GANGES SECURITIES LIMITED

CIN : U74120UP2015PLC069869
Regd. Office : P. O. - Hargaon, Dist. - Sitapur (U.P.) Pin - 261 121
Phone : (05862) 256220-221 E-mail : birlasugar@birla-sugar.com

GSL/SE/2017-18/16

October 3, 2017

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra- Kurla Complex, Bandra (E)
Mumbai 400 051

Symbol : GANGESSECU

The Dy. General Manager
Corporate Relationship Department
BSE Ltd.
1st Floor, New Trading Ring,
Rotunda Building
P.J. Towers, Dalal Street, Fort
Mumbai-400 001

Stock Code : 540647

The Secretary
The Calcutta Stock Exchange Ltd.
7, Lyons Range
Kolkata 700 001

Stock Code : 17434

Dear Sirs,

Re: Annual Report & Accounts for the year ended March 31, 2017

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we send herewith a copy of the Annual Report of the Company for the financial year 2016-17, duly approved and adopted by the Members of the Company at the 3rd Annual General Meeting held on September 22, 2017.

Please acknowledge receipt.

Yours faithfully,
For **Ganges Securities Limited**

Vijaya Agarwala

Vijaya Agarwala
Company Secretary
ACS- 38658

Ganges Securities Limited

Encl – as above

Ganges
Securities Limited

Annual Report
2016-17

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BOARD OF DIRECTORS

Mrs. Nandini Nopany, Chairperson
Mr. Chandra Shekhar Nopany, Co-chairperson
Mr. Arun Kumar Newar
Mr. Nandanandan Mishra
Mr. Dhiraj Ramakant Banka
Mr. Santosh Kumar Poddar, Managing Director

COMMITTEES OF DIRECTORS

Audit Committee

Mr. Arun Kumar Newar - Chairman
Mr. Nandanandan Mishra
Mr. Dhiraj Ramakant Banka
Mr. Santosh Kumar Poddar

Stakeholders' Relationship Committee

Mr. Nandanandan Mishra - Chairman
Mr. Arun Kumar Newar
Mr. Santosh Kumar Poddar

Nomination and Remuneration Committee

Mr. Dhiraj Ramakant Banka - Chairman
Mr. Nandanandan Mishra
Mr. Arun Kumar Newar

EXECUTIVES

Mr. Vikash Goyal, Chief Financial Officer

AUDITORS

M/s Agrawal, Subodh & Co.
Chartered Accountants
3, Victory House, 1 Ganesh Chandra Avenue
Kolkata - 700 001

ADVOCATES & SOLICITORS

Khaitan & Co. LLP

BANKERS

DCB Bank limited

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
(Unit : Ganges Securities Limited)
59C, Chowringhee Road,
Kolkata - 700 020
Tel. No.:(033)2289 0540, Fax No: (033) 2289 0539
E-mail : kolkata@linkintime.co.in

REGISTERED OFFICE

P. O. Hargaon District – Sitapur, (U. P.)
Pin Code – 261 121
Tel. No. : (05862) 256220, Fax No. : (05862) 256225
E-mail : birlasugar@birla-sugar.com
Website : www.birla-sugar.com
CIN – U74120UP2015PLC069869

CORPORATE & HEAD OFFICE

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

Directors' Report

Dear Members,

Your Directors present herewith the Third Annual Report on the performance of the Company along with the Audited Financial Statements of the Company for the year ended 31st March, 2017.

1. COMPOSITE SCHEME OF ARRANGEMENT

The Composite Scheme of Arrangement between Upper Ganges Sugar & Industries Ltd, The Oudh Sugar Mills Ltd, Palash Securities Ltd, Allahabad Canning Ltd, Ganges Securities Ltd, Cinnatolliah Tea Ltd, Vaishali Sugar & Energy Ltd, Magadh Sugar & Energy Ltd and Avadh Sugar & Energy Ltd and their respective shareholders and creditors has received requisite approvals of regulatory authorities including Hon'ble High Court, SEBI, CCI and finally by National Company Law Tribunal, Allahabad Bench on March 2, 2017. The Scheme envisaged Birla Group of Sugar Companies to re-arrange its business activities, to achieve the Business alignment as per market dynamics and variant capital needs of each business as well as to house geographically in separate entities its sugar, investments, tea and food processing businesses. Pursuant to the said Scheme the tea business and investment business undertaking of Upper Ganges Sugar & Industries Limited have been transferred to and vested in the Company and thereafter Tea business unit of the Company has been transferred to and vested in its Wholly Owned Subsidiary, Cinnatolliah Tea Limited.

2. FINANCIAL RESULTS

(₹ in lakhs)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from Operations (Gross)	15.82	-
Profit before Finance Costs, Tax, Depreciation and Amortization	(11.92)	(3.51)
Less: Depreciation & Amortization		
Expenses	4.01	-
Profit/(Loss) before tax	(15.93)	(3.51)
Profit/(Loss) after tax	(15.93)	(3.51)

3. FINANCIAL PERFORMANCE OF THE COMPANY

The Company recorded Total Revenue of Rs. 15.82 lakhs during the financial year ended 31st March, 2017. The Profit / (Loss) before finance costs, tax, depreciation and amortisation for the year under review stood at Rs. (11.92) lakhs.

In view of inadequate profits, the Board of Directors has not recommended payment of dividend.

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

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. 31st March 2017 and the date of this report.

4. SHARE CAPITAL

During the year under review, the Authorised Share Capital of the Company was increased to Rs. 15,00,00,000/- (Rupees Fifteen Crores) from Rs. 2,00,00,000/- (Rupees Two Crores) on 12th September, 2016. Pursuant to the Scheme of Arrangement, the Company allotted 1,00,03,687 (One Crore Three Thousand Six Hundred and Eighty Seven) Equity Shares of Rs. 10/- (Rupees Ten) each to the Equity shareholders and 1,50,000 (One Lakh Fifty Thousand) 12% Non-convertible Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees Hundred) to the Preference shareholders of Upper Ganges Sugar & Industries Limited respectively. The total paid up capital as on 31st March, 2017 was Rs. 11,50,36,870/- (Rupees Eleven Crores Fifty Lakhs Thirty Six Thousand Eight Hundred and Seventy).

5. SUBSIDIARY COMPANIES

The Company has two subsidiaries. The Company has formulated a policy for determining material subsidiaries in line with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is being disclosed on the Company's website at the weblink *http://birla-sugar.com/Assets/Ganges/Ganges-Securities-Policy-for-Determining-Material-Subsidiaries.pdf.*

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the details containing salient features of the financial statements of the subsidiary companies in Form AOC-1 forms part of this Report and is marked as **Annexure 'H'**.

6. DIRECTORS

The Board of Directors comprises of five Non-Executive Directors having experience in varied fields and a Managing Director. Out of five Non-Executive Directors, three of them are Independent Directors. Mrs Nandini Nopany is the Chairperson of the Company.

Mrs. Nandini Nopany [DIN-00051362] will retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment as Director of the Company.

Mr. S Subramanian [DIN: 06826788] and Mr. Kailash Chand Gupta [DIN: 00047493], Non-executive Directors have resigned as Directors of the Company with effect from 30th March, 2017. The Board places on record its appreciation for the valuable contribution made by them during their association with the Company.

Pursuant to the applicable provisions of the Companies Act, 2013 the Board of Directors of the Company at its meeting held on 14th March, 2017 and 30th March, 2017 respectively appointed Mr. Chandra Shekhar Nopany, Mr Nandanandan Mishra, Mr. Dhiraj Ramakant Banka and Mr Arun Kumar Newar as Additional Directors and accordingly they would hold the office upto the date of the ensuing Annual General Meeting. Further, the Board of Directors at its meeting held on 14th March, 2017 and 30th March, 2017, designated Mr. Nandanandan Mishra, Mr. Dhiraj Ramakant Banka and Mr Arun Kumar Newar respectively as Independent Directors. The Company has received notices in writing under Section 160 of the Companies Act, 2013 from members proposing the candidature of Mr. Chandra Shekhar Nopany [DIN: 00014587], Mr. Nandanandan Mishra [DIN: 00031342], Mr. Dhiraj Ramakant Banka [DIN: 07642329] and Mr. Arun Kumar Newar [DIN: 07778968]. The Board therefore recommends to the shareholders their appointment for a period of five consecutive years with effect from the respective dates of their appointments.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) & (7) of the Companies Act, 2013.

Further, the Board of Directors at its meeting held on 30th March, 2017, had appointed Mr. Santosh Kumar Poddar [DIN: 00055786], as the Managing Director of the Company, for a period of three years subject to the approval of members in the ensuing General Meeting.

Other information on the Directors proposed to be appointed/re-appointed including required particulars of Directors retiring by rotation is provided in the Notice convening the Annual General Meeting.

7. KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company at its meeting held on March 30, 2017 had appointed following persons as Key Managerial Personnel of the Company viz:

a. Mr. Santosh Kumar Poddar, Managing Director;

b. Mr. Vikash Goyal, Chief Financial Officer.

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to Directors & employees of the Company and a declaration to the said effect by the Managing Director is made part of the Corporate Governance Report which forms part of this report. The Code is available on the Company's website at the weblink *http://birla-sugar.com/Assets/Ganges/Ganges-Securities-Code-of_Conduct.pdf* All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

8. REMUNERATION POLICY

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

9. MEETINGS

A calendar of Meeting is prepared and circulated in advance to the Directors. The Board evaluates all the decisions on a collective consensus basis amongst the Directors. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. During the financial year ended 31st March 2017, 6 (six) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the F.Y. 2016-17 have been furnished in the Corporate Governance Report forming a part of this Directors' Report.

10. AUDIT COMMITTEE

The Audit Committee was constituted on March 30, 2017 and the Committee now comprises of Mr. Arun Kumar Newar, Mr. Nandanandan Mishra, Mr Dhiraj Ramakant Banka and Mr. Santosh Kumar Poddar. During the year no meeting of the Committee was held.

The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report, which forms an integral part of this Report

11. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee was constituted on March 30, 2017 and now comprises of Mr. Arun Kumar Newar, Mr. Nandanandan Mishra, Mr Dhiraj Ramakant Banka. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report, which forms an integral part of this Report.

12. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted on March 30, 2017 and now comprises of Mr. Arun Kumar Newar, Mr. Nandanandan Mishra, Mr Dhiraj Ramakant Banka. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report, which forms an integral part of this Report.

13. LOANS, GUARANTEE AND INVESTMENTS

Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Note 9 to the Financial Statements. During the year, the Company has not given any loans and corporate guarantees covered under the provisions of the Companies Act, 2013.

14. RELATED PARTY CONTRACTS / ARRANGEMENTS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, no transaction is being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the Directors draw attention of the members to Note 18 to the financial statements which set out related party disclosures.

The Company has developed a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions and accordingly any or all Related Party Transactions are placed before the Audit Committee as also the Board for approval.

15. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public and as such there are no outstanding fixed deposits in terms of Companies (Acceptance of Deposit Rules) 2014.

16. INTERNAL FINANCIAL CONTROLS

The Company has laid down internal financial control's, through a combination of Entity level controls, Process level controls and IT General controls *inter-alia* to ensure orderly and efficient conduct of business, including adherence to the Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements/information, safeguarding of assets, prevention and detection of frauds and errors. The evaluation of these internal financial controls were done through the internal audit process and were also reviewed by the Statutory Auditors. Based on their view of these reported evaluations, the directors confirm that, for the preparation of financial statements for the financial year ended March 31, 2017, the applicable Accounting Standards have been followed and the internal financial controls are generally found to be adequate and were operating effectively & that no significant deficiencies were noticed.

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

17. WHISTLE BLOWER / VIGIL MECHANISM

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

18. CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion & Analysis Report, the Report on Corporate Governance, Declaration of Managing Director on Code of Conduct and a Certificate on Compliance with the conditions of Corporate Governance form integral part of this Report and are annexed to this Report as '**Annexure A, B, C & D**' respectively.

19. AUDITORS, AUDIT QUALIFICATIONS AND BOARD'S EXPLANATIONS

STATUTORY AUDITORS

At the 2nd Annual General Meeting (AGM) of your Company held on 12th September, 2016 M/s. Agrawal, Subodh & Co., Chartered Accountants, having Firm Registration No. 319260E, were appointed as Statutory Auditors of your Company to hold office for a term of 5 (five) years from the conclusion of 2nd AGM (subject to ratification of such appointment by the Members at every AGM) till the conclusion of the 7th AGM of your Company. Accordingly, the appointment of M/s Agrawal, Subodh & Co., Chartered Accountants, as Statutory Auditors of your Company, is placed for ratification by the Members. The Board of Directors of your Company recommend ratification of their appointment from the conclusion of this AGM upto the conclusion of the 4th AGM of your Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has voluntarily availed the services of Messrs Vinod Kothari & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report is annexed herewith as **"Annexure-F"** and which is self explanatory and does not call for any further comments.

20. INVESTORS' EDUCATION AND PROTECTION FUND

The provisions pertaining to Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, are not applicable to your Company.

21. EXTRACT OF ANNUAL RETURN

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

22. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The provisions of Section 134(3)(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or outflow during the year under review.

23. PARTICULARS OF EMPLOYEES

During the year under review, there was no employee in the Company who was in receipt of remuneration as required to be disclosed under Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

24. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITON & REDRESSAL) ACT 2013

There has been no such case pending during the year under review.

25. DIRECTORS' RESPONSIBILITY STATEMENT

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

a. that in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the loss of the Company for the year ended on that date;

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

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

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

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

26. CEO/CFO CERTIFICATION

Mr. Santosh Kumar Poddar, Managing Director and Mr. Vikash Goyal, Chief Financial Officer have submitted certificates to the Board as contemplated under Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

27. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the services rendered to the Company by its employees and shareholders. Your Directors also wish to express their sincere thanks to and bankers and other lenders for their continued co-operation and assistance.

For and on behalf of the Board
Nandini Nopany
Chairperson
DIN-00051362

Place: Kolkata
Dated: 30th May, 2017

Annexure A

Management Discussion and Analysis

OVERVIEW

The Composite Scheme of Arrangement between Upper Ganges Sugar & Industries Ltd, The Oudh Sugar Mills Ltd, Palash Securities Ltd, Allahabad Canning Ltd, Ganges Securities Ltd, Cinnatolliah Tea Ltd, Vaishali Sugar & Energy Ltd, Magadh Sugar & Energy Ltd and Avadh Sugar & Energy Ltd and their respective shareholders and creditors has received requisite approvals of regulatory authorities including Hon'ble High Court, SEBI, CCI and finally by National Company Law Tribunal, Allahabad Bench on March 2, 2017. The Scheme envisaged Birla Group of Sugar Companies to re-arrange its business activities, to achieve the Business alignment as per market dynamics and variant capital needs of each business as well as to housed geographically in separate entities its sugar, investments, tea and food processing businesses. Pursuant to the said Scheme the investment business undertakings of Upper Ganges Sugar & Industries Limited stands transferred and vested with the company from the effective date. Pursuant to transfer of investment undertaking the following companies becomes wholly owned subsidiary of the Company.

- Cinnatolliah Tea Limited
- Uttar Pradesh Trading Company Limited

The businesses of the Company are carried out by its wholly-owned subsidiaries. The wholly owned subsidiary company Cinnatolliah Tea Ltd is engaged in the tea business, having its Tea Garden at North Lakhimpur, Assam with an installed capacity of 12.5 Lac KG of black tea, and whereas the other wholly owned subsidiary company Uttar Pradesh Trading Company Ltd is primarily engaged in investment activity and is a NBFC registered with RBI. The Management's focus is to achieve a healthy return on equity (ROE) on a sustainable basis. The performance of your company during the year ended 31st March 2017 was satisfactory.

OUTLOOK

The Company's present business operations are preponderantly that of an investment company, future of which largely depends upon financial and capital markets. Your Company through its wholly owned subsidiaries had investments in financially sound group companies under which steady dividend income flows into the Company coupled with sustained appreciation in capital. The Management is optimistic about the future outlook of the investee Companies. Further, more promising areas of activity are being explored on a sustained basis. The Company will strive to focus on making long-terms strategic investments in various new ventures promoted by the Group besides consolidating the existing investments through further investments in the existing companies.

FUTURE PROSPECTS

India's economic growth rate as measured through GDP showed signs of steady recovery in F.Y. 2016-17 at around 7% as compared to 7.6% in 2015-16. Against the backdrop of robust macro-economic stability, the year was marked by two major domestic policy developments, the passage of the Constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action to demonetise the two highest denomination notes. The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth; it is also a bold new experiment in the governance of India's cooperative federalism. Demonetisation has had short-term costs but holds the potential for long- term benefits. Follow-up actions to minimize the costs and maximise the benefits include: fast, demand-driven, remonetisation; further tax reforms, including bringing land and real estate into the GST, reducing tax rates and stamp duties; and acting to allay anxieties about over-zealous tax administration. These actions would allow growth to return to trend in 2017-18, following a temporary decline in 2016-17. India's gross domestic product (GDP) is estimated to grow at 7.1 per cent during the fourth quarter of FY17, as remonetisation has picked up pace, as per credit rating agency, ICRA.

In the Union Budget 2017-18, the Government of India has announced a few key reforms like abolishment of Foreign Investment Promotion Board in 2017-18, Introduce bill for curbing illicit deposit schemes, establish a Computer Emergency Response Team for financial sector (CERT-Fin) and set aside Rs.10,000 crore (US$ 1.5 billion) towards

recapitalisation of banks. The RBI has introduced trading in interest rate options (IRO), effective from January 31, 2017, which will provide another avenue to market participants to hedge and speculate on interest rate risk.

The Tea Industry in India derives its importance by being one of the major foreign exchange earner and for playing a vital role towards employment generation as the industry is highly labour intensive. India is the second largest producer of tea in the world and contributes to around 30% of the global tea production. The market size of tea is estimated to be approx. Rs.10,000 Crore with a penetration of more than 90% in the domestic market. With an export of approx. 210 million kg of tea, India stands as the fourth largest exporter of tea in the world.

The tea sector in the country is largely organized since 72% of the total area under tea cultivation and 74% of the total production comes from the organized sector. Tea in India is grown over an area of 600000 hectare (ha) which accounts for 16% of the total area under tea cultivation in the world. The Indian tea industry is having thousands of tea gardens spread across various states of India. Assam produces over half of India's tea and accounts for over 12% of the annual global tea yield, according to ASSOCHAM.

OPPORTUNITIES AND THREATS

The Company is exposed to specific risks that are particular to its businesses and the environment within which it operates, which include market risk, interest rate volatility, execution risk, and economic cycle.

While the Indian economy has shown sustained growth over the last several years, a slowdown could cause the business of the company to suffer. The Company manages such risks by maintaining a conservative financial profile and following prudent business and risk management practices.

India's economic outlook continues to remain robust in FY 2017-18, subject to revival of rural demand on the back of a normal monsoon. Other key factors that add to the buoyancy are: elevated urban consumption driven by hikes in public wages and relatively lower inflation and a likely pick-up in investments by the corporate sector. With a combined push by both government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

Major themes to impact India in FY 2017-18 include a resurrection in consumption demand, growth led by policy reforms, move towards digitisation, monetary stance of global central banks and economic policy decisions, which would embark enormous opportunities in the domestic market.

A sharp focus on cost optimisation, reallocation of capital towards focused businesses and creating Centres of Excellence in the chosen areas will enable your Company to deliver improved RoE.

Tea is globally one of the most popular and widely consumed beverages and the domestic tea market is huge with large number of local and regional players. The share of CTC (cut, twist and curl) tea constitutes 80% of the tea market followed by Orthodox Tea & Darjeeling Tea. Apart from them there are also a variety of flavoured teas such as green tea, jasmine tea, ginseng oolong, masala chai, green lemon tea, etc. CTC tea is the major contributor in the tea market segment but with the increasing consciousness on the health issues, green tea sales are picking up. Specialty tea market in India is growing at the rate of 25% annually. However, the tea industry production is facing challenges due climatic changes, its slower pace of re-plantation, high cost of production & productivity as well as increasing competition in global market couple with Coffee acting as strong substitute to tea.

Against this backdrop, your Company hopes to achieve decent growth in the current financial year. The trend of improvement in returns is expected to pick up pace, aided by the implementation of a focused business strategy, stability in our key operating metrics and optimisation of leverage.

RISKS, CONCERNS AND MITIGATIONS

Your Company follows a risk management process for identification, categorization and prioritization of various risks like operational, financial, legal and other business risks. The Group Chief Financial Officer aided by the Internal Auditor reviews the effectiveness of the process at regular intervals and reports the same to the Audit Committee and the Board.

Your Company has put in place a risk identification and mitigation process as part of internal financial control mechanism. The Company is mainly exposed to market risks in the form of reduction in value of its investment and fall in return due to dip in the investee company's performance. Delay in repayment by the borrower companies can affect liquidity and redeployment scope. The Company is also exposed to fluctuation of economy and industry cycle.

The Audit Committee periodically reviews the efficacy of Internal Financial Control Systems and risk mitigation process.

INTERNAL CONTROL SYSTEM

The Company has an Internal Control System, commensurate with the size and nature of its business. The Internal Audit Division develops an annual audit plan based on the risk profile of business activities of the organization, which were approved by the Audit Committee. The adequacy of the internal control system is reviewed by the Audit Committee of the Board of Directors. The efficacy of the internal checks and control systems are verified by the Internal Auditors as well as the Statutory Auditors. The Audit Committee reviews the internal audit plan, adequacy and effectiveness of the internal control system, significant audit observations and monitors the sustainability of remedial measures.

Your Board believes that appropriate procedures, controls and monitoring assessment procedures are in place and considered adequate.

HUMAN RESOURCES

Steps have been taken to inculcate a performance-oriented culture by focusing and laying more emphasis on the performance management system. It has been Company's endeavour to attract talent from the most reputed institutions to meet the requirements of various functions. The Company will strengthen its operative staffs as and when need arises.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's outlook, objectives, projections, estimates and expectations may be 'forward looking statement' within the meaning of applicable laws or regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in Government regulations and tax-regime, economic developments within India and abroad, financial markets, etc. The Company assumes no responsibility in respect of forward-looking statements that may be revised or modified in future on the basis of subsequent developments, information or events. The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the Accounting Standards notified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006. The management has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit/ loss for the year. The narrative on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report.

Annexure B

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

GSL is also in compliance with the mandatory requirements of the guidelines on Corporate Governance stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

2. BOARD OF DIRECTORS

i) As on March 31, 2017, the Company has in all 6 Directors with considerable professional experience in divergent areas connected with corporate functioning. Out of these 6 (six) directors, 3 (50%) are Independent Directors. The composition of the Board is in conformity with the Listing Regulations. The Board is headed by the Non-Executive Chairperson, Mrs. Nandini Nopany.

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

iii) As per the disclosure received by the Company from the Directors, none of them is member in more than 10 (ten) committees, nor a Chairman of more than 5 (five) committees across all companies in which they are Directors, in compliance with the Listing Regulations. The Directors intimate the Company about the committee positions they occupy in other companies and also notify changes from time to time.

iv) The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Section 149(7) of the Companies Act, 2013. In compliance with Regulations of the Listing Regulations, the Independent Directors do not serve in more than 7 (seven) listed companies

v) No Director is related to any other Director on the Board in terms of the definition of 'relative' given under Section 2(77) of the Companies Act, 2013 except for Mrs. Nandini Nopany and Mr. Chandra Shekhar Nopany who are related to each other.

3. BOARD MEETINGS

The meetings of the Board of Directors are scheduled in advance. The agenda for the meetings is prepared in consultation with the Chairperson and other concerned persons in the senior management. The detailed agenda and other relevant notes are circulated to the Directors well in advance. All material back up information is incorporated in the Agenda papers for facilitating

meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.

During the period under review 6 (six) Board Meetings were held on 12th May, 2016, 2nd August, 2016, 28th October, 2016, 7th February, 2017, 14th March, 2017 and 30th March, 2017 respectively.

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships / Committee membership (viz. only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26(2) of Listing Regulations held by them during the year 2016-17 are tabulated below:

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM	No. of Directorships in other Bodies Corporate#	##No. of Chairmanship/ Membership of Board Committees in other Companies#		No. of Equity Shares held
					Chairman	Member	
Mrs Nandini Nopany (DIN – 00051362)	C/NED	1	NA	8	-	1	7,01,730*
Mr. Chandra Shekhar Nopany (DIN – 00014587)	NED	2	NA	9	2	2	34,261
Mr Santosh Kumar Poddar (DIN – 00055786)	MD	6	Yes	9	1	5	476
Mr Dhiraj Banka (DIN – 07640666)	I/NED	1	NA	-	-	-	NIL
Mr Nandanandan Mishra (DIN – 07778603)	I/NED	1	NA	7	4	5	NIL
Mr Arun Kumar Newar (DIN- 07778968)	I/NED	1	NA	1	1	1	NIL
Mr Kailash Chand Gupta** (DIN – 00047493)	NED	6	Yes	7	1	-	NIL
Mr Subramanian Sathyamurthy** (DIN – 06826788)	NED	6	Yes	6	-	-	NIL

C – Chairperson, I - Independent, NED - Non-executive Director, MD – Managing Director

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

 # Excluding this Company;

Number of Membership excludes Chairmanship;

** Inclusive of 37,570 equity shares held as the trustee of Chandra Shekhar Charity Trust;*

*** Mr Subramanian Sathyamurthy and Mr Kailash Chand Gupta resigned from directorship w.e.f. 30th March, 2017.*

Not less than two thirds of the total number of Directors (excluding Independent Directors) shall be liable to retire by rotation. One third of the number of directors liable to retire by rotation will retire by rotation every year. As per the provisions of Section 149 of the Companies Act, 2013, the Independent Directors are not liable to retire by rotation. Accordingly, Mrs Shalini Nopany is liable to retire by rotation and is eligible for re-appointment.

4 COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee. The terms of reference of these Committees are determined by the Board and their relevance is reviewed from time to time. No Committee meetings were held during the year under review.

Audit Committee

i) Overall purpose/objective

The Audit Committee of the Board of Directors ("the Board") was constituted on 30th March, 2017 in line with the provisions of the Listing Regulations read with Section 177 of the Companies Act, 2013. The purpose of the Audit Committee is to assist the Board in reviewing the financial information which will be provided to the shareholders and other stakeholders, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of independent accountants/internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

ii) Terms of Reference

The terms of reference of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure/approval of any related party transactions
   g. Qualifications/observation/matter of emphasis in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board of Directors for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To look into the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

iii) Composition and Meetings

The Audit Committee comprises of three Independent Non-Executive Directors viz. Mr. Arun Kumar Newar, Mr. Dhiraj Ramakant Banka, , Mr. Nandanandan Mishra and Mr. Santosh Kumar Poddar, Managing Director. Mr. Arun Kumar Newar is the Chairman of the Audit Committee. During the relevant period there were no meetings of the Audit Committee.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company was constituted on 30th March, 2017 in line with the provisions of the Listing Regulations read with Section 178 of the Companies Act, 2013.

Terms of Reference:

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

i) Composition & Meetings:

The composition of the Stakeholders' Relationship Committee as on 30th March, 2017 is as follows:

a) Mr. Nandanandan Mishra - Chairman
b) Mr. Arun Kumar Newar
c) Mr. Dhiraj Ramakant Banka

During the period under review there were no complaints/ grievance from the shareholders of the Company. No meeting of the Committee was held during the year.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company was constituted on 30th March, 2017 in line with the provisions of the Listing Regulations read with Section 178 of the Companies Act, 2013.

i) Objectives:

- The Company has constituted the Nomination and Remuneration Committee to review and determine the Company's policy on managerial remuneration and to recommend to the Board the specific remuneration of the Executive Director and executives just below the rank of the Executive Director, so as to ensure that they are fairly rewarded for their individual contributions to the Company's

overall performance and their remuneration is in line with the industry practice and standards.

- ❖ To formulate the criteria for determining qualifications, positive attributes and independence of a director
- ❖ To determine remuneration based on the Company's size, financial position, trends and practices on remuneration prevailing in peer companies, in the like industry.
- ❖ To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- ❖ To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- ❖ To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

ii) Terms of Reference:

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

iii) Composition and Meetings:

The composition of the Nomination and Remuneration Committee as on 31st March, 2017 is as follows:

a) Mr. Dhiraj Ramakant Banka - Chairman

b) Mr. Arun Kumar Newar

c) Mr. Nandanandan Mishra

During the relevant period, no meetings of the Committee were held.

iv) Remuneration Policy:

The Board of Directors of the Company had at its meeting held on 30th March, 2017 adopted the Remuneration Policy. The Remuneration Policy is attached as **"Annexure-E"** to the Directors' Report.

v) Remuneration of Directors

Details of remuneration paid to the Directors for the financial year 2016-17:

a) Managing Director – NIL

b) Non-Executive Directors

The Company shall pay a sitting fee of Rs.5,000/- (Rupees Five Thousand Only) and Rs.2,500/- (Rupees Two Thousand Five Hundred Only) per meeting to each Director for attending meetings of the Board of Directors and Committees thereof respectively.

5. SUBSIDIARY COMPANIES

As on March 31, 2017 the Company has two subsidiaries. The Board of Directors have formulated a Policy for determining material subsidiaries in its meeting held on 30th March, 2017 and such Policy has been disclosed on the Company's website at www.birla-sugar.com.

6. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Again, there were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website and such Policy has been disclosed on the Company website at www.birla-sugar.com.

7. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In staying true to our values of Strength, Performance

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

8. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Location
2015-16	12.09.2016	10.30 a.m.	Registered Office: P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121
2014-15	11.09.2015	10.30 a.m.	

The last Annual General Meeting was held on **12th September, 2016**, which was chaired by Mr Santosh Kumar Poddar.

Following Special Resolutions were passed at the Extra-ordinary General Meeting(EGM) 14th March, 2017:

1. Approval under Section 186 of the Companies Act, 2013.
2. Approval under Section 180(1)(c) of the Companies Act, 2013.
3. Approval under Section 180(1)(a) of the Companies Act, 2013.
4. Approval under Section 181 of the Companies Act, 2013.

No special resolution was passed at the last two Annual General Meetings of the Company.

9. DISCLOSURES

i) There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction(s) with Related Parties are disclosed in the notes to the Accounts in the Annual Report.

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

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

iv) In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

10. MEANS OF COMMUNICATION

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

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

iii) Email id earmarked for redressing Investor queries is *gangesinvestors@birla-sugar.com*

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

11. GENERAL SHAREHOLDERS' INFORMATION

i) 3rd Annual General Meeting

Day: Friday

Date: 22nd September, 2017

Time: 12.30 p.m.

Venue: Registered Office of the Company at - P.O. Hargaon, Dist. Sitapur, Uttar Pradesh - 261 121

ii) Tentative Financial Calendar for the year 2017-18

Approval of Audited Annual Results (2016-17)	30th May, 2017
First Quarter Results	On or before 14th August, 2017
Second Quarter Results	On or before 14th November, 2017
Third Quarter Results	On or before 14th January, 2018
Audited Annual Results (2017-18)	On or before 30th May, 2018

iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from the 16th September, 2017(Saturday), to 22nd September, 2017 (Friday) (both days inclusive).

iv) Dividend Payment Date

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

v) Listing on Stock Exchanges and Stock Codes

The Company has made application for listing with the following stock exchanges:

Name and Address of the Stock Exchanges	ISIN Number for NSDL/CDSL (Dematerialised Shares)
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	INE335W01016
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	
Calcutta Stock Exchange Limited (CSE) 7 Lyons Range, Kolkata – 700 001	

vi) Market Price data

The shares of the Company are in the process of listing, hence no market data is available.

vii) Registrar & Share Transfer Agent

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

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

viii) Share Transfer System

98.54% of shares of the Company are held in electronic mode. Intimation about transfer/transmission of these shares to RTA is done through the depositories i.e. NSDL & CDSL with no involvement of the Company. For transfer of shares in physical mode, the transfer documents should be sent to the office of the RTA. All share transfers are completed within the stipulated statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Stakeholders Relationship Committee has been delegated with the authority to approve transfer and/ or transmissions of shares and other related matters.

ix) Distribution of Shareholding

a) The Distribution of Shareholding as on 31st March, 2017 was as follows:

No. of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 -5000	9,431	98.85	18,71,100	18.70
5001 - 10000	45	0.47	3,04,503	3.04
10001 – 20000	27	0.28	3,91,435	3.91
20001 – 30000	11	0.12	2,72,987	2.73
30001 – 40000	3	0.03	99,706	1.00
40001 – 50000	4	0.04	1,74,286	1.74
50001 – 100000	6	0.06	3,97,717	3.98
100001 and above	14	0.15	64,91,953	64.90
Total	**9,541**	**100.00**	**1,00,03,687**	**100.00**

b) Detail of Shareholding pattern of the Company as on 31st March, 2017 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	56,35,982	56.34
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	3,59,753	3.60
Bodies Corporate	6,45,928	6.46
Indian Public	32,30,324	32.29
NRIs / OCBs / FIIs / Foreign Nationals/Clearing Members	1,31,700	1.31
Total	**1,00,03,687**	**100.00**

x) Dematerialisation of Shares and Liquidity

The Equity Shares of the Company are in compulsorily dematerialised form at all the stock exchanges viz. BSE Ltd., The National Stock Exchange of India Ltd. and The Calcutta Stock Exchange Ltd. (where the shares of the Company are in the process of listing) under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 98,58,561 Equity Shares viz. 98.55% of the Equity Share Capital of the Company have already been dematerialized.

xi) Outstanding GDRs /ADRs/Warrants or Convertible Instrument

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

xii) Address for Correspondence:

The Compliance Officer, Ganges Securiities Limited	**Link Intime India Pvt. Ltd. Unit : Ganges Securities Limited**
9/1, R.N. Mukherjee Road	59C, Chowringhee Road
5th Floor, Birla Building	3rd Floor
Kolkata - 700 001 India	Kolkata - 700 020 India
Tel : 91-033-2289 0540	Tel : 91 - 033 - 2243 0497/8
Fax : 91 - 033 - 2248 6369	Fax : 91-033-2289 0539
e-mail: gangessec@birla-sugar.com	e-mail: kolkata@linkintime.co.in

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

During the period under review, the Company was not required to credit any sum to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016

12. CEO AND CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company have certified that all the requirements of Listing regulations *inter-alia*, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2017, transactions entered into by the Company during the said year, their financial reporting and evaluation of the effectiveness of the internal control system and making necessary disclosures to the Auditors and the Audit Committee have been duly complied with.

13. RE-APPOINTMENT OF DIRECTORS

The details of Directors seeking appointment / reappointment forms part of the Notice, under the head 'Particulars of Directors seeking appointment/re-appointment at the Annual General Meeting.'

14. PREVENTION OF INSIDER TRADING

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

15. CODE OF CONDUCT

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

16. LEGAL COMPLIANCES

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

17. COMPLIANCES WITH CORPORATE GOVERNANCE NORMS:

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated in Regulation 27 of the Listing Regulations, to the extent applicable.

18. SHAREHOLDERS' RIGHTS:

The quarterly financial results shall be published in leading financial newspapers, uploaded on the Company's website and any major developments shall be intimated to Stock Exchanges by the Company.

19. DISSEMINATION OF INFORMATION ON WEBSITE:

The Company is in the process of listing its Equity Shares on the Stock Exchange and is maintaining a website *www.birla-sugar.com / www.gangessec.com* containing basic information about the Company.

Annexure C

Certificate on Code of Conduct

To
The Members
Ganges Securities Limited
P.O. Hargaon, Dist - Sitapur
U.P – 261 121

Pursuant to Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I Santosh Kumar Poddar, Managing Director of Ganges Securities Limited, declare that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct during the financial year 2016-17.

Place: Kolkata
Date: May 30, 2017

Santosh Kumar Poddar
Managing Director
DIN - 00055786

Annexure D

Certificate Regarding Compliance of Conditions of Corporate Governance for the financial year ended on 31st March, 2017

To
The Members
Ganges Securities Limited
(CIN U74120UP2015PLC069869)

I have reviewed the compliance of conditions of Corporate Governance by Ganges Securities Limited having CIN U74120UP2015PLC069869 (hereinafter referred to as 'the Company'), for the year ended on 31st March, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

In my opinion and to the best of my information and according to the examinations of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance during the year ended on 31st March 2017, voluntarily and to the extent that was practicable and as submitted for the purpose of listing since the Company was not listed during the year ended on 31st March 2017.

The Company is in the process of listing of it's equity shares at stock exchanges pursuant to the Composite Scheme of Arrangement sanctioned by the Hon'ble National Company Law Tribunal, Allahabad Bench vide Order dated 2nd March, 2017 in Company Petition No.33 of 2016 read with Company Application No.17 of 2016.

The voluntary compliance of conditions of Corporate Governance as mentioned hereinabove, is the responsibility of the management. My examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the voluntary compliance of the conditions of Corporate Governance to the extent practicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

Deepak Kumar Khaitan
F.C.S. No.: 5615 / C.P. No.: 5207
ICSI Unique Code No.:I2003WB347200

Place: Kolkata
Date: 30.05.2017

Annexure E

Nomination and Remuneration Policy

INTRODUCTION:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated and approved by the Board of Directors.

OBJECTIVE AND PURPOSE OF THE POLICY

The objective and purpose of this policy are:

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

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors at its meeting held on 14th March, 2017, in order to align with the requirements of Companies Act, 2013, had constituted the Nomination and Remuneration Committee comprising of non - executive directors and independent directors.

DEFINITIONS

"Board" means Board of Directors of the Company.

"Directors" means Directors of the Company.

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

"Company" means Ganges Securities Limited.

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

"Key Managerial Personnel (KMP) means" -

a) Executive Chairman and / or Managing Director;

b) Whole-time Director;

c) Chief Financial Officer;

d) Company Secretary;

e) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

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

APPLICABILITY

The Policy is applicable to

a. Directors (Executive and Non-Executive including Independent)

b. Key Managerial Personnel

c. Senior Management Personnel

GENERAL

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

PART – A

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

The Committee shall:

1. Evaluate the current composition and organization of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute, rule or regulation which the Committee deems relevant and to make recommendations to the Board with respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company;
2. Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;
3. Review and recommend to the Board an appropriate course of action upon the resignation of current Board members, or any planned expansion of the Board, and review the qualifications, experience and fitness for service on the Board of any potential new members of the Board;
4. Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
5. Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
6. Ensure that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
7. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMPs) and other employees of the Company;
8. Formulate the criteria for evaluation of Independent Directors and the Board;
9. Formulate, administer and supervise the Company's Stock Option schemes, if any, in accordance with relevant laws;
10. Identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
11. Deal with such matters as may be referred to by the Board of Directors from time to time;

PART – B

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

Guiding principles

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

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

- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

APPOINTMENT CRITERIA AND QUALIFICATIONS:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's operations.
3. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievementspossessed by a person is sufficient / satisfactory for the concerned position.
4. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **TERM / TENURE:**

1 Managing Director/Whole-time Director:

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

2. Independent Director:

An Independent Director shall hold office for a term as per the applicable laws prevailing from time to time. In accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

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

- **EVALUATION:**

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

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

- **REMOVAL:**

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

- **RETIREMENT:**

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

PART – C

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

- **General:**

1. The remuneration / compensation / commission etc. to the Managing/Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director, wherever required.
4. Where any insurance is taken by the Company on behalf of its Managing/Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
5. Remuneration packages will be designed to attract high-calibre executives in a competitive global market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.
6. Remuneration is designed to motivate delivery of company's key business strategies, create a strong performance-orientated environment and reward achievement of meaningful targets over the short- and long-term.
7. The Executives may be entitled to customary non-monetary benefits such as company cars and company health care, telephone etc. In addition thereto in individual cases company housing and other benefits may also be offered.

REMUNERATION TO WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL:

1. **Fixed pay:**

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

2. **Minimum Remuneration:**

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

3. **Provisions for excess remuneration:**

   If any Managing/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall

refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

REMUNERATION TO NON- EXECUTIVE / INDEPENDENT DIRECTOR:

1. **Remuneration / Commission:**

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

2. **Sitting Fees:**

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

3. **Commission:**

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

INTERPRETATION

In any circumstance where the terms of this policy differs from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time this policy is changed / amended to conform to the law, rule, regulation and standard.

DISCLOSURE

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

DISSEMINATION

The Company's Nomination and Remuneration Policy shall be published on its website.

Annexure F

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Ganges Securities Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company as per in Annexure- A1 (hereinafter referred to as "Books and Papers") and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period covered by our audit, that is to say, from April 01, 2016 to March 31, 2017 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books and Papers maintained by the Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder including any re-enactment thereof;
2. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment, Foreign Direct Investment and External Commercial Borrowings;
3. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
4. The Securities Contracts (Regulation Act, 1956("SCRA") and the rules made thereunder.

   In addition of above, the Company has followed the following Acts/Rules/Regulations applicable to a listed company as a good corporate governance practice even though the Company is an unlisted company. Further, the Company is in the process of listing its equity shares with BSE, NSE and CSE and as such this audit report is voluntary.

   i. SEBI (Substantial Acquisitions of Shares and Takeover) Regulations, 2011 ('SAST Regulations');
   ii. SEBI (Prohibition of Insider Trading) Regulations, 2015 ("the PIT Regulations, 2015");
   iii. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   iv. Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and rules made thereunder;
   v. SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ('the LODR Regulations, 2015');
   vi. SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2009;
   vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
   ix. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   x. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
5. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
   a. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
   b. All other Labour, Employee and Trade Laws to the extent applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards-1 and 2 issued by the Institute of Company Secretaries of India.

During the Audit Period, the Company has complied with

the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

Management Responsibility:

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

We report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Period under review were carried out in compliance with the provisions of the Act.

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

Resolutions have been approved by majority and recorded as part of the minutes.

We further report that based on the information provided by the Company during the conduct of the audit and also on the review of quarterly compliance reports by the Compliance Officer taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanisms exist in the Company to monitor and ensure compliance with applicable other general laws.

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

Composite Scheme of Arrangement

The Hon'ble National Company Law Tribunal, Allahabad Bench vide its Order dated 2nd March 2017 (certified copy received on 9th March, 2017) sanctioned the Composite Scheme of Arrangement entered into between Upper Ganges Sugar & Industries Limited, The Oudh Sugar Mills Limited, Palash Securities Limited, Allahabad Canning Limited, Ganges Securities Limited, Cinnatoliah Tea Limited, Vaishali Sugar & Energy Limited, Magadh Sugar & Energy Limited and Avadh Sugar & Energy Limited and their shareholders and creditors and declared that the same shall be binding on the equity shareholders, secured creditors, unsecured creditors, and all concerned of the above named petitioner companies and also on the said petitioner companies with effect from the Appointed date i.e. 1st day of April, 2015.

For **M/s Vinod Kothari & Company**
Practicing Company Secretaries

Arun Kumar Maitra
Partner
Membership No: A3010
CP No.: 14490

Place: Kolkata
Date: 22.05.2017

ANNEXURE I

LIST OF DOCUMENTS

1. Corporate Matters
1.1 Minutes books of the following meetings were provided:
1.1.1 Board Meeting;
1.1.2 General Meeting;
1.2 Annual Report for the Financial year 2015-2016;
1.3 Memorandum and Articles of Association;
1.4 Disclosures under the Act;
1.5 Policies framed under the Act ;
1.6 Register maintained under the Act;
1.7 Forms and returns filed with the ROC.

Annexure G

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS

CIN	U74120UP2015PLC069869
Registration Date	30-03-2015
Name of the Company	GANGES SECURITIES LIMITED
Category / Sub-Category of the Company	Company limited by shares, Indian Non-Government Company
Address of the Registered office and contact details	P.O. Hargaon, Dist – Sitapur, Uttar Pradesh – 261 121 Tel No : 05862 256 220
Whether listed company (Yes / No)	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 59C, Chowringee Road, 3rd Floor, Kolkata - 700020 Tel: 033 22890540, Fax: 033 22890539 Email: kolkata@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Not Applicable		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Uttar Pradesh Trading Company Limited	U15424WB1951PLC019450	Subsidiary	100%	2(87)
2.	Cinnatolliah Tea Limited	U15122UP2015PLC069633	Subsidiary	100%	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares at the end of the year			% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
PROMOTER AND PROMOTER GROUP									
Indian									
Individuals/Hindu Undivided Family	-	-	-	-	747766	-	747766	7.47	-
Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	49,930	49,930	99.86	48,72,156	16,060	48,88,216	48.87	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Any Other (Total)	-	70	70	0.14	-	-	-	-	-
Sub-Total (A)(1)	**-**	**50,000**	**50,000**	**100.00**	**56,19,922**	**16,060**	**56,35,982**	**56.34**	**-**
Foreign									-
Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (Total)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**-**	**50,000**	**50,000**	**100.00**	**56,19,922**	**16,060**	**56,35,982**	**56.34**	**-**
PUBLIC SHAREHOLDING									**-**
Institutions									-
Mutual Funds/UTI	-	-	-	-		736	736	0.01	-
Financial Institutions/Banks	-	-	-	-	15,085	278	15,363	0.15	-
Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	3,43,654	-	3,43,654	3.44	-
Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (Total)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	**-**	**-**	**-**	**-**	**3,58,739**	**1,014**	**3,59,753**	**3.60**	**-**

Note: Shares alloted pursuant to Companies Scheme of Arrangement.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

i) Category-wise Shareholding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares at the end of the year			% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
Non-institutions	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	6,25,725	20,203	6,45,928	6.46	-
Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	-	-	-	-	17,61,584	84,253	18,45,837	18.45	-
Individuals - ii. Individual Shareholders Holding Nominal Share Capital in Excess of Rs. 1 Lakh	-	-	-	-	5,77,243	23,360	6,00,603	6.00	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Clearing Member	-	-	-	-	75,343	-	75,343	0.75	-
Market Maker	-	-	-	-	5,499	-	5,499	0.06	-
Directors/Relatives	-	-	-	-	-	-	-	-	-
Foreign Company	-	-	-	-	-	-	-	-	-
Foreign National	-	-	-	-	468	234	702	0.01	-
HUF	-	-	-	-	1,56,919	-	1,56,919	1.57	-
Non Resident Indians (Non Repat)	-	-	-	-	20,164	-	20,164	0.20	-
Non Resident Indians (Repat)	-	-	-	-	35,489	2	35,491	0.35	-
Office Bearers	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	6,21,466	-	6,21,466	6.21	-
Sub-Total (B)(2)	**-**	**-**	**-**	**-**	**38,79,900**	**1,28,052**	**40,07,952**	**40.06**	**-**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**42,38,639**	**1,29,066**	**43,67,705**	**43.66**	**-**
TOTAL (A)+(B)	**-**	**50,000**	**50,000**	**100.00**	**98,58,561**	**1,45,126**	**1,00,03,687**	**100.00**	**-**
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)	**-**	**50,000**	**50,000**	**100.00**	**98,58,561**	**1,45,126**	**1,00,03,687**	**100.00**	**-**

Note: Shares alloted pursuant to Companies Scheme of Arrangement.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
	No of Shares	% of total shares of the Company	% of shares pledged/ encum-bered to total shares	No of Shares	% of total shares of the Company	% of shares pledged/ encum-bered to total shares	
Mrs. Nandini Nopany*	-	-	-	7,01,730	7.01	-	
Mr. Chandra Shekhar Nopany	-	-	-	34,261	0.34	-	
Ms. Urvi Nopany	-	-	-	11,775	0.12	-	
SIL Investments Limited	-	-	-	13,38,430	13.38	-	
New India Retailing And Investment Ltd.	-	-	-	8,38,367	8.38	-	
Yashovardhan Investment &Trading Co. Ltd.	-	-	-	5,69,531	5.69	-	
Hargaon Investment & Tradind Co. Ltd.	-	-	-	5,69,252	5.69	-	
RTM Investment And Trading Co. Ltd.	-	-	-	3,56,822	3.57	-	
SCM Investment & Trading Co. Ltd.	-	-	-	3,02,784	3.03	-	
Champaran Marketing Co. Ltd.	-	-	-	2,25,672	2.26	-	
OSM Investment & Trading Co. Ltd.	-	-	-	2,03,221	2.03	-	
Nilgiri Plantations Limited	-	-	-	1,19,394	1.19	-	
Sidh Enterprises Ltd.	-	-	-	90,423	0.90	-	
Narkatiaganj Farms Limited	-	-	-	74,760	0.75	-	
Ronson Traders Limited	-	-	-	72,249	0.72	-	
Rajpur Farms Limited	-	-	-	57,773	0.58	-	
Shree Vihar Properties Ltd	-	-	-	27,284	0.27	-	
La Monde Trading & Investments Private Ltd	-	-	-	21,785	0.22	-	
Palash Securities Limited	-	-	-	16,060	0.16	-	
Uttam Commercial Ltd.	-	-	-	1,927	0.02	-	
Sonali Commercial Ltd.	-	-	-	1,428	0.01	-	
Pavapuri Trading and Investment Companyltd.	-	-	-	1,000	0.01	-	
Deepshikha Trading Co. Private Limited	-	-	-	54	0.00	-	

* includes 37,570 equity share held as trustee of Chandra Shekhar Charity Trust.
Note: Shares alloted pursuant to Composite Scheme of Arrangement.

iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	50,000	100.00	50,000	100.00
Changes during the year	(50,000)	100.00	56,35,982	56.34
At the end of the year			56,35,982	56.34

Note: Shares alloted pursuant to Composite Scheme of Arrangement.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

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

Sl No	Name	Shareholding		Date	Increase/ Decrease in sharehold-ing	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No of Shares at the beginning (01-04-2016)/ end (31-03-2017) of the year	% of total shares of the Company				No of Shares	% of total shares of the Company
1.	Navjeewan Medical Institute	-	-	30.03.2017		Allotment pursuant to Composite Scheme of Arrange-ment	6,21,466	6.21
2.	Life Insurance Corporation of India	-	-				3,43,654	3.44
3.	Renu	-	-				2,16,725	2.17
4.	Earthstone Holding (Two) Limited	-	-				1,22,475	1.22
5.	Mrs. Shobhana Bhartia	-	-				51,256	0.51
6.	Mrs. Jyotsna Poddar	-	-				51,256	0.51
7.	Mr. Vishanji Shamji Dedhia	-	-				44,124	0.44
8.	Mr. B. Lavanya	-	-				43,259	0.43
9.	Mr. Suresh Bhatia	-	-				43,259	0.43
10.	Shri Parasram Holdings Pvt. ltd.	-	-				31,397	0.31

v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Mrs. Nandini Nopany, Chairperson	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Changes during the year (allotment pursunt to Composite Scheme of Arrangement)	7,01,730	7.01	7,01,730	7.01
At the end of the year	7,01,730	7.01	7,01,730	7.01

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Mr. Chandra Shekhar Nopany, Non-Executive Director	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Changes during the year (allotment pursunt to Composite Scheme of Arrangement)	34,261	0.34	34,261	0.34
At the end of the year	34,261	0.34	34,261	0.34

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Mr. Santosh Kumar Poddar, Managing Director	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Changes during the year (allotment pursunt to Composite Scheme of Arrangement)	10		476	0.00
At the end of the year	10		476	0.00

V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not	--	--	--	--
Total (i+ii+iii)	**--**	**--**	**--**	**--**
Change in Indebtedness during the financial year	--			
Addition	--	--	--	--
Reduction	--	--	--	--
Net Change	**--**	**--**	**--**	**--**
Indebtedness at the end of the financial year	--			
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not	--	--	--	--
Total (i+ii+iii)	**--**	**--**	**--**	**--**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. *Remuneration to other Directors:*

1. Independent Directors

Sl No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Nanadanandan Mishra	Mr. Arun Kumar Newar	Mr. Dhiraj Ramakant Banka	
	Fee for attending Board/Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total B (1)	**NIL**	**NIL**	**NIL**	**NIL**

2. Other Non-Executive Directors

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

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

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

Annexure H

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

₹ in lakhs

Sl. No.	1	2
Name of the subsidiary	**Cinnatolliah Tea Limited**	**Uttar Pradesh Trading & Co. Limited**
Financial Year ending on	31-03-2017	31-03-2017
The date since when subsidiary was acquired	23-03-2017*	23-03-2017*
Reporting currency	Indian Rupee	Indian Rupee
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-	-
Share capital	2,617.54	1,636.25
Reserves & Surplus	552.49	3,408.80
Total Assets	3,586.70	6,073.61
Total Liabilities	3,586.70	6,073.61
Investments	-	3,195.29
Turnover	2,196.02	539.56
Profit before taxation	203.21	472.51
Provision for taxation	68.00	18.1
Profit after taxation	146.51	454.41
Proposed Dividend	26.18	-
Extent of shareholding (in percentage)	100.00	100.00

Notes: *There are no subsidiaries which have been liquidated or sold during the year.*

** Pursuant to the Composite Scheme of Arrangement, the above companies became the wholly owned subsidiaries of the Company upon filing/ submission of certified copy of NCLT order with the Registrar of Companies/Ministry of Corporate Affairs.*

Part "B": Associates and Joint Ventures

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

The Company has no Associates/Joint Ventures

For and on behalf of the Board

Chandra Shekhar Nopany	**Santosh Kumar Poddar**	**Vikash Goyal**
Director	Managing Director	Chief Financial Officer
DIN- 00014587	DIN-00055786	

Place: Kolkata

Dated: 30th May, 2017

Independent Auditor's Report

To the Members of Ganges Securities Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Ganges Securities Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under the reference to this report.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statement.We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its Profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b. 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representation received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. With respect to the other matters to be included in the Auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

i. There are no pending litigations and hence, the disclosure relating to the impact of pending litigations on its financial position in its financial statements does not arise.

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

iii. The Company is not required to transfer any amounts to the Investor Education and Protection Fund.

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016and these are in accordance with the books of accounts maintained by the Company as disclosed in Note 19.

For **AGRAWAL SUBODH & CO**
Chartered Accountants
Firm Reg. No. 319260E

Surajit Pal
Partner
Membership No. 066285

Place: Kolkata
Date: 30.05.2017

Annexure A to the Independent Auditors Report (Referred to in Paragraph 1 of our report of even date addressed to the members of **Ganges Securities Limited** on the financial statements for the year ended 31 March, 2017)

i.(a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed asset.

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

(c) According to the information and explanations given by the management, the title deeds of the properties included in Property, Plant & Equipment are transferred to the Company pursuant to the Scheme of arrangement and are yet to be registered in the name of the Company.

ii. The Company does not have any inventory and hence paragraph 3(ii) of the Order is not applicable.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the companies Act, 2013. Hence Paragraph 3 (iii) of the order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Companies Act 2013, with respect to the investments made and company has not made any Loan.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, Paragraph 3 (v) of the order is not applicable.

vi. The Company is not required to maintain cost records under as per section 148 (1) of Companies Act, 2013.

vii.(a) The Company is regular in depositing undisputed statutory dues with the appropriate authorities including income tax, service tax, duty of custom, duty of excise, value added tax, cess or any other statutory dues.

(b) There are no statutory dues which are disputed; hence this clause is not applicable on the Company

viii. There are no loans and borrowing taken from financial institutions, banks, Government or from debenture holders. Hence, Paragraph 3(viii) of the order is not applicable on the Company.

ix. The Company has not raised any money by the way of initial public offer or further public offer and term loans. Accordingly, paragraph 3(ix) of the order is not applicable

x. No fraud by /on the Company by its officers or employees has been noticed or reported during the year nor have we been informed about any of such case by the management;

xi. Managerial Remuneration has not been paid or provided during the year. Accordingly, paragraph 3(xi) of the clause is not applicable.

xii. The Company is not a Nidhi Company. Hence, paragraph 3(xii) of the order is not applicable to Company.

xiii. All the transactions with the related parties are in compliance with the sections 177 and 188 of the Companies Act, 2013, wherever applicable and the details have been disclosed in the financial statements, as required by the applicable Accounting Standard.

xiv. The Company has not made any preferential allotment or private placement of shares or Fully or Partly paid convertible debentures during the year. However, as per the scheme of arrangement approved by the National Company Law Tribunal, the Company issued & allotted 1,00,03,687 fully paid up equity shares of Rs 10 each to the shareholders of Upper Ganges Sugar & Industries Limited (UGSIL), aggregating to Rs. 1000.37 lakhs, in the ratio of 77 equity shares of the face value of Rs 10 each of the Company for every 89 equity shares of the face value of Rs. 10 each held in UGSIL. Further, the Company has issued 1,50,000 fully paid up 12% Non-Convertible Cumulative Redeemable Preference Shares of Rs.100 each to the preference shareholders of UGSIL, aggregating to Rs. 150 lakhs on the same terms and conditions.

xv. The Company has not entered into any non-cash transactions with the directors or persons connected with him/her as referred to in section 192 of Companies Act, 2013

xvi. The Company is not required to registered under section 45-IA of the Reserve Bank of India Act 1934.

For **AGRAWAL SUBODH & CO**
Chartered Accountants

Surajit Pal
Partner
Membership No. 066285

Place: Kolkata
Date: 30-05-2017

Annexure –B to the Independent Auditors' Report on the Financial Statements of **Ganges Securities Limited** as on 31st March 2017

(Referred to in Paragraph 2(f) of our report of even date addressed to the members of Ganges Securities Limited on the financial statements as on 31 March, 2017)

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

We have audited the internal financial controls over financial reporting of Ganges Securities Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **AGRAWAL SUBODH & CO**
Chartered Accountants

Surajit Pal
Partner
Membership No. 066285

Place: Kolkata
Date: 30-05-2017

Balance Sheet as on 31st March 2017

₹ in lakhs

	Notes	As at 31st March 2017	As at 31st March 2016
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	5	1,150.37	5.00
Reserves and Surplus	6	3,646.57	(3.80)
		4,796.94	**1.20**
Current Liabilities			
Other current liabilities	7	32.07	0.06
		32.07	**0.06**
Total		**4,829.01**	**1.26**
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	8	65.57	-
Non-current Investments	9	4,731.40	-
Loans and advances	10	29.25	-
		4,826.22	-
Current Assets			
Loans and advances	10	2.75	0.16
Cash and bank balances	11	0.04	1.10
		2.79	**1.26**
Total		**4,829.01**	**1.26**
Summary of significant accounting policies			
The accompanying notes are an integral part of the financial statements.		-	-

As per our report of even date

For Agrawal Subodh & Co.
Firm Registration No.: 319260E
Chartered Accountants

Surajit Pal
Partner
Membership No.: 066285
Date : 30-05-2017

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director
DIN-00014587

Santosh Kumar Poddar
Managing Director
DIN-00055786

Vikash Goyal
Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March 2017

₹ in lakhs

	Notes	Year ended 31st March 2017	Year ended 31st March 2016
INCOME			
Revenue from Operations	12	15.82	-
Other Income	13	-	-
Total (I)		**15.82**	**-**
EXPENSES			
Other expenses	14	**27.74**	3.51
Total (II)		**27.74**	**3.51**
Profit / (Loss) before finance costs, tax, depreciation and amortization [(I) - (II)]		**(11.92)**	**(3.51)**
Depreciation and amortization expenses	15	4.01	-
Profit / (Loss) before tax		**(15.93)**	**(3.51)**
Current tax		-	-
Deferred tax charge		-	-
Total tax expenses		**-**	**-**
Profit (Loss) after tax		**(15.93)**	**(3.51)**
Earnings per equity share	16		
[Nominal value of share Rs 10]			
Basic & Diluted		**(0.38)**	**(7.02)**
Summary of significant accounting policies			
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For Agrawal Subodh & Co.
Firm Registration No.: 319260E
Chartered Accountants

Surajit Pal
Partner
Membership No.: 066285
Date : 30-05-2017

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director
DIN-00014587

Santosh Kumar Poddar
Managing Director
DIN-00055786

Vikash Goyal
Chief Financial Officer

Cash Flow Statement for the year ended 31st March 2017

₹ in lakhs

		Year ended 31st March 2017	Year ended 31st March 2016
(A)	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit / (Loss) before tax	(15.94)	(3.51)
	Adjustment to reconcile profit / (loss) before tax to net cash flows		
	Depreciation and Amortization expenses	4.01	-
	Gain on tangible assets sold / discarded (net)	-	-
	Operating Profit / (Loss) before Working Capital Changes :	**(11.92)**	**(3.51)**
	Increase in Other Current Liabilities	2.16	(0.23)
	Increase in Loans & Advances	-	-
	(Increase) in Current Loans & Advances	(8.70)	(0.16)
	Net Cash used in Operating Activities	**(1.06)**	**(3.96)**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Proceeds from sale of Tangible Assets	-	-
	Net Cash from Investing Activities	-	-
(C)	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Issue of Equity Shares	-	-
	Net Cash used in Financing Activities	-	-
	Net Changes in Cash & Cash Equivalents (A+B+C)	**(1.06)**	**(3.90)**
	Cash & Cash Equivalents at the beginning of the year	1.10	5.00
	Cash & Cash Equivalents at the end of the year *	0.04	1.10

* represents Cash and Bank Balances as indicated in note 11.

For Agrawal Subodh & Co.
Firm Registration No.: 319260E
Chartered Accountants

Surajit Pal
Partner
Membership No.: 066285
Date : 30-05-2017

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director
DIN-00014587

Santosh Kumar Poddar
Managing Director
DIN-00055786

Vikash Goyal
Chief Financial Officer

Notes to financial statements as at and for the year ended 31st March 2017

1. Corporate Information

Ganges Securities Limited (the Company) was incorporated on 23rd March, 2015 as a Subsidiary Company of Upper Ganges Sugar & Industries Limited (UGSIL). With the objective of business realignment of The Oudh Sugar Mills Limited (OSML) and UGSIL, a composite scheme of arrangement had been filed with the Hon'ble High Court of Allahabad to transfer the Tea Garden and Investment business undertaking of UGSIL to the Company and thereafter to transfer the Tea Garden business undertaking of the Company to Cinnatiolliah Tea Limited (CTL) from the appointed date i.e. 1st April, 2015, which has been approved by the National Company Law Tribunal.

The main object of the Company is to invest, deal etc. in securities and immovable properties.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 under the historical cost convention except for impact of Scheme of Arrangement taken at fair value as detailed in Note 2(ii) below and on an accrual basis.

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

3. Scheme of Arrangement

a) Pursuant to the Composite Scheme of Arrangement ("the Scheme") approved by the National Company Law Tribunal, all the assets and liabilities of the Tea Garden and Investment business undertakings of UGSIL have been transferred to and vested in the Company at their respective book values and thereafter the tea business undertaking of the Company present in the state of Assam have been transferred to and vested in CTL at their respective book values as on 1st April, 2015 on a going concern basis from appointed date i.e. 1st April, 2015.

As per the Scheme, appointed date as approved by the National Company Law Tribunal is 1st April, 2015 and effective date is 23rd March, 2017 being the date on which the certified copy of the order sanctioning the said scheme is filed with the Registrar of Companies, Kanpur, Uttar Pradesh and Uttarakhand in accordance with the Companies Act, 1956 and applicable provisions of Companies Act, 2013. Though the Scheme has become effective after the Balance Sheet date, it is operative from the appointed date i.e. 1st April, 2015, and accordingly it has been given effect to in these accounts.

Notes to financial statements as at and for the year ended 31st March 2017 (Contd.)

b) The details of assets and liabilities transferred from UGSIL and transferred to CTL are as under:

(₹ in lakhs)

	Transferred from UGSIL	Transferred to CTL	Net Effect
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	963.70	890.04	73.66
Capital Work-in-progress	2.22	2.22	-
Investments	2,113.86	-	2,113.86
Deferred Tax Assets (net)	644.80	-31.95	676.75
Loans and Advances	537.34	508.09	29.25
	4,261.92	**1,368.40**	**2,893.52**
Current Assets			
Investments	5.00	-	5.00
Inventories	117.43	117.43	-
Trade Receivables	80.65	80.65	-
Cash and Bank Balances	954.72	954.72	-
Loans and Advances	97.77	97.77	-
Other Assets	34.62	34.62	-
	1,290.19	**1,285.19**	**5.00**
Total Assets	**5,552.11**	**2,653.59**	**2,898.52**
Liabilities			
Non-current Liabilities			
Long-term Provisions	63.69	63.69	-
	63.69	**63.69**	**-**
Current Liabilities			
Short-term Borrowings	(11.51)	(11.51)	-
Trade Payables	60.19	30.94	29.25
Other Liabilities	158.23	158.23	-
Short-term Provisions	24.81	24.81	-
	231.72	**202.47**	**29.25**
Total Liabilities	**295.41**	**266.16**	**29.25**

Notes to financial statements as at and for the year ended 31st March 2017 (Contd.)

c) Pursuant to the Scheme, 50,000 equity share of ₹ 10 each of the Company held by UGSIL, included in assets mentioned above, stand cancelled from the appointed date i.e. 1st April, 2015.

d) Pursuant to the Scheme, the Company has issued 10,003,687 fully paid up equity shares of ₹ 10 each to the shareholders of UGSIL, aggregating to ₹ 1000.37 lakhs, in the ratio of 77 equity shares of the face value of ₹ 10 each of the Company for every 89 equity shares of the face value of ₹ 10 each held in UGSIL.

Further, the Company has issued 1,50,000 fully paid up 12% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100 each to the preference shareholders of UGSIL, aggregating to ₹ 150 lakhs on the same terms and conditions.

e) Pursuant to the Scheme, the Company has received 2,61,25,396 fully paid up equity shares of ₹ 10 each from CTL, aggregating to ₹ 2,612.54 lakhs, as consideration for the transfer of tea business undertaking.

The aforesaid shares and shares transferred from UGSIL pursuant to the scheme, of CTL have been shown as Non-current Investment in the Balance Sheet.

f) Pursuant to the Scheme, the difference between the book value of assets and liabilities of the tea and investment business undertaking and shares to be issued to the shareholders of UGSIL has been credited to Capital Reserve.

g) Pursuant to the Scheme, the difference between the book value of assets and liabilities of the tea business undertaking and shares to be issued to the Company has been recorded in the Statement of Profit or Loss.

h) Since the Scheme received all the requisite approvals in the year 2016-17, operations of Investment business undertakings of Upper Ganges Sugar & Ind Ltd from 1st April 2015 to 31st March 2016 as detailed below, have been adjusted in the Surplus / (Deficit) of the Statement of Profit and Loss under the head Reserves and Surplus.

	1st April 2015 to 31st March 2016
INCOME	
Revenue from Operations	14.81
Other Income	-
Total Revenue (I)	**14.81**
EXPENSES	
Other expenses	4.18
Total (II)	**4.18**
Profit / (Loss) before finance costs, tax, depreciation and amortization [(I) - (II)]	**10.63**
Depreciation and amortization expenses	4.02
Profit / (Loss) before tax	**6.61**
Current tax	-
Deferred tax charge	493.98
Total tax expenses	**493.98**
Profit (Loss) after tax	**(487.37)**
Add : Gain arisen pursuant to Scheme of Arrangement	225.11
Less : Deferred tax assets reversed on Capital Gain arisen pursuant to Scheme of Arrangement	(182.77)
	(445.03)

4. Summary of Significant Accounting Policies

a) Use of Estimates

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

b) Tangible Fixed Assets

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

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

Notes to financial statements as at and for the year ended 31st March 2017 (Contd.)

charged to the statement of profit and loss for the period during which such expenses are incurred.

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

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

c) Depreciation on Tangible Fixed Assets

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

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

Class of Assets	Useful Lives estimated by the management (Years)
Non-factory Buildings	5 to 60
Plant and Equipments	15
Computer and Data Processing Equipments	3 to 6
Furniture and Fixtures	10
Vehicles	8 to 10
Office Equipments	5

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

d) Leases

Operating Lease

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

Finance Lease

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

e) Borrowing Costs

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

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

f) Impairment of Fixed Assets

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

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

g) Investments

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

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

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

h) Revenue Recognition

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

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

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

i) Income taxes

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

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

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

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

Notes to financial statements as at and for the year ended 31st March 2017 (Contd.)

available against which such deferred tax assets can be realized.

j) Earnings Per Share

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

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

k) Cash and Cash Equivalents

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

l) Provisions

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

m) Contingent Liabilities

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

Notes to financial statements as at and for the year ended 31st March 2017 (Contd.)

5. Share Capital

₹ in lakhs

	Particulars	As at 31st March 2017	As at 31st March 2016
(a)	**Authorised shares**		
	1,35,00,000 Equity Shares of ₹10 each	1,350.00	5.00
	1,50,000 Preference Shares of ₹100 each	150.00	-
		1,500.00	**5.00**
(b)	**Isued, subscribed and fully paid-up shares**		
	1,00,03,687 Equity Shares of ₹ 10 each	1,000.37	5.00
	1,50,000 Preference Shares of ₹100 each	150.00	-
		1,150.37	**5.00**

(c) Reconcilition of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	31st March, 2017		31st March, 2016	
	No.	(₹) in Lacs	No.	(₹) in Lacs
Equity Shares of ₹10/- each				
Outstanding at the beginning of the Period	50000	5.00	50,000	5.00
Share cancelled puruant to the scheme	-50000.00	-5.00	-	-
Issued puruant to the scheme during the year	1,00,03,687	1,000.37	-	-
Outstanding at the end of the Period	**1,00,03,687**	**1,000.37**	**50,000**	**5.00**

Preference Shares

Particulars	31st March, 2017		31st March, 2016	
	No.	(₹)	No.	(₹)
Preference Shares of ₹100/- each				
Outstanding at the beginning of the Period	-	-	-	-
Issued puruant to the scheme during the year	1,50,000	150.00	-	-
Outstanding at the end of the Period	**1,50,000**	**150.00**	**-**	**-**

Terms / rights attached to Equity Shares

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

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

Notes to financial statements as at and for the year ended 31st March 2017 (Contd.)

5. Share Capital (Contd.)

Terms of redemption of Preference Shares of Rs. 100 each

The Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹100 each carries dividend @ 12.00% per annum.

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

The Dividend is payable at the time of redemption of the NCCRPS. However, the Board reserves the right to pay dividend earlier subject to the availability of the profit.

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

Equity Shares of ₹ 10.00 each fully paid

Particulars	31st March, 2017		31st March, 2016	
	No.	% holding	No.	% holding
SIL Investments Limited	13,38,430	13.38%	-	-
New India Retailing & Investment Limited	8,38,367	8.38%	-	-
Nandini Nopany	7,01,730	7.02%	-	-
Hargaon Investment & Trading Co. Limited	5,69,252	5.69%	-	-
Yashovardhan Investment & Trading Co. Limited	5,69,531	5.69%		
Upper Ganges Sugar & Industries Limited	-	-	50,000	100%

(e) Details of Preference shareholders holding more than 5% shares in the Company

Preference Shares of ₹100.00 each fully paid

Particulars	31st March, 2017		31st March, 2016	
	No.	% holding	No.	% holding
12 % Preference Shareholders				
Uttam Commercial Limited	12,750	8.50%	-	-
Yashovardhan Investment & Trading Co. Limited	63,750	42.50%	-	-
SIL Investments Limited	9,750	6.50%	-	-
Shital Commercial Limited	25,500	17.00%	-	-
GMB investment Private Limited	8,250	5.50%	-	-
Hargaon Investment & Trading Co. Limited	21,750	14.50%	-	-
Deepshikha Trading Co. Private Limited	8,250	5.50%	-	-
Total	**1,50,000**	**100.00%**	**-**	**-**

Notes to financial statements as at and for the year ended 31st March 2017 (Contd.)

6. Reserves and Surplus

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Capital Reserve		
Arisen pursuant to Scheme of Arrangement (note 3f)	**4,111.33**	-
Surplus / (Deficit) in the Statement of Profit or Loss		
Balance as per last financial statements	(3.80)	(0.29)
Profit / (Loss) for the year	(15.93)	(3.51)
Less : Loss arisen pursuant to Scheme of Arrangement (note 3h)	(445.03)	-
Net Surplus / (Deficit) in the Statement of Profit or Loss	**(464.76)**	**(3.80)**
Total Reserves and Surplus	**3,646.57**	**(3.80)**

7. Other current liabilities

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Other Liabilities	32.07	0.06
Total	**32.07**	**0.06**

8. Tangible assets

₹ in lakhs

	Free-hold Land*	Build-ings	Plants and Equip-ments	Computer and Data Processing Equipments	Furni-ture and Fixtures	Vehi-cles	Office Equip-ments	Total
Gross block								
At 1st April 2016	2.47	90.46	29.58	0.06	8.39	0.08	3.24	134.28
Transfer pursuant to Scheme of arrangement (note 3b)								
Additions	-	-	-	-	-	-	-	-
Disposals	-	0.08	-	-	-	-	-	0.08
At 31st March 2017	**2.47**	**90.38**	**29.58**	**0.06**	**8.39**	**0.08**	**3.24**	**134.20**
Depreciation								
At 1st April 2016	-	33.54	19.77	0.05	4.17	0.07	3.00	60.60
Transfer pursuant to Scheme of arrangement (note 3b)								
Charge for the year	-	3.13	3.41	-	1.49	0.01	-	8.04
Disposals	-	0.02	-	-	-	-	-	0.02
At 31st March 2017	**-**	**36.65**	**23.18**	**0.05**	**5.66**	**0.08**	**3.00**	**68.62**
Net block								
At 1st April 2016	2.47	56.92	9.81	0.01	4.22	0.01	0.24	73.68
At 31st March 2017	**2.47**	**53.73**	**6.40**	**0.01**	**2.73**	**-**	**0.24**	**65.57**

* The title deeds of immovable properties included in Property, Plant & Euipment are transferred to Company pursuant to scheme of arrangement (Refer Note 2(ii) to the Financial statements) and are yet to be registered in the name of the Company.

Notes to financial statements as at and for the year ended 31st March 2017 (Contd.)

9. Non-current investments

₹ in lakhs

	Number of Units / shares	Face value Per Unit / share	As at 31st March 2017	As at 31st March 2016
Quoted (fully paid)				
In Equity Instruments				
Chambal Fertilizers & Chemicals Ltd.	7,04,160*	10.00	98.85	-
New India Retailing & Investment Ltd.	2,02,500	10.00	277.51	-
			376.36	**-**
Unquoted (fully paid)				
In Equity Instruments				
In Subsidiary Companies				
Uttar Pradesh Trading Co. Ltd.	16,36,24,995	1.00	1,736.55	-
Cinnnatolliah Tea Ltd.	2,61,75,396	10.00	2,617.54	-
			4,354.09	**-**
In Other Companies				
Bihar State Financial Corporation Ltd.	60	100.00	0.06	-
Birla Buildings Ltd.	8,400	10.00	0.84	-
Raj Kamal Prakashan P Ltd.	50	100.00	0.05	-
			0.95	-
Total			**4,731.40**	**-**
Aggregate amount of quoted investments [Market Value : ₹ 671.61 lakhs]			376.36	-
Aggregate amount of unquoted investments			4,355.04	-

* includes 6,37,365 shares pledged against term loan availed by Avadh Sugar & Energy Limited pursuant to Scheme of Arrangement (note 3a).

10. Loans and advances

₹ in lakhs

	Non-Current		Current	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
(Unsecured, considered good except stated otherwise)				
Advances recoverable in cash or in kind or for value to be received or pending adjustments	29.25	-	2.75	0.16
Total	**29.25**	**-**	**2.75**	**0.16**

Notes to financial statements as at and for the year ended 31st March 2017 (Contd.)

11. Cash and bank balances

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Cash and cash equivalents		
Balance with banks		
On current accounts	0.04	1.07
Cheques / drafts on hand	-	-
Cash on hand	-	0.03
Total	**0.04**	**1.10**

12. Revenue from operations

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Revenue from operations		
Dividend Income		
On Long-term investments	15.82	-
Total	**15.82**	**-**

13. Other income

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Gain on tangible assets sold / discarded (net)	-	-
Rent and hire charges	-	-
Total	**-**	**-**

Notes to financial statements as at and for the year ended 31st March 2017 (Contd.)

14. Other expenses

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Rates & Taxes	1.07	0.04
Payment to Statutory Auditors	0.25	0.06
Listing Fees	0.33	-
Filling Fees	9.90	2.71
Maintenance Charges	15.73	-
Professional Fees	0.33	0.41
Printing & Stationery	0.10	0.13
Miscellaneous expenses	0.03	0.16
Total	**27.74**	**3.51**

15. Depreciation and amortisation expenses

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Depreciation of tangible assets	4.01	-
Total	**4.01**	**-**

16. Earning per share (EPS)

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Profit / (Loss) after tax	**(15.93)**	**(3.51)**
Dividend on Non-Convertible Cumulative Redeemable Preference Share & tax thereon	21.66	-
Net profit / (loss) for calculation of basic and diluted EPS	**(37.59)**	**(3.51)**
	Nos.	Nos.
Weighted average number of equity shares in calculating basic & diluted EPS	1,00,03,687	50,000
Earning per equity share	₹	₹
(Nominal value of share ₹ 10)		
Basic & Diluted	**(0.38)**	**(7.02)**

* Issued pursuant to Scheme of Arrangement (note 3d).

The Company has issued and allotted 1,00,03,687 equity shares on 30th March, 2017 pursuant to Scheme of Arrangement (note 3d). However, EPS has been calculated for full year.

Notes to financial statements as at and for the year ended 31st March 2017 (Contd.)

17. Contingent liabilities

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Arrear Dividend (including tax) on Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS)	54.49	-
Total	**54.49**	**-**

18. Related Party Disclosures :

Names of related parties and related party relationship

Related parties where control exists

Wholly owned Subsidiary Companies	Uttar Pradesh Trading Company Limited Cinnatolliah Tea Limited

Related Parties with whom transactions have taken place during the year

Key Management Personnel	Mr Vikash Goyal - Chief Financial Officer Shri Chandra Shekhar Nopany - Director w.e.f. 14.03.2017 Shri Santosh Kumar Poddar - Managing Director
Relative of Key Management Personnel	Smt Nandani Nopany- Mother of Shri Chandra Shekhar Nopany
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Avadh Sugar & Energy Limited Magadh Sugar & Energy Limited

Transaction With Related parties **(₹ in Lacs)**

Name	As on	Amount owed by related party	Amount owed to related parties
Receivable / Payable Outstanding (net)			
Avadh Sugar & Energy Ltd.	31.03.2017	1.62	-
	31.03.2016	-	-
Magadh Sugar & Energy Ltd.	31.03.2017	-	1.31
	31.03.2016	-	-

Notes to financial statements as at and for the year ended 31st March 2017 (Contd.)

19. The details of Specified Bank Notes (SBNs) held and transaction during the period 08th November, 2016 to 30th December, 2016 are as under

Particulars	SBN's (₹)	Other Denomination Notes (₹)	Total (₹)
Closing Cash in hand as on 08.11.2016	**-**	**943.00**	**943.00**
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount Deposited in Banks	-	-	-
Closing Cash in hand as on 30.12.2016	**-**	**943.00**	**943.00**

20. The current year financial statements include the state of affairs of the Investment undertakings of the transferor Companies, as described in Note 2(ii) above. Hence, the current year's figures are not comparable with the previous year's figures. Previous year's figures including those given in brackets have been regrouped / rearranged wherever necessary.

For Agrawal Subodh & Co.
Firm Registration No.: 319260E
Chartered Accountants

Surajit Pal
Partner
Membership No.: 066285
Date : 30-05-2017

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director
DIN-00014587

Santosh Kumar Poddar
Managing Director
DIN-00055786

Vikash Goyal
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Ganges Securities Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Ganges Securities Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statementfor the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence obtained by us and other auditors in term of their reports, referred to in paragraph on "Other Matter" is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and of their consolidated profits and their consolidated cash flows for the year ended on that date

OTHER MATTER PARAGRAPH

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs 9660.31 Lakhs as at 31st March 2017, total revenue of Rs 2864.81 Lakhs and net cash inflows amounting to Rs 181.46 Lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the "Other Matter" paragraph, we report to the extent applicable that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of other auditors.

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

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rule 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls refer to our separate Report in "**Annexure A**".

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

i. The Group does not have any pending litigation which would impact its financial position in the consolidated financial statements.

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

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India; and

iv. The Group has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes No 34 as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 as applicable. Based on audit procedures performed and relying on the Management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are accordance with the books of accounts maintained by the company as produced to us and as per audit report received from subsidiaries companies' auditors.

For **Agrawal Subodh& Co.**
Chartered Accountants
(Firm Reg. No.319260E)

(Surajit Pal)
Partner
Membership No. 066285

Place: Kolkata
Date: 30.05.2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORTS OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GANGES SECURITIES LIMITED.

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

In conjunction with our audit of the consolidated financial statements of Ganges Securities Limited as of and for the year ended March 31, 2017 we have audited the internal financial controls over financial reporting of Ganges Securities Ltd (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the holding company and its subsidiary companies which are companies incorporated in India, have, in all material respects, maintained in generally adequate internal financial controls over financial reporting as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters:

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of Internal Financial Controls over Financial Reporting in so far it relates to two subsidiaries which are companies incorporated in Republic of India, is based on the corresponding report of such company incorporated in Republic of India. Our opinion is not modified in respect of above matters.

For **Agrawal Subodh& Co.**
Chartered Accountants
(Firm Reg. No.319260E)

(Surajit Pal)
Partner
Membership No. 066285

Place: Kolkata
Date: 30.05.2017

Consolidated Balance Sheet as on 31st March 2017

₹ in lakhs

Particulars	Notes	As at 31st March 2017	As at 31st March 2016
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	5	1,150.37	5.00
Reserves and Surplus	6	7,507.57	(3.80)
		8,657.94	**1.20**
Non-current Liabilities			
Long-term provisions	7	122.64	-
Deferred tax liability (net)	8	7.26	-
		129.90	**-**
Current Liabilities			
Short term borrowing	9	1,000.00	-
Trade payables	10	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10	41.21	-
Other current liabilities	11	82.74	0.06
Short Term Provisions	12	220.59	-
		1,344.55	**0.06**
Total		**10,132.39**	**1.26**
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	13	1,011.45	-
Intangible Assets	13	135.16	-
Capital Work-in-progress	13	75.77	-
Loans and advances	14	519.19	-
Non Currrent Investment	15	3,572.60	-
		5,314.17	**-**
Current Assets			
Inventories	16	135.05	-
Trade Receivables	17	97.83	-
Loans & Advances	18	2,761.03	0.16
Cash and bank balances	19	1,685.53	1.10
Other current assets	20	138.78	-
		4,818.22	**1.26**
Total		**10,132.39**	**1.26**
Summary of significant accounting policies	4		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Agrawal Subodh & Co.
Firm Registration No.: 319260E
Chartered Accountants

Surajit Pal
Partner
Membership No.: 066285
Date : 30-05-2017

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director
DIN-00014587

Santosh Kumar Poddar
Managing Director
DIN-00055786

Vikash Goyal
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March 2017

₹ in lakhs

Particulars	Notes	Year ended 31st March 2017	Year ended 31st March 2016
INCOME			
Revenue from Operations	21	2,751.41	-
Other Income	22	129.22	-
Total (I)		**2,880.64**	**-**
EXPENSES			
Employee benefits expenses	23	1,232.64	-
Other expenses	24	799.82	3.51
Finance costs	25	18.15	-
Decrease / (Increase) in inventories of Finished Goods, Traded Goods and Goods under Process	26	46.92	-
Total (II)		**2,097.55**	**3.51**
Profit / (Loss) before finance costs, tax, depreciation and amortization [(I) - (II)]		**783.09**	**(3.51)**
Depreciation and amortization expenses	27	123.31	-
Profit / (Loss) before tax		**659.78**	**(3.51)**
Current tax		86.10	-
Deferred tax charge		(11.30)	-
Total tax expenses		**74.80**	**-**
Profit (Loss) after tax		**584.98**	**(3.51)**
Earnings per equity share	28	**5.63**	**(7.02)**
[Nominal value of share ₹ 10]			
Basic & Diluted			
Summary of significant accounting policies	4		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Agrawal Subodh & Co.
Firm Registration No.: 319260E
Chartered Accountants

Surajit Pal
Partner
Membership No.: 066285
Date : 30-05-2017

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director
DIN-00014587

Santosh Kumar Poddar
Managing Director
DIN-00055786

Vikash Goyal
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March 2017

₹ in lakhs

		Year ended 31st March 2017	Year ended 31st March 2016
(A)	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit / (Loss) before tax	**659.78**	**(3.51)**
	Adjustment to reconcile profit / (loss) before tax to net cash flows		
	Depreciation and Amortization expenses	123.31	-
	Finance Costs	0.27	-
	Gain on tangible assets sold / discarded (net)	(10.23)	-
	Bad debts, irrecoverable claims and advances written off	0.01	-
	Unspent liabilities, provision no longer required and unclaimed balances adjusted	(0.77)	-
	Dividend & Interest Income	(656.74)	-
	Cash Generated from Operations	**115.63**	**(3.51)**
	Direct Taxes Paid	98.29	-
	Operating Profit / (Loss) before Working Capital Changes :	**17.34**	**(3.51)**
	Decrease in Trade Payables	(3.34)	-
	Decrease in Long-term Provisions	(21.20)	-
	Increase in Short-term Provisions	203.52	-
	Increase/(Decrease) in Other Current Liabilities	(128.03)	(0.45)
	Increase in Trade Receivables	(1,471.72)	-
	Increase in Non-current Loans & Advances	(25.71)	-
	(Increase)/Decrease in Current Loans & Advances	18.57	(0.16)
	(Increase) in Inventories	66.44	-
	Increase in Other Current Assets	(13.86)	-
	Net Cash from Operating Activities	**(1,357.99)**	**(4.12)**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Proceeds from sale of Tangible Assets	13.58	-
	Purchase of Tangible Assets including CWIP	(129.54)	-
	Interest Received	210.57	-
	Dividend Received	446.17	-
	Net Cash from Investing Activities	**540.78**	**-**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Issue of Equity Shares	-	-
	Proceeds from Short Term Borrowings	1,000.00	-
	Interest Paid	(0.27)	-
	Net Cash used in Financing Activities	**999.73**	**-**
	Net Changes in Cash & Cash Equivalents (A+B+C)	**182.52**	**(4.12)**
	Cash & Cash Equivalents at the beginning of the year	41.24	5.00
	Add: Transfer pursuant to Scheme of Arrangement (note 3b)	1,461.77	-
	Cash & Cash Equivalents at the end of the year	**1,685.53**	**1.10**

For Agrawal Subodh & Co.
Firm Registration No.: 319260E
Chartered Accountants

Surajit Pal
Partner
Membership No.: 066285
Date : 30-05-2017

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director
DIN-00014587

Santosh Kumar Poddar
Managing Director
DIN-00055786

Vikash Goyal
Chief Financial Officer

Notes to consolidated financial statements as at and for the year ended 31st March 2017

1. Principles of consolidated financial statements

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

a) The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealized profit/loss included therein is accordance with Accounting Standard (AS-21) "Consolidated Financial Statements".

b) The consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are prepared, to the extent possible, in the same manner as the Company's separate financial statements.

c) The difference between the cost of the Company's investments in the subsidiaries and their respective equity as on the date of investment is treated as Goodwill / Capital Reserve, as the case may be, in the consolidated financial statements.

d) The Subsidiary Companies, being subsidiary pursuant to the composite scheme of arragement became effective, considered in the financial statements are as follows:

Name	Country of Incorporation	% of voting power / ownership as on	
		31-03-17	31-03-16
Cinnatolliah Tea Limited	India	100	N.A.
Uttar Pradesh Trading Company Limited	India	100	N.A.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 on an accrual basis under the historical cost convention except for impact of Scheme of Arrangement taken at book value as detailed in Note 3 below.

3. Scheme of Arrangement

a) The Composite Scheme of Arrangement ("the Scheme") approved by the National Company Law Tribunal, all the assets and liabilities of the food processing and investment business undertakings of UGSIL have been transferred to and vested in the Company at their respective book values and thereafter the food processing business undertaking of the Company present in the state of Assam have been transferred to and vested in Cinnatoliah Tea Limited (CTL) via slump sale as on 1st April, 2015 on a going concern basis from appointed date i.e. 1st April, 2015.

As per the scheme, appointed date as approved by the National Company Law Tribunal is 1st April, 2015 and effective date is 23rd March, 2017 being the date on which the certified copy of the order sanctioning the said scheme is filed with the Registrar of Companies, Kanpur, Uttar Pradesh and Uttarakhand in accordance with the Companies Act, 1956 and applicable provisions of Companies Act, 2013. Though the scheme has become effective after the Balance sheet date, it is operative from the appointed date i.e. 1st April, 2015, and accordingly it has been given effect to in these accounts.

3. Scheme of Arrangement (Contd.)

b) The details of assets and liabilities transferred as on 1.04.2015 from UGSIL and Subsidiary Companies in lieu of the cost of investment transferred to the Company pursuant to the Scheme are as under:

(₹ in lakhs)

	Transferred from UGSIL	Transferred to CTL	Net Effect to the Company	Subsidiary Companies	The Group
Assets					
Non-current Assets					
Fixed Assets					
Tangible Assets	963.70	890.04	73.66	945.86	1,019.52
Intangible Assets				135.17	135.17
Capital Work-in-progress	2.22	2.22	-	75.77	75.77
Investments	2,113.86	-	2,113.86	3,195.29	5,309.15
Deferred Tax Assets (net)	644.80	-31.95	676.75		676.75
Loans and Advances	537.34	508.09	29.25	519.19	548.44
Other Assets	-	-	-		-
	4,261.92	**1,368.40**	**2,893.52**	**4,871.28**	**7,764.80**
Current Assets					
Investments	5.00	-	5.00		5.00
Inventories	117.43	117.43	-	135.05	135.05
Trade Receivables	80.65	80.65	-	97.83	97.83
Cash and Bank Balances	954.72	954.72	-	1,685.49	1,685.49
Loans and Advances	97.77	97.77	-	2,733.51	2,733.51
Other Assets	34.62	34.62	-	137.16	137.16
	1,290.19	**1,285.19**	**5.00**	**4,789.03**	**4,794.03**
Total Assets	**5,552.11**	**2,653.59**	**2,898.52**	**9,660.31**	**12,558.83**
Liabilities					
Reserves & Surplus					
Capital Reserve	-	-	-		-
Capital Redemption Reserve	-	-	-	30.00	30.00
Reserve Fund	-	-	-	679.79	679.79
General Reserve	-	-	-	286.96	286.96
Profit & Loss A/c	-	-	-	2,864.24	2,864.24
	-	**-**	**-**	**3,861.00**	**3,861.00**
Non-current Liabilities					
Defered tax Liability				7.26	7.26
Other Long-term Liabilities	-	-	-		-
Long-term Provisions	63.69	63.69	-	122.64	122.64
	63.69	**63.69**	**-**	**129.90**	**129.90**
Current Liabilities					
Short-term Borrowings	-11.51	-11.51	-	1,000.00	1,000.00
Trade Payables	60.19	30.94	29.25	41.21	70.46
Other Liabilities	158.23	158.23	-	50.68	50.68
Short-term Provisions	24.81	24.81	-	223.44	223.44
	231.72	**202.47**	**29.25**	**1,315.33**	**1,344.58**
Total Liabilities	**295.41**	**266.16**	**29.25**	**5,306.22**	**5,335.47**

Note : In case of the Company, Non-current and Current Investments mentioned above are net of the cost of Investment i.e. ₹ 2,612.54 lakhs and ₹ 5.00 lakhs respectively in Subsidiary Companies acquired pursuant to the Scheme. In case of the Subsidiary Companies, all assets, liabilities and reserve & suplus are representing the said cost of Investment and alloted pursuant to the Scheme refre Note 3(e) to the Company.

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

3. Scheme of Arrangement (Contd.)

c) 50,000 equity share of ₹ 10 each of the Company held by UGSIL stand cancelled and has been consequently credited to Capital Reserve.

d) The Company has issued the following shares to the shareholders of UGSIL:

i) 1,00,03,687 fully paid up equity shares of ₹ 10 each to the shareholders of UGSIL, aggregating to ₹ 1,000.37 lakhs, in the ratio of 77 equity shares of the face value of ₹ 10 each of the Company for every 89 equity shares of the face value of ₹ 10 each held in UGSIL.

ii) 1,50,000 fully paid up 12% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100 each to the preference shareholders of UGSIL, aggregating to ₹ 150 lakhs on the same terms and conditions.

e) The Company has received 2,61,25,396 fully paid up equity shares of ₹ 10 each from CTL, aggregating to ₹ 2,612.54 lakhs, as consideration for the transfer of tea business undertaking.

f) The difference between the book value of assets and liabilities of the food processing and investment business undertaking and shares issued to the shareholders of UGSIL has been credited to Capital Reserve of the Company.

g) The difference between the book value of assets and liabilities of the food processing business undertaking and shares issued to the Company has been charged to the Statement of Profit or Loss of the Company.

h) Since the Scheme received all the requisite approvals in the current year, operations of Investment business undertaking of OSML and the Subsidiary Companies from 1st April 2015 to 31st March 2016 as detailed below, have been directly adjusted in the Surplus / (Deficit) of the Statement of Profit and Loss under the head Reserves and Surplus.

(₹ in lakhs)

	The Company	Subsidiary Companies	The Group
INCOME			
Revenue from Operations (Gross)	15.82	2,735.59	2,751.41
Other Income		129.22	129.22
Total Revenue (I)	**15.82**	**2,864.81**	**2,880.64**
EXPENSES			
Cost of Raw Materials consumed	-		-
Purchase of Traded Goods	-		-
Decrease in inventories of Finished Goods and Goods under Process	-	46.92	46.92
Employee benefits expenses	-	1,232.64	1,232.64
Other expenses	27.75	772.08	799.82
Total (II)	**27.75**	**2,051.64**	**2,079.39**
Profit / (Loss) before finance costs, tax, depreciation and amortization [(I) - (II)]	**(11.92)**	**813.17**	**801.25**
Depreciation and amortization expenses	4.01	119.30	123.31
Finance Costs	-	18.15	18.15
Profit / (Loss) before tax	**(15.94)**	**675.72**	**659.78**
Current tax	-	86.10	86.10
Deferred tax asset reversed		-11.30	-11.30
Total tax expenses	**-**	**74.80**	**74.80**
Profit / (Loss) after tax	**(15.94)**	**600.92**	**584.98**
Profit / (Loss) arisen pursuant to the Scheme transferred to the Surplus / (Deficit) in the Statement of Profit or Loss	**(15.94)**	**600.92**	**584.98**

4. Summary of Significant Accounting Policies

a) Use of Estimates

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

b) Property, plant and equipment

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

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

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

Items of spares & stores that meet the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life.

c) Depreciation on Property, plant and equipments

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

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

Class of Assets	Useful Lives estimated by the management (Years)
Non-factory Buildings	5 to 60
Plant and Equipments	15
Computer and Data Processing Equipments	3 to 6
Furniture and Fixtures	10
Vehicles	8 to 10
Office Equipments	5

Depreciation on Property, plant and equipment added/ disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

d) Leases

Operating Lease

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

Finance Lease

Assets acquired under lease agreements which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

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

e) Borrowing Costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

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

f) Impairment of Fixed Assets

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

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

g) Investments

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

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

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

h) Inventories

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

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

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

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

i) Revenue Recognition

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

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

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

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

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

j) Retirement and other Employee Benefits

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

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

Short term compensated absences are provided for based on estimates.

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

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

k) Income taxes

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

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

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

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

l) Segment Reporting

Identification of segments

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

Allocation of common costs

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are included under the head "Unallocated".

Unallocated items

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

Segment accounting policies

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

m) Earnings Per Share

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

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

n) Cash and Cash Equivalents

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

o) Excise Duty

Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of inventory of finished goods and by-products as on the reporting date.

p) Provisions

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

q) Contingent Liabilities

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

5. Share Capital

₹ in lakhs

	Particulars	As at 31st March 2017	As at 31st March 2016
(a)	**Authorised shares**		
	1,35,00,000 Equity Shares of ₹10 each	1,350.00	5.00
	1,50,000 Preference Shares of ₹100 each	150.00	-
		1,500.00	**5.00**
(b)	**Isued,subscribed and fully paid-up shares**		
	1,00,03,687 Equity Shares of ₹ 10 each	1,000.37	5.00
	1,50,000 Preference Shares of ₹100 each	150.00	-
		1,150.37	**5.00**

(c) Reconcilition of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	31st March, 2017		31st March, 2016	
	No.	(₹) in Lacs	No.	(₹) in Lacs
Equity Shares of ₹10/- each				
Outstanding at the beginning of the Period	50,000	5.00	50,000	5.00
Share cancelled puruant to the scheme	(50,000)	(5.00)	-	-
Issued puruant to the scheme during the year	1,00,03,687	1,000.37	-	-
Outstanding at the end of the Period	**1,00,03,687**	**1,000.37**	**50,000**	**5.00**

Preference Shares

Particulars	31st March, 2017		31st March, 2016	
	No.	(₹)	No.	(₹)
Preference Shares of ₹100/- each				
Outstanding at the beginning of the Period	-	-	-	-
Issued puruant to the scheme during the year	1,50,000	150.00	-	-
Outstanding at the end of the Period	**1,50,000**	**150.00**	**-**	**-**

Terms / rights attached to Equity Shares

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

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

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

5. Share Capital (Contd.)

Terms of redemption of Preference Shares of Rs. 100 each

The Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹100 each carries dividend @ 12.00% per annum.

NCCRPS shall be redeemable at par on 24th September, 2019 being five years and one day from the date of the original allotment i.e. 25th September, 2014 with a right vested to the Board of Directors to redeem it earlier, subject to consent of the lender.

The Dividend is payable at the time of redemption of the NCCRPS. However, the Board reserves the right to pay dividend earlier subject to the availability of the profit.

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

Equity Shares of ₹ 10.00 each fully paid

Particulars	31st March, 2017		31st March, 2016	
	No.	% holding	No.	% holding
SIL Investments Limited	13,38,430	13.38%	-	-
Nandini Nopany	7,01,730	7.02%	-	-
New India Retailing & Investment Limited	8,38,367	8.38%	-	-
Hargaon Investment & Trading Co. Limited	5,69,252	5.69%	-	-
Yashovardhan Investment & Trading Co. Limited	5,69,531	5.69%		
Upper Ganges Sugar & Industries Limited	-	-	50,000	100%

(e) Details of Preference shareholders holding more than 5% shares in the Company

Preference Shares of ₹100.00 each fully paid

Particulars	31st March, 2017		31st March, 2016	
	No.	% holding	No.	% holding
12 % Preference Shareholders				
Uttam Commercial Limited	12,750	8.50%	-	-
Yashovardhan Investment & Trading Co. Limited	63,750	42.50%	-	-
SIL Investments Limited	9,750	6.50%	-	-
Shital Commercial Limited	25,500	17.00%	-	-
GMB investment Private Limited	8,250	5.50%	-	-
Hargaon Investment & Trading Co. Limited	21,750	14.50%	-	-
Deepshikha Trading Co. Private Limited	8,250	5.50%	-	-
Total	**1,50,000**	**100.00%**	**-**	**-**

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

6. Reserves and Surplus

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Capital Reserve		
Arisen pursuant to Scheme of Arrangement (note 3f)	4,111.33	-
Arisen from Investment in Subsidiaries	-	-
	4,111.33	**-**
Capital Redemption Reserve	**30.00**	**-**
General Reserve	**286.96**	**-**
Reserve Fund		
As per last Accounts	588.89	-
Add: Transfer from surplus in the statement of Profit & Loss for the year	90.90	-
	679.79	**-**
Share Premium	-	
Surplus / (Deficit) in the Statement of Profit or Loss		
Balance as per last financial statements	1,943.32	(0.29)
Profit / (Loss) for the year	584.98	(3.51)
Less : Loss arisen pursuant to Scheme of Arrangement	(445.02)	-
Add: Impact of the scheme related to earlier period	407.11	
Less : Transfer to Reserve Fund for the year	90.90	
Net Surplus / (Deficit) in the Statement of Profit or Loss	**2,399.49**	**(3.80)**
Total Reserves and Surplus	**7,507.57**	**(3.80)**

7. Long Term Provision

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Provision for employee benefits		
Gratuity	116.74	-
Leave	5.90	-
Bonus	-	-
Total	**122.64**	**-**

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

8. Deferred Tax Liability (net)

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting *	92.69	-
	92.69	**-**
Deferred Tax Asset		
Expenditure allowable against taxable income in future years *	85.43	-
	85.43	**-**
Net Deferred Tax Liability	**7.26**	**-**

* transfer pursuant to Scheme of Arrangement.

9. Short Term Borrowings

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Loans Liability		
Un Secured (Considered Good)		
Sil Investments Limited	1,000.00	-
Total	**1,000.00**	**-**

The above loan carries interest @ 12.80% p.a and is payable on Demand.

10. Trade Payables

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises		-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	41.21	
Total	**41.21**	**-**

11. Other current liabilities

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Other Liabilities	82.74	0.06
Total	**82.74**	**0.06**

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

12. Short Term Provisions

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Provision for employee benefits		
Gratuity	15.92	-
Leave	6.15	-
Bonus	153.56	-
	175.63	**-**
Other provisions		
For income tax (net of advance tax)	35.38	-
Provision against standard Assets	9.58	
	44.96	
Total	**220.59**	**-**

13. Fixed Assets

₹ in lakhs

Particulars	Tangible Assets									Intangible Assets		Capital Work-in-Progress	Total
	Free-hold Land	Lease-hold Land	Build-ings	Plants and Equip-ments	Com-puter and Data Pro-cessing Equip-ments	Furni-ture and Fixtures	Vehicles	Office Equip-ments	Total	Good-will	Total		
Gross block													
At 1st April 2016	17.47	94.55	801.38	734.66	16.90	62.77	131.52	5.21	1,864.46	225.28	225.28	10.78	10.78
Additions	-	-	13.31	31.36	0.63	1.75	17.50	-	64.55	-	-	78.30	78.30
Disposals	-	-	0.08	27.81	-	-	12.58	-	40.47	-	-		-
Transfer to Tangible Assets	-	-	-	-	-	-	-	-	-	-	-	13.31	13.31
At 31st March 2017	**17.47**	**94.55**	**814.61**	**738.21**	**17.53**	**64.52**	**136.44**	**5.21**	**1,888.54**	**225.28**	**225.28**	**75.77**	**75.77**
Depreciation/ Amortisation													
At 1st April 2016	-	94.55	209.23	423.31	12.58	28.30	58.98	4.92	831.87	45.06	45.06	-	-
Charge for the year	-	-	16.97	46.40	2.59	5.67	10.64	-	82.27	45.06	45.06	-	-
Disposals	-	-	0.02	26.42	-	-	10.61	-	37.05	-	-	-	-
At 31st March 2017	**-**	**94.55**	**226.18**	**443.29**	**15.17**	**33.97**	**59.01**	**4.92**	**877.09**	**90.12**	**90.12**	**-**	**-**
Net block													
At 1st April 2016	**17.47**	**-**	**592.15**	**311.35**	**4.32**	**34.47**	**72.54**	**0.29**	**1,032.59**	**180.22**	**180.22**	**10.78**	**10.78**
At 31st March 2017	**17.47**	**-**	**588.43**	**294.92**	**2.36**	**30.55**	**77.43**	**0.29**	**1,011.45**	**135.16**	**135.16**	**75.77**	**75.77**

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

14. Long term loans and advances

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
(Unsecured, considered good except stated otherwise)		
Capital Advance	33.15	-
Sundry Deposits	4.50	-
Other loans and advances		
Balances with Tea Development Account Scheme, 1990	481.54	-
	519.19	**-**

15. Non Current Investments (At Cost)

₹ in lakhs

Particulars	No. of-Shares/ Debenture	Face Value (₹)	As at 31st March 2017	As at 31st March 2016
(Non Trade)				
QUOTED :				
Equity Shares (Fully Paid)				
Chambal Fertilisers & Chemicals Ltd.	19,66,795*	10	377.97	279.12
Haryana Oxygen Ltd.	5,000	10	0.50	0.50
New India Retailing & Investment Ltd.	2,85,573	10	341.11	63.61
SIL Investments Ltd.	20,19,339	10	478.36	478.36
Sutlej Textiles & Industries Ltd.	30,41,697*	10	593.89	593.89
Manbhawani Investment Ltd.	73,500	10	2.25	2.25
Manavta Holdings Ltd.	73,500	10	2.25	2.25
			1,796.33	**1,419.97**
UNQUOTED :				
Equity Shares (Fully Paid)				
Avadh Sugar & Enegy Limited	7,39,312#	10	1,724.89	1,724.89
Palash Securities Limited	12,83,234#	10		
Taparia Ltd.	3,500	10	0.40	0.40
Shree Vihar Properties Ltd.	2,24,307	10	19.73	19.73
Modern Diagen Services Ltd.	13,196	10	1.32	1.32
Moon Corporation Ltd.	2,874	5	0.39	0.39
India Educational & Research Institutions Pvt. Ltd.	24,500	10	2.45	2.45
Bihar State Financial Corporation Ltd.	60	100	0.06	
Birla Building Ltd.	8,400	10	0.84	
Raj Kamal Prakashan P Ltd	50	100	0.05	
			1,750.14	**1,749.19**

15. Non Current Investments (At Cost) (Contd.)

₹ in lakhs

Particulars	No. of-Shares/ Debenture	Face Value (₹)	As at 31st March 2017	As at 31st March 2016
Equity Shares (Partly Paid)				
Modern Diagen Services Ltd. (Rs. 2 paid-up per share)	13,06,404	10	26.13	26.13
			3,572.60	**3,195.29**
AGGREGATE VALUE OF INVESTMENTS				
Quoted			1,796.33	1,419.97
Unquoted			1,776.27	1,775.32
			3,572.60	**3,195.29**
Market Value of Quoted Investments			**33,971.97**	**18,448.92**

NOTE: * 7,00,000 shares of Sutlej Textile & Industries Ltd and 12,62,635 shares of Chambal Fertilizers & Chemicals Ltd have been pledged in favour of ICICI Bank Limited to secure loan facilities granted by them.

Alloted on 30-03-2017, pursuant to scheme of Arrangement approved by NCLT, Allahabad between Upper Ganges Sugar & Industries Limited and Others, Further these share are yet to be listed on Stock Exchange.

16. Inventories

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Valued at lower of cost and net realisable value		
Finished goods	67.49	-
Stores, chemicals and spare parts etc.	67.56	-
Total	**135.05**	**-**

17. Trade receivables

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	3.18	-
Considered doubtful	11.82	-
	15.00	**-**
Less : Provision for doubtful trade receivables	11.82	-
	3.18	**-**
Other receivables		
Unsecured, considered good	94.66	-
	94.66	**-**
Total	**97.83**	**-**

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

18. Short term loans and advances

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
(Unsecured, considered good except stated otherwise)		
Advances recoverable in cash or in kind or for value to be received or pending adjustments	4.07	0.16
Other loans and advances		
Inter Corporate Deposits	2653.00	-
Fees - NSDL	0.35	-
Capital Advance - Flat	29.25	-
Advance for New Lift	0.55	-
Prepaid Expenses	9.14	-
Security Deposit with Depository Participant	0.02	-
Balance with Tea Development Accounts Scheme, 1990	64.55	-
Balances with Government Authorities	0.11	-
Total	**2,761.03**	**0.16**

19. Cash and bank balances

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Cash and cash equivalents		
Balance with banks		
On current accounts	63.35	1.07
On Cash Credit Account	35.60	-
On Tea Development Account	2.35	-
Cheques / drafts on hand	7.08	-
Cash on hand	7.14	0.03
	115.53	**1.10**
Other bank balances		
Deposits with original maturity of more than three months and not more than twelve months	1,570.00	-
	1,570.00	**-**
Total	**1,685.53**	**1.10**

20. Other Current Assets

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Other Receivables	38.19	-
Interest Accrued on deposits	52.98	-
Interest Receivable	47.60	-
Total	**138.78**	**-**

21. Revenue from operations

₹ in lakhs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Revenue from operations		
Dividend Income on Long-term investments	461.99	-
Interest on Loan from Body Corporate	93.39	-
Sale of products		-
Finished goods - Tea	2,175.59	
Other operating revenue		
Tea board replanting subsidy	18.57	-
Tea waste sale	1.86	-
Total	**2,751.41**	**-**

22. Other income

₹ in lakhs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Interest income on		-
- Advances, deposits etc.	117.18	-
- Refund from Income Tax Department	1.04	-
Gain on Tangible Assets sold or discarded (Net)	10.23	-
Miscellaneous Receipts	0.01	-
Unspent liabilities, provision no longer required and unclaimed balances adjusted	0.77	
Total	**129.22**	**-**

23. Employee benefits expenses

₹ in lakhs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Salaries, wages, bonus etc.	947.42	-
Contribution to provident & other funds	106.66	-
Gratuity expenses	37.25	-
Employee's welfare expenses	141.30	-
Total	**1,232.64**	**-**

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

24. Other expenses

₹ in lakhs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Rates & Taxes	27.05	0.04
Payment to Cost Auditors	0.06	-
Payment to Statutory Auditors		
- Audit fee	3.04	0.06
- In other capacity for certificates and other services	0.09	
Listing Fees	0.33	-
Filing Fees	10.03	2.71
Maintenance Charges	15.73	-
Professional Fees	33.93	0.41
Printing & Stationery	0.15	0.13
Miscellaneous expenses	102.82	0.16
Service charges	4.72	-
Donation	18.00	-
Bank Charges	0.01	-
Provision for Standard Assets	6.15	-
Consumption of store and spares	141.18	-
Power & Fuel	232.18	-
Repairs to and maintenance of :		
Buildings	16.21	-
Machinery	31.78	-
Others	0.95	-
Rent	4.41	-
Cess on Tea	5.89	-
Insurance	7.48	-
Commission on sales	35.72	-
Freight & forwarding charges etc.	101.91	-
Bad debts, irrecoverable claims and advances written off	-	-
Total	**799.82**	**3.51**

25. Finance costs

₹ in lakhs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Interest paid on loans	18.15	-
Total	**18.15**	**-**

26. Decrease / (Increase) in inventories

₹ in lakhs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Inventories at the end of the year		
Finished goods - Tea	67.49	-
Inventories at the beginning of the year (Pursuant to Scheme)		
Finished goods - Tea	114.41	-
Total	**46.92**	**-**

27. Depreciation and amortisation expenses

₹ in lakhs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Depreciation of tangible assets	78.25	-
Amortisation of intangible assets	45.06	-
Total	**123.31**	**-**

28. Earning per Share (EPS)

₹ in lakhs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Profit / (Loss) after tax	**584.98**	**(3.51)**
Dividend on Non-Convertible Cumulative Redeemable Preference Share & tax thereon	21.66	-
Net profit / (loss) for calculation of basic and diluted EPS	**563.32**	**(3.51)**
	Nos.	**Nos.**
Weighted average number of equity shares in calculating basic & diluted EPS	1,00,03,687	50,000
	₹	₹
Earning per equity share (Nominal value of share ₹ 10)		
Basic & Diluted	**5.63**	**-7.02**

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

29. Contingent liabilities

₹ in lakhs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Arrear Dividend (including tax) on Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS)	54.49	-
Total	**54.49**	**-**

30. Leases

Operating lease in CTL

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

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Lease payments made for the year	4.41	0

Operating lease in UPTCL

The lease agreement dated 26th September 2011 between the company & other Co-Lessee's with The Oudh Sugar Mills Ltd (Lessor) in respect of expenses at Haridwar House, Haridwar in the state of Uttarakhand is in force and expenses charged to Profit & Loss Account.

31. Gratuity - Defined Benefit Plan

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

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

Statement of profit and loss

Net employee benefit expense recognized in employee costs

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Current service cost	17.78	-
Interest cost on benefit obligation	21.93	-
Expected return on plan assets	(13.90)	-
Net actuarial (gain) / loss recognized in the year	11.44	-
Net benefit expense	**37.25**	**-**
Actual return on plan assets	14.80	-

31. Gratuity - Defined Benefit Plan (Contd.)

Balance sheet

Net Benefit liability / (asset)

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Present value of defined benefit obligation	317.79	-
Fair value of plan assets	185.13	-
Plan liability / (asset)	**132.66**	**-**

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

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Opening defined benefit obligation	300.08	-
Current service cost	17.78	-
Interest cost	21.93	-
Benefits paid	(34.34)	-
Actuarial (gains) / losses on obligation	12.34	-
Closing defined benefit obligation	**317.79**	**-**

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

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Opening fair value of plan assets	188.46	-
Expected return	13.90	-
Contributions by employer	16.21	-
Benefits paid	-34.34	-
Actuarial gains / (losses)	0.90	-
Closing fair value of plan assets	**185.13**	**-**

The Company expects to contribute ₹ 40 lacs (Nil) to Gratuity Fund in the next year.

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

	Year ended 31.03.2017
Investments with insurer	100%

The principal assumptions are shown below :

	Year ended 31.03.2017
Discount rate	7.32%
Expected rate of return on assets	7.75%
Withdrawal Rates	Varying between 1.80% to 4.20% per annum depending upon the duration and age of the employees

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

31. Gratuity - Defined Benefit Plan (Contd.)

The principal assumptions are shown below : (Contd.)

₹ in lakhs

Particulars	31st March 2017	31st March 2016
Gratuity		
Defined benefit obligation	317.79	-
Plan assets	185.13	-
Surplus / (deficit)	(132.66)	-
Experience (gain) / loss adjustments on plan liabilities	(0.19)	-
Experience gain / (loss) adjustments on plan assets	0.90	-

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

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

Figures for the year 2016 pertaining to Gratuity has not been shown as this was being the first year for the Company pursuant to Scheme of Arrangement as detailed in note in 2.

Defined Contribution Plan :

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

Particulars	31st March 2017	31st March 2016
Contribution to Provident / Pension Funds	106.66	-
Contribution to ESI Fund	-	-
	106.66	**-**

32. Segment information

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

Tea - Consists of Tea Manufacturing Business

Investments - Consists of Interest income from loans and Dividend income from investments in shares & securities.

32. Segment information (Contd.)

Business segments

Year ended 31st March 2017

₹ in lakhs

Particulars	Tea	Investments	Total
Revenue from operations (net of Excise Duty)	**2,196.03**	**555.38**	**2,751.41**
Results			
Segment results	75.30	473.42	548.71
Unallocated Income / (Expenses) (net of unallocated expenses / income)			129.22
Operating Profit			**677.94**
Finance Costs			18.15
Profit before tax			**659.78**
Current tax			86.10
Provision for Tax for ealier year			-11.30
Total tax expenses			**74.80**
Profit after tax			**584.98**

₹ in lakhs

Particulars	Tea	Investments	Total
As at 31st March 2017			
Segment assets	3,586.71	6,545.68	10,132.39
Unallocated assets	-	-	-
Total assets			**10,132.39**
Segment liabilities	3,586.71	6,545.68	10,132.39
Unallocated liabilities	-	-	-
Total liabilities			**10,132.39**
Other segment information			
Capital expenditure			
Property, Plant & Equipment	881.14	130.30	1,011.43
Depreciation	115.90	7.41	123.31

Year ended 31st March 2016

₹ in lakhs

Particulars	Tea	Investments	Total
Revenue from operations (net of Excise Duty)	-	-	-
Results			
Segment results	-	(3.51)	(3.51)
Unallocated Income / (Expenses) (net of unallocated expenses / income)			
Operating Profit			**(3.51)**
Finance Costs			-
Profit before tax			**(3.51)**
Current tax			-
Provision for Tax for ealier year			-
Total tax expenses			**-**
Profit after tax			**(3.51)**

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

32. Segment information (Contd.)

₹ in lakhs

Particulars	Tea	Investments	Total
As at 31st March 2016			
Segment assets	-	1.26	1.26
Unallocated assets	-	-	-
Total assets			**1.26**
Segment liabilities	-	1.26	1.26
Unallocated assets	-	-	-
Total liabilities			**1.26**
Other segment information			
Capital expenditure			
Property, Plant & Equipment	-	-	-
Depreciation	-	-	-

33. Related Party Disclosures :

Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Avadh Sugar & Energy Limited Magadh Sugar & Energy Limited SIL Investments Limited
Key Management Personnel / Director:	Mr. Vikash Goyal - Chief Financial Officer Shri Santosh Kumar Poddar - Managing Director of CTL & GSL Shri Chandra Shekhar Nopany -Director
Relative of Key Management Personnel	Smt Shalini Nopany - Wife of Shri Chandra Shekhar Nopany

₹ in lakhs

Name	Year Ended	Amount owed by related party	Amount owed to related parties
Receivable & Payable Outstanding (net)			
Avadh Sugar & Energy Limited	31.03.2017	1.62*	-
	31.03.2016	-	-
Magadh Sugar & Energy Limited	31.03.2017	-	1.31*
	31.03.2016	-	-

* Pursuant to the Scheme of Arrangement

₹ in lakhs

Name	Year Ended	Op. Balance	Movement	Interest	Closing Balance
Loans /ICD Given					
Avadh Sugar & Energy Limited	31.03.2017	-	2,653.00	93.39	2,653.00
	31.03.2016				

Notes to consolidated financial statements as at and for the year ended 31st March 2017 (Contd.)

33. Related Party Disclosures : (Contd.)

₹ in lakhs

Name	Year Ended	Op. Balance	Movement	Interest	Closing Balance
Loans /ICD Taken					
SIL Investments Limited	31.03.2017	-	1,000.00	17.88	1,000.00
	31.03.2016				

34. The details of Specified Bank Notes (SBNs) held and transaction during the period 08th November, 2016 to 30th December, 2016 are as under

Particular	SBN's (₹)	Other Denomination Notes (₹)	Total (₹)
Closing Cash in hand as on 08.11.2016	7.64	13.36	21.00
(+) Permitted Receipts	-	96.70	96.70
(-) Permitted Payments	-	70.48	70.48
(-) Amount Deposited in Banks	7.64		7.64
Closing Cash in hand as on 30.12.2016	-	39.58	39.58

35. The disclosure of net assets and share in profit or loss percentage of the Holding Company and Subsidiary Companies pursuant to Schedule III of the Companies Act, 2013 is as under:

Name of the entity in the Consolidation Financial Statements	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidated net assets	Amount (₹ in lakhs)	As % of Consolidated profit or loss	Amount (₹ in lakhs)
1	2	3	4	5
Parent:				
Ganges Securities Limited	55.41%	4,796.95	-2.72%	(15.94)
Subsidiaries:				
Cinnatolliah Tea Limited	6.38%	552.49	25.04%	146.51
Uttar Pradesh Trading Company Limited	38.21%	3,308.50	77.68%	454.41
Total	**100.00%**	**8,657.94**	**100.00%**	**584.98**

36. The Board of CTL has recommended a dividend @ 10 paise per share (Face Value ₹ 10/- per share).

37. The current year's figures are not comparable with the previous year's figures. Previous year's figures including those given in brackets have been regrouped / rearranged wherever necessary.

For Agrawal Subodh & Co.
Firm Registration No.: 319260E
Chartered Accountants

Surajit Pal
Partner
Membership No.: 066285
Date : 30-05-2017

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director
DIN-00014587

Santosh Kumar Poddar
Managing Director
DIN-00055786

Vikash Goyal
Chief Financial Officer

Ganges
Securities Limited

CIN: U74120UP2015PLC069869
Registered Office: P.O. Hargaon, Dist. Sitapur (U.P.), Pin – 261 121
Email: birlasugar@birla-sugar.com, Website: www.birla-sugar.com
Phone - (05862) 256220, Fax - (05862) 256225

GANGES SECURITIES LIMITED

CIN : U74120UP2015PLC069869
Registered Office: P.O. Hargaon, Dist. Sitapur (U.P.), Pin – 261 121
Email: birlasugar@birla-sugar.com, Website: www.birla-sugar.com
Phone - (05862) 256220, Fax - (05862) 256225

NOTICE

Notice is hereby given that the Third Annual General Meeting of the Members of **GANGES SECURITIES LIMITED** will be held on Friday, September 22, 2017 at 12:30 p.m., at the Registered Office of the Company, at P.O Hargaon, District- Sitapur, Pin – 261121, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
   a) the Standalone Financial Statements of the Company for the year ended March 31, 2017 and the Reports of the Directors' and Auditor's thereon.
   b) the Consolidated Financial Statements of the Company for the year ended March 31, 2017 and the Report of the Auditor's thereon.
2. To elect a Director in place of Mrs. Nandini Nopany (DIN: 00051362), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration and to consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:
   "**RESOLVED THAT** pursuant to the provision of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force), recommendation of the Audit Committee and pursuant to the resolution passed by the members at the 2nd Annual General Meeting (AGM) of the Company held on 12th September, 2016, the appointment of M/s. Agrawal, Subodh & Co., Chartered Accountants, having Firm Registration No. 319260E as Statutory Auditors of the Company for for a term of five consecutive years till the conclusion of the 7th (seventh) AGM of the Company, be and is hereby ratified on such remuneration as may be determined by the Board of Directors based on the recommendation of the Audit Committee in consultation with the auditors in addition to the reimbursement of all out-of-pocket expenses in connection with the audit of the financial statements of the Company."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
   "**RESOLVED THAT** Mr. Chandra Shekhar Nopany (DIN: 00014587), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th March, 2017, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation, pursuant to the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force)."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
   "**RESOLVED THAT** Mr. Dhiraj Ramakant Banka (DIN: 07642329) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th March, 2017, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 to hold office for a term of five consecutive years from the date of his appointment upto 13th March, 2022 and who shall not be liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
   "**RESOLVED THAT** Mr. Nandanandan Mishra (DIN: 00031342), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th March, 2017, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 to hold office for a term of five consecutive years from the date of his appointment upto 13th March, 2022 and who shall not be liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
   "**RESOLVED THAT** Mr. Arun Kumar Newar (DIN: 07778968), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th March, 2017, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the

Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for a term of the time being in force) read with Schedule IV to the Companies Act, 2013 to hold office for a term of five consecutive years from the date of his appointment upto 29th March, 2022 and who shall not be liable to retire by rotation."

8. 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 provision of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and such other approvals, as may be necessary, the consent of the members of the Company be and is hereby accorded to the appointment of Mr. Santosh Kumar Poddar (DIN: 00055786) as the Managing Director of the Company without any remuneration, for a period of three years with effect from 30th March, 2017.

RESOLVED FURTHER THAT the Board of Directors of the Company including Board delegated Committee(s) thereof, be and they are hereby authorised to alter and vary the terms and conditions of appointment and/or remuneration subject to the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company including Board delegated Committee(s) thereof, be and they are hereby authorised to do or cause to be done in the name and at the cost of the Company all such acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution."

By Order of the Board of Directors
For **Ganges Securities Limited**

Santosh Kumar Poddar
Managing Director
DIN- 0055786

Place : Kolkata
Date : 30th May, 2017

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.

2. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty eight) hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, body(ies) corporate, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. Proxy holder shall prove his identity at the time of attending the Meeting. A Proxy Form which does not state the name of the Proxy shall be considered invalid.

4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.

5. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution to the Company authorising their representative to attend and vote on their behalf at the Meeting.

6. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.

7. The Register of the Members and Share Transfer Books of the Company will remain closed from Saturday, September 16, 2017 to September 22, 2017 (both days inclusive), for the purpose of Annual General Meeting.

   Members are requested to notify the change in their addresses, if any, to the Company or its Registrar & Share Transfer Agent. Members holding shares in dematerialised form should send the above information to their Depository Participants ('DPs')

8. In all correspondence with the Company/Registrar & Share Transfer Agent the Members are requested to quote their accounts/folio numbers and in case their shares are held in the dematerialized form their Client ID Number and DP ID Number.

9. In terms of the provisions of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders in respect of shares held by them in physical form. The Nomination Form can be obtained for the purpose from the Company/Registrar & Share Transfer Agent. Members holding shares in electronic form have to approach their DPs for completing the nomination formalities.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agent

11. The Statement of Profit and Loss for the financial year ended 31st March, 2017, the Balance Sheet (including consolidated financial statements) as at that date, the Auditors' Report, the Directors' Report and all other documents annexed or attached thereto and circulated to the Members of the Company along with this Notice are also available in physical/electronic form for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days up to this AGM. Members who wish to obtain information on the Company or view the Accounts for the financial year ended 31st March, 2017 may visit the Company's website www.birla-sugar.com / www.gangessec.com or send their queries at least 10 (ten) days in advance before the AGM to the Company.

12. Voting through electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on Tuesday, 19th September, 2017 (9:00 am) and ends on Thursday, 21st September, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th September, 2017, may cast their vote by remote e-voting.

The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open the attached PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Ganges Securities Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at goenkamohan@gmail.com with a copy marked to evoting@nsdl. co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

(i) User ID and Initial password is provided in the Attendance Slip for the AGM :

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15th September, 2017.

X. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 15th September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or kolkata@linkintime.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Mohan Ram Goenka, Practicing Company Secretary (CP No.: 2551) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.birla-sugar.com / www.gangessec.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Chandra Shekhar Nopany (DIN: 00014587), aged 52 years, was appointed as an Additional Director by the Board of Directors with effect from 14th March, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 155 of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013, Mr. Chandra Shekhar Nopany holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received a notice in writing from a Member of the Company proposing his candidature for appointment as a Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The Board feels that the presence of Mr. Chandra Shekhar Nopany on the Board would be of immense benefit to the Company and therefore recommends Resolution No. 4 for approval of the Members of the Company.

Except Mr. Chandra Shekhar Nopany and Mrs. Nandini Nopany, his relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Item No. 5

Mr. Dhiraj Ramakant Banka (DIN: 07642329), aged 42 years, a Commerce graduate having over 15 years of experience in fields of finance, accounts, export and administration functions, was appointed as an Additional Director by the Board of Directors with effect from 14th March, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 155 of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 Mr. Dhiraj Ramakant Banka holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received a request in writing from a Member of the Company proposing his candidature for appointment as a Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. Pursuant to Section 149 of the Companies Act, 2013, the Board of Directors at its meeting held on 14th March, 2017 designated Mr. Banka, as an Independent Director based on the declarations received from Mr. Banka.

The Board recommends to appoint Mr. Dhiraj Ramakant Banka as an Independent Director for a consecutive period of five years upto 13th March, 2022. The Board feels that presence of Mr. Banka on the Board would be of immense benefit to the Company and therefore recommends Resolution No. 5 for approval of the Members of the Company.

Except Mr. Dhiraj Ramakant Banka, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Item No. 6

Mr. Nandanandan Mishra (DIN: 00031342), aged 75 years, an ex-Chief Commissioner of Income Tax, belongs to the 1966 cadre of the Indian Revenue Service having about 40 years of rich experience in various critical portfolios in public sector administration, was appointed as an Additional Director by the Board of Directors with effect from 14th March, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 155 of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 Mr. Mishra holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received a request in writing from a Member of the Company proposing his candidature for appointment as a Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. Pursuant to Section 149 of the Companies Act, 2013, the Board of Directors at its meeting held on 14th March, 2017 designated Mr. Nandanandan Mishra, as an Independent Director based on the declarations received from him.

The Board recommends to appoint Mr. Nandanandan Mishra as an Independent Director for a consecutive period of five years upto 13th March, 2022. The Board feels that presence of Mr. Nandanandan Mishra on the Board would be of immense benefit to the Company and therefore recommends Resolution No. 6 for approval of the Members of the Company.

Except Mr. Nandanandan Mishra, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Item No. 7

Mr. Arun Kumar Newar (DIN: 07778968), aged 64 years, a renowned businessman having wide experience of over 40 years in the field of accounting, finance and business, was appointed as an Additional Director by the Board of Directors with effect from 30th March, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 155 of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 Mr. Newar holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received a request in writing from a Member of the Company proposing his candidature for appointment as a Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. Pursuant to Section 149 of the Companies Act, 2013, the Board of Directors at its meeting held on 30th March, 2017 had designated Mr. Arun Kumar Newar, as an Independent Director based on the declarations received from him.

The Board recommends to appoint Mr. Arun Kumar Newar as an Independent Director for a consecutive period of five years upto 29th March, 2022. The Board feels that presence of Mr. Arun Kumar Newar on the Board would be of immense benefit to the Company and therefore recommends Resolution No. 7 for approval of the Members of the Company.

Except Mr. Arun Kumar Newar, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

Item No. 8

The Board of Directors at its meeting held on 30th March, 2017, had appointed Mr. Santosh Kumar Poddar (DIN: 00055786), as the Managing Director of the Company, for a period of three years, without any remuneration. As the Managing Director of the Company, Mr. Santosh Kumar Poddar shall be responsible to give direction to the Management team of the Company in accomplishment of its business plan.

His appointment as the Managing Director is considered desirable in the interest of the Company and the Board of Directors, accordingly, recommend the Resolution mentioned in Item No 8 of the Notice for your approval.

Mr. Santosh Kumar Poddar holds 476 (Four Hundred Seventy Six) Equity Shares of the Company.

The Board recommends passing of the Special Resolution proposed at item no. 8 of the Notice.

Except Mr. Santosh Kumar Poddar, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

By Order of the Board of Directors
For **Ganges Securities Limited**

Santosh Kumar Poddar
Managing Director
DIN- 0055786

Place : Kolkata
Date : 30th May, 2017

Particulars of Directors seeking appointment/re-appointment at the Annual General Meeting

Name	**Mrs Nandini Nopany**	
Date of birth	11.05.1947	
Brief profile covering experience	Mrs Nandini Nopany is an eminent industrialist and philanthropist. She looks after the overall management of the Company and is the driving force of the Company. She has 35 years of experience in managing industries.	
Date of appointment	02.08.2016	
Inter-se relationship	Mrs. Nandini Nopany is the mother of Mr. Chandra Shekhar Nopany	
Shareholding	7,01,730 Equity Shares	
	Name of Company(ies)	**Committee Memberships, if any with position**
Other Directorships	Modern Diagen Services Limited	
	Nilgiri Plantations Limited	
	Shital Commercial Limited	
	Ronson Traders Limited	
	Uttam Commercial Limited	
	Uttar Pradesh Trading Co Limited	▪ Audit Committee, Member
	Centre Stage Creations Private Limited	
	Cinnatolliah Tea Limited	
	Avadh Sugar & Energy Limited	

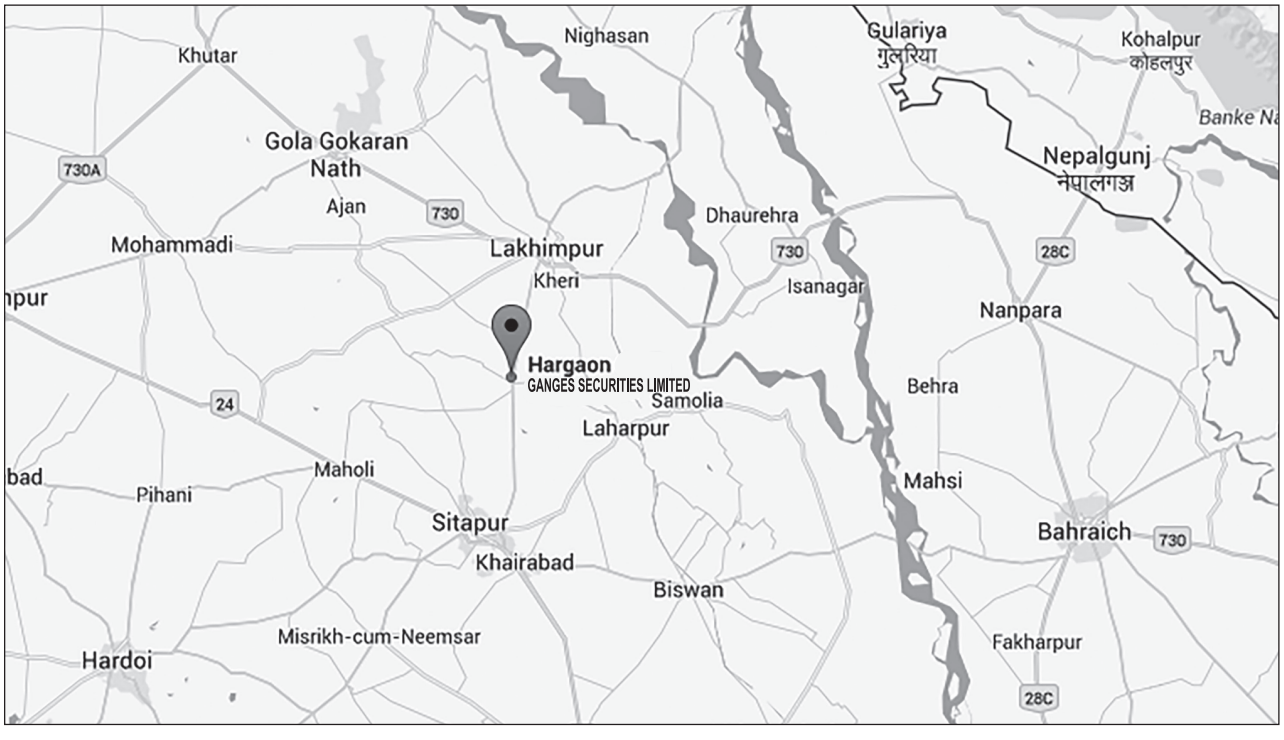
Name	**Mr Chandra Shekhar Nopany**	
Date of birth	19.09.1965	
Brief profile covering experience	Mr. Chandra Shekhar Nopany is a Member of the Institute of Chartered Accountants of India and Masters in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA. 1989. He is an eminent industrialist having vast experience in diverse fields like sugar, tea, shipping, textiles, fertilizers and chemicals, etc. He is the past President of Indian Chambers of Commerce and the present member of the Executive Committee of FICCI.	
Date of appointment	14.03.2017	
Inter-se relationship	Mr. Chandra Shekhar Nopany is the son of Mrs. Nandini Nopany.	
Shareholding	34,261 Equity Shares	
	Name of Company(ies)	**Committee Memberships, if any with position**
Other Directorships	Avadh Sugar & Energy Limited	-
	SIL Investments Limited	▪ Stakeholders' Relationship Committee, Chairman ▪ Corporate Social Responsibility Committee, Chairman
	Yashovardhan Investment & Trading Company Limited	-
	Ronson Traders Limited	▪ Stakeholders' Relationship Committee, Chairman
	New India Retailing & Investment Limited	-
	Sutlej Textiles and Industries Limited	-
	Chambal Fertilisers and Chemicals Limited	▪ Nomination and Remuneration Committee, Member ▪ Corporate Social Responsibility Committee, Member
	Magadh Sugar & Energy Limited	▪ Corporate Social Responsibility Committee, Chairman
	Palash Securities Limited	-
Name	**Mr. Dhiraj Ramakant Banka**	
Date of birth	16.07.1975	
Brief profile covering experience	Mr Dhiraj Ramakant Banka, is a Commerce graduate and has over 15 years of experience in fields of finance, accounts, export and administration.	
Date of appointment	14.03.2017	
Inter-se relationship	None	
Shareholding	NIL	
	Name of Company(ies)	**Committee Memberships, if any with position**
Other Directorships	None	None
Name	**Mr. Arun Kumar Newar**	
Date of birth	10.01.1952	
Brief profile covering experience	Mr. Arun Kumar Newar, a graduate in Commerce, is a renowned businessman having wide experience of over 40 years in the field of accounting, finance and business administration.	
Date of appointment	30.03.2017	
Inter-se relationship	None	
Shareholding	NIL	
	Name of Company(ies)	**Committee Memberships, if any with position**
Other Directorships	Palash Securities Limited	▪ Stakeholders' Relationship Committee, Chairman ▪ Audit Committee, Member

Name	**Mr. Nandanandan Mishra**	
Date of birth	20.10.1942	
Inter-se relationship	None	
Brief profile covering experience	Mr. Nandanandan Mishra, is an ex-Chief Commissioner of Income Tax, belonging to the 1966 cadre of the Indian Revenue Service and has about 40 years of rich experience in various critical portfolios in public sector administration. During his last tenure, he was the Director General of Income Tax (Administration) and was responsible for streamlining long term strategic plan in relation to internal inspection, reviewing tax payer service programmes and managing delinquent accounts. He has participated in various Committees in the Government and has successfully piloted a restructuring plan for the Income Tax Department in India, which is considered as a key innovation in Civil Service management in India.	
Date of appointment	14.03.2017	
Shareholding	NIL	
	Name of Company(ies)	**Committee Memberships, if any with position**
Other Directorships	Lux Industries Limited	▪ Audit Committee, Chairman ▪ Nomination & Remuneration Committee, Chairman ▪ Stakeholders' Relationship Committee, Member
	Adhunik Metaliks Limited	▪ Audit Committee, Chairperson ▪ Nomination & Remuneration Committee, Member ▪ Stakeholders' Relationship Committee, Member
	Viaan Industries Limited	▪ Audit Committee, Chairperson ▪ Nomination & Remuneration Committee, Member ▪ Stakeholders' Relationship Committee, Member
	United Credit Limited	▪ Audit Committee, Member ▪ Nomination & Remuneration Committee, Member
	Mideast Integrated Steels Limited	▪ Audit Committee, Member ▪ Nomination & Remuneration Committee, Member ▪ Stakeholders' Relationship Committee, Chairman ▪ Corporate Social Responsibility Committee, Member
	Cinnatolliah Tea Limited.	-
	Medirad Tech India Limited.	-

Name	**Mr. Santosh Kumar Poddar**	
Date of birth	15.04.1951	
Brief profile covering experience	Mr. Santosh Kumar Poddar, is a qualified Company Secretary and has completed his Degree in Commerce from Calcutta University and a known person in field of Finance & Accounts and general administration. He possesses rich experience of about 40 years especially in finance, banking operations, cost management, accounting and overall administration in corporate sector.	
Date of appointment	30.03.2017	
Inter-se relationship	None	
Shareholding	NIL	
	Name of Company(ies)	**Committee Memberships, if any with position**
Other Directorships	Manavta Holdings Limited	▪ Audit Committee, Member ▪ Nomination & Remuneration Committee, Member

	Ronson Traders Limited	▪ Audit Committee,Member ▪ Nomination & Remuneration Committee, Member ▪ Stakeholders' Relationship Committee, Member
	Master Exchange & Finance Limited	▪ Audit Committee, Member ▪ Nomination & Remuneration Committee, Member
	Nilgiri Plantations Limited	-
	Cinnatolliah Tea Limited	-
	SIL Properties Limited	▪ Audit Committee, Member
	Pollock Traders Pvt Limited	-
	RTM Investment & Trading Co. Limited	▪ Audit Committee, Member ▪ Nomination & Remuneration Committee, Member
	G M B Investments Private Limited	-
	Birla Buildings Limited	-
	India Educational and Research Institutions Private Limited	-
	Shree Shyam Diagnostics & Research Institute Private Limited	-
	Samaj Electoral Trust Association	-

Route map of the venue of the Annual General Meeting



GANGES SECURITIES LIMITED
P.O. Hargaon, Dist. Sitapur (U.P.), Pin – 261 121

3rd Annual General Meeting
Friday, September 22, 2017
at 12.30 p.m.

GANGES SECURITIES LIMITED

CIN U74120UP2015PLC069869
Registered Office : P. O. Hargaon, Dist. Sitapur (U.P.), Pin - 261 121
Phone : (05862) 256220, Fax (05862) 256225, Email : birlasugar@birla-sugar.com, Website : www.birla-sugar.com

ATTENDANCE SLIP

I/We hereby record my / our presence at the Third Annual General Meeting of the Company being held on Friday, September 22, 2017 at 12.30 p.m., at the Registered Office of the Company at P.O. Hargaon, District Sitapur, Uttar Pradesh, Pin - 261 121.

....

Name of the Proxy (in BLOCK LETTERS) Signature of the Shareholder / Proxy Present

Note : Please cut here and bring the Attendance Slip duly signed , to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

ELECTRONIC VOTING PARTICULARS

EVEN NO	User ID	PASSWORD/PIN

3rd Annual General Meeting
Friday, September 22, 2017
at 12.30 p.m.

GANGES SECURITIES LIMITED

CIN U74120UP2015PLC069869
Registered Office : P. O. Hargaon, Dist. Sitapur (U.P.), Pin - 261 121
Phone : (05862) 256220, Fax (05862) 256225, Email : birlasugar@birla-sugar.com, Website : www.birla-sugar.com
Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules), 2014]

PROXY FORM
FORM MGT 11

I/We, being the member(s), ... shares of the above named Company, hereby appoint :

(1) Name ..... Address .....
E-mail ID ..... Signature ..... or failing him/her

(2) Name ..... Address .....
E-mail ID ..... Signature ..... or failing him/her,

(3) Name ..... Address .....
E-mail ID ..... Signature .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Third Annual General Meeting of the Company being held on Friday, September 22, 2017 at 12.30 p.m., at the Registered Office of the Company at P.O. Hargaon, District Sitapur, Uttar Pradesh, Pin - 261 121 or / and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions	Optional*	
		For	Against
1.	Adoption of Financial Statements		
2.	Appointment of a Director in place of Mrs. Nandini Nopany, who retires by rotation and being eligible, offers herself for re-appointment.		
3.	Ratification of appointment of M/s Agrawal, Subodh & Co., Chartered Accountants as Statutory Auditors of the Company.		
4.	Appointment of Mr. Chandra Shekhar Nopany as a Director.		
5.	Appointment of Mr. Dhiraj Ramakant Banka as an Independent Director.		
6.	Appointment of Mr. Nandanandan Mishra as an Independent Director.		
7.	Appointment of Mr. Arun Kumar Newar as an Independent Director.		
8.	Appointment of Mr. Santosh Kumar Poddar as the Managing Director of the Company.		

Signed this ..... day of .....

Member's Folio No. / DP. ID. Client ID. No. ..... Signature of Proxy holder(s) .....

Signature of Proxy holder(s) .....

Affix the revenue stamp of ₹ 1/-

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Third Annual General Meeting.

*3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. Please complete all details including details of member(s) in above box before submission.