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Sugarcane	80.57	90.17
Molasses	5,839.30	4,533.18
Bagasse	4,984.92	4,149.69
Sugar	224.77	284.72
Press mud	41.66	16.14
	11,171.22	9,073.90

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

23. DECREASE / (INCREASE) IN INVENTORIES

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Inventories at the end of the year		
Finished goods	60,382.66	85,031.38
Traded goods	333.75	283.52
Power - Banked	70.88	58.99
By Products	4,180.99	3,993.22
Goods under process	1,050.53	2,045.28
Bio-compost	95.80	56.39
Agriculture Products - Standing Crop	98.94	92.29
Scrap	31.26	29.77
	66,244.81	91,590.84
Inventories at the beginning of the year		
Finished goods	85,031.38	79,588.32
Traded goods	283.52	232.55
Power - Banked	58.99	61.17
By Products	3,993.22	3,723.81
Goods under process	2,045.28	1,404.57
Bio-compost	56.39	22.96
Agriculture Products - Standing Crop	92.29	78.92
Scrap	29.77	28.07
	91,590.84	85,140.37
	25,346.03	(6,450.47)
Decrease / (Increase) of excise duty on inventories	(550.49)	90.61
	24,795.54	(6,359.86)

Details of purchase of traded goods

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Food Processing Products	772.04	665.22

Details of inventory

	₹ in lacs	
	As at 31st March 2015	As at 31st March 2014
Finished goods		
Sugar	57,092.81	83,689.67
Spirit	2,500.72	666.12
Food Processing Products	789.13	675.59
	60,382.66	85,031.38
Traded goods		
Food Processing Products	333.75	283.52

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

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

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
By-products		
Molasses	3,648.91	3,348.71
Bagasse	532.08	644.51
	4,180.99	3,993.22
Goods under process		
Sugar	943.08	1,782.44
Molasses	68.92	166.07
Food Processing Products	38.53	45.81
Semi Bio-compost	-	50.96
	1,050.53	2,045.28

24. EMPLOYEE BENEFITS EXPENSES

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Salaries, wages, bonus etc.	4,729.03	4,418.68
Contribution to provident & other funds	428.06	382.45
Gratuity expense (Note 30)	181.42	48.03
Employees' welfare expenses	149.16	157.44
	5,487.67	5,006.60

25. OTHER EXPENSES

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Consumption of stores and spares	1,946.81	1,872.31
Packing Materials	2,353.69	2,483.82
Power & Fuel	753.43	1,120.12
Repairs to and Maintenance of :		
Buildings	334.94	392.50
Machinery	2,075.76	1,850.96
Others	103.60	80.25
Rent	221.36	221.81
Rates & Taxes	66.27	57.29
Insurance	90.55	78.31
Payment to Auditors		
As Auditors		
Audit Fees	22.93	17.57
Limited Review Fees	10.35	10.35
In other capacity		
Tax Audit Fees	6.00	5.35
For Certificates and Other services	6.82	10.70
Reimbursement of Expenses	5.01	5.92
Payment to Cost Auditors	1.44	1.34
Commission on sales	538.34	456.72

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

25. OTHER EXPENSES (CONTD.)

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Freight & forwarding charges etc.	796.52	778.76
Charity and Donations	3.60	10.69
Provision for bad and doubtful debts / advances	17.70	10.44
Provision for Warranties & Claims	6.65	9.89
Provision for Standard Assets	0.36	0.09
Bad debts, irrecoverable claims and advances written off	77.96	24.49
Less : Adjusted against provisions	5.83	72.13
Loss on tangible assets sold / discarded (net)	44.66	7.81
Molasses Storage & Maintenance Reserve	5.85	8.07
Director's Sitting fees	1.73	1.73
Miscellaneous Expenses	1,608.79	1,428.07
	11,095.29	10,922.65

26. DEPRECIATION AND AMORTIZATION EXPENSES

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Depreciation of tangible assets	2,809.11	4,138.89
Amortization of intangible assets	38.18	34.92
	2,847.29	4,173.81

27. FINANCE COSTS

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Interest	12,838.63	13,136.10
Other Borrowing Cost	35.47	52.63
	12,874.10	13,188.73

28. AGRICULTURAL INCOME

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

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Income		
Revenue from Operations		
Sales of products [including inter-transfers ₹ 80.57 lacs (₹ 90.17 lacs)]	126.33	139.57
Rent & Hire charges	9.07	5.19

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

28. AGRICULTURAL INCOME (CONTD.)

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Unspent Liabilities, Provisions no longer required and Unclaimed balances adjusted	0.23	0.85
Miscellaneous Receipts	26.79	0.48
	162.42	146.09
Expenses		
Cost of Raw Materials consumed	31.96	65.99
Increase / (Decrease) in Stocks :		
Opening Stock	92.29	78.92
Less : Closing Stock	98.94	(6.65)
Consumption of stores and spares	0.01	1.41
Repairs to and Maintenance of :		
Building	0.44	0.07
Machinery	0.08	0.09
Others	2.09	1.25
Rent	4.02	11.66
Rates & Taxes	0.24	1.24
Employee benefits expenses :		
Salaries, wages, bonus etc.	48.70	48.75
Contribution to provident & other funds	1.79	1.73
Gratuity expense	1.55	-
Insurance	0.47	0.46
Loss on tangible assets sold / discarded (net)	0.12	-
Miscellaneous Expenses	22.92	22.69
Depreciation	15.80	9.27
	123.54	151.24
Agricultural Income / (Loss)	(38.88)	(5.15)

29. EARNINGS PER SHARE (EPS)

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

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Profit / (Loss) after tax	(7,143.25)	(5,300.03)
Dividends on Non-Convertible Cumulative Redeemable Preference Shares & tax thereon	509.97	497.23
Net profit / (loss) for calculation of basic and diluted EPS	(7,653.22)	(5,797.26)
	Nos.	Nos.
Weighted average number of equity shares in calculating basic & diluted EPS	2,59,17,285	2,59,17,285
	₹	₹
Earnings per equity share [Nominal value of share ₹ 10 (₹ 10)]		
Basic & Diluted	(29.53)	(22.37)

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

30. GRATUITY - DEFINED BENEFIT PLAN

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

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

Statement of Profit and Loss

Net employee benefit expense recognized in employee costs

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Current service cost	72.66	77.29
Interest cost on benefit obligation	101.57	92.21
Expected return on plan assets	(82.41)	(81.45)
Net actuarial (gain) / loss recognized in the year	89.60	(40.02)
Net benefit expense	181.42	48.03
Actual return on plan assets	81.17	77.44

Balance Sheet

Net Benefit liability / (asset)

	As at 31st March 2015	As at 31st March 2014
Present value of defined benefit obligation	1,314.96	1,204.63
Fair value of plan assets	942.16	970.29
Plan liability / (asset)	372.80	234.34

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

	₹ in lacs	
	31st March 2015	31st March 2014
Opening defined benefit obligation	1,204.63	1,169.81
Current service cost	72.66	77.29
Interest cost	101.57	92.21
Benefits paid	(152.26)	(90.65)
Actuarial (gains) / losses on obligation	88.36	(44.03)
Closing defined benefit obligation	1,314.96	1,204.63

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

	₹ in lacs	
	31st March 2015	31st March 2014
Opening fair value of plan assets	970.29	917.19
Expected return	82.41	81.45
Contributions by employer	42.96	66.31
Benefits paid	(152.26)	(90.65)
Actuarial gains / (losses)	(1.24)	(4.01)
Closing fair value of plan assets	942.16	970.29

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

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

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

	₹ in lacs	
	31st March 2015	31st March 2014
Investments with insurer	100%	100%

The principal assumptions are shown below :

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

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

	₹ in lacs				
	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Gratuity					
Defined benefit obligation	1,314.96	1,204.63	1,169.81	1,078.27	1,053.79
Plan assets	942.16	970.29	917.19	899.20	944.38
Surplus / (deficit)	(372.80)	(234.34)	(252.62)	(179.07)	(109.41)
Experience (gain) / loss adjustments on plan liabilities	(12.34)	19.20	35.37	(19.15)	52.70
Experience gain / (loss) adjustments on plan assets	(1.24)	(4.01)	(32.70)	(22.38)	52.50

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 the date, applicable to the period over which the obligation is to be settled.

The Company's subsidiaries have no employee and accordingly the above disclosure does not include any amount in respect of subsidiaries.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

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 2015	Year Ended 31st March 2014
Contribution to Provident / Pension Funds	403.98	380.56
Contribution to Superannuation Fund	24.08	1.89
	428.06	382.45

31. LEASES

Operating lease :

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

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
Lease payments made for the year *	221.36	221.81
	221.36	221.81

* including lease rent for use of agriculture land ₹ 4.02 lacs (₹ 11.66 lacs).

32. Bearer Equity Share Coupons having a realized value of ₹ 0.06 lacs (₹ 0.06 lacs) has been shown separately under "Shareholders' Funds" as the holders of such coupons are yet to tender coupon certificates to claim the underlying security i.e. equity shares of equal paid up value.

33. 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 "Food processing" 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

Food Processing Products - Consists of Canned Fruits and Vegetables, Jams, Jellies, Squashes and Juices

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 2015

33. SEGMENT INFORMATION (CONTD.)

Business Segments

Year ended 31st March 2015

Particulars	₹ in lacs				Total
	Sugar	Spirits	Co-generation	Food processing	
Revenue *					
Segment revenue	1,28,514.44	12,957.71	11,003.13	3,778.30	1,56,253.58
Less : Inter segment	12,756.73	50.81	5,232.55	-	18,040.09
Total revenue from operations (net)	1,15,757.71	12,906.90	5,770.58	3,778.30	1,38,213.49
Results					
Segment results	(4,595.33)	3,285.27	3,621.46	87.86	2,399.26
Unallocated Income / (Expenses) (net of unallocable expenses / income)					(442.33)
Operating profit					1,956.93
Finance costs					12,874.10
Profit / (Loss) before tax					(10,917.17)
Current Tax					3.79
Excess provision for earlier year written back					-
Deferred tax charge / (credit)					(3,777.71)
Net profit / (loss)					(7,143.25)
As at 31st March 2015					
Particulars	₹ in lacs				Total
Segment assets	1,10,547.93	13,737.63	14,789.91	1,882.43	1,40,957.90
Unallocated assets					16,796.68
Total assets					1,57,754.58
Segment liabilities	58,914.90	575.31	133.67	673.25	60,297.13
Unallocated liabilities					1,02,700.01
Total liabilities					1,62,997.14
Other segment information					
Capital expenditure					
Tangible assets	1,489.06	113.40	24.69	35.82	1,662.97
Intangible assets	-	-	-	-	-
Depreciation	1,898.95	579.86	312.89	17.41	2,809.11
Amortization	38.18	-	-	-	38.18
Non-cash expenses	5.85	-	-	-	5.85
Year ended 31st March 2014					

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

33. SEGMENT INFORMATION (CONTD.)

Business Segments

Year ended 31st March 2015

Particulars	₹ in lacs				Total
	Sugar	Spirits	Co-generation	Food processing	
Revenue *					
Segment revenue	1,02,570.71	14,645.30	8,719.58	3,686.31	1,29,621.90
Less: Inter segment	10,272.49	-	4,128.16	-	14,400.65
Total revenue from operations (net)	92,298.22	14,645.30	4,591.42	3,686.31	1,15,221.25
Results					
Segment results	(1,750.33)	4,137.75	2,866.56	173.06	5,427.04
Unallocated Income / (Expenses) (net of unallocable expenses / income)					(398.32)
Operating profit					5,028.72
Finance costs					13,188.73
Profit / (Loss) before tax					(8,160.01)
Current Tax					2.70
Excess provision for earlier year written back					0.04
Deferred tax charge / (credit)					(2,862.64)
Net profit / (loss)					(5,300.03)

As at 31st March 2014

Particulars	₹ in lacs				Total
	Sugar	Spirits	Co-generation	Food processing	
Segment assets	1,31,560.76	12,899.93	13,805.83	1,892.96	1,60,159.48
Unallocated assets					12,811.25
Total assets					1,72,970.73
Segment liabilities	57,922.67	422.61	85.53	760.10	59,190.91
Unallocated liabilities					1,11,641.08
Total liabilities					1,70,831.99
Other segment information					
Capital expenditure					
Tangible assets	732.49	116.34	2.30	1.26	852.39
Intangible assets	18.70	-	-	-	18.70
Depreciation	2,674.47	640.02	817.93	8.57	4,140.99
Amortization	32.82	-	-	-	32.82
Non-cash expenses	8.07	-	-	-	8.07

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

33. SEGMENT INFORMATION (CONTD.)

Geographical Segments

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

	Year ended 31st March 2015		
	India	Overseas	Total
Revenue *			
Revenue from operations	1,37,987.34	226.15	1,38,213.49
Other segment information			
Segment assets	1,40,957.90	-	1,40,957.90

	Period ended 31st March 2014		
	India	Overseas	Total
Revenue *			
Revenue from operations	1,14,844.09	377.16	1,15,221.25
Other segment information			
Segment assets	1,60,159.48	-	1,60,159.48

Note : All the fixed assets of the company are located in India and hence separate figures for fixed assets / additions to fixed assets have not been furnished.

* net of excise duty and cess.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

34. RELATED PARTY DISCLOSURES Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year

Subsidiary Companies*	Allahabad Canning Limited (w.e.f. 19th March 2015)
	Palash Securities Limited (w.e.f. 23rd March 2015)
	Vaishali Sugar & Energy Limited (w.e.f. 19th March 2015)
Joint Venture Company*	Avadh Sugar & Energy Limited (w.e.f. 19th March 2015)
Key Management Personnel	Shri Chandra Shekhar Nopany – Chairman-cum-Managing Director
	Shri Dilip Patodia – President (Finance) and Chief Financial Officer
	Shri Anand Sharma – Company Secretary
Relatives of Key Management Personnel	Smt. Nandini Nopany – Mother of Shri Chandra Shekhar Nopany
	Smt. Shalini Nopany – Wife of Shri Chandra Shekhar Nopany
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Upper Ganges Sugar & Industries Limited
	Sutlej Textiles & Industries Limited
	SIL Investments Limited
	SCM Investment & Trading Company Limited
	RTM Investment & Trading Company Limited
	Uttar Pradesh Trading Company Limited
	Nilgiri Plantations Limited
	Ronson Traders Limited

* Refer Note 1(e)

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

34. RELATED PARTY TRANSACTIONS

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

	Year ended	Sale of Goods	₹ in lacs	
			Amount owed by related parties	Amount owed to related parties
a. Sale of Goods				
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
Upper Ganges Sugar & Industries Limited	31st March 2015	197.65	-	-
	31st March 2014	201.53	-	-
b. Purchase of Goods				
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
Upper Ganges Sugar & Industries Limited	31st March 2015	393.22	-	-
	31st March 2014	388.57	-	-
c. Sale of Fixed Assets				
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
Upper Ganges Sugar & Industries Limited	31st March 2015	-	-	-
	31st March 2014	7.02	-	-
d. Purchase of Fixed Assets				
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
Upper Ganges Sugar & Industries Limited	31st March 2015	-	-	-
	31st March 2014	1.89	-	-

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

34. RELATED PARTY TRANSACTIONS (CONTD.)

e. Dividend Received		₹ in lacs	
	Year ended	Dividend Received	Amount owed by related parties
Enterprises owned or significantly influenced by Key Management Personnel or their relatives			Amount owed to related parties
Sutlej Textiles & Industries Limited	31st March 2015	212.80	-
	31st March 2014	88.66	-
SIL Investments Limited	31st March 2015	21.98	-
	31st March 2014	21.98	-

f. Payable outstanding (net)		₹ in lacs	
	Year ended	Transaction during the period	Amount owed by related parties
In Subsidiary Companies			Amount owed to related parties
Allahabad Canning Limited	31st March 2015	-	0.23
	31st March 2014	-	-
Palash Securities Limited	31st March 2015	-	0.23
	31st March 2014	-	-
Vaishali Sugar & Energy Limited	31st March 2015	-	0.23
	31st March 2014	-	-
In Joint Venture Company	31st March 2015	-	-
Avadh Sugar & Energy Limited	31st March 2015	-	0.12
	31st March 2014	-	-

g. Loans / Inter-corporate deposits taken and repayment thereof		₹ in lacs	
	Year ended	Loan / Inter-corporate deposits taken	Repayment
Enterprises owned or significantly influenced by Key Management Personnel or their relatives			Interest accrued / paid
Upper Ganges Sugar & Industries Limited	31st March 2015	-	-
	31st March 2014	-	39.64
Uttar Pradesh Trading Company Limited	31st March 2015	-	29.71
	31st March 2014	-	37.34

g. Loans / Inter-corporate deposits taken and repayment thereof		₹ in lacs	
	Year ended	Loan / Inter-corporate deposits taken	Repayment
Enterprises owned or significantly influenced by Key Management Personnel or their relatives			Interest accrued / paid
SIL Investments Limited	31st March 2015	1,500.00	1,500.00
	31st March 2014	1,100.00	-
SCM Investment & Trading Company Limited	31st March 2015	2,325.00	2,825.00
	31st March 2014	500.00	687.50

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

34. RELATED PARTY TRANSACTIONS (CONTD.)

g. Loans / Inter-corporate deposits taken and repayment thereof (contd.)	Year ended	Loan / Inter-corporate deposits taken	Repayment	Interest accrued / paid	₹ in lacs	
					Amount owed to related parties	Amount owed to related parties
RTM Investment & Trading Company Limited	31st March 2015	3,000.00	2,500.00	367.14	3,000.00	3,000.00
	31st March 2014	-	675.00	406.62	2,500.00	2,500.00
Nilgiri Plantations Limited	31st March 2015	500.00	500.00	70.00	500.00	500.00
	31st March 2014	-	-	70.00	500.00	500.00
Ronson Traders Limited	31st March 2015	-	-	-	-	-
	31st March 2014	-	100.00	11.99	-	-

h. Investments made	Year ended	Investment made during the year	Investment sold during the year	₹ in lacs	
				Closing Balance	Closing Balance
In Subsidiary Companies					
Allahabad Canning Limited	31st March 2015	5.00	-	-	5.00
	31st March 2014	-	-	-	-
Palash Securities Limited	31st March 2015	5.00	-	-	5.00
	31st March 2014	-	-	-	-
Vaishali Sugar & Energy Limited	31st March 2015	5.00	-	-	5.00
	31st March 2014	-	-	-	-
In Joint Venture Company					
Avadh Sugar & Energy Limited	31st March 2015	2.50	-	-	2.50
	31st March 2014	-	-	-	-

i. Remuneration to Key Managerial Personnel	Year ended	Transaction during the year	Amount owed by related parties	₹ in lacs	
				Amount owed to related parties	Amount owed to related parties
Shri Chandra Shekhar Nopany	31st March 2015	43.68*	-	-	-
	31st March 2014	43.68 *	-	-	-
Shri Dilip Patodia	31st March 2015	88.19	-	-	-
	31st March 2014	64.78	-	-	-
Shri Anand Sharma	31st March 2015	37.72	-	-	-
	31st March 2014	-	-	-	-

* Excludes ₹ 36.00 lacs (₹ 36.00 lacs) and ₹ 39.43 lacs (₹ 35.03 lacs) paid towards rent and maintenance respectively for the accommodation provided to the Managing Director which has been included under "Rent" and "Miscellaneous Expenses" in note 25.

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.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

35. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 263.54 lacs (₹ 144.75 lacs)

36. CONTINGENT LIABILITIES

	₹ in lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
(a) Demands / Claims by various Government Authorities and others not acknowledged as debt and contested by the Company :		
(i) Excise Duty & Service Tax	10,329.87	5,908.33
(ii) Sales & Entry Tax	174.22	96.08
(iii) Duty under State Acts	361.04	188.92
(iv) Others	68.28	144.90
Total	10,933.41	6,338.23
(b) Outstanding towards Crop Loan disbursed to growers for which corporate guarantee is given to a bank	588.52	762.35
(c) Uncalled Capital on partly paid shares	123.60	123.60
(d) Bank Guarantees outstanding	1,157.97	935.28
(e) Bills discounted with banks	-	83.80
(f) Arrear Dividend (including tax) on Non-convertible Cumulative Redeemable Preference Shares (CRPS)	1,835.57	1,325.60

* Based on discussions with the solicitors / favourable decisions in similar cases / legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision thereagainst is considered necessary.

37. A civil suit is pending against the Company's sugar unit at Dhadha Bujurg (Hata), which is already in operation. The Company has been legally advised that the said civil suit is not tenable as per law.

38. The Government of Uttar Pradesh has announced Subsidy for Sugar Industry for the Sugar Season 2014-2015 linked to average selling price of sugar and its by-products during the period 1st October 2014 to 31st May 2015. The average selling prices of sugar and the by-products have been significantly lower than the thresholds specified in the subsidy scheme considering the actual and future realisation. In view of this, the Company has estimated and recognised subsidy amounting to ₹ 6,172.61 lacs during the year. The Company is confident of realising the subsidy in view of the current prices of sugar and the by-products.

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

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

40. Due to Steep decline in sugar realization, the Company has incurred significant higher losses during the current year and net- worth of the Company is completely eroded. The Sugar manufacturers are in active discussions with the State and Central Governments on the matter of sugar cane and other incentives for the sugar industry in order to make the operations viable. The management is hopeful of positive outcome from the discussions with the Governments and expects to be in a position to generate positive cash flow and profitability in future and accordingly, these financial statements have been drawn up on the going concern assumption.
41. The disclosure of net assets and share in profit or loss percentage of the Holding Company and Subsidiary Companies pursuant to Schedule III of the Companies Act, 2013 is as under :

Name of the entity in the Consolidated Financial Statements	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)
	1	2	3	4
Parent :				
The Oudh Sugar Mills Ltd.	143.12%	(7,503.48)	103.41%	(7,387.10)
Subsidiaries :				
Hargaon Investment & Trading Co. Ltd.	(25.31)%	1,326.98	(2.13)%	153.06
OSM Investment & Trading Co. Ltd.	(9.47)%	496.32	(0.77)%	54.96
Champaran Marketing Co. Ltd.	(8.33)%	436.92	(0.51)%	36.18
Hargaon Properties Ltd.	(0.01)%	0.70	0.00%	(0.35)
Total	100.00%	(5,242.56)	100.00%	(7,143.25)

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

	₹ in lacs	
	31st March 2015	31st March 2014
(i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).	88.91	20.30
(ii) Interest due on above.	1.79	1.14
Total of (i) & (ii)	90.70	21.44
(iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	0.74	4.91
(iv) Amount paid to the suppliers beyond the respective due date.	79.48	39.16
(v) Amount of interest due and payable for the year of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	3.21	1.08
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year.	5.00	2.22

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

	₹ in lacs	
	31st March 2015	31st March 2014
(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	13.61	11.30

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

As per our report of even date

As per our report of even date

For **S.R.Batliboi & Co. LLP**

Firm registration number : 301003E

Chartered Accountants

per **Kamal Agarwal**

Partner

Membership No.: 58652

Place : Kolkata

Date : 07th May 2015

For and on behalf of the Board of Directors

Chand Bihari Patodia

Director

Anand Sharma

Company Secretary

Place : Mumbai

Date : 07th May 2015

Chandra Shekhar Nopany

Chairman-cum-Managing Director

Dilip Patodia

Chief Financial Officer

BOOK POST

If undelivered, please return to:

The Oudh Sugar Mills Limited

9/1, R. N. Mukherjee Road,

5th Floor, Kolkata-700 001

CIN NO. L15432UP1932PLC025186



The Oudh Sugar Mills Limited

www.birla-sugar.com



THE OUDH SUGAR MILLS LIMITED

CIN: L15432UP1932PLC025186

Registered Office: P.O. Hargaon, Dist. Sitapur (U.P.), Pin – 261 121

Email: birlasugar@birla-sugar.com Website: www.birla-sugar.com

Phone (05862) 256220 Fax (05862) 256225

NOTICE

Notice is hereby given that the Eighty Third Annual General Meeting of **THE OUDH SUGAR MILLS LIMITED** will be held on Monday, 14th September, 2015 at 11.00 a.m., at the Registered Office of the Company at the Meeting Hall of Oudh Sugar Mills Complex, P.O. Hargaon, District - Sitapur, Uttar Pradesh, Pin – 261 121, to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2015, the Reports of the Directors and Auditors thereon and the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2015.
2. To appoint a Director in place of Mr Chand Bihari Patodia (DIN-01389238), who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:-**

“RESOLVED THAT Messrs S R Batliboi & Co LLP, Chartered Accountants, 22, Camac Street, Kolkata having Firm Registration No. 301003E be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration and other terms of engagement as would be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 and other applicable provisions, if any, the consent of the members be and is hereby accorded to amend the terms and conditions of appointment of Mr. Chandra Shekhar Nopany, (DIN-00014587), whose designation is being changed from Managing Director to Non-Executive Chairman, liable to retire by rotation, with effect from 30th June, 2015.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Board delegated Committees) be and they are hereby authorized to do or cause to be done in the name and cost of the Company all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Ms. Shashi Sharma (DIN-02904948), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 7th May, 2015, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and who qualifies to be an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, to hold office for five consecutive years from the date of this Annual General Meeting.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the payment of remuneration of ₹ 1,09,000/- (apart from reimbursement of out of pocket expenses and applicable taxes) to Cost Auditors, M/s D Radhakrishnan & Co., for conducting the audit of the cost records of the Company for the year ending 31st March, 2016, as approved by the Board of Directors on the recommendation of the Audit Committee, be and is hereby approved and ratified."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 152, 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, and such other approvals, consent of the members of the Company be and is hereby accorded to the appointment of Mr Chand Bihari Patodia (DIN-01389238), as a Whole-time Director, without any remuneration, for a period of three years with effect from 1st July, 2015 and whose office is liable to retire by rotation, if required, under the applicable provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Board delegated Committees) be and they are hereby authorized to alter and vary the terms and conditions of the appointment from time to time at its discretion, subject to and in accordance with the provisions of Section 197 read with Schedule V of the Act

RESOLVED FURTHER THAT the Board of Directors of the Company be and they are hereby authorized to do or cause to be done in the name and cost of the Company all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution."

By Order of the Board

Place : Kolkata
Dated : 2nd July, 2015

Anand Sharma
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the "MEETING") IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the paid-up share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
3. The Register of the Members of the Company will remain closed from 7th September, 2015 to 14th September, 2015 both days inclusive, for the purpose of holding the Annual General Meeting (AGM) of the Company on 14th September, 2015 in terms of this Notice.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Mr. Chand Bihari Patodia, Director of the Company, retires by rotation at the ensuing Annual General Meeting and is eligible of re-appointment. A brief resume of Mr. Chand Bihari Patodia, nature of his expertise in specific functional areas, names of other Companies in which he holds Directorship and Membership/ Chairmanship of Board Committees and Shareholding, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the annexure to the notice calling the meeting. The Board of Directors of the Company recommends his re-appointment.
8. Members are requested to notify the change in their addresses, if any, to the Company/Registrar & Share Transfer Agent. Members holding shares in dematerialised form should send the above information to their Depository Participants.
9. Members are also requested to notify their email addresses, if any, to the Company/Registrar & Share Transfer Agent so that all correspondence can be sent to them electronically in view of Circular No 17/95/2011 CL-V dated 21st April, 2011 issued by Ministry of Corporate Affairs. Members willing to receive such correspondence physically free of cost should inform the Company.
10. In all correspondence with the Company/Registrar & Share Transfer Agent the Members are requested to quote their accounts/folio numbers and in case their shares are held in the dematerialised form their Client ID Number and DP ID Number.
11. Pursuant to the provisions of Section 124 of the Companies Act, 2013, as amended, dividend remaining unclaimed/unpaid for a period of seven years is required to be transferred to the Investor Education and Protection Fund established by the Central Government (Fund). Accordingly, all unclaimed / unpaid dividends till the financial year up to and including 30.06.2006 have since been transferred to the said Fund. Members who have not encashed their dividend warrants so far for the financial year 2008-09 may make their claim to the Company/Registrar and Share Transfer Agent. Once the unclaimed/unpaid dividend is transferred to the Fund no claim in this regard shall lie against the Company. Pursuant to the applicable provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 8th September, 2014, on the website of the Company as well as filed the relevant form with MCA.
12. In terms of provisions of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders in respect of shares held by them in physical form. The Nomination Form can be obtained for the purpose from the Company/Registrar & Share Transfer Agent.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agent.
14. The Equity Shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited and the listing fees for the year upto and including the year 2015-16 have been paid to the respective Stock Exchanges.
15. The Equity Shares of the Company are compulsorily tradable in the dematerialised form on National Stock Exchange of India Limited and BSE Limited. Therefore, shareholders holding their shares in physical form are advised to have their holding of shares in physical form converted into dematerialised form to have a better liquidity of their shareholding.
16. Members who wish to obtain information on the Company or view the Accounts for the financial year ended 31st March, 2015 may visit the Company's website www.birla-sugar.com or send their queries at least 10 days in advance before the AGM to the Secretary of the Company.
17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

18. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and

- Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 11th September, 2015 (9:00 am) and ends on 13th September, 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7th September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open the attached PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "The Oudh Sugar Mills Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at goenkamohan@gmail.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) User ID and Initial password is provided in the Attendance Slip for the AGM :
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 - VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 7th September, 2015.

- X. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 7th September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or kolkata@linkintime.co.in.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Mohan Ram Goenka, Practicing Company Secretary (CP Registration No. 2551) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.birla-sugar.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No 4.

Mr. Chandra Shekhar Nopany, was, by way of a resolution passed at the Annual General Meeting of the Company held on 8th September, 2014, re-appointed as Managing Director of the Company with effect from 1st July, 2014 for a period of 3 (three) years ending on 30th June, 2017.

Mr Chandra Shekhar Nopany, has relinquished his office as Managing Director with effect from 30th June, 2015 and continuing as the Non Executive Chairman with effect from 1st July, 2015.

In accordance with Section 152(6) of the Companies Act, 2013, the period of office of at least two-third Directors of the Company shall be liable to determination by retirement by rotation. The provisions of Section 152(6) are not applicable to Independent Directors and the terms of appointment of Mr Chandra Shekhar Nopany was silent on this aspect. Hence, to ensure better corporate governance and in compliance with the provisions of Section 152(6), it is proposed that the terms of appointment of Mr. Chandra Shekhar Nopany shall also specifically include and provide that he shall be liable to retire by rotation at the Annual General Meeting of the Company as per the provisions of Section 152(6) of the Companies Act, 2013 as a Non Executive Director.

Brief resume of Mr. Chandra Shekhar Nopany, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se, is provided as annexure to the Notice calling the Annual General Meeting.

Save and except Mr. Chandra Shekhar Nopany and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders.

Item No 5.

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the Act) and the Article 154 of Articles of Association of the Company, Ms. Shashi Sharma as an Additional Director of the Company with effect from May 7, 2015.

In terms of the provisions of Section 161(1) of the Act, Ms. Shashi Sharma would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Shashi Sharma for the office of Director of the Company.

Ms. Shashi Sharma is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an Independent Director on its Board. As per the said Section 149, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of a company and shall not be included in the total number of Directors for retirement by rotation.

The Company has received a declaration from Ms. Shashi Sharma that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Ms. Shashi Sharma possesses appropriate skills, experience and knowledge, inter alia, in the field of general management, resource raising, treasury management in banking, finance and hospitality space etc.

In the opinion of the Board, Ms. Shashi Sharma fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Ms. Sharma is independent of the management.

Brief resume of Ms. Shashi Sharma, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided as annexure to the Notice calling the Annual General Meeting.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Ms. Shashi Sharma is appointed as an Independent Director.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Ms. Shashi Sharma and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No 6.

The Board of Directors had on the recommendation of the Audit Committee, approved the appointment and proposed the remuneration of M/s D Radhakrishnan & Co., Kolkata, as Cost Auditors for conducting the audit of the cost records of Sugar, Industrial Alcohol and Power units of the Company for the financial year 2015-16 at a remuneration of ₹ 1,09,000/-

The Company has received a Certificate regarding their eligibility for appointment as Cost Auditors. A copy of the certificate would be available for inspection by the members at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days, excluding Saturday up to the date of the Annual General Meeting.

In accordance with the provisions of section 148 of Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be approved and ratified by the shareholders of the Company. Hence, this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

The Board recommends the resolution at Item No.6 of the notice for approval by the shareholders.

Item No. 7.

The Board of Directors at its meeting held on 2nd July, 2015, had re-designated and/or appointed Mr Chand Bihari Patodia, as the Whole-time Director of the Company, for a period of three years, at no remuneration. Mr Chand Bihari Patodia is a member of the Board since 28.07.1995 and has the requisite expertise and experience for the position. The Nomination and Remuneration Committee had recommended to the Board and who in turn now recommends to the Shareholders that his appointment as Whole-time Director is considered desirable in the interest of the Company.

As a Whole-time Director of the Company Mr Chand Bihari Patodia shall be responsible to give direction to the Management team of the Company in accomplishment of its business plan.

Mr Chand Bihari Patodia does not hold any shares of the Company.

Except Mr. Chand Bihari Patodia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange as well as also be regarded as an abstract and memorandum under section 190 of the Companies Act, 2013. However, a brief resume of Mr Chand Bihari Patodia is provided as annexure to the Notice calling the Annual General Meeting.

The Board recommends the Resolution set out at Item No.7 of the Notice for approval by the shareholders.

By Order of the Board

Place : Kolkata

Dated : 2nd July, 2015

Anand Sharma

Company Secretary

**ANNEXURE TO THE NOTICE
INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

PARTICULARS RELATING TO DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED

Name	Mr. Chandra Shekhar Nopany	
Date of Birth	19.09.1965	
Brief Profile covering experience	Mr. Chandra Shekhar Nopany is a Chartered Accountant and Master in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA. He is an eminent industrialist having vast industrial experience in diverse fields like sugar, tea, shipping, textiles, fertilisers and chemicals, etc. He is the past President of Indian Chamber of Commerce. He looks after the overall management and is the driving force of the Company.	
Date of Appointment	01.07.1995	
Shareholding	73,804 Equity shares	
	Name of Indian Company	Committee Memberships, if any with position
Other Directorships	Upper Ganges Sugar & Industries Limited	Member – Stakeholders’ Relationship Committee
	Sutlej Textiles and Industries Limited	
	SIL Investments Limited	Chairman – Stakeholders’ Relationship Committee
	New India Retailing & Investment Limited	
	Uttar Pradesh Trading Company Limited	
	Yashovardhan Investment & Trading Company Limited	
	Chambal Fertilisers & Chemicals Limited	
	Ronson Traders Limited	Chairman – Stakeholders’ Relationship Committee

Name	Mr. Chand Bihari Patodia	
Date of Birth	23.04.1948	
Brief Profile covering experience	Mr. Chand Bihari Patodia possesses rich experience of over 37 years especially in Cane Marketing, Sugar Manufacturing Process, Administration and Finance.	
Date of Appointment	28.07.1995	
Shareholding	NIL	
	Name of Indian Company	Committee Memberships, if any with position
Other Directorships	Avadh Sugar & Energy Limited	
	Allahabad Canning Limited	
	Palash Securities Limited	
	Spinkraft (India) Limited	

Name	Ms. Shashi Sharma	
Date of Birth	01.08.1960	
Brief Profile covering experience	Ms. Shashi Sharma possesses rich experience of over 28 years especially in general management, resource raising, treasury management in banking, finance and hospitality space	
Date of Appointment	07.05.2015	
Shareholding	NIL	
	Name of Indian Company	Committee Memberships, if any with position
Other Directorships	-	-



 **THE OUDH SUGAR MILLS LIMITED**
P.O. Hargaon, Dist. Sitapur (U.P.), Pin – 261 121

83rd Annual General Meeting
Monday, September 14, 2015,
at 11.00 a.m.



The Oudh Sugar Mills Limited

CIN : L15432UP1932PLC025186

Regd. Office : P.O. Hargaon, Dist Sitapur, (U.P.), Pin - 261 121

Phone : (05862) 256220; Fax : (05862) 256225; Email : birlasugar@birla-sugar.com; Website : www.birla-sugar.com

ATTENDANCE SLIP

I/We hereby record my/our presence at the Eighty Third Annual General Meeting of the Company held on Monday, 14th September, 2015 at 11.00 a.m. at the Registered Office of the Company at the Meeting Hall of Oudh Sugar Mills Complex, P.O. Hargaon, District - Sitapur, Uttar Pradesh - 261 121.

.....
 Name of the Proxy (in BLOCK LETTERS)

.....
 Signature of the Shareholder/Proxy present

Note : Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

S

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	User ID	Password/PIN

Note : Please refer to the AGM Notice for e-voting instructions.

S

83rd Annual General Meeting
Monday, September 14, 2015,
at 11.00 a.m.



The Oudh Sugar Mills Limited

CIN : L15432UP1932PLC025186

Regd. Office : P.O. Hargaon, Dist Sitapur, (U.P.), Pin - 261 121

Phone : (05862) 256220; Fax : (05862) 256225; Email : birlasugar@birla-sugar.com; Website : www.birla-sugar.com

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration, Rules) 2014]

PROXY FORM

Form No. MGT-11

I/We, being the member(s), holding..... shares of The Oudh Sugar Mills Limited hereby appoint :

- (1) Name Address
 E-mail id Signature or failing him/her
- (2) Name Address
 E-mail id Signature or failing him/her,
- (3) Name Address
 E-mail id Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighty Third Annual General Meeting of the Company to be held on Monday, 14th September, 2015 at 11.00 a.m. at the Registered Office of the Company at the Meeting Hall of Oudh Sugar Mills Complex, P.O. Hargaon, District - Sitapur, Uttar Pradesh - 261 121 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions	Optional	
		For	Against
1.	Adoption of Financial Statements.		
2.	Re-appointment of Mr Chand Bihari Patodia, who retires by rotation		
3.	Appointment of Auditors and fixing of their remuneration		
4.	Modification in the terms of appointment of Mr Chandra Shekhar Nopany		
5.	Appointment of Mrs Shashi Sharma as an Independent Director		
6.	Ratification of the remuneration of Cost Auditors for the year 2015-16		
7.	Appointment of Mr Chand Bihari Patodia as the Whole-time Director of the Company.		

Signed this day of 2015

Members Folio No./DP and Client ID No.

Signature of Shareholder(s) Signature of Proxy holder(s)

Affix
 Revenue
 Stamp

Note : 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of Meeting.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 83rd Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



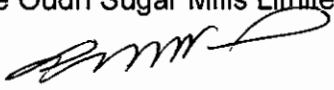
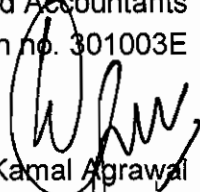
FORM B
(Pursuant to clause 31(a) of the Listing Agreement)

1.	Name of the Company:	The Oudh Sugar Mills Limited
2.	Annual financial statements for the period ended	March 31, 2015
3.	Type of Audit qualification	"Except for"
4.	Frequency of observation	Repetitive since 2009-10
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p><u>Audit Report on Standalone Financial Statements</u></p> <p>As indicated in Note 14 to the financial statements, the Company has recognized Deferred Tax Asset (DTA) (net) of Rs. 12,904.91 lacs (including Rs 3,777.71 lacs for the year) up to 31st March, 2015, based on the future profitability projections made by the management. In our opinion, in the absence of virtual certainty about the above projections, as required in terms of Accounting Standard – 22, had the above impact been considered, the loss for the year would have been Rs 20.292.01 lacs (including DTA of Rs. 9,001.60 lacs recognised up to 31st March, 2014) as against the reported loss of Rs. 7,387.10 lacs and Reserves and Surplus as at the balance sheet date would have been.(-) Rs. 28,012.88 lacs as against the reported figure of Rs.(-) 15,107.97 lacs.</p> <p><u>Audit Report on Consolidated Financial Statements</u></p> <p>As indicated in Note 14 to the financial statements, the Holding Company has recognized Tax Asset (DTA) (net) of Rs. 12,904.91 lacs (including Rs 3,777.71 lacs for the year) up to 31st March, 2015, based on the future profitability projections made by the management. In our opinion, in the absence of virtual certainty about the above projections, as required in terms of Accounting Standard – 22, had the above impact been considered, the loss for the year would have been Rs 20.048.16 lacs for the period (including DTA of Rs. 9,001.60 lacs recognised up to 31st March, 2014) as against the reported loss of Rs. 7,143.25 lacs and Reserves and Surplus as at the balance sheet date would have</p>



The Oudh Sugar Mills Limited



		<p>been.(-) Rs. 25,751.96 lacs as against the reported figure of Rs.(-) 12,847.05 lacs.</p> <p>Management Response: The Industry is in active discussions with Central and State Governments on the matter of pricing of Sugarcane and other incentives in order to make operations viable. The management is hopeful of positive outcome of the discussions with the Govt. and expects to be in a position to generate positive cash flows and profitability and is certain that there would be sufficient taxable income in future to claim the above tax credit.</p>
6	Additional comments from the board / audit committee chair	Nothing significant
7.	Signed by -	For The Oudh Sugar Mills Limited
	<ul style="list-style-type: none"> Chairman-cum-Managing Director 	 Chandra Shekhar Nopany Chairman-cum-Managing Director
	<ul style="list-style-type: none"> CFO 	For The Oudh Sugar Mills Limited  Dilip Patodia Chief Financial Officer
	<ul style="list-style-type: none"> Auditor of the Company 	For S. R. Batliboi & Co. LLP Chartered Accountants Firm Registration no. 301003E   Kamal Agrawal Partner Membership No. 58652
	<ul style="list-style-type: none"> Audit Committee Chairman 	For The Oudh Sugar Mills Limited  Anand Ashvin Dalal Audit Committee – Chairman



The Oudh Sugar Mills Limited