



Balrampur Chini Mills Limited
Annual report 2012/13

freedom
WITH RESPONSIBILITY!

Forward-looking statement

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

Contents

Notice	01
Corporate Identity	10
MD's Review	12
What makes BCML different.....	26
Five-year Operational Summary	27
Five-year Financial Summary.....	28
Financial Ratios	29
Creating Shareholder Value	31
Corporate Social Responsibility	32
Report of the Board of Directors	34
Corporate Governance Report	44
Section 212	57
Management Discussion and Analysis	58
Auditor's Report	67
Balance Sheet	70
Statement of Profit and Loss.....	71
Cash Flow Statement	72
Notes forming part of the Financial Statements	74
Consolidated Financial Statements	103



Balrampur Chini Mills Limited

"FMC Fortuna", 2nd Floor, 234/3A, A.J.C. Bose Road, Kolkata – 700 020

Notice

NOTICE is hereby given that the 37th Annual General Meeting of the members of **Balrampur Chini Mills Limited** will be held on Wednesday, the 31st July, 2013 at 11.00 A.M. at 'Vidya Mandir', 1, Moira Street, Kolkata - 700017 to transact the following business :-

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and the statement of Profit & Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri R.K. Choudhury who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Dr. Arvind Krishna Saxena who retires by rotation and is eligible for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. 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 198, 269, 309, 310, 311 & Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to all such approvals as may be required, the approval of the members be and is hereby accorded to the reappointment including payment of remuneration to Shri Kishor Shah as Director cum Chief Financial Officer of the Company for a period of 3 years with effect from 1st April, 2013 on the

terms and conditions as set out in the explanatory statement annexed hereto with liberty to the Board of Directors ("the Board") to revise, amend, alter and vary the terms and conditions of his appointment and remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII or any modification thereto and as may be agreed to by and between the Board and Shri Kishor Shah.

Further resolved that the Board be and is hereby authorised to do and perform all such act, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution."

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 provisions contained in Section 18 and such other applicable provisions, if any, of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and subject to the sanction of Hon'ble Board for Industrial and Financial Reconstruction ('BIFR') and / or any such concerned authority as may be constituted pursuant to SICA or the Companies Act, 1956 ('the Act') or any amendments or its reconstitution thereof or any other statutory authority under the applicable law for the time being in force and subject to such other approvals, sanctions, consents and/or permissions as may be required, approval be and is hereby accorded to the Modified Draft Rehabilitation Scheme ('MDRS') containing Scheme of Merger ('the Scheme') between Khalilabad Sugar Mills Pvt. Ltd. ('KSMPL') ('Transferor Company') and Balrampur Chini

Mills Ltd. ('BCML') ('Transferee Company'), as laid before the meeting and initialled by the Chairman for the purpose of identification, for the merger of the Transferor Company with Transferee Company and to acquire and merge all the assets, liabilities, rights and obligations and the entire undertaking of the Transferor Company, with the Transferee Company as per the Scheme of Merger.

Resolved further that the Board of Directors of the Company ('the Board') (which term shall include any Committee which the Board may have constituted or hereafter constitute to exercise the powers including the powers conferred by this Resolution) be and is hereby authorised to accept such alteration(s) and modification(s) in the Scheme as may be stipulated or required by BIFR or any other concerned Statutory Authority, Monitoring Agency, Government Authorities and / or other concerned institutions or authorities, if any, while

sanctioning or participating in the Scheme and/or granting such approvals, sanctions, consents and/or permissions, if any required in connection therewith and which the Board thereof, may deem fit to consider, modify and approve in the interest of the Company and to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to the Scheme and other related matters as may be incidental and ancillary thereto".

By order of the Board



S. K. Agrawala

Company Secretary

Place: Kolkata

Date: 13.06.2013.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy form, in order to be effective, must be duly completed, stamped and lodged with the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th July, 2013 to 31st July, 2013 (both days inclusive).
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed thereto.
4. Members who hold shares in dematerialised form are requested to bring their Demat Statement mentioning therein the Client ID and DP ID numbers for easy identification of attendance at the meeting.
5. Corporate members are requested to send a duly certified copy of the Board Resolution, pursuant to section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the AGM.
6. The Company has provided facility to the members for remittance of dividend through the National Electronic Clearing System (NECS) at locations identified by Reserve Bank of India from time to time, to avoid loss of dividend warrants in transit and delay in receipt of dividend warrants. Therefore, members holding shares in physical form are requested to write to the Company to avail the NECS facility by providing the complete Bank Account details and members holding shares in demat form may request their Depository Participants for availing the NECS facility.
7. Shareholders holding shares in physical form are requested to advise the Company and the members holding shares in dematerialised form are requested to advise their Depository Participants immediately about any change in their address.

- | | |
|---|---|
| <p>8. Shareholders of the Company are informed that pursuant to the provisions of the Companies Act, 1956 the amount of dividend which remains unclaimed/unpaid for a period of 7 years would be transferred to the Investor Education and Protection Fund constituted by the Central Government and the shareholders would not be able to claim any amount of the dividend so transferred to the Fund. The Company had sent reminders to the Members in this regard. As such, shareholders who have not encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividends declared by the Company for the financial years 2005-06 to 2009-11 (Except 2006-07 where no dividend declared).</p> <p>9. The Company has sub-divided the equity shares of ₹ 10 each into 10 equity shares of ₹ 1 each with effect from 31st March, 2005. Shareholders who are holding shares in physical form must surrender their ₹ 10/- share certificate immediately to the Company so that the Company can despatch the new share certificate of ₹ 1 each.</p> <p>10. For Shareholders of erstwhile Babhnan Sugar Mills Limited (BSML) and Tulsipur Sugar Company Limited (TSCL): Pursuant to the merger scheme, two companies viz, BSML and TSCL were merged with the Company in the year 1994 and 1999 respectively. As per the terms of the respective</p> | <p>merger schemes, the then shareholders of BSML and TSCL were allotted Equity Shares of the Company in the ratio of 2:5 and 1:7 respectively. Hence, those shareholders who have not yet surrendered the Share Certificates of erstwhile BSML and TSCL are reminded to do so directly to the Company to enable despatch of new sub-divided share certificates.</p> <p>11. The Company has allotted shares to the shareholders of Indo Gulf Industries Ltd (IGIL) in the ratio of 1 equity share of ₹ 1 each of the Company for every 100 equity shares of ₹ 1 each (post restructuring) held in IGIL as on Record Date 24th August, 2010 vide Hon'ble BIFR Order dated 24th June, 2010. If any shareholders of IGIL has not yet received the share certificate of the Company so allotted are requested to write to the Company for non-receipt of such share certificate.</p> <p>12. Ministry of Corporate Affairs ("MCA") has undertaken a "Green initiative in the Corporate Governance" by allowing service of documents on members by a Company through electronic mode.</p> <p>Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered / updated either with their Depositories in respect of demat holding or by writing to the Company in respect of physical holding.</p> |
|---|---|

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6 :

The Board of Directors in its meeting held on 30th January, 2013, have pursuant to the recommendation of Remuneration Committee reappointed Shri Kishor Shah as Director cum Chief Financial Officer for a further period of 3 years with effect from 1st April, 2013 on the following terms and conditions as mentioned below :

a)	Salary	₹ 4,00,000 per month.
b)	Commission	1% of the net profit of the Company subject to a ceiling of ₹ 48 lacs per annum.
c)	Perquisites	
i)	Medical Reimbursement	For self and his family subject to a ceiling of one month salary.
ii)	Leave Travel Concession	Reimbursement upto one month salary for himself and family.
iii)	Leave	One month leave for eleven months' service. Leave encashment as per Company's Rule.
iv)	Club Fee	Reimbursement of membership fee of clubs in India.
v)	Provident Fund	As per Company's Rule.
vi)	Gratuity	2 month's salary for each completed year of service.
vii)	Car	Company's car with driver for official use.
viii)	Telephone	Telephone facility at the residence including Cell Phone.

Explanation :

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules perquisites shall be evaluated at actual cost.

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed under sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the said Act.

In the event of absence or inadequacy of profit during the period Shri Kishor Shah shall be paid the above remuneration as minimum remuneration subject to the limit prescribed under Section II, Part II of Schedule - XIII to the Companies Act, 1956.

Shri Kishor Shah (Date of Birth 06.02.1964), is a Commerce Graduate and a Chartered Accountant having about 25 years experience in Finance and Accounts including 19 years in the sugar industry. He is heading the Finance & Accounts Department of the Company and is responsible for maintaining the efficient and smooth finance function, budgeting and transparent accounts function based on discreet and sound Accounting principle and practices including arranging finance from banks or financial institutions in India and overseas. He is not a director in any other company or a member in any committee except in the Company. He is holding 40600 equity shares of the Company as on 31.03.2013. He will be liable to retire by rotation. The Board recommends the acceptance of the Resolution.

Except Shri Kishor Shah, no other Director is interested in the said resolution.

The above may be regarded as an abstract for the term of appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

Item No. 7 :

Khalilabad Sugar Mills Pvt. Ltd. (KSMPL) is engaged in manufacturing of sugar and having its factory at Khalilabad in Dist.- Sant Kabir Nagar, U.P. with a crushing capacity of 2500 TCD. KSMPL was declared a sick industrial company in terms of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 on 24.08.2005 and a draft rehabilitation scheme was sanctioned by Hon'ble Board for Industrial and Financial Reconstruction ('BIFR') in its hearing held on 14.06.2007 for revival of KSMPL. Although, the major provisions of the said scheme have been implemented by KSMPL, but due to adverse market conditions, drastic increase in sugar cane price, inadequacy of cane allotment etc., the Company could not utilise its installed capacity to the optimum level and hence the Company could not make the profits and it continues to incur losses. As on 31st March, 2012, the accumulated loss of KSMPL is ₹ 111.39 crores. Thereafter, Hon'ble BIFR in the hearing held on 05.12.2012 considered the Miscellaneous Application filed by KSMPL, and gave directions for filing of draft modified rehabilitation proposal with IDBI Bank, Monitoring Agency, appointed for KSMPL, for processing of the said proposal and to examine the viability of the same. The Monitoring Agency, IDBI Bank vide its letter dated 12.03.2013 submitted modified draft rehabilitation scheme (MDRS) containing draft Scheme of Merger ('the scheme') to the Hon'ble BIFR. The Hon'ble BIFR

vide its order dated 03.06.2013 has circulated the scheme to all the concerned inviting objections/ suggestions within 60 days from the date of the order. The salient features of MDRS containing the scheme are as hereunder:

- i) The appointed date for the scheme is from 1st April, 2012,
- ii) Merger of KSMPL with Balrampur Chini Mills Ltd ('BCML')

with all its assets, liabilities, rights and obligations. BCML, in consideration of the said merger, shall issue and allot to each equity shareholder of KSMPL, whose name is registered in the Register of Members of KSMPL on the record date to be decided by the Board of the BCML, its 1(one) equity share of ₹ 1 each fully paid up for every 20(twenty) equity shares of ₹ 10/- each fully paid up held by such member in KSMPL.

iii) Financial position of KSMPL for last four financial year are as hereunder :

Analysis of Balance Sheet

(₹ in Lacs)

Particulars	Audited as on 31/03/2012	Audited as on 31/03/2011	Audited as on 31/03/2010	Audited as on 31/03/2009
SOURCES OF FUNDS				
A. Shareholder's Funds				
Share Capital	1053.79	1053.79	1053.79	1053.79
Reserves & Surplus/Accumulated Losses	(11005.90)	(8819.64)	(7075.20)	(5730.32)
Total (A)	(9952.11)	(7765.85)	(6021.41)	(4676.53)
B. Loan Funds				
Secured Loans	3697.18	5147.27	3545.68	4812.18
Unsecured Loans	9800.00	7800.00	8347.00	3696.35
Total (B)	13497.18	12947.27	11892.68	8508.53
C. Current Liabilities & Provisions				
Current Liabilities	2312.63	950.40	797.14	826.96
Provisions	147.12	135.73	114.64	116.59
Total (C)	2459.75	1086.13	911.78	943.55
Grand Total (A+B+C)	6004.82	6267.55	6783.05	4775.55
APPLICATION OF FUNDS				
D. Fixed Assets				
Gross Block	7545.43	7496.24	7365.66	7146.97
Less: Depreciation & Amortisation	5069.41	4686.67	4264.40	3799.35
Net Block	2476.02	2809.57	3101.26	3347.62
Capital Work-in-Progress	1.04	8.26	3.90	1.18
Total (D)	2477.06	2817.83	3105.16	3348.80
E. Investments	0.50	-	-	-
F. Current Assets, Loans & Advances				
Inventories	3194.76	2980.99	2391.36	918.96
Sundry Debtors	75.56	20.06	44.91	0.12
Cash and Bank Balances	62.65	45.40	920.39	182.64
Other Current Assets, Loans & Advances	194.28	403.27	321.23	325.03
Total (F)	3527.25	3449.72	3677.89	1426.75
Grand Total (D+E+F)	6004.82	6267.55	6783.05	4775.55
NETWORTH				
Share Capital	1053.79	1053.79	1053.79	1053.79
Free Reserve & Surplus	-	-	-	-
Accumulated Losses	11139.23	8919.63	7205.10	5859.22
Networth	(10085.44)	(7865.84)	(6151.31)	(4805.43)

Analysis of Profit & Loss Account

(*in Lacs*)

Particulars As on	Audited 31/03/2012	Audited 31/03/2011	Audited 31/03/2010	Audited 31/03/2009
INCOME				
Sales	6651.64	4174.61	2806.59	938.45
Other Income	45.25	4.96	2.86	37.06
Increase /(Decrease) in Stocks	201.78	572.49	1431.15	765.83
TOTAL	6898.67	4752.06	4240.60	1741.34
EXPENDITURE				
Cost of Goods Sold	6146.28	3990.99	3083.52	1355.77
Personnel Cost	493.67	448.67	366.26	193.69
Other Manufacturing & Admin. Exp.				
Stores & Spares	50.68	146.87	89.36	106.98
Repairs & Maintenance	128.23	110.01	102.46	49.09
Power & Fuel	27.71	28.17	31.04	25.13
Misc. Expenses	254.75	92.74	92.86	79.30
Ad. Related earlier years	-	-	23.81	47.88
	461.37	377.79	339.53	308.38
Excise Duty	285.25	206.80	113.38	61.63
Interest (Net)	1317.11	1051.92	1218.75	234.20
TOTAL	8703.68	6076.17	5121.44	2153.67
Profit/(Loss) before Dep. & Tax	(1805.01)	(1324.11)	(880.84)	(412.33)
Depreciation	382.75	422.27	465.05	2197.81
Profit / (Loss) before Tax	(2187.76)	(1746.38)	(1345.89)	(2610.14)
Provision for Tax	-	-	-	0.60
Profit / (Loss) after Tax	(2187.76)	(1746.38)	(1345.89)	(2610.74)
Brought forward Profit/ (Loss)	(8951.48)	(7205.10)	(5859.23)	(3248.49)
Profit available for Appropriation	(11139.24)	(8951.48)	(7205.12)	(5859.23)
Balance Carried to Balance Sheet	(11139.24)	(8951.48)	(7205.12)	(5859.23)

iv) Shareholding Pattern of BCML are as hereunder:

Category	EXISTING (31.03.2013)		POST-MERGER	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoters' group	99999999	40.93	99999999	40.84
Financial Institutions, Insurance Companies, Banks and Mutual Funds	39147239	16.02	39147239	15.99
Foreign Institutional Investors & Foreign Financial Institution/Banks	35911170	14.70	35911170	14.67
Private Corporate Bodies	15612176	6.39	16139067	6.59
NRIs	1367794	0.56	1367794	0.56
Trusts	68629	0.03	68629	0.02
Clearing Members	675861	0.28	675861	0.28
Indian Public	51531055	21.09	51531058	21.05
Total	244313923	100.00	244840817	100.00

KSMPL is situated at Khalilabad, U.P., which is in close proximity of the existing Babhnan unit of BCML and core area of operation of the Company. As the KSMPL is engaged in similar line of activities i.e. manufacturing of sugar, the proposed merger shall result in various locational and other synergies. Further, the proposed merger will result in saving in administrative costs and also BCML shall be able to take the benefit of brought forward business losses and unabsorbed depreciation of KSMPL as per Income Tax Act, 1961. As such, the scheme provides that all the assets, liabilities, properties, rights, title and interest of KSMPL shall stand transferred to and vested in BCML w.e.f. 1st April, 2012 on such terms and conditions as may be sanctioned by

Hon'ble BIFR. Therefore it would be strategically advantageous to the Company and the Board is of the opinion that the proposal is in the interest of the Company and its shareholders.


The approval of the Scheme is required by way of a special resolution from the Shareholders of the Company in accordance with the provisions of Section 18(3)(b) and other applicable provisions of SICA.

The Board of Directors recommends the special resolution for approval of the shareholders.

None of the Directors of the Company are in any way, concerned or interested in the resolutions.

Profiles of Directors seeking re-appointment pursuant to Clause 49 of the Listing Agreement

Name of the Director	Shri R.K. Choudhury	Dr. A.K. Saxena
Date of birth	26.01.1936	26.08.1951
Qualifications	B.Com., L.L.B.	M.Sc., Ph.D. (Botany) and has specialisation in Industrial Mycology, Bio-composting, Mushroom Production and Processing from Horst, Holland.
Expertise and experience in specific functional areas	He has vast experience in the matters of Arbitration, Litigation, Real Estate, Taxation, Legal Research, Corporate Documents etc. He is practicing as an Advocate for more than 36 years in the Calcutta High Court and Supreme Court of India.	He has wide experience of 38 years in organic manure, compost production and allied products and is associated with the Company since 2002. He has a vast knowledge on the research and development on new, methods of cane planting, products for better germination prevention of diseases & development of sugarcane and on the production and R&D on organic manure from press-mud.
Directorship held in other Companies	Lynx Machinery and Commercial Ltd, Khaitan Consultants Ltd, Puja Art Archive Ltd, Academic Foundation & Publication Pvt. Ltd. and Rajratan Impex Pvt. Ltd.	Indo Gulf Industries Ltd.
Membership in other Board Committees	Nil	Member, Audit Committee of Indo Gulf Industries Ltd.
Shareholding in the Company as on 31.03.2013	35500 equity shares.	18000 equity shares.



**Speed with surety.
Strength with stamina.
Creativity with systems.
Youth with experience.**

**Success is about achieving
the right balance.**

This annual report is dedicated to how the Indian sugar industry expects to balance the freedom arising out of partial decontrol on the one hand with the responsibility to address the interests of all stakeholders on the other.*

** And yes, by the way, we finished with a 41.94% increase in total revenues and an increase in our profit after tax during a controlled industry environment in 2012-13*



corporate identity

This is what we have to show for our ability in a controlled industry environment.

- Increase in our sugar capacity from 25,000 TCD in 2002-03 to 76,500 TCD in 2012-13.
- Increase in our distillery capacity from 100 KLPD in 2002-03 to 320 KLPD in 2012-13.
- Increase in our saleable co-generation capacity from 19.55 MW in 2002-03 to 128.50 MW in 2012-13.

This is what we have become: India's second largest private sector sugar company with one of India's largest co-generation capacities in the sugar sector.

If this is what we could do when the industry was controlled...

Lineage

- One of India's largest integrated sugar manufacturing companies
- Headed by Mr. Vivek Saraogi (Managing Director) and a team of experienced professionals

Location

- Headquartered in Kolkata (West Bengal, India)
- Manufacturing units located in 10 locations (Balrampur, Babhnan,

Tulsipur, Haidergarh, Akbarpur, Rauzagaon, Mankapur, Kumbhi, Gularia and Maizapur) in Uttar Pradesh, India

- Sugar manufacturing capacity of 76,500 TCD, distillery capacity of 320 KLPD, installed cogeneration capacity of 223.55 MW and organic manure production capacity of 58,000 MT
- Shares listed on the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Calcutta Stock Exchange (CSE)

Products

- Sugar
- Power
- Industrial alcohol
- Ethanol
- Molasses
- Bagasse
- Organic manure

Capacities

Units	Sugar (TCD)	Distillery (KLPD)	co-generation installed (MW)	co-generation saleable (MW)	Organic manure (Tonnes)
Balrampur	12,000	160	40.00	22.25	30,000
Babhnan	10,000	60	15.00	3.00	18,000
Tulsipur	7,000	-	6.00	-	-
Haidergarh	5,000	-	23.25	20.25	-
Akbarpur	7,500	-	18.00	11.00	-
Mankapur	8,000	100	37.00	25.00	10,000
Rauzagaon	8,000	-	30.00	16.00	-
Kumbhi *	8,000	-	20.00	11.00	-
Gularia	8,000	-	31.30	20.00	-
Maizapur	3,000	-	6.00	-	-
Total	76,500	320	226.55	128.50	58,000

* Another 12.70 MW co-generation capacity is under construction / implementation at Kumbhi



managing director's review

"The partial decontrol is a major step towards progressive and complete deregulation"

Managing Director Vivek Saraogi analyses the impact of the partial decontrol

Q. How would you assess the sectoral reality?

A. Three important things happened at the close of 2012-13 which promise to be an inflection point in the industry's

fortunes: the government abolished the longstanding levy quota and sugar release mechanism, making it possible for sugar realisations to find their

own true level based on marketplace dynamics. The government also agreed to a market-linked price of ethanol through a tender-based process.

Q. Can we start with the short-term impact on the industry?

A. It has been amply proved over the last couple of decades of India's liberalisation that increased competition is the best antidote to inflation and profiteering. This has been visibly demonstrated through a number of sectors. Take telecom, for instance. A freedom to compete attracted a

number of Indian and international players; tariffs progressively declined to a point where Indian rates are probably among the lowest in the world; India's telecom coverage is one of the widest; there is hardly any national stretch that is not covered; the benefits of this sectoral liberalisation have filtered down

to rural India. This is precisely what we feel that progressive deregulation can do in India's sugar industry as well. In the first two months following the announcement, one would have noticed that sugar prices declined, which goes to show that lower industry controls actually work in the consumer's favour.

Q. What do you think is going to be the medium-term impact on the Company?

A. It is here that I feel that the biggest impact will become visible. As long as the sugar industry was regulated by the monthly release mechanism, the number of participants were limited, there was a limited role for price forecasting and there was an absence of a pre-sale mechanism. Following deregulation, an entirely new industry segment is expected to open up, benefiting all industry stakeholders.

Let me analyse the implications point by point:

Levy loss: The removal of the levy sugar obligation will reduce the industry's estimated loss of ₹ 3,000 cr on this account as it presently supplies levy sugar at below production costs.

Flexibility: The deregulation will progressively create a sector with a number of flexible options. It will be possible for players to not just buy and sell inputs and end products; it will become possible for players to pre-buy, hold, pre-sell as well. I would compare the deregulation impact with what has happened on the country's stock exchanges: earlier, it was possible to only buy and sell; then it became possible to go long and short; finally, the markets moved to futures and options, which widened the market and deepened liquidity. This is what we feel will also happen to the country's sugar markets.

Hedging: In a partly deregulated environment, there will be a room to hedge one's position. For instance, if I

am a farmer, I will be able to pre-sell two years of cane crop at a specific price to a clutch of mills, engage in a back-to-back fixed arrangement with farm labourers and input providers to progressively cap costs. As an extension, the farmer will be able to securitise this projected profit with a bank or financial intermediary and mobilise a loan to make it possible to buy another stretch of land. As a result, this simple means of hedging can potentially take the uncertainty out of farming and graduate it to the level of a bankable sector. These are possible once the cane price linkages are implemented in the sugar industry.

Players: The sugar sector will attract a number of large and global institutions and trading houses (agri funds and contra funds as in the international markets). Now that the playing field has been deregulated and sugar pricing permitted to find its own level, a number of these players will be inclined to enter the country and take positions, widening the market.

Sale contracts: Earlier, sugar companies manufactured the product and sold periodically to dealers as advised by the government release mechanism. Progressively, companies will have the option to pre-sell an entire season's output to institutional buyers (who in turn can lock in their prices) or global fund managers against committed contracts with the objective to secure their cash flow and focus on product manufacture or cane development instead.

Perspectives: The decontrol of the end product in terms of the release timing and quantity will now prompt a number of perspectives to emerge. Some may feel that sugar has peaked in the short-term and be inclined to pre-sell, someone may feel that a rise in international price could lead Indian prices and hence buy. This opinion diversity will provide the basis of a large, vibrant and liquid market for the end product.

Re-balancing: For years, the industry invested in product manufacture, resulting in a skew between the industry scale of product manufacture on the one hand and the industry scale for trading on the other. The partial decontrol will kickstart the re-balancing to a point where the country's sugar trading environment will correspond to the size of national product manufacture.

Profiteering: As it turned out, immediately after the decontrol, free-sale sugar realisations declined because the latter were not influenced as much by the short-term impact of the deregulation as much by the medium-term impact of the demand-supply balance in the sector. A few critics have indicated that with the sugar end of the business having been deregulated, there could now be a case for cartelisation and price rigging. One finds this perspective far-fetched: there are more than 600 sugar mills in India and cartelising them is virtually impossible.

Q. Do you think this test case of linking raw material costs and sugar realisations is going to be watched with keen interest?

A. Absolutely. This is something that even the Rangarajan Committee has indicated: de-reservation of cane area and a derived cane price formula. The word ‘derived’ is critical; it indicates that cane price will not be an absolute but linked to another variable. In this case, the cane price will be linked to the price of sugar in the marketplace; the higher the rise in the sugar realisations, the greater the cane price will be paid to the farmer. This is equitable for some valid reasons: the cane price will no longer be treated as an ‘expense’ in the conventional sense but as a share of profits earned by the sugar companies; no longer will the cane grower be treated as a vendor, but as a partner.

Possible advantages of the partial decontrol

Millers	Farmers	Consumers
<ul style="list-style-type: none">▪ Abolition of obligation to supply levy sugar would improve profitability of the millers▪ Freedom to sell sugar without any quantitative and time restrictions▪ Selling of sugar without quantitative restrictions would make sugar millers to manage cash flow▪ Can plan storage capacity▪ Sell sugar on a forward basis▪ Mills would produce quality products to effectively sell them to institutional consumers	<ul style="list-style-type: none">▪ Better cash flow for millers would ensure prompt cane payment	<ul style="list-style-type: none">▪ Consumers would get quality product at fair price

Q. It might then be pertinent to understand what aspects of the liberalisation have not happened?

A. The big thing that has not happened is cane decontrol. Clearly, the industry needs to move towards raw material reform, which, when it happens, could lead to a complete sectoral decontrol. The operative word here is 'linkage'; when we talk of cane decontrol, what we indicate is not that the pricing of cane be completely decontrolled; what we indicate instead is that, as per the findings of the Rangarajan Committee report, the cost of cane be linked to the realisation of sugar in the free market. This is an internationally-tested model:

this ensures that any increase in the sector's profitability is equitably shared between its manufacturers and growers. When we finally have a decontrolled raw material side, we can truly claim that reform and liberalisation have arrived in India's sugar industry. At that point, every stakeholder's interest will have been balanced, creating the foundation for the business to attract more players and investments.

The Rangarajan Committee has gone a step further in this proposed linkage; it has proposed a sharing percentage

at a level higher than what is practiced abroad, which more than secures the interest of farmers. Since this is an individual state-based subject, this may be more difficult to implement than a decision taken at the Centre. However, what is heartening is that within the first couple of months of deregulation, the Karnataka Government moved ahead with the proposed linkage to deregulate raw material pricing from arbitrary government pricing, a responsible step for the industry.

Q. How does de-reservation fit into the ongoing scheme of things?

A. Currently, a farmer can also sell to a specific mill in his command area. In the proposed scheme of things (de-reservation), a farmer will be free to sell his cane (full or part) to any mill that he wishes to. This will be in the farmer's benefit for a number of reasons: he will be free to market his cane to who ever pays him the highest and

fastest, strengthening his cash flow. In our opinion, this is the most powerful antidote to mounting cane arrears. Besides, the farmer will be able to enter into back-to-back partnerships contracts with select mills not just for a season but for a number of seasons, which, in turn, could make it possible for the mills to go ahead and invest in higher capacities.

This we feel will create a robust industry foundation. The sector has not seen fresh investments for years; this de-reservation reform could provide it with the impetus to bring funds back into the industry. Dereservation could also free the farmer to sell the sugarcane with the linkage of the sugar cane price formula to protect him.

Q. If this represents a win-win situation, why is it not being implemented?

A. There are some vested political interests who have until now enjoyed a ground level say in the fortunes of the country's sugar sector. A complete decontrol will mean that their interests will be marginalised and the industry left to a free interplay of marketplace dynamics.

The time has come for a complete re-think. Consider this: sugar is the largest sector in Uttar Pradesh and is sick; no

investment has gone into enhancing crushing capacities for years, aggregate industry profits have declined, cane prices have only increased year-on-year and yet cane arrears are at a record ₹6,000 cr. This means that something fundamental has gone wrong. It would be interesting to see what history is willing to teach us: the government that has inevitably raised cane prices as a means to gather local support

has inevitably lost the subsequent election. This echoes an incident from another prominent Indian state where the government literally encouraged labourers to become militant, prompting a flight of capital. This is what Uttar Pradesh needs to learn: that if policies are win-win – in the balanced interests of growers and manufacturers – there can be hope of long-term prosperity being generated from that sector.

Q. What is the outlook for the sector and the Company for 2013-14?

A. There is no conventional business like the sugar business, but only if it can be liberated from political control. Where can you get a sector where a profitable core product generates two profitable spinoffs that serve demand-supply gaps that are likely to linger well into the long-term? Where can you get a sector that has the potential to drive agricultural

prosperity hand in hand with industrial growth? Where can you get a sector that addresses growing food requirements on the one hand and clean energy requirement on the other?

It is only a matter of time before the government embarks on the complete liberalisation of one of the last vestiges of the pre-1991 era. Based on this

optimism, we are making a fresh capital investment after six years; we are investing around ₹52 cr, which will add 12.7 MW to our cogeneration capacity, with an attractive payback. Besides, we are contemplating investing in a distillery once the government clarifies the ethanol policy.



strength and liquidity

FOR THE SUCCESS OF ANY AGRICULTURE-BASED SECTOR, WHICH SERVICES THE GROWING NEEDS OF MILLIONS, WHAT IS NEEDED IS AN ASSURANCE OF STRENGTH AND LIQUIDITY. THE PARTIAL DECONTROL OF THE COUNTRY'S SUGAR INDUSTRY IS A FIRST STEP IN THIS DIRECTION.

The levy sugar translated into an estimated ₹ 3,000 crore annual burden for the Indian sugar industry. Following the abolition of this levy quota, the government will address its PDS requirement through open market procurement, reinforcing the profitability of India's sugar industry, related cash flows and prospects.

Besides, abolition of the monthly release mechanism will make it possible for manufacturers to decide when they would like to sell their sugar as is the usual practice across all industries, rather than their sales being controlled by an external agency. The abolition of the release

mechanism will require the sugar industry to implement a strategy to sell sugar in accordance with cash flow requirements.

Best of all, mills will be in a better position to forecast their earnings based on their risk appetite and sales strategy. This will make it possible for them to mobilise debt.

The result: the Indian sugar industry is expected to shrug off its recent sluggishness. As one of the largest millers in the sector, BCML is attractively positioned to maximise realisations and generate the highest return on its invested resources.



niche and majority

FOR THE SUCCESS OF ANY BROAD-BASED NATIONAL SECTOR, THE KEY LIES IN BEING ABLE TO GENERATE AN ADEQUATE RETURN ON CAPITAL THAT IS REINVESTED FOR SUSTAINABLE GROWTH. THE PARTIAL DECONTROL PROVIDES A BASIS FOR THIS OPTIMISM.

The last decade has conclusively sealed one of the truths of the country's sugar industry: that the manufacture of sugar can be sustainably profitable when it becomes an integrated multi-product business.

The partial decontrol has taken this proposition ahead: the government allowed ethanol price to be fixed through tendering on the one hand and provided co-generators with the freedom to market their power to any buyer. This freedom will make it possible for marketplace realities to influence byproduct economies, evolving the industry from sub-optimal returns on investment to attractive value.

The removal of government restrictions on ethanol pricing will enable mills to realise market-determined realisations, enhancing revenues and returns.

The opportunity of earning superior returns from the ethanol business, coupled with higher offtake (following mandated ethanol blending), will result in a higher sectoral utilisation of the ethanol capacity. This will translate into commensurate returns and additional investments that enhance the national ethanol capacity, increase fuel blending and make the world a cleaner place.

The result is that following deregulation, the prospects of most byproducts manufactured by the Indian sugar industry will be determined by marketplace realities rather than

political compulsions. Given that most of these products will either address evident shortages or significant demand increases over the foreseeable future, the industry will move into a virtuous cycle through relevant additional capacity increments.

BCML is advantageously placed in this regard; the Company's cane crushing capacity of 76,500 TCD is one of the largest in India's private sector, a significant portion of its sugar production capacity is integrated with downstream value-addition, its power purchase agreements with the Uttar Pradesh Power Corporation Limited are secured on a long-term power purchase agreements and its distilleries convert molasses into alcohol, enhancing revenues.

Ethanol blending: A boon for the sugar industry

Following the government's 5% mandatory ethanol blending, State Oil Companies will immediately purchase 11 crore litres of ethanol at ₹35 per litre, significantly higher than the earlier price of ₹27 per litre

Source: Economic Times, 9th April, 2013



growth and stability

ENDURANCE IN A CHALLENGING SUGAR INDUSTRY IS DERIVED FROM RELATIVE NON-CYCLICALITY IN A CYCLICAL BUSINESS. THE PARTIAL DECONTROL WILL HELP EVEN OUT THE SHARP INDUSTRY CURVE, ENHANCING A SENSE OF SECTORAL PREDICTABILITY.

Balrampur Chini is attractively placed to capitalise on the industry inflection point for the following reasons:

- * The Company managed its financials with the objective to remain liquid and profitable even during the most challenging sectoral troughs when others were suffering losses.

- * The Company, as a matter of prudence, resisted major capital expenditure for six years, except for normal capex, setting up

a refinery and upgrading two cogeneration plants to run on alternative fuel, leading to 2012-13; it selected to rationalise long-term debt from a peak ₹ 1,020.77 crore and strengthen gearing from 1.10 to 0.38 (as on 31st March 2013).

The result is that following deregulation, the Company is competently placed to respond to the opportunities arising from partial decontrol, outperform industry growth and retain its premier industry position.



profits and prosperity

FOR THE SUCCESS OF ANY LARGE NATIONAL SECTOR, SUCCESS IS DERIVED FROM THE ABILITY TO SHARE ONE'S PROSPERITY WITH VARIOUS STAKEHOLDERS. THE PARTIAL DECONTROL IS A SIGNIFICANT STEP IN THAT DIRECTION.

The partial decontrol will strengthen earnings of sugar companies on account of an increasing freedom to sell as much as they can whenever they want.

For this improvement to be sustainable, it would be imperative to remunerate farmers on time, support their agricultural interests (through advice and subsidised seed supply) and share the sectoral upside that evolves them from vendors to partners.

Balrampur has demonstrated this commitment in a responsible way.

* The Company increased cane procurement (volume and value) every year

of the last nine years leading to 2012-13; cane procurement doubled from ₹ 974.60 crore in 2007-08 to ₹ 2,378.43 crore in 2012-13 reinforcing its position as one of the largest cane buyers in the country and health of the rural economy.

* The Company bought all the cane that farmers grew from its command areas, emphasising a sense of trust.

* The Company undertook farmer development initiatives (access to crop protection chemicals, rural seminars with scientists and irrigation supports).

what makes BCML different

Scale	Efficiency	Integration	Assurance
The Company possesses a crushing capacity of 76,500 TCD, the second largest in the country, resulting in attractive economies of scale.	The Company delivers recovery 10-15 bps higher than most mills in Uttar Pradesh.	The Company invested in an integrated business model which converts byproducts into alcohol and generates power using bagasse, reducing its dependence on sugar.	Around 10% of the Company's revenue is secured through long-term agreements for the sale of power and ethanol.

Rural economy driver

The Company plays a major role in driving the rural economy in its areas of presence. The Company spent ₹ 2,378.43 crore on account of cane purchases besides activities like farmer training, providing quality seeds, fertilisers, irrigation and seminars. The Company is also engaged in generating indirect employment opportunities through cane transportation.

Multiple revenue sources	Competitiveness	Financial strategy	Location
The Company created a multiple revenue base (sugar, alcohol, power) to derisk its business from revenue cyclicity.	The Company enjoys an attractively lower capital cost per tonne of cane crushed.	The Company chose not to invest in enhancing capacity for six years owing to a slump in the sugar sector. Instead, the Company repaid term loans, which eased its Balance Sheet on the one hand and reduced interest costs on the other. The Company repaid ₹ 1,080.60 crore worth of long-term loans in the last five years.	The Company is located in Eastern Uttar Pradesh which has abundant sugarcane and proximity to major consuming markets.

five-year operational summary

Cane crushed

(in lac tonnes)

	September 2008	September 2009	March 2011*	March 2012	March 2013
Balrampur	16.50	9.30	20.02	13.95	12.59
Babhnan	11.08	7.10	16.41	10.68	10.48
Tulsipur	9.94	5.11	9.51	7.00	5.72
Haidergarh	4.72	1.76	4.80	4.28	4.17
Akbarpur	7.24	4.12	11.19	8.51	8.37
Rauzagaon	6.77	3.36	9.39	7.01	7.88
Mankapur	9.84	6.01	14.61	9.26	8.62
Kumbhi	7.46	5.32	16.42	10.40	10.77
Gularia	7.03	6.24	16.09	10.33	9.06
Maizapur	–	–	4.70	3.21	3.39
Total	80.58	48.32	123.14	84.63	81.05

Sugar production

(in lac tonnes)

	September 2008	September 2009	March 2011*	March 2012	March 2013
Balrampur	1.66	0.83	1.84	1.35	1.20
Babhnan	1.14	0.65	1.56	1.01	1.00
Tulsipur	0.97	0.48	0.91	0.69	0.53
Haidergarh	0.48	0.16	0.43	0.39	0.38
Akbarpur	0.74	0.38	1.06	0.82	0.82
Rauzagaon	0.69	0.31	0.90	0.68	0.76
Mankapur	1.02	0.54	1.37	0.90	0.82
Kumbhi	0.78	0.50	1.58	1.01	1.04
Gularia	0.71	0.57	1.49	0.93	0.86
Maizapur	–	–	0.40	0.29	0.31
Total	8.19	4.42	11.54	8.07	7.72

Alcohol production

(in kilo litres)

	September 2008	September 2009	March 2011*	March 2012	March 2013
Company as a whole	91089	48272	70860	55785	67666

Power generation

(in lac KWH)

	September 2008	September 2009	March 2011*	March 2012	March 2013
Company as a whole	7906.88	4957.54	10153.88	7393.04	7488.69

* 18 months period;

five-year financial summary

Financials

(₹ in Crores)

	September 2008	September 2009	March 2011*	March 2012	March 2013
Gross Sales	1,552.50	1,771.02	3063.22	2,390.31	3,384.03
Other operating income	12.02	4.54	4.18	-	-
Total income	1,564.52	1,775.56	3,067.40	2,390.31	3,384.03
Stock adjustments	(123.66)	263.28	(1,151.19)	(487.10)	108.04
Material consumed	1,014.16	763.38	3,085.26	2,262.63	2,410.91
Purchase of traded goods	-	-	98.94	-	-
Excise duty and Cess	88.96	70.97	90.83	80.77	109.19
Gross profit	585.06	677.93	943.56	534.01	755.89
Overheads and all other expenditure	257.67	225.22	425.34	295.78	336.00
Profit from operations	327.39	452.71	518.22	238.23	419.89
Other income	2.11	1.69	24.03	27.74	42.80
PBDIT	329.50	454.40	542.26	265.97	462.69
Finance cost	89.65	96.85	148.64	147.41	143.87
PBDT	239.85	357.55	393.61	118.56	318.82
Depreciation and amortisation expense	117.21	107.94	168.11	110.78	108.26
Profit before tax and extraordinary items	122.64	249.61	225.50	7.78	210.56
Extraordinary items	-	-	-	-	-
Pre-tax profit	122.64	249.61	225.50	7.78	210.56
Tax	25.61	23.10	61.09	1.16	48.53
Post-tax profit	97.03	226.51	164.41	6.62	162.03
Equity capital	25.55	25.68	25.63	24.43	24.43
Reserves (excluding revaluation reserve)	989.35	1,149.39	1,263.55	1,193.50	1,298.44

Value Added statement

(₹ in Crores)

	September 2008	September 2009	March 2011*	March 2012	March 2013
Income from production	1,587.20	1,436.77	4,123.58	2,796.63	3,166.80
Add: Other income	14.13	6.23	28.22	27.74	42.80
Corporate output	1,601.33	1,443.00	4,151.80	2,824.37	3,209.60
Less: Cost of materials consumed	1,014.16	763.38	3,184.20 #	2,262.63	2,410.91
Less: Other manufacturing expenses	175.71	135.03	257.61	178.03	206.55
Equals gross value-added	411.46	544.59	709.98	383.71	592.14
Less: Depreciation and amortisation expense	117.21	107.94	168.11	110.78	108.26
Equals net value-added	294.25	436.65	541.88	272.93	483.88
Allocation of net value-added					
To personnel	81.97	90.19	167.73	117.74	129.46
To taxes (including tax on proposed dividend)	27.78	36.19	64.18	1.16	56.83
To creditors (via interest)	89.65	96.85	148.64	147.41	143.87
To investors (via dividend)	12.78	77.03	19.03	-	48.86
To the Company (via retained earnings)	82.08	136.39	142.29	6.62	104.86

* 18 months period;

including purchase of traded goods

financial ratios

Key financial ratios

Financial year	September 2008	September 2009	March 2011*	March 2012	March 2013
Overheads/ Total income (%)	16.47	18.76	13.87	12.37	9.93
PBDIT/ Total income (%)	21.06	25.59	17.68	11.13	13.67
Interest/ Total income (%)	5.73	5.45	4.85	6.17	4.25
Interest cover (times)	3.69	4.70	3.65	1.80	3.22
PBDT/ Total income (%)	15.33	20.14	12.83	4.96	9.42
Net profit/ Total income (%)	6.20	12.76	5.36	0.28	4.79
Cash profit/ Total income (%)	13.69	18.84	10.84	4.91	7.99
Return on net worth (%)	10.31	20.62	13.35	0.53	12.75
Return on capital employed (%)	14.58	20.11	19.93	8.19	14.72

Balance sheet ratios

Financial year	September 2008	September 2009	March 2011*	March 2012	March 2013
Debt-equity ratio	1.01	0.83	0.56	0.63	0.38
Inventory turnover (days)	131	71	266	305	203
Current ratio	1.51	2.74	1.06	1.10	0.99
Quick ratio	0.55	1.40	0.28	0.22	0.22
Asset turnover (total revenue/total assets)	0.56	0.64	0.95	0.60	0.80
Fixed asset coverage ratio	1.84	1.83	2.39	2.11	3.05
Debt service coverage ratio	1.82	1.73	0.94	0.56	0.99

Growth ratios

Financial year	September 2008	September 2009	March 2011* [@]	March 2012*/	March 2013
Growth in turnover (%)	5.27	13.49	73.37	16.89	41.57
Growth in PBDIT (%)	231.90	37.91	17.13	(26.43)	73.96
Growth in PAT (%)	– **	133.44	(27.42)	(93.96)	2,345.75
Growth in cash profit (%)	458.18	56.11	(0.58)	(47.04)	130.22
Growth in EPS (%)	– **	131.59	(28.29)	(95.76)	2,361.04

Per share data

Financial year	September 2008	September 2009	March 2011*	March 2012	March 2013
EPS (₹)	3.83	8.86	6.35	0.27	6.63
CEPS (₹)	8.45	13.08	12.85	4.78	11.06
Dividend (₹)	0.50	3.00	0.75	-	2.00
Book value (₹)	39.65	45.75	50.30	49.85	54.15
Price/Earnings (%)	21.18	13.82	11.02	212.45	6.57
Net indebtedness (₹)	39.95	37.86	28.46	31.24	20.45

* 18 months period

** Loss to profit

@ Not annualised

*/ After anualisation of figures of previous 18 months

PBDT/total income (%)



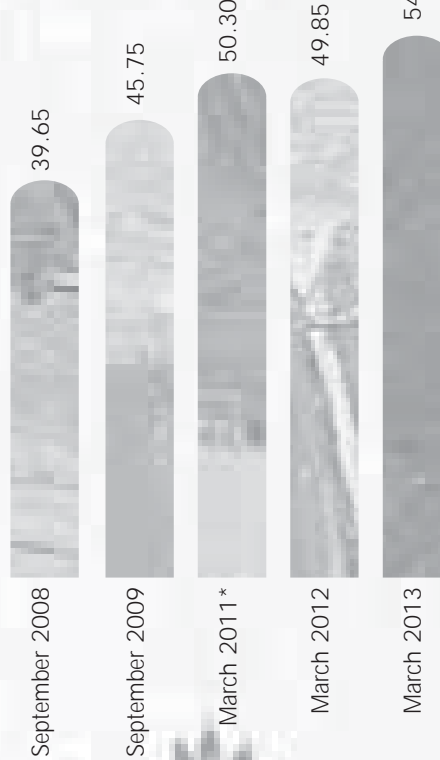
Cash profit/total income (%)



Debt-equity ratio



Book value (₹)

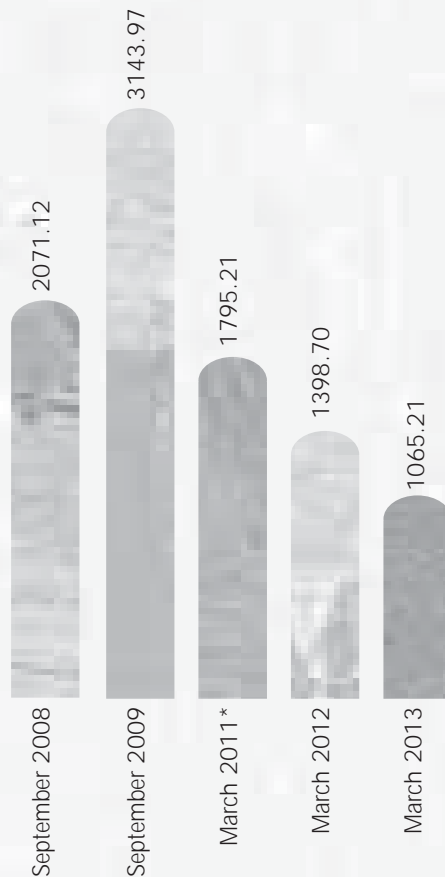


* 18 months period

creating shareholder value

Market capitalisation

The Company's market capitalisation declined from
` 1398.70 crores as on 31st March 2012 to
` 1065.21 crores as on 31st March 2013.



Market capitalisation (₹ in crores)

* 18 months period

Total Shareholders' Return (TSR)

Total shareholders' return is the tool to measure the increase derived directly in the form of dividend and indirectly in form of capital appreciation recorded by the stock during the financial year under review. TSR is calculated by adding the dividend to the difference between the closing and the opening market capitalisation (equity shares multiplied by the closing market prices on the stock exchanges). During the year under review, the Company reported a TSR of (20.35%).

corporate social responsibility

BALRAMPUR CHINI IS COMMITTED TO ECONOMIC, SOCIAL, ENVIRONMENTAL AND CULTURAL GROWTH OF THE COMMUNITY AT LARGE IN AN EQUITABLE AND SUSTAINABLE MANNER IN THE PERIPHERAL AREAS AROUND ITS FACTORIES AND CORPORATE OFFICE. OVER THE YEARS, THE COMPANY WORKED ENRICHED LIVES ACROSS THESE COMMUNITIES EMPHASISING THE POINT THAT A SENSE OF SOCIAL RESPONSIBILITY IS INHERENT TO ITS ENTREPRENEURSHIP.

Balrampur Institute of Vocational Aid (BIVA)

BIVA (registered Public Charitable Trust) is recognised and affiliated by different Central and State Government agencies. It provides specialised vocational training to the underprivileged, helping alleviate poverty and enhancing self-reliance. Most of the training programmes conducted by BIVA are short-term and income-oriented, enabling trainees to earn a livelihood. The entire programme is subsidised to ensure maximum reach amongst the youth with an emphasis on women. The programme's vocational training comprises income generation programmes for those within the 14-40 age group. The Institute is affiliated with the Khadi and Village Industries Commission (KVIC), Ministry of Micro, Small & Medium Enterprise (Government of India and empanelled under the State Urban Development Authority (SUDA). The Institute's select short-term courses are recognised by the West Bengal State Council of Vocational Education and Training; some are approved under the skill development initiatives by the Regional Directorate of Apprenticeship

Training, Eastern Region, Kolkata.

Encompassing an area of about 7,500 sq ft within a three-storied building purchased by BIVA, the institute is powered by state-of-the-art training facilities and a skilled faculty. Trainees are supported for opening micro units and placements. The Institute supports entrepreneurs through motivational speeches and seminars. It provides market linkages through the implementation of fair trade policies and the hosting of fairs and exhibitions.

Some of the courses offered by BIVA comprise the following:

- Electric house wiring and motor winding
- Two or three-wheeler repairs and maintenance
- Telephone and mobile phone repairs
- Computer application and DTP
- Motor driving
- Refrigerator and air-conditioner repairs and maintenance
- Hair and skincare
- Short-term EDP training

Besides, other training/development programmes are organised on a need- or

affiliation basis. During 2012-13, BIVA trained about 380 trainees through the following courses:

- A month-long vocational certificate training course on hand-made paper items sponsored by the National Thermal Power Corporation (NTPC) as a part of an outreach initiative in one of the remotest parts of Darjeeling District; this was attended by 25 aspirants,
- A four month Vocational Certificate Training course on hair and skincare sponsored by the Rotary Club of Calcutta as a part of an outreach initiative at Park Circus (Kolkata); attended by 25 aspirants,
- A 20-day long Enterprise Development Programme course for business development sponsored by the I Create Foundation; this was attended by 25 aspirants,
- A six-month vocational certificate training course with streams like two or three-wheeler and mobile phone repair, electrical house wiring and motor winding. These courses were affiliated to the West Bengal State Council of

Vocational Education & Training; these were attended by 85 aspirants,

- A four-month vocational certificate training course on computer fundamentals and DTP, hair and skincare; this was attended by 170 aspirants,

- A five-month vocational certificate training course on air-conditioner and refrigeration repairs and maintenance; this was attended by 25 aspirants,
- A three-month vocational certificate training course on motor driving affiliated to the Regional Transport Authority,

Government of West Bengal; this was attended by 24 aspirants.

Balrampur Foundation

Balrampur Foundation (formed on 31st July, 2001) is a public charitable trust. The Trust is funded mainly by Balrampur Chini Mills Limited. The object of the Trust is to provide education, medical relief and other charitable objects of general public utility for the upliftment of the economically disempowered section of the society. The trust undertook the setting up and running of schools, hospitals and other charitable activities comprising the following:

- **Healthcare:** Balrampur Foundation runs Panna Lal Saraogi Lions Eye Hospital at Balrampur. The hospital is equipped with the latest equipment and is attended by qualified doctors. The treatment is done at a nominal cost and

free for the underprivileged. The trust organises regular eye camps in remote Balrampur area with the objective to eradicate blindness.

The Foundation also manages a maternity hospital called Ma Satyabai Matri Shishu Kendra at Jaiprabhagram, Gonda (Uttar Pradesh). This hospital provides maternal and pre-natal medical facilities to the underprivileged.

The Foundation also provides financial help to treat critical diseases.

- **Education:** The Foundation runs Ma Satyabai Children Academy at Babhnan, Gonda, which imparts education to children from poverty-stricken families. The trust is actively involved in the field of education, supporting the construction of school buildings, donating money for

the running of schools and improving facilities to impart education in one of the most economically backward areas of Uttar Pradesh. The Trust provides financial help to deserving individuals for higher education.

- **Sports:** The Foundation helps organise tournaments (cricket, hockey, badminton and football among others), encouraging talented players who have won State or National-level awards and certifications.
- **Social and cultural activities:** Apart from healthcare, educational and sports activities, the Foundation donates to various cultural and social organisations engaged in social services, sports, education, rural development and poverty alleviation, among others.

report of the board of directors

For the year ended 31st March, 2013

Dear shareholders,

YOUR DIRECTORS HAVE PLEASURE IN PRESENTING THEIR REPORT AS A PART OF THE 37TH ANNUAL REPORT, ALONG WITH THE AUDITED ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2013.

Operating and financial review

([₹] in lacs)

Financial Results	2012-13		2011-12	
Gross turnover		338403.03		239031.15
Operating profit before finance costs, depreciation and tax		46268.04		26597.21
Finance cost	14386.70		14741.11	
Depreciation and amortisation expense	10825.74		11078.09	
Tax expense	4852.72	30065.16	115.52	25934.72
Net profit		16202.88		662.49
Add : Dividend on equity shares (including tax on dividend) for previous period written back		-		22.89
Add : Balance brought forward from the previous year		7904.63		7219.25
Profit available for appropriation		24107.51		7904.63
Appropriations:				
Proposed dividend on equity shares		4886.28		-
Tax on proposed dividend		830.42		-
General Reserve		10000.00		-
Leaving a balance to be carried forward to next year's account		8390.81		7904.63
		24107.51		7904.63

Dividend

Your Directors are pleased to recommend payment of Dividend for consideration of the shareholders @ ` 2.00 per share.

Operations

The operational data of the Company for the last two sugar seasons/ financial years are provided as under:

Parameters	Season 2012-13	Season 2011-12	Financial year ended 31.3.13	Financial year ended 31.3.12
Sugar cane crushed (in lac qtls)	862.63	860.18	810.52	846.28
Sugar produced (in lac qtls)	82.33	82.17	77.18	80.71
Recovery (%)	9.54	9.55	9.52	9.54

Performance 2012-13

The Company reported a gross turnover of ` 3384.03 crores for the year ended 31st March, 2013 as against ` 2390.31 crores in the previous financial year, a growth of 41.57%. The Net Profit also increased to ` 162.03 crores from ` 6.62 crores (after providing cane dues of ` 92.35 crores pursuant to the Hon'ble Supreme Court Order) in the previous year.

The average price of free sale sugar realised during the year was ` 33.00 per kg. The cost of production for the year 2012-13 stands at ` 33.16 per kg. The entire closing stock out of the production of 2012-13 has been valued at ` 31.55 per kg which is the current market price. The above sales during the year comprised of opening stock valued at ` 28.67 per kg and sugar produced during 2012-13.

The Cabinet Committee of Economic Affairs in its landmark decision has decided to do away with the release mechanism and obligation on the millers to supply 10% of their sugar produced as 'Levy Sugar' with effect from season 2012-13 onwards. Had the levy obligation continued, the Company would have valued 10% of the 'Levy Sugar' i.e., 7.7 lakh quintals at an average price of ` 19.70 per kg.

During the year under review, your Company decided not to account for the benefits which are to be reimbursed by the Government, available under the "New Sugar Industry

Promotion Policy, 2004" from the current year onwards which shall be accounted for in accordance with the final Order of the High Court. However, benefits in the form of remission has been accounted for.

The net loss in the sugar segment stands at ` 2126.00 lacs after providing for interest and the corporate overheads. However net profit was derived after optimum utilisation of byproducts i.e. molasses and bagasse.

Sugar: Your Company is glad to report that the aggregate crushing marginally increased from 860.18 lakh qntls in the sugar season 2011-12 to 862.63 lakh qntls in the sugar season 2012-13 when there was an overall decline in India's cane output. The average recovery was marginally lower at 9.54% as against 9.55%. Further when viewed against the perspective of the financial year ended 31st March, 2013 crushing was lower at 810.52 lakh qntls compared to 846.28 lakh qntls during the previous financial year 2011-12, due to a delay in starting crushing operations by the sugar units of the Company.

The Uttar Pradesh Government announced a cane price of ` 280 per quintal for the season 2012-13 compared to ` 240 for the season 2011-12. At ` 280 per quintal and with an average recovery of around 9% in U.P., the cost of production of sugar in U.P. has become the highest in the country. This

escalation in cane price announced by the State Government has rendered the U. P. sugar industry cash-starved and uncompetitive. The result was that cane price arrears mounted to an all time record of ₹ 6000 crores.

Power: The power business of the Company performed better during the year under review. The total power generated by our cogeneration plant was higher at 7488.69 lac units, as against 7390.47 lac units in the previous year. Power export to UPPCL was also higher at 5386.27 lac units as against 5267.96 lac units in the previous year; the total value of power exported to the grid was ₹ 21843.61 lacs as against ₹ 21810.68 lacs in the previous year.

Distillery: The distillery performance was satisfactory. The Company produced 317.62 lac BL industrial alcohol, 185.43 lac BL ethanol and 173.61 lac BL ENA as against 280.47 lac BL, 165.31 lac BL and 112.07 lac BL respectively during the previous year. The average realisation (net of excise duty) per BL of industrial alcohol, ethanol and ENA was ₹ 28.06 as against ₹ 26.70 during the previous year.

Organic manure: The performance of organic manure division was satisfactory during the year.

Subsidiary companies

Indo Gulf Industries Ltd (IGIL): IGIL reported a net loss of ₹ 56.74 lacs for the year ended 31st March, 2013.

Balrampur Overseas Private Limited (BOPL) a wholly owned subsidiary of the Company incorporated in Hong Kong has been deregistered voluntarily during the year by the Company Registry in Hong Kong as there was no activity during last few years.

The statement under Section 212(3) of the Companies Act, 1956 in respect of subsidiary company is separately annexed.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss Account and other documents of the subsidiary company is not attached with the Balance Sheet of the Company. The annual accounts of the subsidiary company and the related detailed information shall be made available to members of the Company and subsidiary company seeking such information at any point of time. The annual accounts of the subsidiary company shall be kept for inspection

for members at the Company's Registered Office and at the Registered Office of the subsidiary company concerned.

Cane and sugar policy

Season 2012-13: The salient features of the sugar policy were as under:

- * The ratio of levy and free-sale sugar at 10:90 has been changed to 100% free. The levy and the release requirements were abolished from season 2012-13 onwards.
- * The Fair & Remunerative Price (F&RP) was fixed at ₹ 170 per quintal linked to a basic recovery of 9.5% subject to a premium of ₹ 1.70 per quintal for every 0.1% increase in recovery above that level. The said F&RP was increased to ₹ 210 per quintal for the season 2013-14.
- * The U.P. Government increased the state advised price from ₹ 240 per quintal to ₹ 280 for normal variety.

New project

During the year under review, the Company embarked upon installation of 12.70 MW of cogeneration of power plant at Kumbhi Unit at an estimated cost of ₹ 52 crores. The project is expected to be ready by March 2014. Any capital investment under this project would be entitled to receive interest subvention under the 'New Sugar Policy' of the U.P. Government. Once completed, this will add value to the bagasse trade.

Consolidated financial statements

In compliance with the Accounting Standards 21 and 23 of the Companies (Accounting Standards) Rules, 2006 and pursuant to the Listing Agreement with the Stock Exchanges, the consolidated financial statements form a part of this Annual Report.

Outlook

The sugar production in the country for the season 2012-13 is expected to be about 248 lakh tonnes as against 264 lakh tonnes during the season 2011-12. However, the sugar production in the country during the coming season 2013-14 is expected to decline on a possible lower availability of cane, especially in the drought-prone regions in Maharashtra and other Southern states. Indian sugar production would enter its third year of surplus during 2012-13. At 248 lac tonnes of

production which surpasses consumption at approximately 235 lac tonnes and even in the current year there will be addition to inventory.

In Brazil there is large surplus of sugar production which has resulted in a lowering of international prices, despite announcements of duty cuts on ethanol in Brazil.

With higher level of inventory, large scale cane arrears and domestic prices pegged at lower than the cost of production, there is a dire need to increase import duties from 10% to check unwanted import of sugar.

The Cabinet Committee on Economic Affairs (CCEA) on 4th April, 2013 had decided to partially decontrol the sugar sector.

- i) As per the CCEA decision, regulated release mechanism under which the sugar quantity for open market sale is fixed by the government, is abolished with immediate effect.
- ii) Besides, mills will be freed from mandatory supply of 10% of their production to the government at the cheaper rate to meet PDS.

However, the Central Government has left to the State Governments the option to choose the cane price formula as recommended by the Rangarajan Committee. Karnataka has already moved ahead and taken steps for cane price linkage with sugar price by passing an ordinance.

For sustainable long-term growth of the sugar industry, all State Governments, including U.P. should take rational steps to adopt cane price linkage with sugar price which is being practiced globally with great success.

Abolition of regulated release mechanism will provide freedom to sell sugar without quantitative restriction and ensure better cash flows for timely payment of cane price to the farmers. With the above measure, the Central Government has completely freed the sales and marketing of sugar. This historic decision has opened up the sugar sector which will improve the financial viability of the industry and enable better liquidation of cane arrears and encourage new investments and consolidation. However, for complete deregulation, an effective cane price policy, beneficial for all the stakeholders i.e. cane growers, sugar producers and consumers is the need of the hour.

The CCEA on 22nd November, 2012 made it mandatory for Oil Marketing Companies (OMC) to blend 5% ethanol with petrol for the country as a whole. The OMC has invited bids for 110 crore litres of ethanol from domestic and global suppliers for blending with petrol during the year 2013-14 and have been allowed to follow a flexible policy of blending upto 10% in some parts of the country. Indian sugar mills offered 55 crore litres. Your Company participated in the tenders for 2.68 crores litres of ethanol at an average price of ₹ 35 per litre.

Merger of Khalilabad Sugar Mills Pvt. Ltd.

Your Company during the year under review proposed the merger of – Khalilabad Sugar Mills Pvt. Ltd. (KSMPL) a sick company under BIFR with itself in all share deal through Draft Modified Rehabilitation Scheme. The proposed exchange ratio is one share of the Company for every 20 shares of KSMPL. Proposed merger scheme is expected to be sanctioned by Hon'ble BIFR during the 2013-14 financial year. KSMPL is engaged in manufacturing of sugar and having is factory at Khalilabad (U.P.) with a crushing capacity of 2500 TCD.

Listing of equity shares

Your Company's equity shares are listed on the Bombay, Calcutta and National Stock Exchanges. Your Company paid the annual listing fees to each stock exchange.

Corporate governance

As per Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis, the Corporate Governance report and the Auditors' Certificate on the compliance of conditions of Corporate Governance, form a part of the Annual Report. However, the voluntary guidelines on Corporate Governance issued by the Ministry of Corporate Affairs, Government of India, will be considered after the enactment of the New Companies Bill, 2012 by the Government.

Credit rating

ICRA has assigned a credit rating of A+ & A1+ respectively for Company's long-term and short-term debt.

Employee Stock Option Scheme

Pursuant to the Provision of Guidelines 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended, the details of Stock Options as on 31st March, 2013 under the Employee Stock Option Scheme, 2005 are set out in the Annexure to the Directors' Report.

Directors

Shri R.K. Choudhury and Dr. A.K. Saxena, Directors of your Company, retire from the Board by rotation and are eligible for re-election.

Directors' responsibility statement

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors confirm that:

- i. In preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year, and of the profit of your Company for that year.
- iii. The Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities, and
- iv. The Directors have prepared the annual accounts on a 'going concern' basis.

Particulars of employees

The particulars of employees, as required under Section 217(2A) of the Companies Act, 1956, are given in a separate annexure attached hereto and form part of this report.

Conservation of energy technology absorption and foreign exchange earnings and outgo

The particulars related to the conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1) (e) of the Companies Act, 1956, are

given in a separate annexure attached hereto and form a part of this report.

Fixed deposits

The Company did not accept any deposit under Section 58A of the Companies Act, 1956 during the year under review.

Auditors & Auditors' Report

M/s. G.P. Agrawal & Co., Chartered Accountants, Auditors of your Company retire, and being eligible, offers themselves for reappointment. The Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanations/comments.

Cost auditors

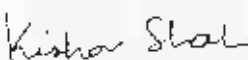
Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, M/s. N. Radhakrishnan & Co, Cost Accountants, were appointed to conduct cost audits relating to sugar, electricity and industrial alcohol for the year ended 31st March, 2012.

The Cost Audit Report for the financial year ended 31st March, 2012 was filed by the Cost Auditors with respect to the Sugar, Electricity & Industrial Alcohol units of the Company on 23rd January, 2013, which is well within the due date of filing i.e. 28th February, 2013.

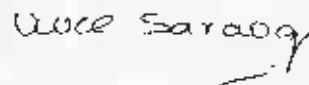
Appreciation

Your Board of Directors are thankful to the various stakeholders – shareholders, customers, dealers, financial institutions, the Central Government, the Government of U.P, State Bank of India, HDFC Bank, Punjab National Bank, other Bankers and other business associates for the excellent support received from them during the year under review. Your directors wish to place on record their sincere appreciation to all employees of the Company for their commitment and continued contribution to the Company.

For and on behalf of the Board of Directors



Kishor Shah
Director cum Chief Financial Officer



Vivek Saraogi
Managing Director

Place: Kolkata

Date: 10th May, 2013.

annexure to the directors' report

Information pursuant to the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2013

A. Conservation of Energy

- a) Your Company continues to give high priority to the conservation of energy on an ongoing basis. Some of the significant measures taken are:
- i) Installation of high-efficiency, high pressure Steam generators with fully auto combustion control system through DCS, spreader stocker, travelling grate furnace and waste heat recovery system like, hot condensate recovery, air-pre heater, economiser and flash heat recovery through CBD, HT Motors, re-regenerative DC motors planetary gear boxes, efficient industrial fans, hydraulic cane unloaders, high efficiency pumps.
 - ii) Installation of efficient and fully auto centrifugal machines, energy efficient equipments like condensing-cum-extraction turbines, variable frequency drives, efficient treatment of boiler feed water to minimise the blow downs. Stop live steam bleeding to exhaust by installing back pressure turbine and export generated electrical power to Electricity board.
 - iii) Installation of DCS controlled operation at various stations to achieve maximum efficiency. Use of capacitors near motor to maintain the power factor, Vapour line/dynamic juice heaters, direct contact heaters, continuous pan, falling film evaporators, semi Kestners, film type sulphur burners, fully automation of condensing system, electric heaters for sulphur melting, use of centrifugal pump instead of magma pumps.
 - iv) Significant steps have been taken to conserve energy in boiling house by use of latest energy efficient techniques i.e. flash heat recovery (cigar system), pan washing by low temperature Vapors, avoid use of live steam by passing exhaust condensate through PTHE for wash water heating for centrifugal machines, collection and recycling of condensate from exhaust steam drains, providing efficient steam traps to have minimum wastage of energy.
 - v) Recycling of process water to conserve natural resources. Replacing conventional inefficient bulbs with efficient CFL and LED lights. Conserve energy by providing timers at street lights & putting energy efficient motors.
- b) Additional investments and proposals being implemented for reduction of consumption of energy: Promoting star rating electrical equipments, installation of solar lights and solar lanterns.
- c) The impact of above measures are expected to reduce the consumption of fuel and power substantially and consequently the cost of production.
- d) The required data with regard to conservation of energy are furnished below:

(A) Power and fuel consumption		2012-13	2011-12
1. a)	Purchased (units in lacs) (excluding domestic units)	2.45	2.16
	Total amount (` lacs)	22.77	19.46
	Rate per unit (`)	9.31	8.99
b)	Own generation		
i)	Through diesel generator sets (units in lacs)	14.52	13.10
	Units per ltr. of diesel	3.28	2.96
	Cost/unit (`)	13.63	14.10
ii)	Through steam turbine/ generator(units in lacs)	2141.59	2238.99
	Unit per quintal of bagasse cost/unit	Steam produced by use of own bagasse	
2.	Coal (specify quality and where used)	Not directly consumed in production	Not directly consumed in production
	Quantity (tonnes)	-do-	-do-
	Total cost (` in lacs)	-do-	-do-
	Average rate (` per MT)	-do-	-do-
3.	Furnace oil (qty. k. ltrs.)	Not directly consumed in production	Not directly consumed in production
	Total amount /average rate	-do-	-do-
4.	Other/internal generation	Nil	Nil
	Quantity total cost rate/ unit	Nil	Nil
(B) Consumption per unit of production			
	Sugar (lac quintal)	76.81	80.49
	Electricity (Units per quintal of production)	28.10	28.01
	Furnace oil	Nil	Nil
	Coal (specify quality)	Nil	Nil
	Others (specify)	Nil	Nil

B. Research and Development, Technology Absorption

Following sugarcane development activities are being carried on during the year 2012-13:

- Rearing of speed nurseries of new improved varieties for varietal replacement;
- Moist heat therapy to eradicate seed born diseases;
- Pest control measures to protect cane from diseases;
- Ratoon crop management and gap filling helping increase yield and recovery;
- Biological control laboratory for sugarcane pest management;
- Inter-cropping of sugarcane for multi crop to farmers;
- Distribution of fertilisers and manures for healthy development & growth of sugarcane.
- Installation of soil testing laboratory including analysis of micronutrients;

Due to above efforts, it is expected that higher yield of disease free cane will be available to the Company, resulting in a higher return to the Company and the cane growers. Multi cropping also helps farmers to get more returns.

Future Plans

- Continuous research to generate better yielding and disease free cane varieties;
- Installation of machineries with latest technology at different stations in the factory, if the industry demands as such.

Expenditure incurred on Research & Development: Nil.

The Company has not imported any technology.

C. Foreign Exchange Earnings and Outgo

	2012-13	2011-12
i) Activities relating to exports, initiative taken to increase exports	Various proposals are being examined	Various proposals are being examined
ii) Development of new export market for product and services and export plan	-do-	-do-
iii) Total foreign exchange earnings (` lacs)	14.10	83.55
iv) Total foreign exchange used (` lacs)	514.44	1008.01

For and on behalf of the Board of Directors

Place: Kolkata

Date: 10th May, 2013.

Kishor Shah

Director cum Chief Financial Officer

Vivek Saraogi

Managing Director

annexure to the directors' report

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, and forming part of the Director's report for the year ended 31st March, 2013

Name	Designation, Nature of Duties	Remuneration (`)	Qualification and experience (years)	Age (years)	Date of commencement of employment	Last employer, Designation
Vivek Saraogi	Managing Director	31887322	B.Com (Hons.), (25)	47	3rd July, 1987	None
Meenakshi Saraogi	Jt. Managing Director	33222654	B.A. (30)	69	1st October, 1982	None
Kishor Shah	Director-cum-Chief Financial Officer	8465443	B.Com., FCA, (25)	49	24th January, 1994	Independent consultancy

Notes:

- 1) Remuneration includes salary, commission, Company's contribution to provident fund and monetary value of perquisites but does not include contribution to gratuity fund.
- 2) The appointments in respect of Managing / Wholtime Directors are contractual. Others terms and conditions are as per rules of the Company.
- 3) Shri Vivek Saraogi (Managing Director) and Smt. Meenakshi Saraogi (Jt. Managing Director) are related to each other.

For and on behalf of the Board of Directors

Kishor Shah

Director cum Chief Financial Officer

Vivek Saraogi

Managing Director

Place: Kolkata

Date: 10th May, 2013.

annexure to the directors' report

Statement as at 31st March, 2013 pursuant to Clause 12 of the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999.

a) Description:

Year	2005	2006	2007	2008	2009
No. of options granted	622500	883000	995500	1280000	1464500
Date of grant	31.10.2005	27.11.2006	27.11.2007	25.11.2008	28.05.2009
Exercise price per share* (Each option is equivalent to one equity share of the face value of ` 1 each of the Company)	` 45 (revised from ` 74.60)	` 45 (revised from ` 104.10)	` 45 (revised from ` 72.20)	` 45 (revised from ` 74.20)	` 45

b) Pricing formula:

The exercise price of the options is determined by the Remuneration Committee on the date the option is granted. It is based on the average daily closing market price of the equity shares of the Company during the preceding 26 weeks, prior to the date of grant [on the stock exchange it is traded most].

*The shareholders of the Company at their Extra-Ordinary General Meeting held on 25th May 2009 has accorded approval to re-price the exercise price of the options granted in the years 2005, 2006, 2007 & 2008, which have not been exercised, and also the exercise price in respect of options to be granted for the year 2009 at 20% discount to the average daily closing market price of the Company's share, on the stock exchange it is traded most, during the preceding 26 weeks prior to the date of the meeting to be held to re-price the exercise price of the unexercised options and options to be granted for the year 2009. Accordingly, the Remuneration Committee on 28th May 2009 has re-priced the exercise price of the unexercised options for the years 2005, 2006, 2007 & 2008 and granted stock

options for the year 2009 at an exercise price of ` 45 per equity share.

- c) Options vested: 4593000
- d) Options exercised: 4225350
- e) Total number of equity shares arising as a result of exercise of options: 4225350 equity shares of ` 1 each.
- f) Options lapsed: 703500
- g) Variation of terms of option: Re-pricing of options, as stated above.
- h) Money realised on exercise of option: ` 192557590/-
- i) Total no of option in force: 316650
- j) Details of option granted to
 - i) Senior Managerial Personnel: Options has not been granted during the year ended 31st March, 2013.
 - ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year – NIL.
 - iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the

issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant – NIL.

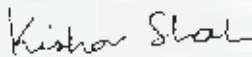
- k) Diluted earnings per share (EPS) pursuant to the issue of shares on exercise of options calculated in accordance with Accounting Standard [AS] 'Earning Per Share' – N.A.
- l) The employee compensation cost has been calculated using the intrinsic value method of accounting for options issued under BCML Employees Stock Option Scheme. The stock-based compensation cost as per the intrinsic value method

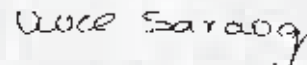
for the year ended 31st March, 2013, the employee compensation cost that shall have been recognised if the Company had used the fair value of the options and impact of this difference on profits and EPS of the Company is nil since no option is vested & exercised during the year.

The weighted average exercise price of the options and description of the method and significant assumptions used is not applicable as no option is vested and exercised during the year ended 31st March, 2013

For and on behalf of the Board of Directors

Place: Kolkata
Date: 10th May, 2013.


Kishor Shah
Director cum Chief Financial Officer


Vivek Saraogi
Managing Director

Auditors' Certificate as required under Clause 14 of the SEBI (Employees Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999

We have examined the books of account and other relevant records of Balrampur Chini Mills Ltd. having its registered office at 'FMC Fortuna', 2nd floor, 234/3A, A.J.C. Bose Road, Kolkata- 700 020 and based on the information and explanations given to us, we certify that in our opinion, the Company has implemented the Employee Stock Option Scheme in accordance with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with the special resolution passed by the Company in the Extra-ordinary General Meeting held on 8th September, 2005 and 25th May, 2009.

For G.P. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. 302082E

Place : Kolkata
Date : 10th may 2013.


(CA. Ajay Agrawal)
Partner
Membership No. 17643

corporate governance report

Philosophy on code of governance

Corporate Governance refers to, but not limited to, a set of laws, regulations and good practices and systems that enable an organisation to perform efficiently and ethically to generate long-term wealth and create value for all its stakeholders. Corporate governance requires everyone to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources optimally with the sound & prudent ethical standard. The Company recognises that good corporate governance is a continuous exercise.

Adherence to transparency, accountability, fairness and ethical standard are integral part of the Company's function. Your Company's structure, business dealings, administration and disclosure practices have aligned to good corporate governance

philosophy. Your Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders. The Company aims to increase and sustain its corporate value through growth and innovation.

Board of Directors

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board. As on 31st March, 2013, the constitution of the Board was

- Two Promoters, Executive Directors
- Two Non-Promoters, Executive Directors
- Four Independent, Non-Executive Directors

During the year ended 31st March, 2013, four board meetings were held. The Company has held at least one meeting in every quarter and the time gap between two board meetings did not exceed four months as prescribed under Clause 49. The details are as follows:

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors Present	No. of independent Directors present
1	28th May, 2012	8	6	3
2	7th August, 2012	8	6	3
3	7th November, 2012	8	6	3
4	30th January, 2013	8	6	3

The composition of the Board of Directors as on 31st March, 2013, the number of other Board of Directors or Board Committees of which he/she is a member/Chairperson and the attendance of each director at these Board meetings and the last Annual General Meeting (AGM) was as under:

Name of the Director	Category	No. of other directorships* (Public Limited company)	No. of membership/ chairmanship on other Board committees**	No. of Board meetings attended	Attendance at last AGM
[1]	[2]	[3]	[4]	[5]	[6]
Shri Naresh Chandra (Chairman)	Independent, Non-executive	11	10 (including 1 as chairman)	3	Yes
Shri Vivek Saraogi (Managing Director)	Promoter, Executive	1	Nil	4	Yes
Smt. Meenakshi Saraogi (Jt. Managing Director)	Promoter, Executive	Nil	Nil	3	No
Shri Ram Kishore Choudhury	Independent, Non-executive	3	Nil	1	No
Shri R. Vasudevan	-do-	4	5 (including 1 as chairman)	4	Yes
Shri R.N. Das	-do-	1	Nil	4	Yes
Shri Kishor Shah [Director-cum-Chief Financial Officer]	Non-promoter, Executive	Nil	Nil	4	Yes
Dr. Arvind Krishna Saxena [Wholetime Director]	Non-promoter, Executive	1	1	1	Yes

* Excludes membership of the Managing Committee of various chambers/bodies and directorship in Private Limited Companies/ Companies under Section 25 of the Companies Act/ foreign companies.

** For reckoning the limit, the membership/ chairmanship of the Audit Committee and Shareholders' Grievance Committee of the Indian Public Limited Companies were considered.

The composition of the Board and other provisions as to Board and Committees are in compliance with the Clause 49. All the independent directors qualify the conditions for being independent director as prescribed under Clause 49. No Director is related to any other director, except Shri Vivek Saraogi and Smt. Meenakshi Saraogi, who are related to each other, as Shri Vivek Saraogi is son of Smt. Meenakshi Saraogi. Further, the Board periodically reviews compliance reports of all laws applicable to the Company and necessary steps are being taken to ensure the compliance in law and spirit.

Board committees

Audit Committee

The Audit Committee acts as the link between the Statutory and the Internal Auditors and the Board of Directors. The present terms of reference of the Audit Committee includes the powers as laid out in Clause 49(II) (C) and role as stipulated in Clause 49(II) (D) of the Listing Agreement with the Stock Exchanges. The Audit Committee also reviews information as per the requirement of Clause 49(II) (E) of the Listing Agreement.

The Audit Committee also complies with the relevant provisions of the Companies Act, 1956.

The brief description of the terms of reference of the Audit Committee in line with the Clause 49 of the Listing Agreement are:

- Overview 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.
- Recommend to the Board the appointment/removal of statutory auditors including cost auditors, nature and scope of audit, fixation of audit fee and payment for any other services rendered by the statutory/external auditors.
- Review with the management, quarterly and annual financial statements before submission to the Board.
- Review with the management, performance of statutory and internal auditors.
- Review of the adequacy and effectiveness of Internal Audit function, the internal control system of the Company, structure of the internal audit department, coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon including reviewing the findings of internal investigations, if any.
- 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.

- And, generally all items listed in Clause 49(II) (D) of the Listing Agreement.

The Audit Committee may also review such matters as considered appropriate by it or referred to it by the Board.

Composition, Meetings and Attendance

The Audit Committee of the Company comprises four directors – three of whom are Independent, Non-Executive and one is Promoter, Executive. All of them are experts in corporate finance, accounts and corporate law. The Chairman of the Committee is an Independent Non-Executive Director, nominated by the Board. The Company Secretary acts as the secretary to the Committee. The Director-cum-Chief Financial Officer, the Statutory Auditor, Cost Auditor and the Internal Auditor of the Company are permanent invitees at the meetings of the Committee. The composition of the Audit Committee meets the requirement of the Clause 49 and the provisions of the Companies Act, 1956.

During the year ended 31st March, 2013, four Audit Committee meetings were held on 28th May, 2012, 7th August, 2012, 7th November, 2012 and 30th January, 2013.

Sl	Name of the Directors	Position	No. of meetings attended
1	Shri R. Vasudevan	Chairman, Independent, Non-Executive	4
2	Shri Ram Kishore Choudhury	Vice-chairman, Independent, Non-Executive	1
3	Shri Vivek Saraogi	Member, Promoter, Executive	4
4	Shri R. N. Das	Member, Independent, Non-Executive	4

Shri R. Vasudevan, Chairman attended the AGM held on 7th August, 2012 and replied to the queries related to accounts to the satisfaction of the shareholders.

Remuneration Committee

The Remuneration Committee recommends to the Board of Directors regarding the remuneration payable to the Executive Directors of the Company. The Remuneration Committee comprises four Directors, all of whom are Non-Executive, Independent Directors. The members of the committee are Shri Naresh Chandra, Shri R.K. Choudhury, Shri R. Vasudevan and Shri R. N. Das. Shri Naresh Chandra is the Chairman of the Committee.

The Remuneration Committee also administers the Employee Stock Option Scheme, which was approved by a resolution of shareholders at the Extra-ordinary General Meetings of the Company held on 8th September, 2005 and 25th May, 2009. During the year ended 31st March, 2013, one remuneration committee meeting was held on 30th January, 2013. The attendance of the members at the meeting were as follows:

Name of the Directors	No. of meetings attended
Shri Naresh Chandra	1
Shri R. Vasudevan	1
Shri R.N. Das	1
Shri R.K. Choudhury	-

Remuneration Policy

Remuneration of employees largely consists of base remuneration, perquisites, bonus, ex gratia, etc. The components of the total remuneration vary for different cadres/grades are governed by

industry pattern, qualification and experience of the employee, responsibilities handled by him, individual performance, among others.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognise their contribution, retain talent in the organisation, reward merits and protect organisational stability and flexibility.

The Company pays remuneration by way of salary and perquisites to the Managing Director, Joint Managing Director and the Wholtime Directors. The Managing Director, the Joint Managing Director and the Director-cum-Chief Financial Officer are also entitled to receive an annual commission. The salary and the commission is recommended by the Remuneration Committee to the Board of Directors and placed before the shareholders' meeting for approval. The commission payments to the Managing Director, Joint Managing Director and Director-cum-Chief Financial Officer are at the rate of one per cent of the net profit of the Company, subject to a ceiling of ` 150 lacs p.a. each in case of Managing Director, Joint Managing Director and ` 39 lacs p.a. in case of Director-cum-Chief Financial Officer.

The Non-executive Directors are remunerated by way of commission and sitting fees of ` 20000 for attending each Board of Directors meeting and committee meeting. The aggregate commission payable to the Non-Executive Directors is up to one per cent of the net profit of the Company with a maximum ceiling of ` 25 lacs per annum in such proportion and manner as fixed by the Board of Directors.

Details of remuneration to the Directors for the year ended 31st March, 2013:

Name of the Directors	Salary ([₹])	Benefits ([₹])	Bonus ([₹])	Commission ([₹])	Sitting Fees ([₹])	Total ([₹])	Service Contract/ Notice period/ Severance Fees
Shri Naresh Chandra	-	-	-	750000	70000	820000	Retire by rotation
Shri Vivek Saraogi	15000000	1887322	-	15000000	-	31887322	Term of office valid up to 31.03.2014. No notice period and no severance fees.
Smt. Meenakshi Saraogi	15000000	3222654	-	15000000	-	33222654	Term of office valid up to 31.03.2014. No notice period and no severance fees.
Shri R. K. Choudhury	-	-	-	500000	60000	560000	Retire by rotation
Shri R. Vasudevan	-	-	-	750000	200000	950000	Retire by rotation
Shri R. N. Das	-	-	-	500000	200000	700000	Retire by rotation
Shri Kishor Shah	3900000	665443	-	3900000	-	8465443	Term of office valid up to 31.03.2016 subject to reappointment after retirement by rotation. No notice period, no severance fees.
Dr. Arvind Krishna Saxena	1198000	463996	-	-	-	1661996	Term of office valid up to 31.07.2014 subject to reappointment after retirement by rotation. No notice period, no severance fees.

Note:

The contribution to gratuity fund has not been shown in the above table in respect of Managing Directors and Wholtime Directors.

Shareholders' Committee

i) Share Transfer Committee

A share transfer committee was constituted to deal with various matters relating to share transfer/transmission, allotment, issue of duplicate share certificates, demat/remat, approving the split and consolidation requests and other matters relating to transfer and registration of shares.

The members of the committee are Shri Vivek Saraogi, Smt. Meenakshi Saraogi, Shri R K Choudhury and Shri Kishor Shah. During the year ended 31st March, 2013, 16 share

transfer committee meetings were held.

ii) Shareholders'/Investors' Grievance Committee

The Company constituted the Shareholders'/Investors' Grievance Committee to oversee the redressal of shareholders' and investors' grievances in relation to the transfer of shares, non-receipt of annual report, non-receipt of dividend, among others. The constitution of the Committee was as follows:

Shri R K Choudhury, Chairman, Independent Non-executive
Shri Vivek Saraogi, Member, Promoter, Executive

Shri R Vasudevan, Member, Independent Non-executive
Shri R N Das, Member, Independent Non-executive

During the year ended 31st March, 2013, two Shareholders'/ Investors' Grievance Committee meetings were held on 7th August, 2012 and 30th January, 2013.

Compliance Officer

The Board designated Shri S.K. Agrawala, Company Secretary as the Compliance Officer.

Details of shareholders' complaints received

A total of 57 number of complaints/correspondence were received and replied to the satisfaction of the shareholders during the year ended 31st March, 2013. There were no outstanding complaints as on 31st March, 2013. One share was pending for transfer as on 31st March, 2013.

General Body Meeting

Location and time, where last three Annual General Meetings were held are given below:

Accounting Year	Date	Location of the Meeting	Time	Special Resolution passed
2008-09	29.01.2010	Kalakunj, 48, Shakespeare Sarani, Kolkata – 700 017	2.30 p.m.	1. Payment of Commission to Non-Executive Directors.
2009-11 (18 months period)	23.07.2011	Kalakunj, 48, Shakespeare Sarani, Kolkata – 700 017	10.30 a.m.	1. Re-appointment of Smt. Meenakshi Saraogi as Jt. Managing Director. 2. Payment of enhanced remuneration and re-appointment of Shri Vivek Saraogi as Managing Director. 3. Payment of enhanced remuneration and re-appointment of Shri Kishor Shah as Director-cum-Chief Financial Officer.
2011-12	07.08.2012	Kalakunj, 48, Shakespeare Sarani, Kolkata – 700 017	10.00 a.m.	1. Payment of Commission to Non-Executive Directors.

No special resolution was passed through ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 31st July, 2013.

Disclosure

- The Company does not have any related party transactions, which may have potential conflict with the interests of the Company at large. However, disclosure of transactions with related parties is set out in the Notes to Accounts, forming part of the Annual Report.
- The Company has followed the guidelines of Accounting Standards prescribed under the Companies (Accounting

Standard) Rules, 2006 in preparation of its financial statements.

- The Company laid down Risk Assessment and Minimisation procedures and the same is periodically reviewed by the Board. Further, the Company has adequate internal control systems to identify the risk at appropriate time and to ensure that the executive management controls the risk through properly defined framework.

- iv) The Company has no material unlisted Indian subsidiary company as defined in the Clause 49 of the Listing Agreement.
- v) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures were imposed against it during the last three years.
- vi) Shri R.K. Choudhury, Non-Executive Director hold 35500 equity shares of the Company as on 31st March, 2013.

Means of Communication

- i) A half-yearly report was not sent to each household of shareholders. Shareholders were intimated through the press and the Company's website www.chini.com about the quarterly performance and financial results of the Company.
- ii) The quarterly and annual results were published in the leading English and Bengali newspapers such as the Business Standard and Arthik Lipi.
- iii) As per Clause 52 of the Listing Agreement with stock exchanges, certain documents/information such as quarterly/annual financial results, shareholding pattern and corporate governance are accessible on the website www.corpfiling.co.in.
- iv) Presentations were also made to the media, analysts, institutional investors, fund managers, among others from time to time. Such presentations are also posted on the Company's website.
- v) The Company has designated following email-id exclusively for redressal of the investor grievances and the necessary disclosure to this effect has also been made in the Company's website www.chini.com : investorgrievances@bcml.in
- vi) The Company sends reminders for the unpaid dividend to the shareholders every year.
- vii) The Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

General Shareholders' Information

Annual General Meeting

Date and Time : 31st July, 2013 at 11.00 A.M.
 Venue : Vidya Mandir, 1, Moira Street,
 Kolkata – 700 017

Financial Year

The financial year of the Company is from 1st April to 31st March every year.

Financial year calendar for 2013 – 14 (Tentative)

Results for the quarter ending 30th June, 2013	– Last week of July, 2013
Results for the quarter ending 30th September, 2013	– First week of November, 2013
Results for the quarter ending 31st December, 2013	– First week of February, 2014
Results for the quarter ending/ Annual 31st March, 2014	– Third week of May, 2014

Book Closure Date

24th July, 2013 to 31st July, 2013 (both days inclusive) on account of AGM and Dividend.

Dividend Payment Date

On or after 5th August, 2013.

Listing of Equity Shares on Stock Exchanges at

- i) National Stock Exchange of India Ltd.
 Exchange Plaza, 5th Floor
 Plot No. C/1, G Block
 Bandra – Kurla Complex, Bandra (E)
 Mumbai 400 051
- ii) Bombay Stock Exchange Ltd.
 The Corporate Relationship Department
 Rotunda Building, P.J. Towers, Dalal Street
 Fort, Mumbai 400 001.
- iii) The Calcutta Stock Exchange Ltd.
 7 Lyons Range, Kolkata 700 001
 [Application for delisting has been made].

Listing Fees

Listing fee for the year 2012–13 has been paid to the NSE, BSE & CSE.

Depositories

- National Securities Depository Ltd.
Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai 400 003
- Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street
Mumbai 400 023

Stock Code

- NSE symbol for BCML is BALRAMCHIN
- BSE code for BCML is 500038
- CSE code for BCML is 12012
- ISIN number for BCML is INE119A01028

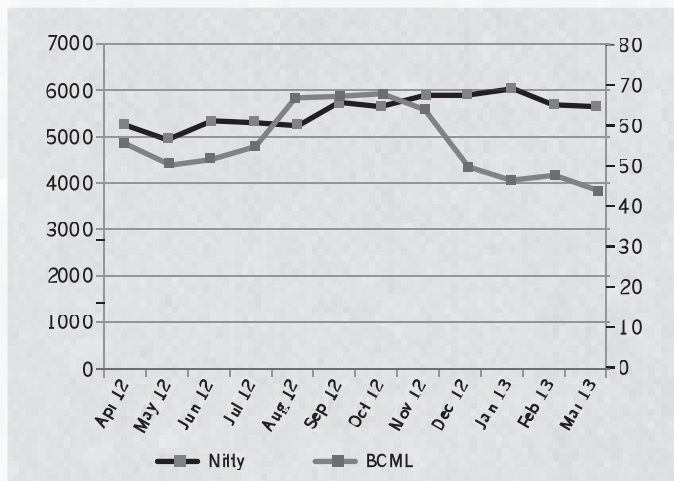
Reuters Code

NSE – BACH.NS and BSE – BACH.BO

Stock Market Data (Face value of ₹1 each)

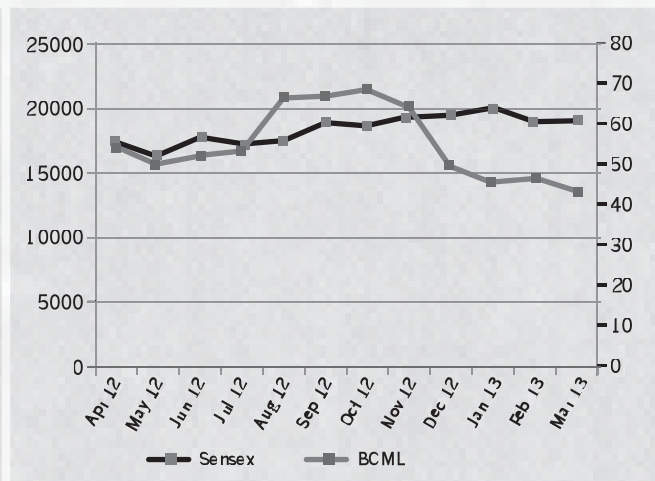
Month's	National Stock Exchange (NSE)			Bombay Stock Exchange (BSE)		
	Month's high price (₹)	Month's Low Price (₹)	Volume (Numbers)	Month's high price (₹)	Month's Low Price (₹)	Volume (Numbers)
April 2012	56.90	50.50	19110675	60.00	51.05	3128858
May 2012	56.90	47.45	17005712	56.70	47.40	2153542
June 2012	52.00	46.85	17260665	51.95	46.95	2892089
July 2012	62.70	50.75	42625642	62.60	51.55	4614680
August 2012	69.10	53.75	53971556	69.00	53.80	6673362
September 2012	70.25	59.00	45707995	70.30	61.10	5286647
October 2012	74.55	64.25	24883593	74.50	65.25	6563746
November 2012	69.20	59.75	14293169	69.10	59.75	2666813
December 2012	65.00	45.70	22806616	65.70	46.15	4030810
January 2013	52.30	42.00	31789437	52.20	42.05	6595870
February 2013	54.40	44.70	21649029	53.00	44.80	4257820
March 2013	51.50	42.10	16080341	50.45	42.10	4640147

Movement of BCML Share Price vs NSE S&P CNX NIFTY



The graph is made on the basis of monthly closing price of BCML and monthly closing value of Nifty.

Movement of BCML Share Price vs BSE SENSEX



The graph is made on the basis of monthly closing price of BCML and monthly closing value of SENSEX.

Share Price Performance

Financial year	NSE S & P CNX NIFTY		BSE SENSEX	
	% Change in BCML share price	% Change in Nifty	% Change in BCML share price	% Change in Sensex
2012-13	-23.84%	+ 7.31%	-23.40%	+ 8.23%

Share Transfer System

At present, the share transfers which are received in physical form are normally put into effect within a maximum period of 15 days from the date of receipt and demat requests are confirmed within a maximum period of 15 days. The Company provides investor and depository services in-house through its Secretarial Department.

Distribution of Shareholding as on 31st March, 2013 (Face Value: ` 1 each)

Share-holding Range	Demat mode			Physical mode			Total			
	Holders	Shares	% of total shares	Holders	Shares	% of total shares	Holders	% of total Holders	Shares	% of total shares
Up to 5000	106004	30714218	12.57	16158	1790027	0.73	122162	98.78	32504245	13.30
5001 – 10000	671	4926699	2.02	46	314670	0.13	717	0.58	5241369	2.15
10001 – 50000	551	12162305	4.98	28	515480	0.21	579	0.47	12677785	5.19
50001 – 100000	74	5360302	2.19	1	74820	0.03	75	0.06	5435122	2.22
100001 – 500000	86	17152891	7.02	1	284850	0.12	87	0.07	17437741	7.14
500001 – 1000000	19	14121745	5.78	–	–	–	19	0.02	14121745	5.78
1000001 and above	27	156895916	64.22	–	–	–	27	0.02	156895916	64.22
Total	107432	241334076	98.78	16234	2979847	1.22	123666	100.00	244313923	100.00

Pattern of Shareholding as on 31st March, 2013 (Face Value: ` 1 each)

Category	No. of Shares	% of Holding
Promoters' group	99999999	40.93
Financial institutions, insurance companies, banks and mutual funds	39147239	16.02
Foreign institutional investors and foreign financial institution/banks	35911170	14.70
Private corporate bodies	15612176	6.39
NRIs	1367794	0.56
Trusts	68629	0.03
Clearing members	675861	0.28
Indian public	51531055	21.09
Total	244313923	100.00

Status of Unpaid Dividend from financial year 2005-06

Dividend for the year	Amount of dividend (₹ In lacs)	Amount of unpaid dividend as on 31.03.2013 (₹ In lacs)	% of dividend unpaid	Due date of transfer to IEPF
2005-06* (Interim)	4963.08	16.89	0.34%	17th June, 2013
2005-06* (Final)	3722.32	33.65	0.90%	18th February, 2014
2007-08	1277.68	9.11	0.71%	9th March, 2016
2008-09	7752.09	45.00	0.58%	8th March, 2017
2008-09#	1.32	0.78	59.09%	1st October, 2017
2009-11*	1852.05	14.91	0.81%	30th August, 2018

*18 months period.

#payment to shareholders of Indo Gulf Industries Ltd pursuant to Rehabilitation Scheme approved by Hon'ble BIFR vide order dated 24.06.2010.

Note: During the year ended 31st March, 2013 the Company has transferred unpaid dividend for the financial year 2004-05, amounting to ₹ 16.47 lacs to the Investor Education and Protection Fund (IEPF) of the Central Government.

Dematerialisation of Shares

Around 98.78% of the Share Capital is held in dematerialised form with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as on 31st March, 2013.

Plant Location

- Unit 1 : Balrampur (Sugar, Co-generation, Distillery and Organic Manure units), Dist: Balrampur, Uttar Pradesh.
- Unit 2 : Babhnan (Sugar, Co-generation, Distillery & Organic Manure units), Dist: Gonda, Uttar Pradesh
- Unit 3 : Tulsipur (Sugar Unit), Dist: Balrampur, Uttar Pradesh
- Unit 4 : Haidergarh (Sugar and Cogeneration units), Dist: Barabanki, Uttar Pradesh.
- Unit 5 : Akbarpur (Sugar and Co-generation units), Dist. Ambedkarnagar, Uttar Pradesh.

- Unit 6 : Mankapur (Sugar, Co-generation, Distillery and Organic Manure units), Dist: Gonda, Uttar Pradesh.
- Unit 7 : Rauzagaon (Sugar and Co-generation units) Dist: Faizabad, Uttar Pradesh.
- Unit 8 : Kumbhi (Sugar and Co-generation units), Dist: Lakhimpur-Kheri, Uttar Pradesh.
- Unit 9 : Gularia (Sugar and Co-generation units), Dist: Lakhimpur-Kheri, Uttar Pradesh.
- Unit 10 : Maizapur (Sugar Unit), Dist: Gonda, Uttar Pradesh.

Investors' Correspondence

Mr. S.K. Agrawala, Company Secretary
Balrampur Chini Mills Ltd.
"FMC Fortuna", 2nd Floor
234/3A, A.J.C. Bose Road
Kolkata – 700 020
Phone: (033) 2287 4749
Email – santoshk.agrawala@bcml.in

Non-mandatory requirements:

- i) The Company shall take a decision on the maximum tenure of Independent Directors on the Board of Company at an appropriate time.
- ii] The Company has set up a Remuneration Committee in May 2005. The Remuneration Committee recommends to the Board of Directors regarding remuneration payable to the Executive Directors and also administers the Employee Stock Option Scheme [ESOPS].
- iii) The quarterly/half-yearly results are published in the newspapers and posted on the Company's website www.chini.com and Corp Filing website www.corpfiling.co.in.

iv] The Company is always striving towards ensuring the unqualified financial statements.

v] The Company has not yet adopted any system of training for its Board members or performance evaluation of its Non-Executive Directors.

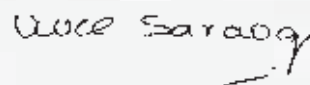
Code of Conduct

The Company has adopted a code of conduct for its Board of Directors and Senior Management personnel and the same has been posted on the Company's website.

Declaration by the Managing Director on the Code of Conduct

Pursuant to Clause 49 of the Listing Agreement with stock exchanges, I, Vivek Saraogi, Managing Director of Balrampur Chini Mills Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the year ended 31st March, 2013.

Kolkata
10th May, 2013.



(Vivek Saraogi)
Managing Director

CEO/CFO Certification

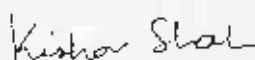
The Board of Directors
Balrampur Chini Mills Limited
Kolkata

Re: Financial Statements for the year ended 31st March, 2013
Certification by Managing Director and Director-cum-Chief Financial Officer.

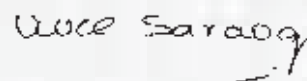
We, Vivek Saraogi, Managing Director and Kishor Shah, Director-cum-Chief Financial Officer, of Balrampur Chini Mills Limited, on the basis of the review of the financial statements and the cash flow statement for the year ended 31st March, 2013 and to the best of our knowledge and belief, hereby certify that :-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2013 which, are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which, we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee:
 - (a) there have been no significant changes in internal control over financial reporting during this year.
 - (b) there have been no significant changes in accounting policies during this year.
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Kolkata
10th May, 2013.



Kishor Shah
Director-cum-Chief Financial Officer



Vivek Saraogi
Managing Director

auditor's certificate on corporate governance

To
The members of
Balrampur Chini Mills Limited

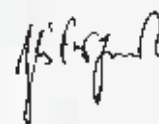
We have examined the compliance of the conditions of Corporate Governance by Balrampur Chini Mills Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

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 Corporate Governance. It is neither an audit nor an expression of the 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 G.P. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. 302082E



(CA. Ajay Agrawal)
Partner

Membership No. 17643

Place: Kolkata
Date: 10th May, 2013.

section 212

Statement pursuant to Section 212 of the Companies Act, 1956, relating to the Company's interest in subsidiary company during the year ended 31st March, 2013

1	Name of the subsidiary company	Indo Gulf Industries Ltd.
2	The financial year of the subsidiary company ends on	31st March, 2013
3	Date from which they became subsidiary company	30th August, 2007
4	Holding company's interest	5162470 equity shares of ₹ 1 each fully paid up
5	Extent of holding	53.96 %
6	The net aggregate amount of the subsidiary company's profit/ loss so far as it concerns the members of the holding company	
A	Not dealt with in the holding company's accounts:	
	i) For the financial year ended 31st March, 2013	(₹ 56.74 lacs)
	ii) For the previous financial years of the subsidiary company since they became the holding company's subsidiary	(₹ 1796.02 lacs)
B	Dealt with in the holding company's accounts:	
	i) For the financial year ended 31st March, 2013	Nil
	ii) For the previous financial years of the subsidiary company since they became the holding company's subsidiary	Nil

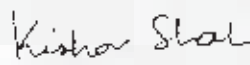
Financial Information of Subsidiary Company

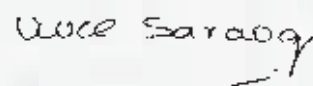
Name of the Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Invest-ments	Turnover/ Total Income	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Country
Indo Gulf Industries Ltd	INR (Lacs)	95.67	(690.95)	204.76	204.76	–	7.80	(56.74)	–	(56.74)	–	India

For and on behalf of the Board of Directors

Kolkata
10th May, 2013.


S.K. Agrawala
Company Secretary


Kishor Shah
Director cum Chief
Financial Officer

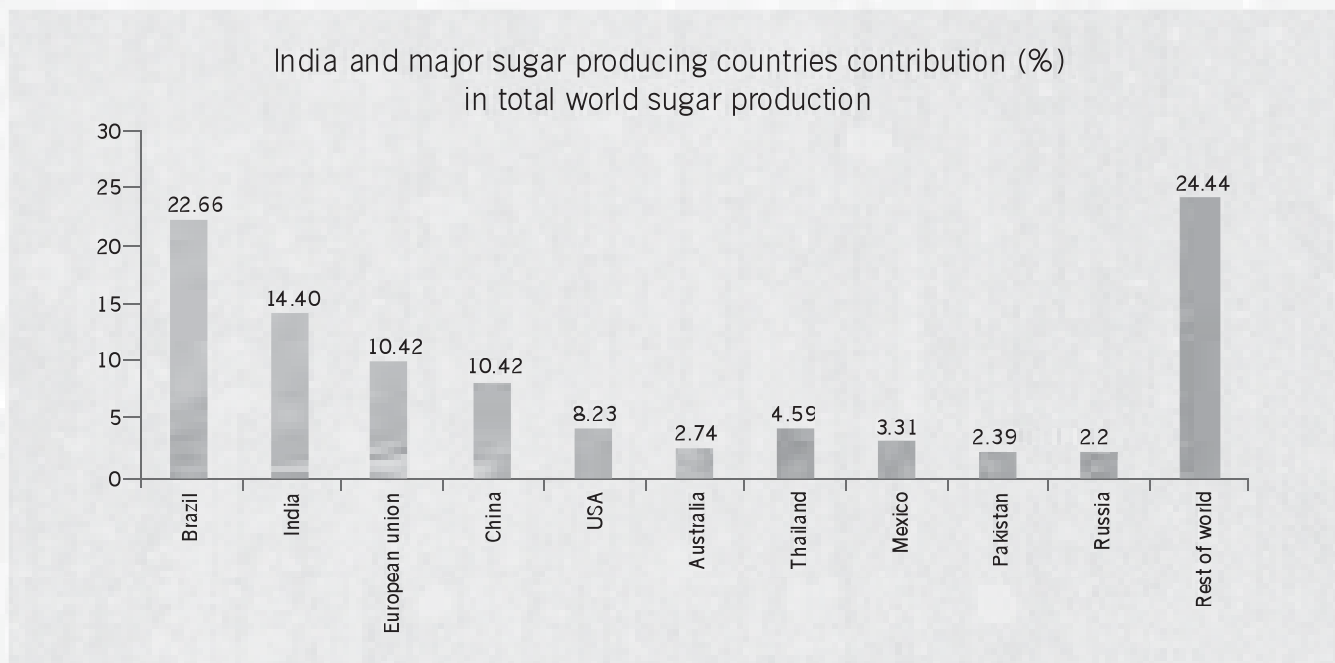

Vivek Saraogi
Managing Director

management discussion and analysis

Industry structure and development

Indian sugar industry

The sugar sector is India's second largest agro-based processing industry, playing a key role in accelerating India's agrarian economy. More than 50 million farmers (and their families) are dependent on the sector in addition to workers from almost around 600 operating mills, wholesalers and distributors.



(Source: Magnum Research)

Costs: Sugarcane costs usually comprise over 70% of a sugar mill's total cost. Sugarcane cost increased by ` 40/qttl to ` 280/qttl following higher state-advised prices (SAP) announced by the Uttar Pradesh Government for the sugar season 2012-13. The Central Government announced a fair and remunerative price (FRP) of ` 170/qttl for the sugar season 2012-13 as against ` 145/qttl in the previous season.

The Central Government approved sugarcane FRP at ` 210/qttl for sugar season 2013-14, linked to a basic recovery rate of 9.5%.

Acreage: Any discussion regarding acreage would become a commentary on the politically-motivated remunerative cane pricing in India that sugarcane acreage in India continues to rise (from 50.93 lakh hectares in 2011-12 to 52.88 lakh hectares in 2012-13) even as industry profits are stagnant at best or declining. In the opinion of industry observers, this divergence is the result of industrial inequity and decline, prompting a need for equitable prospects.

Sugarcane acreage (in lakh hectares)



Though there was an increase in acreage, the production was more or less range-bound and hardly showed any improvement. India's sugarcane production increased by 4.47% from 342.38 mn tonnes in 2010-11 to 357.67 mn tonnes in 2011-12 and is estimated at 350 mn tonnes in 2012-13.

Production: Sugar output rose from 24.4 million tonnes in 2010-11 to 26.34 million tonnes in the 2011-12 sugar season (October-September). Even as exports increased from 2.6 million tonnes in 2010-11 to 3.4 million tonnes in 2011-12, realisations ranged from a trough of ` 27 per kg to a peak of ` 36 per kg, averaging ` 32 per kg during 2012-13.

India's sugar production is expected to decline from 26.34 mn tonnes in the sugar year SY2011-12, to around 24.8 mn tonnes in SY 2012-13, largely on account of weak and delayed monsoons affecting the key growing regions of Maharashtra and Northern Karnataka (although Uttar Pradesh is likely to witness production growth owing to higher sowing in the previous season and favourable weather conditions).

Consumption: India's sugar consumption is estimated at around 23.5 million tonnes in 2012-13 (23 million tonnes in 2011-12), making it the largest sugar consumer in the world. The country's sugar consumption is driven by the convergence of a host of factors: economic growth, growing population (about 1.8% per annum), rise in incomes, upgradation in lifestyle standards, growing FMCG-isation and

a preference for branded products (bulk consumers like soft drink manufacturers, bakeries, confectionaries, hotels and restaurants consume 60% of milled sugar). Despite India being the largest sugar consumer in the world, the per capita consumption of sugar is only 19 kg against the global average of 25 kg, reflecting a vast potential. The consumption of sugar is imbibed in the culture of India, especially during festivals sugar consumption is higher. With a growing national per capita income, sugar consumption is expected to grow significantly.

Realisations: India's free sugar realisations were range-bound between ` 28,000 and ` 30,000/MT between October 2010 and March 2012 largely owing to a domestic sugar surplus. However, these realisations showed an upward trend between May 2012 and

November 2012 (peaking at around ` 36,000/MT). Thereafter, sugar prices corrected to around ` 31,500/MT in March 2013 following production inflow, change in release pattern from quarterly to four-monthly and greater domestic sales, thanks to shore-based refiners enjoying access to cheap raw sugar.

Byproducts

Byproducts have moved centre-stage over the last decade following predictable supplementary revenues on the one hand and attractive profitability (due to captive raw material availability) on the other. The principal byproducts derived from sugar manufacture comprise molasses, bagasse and press mud, accounting for about 40% of crushed sugarcane by weight. An increasing number of sugar mills have moved to an integrated business model that revolves around an effective utilisation of byproducts (molasses and bagasse), enhanced incomes and efficiently countering the full impact of sectoral cyclicity.

Co-generation: The residue left after sugarcane crushing is bagasse. This bagasse is used for combustion to generate power. The power addresses

the captive requirement of sugar factories; the surplus is 'exported' to the State Electricity Grid. The result is that co-generation has not only helped sugar companies reduce costs but also enhance incomes. Around 600 working sugar mills crush around 240 million tonnes of cane per year and generate 80 million tonnes of wet bagasse (50% moisture), of which they consume around 70 million tonnes for meeting their captive requirements of power and steam. Thus, electricity production through co-generation in India's sugar mills has emerged as an important source for low-cost, non-conventional power. The installed capacity of power generation in India's sugar mills is 3090 MW; the installed capacity of 58 mills in Uttar Pradesh is estimated at 1254 MW. Nearly 800 MW is dedicated for onward supply to the State Electricity Grid.

Ethanol: India's energy consumption is expected to increase on account of sustained economic growth, rising population, a long-standing under-consumption that is now being corrected as well as growing infrastructural and socioeconomic development. Interestingly, an agricultural resource like sugar manufacture is now being used

to address the country's growing energy appetite. India has 330 distilleries that can produce over 4 billion litres of rectified spirit (alcohol) annually in addition to 1.5 billion litres of ethanol fuel. Of this, about 140 distilleries possess the capacity to distill around 2 billion litres of conventional ethanol annually and could meet the demand for five percent blending with gasoline. Currently, India produces conventional bioethanol from sugar molasses.

With an outlook for stable sugar production for a third consecutive year (October-September, 2012-13), domestic ethanol production is likely to reach the high of 2007. The Indian Government implemented a mandatory five percent ethanol blending in petrol. Presently, only three-fifths of the total facilities are supplying ethanol, leading to a constrained supply. Consequently, molasses stocks are being diverted to Europe to be used as cattle feed. Stymied supplies of sugar molasses in preceding years (before MY 2010/11) had constrained ethanol production and consequent higher prices had made it unviable to supply ethanol to petroleum companies at negotiated prices.

Conventional bio-ethanol production

(in million litres)

Calendar Year	2006	2007	2008	2009	2010	2011	2012	2013
Beginning stock	483	747	1,396	1,673	1,241	1,065	756	911
Production	1,898	2,398	2,150	1,073	1,522	1,681	2,170	2,239
Imports	29	15	70	280	92	20	80	50
Total supply	2,140	3,160	3,616	3,025	2,855	2,766	2,901	2,995
Exports	24	14	3	4	10	15	10	15
Consumption								
Industrial use	619	650	700	700	720	700	720	740
Potable liquor	745	800	850	880	900	850	880	910
Blended gasoline	200	200	280	100	50	365	400	450
Other use	75	100	110	100	110	80	85	85
Total consumption	1,639	1,750	1,940	1,780	1,780	1,995	2,085	2,135
Ending stocks	747	1,396	1,673	1,241	1,065	756	911	1,000
Total distribution	2,410	3,160	3,616	3,025	2,855	2,766	3,006	3,200

Source: USDA report

Regulatory policy

In 2012, the government instituted the Rangarajan Committee to suggest policy changes related to the Indian sugar industry that would enhance the prospects for all stakeholders (farmers, millers and consumers). The Committee made the following recommendations:

*Cane area reservation and bonding to provide a minimum assured supply of perishable raw materials to a mill, while committing the mill to procure them at a minimum price (FRP/SAP). However, this arrangement may reduce the bargaining power of the farmer, who is forced to sell to a mill even if there are cane arrears and also reduce the farmer's remuneration if the mill has a lower recovery. Mills also lose flexibility in augmenting cane supplies, especially when there is shortfall in sugarcane production. Over a period of time, states should encourage the development of market-based long-term contractual arrangements and strategically phase out existing cane reservation areas and bonding provisions.

- The minimum distance criterion for setting up a new mill is expected to ensure a minimum availability of cane for all mills, which can cause market disparities. The virtual monopoly over a large area can give mills power over farmers, especially where landholdings are smaller. This restriction inhibits entry and further investment; it adversely impacts competition for the purchase of sugarcane as well as mill efficiency. As such, this minimum distance criterion

is not in the interest of farmers or the sector and could be dispensed with as and when a state might feel it can do away with cane reservation area and bonding.

- There is general agreement on a need to rationalise sugarcane pricing and introduce a fair, equitable sharing of revenues/value created in the sugarcane value chain between farmers and millers. It would be fair to share the value created in the sugarcane value chain between farmers and millers in the ratio of their relative costs.

This value-sharing ratio should apply not only for the revenue generated from sugar but also to that generated from saleable primary byproducts produced in the process of sugar manufacture. Therefore, it is suggested that 70% of the value of sugar and each of its three major byproducts, namely bagasse, molasses and press mud (all ex-mill), be fixed as the cane dues payable to the farmer for the sugarcane supplied.

- Markets in almost all sectors in India are constantly matching anticipated demands with supply. This mechanism of the regulated release of non-levied sugar imposes costs directly on mills (and hence indirectly on farmers) on account of inventory accumulation and inability to plan cash flows, among other reasons. Further, seasonal prices keep fluctuating. This mechanism has not served any useful purpose and may be dispensed with.

- Trade policies should be stabilised.

Appropriate tariff in the form of a moderate duty on imports and exports (not exceeding 5-10% ordinarily, as opposed to an outright ban or quantitative restrictions), should be used to meet domestic sugar requirements in an economically efficient manner. However, the option of imposing a higher level of duty could be retained to deal with exceptional circumstances.

- Current regulatory arrangements relating to byproducts impede the development of a national market and reduce economic efficiency. There should be no quantitative or movement restrictions on byproducts (molasses and ethanol). The price of byproducts should be market-determined with no earmarked end-use allocation. There should be no regulatory hurdles preventing sugar mills from selling their surplus power to any consumer.

- The basis for an efficient sugar industry would require a multi-pronged approach. The rationalisation of sugarcane pricing and trade liberalisation needs to be phased across a two to three-year period even as levied sugar obligation and administrative control on non-levied sugar could be dispensed immediately.

SCOT analysis of the Indian sugar industry

Strengths

- Second largest sugar producer in the world after Brazil.
- Paid ₹ 670 billion in purchases to cane growers



- Contributed `2,500 bn towards the national exchequer by way of excise duty
- Provided employment to 0.6 million workers
- Provided raw material to downstream sectors
- Key sector driving the rural Indian economy

Challenges

- Strong governmental control
- Most Indian sugar factories are old and use outdated technology
- Soil deterioration following an overuse of fertilisers
- Industry cyclicity

Opportunities

- High value byproducts
- Probable decontrol to be instituted by the government in the immediate future
- Attractive potential to increase cane productivity and sugar recovery

- Technology upgradation in sugar and byproduct utilisation

Threats

- Industry is vulnerable to political interests
- Cane growing over-dependent on monsoons
- Unhealthy competition
- * Industry cyclicity

Outlook

Please refer to the Director's Report.

Segment-wise performance

Sugar: The sugar segment's revenues constituted the largest share of the Company's revenues. The segment contributed 86.97% of the Company's turnover during the year under review compared with 84.08% in 2011-12. Revenues from sugar increased 47.11% from `1,950.32 crore in 2011-12 to `2,869.21 crore in 2012-13.

Alcohol: Revenues from this segment contributed 6.25% of the Company's revenue during the year under review compared with 6.37% in 2011-12. Revenues from this segment increased 39.54% from `147.70 crore in 2011-12 to `206.10 crore in 2012-13.

Co-generation: Revenues from this segment contributed 6.63 % of the Company's revenue during the year under review compared with 9.44% in 2011-12. Revenues from this segment in 2012-13 were stable at `218.80 crore as compared to `218.86 crore in 2011-12.

Others: Revenues from this segment contributed 0.15 % of the Company's revenue during the year under review compared with 0.12% in 2011-12. Revenues from this segment grew 87.47% from `2.69 crore in 2011-12 to `5.05 crore in 2012-13.

Segment-wise revenue @

(` in crore)

Products	September 2009	March 2011*	March 2012	March 2013
Sugar	1445.64	2522.64	1950.32	2869.21
Alcohol	131.17	159.97	147.70	206.10
Co-generation	125.60	296.48	218.86	218.80
Others	2.56	3.78	2.69	5.05
Total	1704.97	2982.87	2319.57	3299.16

*18 months period

@ Revenue denotes net of inter-segment sales

financial performance

Capital structure

The equity capital of the Company remained unchanged at `24.43 crore as on 31st March 2013 (244313923 shares of `1 each).

Reserves and surpluses

Reserves and surpluses of the Company increased 8.79% from `1193.68 crore as on 31st March 2012 to `1298.62 crore as on 31st March 2013 owing to a retention of profit. During the year, capital reserve, capital redemption reserve, securities premium reserve and revaluation reserve remained unchanged. Free reserves for the Company stood at `1286.57 crore as on 31st March 2013, comprising 99.07% of the total reserves (99% as on 31st March 2012).

Loan profile

Total borrowed funds of the Company reduced 11.32% from `1984.48 crore as on 31st March 2012 to `1759.84 crore as on 31st March 2013 owing to scheduled repayments of long-term borrowings. Working capital borrowings amounted to `1260.20 crore as on 31st March 2013 representing 71.61% of the total debt as on 31st March 2013.

Capital employed

The Capital employed by the Company in the business as at 31st March 2013

stood at `3082.89 crores compared to `3202.59 crores as on 31st March 2012. ROCE for the year stood at 14.72% against 8.19 % in 2011-12.

Gross block and depreciation

Gross block of the Company stood at `2531.00 crore as on 31st March 2013 as compared to `2512.10 crore as on 31st March 2012. The Company provided `108.26 crore on account of depreciation and amortisation during the year under review. Accumulated depreciation, as a percentage of gross block, stood at 39.70%

Non-current investments

Non-current investments reduced from `44.25 crore as on 31st March 2012 to `43.23 crore as on 31st March 2013 owing to de-registration of the Hong Kong based subsidiary.

Long-term loans and advances

Long-term loans and advances increased 6.61% from `62.09 crore to `66.19 crore largely owing to an increase in capital advances on account of ongoing capital expenditure programmes.

Other non-current assets

Other non-current assets increased from `0.85 crore to `171.08 crore largely owing to classification of claims receivable on account of the UP Sugar

Industry Promotion Policy 2004 from other current assets to other non-current assets.

Inventories

Inventories at as 31st March 2013 stood at `1886.57 crore as compared to `1997.79 crore as on 31st March 2012. This was mainly on account of lower inventory owing to a late start in crushing during the year under review compared to last year.

Trade receivables

Trade receivables increased 23.42% from `146.96 crore to `181.38 crore owing to a delay in getting payments from the State Electricity Grid for the supply of power. Of the total trade receivables, `0.52 crore of debt was more than six months old.

Short-term loans and advances

Short-term loans and advances reduced 1.96 % from `159.12 crore to `156.01 crore.

Other current assets

Other current assets reduced from `173.11 crore to `4.32 crore, which was mainly on account of classification of claims receivable under the UP Sugar Industry Promotion Policy 2004 as other non-current assets.

risk and concerns

RISK IS AN INTEGRAL PART OF ANY BUSINESS. THE NATURE OF RISK DEPENDS ON THE BUSINESS PROFILE AND THE ECONOMIC SCENARIO IN WHICH THE ORGANISATION OPERATES AND ALSO THE CUSTOMERS IT CATERS TO. RISKS ARE BOTH INTERNAL AND EXTERNAL, WHILE SOME CAN BE FORESEEN, SOME CANNOT. THE COMPANY INCORPORATED A STRONG RISK MANAGEMENT FRAMEWORK AT THE CORE OF ITS OPERATIONS. THE COMPANY IDENTIFIES AND ASSESSES THE RISKS ASSOCIATED WITH ITS BUSINESS AND TAKES ADEQUATE MEASURES TO STRIKE A BALANCE BETWEEN RISKS AND REWARDS.

1

Industry risk

An adverse industry scenario could impact revenues and profitability.

Risk mitigation

The Company possesses attractive economies-of-scale to survive industry downtrends. The Company's crushing capacity of 76,500 TCD corresponds to a gross block of `2,531 crore – an average `3.31 lacs of capital cost per tonne of installed crushing capacity, which is much lower than the prevailing cost of commissioning fresh capacity. Besides, the Company invested in processes that make it possible to enhance recovery, manufacture a product of the highest quality and market it efficiently to areas where it earns the best realisations.

2

Policy risk

Unfavourable government policy could impact performance.

Risk mitigation

The Indian sugar industry is beginning to see progressive decontrol based on the findings of the Rangarajan Committee (abolition of regulated release mechanism and levy quota). We expect that this will translate into stronger cash flows for sugar mills. The Company possesses adequate reserves (₹ 1,298.62 crore as on 31 March 2013), optimum product quality, efficient marketing network and overall management bandwidth to capitalise on this partial decontrol.

3

Raw material risk

The Company may not be able to procure adequate raw material to sustain production.

Risk mitigation

In a business that is largely dependent on monsoons (outside human control), a lower cane output can translate into a lower production of sugar and byproducts. Over the years, the Company has selected to work with a large number of farmers across its 10 manufacturing facilities. The Company has a clean record with respect to cane arrears, provides training to farmers to enhance yields and has an impeccable record in procuring the entire sugarcane crop from its command areas.

4

Funding risk

Inability to procure funds at competitive costs could impact growth.

Risk mitigation

The Company's long-term debt stood at ₹ 499.63 crore as against a networth of ₹ 1,322.87 crore as on 31st March 2013. The Company enjoyed an interest cover of 3.22x (in 2012-13), reflecting its comfort in servicing debt even during a challenging sectoral environment. The Company had ₹ 186.20 crore in cash and cash equivalents as on 31 March 2013.



internal control system and its adequacy

The Company has a proper and adequate internal control system, commensurate with the nature of its business and the size of operations, to ensure smooth functioning and safeguards assets against unauthorised usage. Its comprehensive system of internal control confirms correct recording and reporting of transactions as well as ensures optimal and efficient use of resources. Such controls, subject to periodical reviews, also ensure efficiency of operations, accuracy and promptness of financial reporting, besides complying with applicable laws and regulations.

An effective and systematic internal audit system exists, commensurate with the requirements of the Company. The Audit Committee of the Board of Directors comprises a majority of Independent Director, who oversees the functions of internal audit, review the reports and monitor implementation of suggestions. The Audit Committee periodically interacts with the statutory auditor and internal auditor about the adequacy and efficacy of internal audit systems.

human resources

The Company's strength is derived from the employee's involvement and team orientation. The Company believes that a committed and motivated workforce constitutes the most important factor in achieving business goals. The Company is committed to provide equal employment opportunities to attract the best available talent and to ensure

a cosmopolitan workforce. It pursues management practices designed to enrich the quality of life of its employees, developing their potential and maximising their productivity. The Company's total employee strength was 5924 employees as on 31st March, 2013. The relation between the management and employees continued to be cordial.

Cautionary statement

Statements made in this report describing industry outlook as well as the Company's plans, policies and expectations may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

Independent Auditor's Report

To
The Members of
Balrampur Chini Mills Limited

Report on the financial statements

We have audited the accompanying financial statements of BALRAMPUR CHINI MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, 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

Management is responsible for 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 the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, 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 audit opinion.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as 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) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - e) on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For G.P. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. - 302082E



(CA. Ajay Agrawal)
Partner

Place: Kolkata
Date: 10th May, 2013.

Membership No. 17643

Annexure to the Auditor's Report

Statement referred to in our report of even date to the members of BALRAMPUR CHINI MILLS LIMITED on the financial statements for the year ended 31st March, 2013.

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) During the year, the Company has not disposed off substantial part of its fixed assets.
- (ii) a) The inventories have been physically verified during the year by the management at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) On the basis of our examination, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- b) As the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act, clauses (iii) (b) to (iii)(d) of paragraph 4 of the said order are not applicable to the Company.
- c) The Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- d) As the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act, clauses (iii) (f) and (iii) (g) of paragraph 4 of the said order are not applicable to the Company.
- (iv) On the basis of the information and explanation given to us, we are of the opinion that the Company has 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 and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) a) According to the information and explanations given to us, there is no contract or arrangement that needs to be entered in the register required to be maintained under section 301 of the Act.
- b) As the Company has not entered into any contract or arrangement that needs to be entered in the register required to be maintained under section 301 of the Act, clause (v) (b) of paragraph 4 of the said order is not applicable to the Company.
- (vi) The Company has not accepted any deposit within the meaning of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- (vii) In our opinion, the internal audit system of the Company is commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where pursuant to the rules made by the Central Government, the maintenance of Cost records has been prescribed under section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We, however, as not required, have not made a detailed examination of such records.
- (ix) a) On the basis of our examination, the Company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess, Investor Education and Protection Fund, Wealth Tax and other statutory dues with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable. On the basis of our information, the provisions of Employees' State Insurance Act are not applicable to the Company.
- b) The disputed statutory dues aggregating to ₹ 751.05 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

SL No.	Name of the Statute	Nature of dues	Period to which pertain	Amount (₹ in Lacs)	Forum (Where the dispute is pending)
1	U.P.Trade Tax Act, 1948	Sales Tax	1990-91	0.22	Hon'ble High Court, Lucknow
2	U.P.Trade Tax Act, 1948	Sales Tax	2002-03	0.65	Jt. Commissioner, Appeal Bahraich
3	Tax on Entry of Goods Act, 2007	Entry Tax	2008-12	9.16	Additional Commissioner Gonda

Annexure to the Auditor's Report (Contd...)

SL No.	Name of the Statute	Nature of dues	Period to which pertain	Amount (₹ in Lacs)	Forum (Where the dispute is pending)
4	The Indian Stamp Act, 1899	Stamp Duty	2002	5.29	Hon'ble High Court, Lucknow
5	Central Excise Act, 1944	Excise Duty	2003 - 04	1.13	Commissioner of Central Excise (Appeals)-Allahabad
6	Entry Tax Act, 2008	Entry Tax	2009 - 12	55.73	Hon'ble Supreme Court of India
7	Central Excise Act, 1944	Cenvat Credit	2005 - 08	28.46	CESTAT - New Delhi
8	Central Excise Act, 1944	Cenvat Credit	2006 - 07	0.38	Jt. Commissioner of Central Excise - Allahabad
9	Central Excise Act, 1944	Cenvat Credit	2006 - 08	0.03	Central Excise Division, Faizabad
10	Finance Act, 1994	Service Tax	2006 - 08	6.01	Commissioner of Central Excise (Appeals)-Allahabad
11	Central Excise Act, 1944	Excise Duty	2010 - 11	4.05	Commissioner of Central Excise- Allahabad
12	Central Excise Act, 1944	Excise Duty	2003 - 08	15.19	CESTAT - New Delhi
13	The Indian Stamp Act, 1899	Stamp Duty	2009	68.76	TAHSILDAR Rudauli, Distt - Faizabad
14	The Indian Stamp Act, 1899	Stamp Duty	1992	5.09	District Magistrate, Barabanki
15	The Indian Stamp Act, 1899	Stamp Duty	1997, 1999 & 2008	44.50	Hon'ble High Court, Allahabad, Lucknow Bench
16	Central Excise Act, 1944	Excise Duty	2006 - 08	6.07	Commissioner (Appeals) - Allahabad
17	Central Excise Act, 1944	Excise Duty	2009 - 10	4.91	Asst. Commissioner, Sitapur
18	Central Excise Act, 1944	Excise Duty	2003 - 05	82.16	Jt. Commissioner (Adj.), Central Excise, Allahabad
19	Central Excise Act, 1944	Cenvat Credit	2006 - 11	10.09	Commissioner (Appeals) Central Excise, Allahabad
20	Central Excise Act, 1944	Cenvat Credit	2011 - 12	1.05	Superintendent Centrale Excise, Gonda
21	The Indian Stamp Act, 1899	Stamp Duty	1994 - 96	31.92	Hon'ble High Court, Lucknow
22	The Indian Stamp Act, 1899	Stamp Duty	2012	370.20	Chief Revenue Controlling authority/ Addl. Commissioner Devi Pattan - Gonda
		Total		751.05	

- (x) The Company has no accumulated losses and has not incurred any cash loss during the year covered by our audit or in the immediately preceding financial year.
- (xi) The Company has not defaulted in payment of dues to financial institutions or banks. The Company has not issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any special statue applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in securities. The Company has maintained proper records of transactions and contracts in respect of investment in shares and securities and timely entries have been made therein. All shares, securities and other investments are held by the Company in its own name.
- (xv) On the basis of our examination and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xvi) On the basis of our examination and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
- (xviii) The Company has not made any preferential issue of shares.
- (xix) The Company has not issued any debentures. Therefore, the provisions of Clause (xix) of paragraph 4 of the order are not applicable to the Company.
- (xx) The Company has not raised any moneys by public issue during the year covered by our audit report.
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements materially mis-stated.

For G.P. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. - 302082E



(CA. Ajay Agrawal)
Partner

Place: Kolkata
Date: 10th May, 2013.

Membership No. 17643

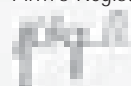
Balance Sheet As at 31st March, 2013

(in Lacs)

Particulars	Note No.	As at 31st March, 2013		As at 31st March, 2012	
I. EQUITY AND LIABILITIES					
1) Shareholders' funds					
a) Share capital	2	2443.14		2443.14	
b) Reserves and surplus	3	129861.84	132304.98	119368.36	121811.50
2) Non - current liabilities					
a) Long - term borrowings	4	22639.83		49465.65	
b) Deferred tax liabilities (net)	5	23059.94		22447.22	
c) Other long - term liabilities	6	396.33		292.93	
d) Long - term provisions	7	979.03	47075.13	1096.01	73301.81
3) Current liabilities					
a) Short - term borrowings	8	126020.32		122122.15	
b) Trade payables	9	71200.92		61708.67	
c) Other current liabilities	10	40040.80		41689.02	
d) Short - term provisions	11	5979.22	243241.26	220.92	225740.76
Total			422621.37		420854.07
II. ASSETS					
1) Non - current assets					
a) Fixed assets	12				
i) Tangible assets		152039.73		161167.28	
ii) Intangible assets		73.63		80.97	
iii) Capital work-in-progress		510.98		42.55	
		152624.34		161290.80	
b) Non - current investments	13	4323.49		4424.94	
c) Long - term loans and advances	14	6618.73		6208.58	
d) Other non - current assets	15	17108.25	180674.81	84.53	172008.85
2) Current assets					
a) Inventories	16	188657.10		199779.04	
b) Trade receivables	17	18137.74		14695.99	
c) Cash and bank balances	18	19119.15		1147.42	
d) Short - term loans and advances	19	15600.57		15911.85	
e) Other current assets	20	432.00	241946.56	17310.92	248845.22
Total			422621.37		420854.07
Significant accounting policies	1				
Other disclosures	29				
The accompanying notes 1 to 29 are an integral part of the Financial Statements.					

As per our report of even date attached.

For G. P. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. - 302082E

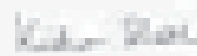


(CA. Ajay Agrawal)
Partner
Membership No. 17643
Place: Kolkata
Date: 10th May, 2013.

For and on behalf of the Board of Directors



S. K. Agrawala
Company Secretary



Kishor Shah
Director cum Chief
Financial Officer



Vivek Saraogi
Managing Director

Statement of Profit and Loss For the year ended 31st March, 2013

(*in Lacs*)

Particulars	Note No.	Year ended 31st March, 2013		Year ended 31st March, 2012	
I. Revenue from operations (Gross)	21				
Sale of goods (Gross)		338403.03		239031.15	
Less: Excise duty and cess		10919.00		8076.52	
Net sale of goods			327484.03		230954.63
Other operating revenue			-		-
Revenue from operations (Net)			327484.03		230954.63
II. Other income	22		4280.13		2773.86
III. Total revenue (I + II)			331764.16		233728.49
IV. Expenses:					
Cost of materials consumed	23		241090.95		226263.21
Changes in inventories of finished goods, by-products and work-in-progress	24		10804.50		(48709.68)
Employee benefits expense	25		12945.82		11774.27
Finance costs	26		14386.70		14741.11
Depreciation and amortisation expense	27		10825.74		11078.09
Other expenses	28		20654.85		17803.48
Total expenses			310708.56		232950.48
V. Profit before exceptional and extra ordinary items and tax (III-IV)			21055.60		778.01
VI. Exceptional items			-		-
VII. Profit before extraordinary items and tax (V-VI)			21055.60		778.01
VIII. Extraordinary items			-		-
IX. Profit before tax (VII-VIII)			21055.60		778.01
X. Tax expense					
Current tax (MAT)		4240.00		156.00	
Deferred tax		612.72		(37.56)	
Tax provision for earlier years written back		-	4852.72	(2.92)	115.52
XI. Profit for the year (IX-X)			16202.88		662.49
XII. Earnings per share (Nominal value per share ` 1/-) [Refer note no. 29(7)]					
- Basic (`)			6.63		0.27
- Diluted (`)			6.63		0.27
Number of shares used in computing Earnings per share					
- Basic			244313923		245840964
- Diluted			244440797		245972374
Significant accounting policies	1				
Other disclosures	29				
The accompanying notes 1 to 29 are an integral part of the Financial Statements.					

As per our report of even date attached.

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E



(CA. Ajay Agrawal)

Partner

Membership No. 17643

Place: Kolkata

Date: 10th May, 2013.

For and on behalf of the Board of Directors



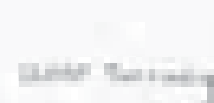
S. K. Agrawala

Company Secretary



Kishor Shah

Director cum Chief
Financial Officer



Vivek Saraogi

Managing Director

Cash Flow Statement For the year ended 31st March, 2013

(in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and extra ordinary items and tax	21055.60	778.01
<i>Adjustments to reconcile profit before exceptional items and extra ordinary items and tax to net cash flow provided by operating activities :</i>		
Finance costs	14386.70	14741.11
Depreciation and amortisation expense	10825.74	11078.09
Loss on sale/discard of fixed assets	162.16	253.37
Transfer to storage fund for molasses	23.86	24.91
Interest income	(1739.73)	(1514.48)
Exchange gain on disposal of long term investments	(40.38)	-
Gain on disposal of long term investments	(14.10)	-
Dividend income from subsidiary	-	(83.55)
Profit on sale of fixed assets	(9.89)	(66.15)
Unspent liabilities/balances written back	(2130.67)	(578.23)
Provision for doubtful debts/ advances written back	(2.42)	(1.35)
Provision for wealth tax for earlier years written back	-	(1.88)
Provision for contingencies written back	(0.05)	-
Storage fund for molasses written back	(12.82)	(130.57)
Employee stock option expense	(3.74)	(2.32)
Unrealised exchange rate fluctuation	497.58	895.48
	21942.24	24614.43
Operating profit before working capital changes	42997.84	25392.44
<i>Adjustments to reconcile operating profit to cash flow provided by changes in working capital :</i>		
Increase in trade payables	9698.49	52666.82
Increase/(decrease) in other long-term and current liabilities	(358.69)	1715.21
Increase in provision for employee benefits/wealth tax	37.67	39.91
(Increase)/decrease in inventories	11121.94	(50648.46)
(Increase) in trade receivables	(3439.77)	(5708.16)
(Increase)/decrease in long-term and short-term loans & advances	(309.18)	2619.14
(Increase)/decrease in other non-current and current assets	31.01	(4769.53)
	16781.47	(4085.07)
Cash generated from operations	59779.31	21307.37
Tax expense (excluding wealth tax)	(4244.23)	(1803.93)
Cash flow before exceptional and extraordinary items	55535.08	19503.44
Exceptional / extraordinary items	-	-
Net cash generated from operating activities (A)	55535.08	19503.44
B CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets (including intangibles)	(2448.31)	(1513.24)
Sale of fixed assets	136.76	559.53
Purchase of shares of associate	-	(12.14)
Sale of shares of subsidiary	156.90	-
Purchase of national savings certificates	(1.05)	(2.05)
Proceeds from maturity of national savings certificates	0.08	-
Fixed deposits placed with banks	(393.41)	(153.16)
Fixed deposits redeemed from banks	108.43	305.57
Loan given to a subsidiary	(10.25)	(80.88)
Loan received back from a subsidiary	15.00	75.00
Loan given to corporates/others	(4440.00)	(5176.00)
Loan received back from corporates/others	4646.00	2700.00
Purchase of debentures	-	(4050.00)
Interest received on loan to subsidiary company	4.59	41.33
Interest received on loan to corporate/others	1464.37	1681.92
Dividend received from subsidiary company	-	83.55
Net cash used in investing activities (B)	(760.89)	(5540.57)

Cash Flow Statement (Contd...)

([₹] in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
C CASH FLOW FROM FINANCING ACTIVITIES				
Buy back of equity shares	-		(7701.60)	
Proceeds from long-term borrowings	-		40000.00	
Repayment of long-term borrowings	(26859.87)		(36236.91)	
Proceeds/(repayment) of short-term borrowings	3898.17		(6879.73)	
Interest expense	(14061.75)		(15085.44)	
Other borrowing costs	(31.88)		(301.90)	
Dividend paid	-		(1832.35)	
Dividend distribution tax paid	-		(297.26)	
Net cash used in financing activities (C)		(37055.33)		(28335.19)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		17718.86		(14372.32)
Opening cash and cash equivalents		901.79		15274.11
Closing cash and cash equivalents (Refer note no. 18)		18620.65		901.79

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement notified under the Companies (Accounting Standards) Rules, 2006.
- 2) Interest expense is exclusive of, and additions to fixed assets are inclusive of, interest capitalised Nil (previous year Nil).
- 3) Additions to fixed assets include movement of Capital work-in-progress during the year.
- 4) Consideration for purchase / sale of shares of Associate / Subsidiary Company fully discharged by means of Cash.
- 5) Proceeds/(repayment) of Short-term borrowings have been shown on net basis.
- 6) Current Investments which carry insignificant risk and are readily convertible into known amount of Cash, are considered as part of Cash and cash equivalents.
- 7) Cash and cash equivalents do not include any amount which is not available to the Company for its use.
- 8) Cash and cash equivalents as at the Balance Sheet date consists of:

([₹] in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
a) Balance with banks on current accounts		567.40		703.83
b) Cheques on hand		919.47		0.23
c) Cash on hand		133.78		197.73
d) Short term, highly liquid investment in mutual funds (Refer note no. 18)		17000.00		-
		18620.65		901.79

- 9) Figure in brackets represent cash outflow from respective activities.
- 10) As amount of Cash and cash equivalents is also available in Note no. 18, reconciliation of amount of Cash and cash equivalents as per Cash Flow Statement with the equivalent amount reported in the Balance Sheet is not required and hence not provided.

As per our report of even date attached.

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E

(CA. Ajay Agrawal)

Partner

Membership No. 17643

Place: Kolkata

Date: 10th May, 2013.

For and on behalf of the Board of Directors

S. K. Agrawala

Company Secretary

Kishor Shah

Director cum Chief
Financial Officer

Vivek Saraogi

Managing Director

Notes forming part of the Financial Statements

Note No : 1 Significant accounting policies

1. Basis of preparation of financial statements

The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis except certain tangible fixed assets which are carried at revalued amount.

GAAP comprises mandatory Companies (Accounting Standards) Rules, 2006 notified by the Central Government of India under Section 211(3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of operations and time between the procurement of raw material and realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2. Use of estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Actual results might differ from the estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

3. Fixed assets, intangible assets and capital work-in-progress

- a) Fixed Assets are stated at their original cost (net of accumulated depreciation and impairments) adjusted by revaluation of Land, Building, Plant & Machinery, Railway Siding and Tube well of the Balrampur Unit as at 30th June, 1988; Land, Building and Plant & Machinery of Tulsipur Unit as at 31st March, 1999. Cost, net of cenvat, includes acquisition price, import duties, other non-refundable taxes and levies, attributable expenses and pre-operational expenses including finance charges, wherever applicable.
- b) Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortisation and impairment, if any.
- c) Expenditure during construction period: Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital work-in-progress". Capital work-in-progress is stated at the amount expended upto the date of Balance Sheet for the cost of fixed assets that are not yet ready for their intended use.

4. Depreciation and amortisation

- a) Depreciation on Fixed Assets is provided on Straight Line method in accordance with the rates as specified in Schedule XIV to the Companies Act, 1956 (as amended) other than on Power Transmission Lines and Mobile Phones. Power Transmission Lines are depreciated over a period of five years and Mobile Phones over a period of three years on straight line basis.
- b) Depreciation/amortisation on assets added, sold or discarded during the year is provided on pro-rata basis.
- c) Lease hold land in the nature of perpetual lease is not amortised. Other lease hold land are amortised over the period of the lease.
- d) Computer Software (Acquired) are amortised on straight line basis over a period of five years.

5. Investments

Investments are either classified as current or long-term based on Management's intention at the time of purchase. Long - term investments are carried at cost less provision for diminution recorded to recognise any decline, other than temporary, in the carrying value of each investment. Current investments are carried at lower of cost and fair value, category wise. Cost for overseas investments comprises of the

Notes forming part of the Financial Statements

Note No : 1 Significant accounting policies (contd...)

Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Cost includes acquisition charges such as brokerage, fee and duties.

6. Inventories

- a) Inventories (other than By-products and Standing crop) are valued at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventory comprises of purchase price, cost of conversion and other cost that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventories. The cost of Inventories is computed on weighted average basis.
- b) Assets identified and technically evaluated as obsolete and held for disposal are valued at their estimated net realisable value.
- c) By-products and Standing crop are valued at net realisable value.

7. Revenue recognition

- a) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.
- b) Gross turnover includes excise duty but excludes sales tax / VAT.
- c) Dividend income is recognised when the Company's right to receive dividend is established.
- d) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- e) All other income are accounted for on accrual basis.

8. Expenses

All the expenses are accounted for on accrual basis.

9. Government grants

- a) Government grants related to specific fixed assets are adjusted with the value of the fixed asset. If not related to a specific fixed asset, it is credited to Capital Reserve.
- b) Government grants related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

10. Provisions, contingent liabilities and contingent assets

Provision is recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

A provision is recognised if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the balance sheet date.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Re-imbursment expected in respect of expenditure to settle a provision is recognised only when it is virtually certain that the re-imbursment will be received.

A Contingent Asset is not recognised in the Accounts.

11. Impairment of assets

Impairment loss, if any, is recognised to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Notes forming part of the Financial Statements

Note No : 1 Significant accounting policies (contd...)

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amount of assets to the extent that it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

After impairment, depreciation or amortisation on assets is provided on the revised carrying amount of the respective asset over its remaining useful life.

12. Foreign currency transactions

- a) Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
- b) Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rate.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

- c) In case of items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference. The premium or discount on forward exchange contracts is recognized over the period of the respective contract.
- d) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognised in the Statement of Profit and Loss.

13. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

14. Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

15. Employee benefits

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- b) Long-term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services. The expense is recognised at the present value of the amount payable as per actuarial valuations. Actuarial gains and losses in respect of such benefits are recognised in the Statement of Profit and Loss.

16. Employee stock option scheme

In respect of employee stock options granted pursuant to the company's Employee Stock Option Scheme, the intrinsic value of the option (excess of market price of the share on the date of grant over the exercise price of the option) is treated as discount and amortised as employee compensation cost on a straight line basis over the vesting period.

Notes forming part of the Financial Statements

Note No : 1 Significant accounting policies (contd...)

17. Taxes on income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. However, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in 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 Balance Sheet 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.

18. Derivative contracts

The Company uses derivative contracts to hedge the interest rate and currency risks. The Company does not use these contracts for trading or speculation purposes.

19. Segment reporting

Segments are identified based on the dominant source and nature of risks and returns and the internal organisation and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- a) Inter segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market led.
- b) Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been disclosed as "Unallocable".

20. Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

21. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes forming part of the Financial Statements

Note No : 2 Share capital

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	` in Lacs	No. of shares	` in Lacs
(a) Authorised				
Equity shares of par value ` 1/- each	400000000	4000.00	400000000	4000.00
Preference shares of par value ` 100/- each	2500000	2500.00	2500000	2500.00
		6500.00		6500.00
(b) Issued, subscribed and fully paid up				
Equity shares of par value ` 1/- each	244313923	2443.14	244313923	2443.14
		2443.14		2443.14
Issue of 17270 (Previous year 17270) equity shares on Right basis has been kept in abeyance in view of pending dispute.				
(c) Reconciliation of number and amount of equity shares outstanding:				
At the beginning of the year	244313923	2443.14	256274911	2562.75
Less: Shares bought back *	-	-	11960988	119.61
At the end of the year	244313923	2443.14	244313923	2443.14
* Shares bought back during the previous year denotes actual number of shares extinguished during the previous year on account of buy back.				

- (d) The Company has only one class of equity shares. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share.
- (e) 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 dues. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) Shareholders holding more than 5 % of the equity shares in the Company :

Name of the shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
Life Insurance Corporation of India	19995490	8.18	19995490	8.18
Shri Kamal Nayan Saraogi	-	-	19597219	8.02
Shri Vivek Saraogi	38082320	15.59	18485101	7.57
Smt. Meenakshi Saraogi	14244300	5.83	14244300	5.83

- (g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding last five years ended on 31st March, 2013 - 44048 equity shares (previous period of five years ended 31st March, 2012 - 44048 equity shares).
- (h) The aggregate number of equity shares bought back in immediately preceding last five years ended on 31st March, 2013 - 15410135 equity shares (previous period of five years ended 31st March, 2012 - 15410135 equity shares).
- (i) The Company has reserved 316650 (Previous year 326650) equity shares of par value ` 1/- each for issue at a premium of ` 44/- each to eligible employees of the Company under Employees Stock Option Scheme. All these shares are vested and are exercisable at any point of time. Refer note no. 29(4) for terms of employee stock option scheme.

Notes forming part of the Financial Statements

Note No : 3 Reserves and surplus		(in Lacs)	
Particulars	As at 31st March, 2013	As at 31st March, 2012	
(a) Capital reserves			
Balance as per last account	1028.22		1028.22
(b) Capital redemption reserve			
Balance as per last account	2654.10	2534.49	
Add: Transfer from General reserve on buy back of equity shares	–	119.61	2654.10
(c) Securities premium account			
Balance as per last account	51835.51		51835.51
(d) Revaluation reserve			
Balance as per last account	18.24		18.24
(e) Share options outstanding account			
Balance as per last account	110.12	112.44	
Less: Options forfeited	3.74	2.32	110.12
(f) General reserve			
Balance as per last account	55776.98	64339.25	
Add: Transfer from Surplus in the Statement of Profit and Loss	10000.00	–	
	65776.98	64339.25	
Less: Utilised on buy back of equity shares	–	8442.66	
Less: Transfer to Capital redemption reserve on buy back of equity shares	–	119.61	55776.98
(g) Storage fund for molasses			
Balance as per last account	40.56	146.22	
Add: Created during the year	23.86	24.91	
	64.42	171.13	
Less: Utilised during the year	12.82	130.57	40.56
(h) Surplus in the Statement of Profit and Loss			
Balance as per last account	7904.63	7219.25	
Add: Dividend on equity shares (including tax on dividend ` 3.19 lacs) for previous period written back	–	22.89	
	7904.63	7242.14	
Add: Profit for the year	16202.88	662.49	
Amount available for appropriation	24107.51	7904.63	
Less : Appropriations:			
Proposed dividend	4886.28	–	
Tax on proposed dividend	830.42	–	
Transfer to General reserve	10000.00	–	
Total appropriations	15716.70	–	
Balance as at the Balance Sheet date	8390.81		7904.63
	129861.84		119368.36

- General reserve is primarily created to comply with the requirements of section 205 (2A) of the Companies Act, 1956. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.
- The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974 and the said storage fund is represented by investment in the form of fixed deposits with banks amounting to ` 59.84 lacs (Previous year ` 49.62 lacs).
- The Board of Directors has recommended a dividend of ` 2/- per equity share (Previous year Nil) for the year ended 31st March, 2013. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The total dividend pay out (including tax on dividend) works out to ` 5716.70 lacs (Previous year Nil).

Notes forming part of the Financial Statements

Note No : 4 Long - term borrowings (in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Term loans				
From banks				
Secured				
Rupee loans:				
State Bank of India (SBI)	5000.00		15000.00	
Yes Bank Ltd. (YBL)	7500.00		17500.00	
External commercial borrowing (ECB):				
State Bank of India (SBI)	–	12500.00	2757.30	35257.30
From entities other than banks				
Secured				
Rupee loans:				
Government of India, Sugar Development Fund (SDF)	5668.66		7257.86	
External commercial borrowing (ECB):				
International Finance Corporation, Washington (IFC)	4471.17	10139.83	6950.49	14208.35
		22639.83		49465.65

a) Nature of securities:

- i) Rupee Term Loans from SDF are secured by an exclusive second charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Haidergarh, Akbarpur, Mankapur, Kumbhi, Gularia and Rauzagaon.
- ii) Rupee Term Loan from YBL is secured by way of subservient charge on all movable fixed assets (both present and future) pertaining to all sugar and cogeneration units of the Company.
- iii) Rupee Term Loan from SBI is secured by way of first charge on movable fixed assets pertaining to Company's sugar units at Babhnan, Tulsipur, Akbarpur and Maizapur and Chemical unit at Balrampur and is further secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company.
- iv) ECB from IFC is secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties and residual charge on current assets, both present and future, pertaining to Company's sugar and cogeneration units at Haidergarh and Rauzagaon.
- v) ECB from SBI is secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia.
- vi) Interest Free Rupee Term Loan from SBI was secured by way of residual charge on movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar unit at Maizapur, and further secured by way of residual charge on immovable properties, both present and future, pertaining to Company's sugar unit at Maizapur. As the amount outstanding on 31/03/2012 was payable entirely within one year, the same was included in the line item "Current maturities of long - term debt" under the head "Other current liabilities" as at 31st March, 2012.
- vii) ECB from RBS was secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Mankapur. As the amount outstanding on 31/03/2012 was payable entirely within one year, the same was included in the line item "Current maturities of long - term debt" under the head "Other current liabilities" as at 31st March, 2012.
- viii) ECB from CITI was secured by way of hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia. As the amount outstanding on 31/03/2012 was payable entirely within one year, the same was included in the line item "Current maturities of long - term debt" under the head "Other current liabilities" as at 31st March, 2012.
- ix) ECB from SCB was secured by way of hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's cogeneration unit at Balrampur. As the amount outstanding on 31/03/2012 was payable entirely within one year, the same was included in the line item "Current maturities of long - term debt" under the head "Other current liabilities" as at 31st March, 2012.

Note No : 4 Long - term borrowings (contd...)

- x) ECB from UCO was secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia. As the amount outstanding on 31/03/2012 was payable entirely within one year, the same was included in the line item "Current maturities of long - term debt" under the head "Other current liabilities" as at 31st March, 2012.

b) Terms of repayment :

Name of the banks / entities	Rate of Interest	Amount outstanding as at 31.03.2013		Period of maturity w.r.t. the Balance Sheet date	Number of installments outstanding as at 31.03.2013	Amount of each installment (₹ in Lacs)
		Current (₹ in Lacs)	Non current (₹ in Lacs)			
Government of India, Sugar Development Fund (SDF)	* Bank Rate (-) 2% i.e. 4% p.a.	- (143.10)	- (-)	-	-	-
		194.77 (194.77)	97.39 (292.17)	1 year 10 days	3	97.39
		174.90 (174.90)	174.90 (349.80)	1 year 7 months 24 days	4	87.45
		638.88 (638.88)	1277.76 (1916.64)	2 years 8 months 5 days	6	319.44
		237.66 (237.66)	594.14 (831.81)	3 years 3 months 14 days	7	118.83
		342.98 (342.98)	857.46 (1200.43)	3 years 5 months 18 days	7	171.49
		- (-)	2667.01 (2667.01)	6 years 5 months 15 days	5	533.40
	Sub-total	1589.19 (1732.29)	5668.66 (7257.86)			
Yes Bank Ltd.	YBL Base Rate (+) 0.75%	10000.00 (2500.00)	7500.00 (17500.00)	1 year 8 months 12 days	7	2500.00
State Bank of India (Term Loan)	SBI Base Rate (+) 2%	10000.00 (5000.00)	5000.00 (15000.00)	1 year 6 months	6	2500.00
State Bank of India	(Interest Free)	- (28.82)	- (-)	-	-	-
International Finance Corporation, Washington (IFC) (ECB) ***	8.19% on JPY notional	2976.91 (2778.03)	4471.17 (6950.49)	2 years 5 months 15 days	5	**1488.45
State Bank of India (ECB)	7.65% on fully hedged basis	2757.30 (5514.60)	- (2757.30)	4 months 9 days	1	2757.30
The Royal Bank of Scotland, N.V. (RBS)	-	- (2400.63)	- (-)	-	-	-
CITI Bank (CITI)	-	- (1473.40)	- (-)	-	-	-
Standard Chartered Bank (SCB)	-	- (1311.60)	- (-)	-	-	-
UCO Bank (UCO)	-	- (4120.50)	- (-)	-	-	-
	Grand Total	27323.40 (26859.87)	22639.83 (49465.65)			

Figures in brackets pertain to previous year.

Rate of interest has been disclosed for loans which are outstanding on the balance sheet date.

* Bank rate prevailing on the date of disbursement.

** Except last installment of ₹ 1494.28 lacs.

*** ECB from IFC is drawn in US Dollars and the installment amount has been determined on the basis of applicable exchange rate prevailing on the Balance Sheet date.

Notes forming part of the Financial Statements

Note No : 5 Deferred tax liabilities (net) (₹ in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Deferred tax liabilities				
Depreciation		28742.27		28270.52
Less: Deferred tax assets				
Carried forward losses	2566.95		3368.11	
Expenses allowable for tax purposes when paid	3115.38	5682.33	2455.19	5823.30
		23059.94		22447.22

Carried forward losses have been recognised as deferred tax asset as per latest Income Tax assessment order / return of income filed by the Company as there is virtual certainty that such deferred tax asset can be realised against future taxable profits in the forthcoming financial years. Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Note No : 6 Other long - term liabilities (₹ in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Retention monies		–		3.29
Interest accrued but not due on borrowings		396.33		289.64
		396.33		292.93

Note No : 7 Long - term provisions (₹ in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Provision for employee benefits - unavailed leave		217.99		195.66
Provision for taxation	7614.41		3383.35	
Less : Advance tax	6854.37	760.04	2510.31	873.04
Provision for wealth tax	52.00		52.00	
Less : Advance wealth tax	51.00	1.00	24.69	27.31
		979.03		1096.01

Note No : 8 Short - term borrowings (₹ in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Loans repayable on demand				
Working capital loans				
From banks				
Secured				
State Bank of India (SBI)	105580.44		92743.52	
Punjab National Bank (PNB)	20078.00		–	
HDFC Bank Ltd. (HDFC)	361.88	126020.32	28.11	92771.63
Unsecured		–		9350.61
		126020.32		102122.24
Other loans and advances				
Working capital loans				
From banks				
Unsecured		–		19999.91
		126020.32		122122.15
Summary of short-term borrowings				
Secured borrowings		126020.32		92771.63
Unsecured borrowings		–		29350.52
		126020.32		122122.15

Nature of securities:

i) Working capital loans from SBI are secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses

Note No : 8 Short - term borrowings (contd...)

and other current assets including book debts, both present and future, pertaining to Company's sugar units ranking pari passu with PNB and HDFC and by way of 1st charge on the entire fixed assets of Maizapur sugar unit of the Company and further secured / to be secured by way of 3rd charge on the fixed assets of sugar units, except Maizapur sugar unit, of the Company.

- ii) Working capital loan from PNB is secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, pertaining to Company's sugar units ranking pari passu from SBI and HDFC.
- iii) Working capital loans from HDFC is secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, pertaining to Company's sugar units ranking pari passu with SBI and PNB.

Note No : 9 Trade payables (` in Lacs)				
Particulars	As at 31st March, 2013		As at 31st March, 2012	
Total outstanding dues of Micro and Small Enterprises [Refer note no. 29(3)]		18.00		23.95
Total outstanding dues of other than Micro and Small Enterprises		71182.92		61684.72
		71200.92		61708.67

Note No : 10 Other current liabilities (` in Lacs)				
Particulars	As at 31st March, 2013		As at 31st March, 2012	
Current maturities of long - term debt *		27323.40		26859.87
Interest accrued but not due on borrowings		806.49		620.11
Unpaid dividends **		120.34		138.64
Other payables				
Payable to suppliers of capital goods				
Total outstanding dues of Micro and Small Enterprises[Refer note no. 29(3)]	1.19		3.56	
Total outstanding dues of other than Micro and Small Enterprises	163.53		113.23	
	164.72		116.79	
Advance from customers and others	478.19		583.40	
Retention monies	151.33		148.54	
Security deposits	213.00		181.61	
Statutory liabilities ***	7692.68		10631.25	
Book overdraft balances	324.33		230.81	
Unpaid salaries and other payroll dues	2037.47		1481.74	
Accrued expenses	674.35		624.25	
Others	54.50	11790.57	72.01	14070.40
		40040.80		41689.02

* Refer note no. 4 (a) & (b) for nature of securities and terms of repayment respectively.

** There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under section 205C of the Companies Act, 1956.

*** Include excise duty and cess on closing stock (` in lacs) 6099.83 7291.38

Note No : 11 Short - term provisions (` in Lacs)				
Particulars	As at 31st March, 2013		As at 31st March, 2012	
Provision for employee benefits - unavailed leave		230.68		214.03
Other provisions				
Proposed dividend	4886.28		-	
Provision for tax on proposed dividend	830.42		-	
Provision for wealth tax	25.00		-	
Provision for Contingencies [Refer note no.29(2)]	6.84	5748.54	6.89	6.89
		5979.22		220.92

Notes forming part of the Financial Statements

Note No : 12		Fixed assets										₹ in Lacs	
		Tangible assets											
Particulars	Land (Free hold)	Land (Lease hold)	Buildings	Plant and equipment	Railway sidings	Furniture and fixtures	Vehicles	Office equipments	Total	Intangible assets		Grand total	
										Computer software (Acquired)	Capital work-in-progress		
Gross block													
Gross carrying amount as at 01.04.2012	6555.80	453.04	49865.69	188607.55	8.68	1828.14	2095.26	1629.44	251043.60	123.95	42.55	251210.10	
Additions during the year	-	-	149.43	1462.63	-	30.94	227.67	93.84	1964.51	15.37	1546.72	3526.60	
Inter head adjustments during the year	-	-	-	(3.40)	-	(1.69)	3.40	1.69	-	-	-	-	
Disposals/deductions during the year	102.07	-	-	130.38	8.68	61.20	221.86	34.63	558.82	-	1078.29	1637.11	
Gross carrying amount as at 31.03.2013	6453.73	453.04	50015.12	189936.40	-	1796.19	2104.47	1690.34	252449.29	139.32	510.98	253099.59	
Depreciation /amortisation													
Opening accumulated depreciation /amortisation	-	35.28	8877.41	77575.17	5.79	1031.85	1305.65	1045.17	89876.32	42.98	-	89919.30	
Depreciation and amortisation for the year	-	6.03	1054.27	9438.08	0.10	70.58	125.41	108.56	10803.03	22.71	-	10825.74	
Inter head adjustments during the year	-	-	-	(0.44)	-	(0.11)	0.44	0.11	-	-	-	-	
Disposals/deductions during the year	-	-	-	42.00	5.89	53.09	138.61	30.20	269.79	-	-	269.79	
Closing accumulated depreciation /amortisation	-	41.31	9931.68	86970.81	-	1049.23	1292.89	1123.64	100409.56	65.69	-	100475.25	
Net carrying amount													
Net block as at 31.03.2013	6453.73	411.73	40083.44	102965.59	-	746.96	811.58	566.70	152039.73	73.63	510.98	152624.34	

Fixed assets - Previous year		Tangible assets								Intangible assets		₹ in Lacs
Particulars	Land (Free hold)	Land (Lease hold)	Buildings	Plant and equipment	Railway sidings	Furniture and fixtures	Vehicles	Office equipments	Total	Computer software (Acquired)	Capital work-in-progress	Grand total
Gross block												
Gross carrying amount as at 01.04.2011	7195.62	453.04	49776.87	187277.22	8.68	1715.48	2064.32	1559.19	250050.42	9.58	608.94	250668.94
Additions during the year	-	-	204.60	1422.26	-	114.82	119.58	104.00	1965.26	114.37	353.54	2433.17
Inter head adjustments during the year	-	-	-	(4.40)	-	-	-	4.40	-	-	-	-
Disposals/deductions during the year	639.82	-	115.78	87.53	-	2.16	88.64	38.15	972.08	-	919.93	1892.01
Gross carrying amount as at 31.03.2012	6555.80	453.04	49865.69	188607.55	8.68	1828.14	2095.26	1629.44	251043.60	123.95	42.55	251210.10
Depreciation /amortisation												
Opening accumulated depreciation /amortisation	-	29.24	7873.31	68047.86	5.38	962.84	1209.84	932.86	79061.33	5.22	-	79066.55
Depreciation and amortisation for the year	-	6.04	1084.82	9601.53	0.41	70.50	134.94	142.09	11040.33	37.76	-	11078.09
Inter head adjustments during the year	-	-	-	(0.07)	-	-	-	0.07	-	-	-	-
Disposals/deductions during the year	-	-	80.72	74.15	-	1.49	39.13	29.85	225.34	-	-	225.34
Closing accumulated depreciation /amortisation	-	35.28	8877.41	77575.17	5.79	1031.85	1305.65	1045.17	89876.32	42.98	-	89919.30
Net carrying amount												
Net block as at 31.03.2012	6555.80	417.76	40988.28	111032.38	2.89	796.29	789.61	584.27	161167.28	80.97	42.55	161290.80

Notes :

- 1) Land, Building, Plant & Machinery, Railway siding, Tube well and water supply machinery of Balrampur unit were revalued as at 30th June, 1988 on net replacement value as per the report of S. R. Ballibol Consultants Pvt. Ltd. and the cost of respective asset aggregating to ₹ 1200.77 lacs was substituted by the revalued amount of ₹ 1920.52 lacs and the resultant increase was credited to Revaluation reserve.
- 2) Land, Building and Plant & Machinery of Tulsiapur unit were revalued as at 31st March, 1999 on net replacement value as per the report of Lodha & Co. and the cost of the respective asset aggregating to ₹ 1023.85 lacs was substituted by the revalued amount of ₹ 2944.93 lacs and the resultant increase was credited to Revaluation reserve in the books of erstwhile Tulsiapur Sugar Company Limited.
- 3) There is a pari passu charge by way of hypothecation and equitable mortgage on the fixed assets of Kumbhi and Gularia units of the Company for an amount of Euro 4.50 million equivalent to ₹ 2456.61 lacs (Previous year ₹ 2456.61 lacs) in favour of BNP Paribas, India for securing Swap Contracts entered into in connection with hedging in respect of some of the External Commercial Borrowings availed by the Company.

Notes forming part of the Financial Statements

Note No : 13 Non - current investments

(` in Lacs)

Particulars	Face value	Number of units	As at 31st March, 2013	Number of units	As at 31st March, 2012
Long term					
Trade investments					
Unquoted (Valued at cost)					
(a) In equity shares of companies					
Fully paid up :					
Subsidiary company:					
Balrampur Overseas Pvt. Ltd. (Company de-registered during the year)	HKD1	-	-	2000000	102.42
Associate company:					
VA Friendship Solar Park Pvt. Ltd.	` 10	10800	237.15	10800	237.15
Others :					
Asia Sugar Industries Pvt. Ltd.	` 10	250000	25.00	250000	25.00
(b) In debentures of a company \$					
Fully paid up :					
Visual Percept Solar Projects Pvt. Ltd.	` 100	4050000	4050.00	4050000	4050.00
Total (A)			4312.15		4414.57
Other investments					
(i) Quoted (Valued at cost less provision for other than temporary diminution)					
In equity shares of a subsidiary					
Fully paid up :					
Indo Gulf Industries Ltd.*	` 1	5162470	283.27	5162470	283.27
Less: Provision for diminution in value of investments			283.27		283.27
Total (B)			- @		- @
(ii) Unquoted (Valued at cost)					
(a) In equity shares of companies					
Fully paid up :					
Fortuna Services Ltd.	` 1	70287	0.70	70287	0.70
Balrampur Sugar Company Consumers Co-operative Society Ltd.	` 100	35	0.03	35	0.03
Co-operative Development Union Ltd.	` 10	110	0.01	110	0.01
Co-operative Stores Ltd.	` 10	1	- @	1	- @
(b) In Post Office National saving certificates (Deposited with Government authorities)			10.60		9.63
Total (C)			11.34		10.37
Total (A+B+C)			4323.49		4424.94
Aggregate amount of quoted investments			283.27		283.27
Market value of quoted investments			* Not available		* Not available
Aggregate amount of unquoted investments			4323.49		4424.94
Aggregate provision for diminution in value of investments			283.27		283.27

\$ Unsecured, non-convertible debentures carry an over all simple yield to maturity of 9.50% p.a. The coupon amount is payable annually @ 5% p.a. for the first six years and 14% for the next six years. The debentures are redeemable at par at the end of twelve years from the date of allotment.

* Shares are suspended for Trading by the Stock Exchanges.

@ Shown as Nil due to rounding off.

Notes forming part of the Financial Statements

Note No : 14 **Long-term loans and advances** (Unsecured, considered good unless stated otherwise) (₹ in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Capital advances	555.33	132.46
Security deposits	53.80	72.64
Other loans and advances		
Advance to suppliers and others		
Considered doubtful	230.54	230.98
Less: Provision for doubtful advances	230.54	230.98
	-	-
MAT credit entitlement	5642.00	5642.00
Prepaid expenses	25.19	20.65
Duties and taxes paid under protest	342.41	340.83
	6009.60	6003.48
	6618.73	6208.58

Note No : 15 **Other non-current assets** (Unsecured, considered good unless stated otherwise) (₹ in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Trade receivables		
Considered doubtful	96.73	98.71
Less : Provision for doubtful debts	96.73	98.71
	-	-
Fixed deposits with banks		
(Non current portion with original maturity period of more than 12 months)		
For Molasses storage fund (Earmarked)	21.50	11.70
Pledged with Excise Authorities	45.01	41.00
	66.51	52.70
Interest accrued but not due		
Fixed deposits with banks	7.88	3.79
Post Office National Saving Certificates	3.67	2.79
	11.55	6.58
Claims receivable	17030.19	25.25
	17108.25	84.53

Note No : 16 **Inventories** (Valued at lower of cost and net realisable value, unless stated otherwise) (₹ in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Raw materials	3225.26	3039.32
Packing materials	460.41	234.07
Work-in-progress		
Sugar	3271.08	1278.87
Molasses	217.16	58.19
Organic manure	51.61	37.66
	3539.85	1374.72
Finished goods		
Sugar	168009.14	181631.37
Industrial alcohol	2162.74	2053.66
Banked power	58.29	73.27
Organic manure	18.88	43.56
	170249.05	183801.86
Stores and spares	5061.90	4646.82
Add : Goods-in-transit	115.47	105.67
Loose tools	359.10	
Standing crop *	12.45	18.07
By-products *	5633.61	6241.98
	188657.10	199779.04

* Valued at net realisable value.

Notes forming part of the Financial Statements

Note No : 17 **Trade receivables (Unsecured, considered good)** (₹ in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Outstanding for a period exceeding six months from due date	51.83	98.34
Others	18085.91	14597.65
	18137.74	14695.99

Note No : 18 **Cash and bank balances** (₹ in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Cash and cash equivalents		
Balances with banks		
On current accounts	567.40	703.83
Cheques on hand	919.47	0.23
Cash on hand	133.78	197.73
Short term, highly liquid investments in mutual funds	17000.00	18620.65
		-
Other bank balances		
Earmarked balances		
Fixed deposits for molasses storage fund		
Current portion of original maturity period more than 12 months	3.60	1.65
Original maturity period upto 12 months	34.74	36.27
	38.34	37.92
Unpaid dividend accounts	120.34	158.68
		138.64
Fixed deposits pledged with excise authorities and bank/ deposited with a Government undertaking		
Current portion of original maturity period more than 12 months	5.00	36.00
Original maturity period upto 12 months *	334.26	32.51
		68.51
Balances with post office		0.56
		1147.42
	19119.15	
		-
* Include under lien with bank for swap contract (₹ in lacs)	300.00	

Note No : 19 **Short-term loans and advances (Unsecured, considered good)** (₹ in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Loan to related party		
Subsidiary company	355.25	360.00
Security deposits	140.61	190.06
Other loans and advances		
Intercompany deposits	12370.00	11420.00
Loan to others	-	1156.00
Advance to suppliers and others	1561.90	1591.84
Cenvat, Vat and other taxes/duties	874.04	959.55
Prepaid expenses	298.77	230.48
Others	-	15104.71
		3.92
	15600.57	15361.79
		15911.85

Note No : 20 **Other current assets (Unsecured, considered good)** (₹ in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Interest accrued but not due on		
Debentures	182.25	37.85
Inter corporate deposits/Loan to others*	229.34	118.68
Fixed deposits with banks	10.92	6.87
Others	2.19	424.70
		1.63
Claims receivable		7.30
		17043.25
Income tax refundable		-
		102.64
	432.00	
		17310.92
* Include due from a subsidiary company (₹ in lacs)	41.32	
		-

Notes forming part of the Financial Statements

Note No : 21 Revenue from operations

([₹] in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
Sale of goods (Gross)				
Sugar	290047.62		194817.43	
Power	21843.61		21810.67	
Industrial alcohol	19892.67		15688.15	
Organic manure	491.34		269.13	
Molasses	5289.39		2384.14	
Others	838.40	338403.03	4061.63	239031.15
Other operating revenues		–		–
Revenue from operations (Gross)		338403.03		239031.15
Less : Excise duty and cess on sale of goods		10919.00		8076.52
Revenue from operations (Net)		327484.03		230954.63

Note No : 22 Other income

([₹] in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
Interest income				
Long term investments				
Debentures	202.50		42.05	
National saving certificates	1.01		1.14	
	203.51		43.19	
Loan to a subsidiary company	45.91		39.02	
Inter corporate deposits/Loan to others	1450.80		1403.94	
Fixed deposits with banks	32.82		25.90	
Income tax refund	6.13		1.97	
Others	7.42	1746.59	11.82	1525.84
Dividend (From subsidiary)				
Long term investments		–		83.55
Gain on disposal of long term investments		14.10		–
Net gain on sale of highly liquid investments (treated as cash equivalent)		70.08		135.33
Other non-operating income				
Insurance claims	134.25		125.30	
Profit on sale of fixed assets	9.89		66.15	
Unspent liabilities/balances written back	2130.67		578.23	
Provisions for doubtful debts/ advances written back	2.42		1.35	
Provision for wealth tax for earlier years written back	–		1.88	
Provision for contingencies written back	0.05		–	
Storage fund for molasses written back	12.82		130.57	
Profit from farm accounts [Refer note no.29(6)]	7.87		26.61	
Miscellaneous	151.39	2449.36	99.05	1029.14
		4280.13		2773.86

Notes forming part of the Financial Statements

Note No : 23 Cost of material consumed

(₹ in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Sugar cane *	237843.23	222066.32
Molasses	1412.22	784.45
Bagasse	1602.38	923.51
Pressmud	34.90	37.35
Others	198.22	2451.58
	241090.95	226263.21

* Includes a sum of ₹ Nil (Previous year ₹ 9234.98 lacs) accrued in the year 2011-12 in view of the judgement dated 17.01.2012 pronounced by the Hon'ble Supreme Court vacating its earlier Orders for payment of differential cane price for the crushing season 2007-08.

Note No : 24 Changes in inventories of finished goods, by-products and work-in-progress

(₹ in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Finished goods		
Opening stock		
Sugar	181631.37	133941.24
Industrial alcohol	2053.66	2007.37
Banked power	73.27	71.91
Organic manure	43.56	27.71
Less : Closing stock		
Sugar	168009.14	181631.37
Industrial alcohol	2162.74	2053.66
Banked power	58.29	73.27
Organic manure	18.88	43.56
Total (A)	13552.81	(47753.63)
By-products		
Opening stock	6241.98	4614.67
Less : Closing stock	5633.61	6241.98
Total (B)	608.37	(1627.31)
Work-in-progress		
Opening stock		
Sugar	1278.87	430.99
Molasses	58.19	42.41
Organic manure	37.66	43.45
Less : Closing stock		
Sugar	3271.08	1278.87
Molasses	217.16	58.19
Organic manure	51.61	37.66
Total (C)	(2165.13)	(857.87)
Total (A + B + C)	11996.05	(50238.81)
Less : Excise duty and cess on stock *	1191.55	(1529.13)
	10804.50	(48709.68)

* The amount of excise duty and cess on stock represents differential excise duty and cess on opening and closing stock.

Note No : 25 Employee benefits expenses

(₹ in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Salaries and wages	11298.83	10228.95
Contribution to provident and other funds	1356.13	1269.85
Employee stock option expense	(3.74)	(2.32)
Staff welfare expense	294.60	277.79
	12945.82	11774.27

Notes forming part of the Financial Statements

Note No : 26 Finance costs

([^] in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
Interest expense				
On long term borrowings	6808.34		7187.07	
On short term borrowings	7513.44		7242.30	
Others	33.04	14354.82	9.84	14439.21
Other borrowing costs		31.88		301.90
		14386.70		14741.11

Note No : 27 Depreciation and amortisation expenses

([^] in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
Depreciation and amortisation of tangible assets *		10803.03		11040.33
Amortisation of intangible assets *		22.71		37.76
		10825.74		11078.09

* Refer note no. 12

Note No : 28 Other expenses

([^] in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
Consumption of stores and spare parts		2118.39		2104.47
Packing materials		4345.11		4349.61
Power and fuel		453.25		382.69
Rent		51.18		57.76
Repairs				
Buildings	314.62		324.44	
Machinery	4606.04		3504.04	
Others	314.67	5235.33	260.29	4088.77
Insurance		351.70		265.03
Rates and taxes (excluding taxes on income)		196.62		203.03
Commission to non-whole time directors		25.00		-
Payments to auditor				
As auditor for statutory audit	25.00		25.00	
For tax audit	9.00		9.00	
For management services	4.40		-	
For other services (Limited reviews & certifications)	10.39		10.84	
For reimbursement of expenses	2.52	51.31	1.28	46.12
Cost audit fees		3.00		3.50
Net loss on foreign currency transactions and translations		685.90		1018.11
Charity and donation		427.54		196.17
Directors' fees		5.30		4.60
Miscellaneous expenses		6518.76		4803.46
Loss on sale/discard of fixed assets		162.16		253.37
Transfer to storage fund for molasses		23.86		24.91
Prior period expenses *		0.44		1.88
		20654.85		17803.48
* Includes				
Power & Fuel		0.32		-
Rent		0.09		-
Rates and taxes		-		0.06
Miscellaneous expenses		0.03		1.82
		0.44		1.88

Notes forming part of the Financial Statements

Note No : 29 Other disclosures

1. Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lacs)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
a) Contingent liabilities :		
i) Claims against the Company not acknowledged as debts :		
a) Excise duty demand - under appeal	347.42	376.76
b) Sales tax demand - under appeal	10.02	24.65
c) Others - under appeal/litigation	813.78	452.12
	1171.22	853.53
ii) Claims for acquisition of 1.99 acres of land for the Chemical unit at Balrampur and compensation there against is under dispute as the matter is sub-judice	Amount not ascertainable	Amount not ascertainable

The amounts shown in (i) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursements in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of the appeals, except as stated in para 2 below.

(₹ in Lacs)		
b) Commitments :		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	2945.98	512.72
ii) Advance paid against above	555.33	132.46

2. Disclosures in terms of Accounting Standard - 29

a) Movement for provision for contingencies:

(₹ in Lacs)			
Particulars	Duties & taxes	Others	Total
Balance as at 1st April, 2012	6.31	0.58	6.89
Provided during the year	—	—	—
Amount used during the year	—	—	—
Reversed during the year	—	0.05	0.05
Balance as at 31st March, 2013	6.31	0.53	6.84
Balance as at 1st April, 2011	6.31	0.58	6.89
Provided during the year	—	—	—
Amount used during the year	—	—	—
Reversed during the year	—	—	—
Balance as at 31st March, 2012	6.31	0.58	6.89

Other provisions for contingencies as referred to above represent provision for contingencies towards various claims made / anticipated against the Company based on the Management's assessment.

It is not possible to estimate the timing / uncertainties relating to the utilisation /reversal from the provision for contingencies. Future cash outflow in respect of the above is determinable only upon Court decision / out of Court settlement /disposal of appeals.

The Company does not expect any reimbursements in respect of the above provisions.

Notes forming part of the Financial Statements

Note No : 29 Other disclosures (Contd...)

3. Based on the information / documents available with the Company, information as per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows : (in Lacs)

Sl. No.	Description	2012-13	2011-12
a)	The principal amount remaining unpaid to suppliers as at the end of the accounting year *	18.54	26.57
b)	The interest due thereon remaining unpaid to suppliers as at the end of the accounting year	0.06	0.06
c)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	0.08	–
d)	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 this Act	0.59	0.88
e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year*	0.65	0.94
f)	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 Micro and Small Enterprises	–	–

* Included in the line item "Total outstanding dues of Micro and Small Enterprises" under Notes no. 9 and 10.

4. The Employee Stock Option Scheme (Scheme 2005) of the Company was formulated in the year 2005. The details of Options granted, lapsed and exercised as at 31st March, 2013 are as under :

Year of Issue	2005-06	2006-07	2007-08	2008-09	2008-09	Total
Series	1st	2nd	3rd	4th	5th	
Date of grant of Option	31/10/2005	27/11/2006	27/11/2007	25/11/2008	28/05/2009	
Initial Exercise Price (`)	74.60	104.10	72.20	74.20	45.00	
Revised Exercise Price (`)	45.00	45.00	45.00	45.00	N.A.	
Market Price on the date of grant (`)	81.10	87.65	90.75	35.40	82.35	
Excess of initial Exercise Price over Revised Exercise Price (`)	29.60	59.10	27.20	29.20	N.A.	
Excess of Market Price over Exercise Price/Revised Exercise Price (`)	36.10	42.65	45.75	–	37.35	
Number of Options granted upto 31.03.2012	622500	883000	995500	1280000	1464500	5245500
Number of Options exercised upto 31.03.2012	447500	653500	821000	1157000	1146350	4225350
Number of Options lapsed upto 31.03.2012	162000	210000	139500	81000	101000	693500
Number of Options outstanding on 01.04.2012	13000	19500	35000	42000	217150	326650
Number of Options exercised during the year	–	–	–	–	–	–
Number of Options lapsed during the year	–	–	–	–	10000	10000
Number of Options outstanding on 31.03.2013	13000	19500	35000	42000	207150	316650

Note : Refer Director's Report for other disclosures.

5. Based on the review made at the Balance Sheet date, MAT credit of ` 5642.00 lacs recognised in earlier years is carried forward as the Management is confident that there will be sufficient taxable profit during the specified period to utilise the same.

Notes forming part of the Financial Statements

Note No : 29 Other disclosures (Contd...)

6. Details of Profit from Farm Accounts :

(` in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Income		
Sales	41.82	59.91
Rent	0.10	-
Closing stock of standing crop	12.45	18.07
	54.37	77.98
Expenses		
Opening stock of standing crop	18.07	14.92
Cane seeds purchase	3.26	5.23
Fertilisers and manures	4.04	5.46
Salaries and wages	7.53	7.37
Power and fuel	2.45	2.90
Rent	0.66	1.38
Irrigation and cultivation expenses	7.54	10.79
Repairs - others	1.67	2.36
Miscellaneous expenses	1.28	0.96
	46.50	51.37
Profit from Farm Accounts	7.87	26.61

7. Earnings per Share - The numerators and denominators used to calculate Basic / Diluted Earnings per Share :

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
a) Amount used as the numerator (` in lacs)		
Profit after Tax - (A)	16202.88	662.49
b) Weighted average number of Equity Shares Outstanding used as the denominator for computing Basic Earnings per Share - (B)	244313923	245840964
Add : Weighted average number of Equity Shares on account of Employees Stock Option Scheme	126874	131410
c) Weighted average number of Equity Shares Outstanding used as the denominator for computing Diluted Earnings per Share - (C)	244440797	245972374
d) Nominal value of Equity Shares (`)	1.00	1.00
e) Basic Earnings per Share (`) (A/B)	6.63	0.27
f) Diluted Earnings per Share (`) (A/C)	6.63	0.27

8. The Company was granted eligibility certificate dated 23rd February, 2007 under the "New Sugar Industry Promotion Policy, 2004" of the Government of Uttar Pradesh. Till March 2012, the Company had accounted for recoverable incentives aggregating to ` 16900.57 lacs and had availed remission of ` 8267.19 lacs.

The above policy was terminated by the Government of Uttar Pradesh vide order dated 4th June, 2007 wherein the Government expressed its intention to introduce another policy. Though in the "Sugar Industry, Co-generation & Distillery Promotion Policy, 2013" announced in the month of January, 2013 the benefits available under erstwhile policy are not covered, the Company is legally advised that it continues to be eligible to receive the incentives under the erstwhile policy. Furthermore, the Company has filed Writ Petition against withdrawal of the earlier policy which has been admitted by the Lucknow Bench of the Hon'ble Allahabad High Court vide its Order dated 9th May, 2008, the final hearing in respect of which is yet to be completed. As an interim measure, the Order dated 9th May, 2008 permitted limited protection in respect of remissions of taxes.

Accordingly, during the year, the Company has accounted for only remissions of ` 2373.70 lacs (Previous year ` 2539.95 lacs). Eligible reimbursements of ` 4505.98 lacs have, however, not been accounted for during the year which shall be accounted for in accordance with the final order of the High Court.

9. Employee Benefits :

As per Accounting Standard - 15 " Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard are as follows:

Defined Contribution Plan :

Employee benefits in the form of Provident Fund and Labour Welfare Fund are considered as defined contribution plan except that

Notes forming part of the Financial Statements

Note No : 29 Other disclosures (Contd...)

Provident fund in respect of certain employees is contributed to a fund set up by the Company which is treated as defined benefit plan since the Company has to meet the interest shortfall.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognised as expense in the Statement of Profit and Loss are as under :

	(in Lacs)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Defined Contribution Plan		
Employer's Contribution to Provident Fund	512.15	451.51
Employer's Contribution to Labour Welfare Fund	0.01	0.01

Defined Benefit Plan:

Long-term employee benefits in the form of gratuity and leave encashment are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognised in the Balance Sheet represent the present value of the obligation as adjusted for unrecognised past service cost and as reduced by the fair value of plan assets.

Provident fund in respect of certain employees is contributed to a fund set up by the Company which is treated as a defined benefit plan since the Company has to meet the interest shortfall. The interest shortfall of ₹ 8.99 lacs (Previous year ₹ 11.06 lacs) for the year end has been recognised as expense for the year.

Any asset resulting from this calculation is limited to the discounted value of any economic benefit available in the form of refunds from the plan or reduction in future contribution to the plan. The amount recognised in the Accounts in respect of Employees Benefit Schemes based on actuarial reports are as follows :

a) Details of funded post retirement plans are as follows :

Particulars	2012-13		2011-12	
	Gratuity	Provident Fund	Gratuity	Provident Fund
I. Components of Employer Expense :				
1 Current Service Cost	206.70	137.48	189.97	132.88
2 Past Service Cost	-	-	-	-
3 Interest Cost	195.85	220.21	180.31	188.97
4 Expected return on Plan Assets	192.99	205.09	187.24	193.76
5 Actuarial (Gain) /Loss recognised in the year	88.35	35.91	101.73	(40.51)
6 Expense recognised in the Statement of Profit and Loss	297.91	188.51	284.77	87.58
II. Change in Present Value of Defined Benefit Obligation :				
1 Present value of Defined Benefit Obligation at the beginning of the year	2412.35	2526.57	2202.78	2199.02
2 Acquisition Adjustment	-	6.22	-	-
3 Interest Cost	195.85	220.21	180.31	188.97
4 Past Service Cost	-	-	-	-
5 Current Service Cost	206.70	137.48	189.97	132.88
6 Employees Contribution	-	149.35	-	145.63
7 Benefits Paid	216.57	158.67	163.07	95.57
8 Actuarial (Gain) / Loss	191.45	47.74	2.36	(44.36)
9 Present value of Defined Benefit Obligation at the end of the year	2789.78	2928.90	2412.35	2526.57
III. Change in Fair Value of Plan Assets during the year :				
1 Plan Assets at the beginning of the year	2412.35	2525.77	2202.78	2152.92
2 Expected return on Plan Assets	192.99	205.09	187.24	193.76
3 Actual Company Contribution	297.91	286.83	284.77	278.51
4 Benefits paid	216.57	158.67	163.07	95.57
5 Actuarial Gain / (Loss)	103.10	11.84	(99.37)	(3.85)
6 Plan Assets at the end of the year	2789.78	2870.86	2412.35	2525.77

Notes forming part of the Financial Statements

Note No : 29 Other disclosures (Contd...)

([^] in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	Provident Fund	Gratuity	Provident Fund
IV. Net Asset / (Liability) recognised in the Balance Sheet as at year end:				
1 Present value of Defined Benefit Obligation	2789.78	2928.90	2412.35	2526.57
2 Fair value of Plan Assets	2789.78	2870.86	2412.35	2525.77
3 Funded Status [Surplus/(Deficit)]	-	(58.04)	-	(0.80)
4 Net Asset / (Liability) recognised in Balance Sheet	-	(58.04)	-	(0.80)
V. Actuarial Assumptions :				
1 Discount Rate (per annum) %	8.50	8.50	8.50	8.25
2 Expected return on Plan Assets (per annum) %	8.00	8.12	8.50	9.00
3 Expected Rate of Salary increase %	5.00	5.00	5.00	5.00
4 Retirement/Superannuation Age (Year)	60	60	60	60
5 Mortality Rates	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
VI. Major Category of Plan Assets as a % of Total Plan Assets as at year end :				
1 Administered by Insurance Companies	79%	-	75%	-
2 Public Financial Institutions / Public Sector Companies bonds	8%	44%	10%	54%
3 Central / State Government Securities	12%	46%	14%	46%
4 Private sector bonds	-	10%	-	-
5 Others (Cash and Cash Equivalents)	1%	-	1%	-
VII. Expected Employer's Contribution for the next year :				
Expected Employer's Contribution for the next year	374.85	151.00	313.24	141.00

VIII. Basis used to determine the expected Rate of return on Plan Assets :

The basis used to determine overall expected Rate of return on Plan Assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the Capital and optimise returns within acceptable risk parameters, the Plan Assets are well diversified.

IX. The history of experience adjustments for funded post retirement plans are as follows :

([^] in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 30th September, 2009	As at 30th September, 2008
Gratuity					
Present value of defined benefit obligation	2789.78	2412.35	2202.78	1691.56	1504.48
Fair value of plan assets	2789.78	2412.35	2202.78	1601.90	1405.54
(Deficit)/Surplus	-	-	-	(89.66)	(98.94)
Experience adjustments of plan assets - Gain/(Loss)	103.10	(99.37)	(21.92)	(23.16)	(10.26)
Experience adjustments of obligation (Gain)/Loss	191.45	2.36	183.64	43.75	(37.12)
Provident Fund					
Present value of defined benefit obligation	2928.90	2526.57	2199.02	1887.79	1805.61
Fair value of plan assets	2870.86	2525.77	2152.92	1881.25	1781.00
(Deficit)/Surplus	(58.04)	(0.80)	(46.10)	(6.54)	(24.61)
Experience adjustments of plan assets - Gain/(Loss)	(4.38)	165.98	111.32	(6.46)	(72.66)
Experience adjustments of obligation (Gain)/Loss	(51.42)	(20.35)	149.77	(24.73)	(55.72)

Notes forming part of the Financial Statements

Note No : 29 Other disclosures (Contd...)

b) Details of unfunded post retirement Defined Obligations are as follows: (^ in Lacs)

Particulars	Leave Encashment (Unfunded)	
	2012-13	2011-12
I. Components of Employer Expense :		
1 Current Service Cost	40.56	27.07
2 Past Service Cost	-	-
3 Interest Cost	16.82	15.33
4 Expected return on Plan Assets	-	-
5 Actuarial (Gain) /Loss recognised in the year	11.50	18.99
6 Expense recognised in the Statement of Profit and Loss	68.88	61.39
II. Change in Present Value of Defined Benefit Obligation :		
1 Present value of Defined Benefit Obligation at the beginning of the year	218.71	203.42
2 Interest Cost	16.82	15.33
3 Past Service Cost	-	-
4 Current Service Cost	40.56	27.07
5 Benefits Paid	41.56	46.10
6 Actuarial (Gain) / Loss	11.50	18.99
7 Present value of Defined Benefit Obligation at the end of the year	246.03	218.71
III. Net Asset / (Liability) recognised in the Balance Sheet as at year end:		
1 Present value of Defined Benefit Obligation	246.03	218.71
2 Fair value of Plan Assets	-	-
3 Funded Status [Surplus/(Deficit)]	(246.03)	(218.71)
4 Net Asset / (Liability) recognised in Balance Sheet	(246.03)	(218.71)
IV. Actuarial Assumptions :		
1 Discount Rate (per annum) %	8.50	8.50
2 Expected return on Plan Assets (per annum) %	-	-
3 Expected Rate of Salary increase %	5.00	5.00
4 Retirement/Superannuation Age (Year)	60	60
5 Mortality Rates	LICI 1994-1996	LICI 1994-1996
V. Expected Employer's Contribution for the next year :		
Expected Employer's Contribution for the next year	29.21	23.17

c) Other disclosures :

i) Basis of estimates of Rate of escalation in salary :

The estimates of rate of escalation in salary, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

ii) The Gratuity and Provident Fund Expenses have been recognised under "Contribution to Provident and Other Funds" and Leave Encashment under "Salaries and Wages" under note no.25.

10. Segment information as per Accounting Standard - 17 on 'Segment Reporting' :

The Company has identified three primary business segments viz. Sugar, Distillery, Co-generation. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure and internal business reporting system.

a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Notes forming part of the Financial Statements

Note No : 29 Other disclosures (Contd...)

c) Information about Primary Business Segments:

(` in Lacs)

Particulars	Sugar	Distillery	Co-generation	Others	Unallocable	Total
Revenue						
Gross sales	310302.71 (214066.52)	20044.69 (15807.48)	30210.91 (30226.97)	491.70 (269.99)	- (-)	361050.01 (260370.96)
Less : Inter segment sales	14273.56 (12918.75)	5.76 (3.90)	8367.30 (8416.29)	0.36 (0.87)	- (-)	22646.98 (21339.81)
External sales	296029.15 (201147.77)	20038.93 (15803.58)	21843.61 (21810.68)	491.34 (269.12)	- (-)	338403.03 (239031.15)
Less : Excise duty and cess on external sales	9540.98 (6986.84)	1378.02 (1089.68)	- (-)	- (-)	- (-)	10919.00 (8076.52)
Net sales	286488.17 (194160.93)	18660.91 (14713.90)	21843.61 (21810.68)	491.34 (269.12)	- (-)	327484.03 (230954.63)
Add : Allocable other income	432.49 (870.70)	1949.11 (55.63)	36.78 (75.67)	13.81 (0.33)	- (-)	2432.19 (1002.33)
Total revenue	286920.66 (195031.63)	20610.02 (14769.53)	21880.39 (21886.35)	505.15 (269.45)	- (-)	329916.22 (231956.96)
Result						
Segment result	12660.65 (-) (2212.52)	9683.04 (5383.15)	15484.11 (14212.65)	122.16 (-) (33.74)	- (-)	37949.96 (17349.54)
Less:						
Unallocable expenditure net of unallocable income					2507.66 (1830.42)	2507.66 (1830.42)
Finance costs					14386.70 (14741.11)	14386.70 (14741.11)
Profit before tax						21055.60 (778.01)
Tax						
Current tax						4240.00 (156.00)
Deferred tax						612.72 (-) (37.56)
Tax provision for earlier years written back						- (-) (2.92)
Profit after tax						16202.88 (662.49)
Other information						
Segment assets	294818.49 (316204.01)	17048.60 (17483.69)	60347.66 (60859.44)	1102.88 (1166.64)	49303.74 (25140.29)	422621.37 (420854.07)
Segment liabilities	74335.70 (72951.87)	786.81 (2580.53)	236.06 (229.81)	43.81 (59.77)	38930.46 (24772.92)	114332.84 (100594.90)
Capital expenditure	1089.78 (1257.29)	587.30 (27.35)	636.12 (69.58)	- (0.21)	135.11 (158.81)	2448.31 (1513.24)
Depreciation and amortisation	6526.37 (6552.56)	822.07 (823.76)	3371.27 (3572.54)	48.08 (50.96)	57.95 (78.27)	10825.74 (11078.09)
Non cash expenses other than depreciation and amortisation	238.63 (468.45)	0.18 (1.55)	420.39 (690.64)	- (4.89)	24.40 (8.23)	683.60 (1173.76)

Notes :

- Transactions between segments are primarily for materials which are transferred at market determined prices. Common costs are apportioned on a reasonable basis.
- Unallocable expenses are net of unallocable income ` 1847.94 lacs (Previous year ` 1771.53 lacs).
- Inter segment sales include excise duty and cess ` 879.37 lacs (Previous year ` 972.60 lacs).
- Figures in brackets pertain to previous year.

d) Information about Secondary Geographical Segments : There is no secondary segment.

Notes forming part of the Financial Statements

Note No : 29 Other disclosures (Contd...)

11. Related party disclosures as per Accounting Standard - 18 are given below :

a) Name of the related parties and description of relationship :

- | | |
|--------------------------------------|--|
| i) Subsidiaries : | Indo Gulf Industries Ltd. |
| (Control exists) | Balrampur Overseas Pvt. Ltd. (Upto 04.01.2013) |
| ii) Associate : | VA Friendship Solar Park Pvt. Ltd. |
| iii) Key Managerial Personnel (KMP): | Shri Vivek Saraogi - Managing Director
Smt. Meenakshi Saraogi - Joint Managing Director
Shri Kishor Shah - Director-cum-Chief Financial Officer
Dr. Arvind Krishna Saxena - Whole-time Director |

iv) Relatives of Key Managerial Personnel :
Shri Vivek Saraogi

1. Shri K.N.Saraogi (Father) - Chairman Emeritus
2. Smt. Meenakshi Saraogi (Mother)
3. Smt. Sumedha Saraogi (Wife)
4. Shri Karan Saraogi (Son)
5. Miss Avantika Saraogi (Daughter)
6. Smt. Stuti Dhanuka (Sister)

Smt. Meenakshi Saraogi

1. Shri K.N.Saraogi (Husband)
2. Shri Vivek Saraogi (Son)
3. Smt. Stuti Dhanuka (Daughter)
4. Smt. Sumedha Saraogi (Daughter-in-law)
5. Shri Karan Saraogi (Grand-Son)
6. Miss Avantika Saraogi (Grand-Daughter)

v) Enterprises over which KMP and their relatives have substantial interest / significant influence:

1. Meenakshi Mercantiles Ltd.
2. Udaipur Cotton Mills Co. Ltd.
3. Balrampur Institute of Vocational Aid
4. Balrampur Foundation
5. Kamal Nayan Saraogi (HUF)
6. Vivek Saraogi (HUF)
7. Kishor Shah (HUF)

b) Transactions with related parties :

(in Lacs)

Nature of transaction / Name of the related party	Subsidiaries	Associate	Enterprises over which KMP and their relatives have substantial interest/ significant influence	Key Managerial Personnel (KMP)	Relatives of KMP	Total
i) Inter-Corporate loan given						
Indo Gulf Industries Ltd.	10.25 (80.88)	- (-)	- (-)	- (-)	- (-)	10.25 (80.88)
ii) Inter-Corporate Loan received back						
Indo Gulf Industries Ltd.	15.00 (75.00)	- (-)	- (-)	- (-)	- (-)	15.00 (75.00)
iii) Investments made during the year in						
VA Friendship Solar Park Pvt.Ltd.	- (-)	- (12.14)	- (-)	- (-)	- (-)	- (12.14)
iv) Amount received on de-registration of subsidiary						
Balrampur Overseas Pvt. Ltd.	156.90 (-)	- (-)	- (-)	- (-)	- (-)	156.90 (-)

Notes forming part of the Financial Statements

Note No : 29 Other disclosures (Contd...)

(in Lacs)

Nature of transaction / Name of the related party	Subsidiaries	Associate	Enterprises over which KMP and their relatives have substantial interest/ significant influence	Key Managerial Personnel (KMP)	Relatives of KMP	Total
v) Interest Income						
Indo Gulf Industries Ltd.	45.91 (39.02)	- (-)	- (-)	- (-)	- (-)	45.91 (39.02)
vi) Dividend Income						
Balrampur Overseas Pvt. Ltd.	- (83.55)	- (-)	- (-)	- (-)	- (-)	- (83.55)
vii) Receiving of Services						
Smt. Meenakshi Saraogi	- (-)	- (-)	- (-)	332.23 (206.68)	- (-)	332.23 (206.68)
Shri Vivek Saraogi	- (-)	- (-)	- (-)	318.87 (210.65)	- (-)	318.87 (210.65)
Shri Kishor Shah	- (-)	- (-)	- (-)	84.65 (45.63)	- (-)	84.65 (45.63)
Dr. Arvind Krishna Saxena	- (-)	- (-)	- (-)	16.62 (15.01)	- (-)	16.62 (15.01)
viii) Dividend Paid to Shareholders						
Shri K.N.Saraogi	- (-)	- (-)	- (-)	- (-)	- (146.98)	- (146.98)
Smt. Meenakshi Saraogi	- (-)	- (-)	- (-)	- (106.83)	- (-)	- (106.83)
Shri Vivek Saraogi	- (-)	- (-)	- (-)	- (138.64)	- (-)	- (138.64)
Shri Kishor Shah	- (-)	- (-)	- (-)	- (0.30)	- (-)	- (0.30)
Dr. Arvind Krishna Saxena	- (-)	- (-)	- (-)	- (0.14)	- (-)	- (0.14)
Smt. Sumedha Saraogi	- (-)	- (-)	- (-)	- (-)	- (73.49)	- (73.49)
Shri Karan Saraogi	- (-)	- (-)	- (-)	- (-)	- (29.60)	- (29.60)
Miss Avantika Saraogi	- (-)	- (-)	- (-)	- (-)	- (28.10)	- (28.10)
Smt. Stuti Dhanuka	- (-)	- (-)	- (-)	- (-)	- (37.59)	- (37.59)
Meenakshi Mercantiles Ltd.	- (-)	- (-)	- (64.33)	- (-)	- (-)	- (64.33)
Udaipur Cotton Mills Co. Ltd.	- (-)	- (-)	- (49.20)	- (-)	- (-)	- (49.20)
Kamal Nayan Saraogi (HUF)	- (-)	- (-)	- (58.97)	- (-)	- (-)	- (58.97)
Vivek Saraogi (HUF)	- (-)	- (-)	- (1.28)	- (-)	- (-)	- (1.28)
Kishor Shah (HUF)	- (-)	- (-)	- (0.04)	- (-)	- (-)	- (0.04)

Notes forming part of the Financial Statements

Note No : 29 Other disclosures (Contd...)

(in Lacs)

Nature of transaction / Name of the related party	Subsidiaries	Associate	Enterprises over which KMP and their relatives have substantial interest/ singnificant influence	Key Managerial Personnel (KMP)	Relatives of KMP	Total
ix) Donation paid						
Balrampur Institute of Vocational Aid	-	-	349.50	-	-	349.50
	(-)	(-)	(136.00)	(-)	(-)	(136.00)
Balrampur Foundation	-	-	28.75	-	-	28.75
	(-)	(-)	(24.28)	(-)	(-)	(24.28)
x) Corporate Guarantee withdrawn						
Balrampur Overseas Pvt. Ltd.	-	-	-	-	-	-
	(1986.16)	(-)	(-)	(-)	(-)	(1986.16)
xi) Balance Outstanding						
a) Accounts payable						
Smt. Meenakshi Saraogi	-	-	-	150.00	-	150.00
	(-)	(-)	(-)	(-)	(-)	(-)
Shri Vivek Saraogi	-	-	-	150.00	-	150.00
	(-)	(-)	(-)	(-)	(-)	(-)
Shri Kishor Shah	-	-	-	39.00	-	39.00
	(-)	(-)	(-)	(-)	(-)	(-)
b) Inter Corporate Loan receivable						
Indo Gulf Industries Ltd.	355.25	-	-	-	-	355.25
	(360.00)	(-)	(-)	(-)	(-)	(360.00)
c) Interest receivable						
Indo Gulf Industries Ltd.	41.32	-	-	-	-	41.32
	(-)	(-)	(-)	(-)	(-)	(-)

c) The transactions with related parties have been entered at an amount which is not materially different from those on normal commercial terms.

d) No amount has been written back / written off during the year in respect of due to / from related parties.

e) The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.

f) Figures in brackets pertain to previous year.

12. Disclosure under clause 32 of the Listing Agreement :

Loan given to Subsidiary:

(in Lacs)

Name of the Company	Amount outstanding as at 31st March, 2013	Amount outstanding as at 31st March, 2012	Maximum amount outstanding at any time during the year ended	
			31st March, 2013	31st March, 2012
Indo Gulf Industries Ltd.	355.25	360.00	360.00	360.00

i) Loan to Subsidiary is re-payable on demand.

ii) The above loan is interest bearing.

iii) No investment has been made by the loanee company in the shares of the Company.

Notes forming part of the Financial Statements

Note No : 29 Other disclosures (Contd...)

13. Derivative Instruments

The Company has entered into derivative contracts to hedge the interest rate and currency risks. The details of derivative contracts entered into for hedging purposes and outstanding on the date of the Balance Sheet are as under:

Particulars	Outstanding amount of exposure hedged	
	As at 31st March, 2013	As at 31st March, 2012
Swaps	10205.38	27306.55

14. The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 4th April, 2013 approved the dismantling of regulated release mechanism of sugar with immediate effect and also removed the obligation on the sugar mills to supply 10% of their sugar production as levy sugar for sugar produced on or after 1st October, 2012 i.e. for sugar season 2012-13 onwards. Necessary notifications in this regard have been issued on 2nd May, 2013. Therefore, the Company has given necessary effect of the announcement of CCEA in its books of account for the year ended 31st March, 2013.

15. The Board of Directors of the Company in their meeting held on 7th November, 2012 has approved the merger of Khalilabad Sugar Mills Pvt. Ltd. (KSMPL), a sick company registered with Board for Industrial and Financial Reconstruction (BIFR), with the Company subject to the approval of the Hon'ble BIFR and the Shareholders of the Company. The draft scheme of merger is under consideration of Hon'ble BIFR, the final hearing in respect of which is expected shortly. KSMPL has an installed capacity of 2500 TCD and is situated in the cane rich area near one of the Company's existing facility at Babhnai. The proposed merger of KSMPL with the Company would add value to the Company's integrated business model.

16. Value of imports on C.I.F. basis

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Spare parts*	41.20	28.04

* Spare parts includes store items also. Further, there is no import of components.

17. Expenditure in foreign currency

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
a) On professional and consultancy fees	-	6.07
b) On travelling	25.24	31.82
c) On interest/financial charges	448.00	935.20
d) Others	-	6.88

18. Consumption of materials

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Percentage	Amount	Percentage	Amount
a) Imported	-	-	-	-
b) Indigenous	100.00%	241090.95	100.00%	226263.21
Total	100.00%	241090.95	100.00%	226263.21

19. Consumption of components and spare parts*

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Percentage	Amount	Percentage	Amount
a) Imported	0.10%	2.11	0.65%	13.61
b) Indigenous	99.90%	2116.28	99.35%	2090.86
Total	100.00%	2118.39	100.00%	2104.47

* Spare parts includes store items also.

Notes forming part of the Financial Statements

Note No : 29 Other disclosures (Contd...)

20. Earnings in foreign exchange

(` in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
a) Dividend	-	83.55
b) Gain on disposal of long term investments	14.10	-

21. Dividend remitted in foreign currency :

The Company has not remitted any amount in foreign currency on account of dividend. The particulars of dividend payable to non-resident shareholders are as under :

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
i) Year to which Dividend relates	-	31/03/2011
ii) Number of non-resident shareholders	-	1770
iii) Number of Ordinary Shares held by them	-	51553587
iv) Gross amount of Dividend (` in lacs)	-	386.65

22. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached.

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E



(CA. Ajay Agrawal)

Partner

Membership No. 17643

Place: Kolkata

Date: 10th May, 2013.

For and on behalf of the Board of Directors



S. K. Agrawala

Company Secretary



Kishor Shah

Director cum Chief
Financial Officer



Vivek Saraogi

Managing Director

Independent Auditor's Report On Consolidated Financial Statements

To
The Board of Directors of
Balrampur Chini Mills Limited

We have audited the accompanying consolidated financial statements of **Balrampur Chini Mills Limited** ("the Company"), its subsidiary and associate, which comprise the consolidated Balance Sheet as at 31st March, 2013, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the consolidated profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of Indo Gulf Industries Ltd., a Subsidiary Company, whose financial statements reflect total assets of ₹ 204.76 lacs as at 31st March, 2013, total revenues of ₹ 7.80 lacs and the related Cash Flows for the year then ended. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of VA Friendship Solar Park Pvt. Ltd. (Associate Company), in which Company's Share of Profit is ₹ 2.99 lacs for the year ended 31st March, 2013. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our report in so far as it relates to the amounts included in respect of the associate is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of above para (a) and (b) under the heading 'Other Matters'.

For **G.P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration No. - 302082E



(CA. Ajay Agrawal)

Partner

Place: Kolkata

Date: 10th May, 2013.

Membership No. 17643

Consolidated Balance Sheet As at 31st March, 2013

(in Lacs)

Particulars	Note No.	As at 31st March, 2013		As at 31st March, 2012	
I. EQUITY AND LIABILITIES					
1) Shareholders' funds					
(a) Share capital	2	2443.14		2443.14	
(b) Reserves and surplus	3	129163.16	131606.30	118765.63	121208.77
2) Minority interest			-		-
3) Non - current liabilities					
(a) Long - term borrowings	4	22948.21		49774.03	
(b) Deferred tax liabilities (net)	5	23059.94		22447.22	
(c) Other long - term liabilities	6	396.33		292.93	
(d) Long - term provisions	7	979.03	47383.51	1096.01	73610.19
4) Current liabilities					
(a) Short - term borrowings	8	126020.32		122122.15	
(b) Trade payables	9	71211.94		61725.78	
(c) Other current liabilities	10	40081.40		41733.14	
(d) Short - term provisions	11	6022.67	243336.33	264.37	225845.44
Total			422326.14		420664.40
II. ASSETS					
1) Non - current assets					
(a) Fixed assets	12				
(i) Tangible assets		152242.06		161382.85	
(ii) Intangible assets		73.63		80.97	
(iii) Capital work-in-progress		510.98		42.55	
		152826.67		161506.37	
(b) Non - current investments	13	4220.05		4216.09	
(c) Long - term loans and advances	14	6618.76		6208.61	
(d) Other non - current assets	15	17108.25	180773.73	84.53	172015.60
2) Current assets					
(a) Inventories	16	188657.10		199779.04	
(b) Trade receivables	17	18137.74		14695.99	
(c) Cash and bank balances	18	19121.54		1310.66	
(d) Short - term loans and advances	19	15245.32		15551.85	
(e) Other current assets	20	390.71	241552.41	17311.26	248648.80
Total			422326.14		420664.40
Basis of consolidation and significant accounting policies	1				
Other disclosures	29				
The accompanying notes 1 to 29 are an integral part of the Consolidated Financial Statements.					

As per our report of even date attached.

For G. P. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. - 302082E



(CA. Ajay Agrawal)

Partner

Membership No. 17643

Place: Kolkata

Date: 10th May, 2013.

For and on behalf of the Board of Directors



S. K. Agrawala

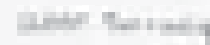
Company Secretary



Kishor Shah

Director cum Chief

Financial Officer



Vivek Saraogi

Managing Director

Consolidated Statement of Profit and Loss

For the year ended 31st March, 2013

(in Lacs)

Particulars	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
I. Revenue from operations (Gross)	21		
Sale of goods (Gross)		338403.03	239031.15
Less: Excise duty and cess		10919.00	8076.52
Net sale of goods		327484.03	230954.63
Other operating revenue		-	-
Revenue from operations (Net)		327484.03	230954.63
II. Other income	22	4228.04	2652.48
III. Total revenue (I+II)		331712.07	233607.11
IV. Expenses:			
Cost of materials consumed	23	241090.95	226263.21
Changes in inventories of finished goods, by-products and work-in-progress	24	10804.50	(48709.68)
Employee benefits expense	25	12945.82	11774.27
Finance costs	26	14386.70	14741.12
Depreciation and amortisation expense	27	10838.98	11550.05
Other expenses	28	20665.30	17832.06
Total expenses		310732.25	233451.03
V. Profit before exceptional and extra ordinary items and tax (III-IV)		20979.82	156.08
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		20979.82	156.08
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		20979.82	156.08
X. Tax expense			
Current tax (MAT)		4240.00	156.00
Deferred tax		612.72	(37.56)
Tax provision for earlier years written back		-	(2.92)
XI. Profit after tax but before adjustment of minority interest and share of Associate (IX-X)		16127.10	40.56
Profit attributable to minority shareholders		-	-
Add: Share of profit of Associate		2.99	2.88
XII. Profit for the year		16130.09	43.44
XIII. Earnings per share (Nominal value per share ` 1/-) [Refer note no. 29(7)]			
- Basic (`)		6.60	0.02
- Diluted (`)		6.60	0.02
Number of shares used in computing Earnings per share			
- Basic		244313923	245840964
- Diluted		244440797	245972374
Basis of consolidation and significant accounting policies	1		
Other disclosures	29		
The accompanying notes 1 to 29 are an integral part of the Consolidated Financial Statements.			

As per our report of even date attached.

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E

(CA. Ajay Agrawal)

Partner

Membership No. 17643

Place: Kolkata

Date: 10th May, 2013.

S. K. Agrawala
Company Secretary

Kishor Shah
Director cum Chief
Financial Officer

Vivek Saraogi
Managing Director

Consolidated Cash Flow Statement

For the year ended 31st March, 2013

([₹] in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit before exceptional items and extra ordinary items and tax		20979.82		156.08
<i>Adjustments to reconcile profit before exceptional items and extra ordinary items and tax to net cash flow provided by operating activities :</i>				
Finance costs	14386.70		14741.12	
Depreciation and amortisation expense	10838.98		11550.05	
Loss on sale/discard of fixed assets	162.16		253.37	
Sundry debit balances / advances written off	–		0.40	
Transfer to storage fund for molasses	23.86		24.91	
Interest income	(1694.02)		(1475.52)	
Profit on sale of fixed assets	(9.89)		(66.15)	
Unspent liabilities/balances written back	(2138.27)		(579.03)	
Provision for doubtful debts/ advances written back	(2.42)		(1.35)	
Provision for wealth tax for earlier years written back	–		(1.88)	
Provision for contingencies written back	(0.05)		–	
Storage fund for molasses written back	(12.82)		(130.57)	
Employee stock option expense	(3.74)		(2.32)	
Unrealised exchange rate fluctuation	497.58		895.48	
		22048.07		25208.51
Operating profit before working capital changes		43027.89		25364.59
<i>Adjustments to reconcile operating profit to cash flow provided by changes in working capital :</i>				
Increase in trade payables	9700.00		52667.62	
Increase/(decrease) in other long-term and current liabilities	(362.21)		1786.12	
Increase in provision for employee benefits/wealth tax	37.67		39.91	
(Increase)/decrease in inventories	11121.94		(50648.46)	
(Increase) in trade receivables	(3439.77)		(5708.16)	
(Increase)/decrease in long-term and short-term loans & advances	(309.18)		2619.65	
(Increase)/decrease in other non-current and current assets	31.01		(4769.53)	
		16779.46		(4012.85)
Cash generated from operations		59807.35		21351.74
Tax expense (excluding wealth tax)		(4244.24)		(1803.78)
Cash flow before exceptional and extraordinary items		55563.11		19547.96
Exceptional / extraordinary items		–		–
Net cash generated from operating activities (A)		55563.11		19547.96
B CASH FLOW FROM INVESTING ACTIVITIES				
Additions to fixed assets (including intangibles)	(2448.31)		(1513.24)	
Sale of fixed assets	136.76		559.53	
Purchase of shares of associate	–		(12.14)	
Purchase of national savings certificates	(1.05)		(2.05)	
Proceeds from maturity of national savings certificates	0.08		–	
Fixed deposits placed with banks	(393.41)		(153.16)	
Fixed deposits redeemed from banks	109.43		305.57	
Loan given to corporates/others	(4440.00)		(5176.00)	
Loan received back from corporates/others	4646.00		2700.00	
Purchase of debentures	–		(4050.00)	
Interest received on loan to corporate/others	1464.89		1681.88	
Net cash used in investing activities (B)		(925.61)		(5659.61)

Consolidated Cash Flow Statement (Contd...)

([₹] in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
C CASH FLOW FROM FINANCING ACTIVITIES		
Buy back of equity shares	–	(7701.60)
Proceeds from long-term borrowings	–	40000.00
Repayment of long-term borrowings	(26859.87)	(36236.91)
Proceeds/(repayment) of short-term borrowings	3898.17	(6879.73)
Interest expense	(14061.75)	(15085.44)
Other borrowing costs	(31.88)	(301.90)
Dividend paid	–	(1832.35)
Dividend distribution tax paid	–	(297.26)
Net cash used in financing activities (C)	(37055.33)	(28335.19)
D FOREIGN CURRENCY TRANSLATION RESERVE (D)	(23.16)	16.23
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	17559.01	(14430.61)
Opening cash and cash equivalents	1064.03	15494.64
Closing cash and cash equivalents (Refer note no. 18)	18623.04	1064.03

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement notified under the Companies (Accounting Standards) Rules, 2006.
- 2) Interest expense is exclusive of, and additions to fixed assets is inclusive of, interest capitalised Nil (previous year Nil).
- 3) Additions to fixed assets include movement of Capital work-in-progress during the year.
- 4) Consideration for purchase of shares of Associate Company fully discharged by means of Cash.
- 5) Proceeds/(repayment) of Short-term borrowings have been shown on net basis.
- 6) Current Investments which carry insignificant risk and are readily convertible into known amount of Cash, hence considered as part of Cash and cash equivalents.
- 7) Cash and cash equivalents do not include any amount which is not available to the Company for its use.
- 8) Cash and cash equivalents as at the Balance Sheet date consists of:

([₹] in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a) Balance with banks on current accounts	569.77	865.98
b) Cheques on hand	919.47	0.23
c) Cash on hand	133.80	197.82
d) Short term, highly liquid investments in mutual fund (Refer note no. 18)	17000.00	–
	18623.04	1064.03

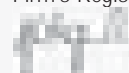
- 9) Figure in brackets represent cash outflow from respective activities.
- 10) As amount of Cash and cash equivalents is also available in Note no. 18, reconciliation of amount of Cash and cash equivalents as per Cash Flow Statement with the equivalent amount reported in the Balance Sheet is not required and hence not provided.

As per our report of even date attached.

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E



(CA. Ajay Agrawal)


Partner

Membership No. 17643

Place: Kolkata

Date: 10th May, 2013.

For and on behalf of the Board of Directors



S. K. Agrawala
Company Secretary



Kishor Shah
Director cum Chief
Financial Officer



Vivek Saraogi
Managing Director

Notes forming part of the Consolidated Financial Statements

Note No : 1 Basis of consolidation and significant accounting policies

A. BASIS OF CONSOLIDATION :

The consolidated financial statements relate to Balrampur Chini Mills Limited ("The Company"), its Subsidiaries and Associate. The Company and its Subsidiaries constitute the Group.

1. Basis of preparation of consolidated financial statements

- i) The financial statements of the Subsidiary and Associate used in the consolidation are drawn upto the same balance sheet date as of the Company i.e. 31st March, 2013 except for a subsidiary namely Balrampur Overseas Pvt. Ltd. whose financial statements are drawn upto the date of its de-registration i.e. 4th January, 2013.
- ii) The consolidated financial statements of the Group have been prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis except certain tangible fixed assets which are carried at revalued amount.

GAAP comprises mandatory Companies (Accounting Standards) Rules, 2006 notified by the Central Government of India under Section 211(3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

These Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of Subsidiaries and Associate on the audited financial statements prepared for consolidation in accordance with the requirements of Accounting Standard - 21 and Accounting Standard - 23 for each of the included entities.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of operations and time between the procurement of raw material and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2. Use of estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Actual results might differ from the estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

3. Principles of consolidation :

The Consolidated Financial Statements have been prepared on the following basis:

- i) The Financial Statements of the Company and its Subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses there on have been fully eliminated.
- ii) Non-integral Foreign Operations of Foreign Subsidiary :
Revenue items are consolidated at the average rate prevailing during the period. All assets and liabilities are converted at the rate prevailing at the end of the relevant period. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.
- iii) The Consolidated Financial Statements include the Share of Profit of the Associate Company which has been accounted as per the "Equity Method".
The Company's investment in associate includes goodwill identified on consolidation, net of accumulated impairment loss, if any. The Share of Profit of the Associate Company has been added to the carrying cost of the investment.
- iv) The excess of cost to the Company of its Investments in the Subsidiary and Associate over its Share of Equity of the Subsidiary and Associate, at the date on which the investments are made, is recognised as "Goodwill" being an asset in the Consolidated Financial Statements. The Goodwill so arising on consolidation of subsidiary is amortised in 5 years.
In respect of investment in associate, the carrying amount of goodwill is included in the carrying amount of investment. Such goodwill is not amortized but is tested for impairment annually and whenever impairment indicators require, an impairment charge on such investment is recognized in the Statement of Profit and Loss and such charge is shown under Depreciation and amortization expense.
- v) The Minority Interest in the net assets of the Subsidiary (other than 100% wholly owned Subsidiary) on the date of Balance

Notes forming part of the Consolidated Financial Statements

Note No : 1 Basis of consolidation and significant accounting policies (Contd...)

Sheet is Nil as the net worth of the Subsidiary has been fully eroded. Accordingly, the Minority Share in the loss up to the date of Investment in the Subsidiary has been adjusted with the Share of Majority and shown as Goodwill. Minority Share of losses subsequent to the date of Investment has also been adjusted with the Share of the Majority.

vi) Companies considered in the Consolidated Financial Statements :

Name of the Company	Country of Incorporation	Percentage of ownership interest as at		Financial year ends on
		31.03.2013	31.03.2012	
Subsidiaries :				
Indo Gulf Industries Ltd.	India	53.96%	53.96%	31st March
Balrampur Overseas Pvt. Ltd. *	Hong Kong	–	100.00%	–
Associate :				
VA Friendship Solar Park Pvt. Ltd.	India	45.00%	45.00%	31st March

* De-registered on 4th January, 2013.

B. SIGNIFICANT ACCOUNTING POLICIES :

1. Fixed assets, intangible assets and capital work-in-progress

- Fixed Assets are stated at their original cost (net of accumulated depreciation and impairments) adjusted by revaluation of Land, Building, Plant & Machinery, Railway Siding and Tube well of the Balrampur Unit as at 30th June, 1988; Land, Building and Plant & Machinery of Tulsipur Unit as at 31st March, 1999. Cost, net of cenvat, includes acquisition price, import duties, other non-refundable taxes and levies, attributable expenses and pre-operational expenses including finance charges, wherever applicable.
- Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortisation and impairment, if any.
- Expenditure during construction period: Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital work-in-progress". Capital work-in-progress is stated at the amount expended upto the date of Balance Sheet for the cost of fixed assets that are not yet ready for their intended use.

2. Depreciation and amortisation

- Depreciation on Fixed Assets is provided on Straight Line method in accordance with the rates as specified in Schedule XIV to the Companies Act, 1956 (as amended) other than on Power Transmission Lines and Mobile Phones held in the parent company. Power Transmission Lines are depreciated over a period of five years and Mobile Phones over a period of three years on straight line basis.
- Depreciation/amortisation on assets added, sold or discarded during the year is provided on pro-rata basis.
- Lease hold land in the nature of perpetual lease is not amortised. Other lease hold land are amortised over the period of the lease.
- Computer Software (Acquired) are amortised on straight line basis over a period of five years.

3. Investments

Investments are either classified as current or long-term based on Management's intention at the time of purchase. Long - term investments are carried at cost less provision for diminution recorded to recognise any decline, other than temporary, in the carrying value of each investment. Current investments are carried at lower of cost and fair value, category wise. Cost for overseas investments comprises of the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Cost includes acquisition charges such as brokerage, fee and duties.

4. Inventories

- Inventories (other than By-products and Standing crop) are valued at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventory comprises of purchase price, cost of conversion and other cost that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventories. The cost of Inventories is computed on weighted average basis.
- Assets identified and technically evaluated as obsolete and held for disposal are valued at their estimated net realisable value.
- By-products and Standing crop are valued at net realisable value.

5. Revenue recognition

- Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.

Notes forming part of the Consolidated Financial Statements

Note No : 1 Basis of consolidation and significant accounting policies (Contd...)

- b) Gross turnover includes excise duty but excludes sales tax / VAT.
- c) Dividend income is recognised when the Company's right to receive dividend is established.
- d) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- e) All other income are accounted for on accrual basis.

6. Expenses

All the expenses are accounted for on accrual basis.

7. Government grants

- a) Government grants related to specific fixed assets are adjusted with the value of the fixed asset. If not related to a specific fixed asset, it is credited to Capital Reserve.
- b) Government grants related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

8. Provisions, contingent liabilities and contingent assets

Provision is recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

A provision is recognised if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the balance sheet date.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Re-imbursement expected in respect of expenditure to settle a provision is recognised only when it is virtually certain that the re-imbursement will be received.

A Contingent Asset is not recognised in the Accounts.

9. Impairment of assets

Impairment loss, if any, is recognised to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amount of assets to the extent that it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

After impairment, depreciation or amortisation on assets is provided on the revised carrying amount of the respective asset over its remaining useful life.

10. Foreign currency transactions

- a) Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
- b) Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rate.
Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- c) In case of items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference. The premium or discount on forward exchange contracts is recognized over the period of the respective contract.
- d) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognised in the Statement of Profit and Loss.

11. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

Notes forming part of the Consolidated Financial Statements

Note No : 1 Basis of consolidation and significant accounting policies (Contd...)

12. Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

13. Employee benefits

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- b) Long-term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services. The expense is recognised at the present value of the amount payable as per actuarial valuations. Actuarial gains and losses in respect of such benefits are recognised in the Statement of Profit and Loss.

14. Employee stock option scheme

In respect of employee stock options granted pursuant to the company's Employee Stock Option Scheme, the intrinsic value of the option (excess of market price of the share on the date of grant over the exercise price of the option) is treated as discount and amortised as employee compensation cost on a straight line basis over the vesting period.

15. Taxes on income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. However, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in 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 Balance Sheet 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.

16. Derivative contracts

The Company uses derivative contracts to hedge the interest rate and currency risks. The Company does not use these contracts for trading or speculation purposes.

17. Segment reporting

Segments are identified based on the dominant source and nature of risks and returns and the internal organisation and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- a) Inter segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market led.
- b) Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been disclosed as "Unallocable".

18. Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

19. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes forming part of the Consolidated Financial Statements

Note No : 2 Share capital

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
(a) Authorised				
Equity shares of par value ₹ 1/- each	400000000	4000.00	400000000	4000.00
Preference shares of par value ₹ 100/- each	2500000	2500.00	2500000	2500.00
		6500.00		6500.00
(b) Issued, subscribed and fully paid up				
Equity shares of par value ₹ 1/- each	244313923	2443.14	244313923	2443.14
		2443.14		2443.14
Issue of 17270 (Previous year 17270) equity shares on Right basis has been kept in abeyance in view of pending dispute.				
(c) Reconciliation of number and amount of equity shares outstanding:				
At the beginning of the year	244313923	2443.14	256274911	2562.75
Less: Shares bought back *	–	–	11960988	119.61
At the end of the year	244313923	2443.14	244313923	2443.14
* Shares bought back during the previous year denotes actual number of shares extinguished during the previous year on account of buy back.				

- (d) The Company has only one class of equity shares. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share.
- (e) 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 dues. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) Shareholders holding more than 5% of the equity shares in the Company :

Name of the shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
Life Insurance Corporation of India	19995490	8.18	19995490	8.18
Shri Kamal Nayan Saraogi	–	–	19597219	8.02
Shri Vivek Saraogi	38082320	15.59	18485101	7.57
Smt. Meenakshi Saraogi	14244300	5.83	14244300	5.83

- (g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding last five years ended on 31st March, 2013 – 44048 equity shares (previous period of five years ended 31st March, 2012 - 44048 equity shares).
- (h) The aggregate number of equity shares bought back in immediately preceding last five years ended on 31st March, 2013 - 15410135 equity shares (previous period of five years ended 31st March, 2012 - 15410135 equity shares).
- (i) The Company has reserved 316650 (Previous year 326650) equity shares of par value ₹ 1/- each for issue at a premium of ₹ 44/- each to eligible employees of the Company under Employees Stock Option Scheme. All these shares are vested and are exercisable at any point of time. Refer note no. 29(4) for terms of employee stock option scheme.

Notes forming part of the Consolidated Financial Statements

Note No : 3 Reserves and surplus

(` in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
(a) Capital reserves		
Balance as per last account	1028.22	1028.22
(b) Capital redemption reserve		
Balance as per last account	2654.10	2534.49
Add: Transfer from General reserve on buy back of equity shares	-	119.61
	2654.10	2654.10
(c) Securities premium account		
Balance as per last account	51835.51	51835.51
(d) Revaluation reserve		
Balance as per last account	18.24	18.24
(e) Share options outstanding account		
Balance as per last account	110.12	112.44
Less: Options forfeited	3.74	2.32
	106.38	110.12
(f) General reserve		
Balance as per last account	55773.44	64335.71
Add: Transfer from Surplus in the Statement of Profit and Loss	10000.00	-
	65773.44	64335.71
Less: Utilised on buy back of equity shares	-	8442.66
Less: Transfer to Capital redemption reserve on buy back of equity shares	-	119.61
	65773.44	55773.44
(g) Storage fund for molasses		
Balance as per last account	40.56	146.22
Add: Created during the year	23.86	24.91
	64.42	171.13
Less: Utilised during the year	12.82	130.57
	51.60	40.56
(h) Foreign currency translation reserve		
Balance as per last account	23.16	6.93
Add: Translation difference	-	16.23
	23.16	23.16
Less: Elimination on disposal of a subsidiary	23.16	-
	-	23.16
(i) Surplus in the Statement of Profit and Loss		
Balance as per last account	7282.28	7215.95
Add: Dividend on equity shares (including tax on dividend ` 3.19 lacs) for previous period written back	-	22.89
	7282.28	7238.84
Add: Profit for the year	16130.09	43.44
Amount available for appropriation	23412.37	7282.28
Less : Appropriations:		
Proposed dividend	4886.28	-
Tax on proposed dividend	830.42	-
Transfer to General reserve	10000.00	-
Total appropriations	15716.70	-
Balance as at the Balance Sheet date	7695.67	7282.28
	129163.16	118765.63

- General reserve is primarily created to comply with the requirements of section 205 (2A) of the Companies Act, 1956. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.
- The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyamtran (Sansodhan) Adesh, 1974 and the said storage fund is represented by investment in the form of fixed deposits with banks amounting to ` 59.84 lacs (Previous year ` 49.62 lacs).
- The Board of Directors has recommended a dividend of ` 2/- per equity share (Previous year Nil) for the year ended 31st March, 2013. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The total dividend pay out (including tax on dividend) works out to ` 5716.70 lacs (Previous year Nil).

Notes forming part of the Consolidated Financial Statements

Note No : 4 Long - term borrowings		(in Lacs)	
Particulars	As at 31st March, 2013	As at 31st March, 2012	
Term loans			
From banks			
Secured			
Rupee loans:			
State Bank of India (SBI)	5000.00	15000.00	
Yes Bank Ltd. (YBL)	7500.00	17500.00	
External commercial borrowing (ECB):			
State Bank of India (SBI)	-	12500.00	2757.30
			35257.30
From entities other than banks			
Secured			
Rupee loans:			
Government of India, Sugar Development Fund (SDF)	5668.66	7257.86	
External commercial borrowing (ECB):			
International Finance Corporation, Washington (IFC)	4471.17	10139.83	6950.49
			14208.35
Deferred sales tax loan			
Unsecured		308.38	308.38
		22948.21	49774.03

a) Nature of securities:

- Rupee Term Loans from SDF are secured by an exclusive second charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Haidergarh, Akbarpur, Mankapur, Kumbhi, Gularia and Rauzagaon.
- Rupee Term Loan from YBL is secured by way of subservient charge on all movable fixed assets (both present and future) pertaining to all sugar and cogeneration units of the Company.
- Rupee Term Loan from SBI is secured by way of first charge on movable fixed assets pertaining to Company's sugar units at Babhnan, Tulsipur, Akbarpur, Maizapur and Chemical unit at Balrampur and is further secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company.
- ECB from IFC is secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties and residual charge on current assets, both present and future, pertaining to Company's sugar and cogeneration units at Haidergarh and Rauzagaon.
- ECB from SBI is secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia.
- Interest Free Rupee Term Loan from SBI was secured by way of residual charge on movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar unit at Maizapur, and further secured by way of residual charge on immovable properties, both present and future, pertaining to Company's sugar unit at Maizapur. As the amount outstanding on 31/03/2012 was payable entirely within one year, the same was included in the line item "Current maturities of long - term debt" under the head "Other current liabilities" as at 31st March, 2012.
- ECB from RBS was secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Mankapur. As the amount outstanding on 31/03/2012 was payable entirely within one year, the same was included in the line item "Current maturities of long - term debt" under the head "Other current liabilities" as at 31st March, 2012.
- ECB from CITI was secured by way of hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia. As the amount outstanding on 31/03/2012 was payable entirely within one year, the same was included in the line item "Current maturities of long - term debt" under the head "Other current liabilities" as at 31st March, 2012.
- ECB from SCB was secured by way of hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's cogeneration unit at Balrampur. As the amount outstanding on 31/03/2012 was payable entirely within one year, the same was included in the line item "Current maturities of long - term debt" under the head "Other current liabilities" as at 31st March, 2012.

Notes forming part of the Consolidated Financial Statements

Note No : 4 Long - term borrowings (contd...)

- x) ECB from UCO was secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia. As the amount outstanding on 31/03/2012 was payable entirely within one year, the same was included in the line item "Current maturities of long - term debt" under the head "Other current liabilities" as at 31st March, 2012.

b) Terms of repayment :

Name of the banks / entities	Rate of Interest	Amount outstanding as at 31.03.2013		Period of maturity w.r.t. the Balance Sheet date	Number of installments outstanding as at 31.03.2013	Amount of each installment (₹ in Lacs)
		Current (₹ in Lacs)	Non current (₹ in Lacs)			
Government of India, Sugar Development Fund (SDF)	* Bank Rate (-) 2% i.e. 4% p.a.	-	-	-	-	-
		(143.10)	(-)			
		194.77	97.39	1 year 10 days	3	97.39
		(194.77)	(292.17)			
		174.90	174.90	1 year 7 months 24 days	4	87.45
		(174.90)	(349.80)			
		638.88	1277.76	2 years 8 months 5 days	6	319.44
		(638.88)	(1916.64)			
		237.66	594.14	3 years 3 months 14 days	7	118.83
		(237.66)	(831.81)			
		342.98	857.46	3 years 5 months 18 days	7	171.49
		(342.98)	(1200.43)			
		-	2667.01	6 years 5 months 15 days	5	533.40
		(-)	(2667.01)			
	Sub-total	1589.19	5668.66			
		(1732.29)	(7257.86)			
Yes Bank Ltd.	YBL Base Rate (+) 0.75%	10000.00	7500.00	1 year 8 months 12 days	7	2500.00
		(2500.00)	(17500.00)			
State Bank of India (Term Loan)	SBI Base Rate (+) 2%	10000.00	5000.00	1 year 6 months	6	2500.00
		(5000.00)	(15000.00)			
State Bank of India	(Interest Free)	-	-	-	-	-
		(28.82)	(-)			
International Finance Corporation, Washington (IFC) (ECB) ***	8.19% on JPY notional	2976.91	4471.17	2 years 5 months 15 days	5	**1488.45
		(2778.03)	(6950.49)			
State Bank of India (ECB)	7.65% on fully hedged basis	2757.30	-	4 months 9 days	1	2757.30
		(5514.60)	(2757.30)			
The Royal Bank of Scotland, N.V. (RBS)	-	-	-	-	-	-
		(2400.63)	(-)			
CITI Bank (CITI)	-	-	-	-	-	-
		(1473.40)	(-)			
Standard Chartered Bank (SCB)	-	-	-	-	-	-
		(1311.60)	(-)			
UCO Bank (UCO)	-	-	-	-	-	-
		(4120.50)	(-)			
Deferred sales tax loan ****	-	-	308.38	-	-	-
		(-)	(308.38)			
	Grand Total	27323.40	22948.21			
		(26859.87)	(49774.03)			

Figures in brackets pertain to previous year.

Rate of interest has been disclosed for loans which are outstanding on the balance sheet date.

* Bank rate prevailing on the date of disbursement.

** Except last installment of ₹ 1494.28 lacs.

*** ECB from IFC is drawn in US Dollars and the installment amount has been determined on the basis of applicable exchange rate prevailing on the Balance Sheet date.

**** Pursuant to sanction of the Rehabilitation Scheme by the Hon'ble Board of Industrial and Financial Reconstruction (BIFR), the aforesaid loan is interest free and repayable in 5 yearly installments after the restart of the explosive unit.

Notes forming part of the Consolidated Financial Statements

Note No : 5 Deferred tax liabilities (net) (in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Deferred tax liabilities				
Depreciation		28742.27		28270.52
Less: Deferred tax assets				
Carried forward losses	2566.95		3368.11	
Expenses allowable for tax purposes when paid	3115.38	5682.33	2455.19	5823.30
		23059.94		22447.22

Carried forward losses have been recognised as deferred tax asset as per latest Income Tax assessment order / return of income filed by the Company as there is virtual certainty that such deferred tax asset can be realised against future taxable profits in the forthcoming financial years.

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Note No : 6 Other long - term liabilities (in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Retention monies		–		3.29
Interest accrued but not due on borrowings		396.33		289.64
		396.33		292.93

Note No : 7 Long - term provisions (in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Provision for employee benefits - unavailed leave		217.99		195.66
Provision for taxation	7614.41		3383.35	
Less : Advance tax	6854.37	760.04	2510.31	873.04
Provision for wealth tax	52.00		52.00	
Less : Advance wealth tax	51.00	1.00	24.69	27.31
		979.03		1096.01

Note No : 8 Short - term borrowings (in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Loans repayable on demand				
Working capital loans				
From banks				
Secured				
State Bank of India (SBI)	105580.44		92743.52	
Punjab National Bank (PNB)	20078.00		–	
HDFC Bank Ltd. (HDFC)	361.88	126020.32	28.11	92771.63
Unsecured		–		9350.61
		126020.32		102122.24
Other loans and advances				
Working capital loans				
From banks				
Unsecured		–		19999.91
		126020.32		122122.15
Summary of short-term borrowings				
Secured borrowings		126020.32		92771.63
Unsecured borrowings		–		29350.52
		126020.32		122122.15

Nature of securities:

i) Working capital loans from SBI are secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses

Notes forming part of the Consolidated Financial Statements

Note No : 8 Short - term borrowings (contd...)

and other current assets including book debts, both present and future, pertaining to Company's sugar units ranking pari passu with PNB and HDFC and by way of 1st charge on the entire fixed assets of Maizapur sugar unit of the Company and further secured / to be secured by way of 3rd charge on the fixed assets of sugar units, except Maizapur sugar unit, of the Company.

- ii) Working capital loan from PNB is secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, pertaining to Company's sugar units ranking pari passu with SBI and HDFC.
- iii) Working capital loans from HDFC is secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, pertaining to Company's sugar units ranking pari passu with SBI and PNB.

Note No : 9 Trade payables		(` in Lacs)	
Particulars	As at 31st March, 2013	As at 31st March, 2012	
Total outstanding dues of Micro and Small Enterprises [Refer note no. 29(3)]	18.00		23.95
Total outstanding dues of other than Micro and Small Enterprises	71193.94		61701.83
	71211.94		61725.78

Note No : 10 Other current liabilities		(` in Lacs)	
Particulars	As at 31st March, 2013	As at 31st March, 2012	
Current maturities of long - term debt *	27323.40		26859.87
Interest accrued but not due on borrowings	806.49		620.11
Unpaid dividends **	120.34		138.64
Other payables			
Payable to suppliers of capital goods			
Total outstanding dues of Micro and Small Enterprises [Refer note no. 29(3)]	1.19	3.56	
Total outstanding dues of other than Micro and Small Enterprises	163.53	113.23	
	164.72	116.79	
Advance from customers and others	478.19	583.40	
Retention monies	151.33	148.54	
Security deposits	213.00	181.61	
Statutory liabilities ***	7697.26	10635.27	
Book overdraft balances	324.33	230.81	
Unpaid salaries and other payroll dues	2037.47	1481.74	
Accrued expenses	674.64	627.13	
Others	90.23	109.23	14114.52
	40081.40		41733.14

* Refer note no. 4 (a) & (b) for nature of securities and terms of repayment respectively.

** There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under section 205C of the Companies Act, 1956.

*** Include excise duty and cess on closing stock (` in lacs) 6099.83 7291.38

Note No : 11 Short - term provisions		(` in Lacs)	
Particulars	As at 31st March, 2013	As at 31st March, 2012	
Provision for employee benefits - unavailed leave	230.68		214.03
Other provisions			
Proposed dividend	4886.28	-	
Provision for tax on proposed dividend	830.42	-	
Provision for wealth tax	25.00	-	
Provision for Contingencies [Refer note no.29(2)]	50.29	50.34	50.34
	6022.67		264.37

Notes forming part of the Consolidated Financial Statements

Note No : 12 Fixed assets		(` in Lacs)									
Particulars		Tangible assets					Intangible assets				
		Land (Free hold)	Land (Lease hold)	Buildings	Plant and equipment	Railway sidings	Furniture and fixtures	Vehicles	Office equipments	Total	Computer software consolidation (acquired)
Gross block		6572.36	484.49	50266.26	189773.58	8.68	1828.14	2095.26	1629.79	252658.56	123.95
Gross carrying amount as at 01.04.2012		-	-	149.43	1462.63	-	30.94	227.67	93.84	1964.51	15.37
Additions during the year		-	-	-	(3.40)	-	(1.69)	3.40	1.69	-	-
Inter head adjustments during the year		102.07	-	-	130.38	8.68	61.20	221.86	34.63	558.82	-
Disposals/deductions during the year		6470.29	484.49	50415.69	191102.43	-	1796.19	2104.47	1690.69	254064.25	139.32
Gross carrying amount as at 31.03.2013		-	35.28	9127.17	78724.68	5.79	1031.85	1305.65	1045.29	91275.71	42.98
Depreciation /amortisation		-	6.03	1067.47	9438.08	0.10	70.58	125.41	108.60	10816.27	22.71
Opening accumulated depreciation /amortisation		-	-	-	(0.44)	-	(0.11)	0.44	0.11	-	-
Depreciation and amortisation for the year		-	-	-	42.00	5.89	53.09	138.61	30.20	269.79	-
Inter head adjustments during the year		-	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year		-	41.31	10194.64	88120.32	-	1049.23	1292.89	1123.80	101822.19	65.69
Closing accumulated depreciation /amortisation		-	443.18	40221.05	102982.11	-	746.96	811.58	566.89	152242.06	73.63
Net carrying amount		6470.29	443.18	40221.05	102982.11	-	746.96	811.58	566.89	152242.06	73.63
Net block as at 31.03.2013		-	-	-	-	-	-	-	-	-	-

Fixed assets - Previous year		(` in Lacs)									
Particulars		Tangible assets					Intangible assets				
		Land (Free hold)	Land (Lease hold)	Buildings	Plant and equipment	Railway sidings	Furniture and fixtures	Vehicles	Office equipments	Total	Computer software consolidation (acquired)
Gross block		7212.18	484.49	50177.44	188525.54	8.68	1733.10	2131.25	1559.79	251832.47	9.58
Gross carrying amount as at 01.04.2011		-	-	204.60	1422.26	-	114.82	119.58	104.00	1965.26	114.37
Additions during the year		-	-	-	(4.40)	-	-	-	4.40	-	-
Inter head adjustments during the year		639.82	-	115.78	169.82	-	19.78	155.57	38.40	1139.17	-
Disposals/deductions during the year		6572.36	484.49	50266.26	189773.58	8.68	1828.14	2095.26	1629.79	252658.56	123.95
Gross carrying amount as at 31.03.2012		-	29.24	8109.86	69279.67	5.38	980.46	1276.77	933.18	80614.56	5.22
Depreciation /amortisation		-	6.04	1098.03	9601.52	0.41	70.50	134.94	142.13	11053.57	37.76
Opening accumulated depreciation /amortisation		-	-	-	(0.07)	-	-	-	0.07	-	-
Depreciation and amortisation for the year		-	-	-	156.44	-	19.11	106.06	30.09	392.42	-
Inter head adjustments during the year		-	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year		-	35.28	9127.17	78724.68	5.79	1031.85	1305.65	1045.29	91275.71	42.98
Closing accumulated depreciation /amortisation		-	449.21	41139.09	111048.90	2.89	796.29	789.61	584.50	161382.85	80.97
Net carrying amount		6572.36	449.21	41139.09	111048.90	2.89	796.29	789.61	584.50	161382.85	80.97
Net block as at 31.03.2012		-	-	-	-	-	-	-	-	-	-

- Notes :
- 1) Land, Building, Plant & Machinery, Railway siding, Tube well and water supply machinery of Balrampur unit were revalued as at 30th June, 1988 on net replacement value as per the report of S. R. Balitbol Consultants Pvt. Ltd. and the cost of respective asset aggregating to ` 1200.77 lacs was substituted by the revalued amount of ` 1920.52 lacs and the resultant increase was credited to Revaluation reserve.
 - 2) Land, Building and Plant & Machinery of Tulsiapur unit were revalued as at 31st March, 1999 on net replacement value as per the report of Lodha & Co. and the cost of the respective asset aggregating to ` 1023.85 lacs was substituted by the revalued amount of ` 2944.93 lacs and the resultant increase was credited to Revaluation reserve in the books of erstwhile Tulsiapur Sugar Company Limited.
 - 3) There is a pari passu charge by way of hypothecation and equitable mortgage on the fixed assets of Kumbhi and Gularia units of the Company for an amount of Euro 4.50 million equivalent to ` 2456.61 lacs (Previous year ` 2456.61 lacs) in favour of BNP Paribas, India for securing Swap Contracts entered into in connection with hedging in respect of some of the External Commercial Borrowings availed by the Company.
 - 4) Lease deed for 50 acres of land (Out of total land of 705 acres) for Jhansi plant has not been executed. In respect of some other land, the registration formalities are under process.

Notes forming part of the Consolidated Financial Statements

Note No : 13 Non - current investments

(` in Lacs)

Particulars	Face value	Number of units	As at 31st March, 2013	Number of units	As at 31st March, 2012
Long term					
Trade investments					
Unquoted (Valued at cost)					
a) In equity shares of companies					
Fully paid up :					
Associate company:					
VA Friendship Solar Park Pvt. Ltd.#	` 10	10800	139.19	10800	139.19
Add : Share of profit			7.09		4.10
			146.28		143.29
Others :					
Asia Sugar Industries Pvt. Ltd.	` 10	250000	12.43	250000	12.43
b) In debentures of a company \$					
Fully paid up :					
Visual Percept Solar Projects Pvt. Ltd.	` 100	4050000	4050.00	4050000	4050.00
Total (A)			4208.71		4205.72
Other investments					
i) Unquoted (Valued at cost)					
a) In equity shares of companies					
Fully paid up :					
Fortuna Services Ltd.	` 1	70287	0.70	70287	0.70
Balrampur Sugar Company Consumers Co-operative Society Ltd.	` 100	35	0.03	35	0.03
Co-operative Development Union Ltd.	` 10	110	0.01	110	0.01
Co-operative Stores Ltd.	` 10	1	- @	1	- @
b) In Post Office National saving certificates (Deposited with Government authorities)			10.60		9.63
Total (B)			11.34		10.37
Total (A+B)			4220.05		4216.09
Aggregate amount of unquoted investments			4220.05		4216.09

Investment in associate includes goodwill of ` 97.95 lacs (Previous year ` 97.95 lacs), net of accumulated impairment ` 97.95 lacs (Previous year ` 97.95 lacs).

The company has tested for impairment of goodwill relating to the investment in associate and an impairment charge of ` Nil (Previous year ` 4.26 lacs) has been recognised during the year which has been shown under Note no.27 - Depreciation and amortisation expense in the Statement of Profit and Loss.

\$ Unsecured, non-convertible debentures carry an over all simple yield to maturity of 9.50% p.a. The coupon amount is payable annually @ 5% p.a. for the first six years and 14% for the next six years. The debentures are redeemable at par at the end of twelve years from the date of allotment.

@ Shown as Nil due to rounding off.

Note No : 14 Long-term loans and advances (Unsecured, considered good unless stated otherwise)

(` in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Capital advances	555.33	132.46
Security deposits	53.83	72.67
Other loans and advances		
Advance to suppliers and others		
Considered doubtful	230.54	230.98
Less: Provision for doubtful advances	230.54	230.98
	-	-
MAT credit entitlement	5642.00	5642.00
Prepaid expenses	25.19	20.65
Duties and taxes paid under protest	342.41	340.83
	6618.76	6208.61

Notes forming part of the Consolidated Financial Statements

Note No : 15 **Other non-current assets** (Unsecured, considered good unless stated otherwise) (₹ in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Trade receivables				
Considered doubtful	96.73		98.71	
Less : Provision for doubtful debts	96.73	–	98.71	–
Fixed deposits with banks				
(Non current portion with original maturity period of more than 12 months)				
For Molasses storage fund (Earmarked)	21.50		11.70	
Pledged with Excise Authorities	45.01	66.51	41.00	52.70
Interest accrued but not due				
Fixed deposits with banks	7.88		3.79	
Post Office National Saving Certificates	3.67	11.55	2.79	6.58
Claims receivable		17030.19		25.25
		17108.25		84.53

Note No : 16 **Inventories** (Valued at lower of cost and net realisable value, unless stated otherwise) (₹ in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Raw materials		3225.26		3039.32
Packing materials		460.41		234.07
Work-in-progress				
Sugar	3271.08		1278.87	
Molasses	217.16		58.19	
Organic manure	51.61	3539.85	37.66	1374.72
Finished goods				
Sugar	168009.14		181631.37	
Industrial alcohol	2162.74		2053.66	
Banked power	58.29		73.27	
Organic manure	18.88	170249.05	43.56	183801.86
Stores and spares	5061.90		4646.82	
Add : Goods-in-transit	115.47	5177.37	105.67	4752.49
Loose tools		359.10		316.53
Standing crop *		12.45		18.07
By-products *		5633.61		6241.98
		188657.10		199779.04

* Valued at net realisable value.

Note No : 17 **Trade receivables** (Unsecured, considered good) (₹ in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Outstanding for a period exceeding six months from due date		51.83		98.34
Others		18085.91		14597.65
		18137.74		14695.99

Notes forming part of the Consolidated Financial Statements

Note No : 18 Cash and bank balances

(` in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Cash and cash equivalents				
Balances with banks				
On current accounts	569.77		865.98	
Cheques on hand	919.47		0.23	
Cash on hand	133.80		197.82	
Short term, highly liquid investments in mutual funds	17000.00	18623.04	-	1064.03
Other bank balances				
Earmarked balances				
Fixed deposits for molasses storage fund				
Current portion of original maturity period more than 12 months	3.60		1.65	
Original maturity period upto 12 months	34.74		36.27	
	38.34		37.92	
Unpaid dividend accounts	120.34	158.68	138.64	176.56
Fixed deposits pledged with excise authorities and bank/deposited with a Government undertaking				
Current portion of original maturity period more than 12 months	5.00		36.00	
Original maturity period upto 12 months *	334.26	339.26	32.51	68.51
Other fixed deposits with banks				
Current portion of original maturity period more than 12 months		-		1.00
Balances with post office		0.56		0.56
		19121.54		1310.66
* Include under lien with bank for swap contract (` in lacs)		300.00		-

Note No : 19 Short-term loans and advances (Unsecured, considered good)

(` in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Security deposits		140.61		190.06
Other loans and advances				
Intercompany deposits	12370.00		11420.00	
Loan to others	-		1156.00	
Advance to suppliers and others	1561.90		1591.84	
Cenvat, Vat and other taxes/duties	874.04		959.55	
Prepaid expenses	298.77		230.48	
Others	-	15104.71	3.92	15361.79
		15245.32		15551.85

Note No : 20 Other current assets (Unsecured, considered good)

(` in Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Interest accrued but not due on				
Debentures	182.25		37.85	
Inter corporate deposits/Loan to others	188.02		118.68	
Fixed deposits with banks	10.92		7.19	
Others	2.19	383.38	1.63	165.35
Claims receivable		7.30		17043.25
Income tax refundable		0.03		102.66
		390.71		17311.26

Notes forming part of the Consolidated Financial Statements

Note No : 21 Revenue from operations (₹ in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
Sale of goods (Gross)				
Sugar	290047.62		194817.43	
Power	21843.61		21810.67	
Industrial alcohol	19892.67		15688.15	
Organic manure	491.34		269.13	
Molasses	5289.39		2384.14	
Others	838.40	338403.03	4061.63	239031.15
Other operating revenues		–		–
Revenue from operations (Gross)		338403.03		239031.15
Less : Excise duty and cess on sale of goods		10919.00		8076.52
Revenue from operations (Net)		327484.03		230954.63

Note No : 22 Other income (₹ in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
Interest income				
Long term investments				
Debentures	202.50		42.05	
National saving certificates	1.01		1.14	
	203.51		43.19	
Inter corporate deposits/Loan to others	1450.80		1403.94	
Fixed deposits with banks	33.02		26.01	
Income tax refund	6.13		1.98	
Others	7.54	1701.00	12.09	1487.21
Net gain on sale of highly liquid investments (treated as cash equivalent)		70.08		135.33
Other non-operating income				
Insurance claims	134.25		125.30	
Profit on sale of fixed assets	9.89		66.15	
Unspent liabilities/balances written back	2138.27		579.03	
Provisions for doubtful debts/ advances written back	2.42		1.35	
Provision for wealth tax for earlier years written back	–		1.88	
Provision for contingencies written back	0.05		–	
Storage fund for molasses written back	12.82		130.57	
Profit from farm accounts [Refer note no.29(6)]	7.87		26.61	
Miscellaneous	151.39	2456.96	99.05	1029.94
		4228.04		2652.48

Note No : 23 Cost of material consumed (₹ in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
Sugar cane *		237843.23		222066.32
Molasses		1412.22		784.45
Bagasse		1602.38		923.51
Pressmud		34.90		37.35
Others		198.22		2451.58
		241090.95		226263.21

* Includes a sum of ₹ Nil (Previous year ₹ 9234.98 lacs) accrued in the year 2011-12 in view of the judgement dated 17.01.2012 pronounced by the Hon'ble Supreme Court vacating its earlier Orders for payment of differential cane price for the crushing season 2007-08.

Notes forming part of the Consolidated Financial Statements

Note No : 24 Changes in inventories of finished goods, by-products and work-in-progress (₹ in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
Finished goods				
Opening stock				
Sugar	181631.37		133941.24	
Industrial alcohol	2053.66		2007.37	
Banked power	73.27		71.91	
Organic manure	43.56	183801.86	27.71	136048.23
Less : Closing stock				
Sugar	168009.14		181631.37	
Industrial alcohol	2162.74		2053.66	
Banked power	58.29		73.27	
Organic manure	18.88	170249.05	43.56	183801.86
Total (A)		13552.81		(47753.63)
By-products				
Opening stock		6241.98		4614.67
Less : Closing stock		5633.61		6241.98
Total (B)		608.37		(1627.31)
Work- in-progress				
Opening stock				
Sugar	1278.87		430.99	
Molasses	58.19		42.41	
Organic manure	37.66	1374.72	43.45	516.85
Less : Closing stock				
Sugar	3271.08		1278.87	
Molasses	217.16		58.19	
Organic manure	51.61	3539.85	37.66	1374.72
Total (C)		(2165.13)		(857.87)
Total (A+B+C)		11996.05		(50238.81)
Less : Excise duty and cess on stock *		1191.55		(1529.13)
		10804.50		(48709.68)

* The amount of excise duty and cess on stock represents differential excise duty and cess on opening and closing stock.

Note No : 25 Employee benefits expenses (₹ in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
Salaries and wages		11298.83		10228.95
Contribution to provident and other funds		1356.13		1269.85
Employee stock option expense		(3.74)		(2.32)
Staff welfare expense		294.60		277.79
		12945.82		11774.27

Note No : 26 Finance costs (₹ in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
Interest expense				
On long term borrowings	6808.34		7187.07	
On short term borrowings	7513.44		7242.30	
Others	33.04	14354.82	9.85	14439.22
Other borrowing costs		31.88		301.90
		14386.70		14741.12

Notes forming part of the Consolidated Financial Statements

Note No : 27 Depreciation and amortisation expenses

([₹] in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Depreciation and amortisation of tangible assets *	10816.27	11053.57
Amortisation of intangible assets *	22.71	492.22
Impairment of goodwill**	–	4.26
	10838.98	11550.05

* Refer note no.12.

** Refer note no.13.

Note No : 28 Other expenses

([₹] in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Consumption of stores and spare parts	2118.39	2104.47
Packing materials	4345.11	4349.61
Power and fuel	453.25	382.69
Rent	51.60	58.37
Repairs		
Buildings	314.62	324.44
Machinery	4606.04	3504.04
Others	314.78	260.31
Insurance	351.70	265.03
Rates and taxes (excluding taxes on income)	196.65	203.10
Commission to non-whole time directors	25.00	–
Payments to auditor		
As auditor for statutory audit	25.21	26.61
For tax audit	9.00	11.21
For management services	4.40	–
For other services (Limited reviews & certifications)	10.46	11.16
For reimbursement of expenses	2.52	1.28
Cost audit fees	3.00	3.50
Net loss on foreign currency transactions and translations	690.90	1018.76
Charity and donation	427.54	196.17
Directors' fees	5.35	4.78
Miscellaneous expenses	6523.32	4825.97
Loss on sale/discard of fixed assets	162.16	253.37
Sundry debit balances/advances written off	–	0.40
Transfer to storage fund for molasses	23.86	24.91
Prior period expense *	0.44	1.88
	20665.30	17832.06
* Includes		
Power & Fuel	0.32	–
Rent	0.09	–
Rates and taxes	–	0.06
Miscellaneous expenses	0.03	1.82
	0.44	1.88

Notes forming part of the Consolidated Financial Statements

Note No : 29 Other disclosures

1. Contingent liabilities and commitments (to the extent not provided for)

([₹] in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a) Contingent liabilities :		
i) Claims against the Company not acknowledged as debts :		
a) Excise duty demand - under appeal	347.42	376.76
b) Sales tax demand - under appeal	10.02	24.65
c) Others - under appeal/litigation	813.78	452.12
	1171.22	853.53
ii) Claims for acquisition of 1.99 acres of land for the Chemical unit at Balrampur and compensation there against is under dispute as the matter is sub-judice	Amount not ascertainable	Amount not ascertainable

The amounts shown in (i) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursements in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of the appeals, except as stated in para 2 below.

([₹] in Lacs)

b) Commitments :		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	2945.98	512.72
ii) Advance paid against above	555.33	132.46

2. Disclosures in terms of Accounting Standard -29

a) Movement for provision for contingencies:

([₹] in Lacs)

Particulars	Duties & taxes	Others	Total
Balance as at 1st April, 2012	49.76	0.58	50.34
Provided during the year	-	-	-
Amount used during the year	-	-	-
Reversed during the year	-	0.05	0.05
Balance as at 31st March, 2013	49.76	0.53	50.29
Balance as at 1st April, 2011	49.76	0.58	50.34
Provided during the year	-	-	-
Amount used during the year	-	-	-
Reversed during the year	-	-	-
Balance as at 31st March, 2012	49.76	0.58	50.34

Other provisions for contingencies as referred to above represent provision for contingencies towards various claims made / anticipated against the Company based on the Management's assessment.

It is not possible to estimate the timing / uncertainties relating to the utilisation /reversal from the provision for contingencies. Future cash outflow in respect of the above is determinable only upon Court decision / out of Court settlement /disposal of appeals.

The Company does not expect any reimbursements in respect of the above provisions.

Notes forming part of the Consolidated Financial Statements

Note No : 29 Other disclosures (Contd...)

3. Based on the information / documents available with the Company, information as per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows : (in Lacs)

Sl. No.	Description	2012-13	2011-12
a)	The principal amount remaining unpaid to suppliers as at the end of the accounting year *	18.54	26.57
b)	The interest due thereon remaining unpaid to suppliers as at the end of the accounting year	0.06	0.06
c)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	0.08	–
d)	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 this Act	0.59	0.88
e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year*	0.65	0.94
f)	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 Micro and Small Enterprises	–	–

* Included in the line item "Total outstanding dues of Micro and Small Enterprises" under Notes No. 9 and 10.

4. The Employee Stock Option Scheme (Scheme 2005) of the Company was formulated in the year 2005. The details of Options granted, lapsed and exercised as at 31st March, 2013 are as under :

Year of Issue	2005-06	2006-07	2007-08	2008-09	2008-09	Total
Series	1st	2nd	3rd	4th	5th	
Date of grant of Option	31/10/2005	27/11/2006	27/11/2007	25/11/2008	28/05/2009	
Initial Exercise Price (`)	74.60	104.10	72.20	74.20	45.00	
Revised Exercise Price (`)	45.00	45.00	45.00	45.00	N.A.	
Market Price on the date of grant (`)	81.10	87.65	90.75	35.40	82.35	
Excess of initial Exercise Price over Revised Exercise Price (`)	29.60	59.10	27.20	29.20	N.A.	
Excess of Market Price over Exercise Price/Revised Exercise Price (`)	36.10	42.65	45.75	–	37.35	
Number of Options granted upto 31.03.2012	622500	883000	995500	1280000	1464500	5245500
Number of Options exercised upto 31.03.2012	447500	653500	821000	1157000	1146350	4225350
Number of Options lapsed upto 31.03.2012	162000	210000	139500	81000	101000	693500
Number of Options outstanding on 01.04.2012	13000	19500	35000	42000	217150	326650
Number of Options granted during the period	–	–	–	–	–	–
Number of Options exercised during the year	–	–	–	–	–	–
Number of Options lapsed during the year	–	–	–	–	10000	10000
Number of Options outstanding on 31.03.2013	13000	19500	35000	42000	207150	316650

Note : Refer Director's Report for other disclosures.

5. Based on the review made at the Balance Sheet date, MAT credit of ` 5642.00 lacs recognised in earlier years is carried forward as the Management is confident that there will be sufficient taxable profit during the specified period to utilise the same.

Notes forming part of the Consolidated Financial Statements

Note No : 29 Other disclosures (Contd...)

6. Details of Profit from Farm Accounts :

(` in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Income		
Sales	41.82	59.91
Rent	0.10	-
Closing stock of standing crop	12.45	18.07
	54.37	77.98
Expenses		
Opening stock of standing crop	18.07	14.92
Cane seeds purchase	3.26	5.23
Fertilisers and manures	4.04	5.46
Salaries and wages	7.53	7.37
Power and fuel	2.45	2.90
Rent	0.66	1.38
Irrigation and cultivation expenses	7.54	10.79
Repairs - others	1.67	2.36
Miscellaneous expenses	1.28	0.96
	46.50	51.37
Profit from Farm Accounts	7.87	26.61

7. Earnings per Share - The numerators and denominators used to calculate Basic / Diluted Earnings per Share :

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
a) Amount used as the numerator (` in lacs)		
Profit after Tax, Minority Interest and Share of Associate - (A)	16130.09	43.44
b) Weighted average number of Equity Shares Outstanding used as the denominator for computing Basic Earnings per Share - (B)	244313923	245840964
Add : Weighted average number of Equity Shares on account of Employees Stock Option Scheme	126874	131410
c) Weighted average number of Equity Shares Outstanding used as the denominator for computing Diluted Earnings per Share - (C)	244440797	245972374
d) Nominal value of Equity Shares (`)	1.00	1.00
e) Basic Earnings per Share (`) (A/B)	6.60	0.02
f) Diluted Earnings per Share (`) (A/C)	6.60	0.02

8. The Company was granted eligibility certificate dated 23rd February, 2007 under the "New Sugar Industry Promotion Policy, 2004" of the Government of Uttar Pradesh. Till March 2012, the Company had accounted for recoverable incentives aggregating to ` 16900.57 lacs and had availed remission of ` 8267.19 lacs.

The above policy was terminated by the Government of Uttar Pradesh vide order dated 4th June, 2007 wherein the Government expressed its intention to introduce another policy. Though in the "Sugar Industry, Co-generation & Distillery Promotion Policy, 2013" announced in the month of January, 2013 the benefits available under erstwhile policy are not covered, the Company is legally advised that it continues to be eligible to receive the incentives under the erstwhile policy. Furthermore, the Company has filed Writ Petition against withdrawal of the earlier policy which has been admitted by the Lucknow Bench of the Hon'ble Allahabad High Court vide its Order dated 9th May, 2008, the final hearing in respect of which is yet to be completed. As an interim measure, the Order dated 9th May, 2008 permitted limited protection in respect of remissions of taxes.

Accordingly, during the year, the Company has accounted for only remissions of ` 2373.70 lacs (Previous year ` 2539.95 lacs). Eligible reimbursements of ` 4505.98 lacs have, however, not been accounted for during the year which shall be accounted for in accordance with the final order of the High Court.

9. Employee Benefits :

As per Accounting Standard - 15 "Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard are as follows:

Defined Contribution Plan :

Employee benefits in the form of Provident Fund and Labour Welfare Fund are considered as defined contribution plan except that

Notes forming part of the Consolidated Financial Statements

Note No : 29 Other disclosures (Contd...)

Provident fund in respect of certain employees is contributed to a fund set up by the Company which is treated as defined benefit plan since the Company has to meet the interest shortfall.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognised as expense in the Statement of Profit and Loss are as under :

	(in Lacs)	
Defined Contribution Plan	Year ended 31st March, 2013	Year ended 31st March, 2012
Employer's Contribution to Provident Fund	512.15	451.51
Employer's Contribution to Labour Welfare Fund	0.01	0.01

Defined Benefit Plan:

Long-term employee benefits in the form of gratuity and leave encashment are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognised in the Balance Sheet represent the present value of the obligation as adjusted for unrecognised past service cost and as reduced by the fair value of plan assets.

Provident fund in respect of certain employees is contributed to a fund set up by the Company which is treated as a defined benefit plan since the Company has to meet the interest shortfall. The interest shortfall of ` 8.99 lacs (Previous year ` 11.06 lacs) for the year end has been recognised as expense for the year.

Any asset resulting from this calculation is limited to the discounted value of any economic benefit available in the form of refunds from the plan or reduction in future contribution to the plan. The amount recognised in the Accounts in respect of Employees Benefit Schemes based on actuarial reports are as follows :

a) Details of funded post retirement plans are as follows :

Particulars	2012-13		2011-12	
	Gratuity	Provident Fund	Gratuity	Provident Fund
I. Components of Employer Expense :				
1 Current Service Cost	206.70	137.48	189.97	132.88
2 Past Service Cost	-	-	-	-
3 Interest Cost	195.85	220.21	180.31	188.97
4 Expected return on Plan Assets	192.99	205.09	187.24	193.76
5 Actuarial (Gain) /Loss recognised in the year	88.35	35.91	101.73	(40.51)
6 Expense recognised in the Statement of Profit and Loss	297.91	188.51	284.77	87.58
II. Change in Present Value of Defined Benefit Obligation :				
1 Present value of Defined Benefit Obligation at the beginning of the year	2412.35	2526.57	2202.78	2199.02
2 Acquisition Adjustment	-	6.22	-	-
3 Interest Cost	195.85	220.21	180.31	188.97
4 Past Service Cost	-	-	-	-
5 Current Service Cost	206.70	137.48	189.97	132.88
6 Employees Contribution	-	149.35	-	145.63
7 Benefits Paid	216.57	158.67	163.07	95.57
8 Actuarial (Gain) / Loss	191.45	47.74	2.36	(44.36)
9 Present value of Defined Benefit Obligation at the end of the year	2789.78	2928.90	2412.35	2526.57
III. Change in Fair Value of Plan Assets during the year :				
1 Plan Assets at the beginning of the year	2412.35	2525.77	2202.78	2152.92
2 Expected return on Plan Assets	192.99	205.09	187.24	193.76
3 Actual Company Contribution	297.91	286.83	284.77	278.51
4 Benefits paid	216.57	158.67	163.07	95.57
5 Actuarial Gain / (Loss)	103.10	11.84	(99.37)	(3.85)
6 Plan Assets at the end of the year	2789.78	2870.86	2412.35	2525.77

Notes forming part of the Consolidated Financial Statements

Note No : 29 Other disclosures (Contd...)

(in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	Provident Fund	Gratuity	Provident Fund
IV. Net Asset / (Liability) recognised in the Balance Sheet as at year end:				
1 Present value of Defined Benefit Obligation	2789.78	2928.90	2412.35	2526.57
2 Fair value of Plan Assets	2789.78	2870.86	2412.35	2525.77
3 Funded Status [Surplus/(Deficit)]	-	(58.04)	-	(0.80)
4 Net Asset / (Liability) recognised in Balance Sheet	-	(58.04)	-	(0.80)
V. Actuarial Assumptions :				
1 Discount Rate (per annum) %	8.50	8.50	8.50	8.25
2 Expected return on Plan Assets (per annum) %	8.00	8.12	8.50	9.00
3 Expected Rate of Salary increase %	5.00	5.00	5.00	5.00
4 Retirement/Superannuation Age (Year)	60	60	60	60
5 Mortality Rates	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
VI. Major Category of Plan Assets as a % of Total Plan Assets as at year end :				
1 Administered by Insurance Companies	79%	-	75%	-
2 Public Financial Institutions / Public Sector Companies bonds	8%	44%	10%	54%
3 Central / State Government Securities	12%	46%	14%	46%
4 Private sector bonds	-	10%	-	-
5 Others (Cash and Cash Equivalents)	1%	-	1%	-
VII. Expected Employer's Contribution for the next year :				
Expected Employer's Contribution for the next year	374.85	151.00	313.24	141.00

VIII. Basis used to determine the expected Rate of return on Plan Assets :

The basis used to determine overall expected Rate of return on Plan Assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the Capital and optimise returns within acceptable risk parameters, the Plan Assets are well diversified.

IX. The history of experience adjustments for funded post retirement plans are as follows :

(in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 30th September, 2009	As at 30th September, 2008
Gratuity					
Present value of defined benefit obligation	2789.78	2412.35	2202.78	1691.56	1504.48
Fair value of plan assets	2789.78	2412.35	2202.78	1601.90	1405.54
(Deficit)/Surplus	-	-	-	(89.66)	(98.94)
Experience adjustments of plan assets - Gain/(Loss)	103.10	(99.37)	(21.92)	(23.16)	(10.26)
Experience adjustments of obligation (Gain)/Loss	191.45	2.36	183.64	43.75	(37.12)
Provident Fund					
Present value of defined benefit obligation	2928.90	2526.57	2199.02	1887.79	1805.61
Fair value of plan assets	2870.86	2525.77	2152.92	1881.25	1781.00
(Deficit)/Surplus	(58.04)	(0.80)	(46.10)	(6.54)	(24.61)
Experience adjustments of plan assets - Gain/(Loss)	(4.38)	165.98	111.32	(6.46)	(72.66)
Experience adjustments of obligation (Gain)/Loss	(51.42)	(20.35)	149.77	(24.73)	(55.72)

Notes forming part of the Consolidated Financial Statements

Note No : 29 Other disclosures (Contd...)

b) Details of unfunded post retirement Defined Obligations are as follows: (^ in Lacs)

Particulars	Leave Encashment (Unfunded)	
	2012-13	2011-12
I. Components of Employer Expense :		
1 Current Service Cost	40.56	27.07
2 Past Service Cost	-	-
3 Interest Cost	16.82	15.33
4 Expected return on Plan Assets	-	-
5 Actuarial (Gain) /Loss recognised in the year	11.50	18.99
6 Expense recognised in the Statement of Profit and Loss	68.88	61.39
II. Change in Present Value of Defined Benefit Obligation :		
1 Present value of Defined Benefit Obligation at the beginning of the year	218.71	203.42
2 Interest Cost	16.82	15.33
3 Past Service Cost	-	-
4 Current Service Cost	40.56	27.07
5 Benefits Paid	41.56	46.10
6 Actuarial (Gain) / Loss	11.50	18.99
7 Present value of Defined Benefit Obligation at the end of the year	246.03	218.71
III. Net Asset / (Liability) recognised in the Balance Sheet as at year end:		
1 Present value of Defined Benefit Obligation	246.03	218.71
2 Fair value of Plan Assets	-	-
3 Funded Status [Surplus/(Deficit)]	(246.03)	(218.71)
4 Net Asset / (Liability) recognised in Balance Sheet	(246.03)	(218.71)
IV. Actuarial Assumptions :		
1 Discount Rate (per annum) %	8.50	8.50
2 Expected return on Plan Assets (per annum) %	-	-
3 Expected Rate of Salary increase %	5.00	5.00
4 Retirement/Superannuation Age (Year)	60	60
5 Mortality Rates	LICI 1994-1996	LICI 1994-1996
V. Expected Employer's Contribution for the next year :		
Expected Employer's Contribution for the next year	29.21	23.17

c) Other disclosures :

i) Basis of estimates of Rate of escalation in salary :

The estimates of rate of escalation in salary, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

ii) The Gratuity and Provident Fund Expenses have been recognised under "Contribution to Provident and Other Funds" and Leave Encashment under "Salaries and Wages" under note no.25.

10. Segment information as per Accounting Standard - 17 on 'Segment Reporting' :

The Company has identified three primary business segments viz. Sugar, Distillery, Co-generation. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure and internal business reporting system.

a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Notes forming part of the Consolidated Financial Statements

Note No : 29 Other disclosures (Contd...)

c) Information about Primary Business Segments:

(` in Lacs)

Particulars	Sugar	Distillery	Co-generation	Others	Unallocable	Total
Revenue						
Gross sales	310302.71 (214066.52)	20044.69 (15807.48)	30210.91 (30226.97)	491.70 (269.99)	- (-)	361050.01 (260370.96)
Less : Inter segment sales	14273.56 (12918.75)	5.76 (3.90)	8367.30 (8416.29)	0.36 (0.87)	- (-)	22646.98 (21339.81)
External sales	296029.15 (201147.77)	20038.93 (15803.58)	21843.61 (21810.68)	491.34 (269.12)	- (-)	338403.03 (239031.15)
Less : Excise duty and cess on external sales	9540.98 (6986.84)	1378.02 (1089.68)	- (-)	- (-)	- (-)	10919.00 (8076.52)
Net sales	286488.17 (194160.93)	18660.91 (14713.90)	21843.61 (21810.68)	491.34 (269.12)	- (-)	327484.03 (230954.63)
Add : Allocable other income	432.49 (870.70)	1949.11 (55.63)	36.78 (75.67)	21.40 (1.13)	- (-)	2439.78 (1003.13)
Total revenue	286920.66 (195031.63)	20610.02 (14769.53)	21880.39 (21886.35)	512.74 (270.25)	- (-)	329923.81 (231957.76)
Result						
Segment result	12660.65 (-) (2217.34)	9683.04 (5383.15)	15484.11 (14212.65)	111.14 (-) (69.94)	- (-)	37938.94 (17308.52)
Less:						
Unallocable expenditure net of unallocable income					2572.42 (2411.32)	2572.42 (2411.32)
Finance costs					14386.70 (14741.12)	14386.70 (14741.12)
Profit before tax						20979.82 (156.08)
Tax						
Current tax						4240.00 (156.00)
Deferred tax						612.72 (-) (37.56)
Income tax provision for earlier years written back						- (-) (2.92)
Profit after tax						16127.10 (40.56)
Other information						
Segment assets	294818.49 (316349.93)	17048.60 (17483.69)	60347.66 (60859.44)	1307.64 (1399.90)	48803.75 (24571.44)	422326.14 (420664.40)
Segment liabilities	74335.70 (72953.17)	786.81 (2580.53)	236.06 (229.81)	138.90 (163.16)	38930.44 (24772.91)	114427.91 (100699.58)
Capital expenditure	1089.78 (1257.29)	587.30 (27.35)	636.12 (69.58)	- (0.21)	135.11 (158.81)	2448.31 (1513.24)
Depreciation and amortisation	6526.37 (6552.56)	822.07 (823.76)	3371.27 (3572.54)	61.32 (64.20)	57.95 (536.99)	10838.98 (11550.05)
Non cash expenses other than depreciation and amortisation	238.63 (468.45)	0.18 (1.55)	420.39 (690.64)	- (4.89)	24.40 (8.63)	683.60 (1174.16)

Notes :

- Transactions between segments are primarily for materials which are transferred at market determined prices. Common costs are apportioned on a reasonable basis.
- Unallocable expenses are net of unallocable income ` 1788.26 lacs (Previous year ` 1649.35 lacs).
- Inter segment sales include excise duty and cess ` 879.37 lacs (Previous year ` 972.60 lacs).
- Figures in brackets pertain to previous year.

d) Information about Secondary Geographical Segments : There is no secondary segment.

Notes forming part of the Consolidated Financial Statements

Note No : 29 Other disclosures (Contd...)

11. Related party disclosures as per Accounting Standard - 18 are given below :

a) Name of the related parties and description of relationship :

i) Associate :

VA Friendship Solar Park Pvt. Ltd.

ii) Key Managerial Personnel (KMP):

Shri Vivek Saraogi - Managing Director

Smt. Meenakshi Saraogi - Joint Managing Director

Shri Kishor Shah - Director-cum-Chief Financial Officer

Dr. Arvind Krishna Saxena - Whole-time Director

iii) Relatives of Key Managerial Personnel :

Shri Vivek Saraogi

1. Shri K.N.Saraogi (Father) - Chairman Emeritus

2. Smt. Meenakshi Saraogi (Mother)

3. Smt. Sumedha Saraogi (Wife)

4. Shri Karan Saraogi (Son)

5. Miss Avantika Saraogi (Daughter)

6. Smt. Stuti Dhanuka (Sister)

Smt. Meenakshi Saraogi

1. Shri K.N.Saraogi (Husband)

2. Shri Vivek Saraogi (Son)

3. Smt. Stuti Dhanuka (Daughter)

4. Smt. Sumedha Saraogi (Daughter- in-law)

5. Shri Karan Saraogi (Grand-Son)

6. Miss Avantika Saraogi (Grand-Daughter)

iv) Enterprises over which KMP and their relatives have substantial interest / significant influence:

1. Meenakshi Mercantiles Ltd.

2. Udaipur Cotton Mills Co. Ltd.

3. Balrampur Institute of Vocational Aid

4. Balrampur Foundation

5. Kamal Nayan Saraogi (HUF)

6. Vivek Saraogi (HUF)

7. Kishor Shah (HUF)

b) Transactions with related parties :

(in Lacs)

Nature of transaction / Name of the related party	Associate	Enterprises over which KMP and their relatives have substantial interest/ significant influence	Key Managerial Personnel (KMP)	Relatives of KMP	Total
i) Investments made during the year in VA Friendship Solar Park Pvt.Ltd.	- (12.14)	- (-)	- (-)	- (-)	- (12.14)
ii) Receiving of Services					
Smt. Meenakshi Saraogi	- (-)	- (-)	332.23 (206.68)	- (-)	332.23 (206.68)
Shri Vivek Saraogi	- (-)	- (-)	318.87 (210.65)	- (-)	318.87 (210.65)
Shri Kishor Shah	- (-)	- (-)	84.65 (45.63)	- (-)	84.65 (45.63)
Dr. Arvind Krishna Saxena	- (-)	- (-)	16.62 (15.01)	- (-)	16.62 (15.01)

Notes forming part of the Consolidated Financial Statements

Note No : 29 Other disclosures (Contd...)

(in Lacs)

Nature of transaction / Name of the related party	Associate	Enterprises over which KMP and their relatives have substantial interest/ significant influence	Key Managerial Personnel (KMP)	Relatives of KMP	Total
iii) Dividend Paid to Shareholders					
Shri K.N.Saraogi	- (-)	- (-)	- (-)	- (146.98)	- (146.98)
Smt. Meenakshi Saraogi	- (-)	- (-)	- (106.83)	- (-)	- (106.83)
Shri Vivek Saraogi	- (-)	- (-)	- (138.64)	- (-)	- (138.64)
Shri Kishor Shah	- (-)	- (-)	- (0.30)	- (-)	- (0.30)
Dr. Arvind Krishna Saxena	- (-)	- (-)	- (0.14)	- (-)	- (0.14)
Smt. Sumedha Saraogi	- (-)	- (-)	- (-)	- (73.49)	- (73.49)
Shri Karan Saraogi	- (-)	- (-)	- (-)	- (29.60)	- (29.60)
Miss Avantika Saraogi	- (-)	- (-)	- (-)	- (28.10)	- (28.10)
Smt. Stuti Dhanuka	- (-)	- (-)	- (-)	- (37.59)	- (37.59)
Meenakshi Mercantiles Ltd.	- (-)	- (64.33)	- (-)	- (-)	- (64.33)
Udaipur Cotton Mills Co. Ltd.	- (-)	- (49.20)	- (-)	- (-)	- (49.20)
Kamal Nayan Saraogi (HUF)	- (-)	- (58.97)	- (-)	- (-)	- (58.97)
Vivek Saraogi (HUF)	- (-)	- (1.28)	- (-)	- (-)	- (1.28)
Kishor Shah (HUF)	- (-)	- (0.04)	- (-)	- (-)	- (0.04)
iv) Donation paid					
Balrampur Institute of Vocational Aid	- (-)	349.50 (136.00)	- (-)	- (-)	349.50 (136.00)
Balrampur Foundation	- (-)	28.75 (24.28)	- (-)	- (-)	28.75 (24.28)
vi) Balance Outstanding					
Accounts payable					
Smt. Meenakshi Saraogi	- (-)	- (-)	150.00 (-)	- (-)	150.00 (-)
Shri Vivek Saraogi	- (-)	- (-)	150.00 (-)	- (-)	150.00 (-)
Shri Kishor Shah	- (-)	- (-)	39.00 (-)	- (-)	39.00 (-)

c) The transactions with related parties have been entered at an amount which is not materially different from those on normal commercial terms.

d) No amount has been written back / written off during the year in respect of due to / from related parties.

e) The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.

f) Figures in brackets pertain to previous year.

Notes forming part of the Consolidated Financial Statements

Note No : 29 Other disclosures (Contd...)

12. Derivative Instruments

The Company has entered into derivative contracts to hedge the interest rate and currency risks. The details of derivative contracts entered into for hedging purposes and outstanding on the date of the Balance Sheet are as under: (in Lacs)

Particulars	Outstanding amount of exposure hedged	
	As at 31st March, 2013	As at 31st March, 2012
Swaps	10205.38	27306.55

13. The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 4th April, 2013 approved the dismantling of regulated release mechanism of sugar with immediate effect and also removed the obligation on the sugar mills to supply 10% of their sugar production as levy sugar for sugar produced on or after 1st October, 2012 i.e. for sugar season 2012-13 onwards. Necessary notifications in this regard have been issued on 2nd May, 2013. Therefore, the Company has given necessary effect of the announcement of CCEA in its books of account for the year ended 31st March, 2013.

14. The effect of dissolution of a subsidiary during the year on the consolidated financial statements is as under: (in Lacs)

Name of the subsidiary company	Effect on Group Profit/(Loss) after Minority interest for the year ended		Effect on net assets as at	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Balrampur Overseas Pvt. Ltd.	35.44	(4.56)	-	144.62

15. The Board of Directors of the Company in their meeting held on 7th November, 2012 has approved the merger of Khalilabad Sugar Mills Pvt. Ltd. (KSMPL), a sick company registered with Board for Industrial and Financial Reconstruction (BIFR), with the company subject to the approval of the Hon'ble BIFR and the Shareholders of the Company. The draft scheme of merger is under the consideration of Hon'ble BIFR and the final hearing in respect of which is expected shortly. KSMPL has an installed capacity of 2500 TCD and is situated in the rich cane area near one of the company's existing facility at Babhnan. The proposed merger of KSMPL with the Company would add value to the Company's integrated business model.

16. Other notes in respect of a Subsidiary Company (Indo Gulf Industries Limited):

- The Government of Uttar Pradesh has initiated recovery proceedings for recovery of Sales Tax dues related to Explosive unit at Jhansi, pursuant to which, the factory at Jhansi has been seized by the Government authorities. All assets located at the factory including records there at remain seized till the year end. Out of the above assets, certain assets pertaining to the said unit have been auctioned by the office of the Labour Commissioner, Jhansi, against which a sum of ` 8.03 lacs (previous year ` 8.03 lacs) is lying with them. Pending availability of relevant information, no adjustment in this respect has been carried out in these accounts.
- Due to seizure of Company's explosive plant at Jhansi, the condition of the plant & machineries and other fixed assets there at and the impairment loss, if any, in respect thereof could not be determined, pending which no provision for such impairments, if any, could be made in the accounts.

17. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached.

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E



(CA. Ajay Agrawal)

Partner

Membership No. 17643

Place: Kolkata

Date: 10th May, 2013.

For and on behalf of the Board of Directors



S. K. Agrawala
Company Secretary



Kishor Shah
Director cum Chief
Financial Officer



Vivek Saraogi
Managing Director



Balrampur Chini Mills Limited

Registered Office : 'FMC Fortuna', 2nd Floor, 234/3A, Acharya Jagdish Chandra Bose Road, Kolkata-700 020

PROXY FORM

Folio No DPID No. Client ID No..... No of Share

I/We of

..... being a member/members of

BALRAMPUR CHINI MILLS LIMITED hereby appoint of

or failing him of

..... or of

.....as my /our Proxy to attend and vote for me /us on my /our behalf
at the 37th Annual General Meeting of the Company to be held on Wednesday, the 31st July, 2013 at 11.00 a.m. and at any
Adjournment thereof.

Signed day of 2013

Signature

Affix
Revenue
Stamp

Note: The Proxy must be returned so as to reach the Registered Office of the Company at 'FMC Fortuna', 2nd Floor, 234/3A, Acharya Jagdish Chandra Bose Road, Kolkata - 700 020 not less than FORTYEIGHT HOURS before the time for holding the aforesaid meeting.



Balrampur Chini Mills Limited

Registered Office : 'FMC Fortuna', 2nd Floor, 234/3A, Acharya Jagdish Chandra Bose Road, Kolkata-700 020

ATTENDANCE SLIP 37th Annual General Meeting

Wednesday, the 31st July, 2013 at 11.00 a.m. at 'Vidya Mandir', 1, Moira Street, Kolkata – 700017

Name of the attending Member / Proxy (In block letters):

Member's Folio No/Client ID No. DPID No.

No. of Shares held :

I hereby record my presence at the 37th Annual General Meeting held on Wednesday, the 31st July, 2013.

Member's/ Proxy's Signature

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HAND OVER AT THE
ENTRANCE DULY FILLED IN



Corporate information

Chairman Emeritus

Kamal Nayan Saraogi

Board of Directors

Naresh Chandra (IAS Retd.), *Chairman*

Vivek Saraogi, *Managing Director*

Meenakshi Saraogi,

Joint Managing Director

R. K. Choudhury, *Director*

R. Vasudevan (IAS Retd.), *Director*

R. N. Das (IAS Retd.), *Director*

Kishor Shah,

Director-cum-Chief Financial Officer

Dr. Arvind Krishna Saxena,

Whole-time Director

Company Secretary

S.K. Agrawala

Board Committees

Audit Committee

R. Vasudevan, *Chairman*

R. K. Choudhury, *Vice Chairman*

Vivek Saraogi

R. N. Das

Shareholders'/Investors' Grievance Committee

R. K. Choudhury, *Chairman*

Vivek Saraogi

R. Vasudevan

R. N. Das

Remuneration Committee

Naresh Chandra, *Chairman*

R. K. Choudhury

R. Vasudevan

R. N. Das

Share Transfer Committee

Vivek Saraogi

Meenakshi Saraogi

R.K. Choudhury

Kishor Shah

Solicitors and Advocates

Khaitan & Co LLP

1B, Old Post Office Street,

Kolkata 700 001

Bankers

State Bank of India

HDFC Bank

Punjab National Bank

Auditors

G.P. Agrawal & Co.

Chartered Accountants

Registered office

FMC Fortuna, 2nd Floor,

234/3A, A.J.C. Bose Road,

Kolkata 700 020

Sugar Factories

Unit 1: Balrampur

(Including distillery, organic manure and co-generation units)

Dist: Balrampur, Uttar Pradesh

Unit 2: Babhnan

(Including distillery, organic manure and co-generation units)

Dist: Gonda, Uttar Pradesh

Unit 3: Tulsipur

Dist: Balrampur, Uttar Pradesh

Unit 4: Haidergarh

(Including co-generation unit)

Dist: Barabanki, Uttar Pradesh

Unit 5: Akbarpur

(Including co-generation unit)

Dist: Ambedkar Nagar,
Uttar Pradesh

Unit 6: Rauzagaon

(Including co-generation unit)

Dist: Faizabad, Uttar Pradesh

Unit 7: Mankapur

(Including distillery,
organic manure and
co-generation units)

Dist: Gonda, Uttar Pradesh

Unit 8: Kumbhi

(Including co-generation unit)

Dist: Lakhimpur Kheri,
Uttar Pradesh

Unit 9: Gularia

(Including co-generation unit)

Dist: Lakhimpur Kheri,
Uttar Pradesh

Unit 10: Maizapur

Dist: Gonda, Uttar Pradesh

BOOK POST



If undelivered please return to:

Balrampur Chini Mills Limited

Registered Office:
FMC Fortuna, 2nd Floor
234/3A AJC Bose Road,
Kolkata 700020, India
www.chini.com