

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 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.

### 2.1 Summary of Significant Accounting Policies

#### (a) Use of Estimates

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

#### (b) Tangible Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses determined, if

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

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on 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.

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

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

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

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

## (d) Intangible Assets

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

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

## (e) Leases

### Operating Lease

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

### Finance Lease

Assets acquired under lease agreements which effectively transfer to the company substantially

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

## (f) Borrowing Costs

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

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

## (g) Impairment of Fixed Assets

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

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

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

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

## (i) Investments

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

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

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

## (j) Inventories

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

Goods under process, finished goods (including Power Banked), traded goods and standing crops, are valued at lower of cost and net realizable value. Finished goods, Goods under process and Standing Crops include cost of conversion and other costs incurred in bringing the inventories to their present location and

condition based on normal operating capacity. Cost is determined on weighted average basis.

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

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

## (k) Revenue Recognition

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

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

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.

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## (l) Foreign Currency Transactions

### Initial recognition

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

### Conversion

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

### Exchange differences

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

## (m) Retirement and other Employee Benefits

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

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

Short term compensated absences are provided for based on estimates.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end

of each financial year. The company does not have an unconditional right to defer its settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.

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

## (n) Income taxes

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

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

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certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

## (o) Segment Reporting

### Identification of segments

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

### Inter Segment Transfers

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

### Allocation of common costs

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

### Unallocated items

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

## Segment accounting policies

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

### (p) Earnings Per Share

Basic Earning per Share is calculated by 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

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control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises

in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

## 3. SHARE CAPITAL

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
<b>Authorized :</b>		
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
<b>Total</b>	<b>12,000.00</b>	<b>12,000.00</b>
<b>Issued :</b>		
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
<b>Total</b>	<b>7,617.04</b>	<b>7,617.04</b>
<b>Subscribed and fully paid-up :</b>		
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
<b>Total</b>	<b>7,604.43</b>	<b>7,604.43</b>

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

#### Equity shares

	As at 31st March 2016		As at 31st March 2015	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Equity shares of ₹ 10/- each				
Outstanding at the beginning and at the end of the year	25,917,285	2,591.73	25,917,285	2,591.73

#### Preference shares

	As at 31st March 2016		As at 31st March 2015	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Preference shares of ₹ 10/- each	50,000,000	5,000.00	50,000,000	5,000.00
Outstanding at the beginning and at the end of the year				

### (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.

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## (c) Terms of redemption of Preference Shares

The Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) carries dividend @ 8.5% per annum.

NCCRPS shall be redeemable at par on 2 August 2023 being twelve years and one day from the date of allotment i.e. 01 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 NCCRPS. However, the Board reserves the right to pay the dividend earlier with the consent of the Lenders and subject to the availability of profit.

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

Name of the shareholder	As at 31st March 2016		As at 31st March 2015	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity shares of ₹ 10/- each fully paid</b>				
Uttar Pradesh Trading Co. Ltd.	3,326,901	12.84%	3,326,901	12.84%
SCM Investment & Trading Co. Ltd.	2,797,296	10.79%	2,797,296	10.79%
New India Retailing & Investment Ltd.	2,778,044	10.72%	2,778,044	10.72%
RTM Investment & Trading Co. Ltd.	2,346,169	9.05%	2,346,169	9.05%
<b>NCCRPS of ₹ 10/- each fully paid</b>				
Sutlej Textile & Industries Ltd.	50,000,000	100.00%	50,000,000	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 2016	As at 31st March 2015
<b>Capital Reserve</b>		
As per the last financial statements	195.88	195.88
<b>Capital Redemption Reserve</b>		
As per the last financial statements	37.69	37.69
<b>Securities Premium Account</b>		
As per the last financial statements	9,315.03	9,315.03
<b>Molasses Storage and Maintenance Reserve</b>		
Balance as per the last financial statements	118.99	113.14
Add: Provided during the year	6.02	5.85
<b>Closing balance</b>	125.01	118.99
<b>Effluent Disposal Reserve</b>		
As per the last financial statements	2.84	2.84
<b>Surplus / (Deficit) in the Statement of Profit and Loss *</b>		
Balance as per last financial statements	(24,778.40)	(17,147.40)
Add: Adjustment for change in useful life of fixed assets, net of deferred tax	-	(243.90)
Profit / (Loss) for the year	623.11	(7,387.10)
<b>Net Surplus / (Deficit) in the Statement of Profit and Loss</b>	<b>(24,155.29)</b>	<b>(24,778.40)</b>
<b>Total Reserves and Surplus</b>	<b>(14,478.84)</b>	<b>(15,107.97)</b>

\* 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.

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## 5. LONG-TERM BORROWINGS

₹ in lacs

	Non-current portion		Current portion	
	As at	As at	As at	As at
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Term Loans (secured) :				
From Banks -				
Term Loan	17,152.34	20,549.21	3,396.87	2,956.04
Funded Interest Term Loan (FITL)	-	-	-	1,298.97
Under Financial Assistance Scheme (SEFASU 2014)	6,119.60	8,916.00	2,796.40	-
Under Financial Assistance Scheme (SOFT 2015 - Central)	8,885.00	-	-	-
Under Financial Assistance Scheme (SOFT 2015 - Bihar)	2,299.20	-	574.80	-
From Sugar Development Fund	869.87	1,739.74	869.87	869.87
	<b>35,326.01</b>	<b>31,204.95</b>	<b>7,637.94</b>	<b>5,124.88</b>
Less : Amount disclosed under the head "other current liabilities" (Note 9)"			7,637.94	5,124.88
Net amount	<b>35,326.01</b>	<b>31,204.95</b>	-	-

- (a) Term Loan from Banks carry interest rate in the range of 13.77% to 14.99% and are repayable in 32 quarterly instalments by 30th June 2020. 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 Loan is further secured as follows.
- (i) Second charge on current assets of Sugar Unit at Dhadha Bujurg (Hata) and fixed assets of Sugar Unit at Rosa ranking pari-passu amongst the various lenders.
- (ii) Third charge on current assets of Sugar & Distillery Units at Hargaon and Sugar Unit at Narkatiaganj.
- (iii) 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 11.4% to 12.3% p.a. and is repayable in 12 quarterly instalments by 30 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 under subvention 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 banks under Financial Assistance Scheme of the Government of India (SOFT LOAN 2015), carry interest rate in the range of 11.60% to 11.75% p.a. and are repayable in 20 equal quarterly instalments by 30 September 2022. The Company is entitled to interest subvention from the Government of India upto 10% for first year as per terms of the Scheme and the same will be reimbursed directly to banks by the Department of Food & Public Distribution and hence, no liability towards interest under subvention has been provided in



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these accounts. The above loans are secured / to be secured by the first pari-passu charge on all the fixed assets, both present and future, of Sugar and Co-generation units of the Company at Hargaon and Dhadha Bujurg (Hata) and Sugar units of the Company at Narkatiaganj and Rosa.

(d) Term loans from a bank under Financial Assistance Scheme of the State Government of Bihar (SOFT LOAN 2015), carry interest rate of 13% p.a. and are repayable in 20 equal quarterly instalments by 31 March 2021. The Company is entitled to interest subvention from the State Government of Bihar upto 12% for first year and 10% thereafter as per terms of the Scheme and the same will be reimbursed directly

to banks by the State Government of Bihar and hence, no liability towards interest under subvention has been provided in these accounts. The above loans are secured / to be secured by the first pari-passu charge on all the fixed assets, both present and future, of Sugar and Co-generation units of the Company at Hargaon and Dhadha Bujurg (Hata) and Sugar units of the Company at Narkatiaganj and Rosa.

(e) 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.

The above loans are repayable as under.

(₹ in lacs)

Disbursed to	Balance as at 31st March 2016	Balance as at 31st March 2015	Repayment Schedule
(i) Hargaon Sugar unit	1,249.34	1,874.01	5 yearly instalments ending on 30 September 2017.
(ii) Narkatiaganj Sugar unit	490.40	735.60	5 yearly instalments ending on 31 March 2018.
	<b>1,739.74</b>	<b>2,609.61</b>	

## 6. OTHER LONG-TERM LIABILITIES

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Interest accrued but not due on borrowings	190.24	380.48
Trade and other deposits	107.60	108.74
	<b>297.84</b>	<b>489.22</b>

## 7. PROVISIONS

₹ in lacs

	Long-term		Short-term	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Provision for employee benefits				
Gratuity (Note 30)	298.15	272.80	100.00	100.00
Leave			168.09	183.77
	<b>298.15</b>	<b>272.80</b>	<b>268.09</b>	<b>283.77</b>
Other provisions				
For warranties	-	-	6.29	5.33

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## 7. PROVISIONS (CONTD.)

₹ in lacs

	Long-term		Short-term	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
For wealth tax	-	-	-	4.00
For litigation, claims and contingencies	-	-	54.95	54.95
	-	-	<b>61.24</b>	<b>64.28</b>
	<b>298.15</b>	<b>272.80</b>	<b>329.33</b>	<b>348.05</b>

### 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 2016	As at 31st March 2015
At the beginning of the year	5.33	4.16
Add : Additions during the year	5.28	6.65
Less : Utilized / written back during the year	(4.32)	(5.48)
<b>At the end of the year</b>	<b>6.29</b>	<b>5.33</b>

### Provision for litigation, claims and contingencies

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

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
<b>Outstanding at the beginning and at the end of the year</b>	<b>54.95</b>	<b>54.95</b>

## 8. SHORT-TERM BORROWINGS

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Cash credit from Banks (secured) (repayable on demand)	51,998.95	50,248.43
<b>Other Loans &amp; Advances (unsecured)</b>		
From Subsidiary Companies (Note 34f)	4,015.50	3,900.00
Inter-Corporate Deposits		
From related parties (Note 34f)	6,825.00	6,825.00
From others	3,915.00	4,190.00
	<b>66,754.45</b>	<b>65,163.43</b>

# Notes to Financial Statements

as at and for the year ended 31st March 2016

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 ₹ 11,440.14 lacs (₹ 12,156.16 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 11.25% to 12.30% p.a.

## 9. OTHER CURRENT LIABILITIES

	₹ in lacs	
	As at 31st March 2016	As at 31st March 2015
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 40)	<b>134.22</b>	<b>154.69</b>
Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>30,551.44</b>	<b>51,834.02</b>
<b>Other liabilities :</b>		
Current maturities of long-term borrowings (Note 5)	7,637.94	5,124.88
Payable towards deduction against crop loan by a bank	8,046.50	-
Payable towards purchase of capital goods	64.08	70.97
Payable to employees	702.44	575.78
Advance against Sales	111.06	315.52
Interest accrued but not due on borrowings, deposits etc.	1,160.52	805.27
Investor Education and Protection Fund will be credited by following amounts (as and when due) -		
Unclaimed dividend	3.97	4.00
Others -		
Statutory dues	238.53	345.10
Excise Duty on Closing Stocks	4,299.82	2,483.43
Crop Loan from a Bank pending disbursement to cane growers	4,390.45	3,742.46
Miscellaneous	82.45	49.57
	<b>26,737.76</b>	<b>13,516.98</b>
	<b>57,423.42</b>	<b>65,505.69</b>

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 10. TANGIBLE ASSETS

	Freehold Land (a)	Leasehold Land	Buildings	Plant and equipments	Computer and Data Processing equipment	Furniture and fixtures	Vehicles	Office equipments	Total (b)
	₹ in lacs								
<b>Cost</b>									
<b>At 1 April 2014</b>	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
<b>At 31 March 2015</b>	<b>2,256.43</b>	<b>23.50</b>	<b>7,062.11</b>	<b>82,156.29</b>	<b>218.79</b>	<b>238.47</b>	<b>471.08</b>	<b>113.43</b>	<b>92,540.10</b>
Additions	-	-	85.46	519.67	13.50	16.22	18.61	4.21	657.67
Disposals	-	-	-	281.75	1.47	1.18	53.74	-	338.14
<b>At 31 March 2016</b>	<b>2,256.43</b>	<b>23.50</b>	<b>7,147.57</b>	<b>82,394.21</b>	<b>230.82</b>	<b>253.51</b>	<b>435.95</b>	<b>117.64</b>	<b>92,859.63</b>
<b>Depreciation</b>									
<b>At 1 April 2014</b>	-	4.63	1,243.49	34,969.10	127.07	126.97	243.83	47.16	36,762.25
Added to opening balance of	-	-	108.64	232.07	7.45	2.67	14.57	4.10	369.50
Statement of Profit & Loss									
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
<b>At 31 March 2015</b>	<b>-</b>	<b>5.42</b>	<b>1,723.27</b>	<b>36,991.79</b>	<b>155.19</b>	<b>141.40</b>	<b>271.90</b>	<b>68.44</b>	<b>39,357.41</b>
Charge for the year	-	0.78	260.53	2,257.74	24.82	18.79	32.21	17.20	2,612.07
Disposals	-	-	-	221.48	1.19	0.68	51.04	-	274.39
<b>At 31 March 2016</b>	<b>-</b>	<b>6.20</b>	<b>1,983.80</b>	<b>39,028.05</b>	<b>178.82</b>	<b>159.51</b>	<b>253.07</b>	<b>85.64</b>	<b>41,695.09</b>
<b>Net Block</b>									
<b>At 31 March 2015</b>	<b>2,256.43</b>	<b>18.08</b>	<b>5,338.84</b>	<b>45,164.50</b>	<b>63.60</b>	<b>97.07</b>	<b>199.18</b>	<b>44.99</b>	<b>53,182.69</b>
<b>At 31 March 2016</b>	<b>2,256.43</b>	<b>17.30</b>	<b>5,163.77</b>	<b>43,366.16</b>	<b>52.00</b>	<b>94.00</b>	<b>182.88</b>	<b>32.00</b>	<b>51,164.54</b>

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

(b) Includes assets held in joint ownership with others - Gross Block ₹ 156.98 lacs (₹ 156.98 lacs) and Net Block ₹ 81.70 lacs (₹ 86.34 lacs), head-wise details of which is as under :

	Freehold Land	Leasehold Land	Buildings	Plant and equipments	Computer and Data Processing equipment	Furniture and fixtures	Vehicles	Office equipments	Total
	₹ in lacs								
<b>At 31 March 2015</b>									
Gross Block	0.80	-	88.19	22.67	1.61	37.71	0.20	5.80	156.98
Net Block	0.80	-	63.07	7.07	0.15	14.74	0.06	0.45	86.34
<b>At 31 March 2016</b>									
Gross Block	0.80	-	88.19	22.67	1.61	37.71	0.20	5.80	156.98
Net Block	0.80	-	61.52	5.82	0.08	13.08	0.04	0.36	81.70

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 11. INTANGIBLE ASSETS

	₹ in lacs	
	As at 31st March 2016	As at 31st March 2015
<b>Computer Software :</b>		
<b>Opening gross block</b>	<b>189.58</b>	<b>190.01</b>
Disposals	-	0.43
<b>Closing gross block</b>	<b>189.58</b>	<b>189.58</b>
<b>Amortization :</b>		
<b>Opening balance</b>	<b>102.95</b>	<b>65.13</b>
Charge for the year	37.59	38.18
Disposals	-	0.36
<b>Closing balance</b>	<b>140.54</b>	<b>102.95</b>
<b>Net block</b>	<b>49.04</b>	<b>86.63</b>

## 12. CAPITAL WORK-IN-PROGRESS

	₹ in lacs	
	As at 31st March 2016	As at 31st March 2015
Balance brought forward from the previous year	257.26	277.25
Add : Additions during the year	1,461.17	376.21
	<b>1,718.43</b>	<b>653.46</b>
Less : Transfer to Tangible Assets during the year	547.58	396.20
<b>Balance carried to Balance Sheet</b>	<b>1,170.85</b>	<b>257.26</b>

## 13. NON-CURRENT INVESTMENTS

	₹ in lacs			
	Number of Units / shares	Face Value Per Unit / share	As at 31st March 2016	As at 31st March 2015
<b>Non Trade</b>				
(valued at cost unless stated otherwise)				
<b>Quoted (fully paid)</b>				
<b>Investment in Equity Instruments</b>				
Upper Ganges Sugar & Industries Ltd.	18,562	10.00	13.23	13.23
			<b>13.23</b>	<b>13.23</b>
<b>Unquoted (fully paid)</b>				
<b>Investment in Equity Instruments</b>				
<b>In Subsidiary Companies</b>				
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
			<b>1,063.16</b>	<b>1,063.16</b>
<b>In Other Companies</b>				
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

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 13. NON-CURRENT INVESTMENTS (CONTD.)

₹ in lacs

	Number of Units / shares	Face Value Per Unit / share	As at 31st March 2016	As at 31st March 2015
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]				
			<b>1.19</b>	<b>1.19</b>
<b>In Government Securities</b>				
11 % Bihar State Development Loan, 2001		(a)	0.53	0.53
6 Years National Savings Certificates		(a)	2.14	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)		
			<b>2.67</b>	<b>2.65</b>
			<b>1,080.25</b>	<b>1,080.23</b>
Aggregate amount of quoted investments [Market value : ₹ 20.15 lacs (₹ 7.04 lacs)]			13.23	13.23
Aggregate amount of unquoted investments			1,067.02	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

## 14. DEFERRED TAX ASSET (NET)

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
<b>Deferred tax asset</b>		
Carry forward of Unabsorbed Depreciation and Business Losses	22,217.27	21,430.93
Expenditure allowable against taxable income in future years	1,922.39	2,577.84
	<b>24,139.66</b>	<b>24,008.77</b>
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	11,329.56	11,103.86
	<b>11,329.56</b>	<b>11,103.86</b>
<b>Net Deferred tax asset</b>	<b>12,810.10</b>	<b>12,904.91</b>

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.

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 15. LOANS AND ADVANCES

₹ in lacs

	Non-current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
<b>(Unsecured, considered good except stated otherwise)</b>				
<b>Capital advances</b>	<b>99.42</b>	<b>5.39</b>	-	-
<b>Sundry Deposits</b>				
Considered good	14.25	12.42	15.56	36.11
Considered doubtful	-	-	-	1.44
	14.25	12.42	15.56	37.55
Less : Provision for doubtful deposits	-	-	-	1.44
	<b>14.25</b>	<b>12.42</b>	<b>15.56</b>	<b>36.11</b>
<b>Loan (Interest free) to a subsidiary company (Note 33e)</b>	-	-	-	<b>292.85</b>
<b>Advances recoverable in cash or in kind or for value to be received or pending adjustments</b>				
Considered good*	-	-	465.21	493.91
Considered doubtful	-	-	483.91	550.33
	-	-	949.12	1,044.24
Less : Provision for doubtful advances	-	-	483.91	550.33
	-	-	<b>465.21</b>	<b>493.91</b>
<b>Other loans and advances</b>				
Loan to employees	4.09	-	32.59	45.58
Deposits against demand under appeal and / or under dispute	-	-	272.47	239.41
Claims / Refund Receivable	-	-	32.25	31.97
Prepaid Expenses	5.09	-	62.33	88.42
Tax deducted at source	-	-	2.61	4.39
Balances with Excise and Other Government Authorities	-	-	548.06	792.47
	<b>9.18</b>	-	<b>950.31</b>	<b>1,202.24</b>
	<b>122.85</b>	<b>17.81</b>	<b>1,431.08</b>	<b>2,025.11</b>

\* Includes ₹ Nil (₹ 0.81 Lacs) to a related party refer Note 33d.

## 16. CURRENT INVESTMENTS

₹ in lacs

	Number of Units / shares	Face Value Per Unit / share	As at	As at
			31st March 2016	31st March 2015
<b>Non-Trade</b>				
(valued at cost and fair value unless stated otherwise)				
<b>Unquoted (fully paid)</b>				
<b>Investment in Equity Instruments</b>				
<b>In Subsidiary Companies</b>				
Allahabad Canning Ltd.	50,000	10.00	5.00	5.00
Palash Securities Ltd.	50,000	10.00	5.00	5.00
Vaishali Sugar & Energy Ltd.	50,000	10.00	5.00	5.00
			<b>15.00</b>	<b>15.00</b>
<b>In Joint Venture Company</b>				
Avadh Sugar & Energy Ltd.	25,000	10.00	2.50	2.50
			<b>17.50</b>	<b>17.50</b>

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 17. INVENTORIES

₹ in lacs

	Notes	As at 31st March 2016	As at 31st March 2015
<b>Valued at Lower of Cost and Net Realisable Value</b>			
Raw materials	22	1,113.36	1,149.33
Goods under process	23	783.52	1,050.53
Finished goods	23	65,469.84	60,382.66
Traded goods	23	379.03	333.75
Stores, Chemicals and spare parts etc.		1,737.03	1,965.16
Power - Banked	23	85.72	70.88
Bio-compost	23	48.75	95.80
Agriculture Products - Standing Crop	23	84.40	98.94
<b>Valued at Estimated Realisable Value</b>			
By-Products	23	4,041.91	4,180.99
Scrap	23	34.66	31.26
		<b>73,778.22</b>	<b>69,359.30</b>
<b>The above includes stock in transit :</b>			
Stores, Chemicals and spare Parts etc.		6.81	40.28

## 18 TRADE RECEIVABLES AND OTHER ASSETS

### 18.1 Trade receivables

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	15.52	40.06
Considered doubtful	41.54	41.89
	<b>57.06</b>	<b>81.95</b>
Less :Provision for doubtful trade receivables	41.54	41.89
	<b>15.52</b>	<b>40.06</b>
<b>Other receivables</b>		
Secured, considered good	24.25	9.52
Unsecured, considered good	6,483.32	4,940.96
	<b>6,507.57</b>	<b>4,950.48</b>
	<b>6,523.09</b>	<b>4,990.54</b>



# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 18.2 Other assets

₹ in lacs

	Non-current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
<b>(Unsecured, considered good)</b>				
Non-current Bank balance (Note 19)	15.80	15.80	-	-
Interest accrued on Loans, Advances, Deposits, Investments etc.	-	-	6.84	5.31
Unamortised ancillary cost of arranging the borrowing	106.71	43.23	29.16	13.56
Claims and Refunds Receivable towards Subsidy & Incentives	-	-	2,597.42	8,978.60
Renewable Energy Certificates entitlement	-	-	2,387.34	2,075.30
	<b>122.51</b>	<b>59.03</b>	<b>5,020.76</b>	<b>11,072.77</b>

## 19. CASH AND BANK BALANCES

₹ in lacs

	Non-current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-	-	154.47#	321.91
On unpaid dividend account	-	-	3.97	4.00
Cheques / Drafts on hand	-	-	36.14	54.21
Cash on hand	-	-	59.39	39.61
	-	-	<b>253.97</b>	<b>419.73</b>
Other bank balances *				
Deposits with original maturity of more than 3 months and not more than 12 months	-	-	9.73	6.85
Deposits with original maturity of more than 12 months	15.80	15.80	-	-
In Post office savings bank account	-	-	0.30	0.30
	<b>15.80</b>	<b>15.80</b>	<b>10.03</b>	<b>7.15</b>
Less : Amount disclosed under other non-current assets (Note 18.2)	15.80	15.80	-	-
	-	-	<b>10.03</b>	<b>7.15</b>
	-	-	<b>264.00</b>	<b>426.88</b>

# After netting of ₹ 0.06 lacs towards liability for Bearer Equity Share Coupons as per order of the Hon'ble High Court of Allahabad.

\* Includes ₹ 25.83 lacs (₹ 22.95 lacs) pledged / lodged with various Government Authorities and Banks as security / earmarked / margin money.

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 20. REVENUE FROM OPERATIONS

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
<b>Revenue from operations</b>		
Sale of products		
Finished goods	110,125.25	131,401.39
Traded goods	996.99	907.78
Power	4,803.43	5,770.58
By products	2,604.22	2,136.09
Others	528.67	528.46
	<b>119,058.56</b>	<b>140,744.30</b>
Less : Claims, Rebates etc.	44.01	48.42
	<b>119,014.55</b>	<b>140,695.88</b>
<b>Other operating revenue</b>		
Proceeds from Agriculture Products	42.66	45.76
Renewable Energy Certificates Credit	1,315.50	1,234.94
Cane Price Subsidy	-	936.22
Cane Commission Remission*	892.33	-
Subsidy towards Export Quota (net)#	214.11	-
Export Incentives	6.64	12.05
Scrap Sales	15.47	40.44
<b>Revenue from operations (gross)</b>	<b>121,501.26</b>	<b>142,965.29</b>
Less : Excise duty	3,693.11	3,833.36
Cess	1,221.49	918.44
<b>Revenue from operations (net)</b>	<b>116,586.66</b>	<b>138,213.49</b>

\* Pertaining to earlier year.

# Net of expenses of ₹ 500.21 lacs (₹ Nil).

### Detail of products sold

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
<b>Finished goods</b>		
Sugar	89,487.18	115,093.28
Spirit	17,680.09	13,351.48
Food Processing Products	2,957.98	2,941.80
Fusel Oil	-	14.83
	<b>110,125.25</b>	<b>131,401.39</b>
<b>Traded goods</b>		
Food Processing Products	<b>996.99</b>	<b>907.78</b>
<b>By products</b>		
Molasses	416.54	165.91
Bagasse	2,187.68	1,970.18
	<b>2,604.22</b>	<b>2,136.09</b>

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 21. OTHER INCOME

	₹ in lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
<b>Interest income on</b>		
Loans, deposits, advances etc.	6.20	10.51
Refund from Income Tax Department	0.17	0.27
Long-term investments	0.03	0.06
Dividend income on Long-term investments	0.10	0.08
Insurance and Other Claims	43.37	13.05
Rent and Hire Charges	26.89	21.70
Unspent Liabilities, Provisions no longer required and Unclaimed Balances adjusted	121.25	79.64
Gain on Foreign Exchange fluctuations (net)	3.32	4.36
Miscellaneous Receipts	11.65	43.44
	<b>212.98</b>	<b>173.11</b>

## 22. COST OF RAW MATERIALS CONSUMED

	₹ in lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
Inventory at the beginning of the year	1,149.33	1,337.49
Add : Purchases and procurement expenses*	89,052.26	91,486.02
	<b>90,201.59</b>	<b>92,823.51</b>
Less: Inventory at the end of the year	1,113.36	1,149.33
	<b>89,088.23</b>	<b>91,674.18</b>

\* After adjusting subsidy / remission of ₹ 2,704.64 lacs (₹ 9,333.23 lacs) allowed by the State Governments.

### Details of raw materials consumed

	₹ in lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
Sugarcane	85,273.64	87,830.25
Molasses - consumed in Distillery units	7,573.32	7,707.88
Bagasse - consumed in Co-generation units	6,114.36	6,193.36
Fresh fruits and vegetables	570.12	757.68
Sugar - consumed in Food Processing unit	289.69	255.01
Press mud	18.21	69.26
Seed, Manures and fodder	42.78	31.96
	<b>99,882.12</b>	<b>102,845.40</b>
Less : Inter-unit transfer of own produced materials	10,793.89	11,171.22
	<b>89,088.23</b>	<b>91,674.18</b>

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 22. COST OF RAW MATERIALS CONSUMED (CONTD.)

### Details of raw material inventory

	₹ in lacs	
	As at 31st March 2016	As at 31st March 2015
Sugarcane	7.17	74.64
Molasses - at Distillery units	1,017.40	991.92
Bagasse - at Co-generation units	28.66	33.18
Fresh fruits and vegetables	33.82	29.88
Sugar - at Food Processing Unit	7.77	5.53
Press mud	18.54	14.18
	<b>1,113.36</b>	<b>1,149.33</b>

### Details of Inter-unit transfer of own product materials

	₹ in lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
Sugarcane	87.62	80.57
Molasses	5,357.39	5,839.30
Bagasse	5,086.46	4,984.92
Sugar	259.34	224.77
Press mud	3.08	41.66
	<b>10,793.89</b>	<b>11,171.22</b>

## 23. DECREASE / (INCREASE) IN INVENTORIES

	₹ in lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
<b>Inventories at the end of the year</b>		
Finished goods	65,469.84	60,382.66
Traded goods	379.03	333.75
Power - Banked	85.72	70.88
By Products	4,041.91	4,180.99
Goods under process	783.52	1,050.53
Bio-compost	48.75	95.80
Agriculture Products - Standing Crop	84.40	98.94
Scrap	34.66	31.26
	<b>70,927.83</b>	<b>66,244.81</b>

# Notes to Financial Statements

as at and for the year ended 31st March 2016

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

	₹ in lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
<b>Inventories at the beginning of the year</b>		
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
	<b>66,244.81</b>	<b>91,590.84</b>
	<b>(4,683.02)</b>	<b>25,346.03</b>
Increase / (Decrease) of excise duty on inventories	2,257.31	(550.49)
	<b>(2,425.71)</b>	<b>24,795.54</b>

### Details of purchase of traded goods

	₹ in lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
Food Processing Products	759.54	772.04
	<b>759.54</b>	<b>772.04</b>

### Details of inventory

	₹ in lacs	
	As at 31st March 2016	As at 31st March 2015
<b>Finished goods</b>		
Sugar	62,892.09	57,092.81
Spirit	1,807.78	2,500.72
Food Processing Products	769.97	789.13
	<b>65,469.84</b>	<b>60,382.66</b>
<b>Traded goods</b>		
Food Processing Products	<b>379.03</b>	<b>333.75</b>
<b>By-products</b>		
Molasses	3,089.70	3,648.91
Bagasse	952.21	532.08
	<b>4,041.91</b>	<b>4,180.99</b>
<b>Goods under process</b>		
Sugar	667.83	943.08
Molasses	74.63	68.92
Food Processing Products	41.06	38.53
	<b>783.52</b>	<b>1,050.53</b>

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 24. EMPLOYEE BENEFITS EXPENSES

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Salaries, wages, bonus etc.	4,781.72	4,729.03
Contribution to provident & other funds (Note 30)	411.91	428.06
Gratuity expense (Note 30)	106.26	181.42
Employees' welfare expenses	162.42	149.16
	<b>5,462.31</b>	<b>5,487.67</b>

## 25. OTHER EXPENSES

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Consumption of stores and spares	1,776.97	1,946.81
Packing Materials	2,040.52	2,353.69
Power & Fuel	838.73	753.43
Repairs to and Maintenance of :		
Buildings	350.86	334.94
Machinery	1,673.90	2,075.76
Others	116.48	103.60
Rent	62.73	221.36
Rates & Taxes	57.95	65.99
Insurance	79.82	90.55
Payment to Auditors		
As Auditors		
Audit Fees	22.50	22.50
Limited Review Fees	13.50	10.35
In other capacity		
Tax Audit Fees	7.75	6.00
For Certificates and Other services	9.88	6.68
Reimbursement of Expenses	9.89	5.01
Payment to Cost Auditors	1.12	1.44
Commission on sales	450.53	538.34
Freight & forwarding charges etc.	705.33	796.52
Charity and Donations	2.54	3.60
Provision for bad and doubtful debts / advances	-	17.70
Provision for Warranties & Claims	5.28	6.65
Bad debts, irrecoverable claims and advances written off	56.03	77.96
Less : Adjusted against provisions	51.04	4.99
Loss on fixed assets sold / discarded (net)	29.97	44.66
Molasses Storage & Maintenance Reserve	6.02	5.85
Director's Sitting fees	2.53	1.73
Miscellaneous Expenses	1,503.44	1,602.29
	<b>9,773.23</b>	<b>11,087.58</b>

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 26. DEPRECIATION AND AMORTIZATION EXPENSES

	₹ in lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
Depreciation of tangible assets	2,612.07	2,809.11
Amortization of intangible assets	37.59	38.18
	<b>2,649.66</b>	<b>2,847.29</b>

## 27. FINANCE COSTS

	₹ in lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
Interest	10,609.86	12,851.64
Other Borrowing Cost	164.60	35.47
	<b>10,774.46</b>	<b>12,887.11</b>

## 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 2016	Year ended 31st March 2015
<b>Income</b>		
<b>Revenue from Operations</b>		
Sales of products [including inter-transfers ₹ 87.62 lacs (₹ 80.57 lacs)]	130.28	126.33
Rent & Hire charges	14.50	9.07
Profit on fixed assets sold / discarded (net)	6.34	-
Unspent Liabilities, Provisions no longer required and Unclaimed balances adjusted	0.15	0.23
Miscellaneous Receipts	0.38	26.79
	<b>151.65</b>	<b>162.42</b>
<b>Expenses</b>		
Cost of Raw Materials Consumed	42.77	31.96
(Increase) / Decrease in Stocks :		
Opening Stock	98.94	92.29
Less : Closing Stock	84.40	98.94
	14.54	(6.65)
Consumption of stores and spares	0.72	0.01
Repairs to and Maintenance of :		
Building	0.18	0.44
Machinery	-	0.08
Others	1.51	2.09
Rent	0.17	4.02
Rates & Taxes	0.12	0.24

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 28. AGRICULTURAL INCOME (CONTD.)

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 2016	Year ended 31st March 2015
Employee benefits expenses :		
Salaries, wages, bonus etc.	37.81	48.70
Contribution to provident & other funds	1.76	1.79
Gratuity expense	0.94	1.55
Insurance	40.51	52.04
Loss on fixed assets sold / discarded (net)	0.44	0.47
Miscellaneous Expenses	-	0.12
Depreciation	16.36	22.92
	5.77	15.80
	<b>123.09</b>	<b>123.54</b>
<b>Agricultural Income</b>	<b>28.56</b>	<b>38.88</b>

## 29. EARNINGS PER SHARE (EPS)

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

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
<b>Profit / (Loss) after tax</b>	<b>623.11</b>	<b>(7,387.10)</b>
Dividends on Non-Convertible Cumulative Redeemable Preference Shares & tax thereon	551.52	509.97
<b>Net profit / (loss) for calculation of basic and diluted EPS</b>	<b>71.59</b>	<b>(7,897.07)</b>
	Nos.	Nos.
Weighted average number of equity shares in calculating basic & diluted EPS	25,917,285	25,917,285
	₹	₹
<b>Earnings per equity share [Nominal value of share ₹ 10 (₹ 10)] Basic &amp; Diluted</b>	<b>0.28</b>	<b>(30.47)</b>

## 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.



# Notes to Financial Statements

as at and for the year ended 31st March 2016

## Statement of profit and loss

### Net employee benefit expense recognized in employee costs

	₹ in lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
Current service cost	82.59	72.66
Interest cost on benefit obligation	94.56	101.57
Expected return on plan assets	(68.64)	(82.41)
Net actuarial (gain) / loss recognized in the year	(2.25)	89.60
<b>Net benefit expense</b>	<b>106.26</b>	<b>181.42</b>
Actual return on plan assets	73.34	81.17

## Balance sheet

### Net Benefit liability / (asset)

	₹ in lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
Present value of defined benefit obligation	1,289.34	1,314.96
Fair value of plan assets	891.19	942.16
<b>Plan liability / (asset)</b>	<b>398.15</b>	<b>372.80</b>

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

	₹ in lacs	
	31st March 2016	31st March 2015
Opening defined benefit obligation	1,314.96	1,204.63
Current service cost	82.59	72.66
Interest cost	94.56	101.57
Benefits paid	(205.22)	(152.26)
Actuarial (gains) / losses on obligation	2.45	88.36
<b>Closing defined benefit obligation</b>	<b>1,289.34</b>	<b>1,314.96</b>

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

	₹ in lacs	
	31st March 2016	31st March 2015
Opening fair value of plan assets	942.16	970.29
Expected return	68.64	82.41
Contributions by employer	80.91	42.96
Benefits paid	(205.22)	(152.26)
Actuarial gains / (losses)	4.70	(1.24)
<b>Closing fair value of plan assets</b>	<b>891.19</b>	<b>942.16</b>

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

# Notes to Financial Statements

as at and for the year ended 31st March 2016

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

	₹ in lacs	
	31st March 2016	31st March 2015
Investments with LIC	100%	100%

The principal assumptions are shown below :

	₹ in lacs	
	31st March 2016	31st March 2015
Discount rate	7.75%	7.80%
Expected rate of return on assets	7.80%	9.00%
Withdrawal Rates	Varying between 1.80% to 4.20% per annum depending upon the duration and age of the employees	

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

	₹ in lacs				
	31st March 2016	31st March 2015	31 March 2014	31 March 2013	31 March 2012
<b>Gratuity</b>					
Defined benefit obligation	1,289.34	1,314.96	1,204.63	1,169.81	1,078.27
Plan assets	891.19	942.16	970.29	917.19	899.20
Surplus / (deficit)	(398.15)	(372.80)	(234.34)	(252.62)	(179.07)
Experience (gain) / loss adjustments on plan liabilities	(2.03)	(12.34)	19.20	35.37	(19.15)
Experience gain / (loss) adjustments on plan assets	4.70	(1.24)	(4.01)	(32.70)	(22.38)

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 2016	Year ended 31st March 2015
Contribution to Provident / Pension Funds	389.51	403.98
Contribution to Superannuation Fund	22.40	24.08
	<b>411.91</b>	<b>428.06</b>

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 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 either mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

	₹ in lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
Lease payments made for the year *	62.73	221.36
	<b>62.73</b>	<b>221.36</b>

\* including lease rent for use of agriculture land ₹ 0.17 lacs (₹ 4.02 lacs).

## 32. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the company's risks and rates of return are affected predominantly by differences in the products produced. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Accordingly, the Company has identified "Sugar", "Spirits", "Co-generation" and "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 2016

## 32. SEGMENT INFORMATION (CONTD.)

### Business segments

Year ended 31st March 2016

Particulars	₹ in lacs				
	Sugar	Spirits	Co-generation	Food processing	Total
<b>Revenue *</b>					
Segment revenue	1,03,192.53	16,832.87	10,370.88	3,875.00	1,34,271.28
Less : Inter segment	12,117.17	-	5,567.45	-	17,684.62
<b>Total revenue from operations (net)</b>	<b>91,075.36</b>	<b>16,832.87</b>	<b>4,803.43</b>	<b>3,875.00</b>	<b>1,16,586.66</b>
<b>Results</b>					
Segment results	3,897.34	4,839.54	3,135.04	206.37	12,078.29
Unallocated Income / (Expenses) (net of unallocable expenses / income)					(585.91)
<b>Operating profit</b>					<b>11,492.38</b>
Finance costs					10,774.46
<b>Profit / (Loss) before tax</b>					<b>717.92</b>
Deferred tax charge / (credit)					94.81
<b>Net profit / (loss)</b>					<b>623.11</b>

As at 31st March 2016

Particulars	₹ in lacs				
	Sugar	Spirits	Co-generation	Food processing	Total
Segment assets	1,08,257.10	14,265.81	14,854.81	1,976.02	1,39,353.74
Unallocated assets					14,201.05
<b>Total assets</b>					<b>1,53,554.79</b>
Segment liabilities	48,115.86	494.33	154.77	591.11	49,356.07
Unallocated liabilities					1,11,073.13
<b>Total liabilities</b>					<b>1,60,429.20</b>
<b>Other segment information</b>					
Capital expenditure					
Tangible assets	726.68	835.39	1.86	7.33	<b>1,571.26</b>
Depreciation	1,723.20	566.30	310.59	11.98	<b>2,612.07</b>
Amortization	37.59	-	-	-	<b>37.59</b>
Non-cash expenses	6.02	-	-	-	<b>6.02</b>

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 32. SEGMENT INFORMATION (CONTD.)

### Business segments

Year ended 31st March 2015

Particulars	₹ in lacs				
	Sugar	Spirits	Co-generation	Food processing	Total
<b>Revenue *</b>					
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
<b>Total revenue from operations (net)</b>	<b>1,15,757.71</b>	<b>12,906.90</b>	<b>5,770.58</b>	<b>3,778.30</b>	<b>1,38,213.49</b>
<b>Results</b>					
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)
<b>Operating profit</b>					<b>1,722.30</b>
Finance costs					12,887.11
<b>Profit / (Loss) before tax</b>					<b>(11,164.81)</b>
Deferred tax charge / (credit)					(3,777.71)
<b>Net profit / (Loss)</b>					<b>(7,387.10)</b>

As at 31st March 2015

Particulars	₹ in lacs				
	Sugar	Spirits	Co-generation	Food processing	Total
Segment assets	1,10,547.93	13,737.63	14,789.91	1,882.43	1,40,957.90
Unallocated assets					14,522.76
<b>Total assets</b>					<b>1,55,480.66</b>
Segment liabilities	58,914.90	575.31	133.67	673.25	60,297.13
Unallocated liabilities					1,02,687.01
<b>Total liabilities</b>					<b>1,62,984.14</b>
<b>Other segment information</b>					
Capital expenditure					
Tangible assets	1,489.06	113.40	24.69	35.82	1,662.97
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 2016

## 32. 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 2016	India	Overseas	Total
<b>Revenue*</b>			
Revenue from operations	1,15,763.59	823.07	<b>1,16,586.66</b>
<b>Other segment information</b>			
Segment assets	1,39,353.74	-	<b>1,39,353.74</b>

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

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 2016

## 33. RELATED PARTY DISCLOSURES Names of related parties and related party relationship

<b>Related parties where control exists</b>	
Subsidiary Companies	Champaran Marketing Company Limited OSM Investment & Trading Company Limited Hargaon Investment & Trading Company Limited Hargaon Properties Limited Allahabad Canning Limited Palash Securities Limited Vaishali Sugar & Energy Limited
Joint Venture Company	Avadh Sugar & Energy Limited
<b>Related parties with whom transactions have taken place during the year</b>	
Key Management Personnel	Shri Chandra Shekhar Nopany – Chairman-cum-Managing Director [upto 30.06.2015] and Chairman [w.e.f. 01.07.2015] Shri Chand Bihari Patodia – Whole-Time Director [w.e.f. 01.07.2015] 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

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 33. RELATED PARTY DISCLOSURES (CONTD.)

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

<b>a. Sale of goods</b>		₹ in lacs		
	Year ended	Sale of goods	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives				
Upper Ganges Sugar & Industries Limited	31-Mar-16	52.75	-	-
	31-Mar-15	197.65	-	-
<b>b. Purchase of goods</b>		₹ in lacs		
	Year ended	Sale of goods	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives				
Upper Ganges Sugar & Industries Limited	31-Mar-16	583.12	-	-
	31-Mar-15	393.22	-	-
<b>c. Sale of fixed assets</b>		₹ in lacs		
	Year ended	Sale of fixed assets	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives				
Upper Ganges Sugar & Industries Limited	31-Mar-16	0.24	-	-
	31-Mar-15	-	-	-



# Notes to Financial Statements

as at and for the year ended 31st March 2016

## d. Receivable / Payable outstanding (net)

₹ in lacs

	Year ended	Amount owed by related parties	Amount owed to related parties
In Subsidiary Companies			
Allahabad Canning Limited	31-Mar-16	-	-
	31-Mar-15	0.23	-
Palash Securities Limited	31-Mar-16	-	-
	31-Mar-15	0.23	-
Vaishali Sugar & Energy Limited	31-Mar-16	-	-
	31-Mar-15	0.23	-
In Joint Venture Company			
Avadh Sugar & Energy Limited	31-Mar-16	-	-
	31-Mar-15	0.12	-
Enterprises owned or significantly influenced by key management personnel or their relatives			
Upper Ganges Sugar & Industries Limited	31-Mar-16	-	182.14
	31-Mar-15	-	173.46
Uttar Pradesh Trading Company Limited	31-Mar-16	-	29.71
	31-Mar-15	-	29.71

## e. Loans / Inter-corporate deposits given and receipts thereof

₹ in lacs

	Year ended	Loan / Inter-corporate deposits given	Receipts / adjustment	Interest accrued / paid	Amount owed by related parties
Subsidiary companies					
OSM Investment & Trading Company Limited	31-Mar-16	-	292.85	-	-
	31-Mar-15	-	160.00	-	292.85

## f. Loans / Inter-corporate deposits taken and repayment thereof

₹ in lacs

	Year ended	Loan / Inter-corporate deposits taken	Repayment / adjustment	Interest accrued / paid	Amount owed to related parties
Subsidiary companies					
Champan Marketing Company Limited	31-Mar-16	123.50	8.00	273.54	2,115.50
	31-Mar-15	2,050.00	2,098.00	293.35	2,000.00
Hargaon Investment & Trading Company Limited	31-Mar-16	-	-	252.21	1,900.00
	31-Mar-15	1,041.10	1,000.00	278.69	1,900.00
Enterprises owned or significantly influenced by key management personnel or their relatives					
SIL Investments Limited	31-Mar-16	-	-	195.63	1,500.00
	31-Mar-15	1,500.00	1,500.00	215.01	1,500.00
SCM Investment & Trading Company Limited	31-Mar-16	-	-	242.60	1,825.00
	31-Mar-15	2,325.00	2,825.00	336.35	1,825.00
RTM Investment & Trading Company Limited	31-Mar-16	-	-	398.78	3,000.00
	31-Mar-15	3,000.00	2,500.00	367.14	3,000.00
Nilgiri Plantations Limited	31-Mar-16	-	-	66.25	500.00
	31-Mar-15	500.00	500.00	70.00	500.00

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## g. Investments made

₹ in lacs

	Year ended	Investment made during the year	Investment sold during the year	Closing Balance
<b>In Subsidiary Companies</b>				
Allahabad Canning Limited	31-Mar-16	-	-	5.00
	31-Mar-15	5.00	-	5.00
Palash Securities Limited	31-Mar-16	-	-	5.00
	31-Mar-15	5.00	-	5.00
Vaishali Sugar & Energy Limited	31-Mar-16	-	-	5.00
	31-Mar-15	5.00	-	5.00
<b>In Joint Venture Company</b>				
Avadh Sugar & Energy Limited	31-Mar-16	-	-	2.50
	31-Mar-15	2.50	-	2.50

## h. Preference Share Capital

₹ in lacs

	Year ended	Issued during the year	Redeemed during the year	Closing Balance
<b>Enterprises owned or significantly influenced by key managerial personnel or their relatives</b>				
Sutlej Textiles & Industries Limited	31-Mar-16	-	-	5000.00
	31-Mar-15	-	-	5000.00

## i. Director's sitting fees

₹ in lacs

<b>Key Management Personnel</b>	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Shri Chandra Shekhar Nopany	31-Mar-16	0.40	-	-
	31-Mar-15	-	-	-
Shri Chand Bihari Patodia	31-Mar-16	0.10	-	-
	31-Mar-15	0.08	-	-

## j. Remuneration to Key Managerial Personnel

₹ in lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Shri Chandra Shekhar Nopany	31-Mar-16	-	-	-
	31-Mar-15	43.68 *	-	-
Shri Dilip Patodia	31-Mar-16	87.26	-	-
	31-Mar-15	88.19	-	-
Shri Anand Sharma	31-Mar-16	52.49	-	-
	31-Mar-15	37.72	-	-

\* Excludes ₹ Nil (₹ 36.00 lacs) and ₹ Nil (₹ 39.43 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 2016

## 34. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 403.34 lacs (₹ 263.54 lacs).

## 35. CONTINGENT LIABILITIES

₹ in lacs		
	Year ended 31st March 2016	Year ended 31st March 2015
(a) Demands / Claims by various Government Authorities and others not acknowledged as debt and contested by the Company :		
(i) Excise Duty & Service Tax	11,600.27	10,329.87
(ii) Sales & Entry Tax	433.41	174.22
(iii) Duty under State Acts	360.94	361.04
(iv) Others	203.88	68.28
<b>Total</b>	<b>12,598.50</b>	<b>10,933.41</b>
(b) Outstanding towards Crop Loan disbursed to growers for which corporate guarantee is given to a bank	1,452.20	588.52
(c) Bank Guarantees outstanding	825.52	1,157.97
(d) Arrear Dividend (including tax) on Non-convertible Cumulative Redeemable Preference Shares (NCCRPS)	2,387.09	1,835.57

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

**36.** 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.

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

**38.** The networth of the Company is completely eroded due to losses in earlier years. However, the Company earned profits during the current year consequent to improved realisation and sugar yields. Further, the Company is also in the process of business restructuring as mentioned in note 37 above. In view of the above, the management is certain that the Company would be in a position to generate positive cash flows and profits in future and accordingly, these financial statements have been drawn as per the going concern assumption.

# Notes to Financial Statements

as at and for the year ended 31st March 2016

- 39.** 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.

₹ in lacs

Particulars	Outstanding amount as at		Maximum amount outstanding during the year ended	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Loan to Subsidiary Company				
OSM Investment & Trading Co. Ltd.	-	292.85	292.85	452.85

- 40.** Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade payables

₹ in lacs

	31st March 2016	31st March 2015
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
Principal amount due to micro and small enterprises	97.76	130.03
Interest due on above	1.59	0.78
<b>Total</b>	<b>99.35</b>	<b>130.81</b>
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	249.84	144.03
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	24.82	10.27
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	36.46	24.66
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	10.05	13.61

- 41.** The Company has no outstanding foreign currency exposure or related derivative contract as at 31st March, 2016.

## 42. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

₹ in lacs

	31st March 2016	31st March 2015
(a) Travelling	25.48	16.30
(b) Selling Commission	4.49	4.33
	<b>29.97</b>	<b>20.63</b>

# Notes to Financial Statements

as at and for the year ended 31st March 2016

## 43. IMPORTED AND INDIGENOUS RAW MATERIALS AND STORES & SPARES CONSUMED.

	Consumption	Value	Consumption	Value
	%	₹ in lacs	%	₹ in lacs
	31st March 2016		31st March 2015	
Raw Materials				
Indigenous	100.00%	89,088.23	100.00%	91,674.18
	<b>100.00%</b>	<b>89,088.23</b>	<b>100.00%</b>	<b>91,674.18</b>
Stores and Spares				
Imported	0.00%	-	1.26%	24.45
Indigenous	100.00%	1,776.97	98.74%	1,922.36
	<b>100.00%</b>	<b>1,776.97</b>	<b>100.00%</b>	<b>1,946.81</b>

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

## 44. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

Year of remittance (ending on)	₹ in lacs	
	31st March 2016	31st March 2015
Exports of goods at F.O.B. Value	124.64	226.15
	<b>124.64</b>	<b>226.15</b>

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

As per our report of even date

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

per Kamal Agarwal  
Partner  
Membership no.: 58652

Place : Kolkata  
Date : 13th May 2016

For and on behalf of the Board of Directors

Chand Bihari Patodia  
Whole-time Director

Anand Sharma  
Company Secretary

Chandra Shekhar Nopany  
Chairman

Dilip Patodia  
Chief Financial Officer