

Balrampur Chini Mills Limited

Annual Report 2014-15

Dear Shareholders,

Linking cane prices with sugar realisations.

This singular reform (suggested) in India's sugar industry can potentially emerge as an industry game-changer.

The biggest in decades.

Enriching farmers. Benefiting millers.

Safeguarding consumers. Protecting banks.

This annual report articulates the need yet again to all those who have the power to make this transformation happen.

The time is now.

Vivek Saraogi

Managing Director

there is a solution
for every problem...

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Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be

realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Balrampur Chini Mills Limited

CIN: L15421WB1975PLC030118

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

Phone: (033)22874749, Fax: (033)22873083, Email: bcml@bcml.in, Website: www.chini.com

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the members of **Balrampur Chini Mills Limited** will be held on Wednesday, the 12th August, 2015 at 10.30 a.m. at 'Vidya Mandir', 1, Moira Street, Kolkata – 700017 to transact the following business :

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2015, including the audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date together with the report of Board of Directors and Auditor's Report thereon.
2. To appoint a Director in place of Dr. Arvind Krishna Saxena (DIN-00846939) who retires by rotation and being eligible has offered himself for reappointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"Resolved that M/s G.P. Agrawal & Co., Chartered Accountants (Regn. No.302082E) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

Special Business:

4. **To consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution:**

"Resolved that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Smt. Novel S Lavasa (DIN- 07071993), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 31st March, 2019."

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:**

"Resolved that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to substitute the existing Articles of Association of the Company by a new set of Articles of Association.

Resolved further that any one of the Directors of the Company and/or Mr. S. K. Agrawala, Company Secretary be and are hereby jointly and severally authorised to do all such acts, deeds and things as may be necessary to give effect to this resolution."

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:**

“Resolved that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 the consent of the Company be and is hereby accorded to the payment of commission to the Non-Executive Directors of the Company upto 1% of the net profit of the Company in any financial year to be computed in accordance with the provisions of the Companies Act, 2013 or ₹30 lakhs in aggregate, whichever is lower, over and above the usual sitting fees for a period of 5 years commencing from 1st April, 2015 and that the said commission be divided among the Directors in such proportion and in such manner as may be determined by the Board.

7. **To consider and if thought fit to pass, with or without modification(s), the following resolution as a special resolution:**

“Resolved that, pursuant to the provisions of Section 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to all such approvals as may be required, the Company hereby approves the payment of existing remuneration to Mr. Kishor Shah (DIN 00193288), Director cum Chief Financial Officer, for the period from 1st April, 2014 to 31st March, 2016 as set out in the explanatory statement annexed hereto as minimum remuneration in case the Company has in any financial year no profits or if its profits is inadequate with liberty to the Board of Directors including any committee thereof (the “Board”) to revise, amend, alter and vary the terms and conditions of his remuneration in such manner as may be permitted in accordance with provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by and between the Board and Shri Kishor Shah.

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

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 provisions of Section 197 and Schedule V and other applicable provisions, if any, of

the Companies Act, 2013 and subject to all such approvals as may be required, the Company hereby approves the payment of existing remuneration to Dr. Arvind Krishna Saxena (DIN-00846939), Wholetime Director, for the period from 1st August, 2014 to 31st July, 2017 as set out in the explanatory statement annexed hereto as minimum remuneration in case the Company has in any financial year no profits or if its profits is inadequate with liberty to the Board of Directors including any committee thereof (the “Board”) to revise, amend, alter and vary the terms and conditions of his remuneration in such manner as may be permitted in accordance with provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by and between the Board and Dr. Arvind Krishna Saxena.

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

9. **To consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution:**

“Resolved that pursuant to the provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, be paid the remuneration as set out in the explanatory statement annexed hereto.

Resolved further that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board

Sd/-

S.K. Agrawala

Company Secretary

Place of Signature: Kolkata

Date : 25th June, 2015

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy form, in order to be effective, must be duly completed, stamped and lodged with the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

A person can act, as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 5th August, 2015 to 12th August, 2015 (both days inclusive).
3. The statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
4. Members who hold shares in dematerialised form are requested to bring their Demat Statement mentioning therein the Client ID and DP ID numbers along with a photo Identity Card for easy identification of attendance at the meeting.
5. Corporate members are requested to send a duly certified copy of the Board Resolution, pursuant to section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the AGM.
6. Shareholders holding shares in physical form are requested to advise the Company and the members holding shares in dematerialised form are requested to advise their Depository Participants immediately about any change in their address.
7. Shareholders of the Company are informed that pursuant to the provisions of the Companies Act, the amount of dividend which remains unclaimed/ unpaid for a period of 7 years would be transferred to the Investor Education and Protection Fund constituted by the Central Government. The Company had sent reminders to the members in this regard. As such, shareholders who have not encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividends declared by the Company for the financial years 2007-08 to 2012-13. (Except 2011-12 where no dividend declared). Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 7th August, 2014 (date of last Annual General Meeting) on the website of the Company (www.chini.com), as also on the website of the Ministry of Corporate Affairs.

8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.chini.com under the section 'Investor Corner'.
9. Electronic copy of the Notice of the 39th Annual General Meeting along with the Annual Report 2014-15 of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Depository Participants(s)/Company for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 39th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that the Notice of 39th Annual General Meeting and the Annual Report 2014-15 will also be available on Company's website: www.chini.com for download.

11. E-voting:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended vide Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to provide to the Members facility of voting by electronic means in respect of businesses to be transacted at the 39th Annual General Meeting (AGM) through remote e-voting (i.e. voting electronically from a place other than the venue of the general meeting). The Company also proposes to provide the option of voting by means of Ballot Form at the AGM in addition to the electronic voting system mentioned above. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating voting by electronic means and the business may be transacted through e-Voting services provided by National Securities Depository Limited (NSDL).

Shri Anil Murarka, Practising Company Secretary (Membership No.F3150, C. P. No. 1857), who had consented to act as the Scrutiniser, was appointed by the Board of Directors as the Scrutiniser to scrutinise the voting process (electronically or otherwise) for the 39th Annual General Meeting of the Company in a fair and transparent manner and submit a consolidated Scrutiniser's report of the total votes cast to the Chairman or a person authorised by him in writing.

The procedure with respect to e-voting is provided below:

- A) In case of Members receiving notice by e-mail from NSDL:
 - i. Open e-mail and open the attached PDF file viz; “BCML.e-voting.pdf” with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. The said PDF file contains your “user ID” and “password for e-voting”. Please note that this password is an initial password.
 - ii. Launch internet browser by typing the URL <https://www.evoting.nsdl.com>.
 - iii. Click on “Shareholder-Login”.
 - iv. Put your user ID and password as initial password noted in step (i) above. Click Login. If you are already registered with NSDL for e-voting, you can use your existing user ID and password for casting your vote.
 - v. Password change menu appears. Change the password 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. Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through ‘Forgot Password’ option available on the site to reset the same.
 - vi. Home page of e-voting opens. Click on “e-voting: Active Voting Cycles”.
 - vii. Select “EVEN” (E Voting Event Number) of Balrampur Chini Mills Limited for casting your vote.
 - viii. Now you are ready for 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 and bodies corporate (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 authorised signatory(ies) who are authorised to vote to the Scrutiniser through e-mail to- evotingam@gmail.com with a copy marked to- evoting@nsdl.co.in.

- B) In case of Members receiving physical copy of Notice of Annual General Meeting :
 - a. User ID and Initial password sent separately.
 - b. Please follow all steps from Sl. No. (ii) to Sl. No.(xii) mentioned in (A) above, to cast your vote.

Other Instructions:

- I. Persons who have acquired shares and became Members of the Company after the dispatch of the Notice of the AGM but before the cut-off date of 5th August, 2015, may obtain their user ID and password for e-voting from the Company or NSDL (Phone +91-22-2499 4600). If the member is already registered with NSDL e-voting platform then he can use existing User ID and password for casting the vote through remote e-voting.
- II. **The remote e-voting facility starts on Sunday, 9th August, 2015 at 9.00 a.m. and ends on Tuesday, 11th August, 2015 at 5.00 p.m.** During this period, Members of the Company holding shares either in physical form or in dematerialised form, as on the **cut-off date of 5th August, 2015**, may cast their votes electronically. The remote e-voting module will be disabled by NSDL for voting thereafter at 5.00 p.m. on Tuesday, 11th August, 2015. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- III. In case of any queries, you may refer to the “Frequently Asked Questions (FAQs)” for Shareholders and e-voting user manual for Shareholders available at the “downloads” section of NSDL website at www.evoting.nsdl.com or contact NSDL at the following Telephone No.: 022-2499 4600.
- IV. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. In case of joint holders, only one of the joint holders may cast his vote.
- V. Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting through ballot. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- VI. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutiniser shall submit a consolidated Scrutiniser’s Report of the total

votes cast in favour or against, if any, not later than three days after the conclusion of the AGM to the Chairman or a person authorised by the Chairman. The Chairman or a person authorised by the Chairman, shall declare the result of the voting forthwith.

VII. The declared results along with the Scrutiniser's Report will be available on the Company's website at www.chini.com and on the website of NSDL at www.evoting.nsdl.com and will also be forwarded to the Stock Exchanges where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the AGM.

12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the

Registered Office of the Company during normal business hours on all working days except Saturday.

13. **Members holding shares in physical mode are requested to provide their email id, CIN/Regn. No. (for corporate members), Unique Identification No., PAN, in case member is minor than date of birth of minor and name of guardian, declaration regarding beneficial ownership (if any), nomination details, lien details (if any), particulars of dividend mandate etc. and such other information as mentioned under Section 88 (1)(a) of the Companies Act, 2013 and Rule 3(1) of the Companies (Management and Administration) Rules, 2014.**

Members holding in demat mode are requested to provide the above information to their depository participant.

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

Item No. 4:

Smt. Novel S Lavasa (DIN- 07071993) was appointed as an additional director in the category of Non-executive Independent Director of the Company with effect from 6th February, 2015. She is member of the Nomination and Remuneration Committee and CSR Committee of the Board of Directors of the Company. Pursuant to Section 161 of the Companies Act, 2013, Smt. Lavasa will hold office as director only upto the date of forthcoming Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member of the Company signifying his intention to propose Smt. Novel S Lavasa for appointment as an Independent Director at the forthcoming Annual General Meeting.

Profile of Smt. Novel S Lavasa

Date of Birth: 21st March, 1956.

Qualifications: M.A. (English), MBA.

Expertise in specific functional areas: She had worked at various capacities in State Bank of India (SBI) and was overseeing the support functions of 160 branches. In-Charge of loan processing center for credit needs of Noida/Ghaziabad which she established in 2005 as a part of State Bank of India's business process reengineering. Manager, Human Resource at Delhi local head office to look after the training and motivational needs of more than 20000 staff. During 2001-2004 she worked as an officer on special duty in the Ministry of Disinvestment, Government of India during the peak period of strategic sales of Govt. stake in PSUs. She is actively engaged as HR and CSR Consultant, Corporate Trainer etc.

Directorship in other Companies: Nil

Membership in other Board Committees: Nil

Shareholding as on 31.03.2015: Nil

Smt. Lavasa has wide experience in Banking, Finance, Disinvestment, Rural Planning & implementation of district credit & development plans, Human Resource and CSR.

The Board considers that the Company would be benefited by her experience and guidance. Pursuant to Section 149 of the Companies Act, 2013, Smt. Novel S Lavasa shall hold office of a Director for a term upto 31st March, 2019.

The Company has received a declaration from Smt. Novel S Lavasa that she meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. In the opinion of the Board, proposed appointment of Smt. Novel S Lavasa as the independent director of the company fulfills the conditions specified in the Act and the Rules made thereunder and that the proposed director is independent of the management. Copy of the draft letter for appointment of Smt. Novel S Lavasa as Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Smt. Novel S Lavasa is interested in the resolution set out at Item No.4 of the Notice with regard to her appointment. The relatives of Smt. Novel S Lavasa may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

The Board of Directors, therefore, recommends the resolution for approval of the members.

Item No. 5:

The existing Articles of Association ("AoA") of the Company, based on the Companies Act, 1956 are no longer in conformity with the Companies Act, 2013 ("2013 Act"). With the coming into force of 2013 Act, several Regulations of AoA require alteration/deletion. Given this position, it is considered expedient to adopt a new set of Articles of Association (primarily based on Table F set out under Schedule I to the Companies Act, 2013) in place of existing AoA, instead of amending it by alteration/incorporation of provisions of 2013 Act.

In terms of Section 14 of 2013 Act, consent of Members by way of a Special Resolution is required for adoption of a new set of Articles of Association. The entire set of proposed new Articles of Association is available on the website of the Company www.chini.com. The Members of the Company can also obtain a copy of the same from the Company's Registered Office.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said Resolution.

The Directors recommend the aforesaid Resolution for the approval by the Members as Special Resolution.

Item No. 6:

The Company at the 36th Annual General Meeting held on 7th August, 2012 had approved the payment of commission to the Non-Executive Directors of the Company upto 1% of the net profits of the Company in any financial year or ₹25 lakhs, whichever is lower, over and above usual sitting fees for 3 years commencing from 1st April, 2012. The Non-Executive Directors of the Company contribute significantly to the growth of the organisation by bringing with them professional expertise, rich and wide experience.

It is proposed to pay commission to the Non-Executive Directors of the Company upto 1% of the net profits of the Company in aggregate in any financial year or ₹30 lakhs, whichever is lower over and above the usual sitting fees for a further period of 5 years commencing from 1st April, 2015. The said commission

shall be divided among the Non-Executive Directors in such proportion and in such manner as may be determined by the Board. The payment of such commission is subject to approval of the shareholders by way of a special resolution.

All Non-Executive Directors of the Company may be deemed interested in the resolution to the extent of commission payable to them in accordance with the proposed resolution. Shri Vivek Saraogi being son of Smt. Meenakshi Saraogi be deemed to be interested in the resolution. Shri Vivek Saraogi and Smt. Meenakshi Saraogi have no other interest apart from receiving remuneration and as a member of the Company. Other relatives of Non-Executive Directors may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the company. No other directors or KMP or their relatives have any concern or interest, financial or otherwise, in the proposed resolution.

The Board of Directors recommends passing of the resolution as special resolution.

Item No. 7:

The Company at the 37th Annual General Meeting held on 31st July, 2013 had approved re-appointment and terms of remuneration of Shri Kishor Shah as Director cum Chief Financial Officer of the Company for a period of 3 years effective from 1st April, 2013. The Company has incurred a net loss of ₹5773.44 lacs during the year ended 31st March, 2015.

As the Company has no profits or the profits are inadequate for the financial year commencing from 1st April, 2014 the payment of existing remuneration to Shri Kishor Shah as minimum remuneration shall be subject to approval of shareholders by way of special resolution at General Meeting of the company as required under Schedule V of the Companies Act, 2013. The Board of Directors approved the payment of the existing remuneration for the period from 1st April, 2014 to 31st March, 2016 in the event of no profit or inadequate profit in any financial year. The salary, perquisites and allowances as mentioned below are the same as approved by the shareholders at their AGM held on 31st July, 2013:

a) Salary	: ₹4,00,000 per month.
b) Commission	: 1% of the net profit of the Company subject to a ceiling of ₹48 lacs per annum.
c) Perquisites	
i] Medical Reimbursement	: For self and his family subject to a ceiling of one month salary.
ii] Leave Travel Concession	: Reimbursement upto one month salary for himself and family.
iii] Leave	: One month leave for eleven months' service. Leave encashment as per Company's Rule.
iv] Club Fee	: Reimbursement of membership fee of clubs in India.
v] Provident Fund	: As per company's Rule.
vi] Gratuity	: ½ month's salary for each completed year of service.
vii] Car	: Company's car with driver for official use.
viii] Telephone	: Telephone facility at the residence including Cell Phone.

Explanation :

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

In the event of absence or inadequacy of profit during the period Shri Kishor Shah shall be paid the above remuneration as minimum remuneration.

Shri Kishor Shah (Date of birth 06.02.1964) is a commerce graduate and chartered accountant and having 27 years of experience in finance and accounts including 21 years in sugar industry. He is not holding directorship in any other company and not a member in any other board committees. He is holding 50600 equity shares of the Company. The said remuneration to Shri Kishor Shah is justified having regard to the responsibilities, which he is called upon to bear as Director cum Chief Financial Officer of the Company.

Shri Kishor Shah is interested in the Resolution. Other relatives of Shri Kishor Shah may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the company. Shri Kishor Shah has no other interest apart from receiving remuneration as stated above and as a member of the Company.

No other directors or KMP or their relatives have any concern or interest, financial or otherwise, in the proposed resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

The Board recommends the acceptance of the resolution as special resolution.

Item No.8 :

The Company at the 38th Annual General Meeting held on 7th August, 2014 had approved re-appointment and terms of remuneration of Dr. Arvind Krishna Saxena as a Wholtime Director of the Company with effect from 1st August, 2014 for a period of 3 years. The Company has incurred a net loss of ₹5773.44 lacs during the year ended 31st March, 2015.

As the Company has no profits or the profits are inadequate for the financial year commencing from 1st April, 2014 the payment of existing remuneration to Dr. Arvind Krishna Saxena as minimum remuneration shall be subject to approval of shareholders by way of special resolution at General Meeting of the company as required under Schedule V of the Companies Act, 2013. The Board of Directors approved the payment of the existing remuneration for the period from 1st August, 2014 to 31st July, 2017 in the event of no profit or inadequate profit in any financial year. The salary, perquisites and allowances as mentioned below are the same as approved by the shareholders at their AGM held on 7th August, 2014 :

a) Salary	: ₹ 125000 per month with effect from 1st August, 2014. ₹ 135000 per month with effect from 1st August, 2015. ₹ 145000 per month with effect from 1st August 2016.
b) Perquisites	
i] Housing	: Free accommodation
ii] Medical Reimbursement	: For self and his family subject to a ceiling of 6% of salary in a year.
iii] Electricity and Water	: Free of charge
iv] Leave Travel Concession	: One month's salary for 11 month's services
v] Provident Fund	: As per company's Rule.
vi] Gratuity	: ½ month's salary for each completed year of service
vii] Telephone	: Telephone facilities at residence including Cell Phone. Personal long distance call shall be reimbursed to the Company.
viii] Leave	: As per Rules of the Company

Explanation :

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

In the event of absence or inadequacy of profit during the period

Dr. Arvind Krishna Saxena shall be paid the above remuneration as minimum remuneration.

Dr. Arvind Krishna Saxena (Date of birth 26.08.1951) is M.Sc. and Ph.D. (Botany) and has specialisation in Industrial Mycology, Bio-composting, Mushroom Production and Processing from

Horst, Holland. He has wide experience of 41 years and is associated with the Company since 2002. Previously he held various positions in other organisations and was also associated with scientific and research activities. He is also a Director and member, Audit Committee in Indo Gulf Industries Ltd. He is holding 18000 equity shares of the company. The said remuneration to Dr. Arvind Krishna Saxena is justified having regard to the responsibilities, which he is called upon to bear as Wholetime Director of the Company.

Dr. Arvind Krishna Saxena is interested in the Resolution. Other relatives of Dr. Arvind Krishna Saxena may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the company. Dr. Arvind Krishna Saxena has no other

interest apart from receiving remuneration as stated above and as a member of the Company.

No other directors or KMP or their relatives have any concern or interest, financial or otherwise, in the proposed resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

The Board recommends the acceptance of the resolution as special resolution.

The statement as required under Clause iv Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the item nos.7 and 8 are as follows:

I. General Information :

- | | |
|---|--|
| (1) Nature of Industry | : Manufacturing of Sugar, Cogeneration of Power, Industrial Alcohol & Organic Manure |
| (2) Date or expected date of commencement of commercial production | : Existing Company, already commenced from 1975 |
| (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | : Existing Company, not applicable |
| (4) Financial performance based on given indicators : | |

Sl. No.	Particulars	Audited Figure for the financial year ended 31.03.2015 (₹ in lacs)	Audited Figure for the financial year ended 31.03.2014 (₹ in lacs)	Audited Figure for the financial year ended 31.03.2013 (₹ in lacs)	Audited Figure for the financial year ended 31.03.2012 (₹ in lacs)
1	Net sales/Income from operations	298697.79	266494.43	327484.03	230954.63
2	Other Income	1907.73	2594.47	4280.13	2773.86
3	Total Expenditure (including adjustment of stock)	286452.27	245092.21	285496.12	207131.28
4	Finance Costs	10209.23	11784.26	14386.70	14741.11
5	Depreciation & amortisation expenses	11560.32	10945.04	10825.74	11078.09
6	Profit/(loss) before Tax	(7616.30)	1267.39	21055.60	778.01
7	Provision for Tax –				
	a) Current Tax	–	360.00	4240.00	156.00
	b) Deferred Tax charge/ (written back)	(1842.86)	3390.36	612.72	(37.56)
	c) Income Tax provision for earlier year written back	–	(2847.05)	–	(2.92)
8	Net Profit/(loss)	(5773.44)	364.08	16202.88	662.49

- | | |
|---|-------|
| (5) Foreign Investments or Collaborations, if any | : Nil |
|---|-------|

II. Information about the Appointee :

(a) Shri Kishor Shah

1. **Background details:** Shri Kishor Shah (age 51 years) is a Commerce Graduate and a Chartered Accountant having about 27 years' experience in finance & accounts including 21 years in the sugar industry. He is heading the finance & accounts department of the Company.
2. **Past remuneration:** Salary ₹4,00,000/- per month plus commission & perquisites as more fully described in the Explanatory Statement.
3. **Recognition or awards:—**
4. **Job profile and his suitability:** Shri Kishor Shah is heading the Finance & Accounts Department of the Company including its factories and is responsible for maintaining the efficient & smooth finance function, budgeting, investors relations and transparent accounts function based on discreet and sound Accounting principle & practices.

Shri Kishor Shah is instrumental in maintaining the effective and efficient finance & accounts department of the Company including arranging finance from banks or financial institutions/ bodies in India and overseas.

5. **Remuneration proposed:** Same remuneration: Salary ₹4,00,000/- per month plus commission & perquisites as more fully described in the Explanatory Statement.
6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin):** The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business, larger no. of units and diversified activities in cogeneration of power, ethanol, industrial alcohol and organic manures.
7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Shri Kishor Shah is a non-promoter director holding 50600 shares consisting of 0.02% of the paid up capital of the Company. During the year ended 31st March, 2015, he exercised 10000 stock options. No outstanding options left with him.

Apart from receiving remuneration as stated above and dividend as a member of the Company, he does not receive any emoluments from the Company. No managerial personnel have any relationship with Shri Kishor Shah.

(b) Dr. Arvind Krishna Saxena

1. **Background details:** Dr. Arvind Krishna Saxena (age 63 years) is M.Sc., Ph. D. (Botany) having about 41 years' experience. He is heading the Organic Manure divisions of the Company.
2. **Past remuneration:**
 - a) Salary: ₹93,500 per month with effect from 1st August 2011.
₹1,03,000 per month with effect from 1st August 2012.
₹1,13,500 per month with effect from 1st August 2013.
 - b) Perquisites :
Same as provided in the explanatory Statement
3. **Recognition or awards: —**
4. **Job profile and his suitability:** Dr. Arvind Krishna Saxena is heading the Organic Manure divisions of the Company which includes its production and sale. He is also engaged in supervision of bio-composting process, organic manure and allied products. He is designated as Occupier under the labour laws. The said remuneration to Dr. Arvind Krishna Saxena is justified having regard to the responsibilities, which he is called upon to bear as Wholtime Director of the Company.
5. **Remuneration proposed:** as detailed in the Explanatory Statement above.
6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin):** The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business.

7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Dr. Arvind Krishna Saxena is a non-promoter director holding 18000 shares consisting of 0.01% of the paid up capital of the Company. No outstanding options are left with him.

Apart from receiving remuneration as stated above and dividend as a member of the Company, he does not receive any emoluments from the Company. No managerial personnel have any relationship with Dr. Arvind Krishna Saxena.

III. Other Information:

- (1) **Reasons of loss or inadequate profits:** Loss of ₹5773.44 lacs incurred by the company for the financial year ended 31st

March, 2015 was due to surplus availability of sugar, which led to sharp decline in sugar prices. Lower realisations coupled with higher cane prices fixed by the U.P. Govt. have severely impacted the sugar margin of the Company.

(2) Steps taken or proposed to be taken for improvement: Sugar being a seasonal industry, the performance of a financial year may not be representative of the next annual performance of the company. The integrated model concept adopted by the Company in regard to power co-generation and distilleries operations would certainly offset the Losses incurred/to be incurred by the Company to some extent and also makes a source of revenue. Sugar being a seasonal and cyclical in nature the working results witnessed a phase of upturn & downturn in the past and normally improve after a downturn. The value added by-products like co-generation of power, industrial alcohol and ethanol will also help the Company to maximise its business prospects.

(3) Expected increase in productivity and profits in measurable terms: Sugar business is essentially cyclical and swift changes in demand – supply dis-equilibrium causes volatile change in pricing power. As such over the years the Company has shifted its focus from a sugar manufacturing to the downstream utilisation of its by-products such as co-generation of power, industrial alcohol and ethanol. The value added by-products like co-generation of power, industrial alcohol and ethanol will also help the Company to maximise its profits.

IV. Disclosures

The following disclosures mentioned in the Board of Director's report under the heading "Corporate Governance Report" of the Company in the Annual Report 2014-15 :

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
- (ii) Details of fixed component and performance linked incentives along with the performance criteria;

(iii) Service contracts, notice period, severance fees;

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Item No.9 :

The Board, on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s N. Radhakrishnan & Co., Cost Accountants (Firm Regn. no.000056) as the Cost Auditors to conduct the audit of the cost records of the Company relating to Sugar (including Industrial Alcohol) and Electricity for the financial year ending 31st March, 2016 at a remuneration of ₹350000/- exclusive of travelling, boarding, lodging and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No.9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

None of the Directors, Key Managerial Personnel of the Company and their relatives, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the ordinary resolution for approval by the shareholders.

By Order of the Board

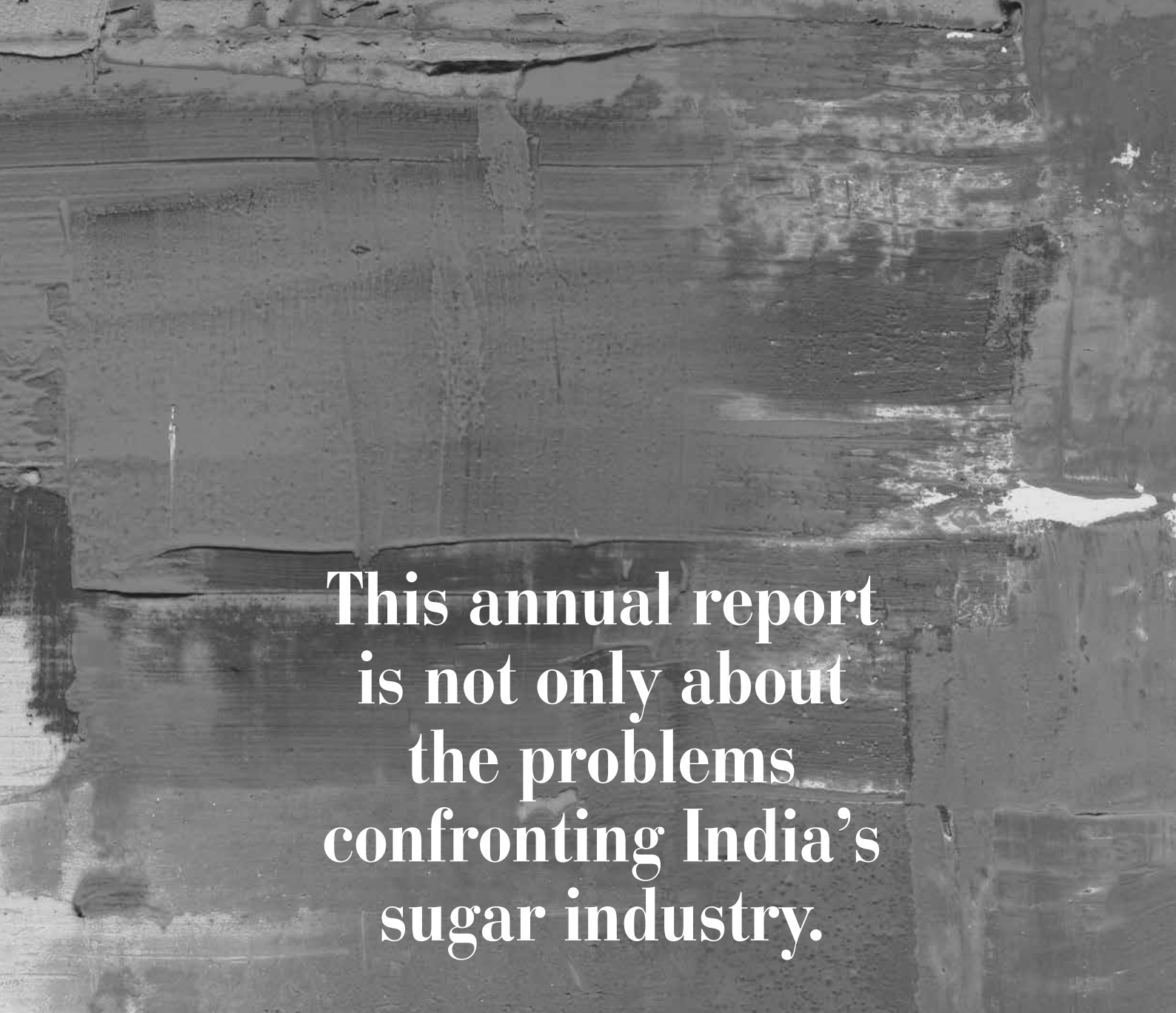
Sd/-

S.K. Agrawala

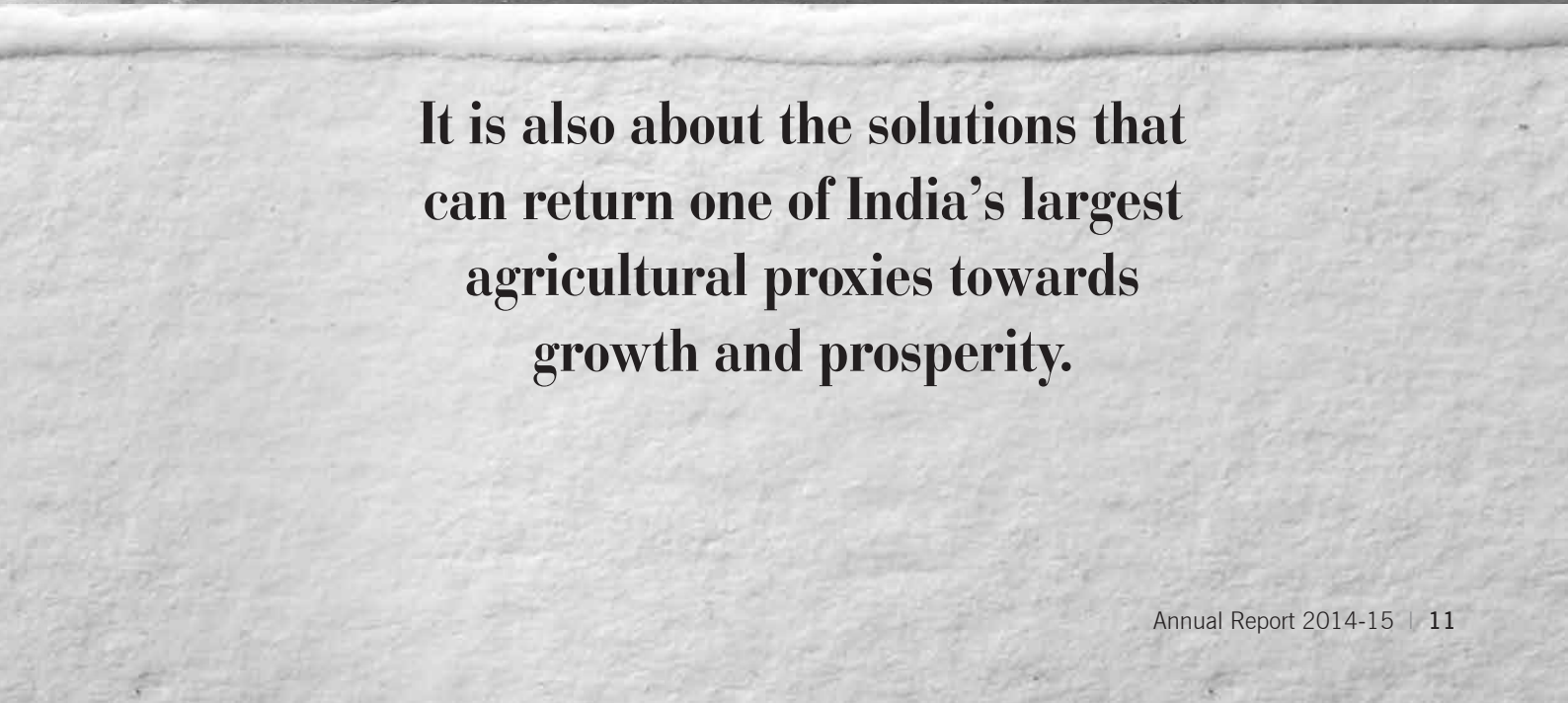
Company Secretary

Place of Signature: Kolkata

Date : 25th June, 2015



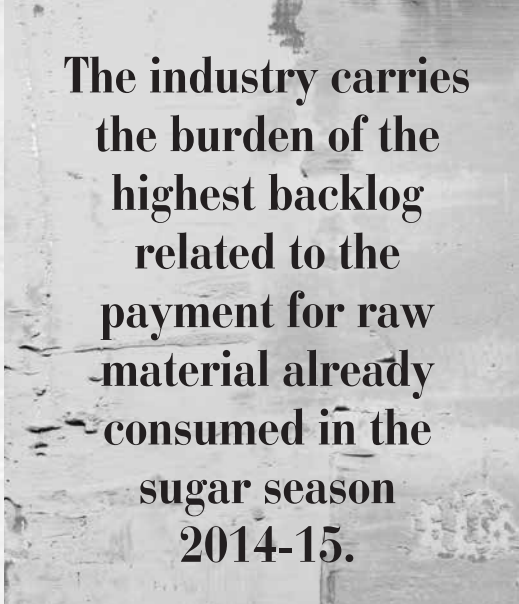
**This annual report
is not only about
the problems
confronting India's
sugar industry.**



**It is also about the solutions that
can return one of India's largest
agricultural proxies towards
growth and prosperity.**



The Indian sugar industry is standing at a crossroads.



The industry carries the burden of the highest backlog related to the payment for raw material already consumed in the sugar season 2014-15.



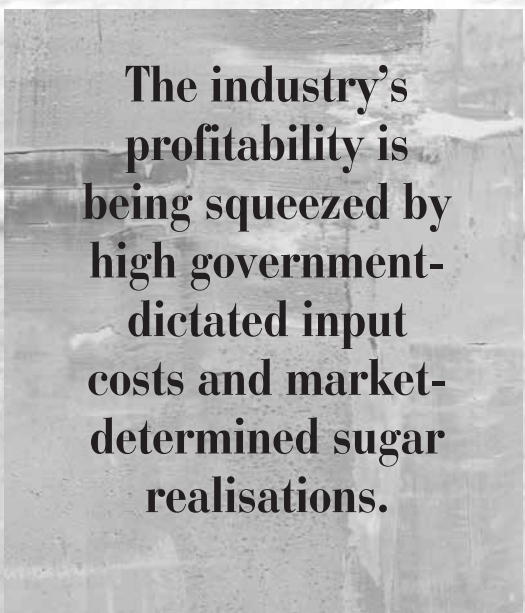
The industry has sizeable outstanding loans from banks and financial institutions.



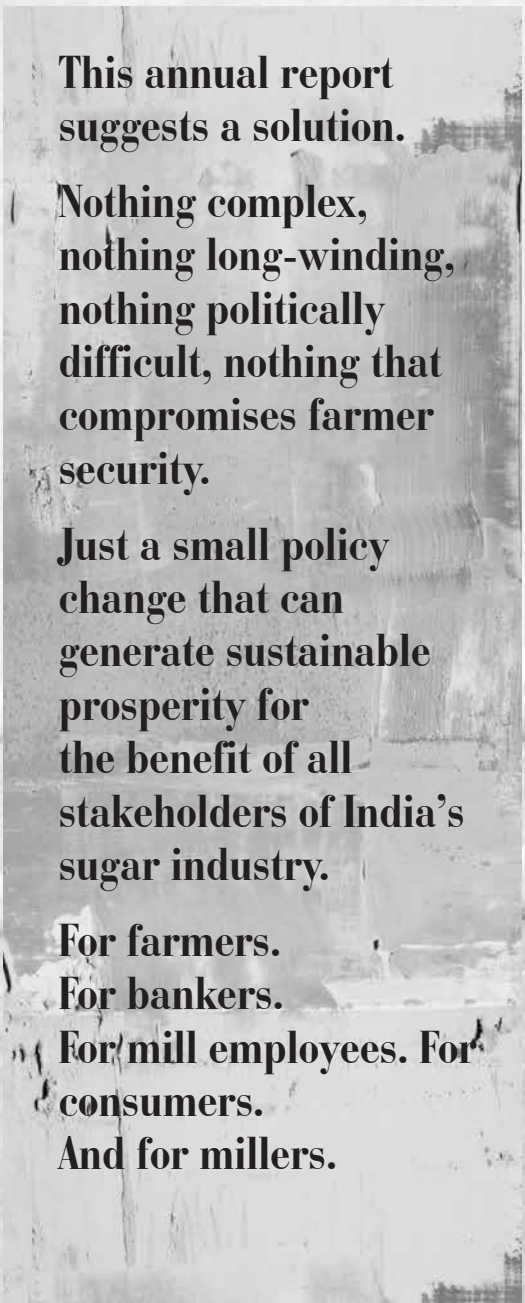
The industry is suffering from a higher production cost compared to the global average.



**The industry is
experiencing
price erosion and
mounting losses.**



**The industry's
profitability is
being squeezed by
high government-
dictated input
costs and market-
determined sugar
realisations.**



**This annual report
suggests a solution.**

**Nothing complex,
nothing long-winding,
nothing politically
difficult, nothing that
compromises farmer
security.**

**Just a small policy
change that can
generate sustainable
prosperity for
the benefit of all
stakeholders of India's
sugar industry.**

For farmers.

For bankers.

**For mill employees. For
consumers.**

And for millers.

Corporate identity

Balrampur Chini Mills Limited (BCML) is one of India's largest and most respected private sugar mills.

It has a cumulative sugar manufacturing capacity of 79000 tonnes per day.

It has invested in the distillery business with a cumulative capacity of 320 kilolitres per day.

It has invested in bagasse-based co-generation power facilities with a saleable power capacity of 148.2 MW.

Pedigree

Having started its operations four decades ago, BCML is now one of India's largest integrated sugar mills.

Places

- BCML is headquartered in Kolkata, West Bengal
- The Company's 11 manufacturing units are located in Balrampur,

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

- The Company possesses cumulative sugar manufacturing capacity of 79000 TCD, distillery capacity of 320 KLPD, organic manure production capacity of 58000 MT and saleable cogeneration capacity of 148.20 MW

Offerings

BCML has been engaged in the manufacture of sugar, industrial alcohol, ethanol, power, molasses, bagasse and organic manure, among others.

Listing

BCML's equity shares are listed on the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Calcutta Stock Exchange (CSE).

Capacities

Units	Sugar (TCD)	Distillery (KLPD)	Installed power (MW)	Saleable power (MW)	Organic manure (tonnes)
Balrampur	12000	160	43.55	22.25	30000
Babhnan	10000	60	15.00	3.00	18000
Tulsipur	7000	-	9.50	-	-
Haidergarh	5000	-	23.25	20.95	-
Akbarpur	7500	-	18.00	11.00	-
Mankapur	8000	100	37.00	25.00	10000
Rauzagaon *	8000	-	30.75	23.00	-
Kumbhi	8000	-	32.70	23.00	-
Gularia	8000	-	31.30	20.00	-
Maizapur	3000	-	6.00	-	-
Khalilabad**	2500	-	4.50	-	-
Total	79000	320	251.55	148.20	58000

* Saleable power at Rauzagaon during the sugar season is 16 MW

** The Directors of the Company in their meeting held on 27/05/2015 approved the closure of Khalilabad unit after complying with the necessary formalities.

The past.

**This is the story of cane, sugar and
Uttar Pradesh.**

**For long considered one of the most
attractive sugar manufacturing
locations in the world.**

Where a cane farmer was wealthy.

**Where sugar manufacturing was
profitable.**

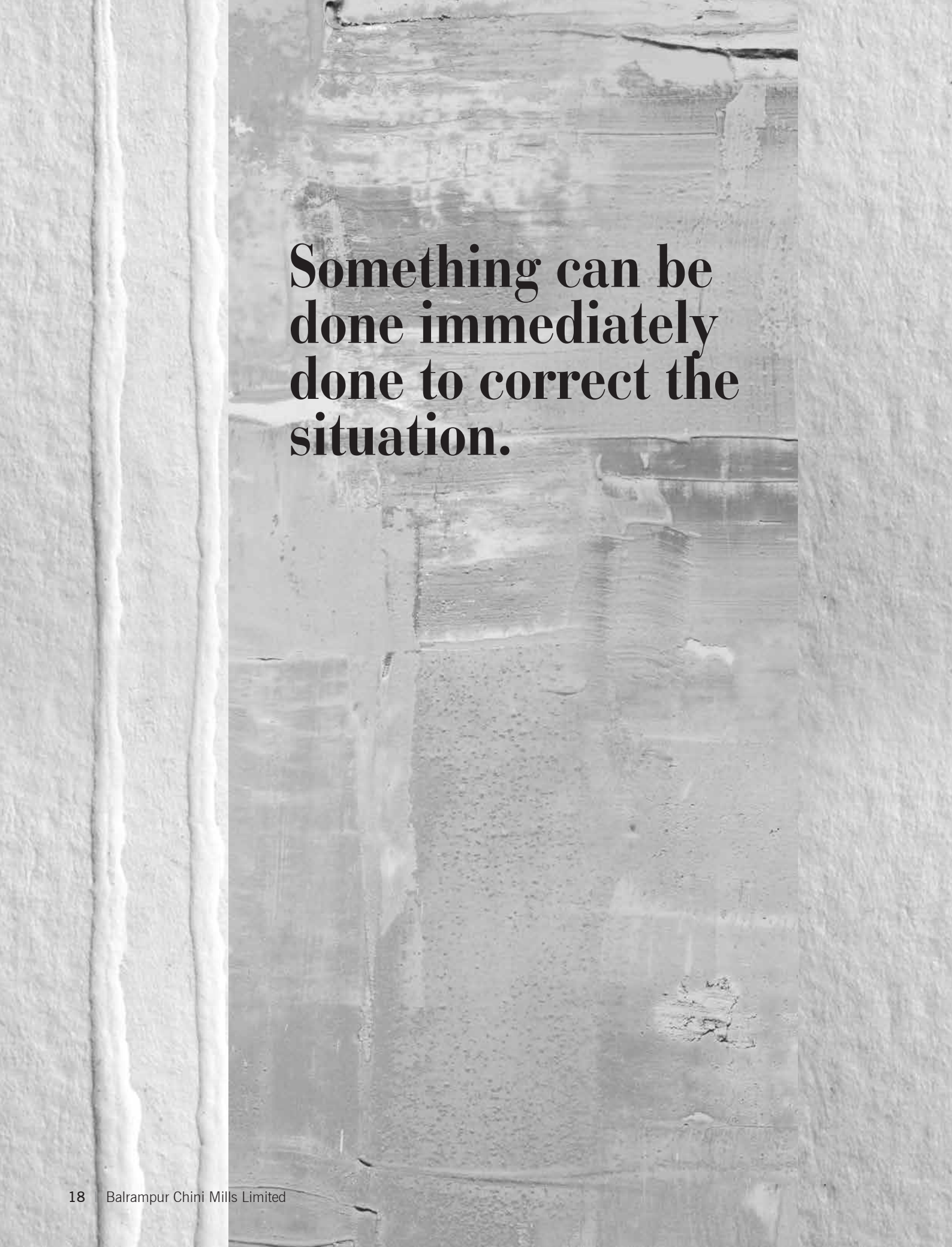
**Where sugar manufacture
energised the rural eco-system.**

The present.

The Uttar Pradesh sugar manufacturing sector has virtually attracted no investment over the past decade.

The Uttar Pradesh sugar industry had accumulated cane arrears of worth ₹10421 crore in 2014-15, the highest ever for a season.

Uttar Pradesh's contribution to the country's sugar production has declined from 32% in 2006-07 to 25% in 2014-15.



**Something can be
done immediately
done to correct the
situation.**

**Something that can prevent
the remaining sugar mills from
shutting down.**

**Something that can save banks
and financial institutions from
collapsing.**

**Something that can protect
shareowners from eroding their
investments.**

***Linking cane costs to sugar
realisations.***

That's all. One single act.

**This can make sugar
manufacturing viable,
transform vendors into
partners,
attract sectoral investments and
restore Uttar Pradesh's
industrial dominance.**

Managing Director's review

Dear Shareholders,

IT IS INDEED AN IRONY THAT NEARLY TWO-AND-A-HALF DECADES HAVE PASSED SINCE INDIA'S LIBERALISATION BUT THE FATE OF THE COUNTRY'S SUGAR SECTOR CONTINUES TO BE DETERMINED BY WHIMSICAL POLICIES.

WHAT MAKES THE COUNTRY'S SUGAR SECTOR SO COMPELLING TO CONTROL? GOING BY PRECEDENTS, ONE WOULD HAVE EXPECTED THAT THE COUNTRY'S SUGAR SECTOR WOULD BE AS CRITICAL AS DEFENCE OR NUCLEAR TECHNOLOGY, WHEREIN ANY INDUSTRY WEAKENING WOULD COMPROMISE NATIONAL SECURITY. IRONICALLY, THE SUGAR SECTOR POSES NO SUCH THREAT.

Balrampur Chini Mills is one of the most efficient players in the Uttar Pradesh sugar industry; average recovery of 9.82% for the season 2014-15 was higher than the average recovery in Uttar Pradesh.

The Company was one of the few players to explore ethanol and cogeneration opportunities within its sector, which now contribute nearly ₹566 crore to the Company's revenues and represent the only contributing verticals to the bottom-line.

The biggest question is 'Why would the government be so keen to control the sector?'

One explanation is that the sheer number of farmers dependent on cane has attracted the interest of governments – Central and State – in attempting to secure their interests.

So the next question is 'Can the interest of farmers be protected through a market-driven mechanism that is equitable and sustainable?'

Absolutely. This is not just an opinion; it is something that has been conclusively demonstrated in Brazil, the largest producer of sugar in the world, where the simple linking of sugar realisations to cane prices has created an industry-wide environment that has enhanced

confidence, attracted capital providers and generated value at each leg of the value chain for relevant stakeholders to stay engaged.

This is not arcane; this is precisely what has also been recommended by The Rangarajan Committee.

The Karnataka and Maharashtra State Governments have initiated the process of implementing the last recommendation (the most important one) of linking sugarcane price with market realisations.

This brings us to another problem. While on the one hand, it is creditable that some states in the country have been pragmatic in embracing a better way of doing things, there is an underlying concern that a large sugar producing state like Uttar Pradesh has not done so.

What are the implications of this? Is this a step in the right direction (however muted)?

My understanding is that as long as no state in India had implemented market linkage, the playing field for all states was the same. Now that some states are in the process of implementing this and Uttar Pradesh has not, there is a real threat of this disparity spiraling wherein some states would be at complete liberty to generate the fullest benefit of this liberalised reality, whereas Uttar Pradesh manufacturers would be required to compete with one arm tied behind their back.

What impact will this have in the marketplace?

Karnataka and Maharashtra manufacturers will be able to achieve lower production costs and compete more aggressively in Uttar Pradesh markets, while the reverse will not be true. The irony is that even as the Uttar Pradesh Government intends to enhance local competitiveness, the state's manufacturers would stand to lose their share of the home market.

When extrapolated, this means that the Uttar Pradesh sugar industry had accumulated cane arrears on its books worth ₹10,421 crore for the crushing period 2014-15. One of the state's largest sugar mills suffered cane arrears to the extent of 75%; another mill was compelled to cease operations mid-season.

With the delta between sugar realisations and production costs disappearing (raw material accounts for more than 100% of sugar realisation even after accounting for the benefits), the

inference is clear: the more cane we crush, the more money we lose (on our sugar operations). The more money we lose, the dearer the cost of our working capital. The higher the cost of our funds, the lower our competitiveness. This is what people refer to as a 'vicious cycle'.

India commenced 2014-15 season with a carry forward stock of nearly 7.5 million tonnes. The country expected to produce 28 million tonnes in 2014-15. With an annual consumption level of 24.5 million tonnes, it is expected that a stock of 10 million tonnes at the end of the ongoing sugar season would be carried into the next year. One way to channelise the excess stock could be through exports but with India's production costs being higher than global sugar prices, millers are finding it increasingly difficult to find international homes for Indian sugar (without financial assistance).

We return to the fundamental question: why is the Uttar Pradesh Government reluctant to implement a better and more equitable way of doing things?

The only plausible answer is serving 'short-term political interest' by securing the farmer vote bank. And herein lies the irony. Even as the decision to arbitrarily raise sugarcane prices year-on-year was based on the premise that farmers would benefit, the reality is that farmers are the biggest losers. Cane arrears have decimated Uttar Pradesh's rural economy, costs incurred can no longer be recovered, and large customers (millers) are going out of business.

So, what happens when nearly 25-28% of the country's sugar production gets virtually wiped out? At prevailing

consumption levels, India could suffer a deficit of around 6-7 million tonnes, making imports imperative. International sugar prices could drive domestic prices. Retail sugar prices could go through the roof.

The problem can also be addressed through molasses conversion. The government could mandate the conversion of a specific proportion of sugarcane production into molasses to be effectively used for the manufacture of ethanol and industrial alcohol. This could improve mill profitability through ethanol revenues and moderated sugar production.

Balrampur Chini Mills is one of the most efficient players in the Uttar Pradesh sugar industry; average recovery of 9.82% for season 2014-15 was higher than the average recovery in Uttar Pradesh. The Company is one of the few players to explore ethanol and cogeneration opportunities, which now contribute nearly ₹566 crore to the Company's revenues and are only contributing segments to the bottom-line.

What is relevant is that despite challenging cane costs, Balrampur Chini paid nearly ₹1506 crore to farmers for the sugar season 2014-15. The Company earned a profit of ₹141 crore at the operating level but incurred a loss of ₹58 crore at the net level (Profit of ₹240 crore and ₹4 crore respectively in 2013-14) for a topline of ₹2987 crore (₹2665 crore in 2013-14).

The time has come to set things right.

Regards,

Vivek Saraogi
Managing Director
DIN - 00221419

01 Sugarcane farmers in Uttar Pradesh no longer find it profitable to grow sugarcane...

- Uttar Pradesh is the second largest sugar producer in the country, with about 50 million people dependent on sugarcane
- The state's sugarcane acreage of 2.51 million hectares accounts for nearly 47% of the country's land under sugarcane
- Domestic sugar realisations declined nearly 25% in 2014-15
- Sugar mills lost nearly ₹7-8 per kg of sugar manufactured

LET US START BY STATING
HOW PROFITABLE CANE
WOULD BE FOR FARMERS,
ESPECIALLY THOSE IN
UTTAR PRADESH.

Think of a product that fetches you ₹280 per quintal today. Some months later you realise that more people are growing the same crop.

Your first reaction is disappointment. After all, more farmers growing more of the same crop means more competition and, in turn, lower prices.

Soon enough, the government comes to your rescue. It assures you that even though there may be higher production of the crop, it will direct buyers to pay higher prices. You are delighted. On the one hand, you were apprehensive whether you would get the same price, a single act by the government now ensures that you get higher realisations.

Encouraged by this government assurance, you plant more of the same. You generate a higher income. The following year, the government does it again. It ensures that mills pay farmers an even higher price. You plant even more. Gradually, this one crop becomes your single biggest revenue driver.

Not just yours. Of the entire village. Not just of the village, but of the entire region. At a time when most crops are losing value, this single crop becomes the mainstay of survival.

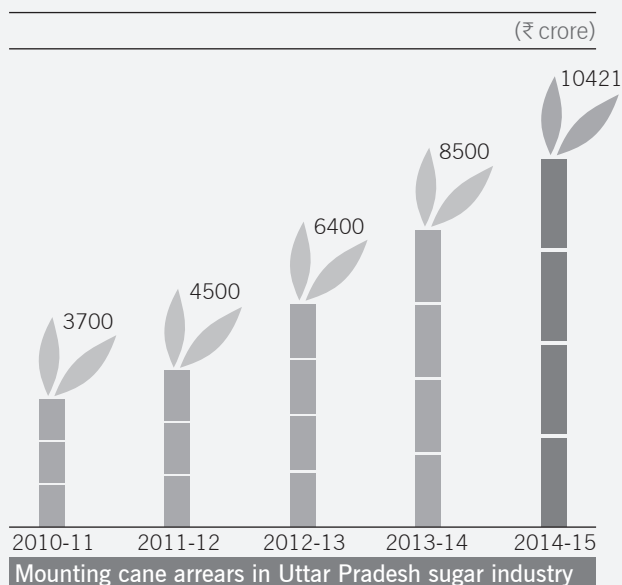
On the other hand, the mills keep paying higher and higher each year.

Until one day, one mill closes down. Expresses an inability to pay farmers. Another stops buying the crop. A third procures the crop but defers payment.

Suddenly, the light starts going out across rural Uttar Pradesh. Costs continue to rise. Families spend less. Consumer sentiment weakens. Gloom pervades.

Story? This is actually what has unfolded in Uttar Pradesh.

Solution? Only one. Link sugarcane prices with sugar realisations. Transform cane growers from vendors to partners. Leave value on the table for sugar manufacturers. Create an equitable mechanism by which a part of that value can extend to cane growers. Create a model that is win-win.



02

There are many challenges hindering the progress of the second-largest sugar producing country in the world...

- The SAP announced by the Uttar Pradesh State Government is fixed arbitrarily
- The contribution of Uttar Pradesh in India's sugar production is declining

**THERE WAS A TIME
WHEN THERE WAS A
CASE BEING MADE FOR
INDIA GROWING SO MUCH
SUGAR THAT IT COULD
NOT ONLY ADDRESS ITS
GROWING CAPTIVE NEED
BUT ALSO ADDRESS
THE NEEDS OF OTHER
COUNTRIES.**

**NO WISHFUL (OR
INNOVATIVE) THINKING.**

This move was inspired by Brazil. Until 1990-91, Brazil produced only 7.36 million tonnes of sugar for a population of 152.2 million. Thereafter, a pro-industry environment resulted in a sugar manufacturing surge. Brazil now produces 37-38 million tonnes

of sugar for a population of 199.3 million, addressing not only its captive requirements but that of other countries.

Now look at what has transpired in India. India has reported a mere 2% increase in its sugar output in the last decade. The country's sugar appetite has grown from around 19 million tonnes to 24.5 million tonnes in the last ten years. India's exports were a mere 3% of production in the last year. A country that a number of people felt could provide for the world has a negligible global presence. India may still be the world's second largest sugar producer, but it has little sugar to share with the world, owing to its high production cost (mainly on account of prohibitive raw material costs accounting for more than 100% of sugar realisations).

There is a turmoil within India's sugar economy. Farmers are not getting paid on time. In some cases, not at all. Farmers are growing cane in the hope that the government may intervene to

facilitate payments. Besides, they are growing cane in the hope that even if they get a part of what was promised, it would still be better than planting other crops whose realisations have declined.

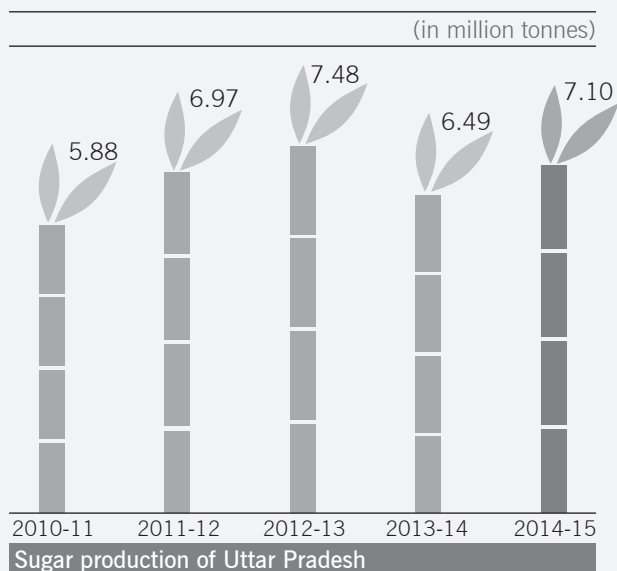
The big picture: India's cane production will be affected. Sugar output will decline.

Now cut to the other picture: India's disposable incomes are rising. This will inspire larger sugar consumption (logical extrapolation).

If appetite increases and domestic output plateaus, then the conclusion can only mean one thing. India may need to import sugar on a regular basis, disrupting the sugar balance of the country.

There could be wider impacts resulting from this. Opportunity loss. Foreign exchange outgo. Weakened rupee. Higher food and general inflation.

Solution? Linkage of sugar realisations with sugarcane prices to correct the sectoral anomaly.



03 The exposure of banks and institutions to India's sugar sector is at stake...

The sugar mills of Uttar Pradesh owe significant amounts to banks, which are now under stress

**THERE WAS A TIME
WHEN LENDING TO
THE SUGAR SECTOR
WAS CONSIDERED
SAFE.**

Because sugar was a perennial product.
Because it was indispensable to lifestyles.
Because the sector reconciled agro-industry
interests. Because the industry was
considered sustainable.

Then this win-win equation was affected.
Millers were compelled by the government
to pay a disproportionately larger share of
costs to cane growers. Millers, who paid for
cane out of earnings, began to remunerate
out of reserves. Once the reserves were
exhausted, neither could they remunerate
farmers - or the banks.

And the irony couldn't be more obvious.
Demand for sugar is growing. The product
is integral to the country's culture. And yet
manufacturers are losing money. Farmers
are losing money. Banks are losing
money. The exchequer is losing money
(most banks are government-owned). The
country is losing money.

Solution? Correct the one blocker with a
cascading impact. Make mills viable again.
Extend that prosperity equitably to cane
growers. Make it possible for bank loans
to be serviced. Re-energise the sectoral
eco-system.

By simply ensuring a link between sugar
realisations and cane prices.

04

Declining sugar realisations have affected the viability of the Uttar Pradesh sugar industry.

- Uttar Pradesh produces nearly 140 million tonnes of sugarcane, representing almost 39% of the country's total cane output
- The average recovery in Uttar Pradesh was around 9.25% against the national average of around 10%
- Per hectare yield of sugarcane in Uttar Pradesh was 57-58 tonnes against the national average of 67-70 tonnes

FIRST LET US PRESENT A CASE FOR UTTAR PRADESH AS A MEMBER OF THE GLOBAL COMMUNITY OF SUGAR PRODUCING REGIONS.

The alluvial soil of Uttar Pradesh is one of the most fertile the world over. The temperature is ideal across the year for cane growth. The quantum of rain is abundant and timely. This convergence – sun, rain and soil – considered rare. Besides, sugarcane is a weather-resistant crop; it is not extensively impacted by climatic vagaries as farmers hold on to production even in the face of an unfavorable season, strengthening the crop's financial attractiveness.

Based on this understanding, the Uttar Pradesh sugar industry attracted significant multi-decade investments until 2007. Uttar Pradesh accounted for 32% of India's sugar production, emerging as the second-largest sugar producing state.

Then something began to happen.

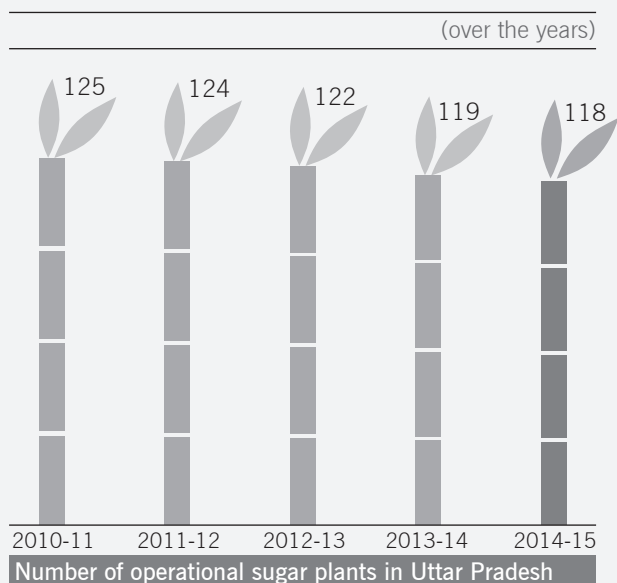
The Uttar Pradesh State Government exercised its power to fix state advised prices (SAP) for cane over and above the fair and remunerative price (FRP) recommended by the Centre – with a difference. While the FRP was arrived on the basis of a formula, the SAP was fixed arbitrarily. Besides, the SAP was not just *higher* than the FRP, it was *considerably higher*.

Maharashtra and Karnataka (comprising 40% and 17% of the country's sugar production respectively) are now implementing the recommendations of the

Rangarajan Committee.

The result is that the tables have turned. Uttar Pradesh could become increasingly unviable owing to high input costs and inter-state price competition. As mills in competing states enhance their efficiency based on lower production costs, predictable cash flows and uninterrupted operations, they can potentially dump low-cost sugar in Uttar Pradesh. Besides, Uttar Pradesh, which has not seen any significant capital expenditure in the last decade, could report lower recovery on account of relatively dated technologies. With less sugar to produce and at a higher relative cost, the fate of Uttar Pradesh as a competitive sugar producer could well be sealed.

Solution? Linkage of cane prices to sugar realisations, putting the industry back on the road towards viability.



05 The government's subsidy bill could increase manifold owing to high sugar production cost and lower realisations.

- India has already created various expert committees on the challenges facing the sugarcane industry; each has recommended the linkage of cane prices with sugar realisations
- Karnataka and Maharashtra have already initiated the process of linking the cane prices with sugar realisations

**IF THE INDUSTRY
CAN'T PAY, THEN
THERE IS ALWAYS THE
GOVERNMENT.**

Nowhere is this more apparent than in Uttar Pradesh. Even as the world (and India) is advocating a movement away from financial assistance, the Uttar Pradesh Government announce a financial assistance of ₹40 per quintal of sugarcane.

Now consider this at the national level. India is expected to close the 2014-15 sugar season with a surplus sugar stock of around 10.0 million tonnes. To encourage exporters, the government announced an export financial assistance on raw sugar of ₹4,000 per tonne on exports upto 1.4 million tonnes for 2014-15. The projected quantum of financial assistance expected to be paid was around ₹560 cr.

So instead of increasing the government's financial assistance burden, it would be a better idea to create an official mechanism to address the objective without remunerating through the exchequer. This would be quite like in Brazil, the largest sugar producer in the world, where sugarcane prices were linked to market prices, translating into an increase in output.

Solution? Linking sugarcane cost with the market price of sugar. This will make it possible to sell sugar without financial assistance. The financial assistance saving can then be allocated towards improved farming infrastructure (seeds and technology) translating into sustainable development.

06 Growing demand could strengthen sugar prices in the open market.

- India's per capita sugar consumption is 20 kg (global average 24.7 kg)

India is the largest sugar consumer (annual average consumption of 24.5 million tonnes) in the world

- India's sugar consumption is expected to reach 28 million tonnes by 2020

- In turn, India needs to consistently enhance sugar production to address this growing demand from within

**IF DOMESTIC SUGAR
DEMAND EXCEEDS
SUPPLY, SUGAR
PRICES COULD
IMPROVE.**

There are a number of reasons for this.

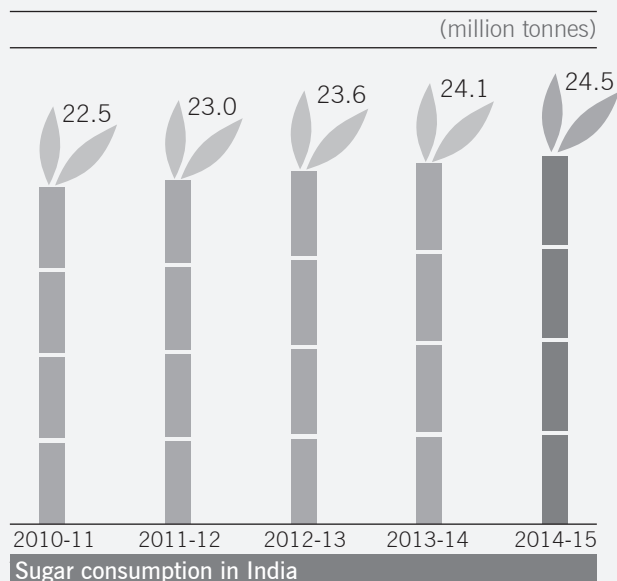
India culturally possesses a sweet tooth. The country is marked by confectioners across neighborhoods. Sweets are integral to most festivals. The irony is that even as India is the largest sugar consumer in the world, its per capita consumption still trails that of a number of peer income countries.

There is every possibility that with cash flows of the Uttar Pradesh sugar industry declining, the weaker mills could cease operations, creating a scenario where overall crushing and sugar production could decline, correspondingly strengthening realisations.

Given this reality, there is a possibility that any increase in sugar prices in the open market – an outcome of higher demand and stagnant production – could influence overall consumer and food inflation and have a political fallout in a country where nearly 22% of the population still lives below the poverty line.

The plausible solution would be to rationalise sugarcane prices in Uttar Pradesh, enhance mill sustainability, strengthen sugar output and create an environment where sugar prices can be stable and fair for all stakeholders.

The government needs to take the first step.



Five-year operational summary

Cane crushed

(in lac tonnes)

	March 2011*	March 2012	March 2013	March 2014	March 2015
Balrampur	20.02	13.95	12.59	12.12	12.91
Babhnan	16.41	10.68	10.48	10.03	11.24
Tulsipur	9.51	7.00	5.72	6.02	6.64
Haidergarh	4.80	4.28	4.17	3.71	3.53
Akbarpur	11.19	8.51	8.37	7.83	6.34
Rauzagaon	9.39	7.01	7.88	6.78	6.58
Mankapur	14.61	9.26	8.62	8.61	9.20
Kumbhi	16.42	10.40	10.77	9.31	9.79
Gularia	16.09	10.33	9.06	7.23	8.40
Maizapur	4.70	3.21	3.39	3.38	3.60
Khalilabad**	-	-	-	2.26	2.34
Total	123.14	84.63	81.05	77.28	80.57

Sugar production

(in lac tonnes)

	March 2011*	March 2012	March 2013	March 2014	March 2015
Balrampur	1.84	1.35	1.20	1.18	1.27
Babhnan	1.56	1.01	1.00	1.00	1.09
Tulsipur	0.91	0.69	0.53	0.58	0.66
Haidergarh	0.43	0.39	0.38	0.34	0.32
Akbarpur	1.06	0.82	0.82	0.77	0.61
Rauzagaon	0.90	0.68	0.76	0.67	0.64
Mankapur	1.37	0.90	0.82	0.85	0.91
Kumbhi	1.58	1.01	1.04	0.94	1.01
Gularia	1.49	0.93	0.86	0.69	0.85
Maizapur	0.41	0.29	0.31	0.32	0.35
Khalilabad**	-	-	-	0.21	0.21
Total	11.54	8.07	7.72	7.55	7.92

Alcohol production

(in kilolitres)

	March 2011*	March 2012	March 2013	March 2014	March 2015
Company as a whole	70860	55785	67666	77950	69903

Power generation

(in lac Kwh)

	March 2011*	March 2012	March 2013	March 2014	March 2015
Company as a whole	10153.88	7393.04	7488.69	7504.99	8294.86

* 18 months period

** Data in respect of Khalilabad unit has been included after the merger of said unit with the Company

Financial summary

Financials

(₹ in crores)

	March 2011*	March 2012	March 2013	March 2014	March 2015
Gross sales	3063.22	2390.31	3384.03	2758.71	3093.21
Other operating income	4.18	-	-	-	-
Total income	3067.40	2390.31	3384.03	2758.71	3093.21
Stock adjustments	(1151.19)	(487.10)	108.04	(184.10)	426.41
Cost of materials consumed	3085.26	2262.63	2410.91	2275.00	2083.54
Purchase of traded goods	98.94	-	-	-	-
Excise duty	90.83	80.77	109.19	93.76	106.23
Gross profit	943.56	534.01	755.89	574.05	477.03
Overheads and all other expenditures	425.34	295.78	336.00	360.02	354.57
Profit from operations	518.22	238.23	419.89	214.02	122.46
Other income	24.03	27.74	42.80	25.94	19.08
PBDIT	542.26	265.97	462.69	239.97	141.54
Finance costs	148.64	147.41	143.87	117.84	102.09
PBDT	393.61	118.56	318.82	122.12	39.45
Depreciation and amortisation expenses	168.11	110.78	108.26	109.45	115.61
Profit before tax and extraordinary items	225.50	7.78	210.56	12.67	(76.16)
Extraordinary items	-	-	-	-	-
Pre-tax profit	225.50	7.78	210.56	12.67	(76.16)
Tax	61.09	1.16	48.53	9.03	(18.43)
Post-tax profit	164.41	6.62	162.03	3.64	(57.73)
Equity capital	25.63	24.43	24.43	24.48	24.49
Reserves (excluding revaluation reserve)	1263.55	1193.50	1298.44	1193.84	1104.78

Value-added statement

(₹ in crores)

	March 2011*	March 2012	March 2013	March 2014	March 2015
Income from production	4123.58	2796.63	3166.80	2849.05	2560.57
Add: Other income	28.22	27.74	42.80	25.94	19.08
Corporate output	4151.80	2824.37	3209.60	2874.99	2579.65
Less: Cost of materials consumed	3184.20#	2262.63	2410.91	2275.00	2083.54
Less: Other manufacturing expenses	257.61	178.03	206.55	218.32	204.27
Equals gross value-added	709.98	383.71	592.14	381.67	291.84
Less: Depreciation and amortisation expense	168.11	110.78	108.26	109.45	115.61
Equals net value-added	541.88	272.93	483.88	272.22	176.23
Allocation of net value-added					
To personnel	167.73	117.74	129.46	141.70	150.30
To taxes (including tax on proposed dividend)	64.18	1.16	56.83	9.04	(18.43)
To creditors (via interest)	148.64	147.41	143.87	117.84	102.09
To investors (via dividend)	19.03	-	48.86	-	-
To the Company (via retained earnings)	142.29	6.62	104.86	3.64	(57.73)

* 18 months period

including purchase of traded goods

Financial ratios

Key financial ratios

Financial year	March 2011*	March 2012	March 2013	March 2014	March 2015
Overheads/ Total income (%)	13.87	12.37	9.93	13.05	11.46
PBDIT/ Total income (%)	17.68	11.13	13.67	8.70	4.58
Interest/ Total income (%)	4.85	6.17	4.25	4.27	3.30
Interest cover (times)	3.65	1.80	3.22	2.04	1.39
PBDT/ Total income (%)	12.83	4.96	9.42	4.43	1.28
Net profit/ Total income (%)	5.36	0.28	4.79	0.13	(1.87)
Cash profit/ Total income (%)	10.84	4.91	7.99	4.10	1.87
Return on networth (%)	13.35	0.53	12.75	0.29	(4.92)
Return on capital employed (%)	19.93	8.19	14.72	8.24	5.10

Balance sheet ratios

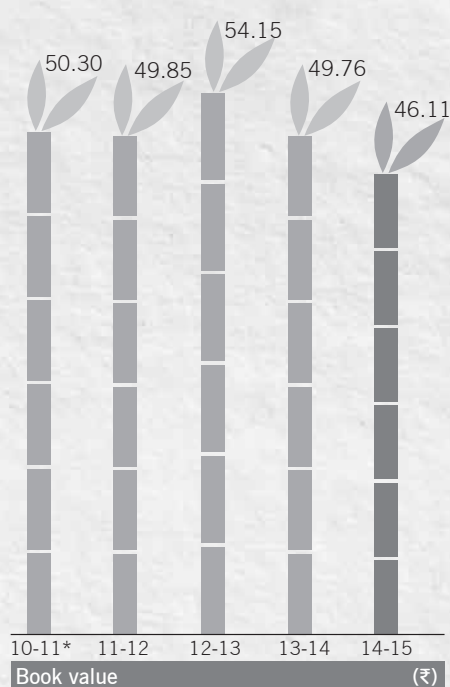
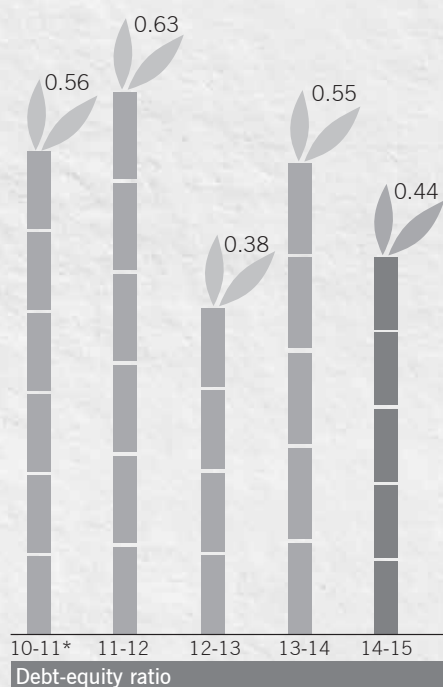
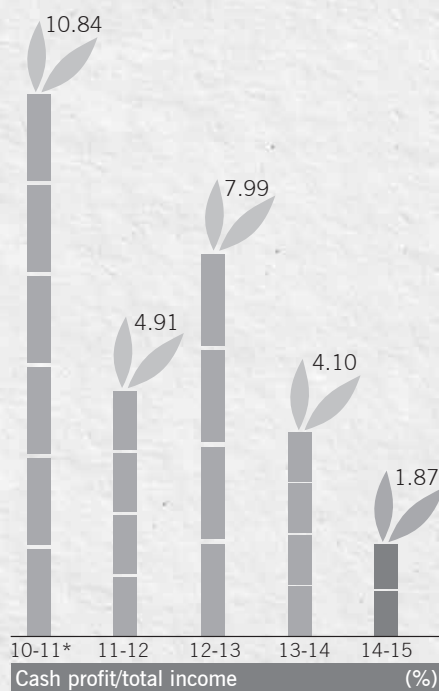
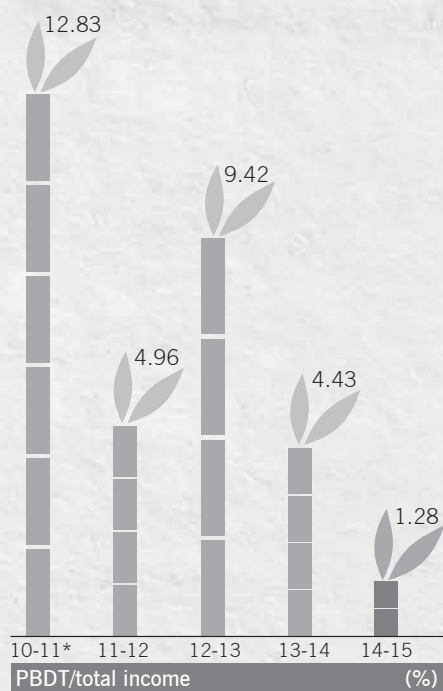
Financial year	March 2011*	March 2012	March 2013	March 2014	March 2015
Debt-equity ratio	0.56	0.63	0.38	0.55	0.44
Inventory turnover (days)	266	305	203	277	197
Current ratio	1.06	1.10	0.99	1.08	1.05
Quick ratio	0.28	0.22	0.22	0.12	0.26
Asset turnover (total revenue/total assets)	0.95	0.60	0.80	0.66	0.77
Fixed asset coverage ratio	2.39	2.11	3.05	2.28	2.81
Debt service coverage ratio	0.94	0.56	0.99	0.70	0.96

Per share data

Financial year	March 2011*	March 2012	March 2013	March 2014	March 2015
Basic EPS (₹)	6.35	0.27	6.63	0.15	(2.36)
CEPS (₹)	12.85	4.78	11.06	4.62	2.36
Dividend (₹)	0.75	-	2.00	-	-
Book value (₹)	50.30	49.85	54.15	49.76	46.11
Price/earnings (%)	11.02	212.45	6.57	375.59	-
Net indebtedness (₹)	28.46	31.24	20.45	27.25	20.08

* 18 months period

Our performance



* 18 months period

Report of the Board of Directors

for the year ended 31st March, 2015

Dear shareholders,

YOUR DIRECTORS PRESENT THEIR REPORT AS A PART OF THE 39TH ANNUAL REPORT, ALONG WITH THE AUDITED ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2015.

Standalone financial review

[₹ in Lacs]

Financial results	2014-15		2013-14	
Gross turnover		309321.02		275870.88
Operating profit before finance costs, depreciation and tax		14153.25		23996.69
Finance costs	10209.23		11784.26	
Depreciation and amortisation expense	11560.32		10945.04	
Tax expense	(1842.86)	19926.69	903.31	23632.61
Net profit / (Loss)		(5773.44)		364.08
Add : Balance brought forward from the previous year		(4599.47)		8390.81
Less : Debit balance of statement of profit and loss of amalgamated company*		-		(10725.94)
Less : Loss of KSMPL during 2012-13*		-		(2616.09)
Profit/(Loss) available for appropriation		(10372.91)		(4587.14)
Appropriations:				
Dividend on Equity Shares (including tax on dividend ₹1.79 lac) for 2012-13		-		(12.33)
General reserve		-		-
Balance to be carried forward to next year's account		(10372.91)		(4599.47)

*Khalilabad Sugar Mills Private Limited (KSMPL) is the amalgamated company.

Consolidated financial review

[₹ in Lacs]

Financial results	2014-15		2013-14	
Gross turnover		309321.02		275870.88
Operating profit before finance costs, depreciation and tax		14163.75		24488.58
Finance costs	10209.23		11784.26	
Depreciation and amortisation expense	11591.99		10958.29	
Tax expense	(1842.86)	19958.36	903.31	23645.86
Profit/(loss) after tax but before adjustment of minority interest and share of associate		(5794.61)		842.72
Share of profit in Associate		-		3.05
Profit/(Loss) for the year		(5794.61)		845.77

Dividend

Your Directors do not recommend payment of dividend for the year under review on equity shares in view of the loss incurred.

Operations

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

Parameters	Season 2014-15	Season 2013-14	Financial year ended 31.3.15	Financial year ended 31.3.14
Sugarcane crushed (in lac quintals)	772.04	782.43	805.69	772.80
Sugar produced (in lac quintals)	75.80	76.53	79.19	75.52
Recovery (%)	9.82	9.78	9.83	9.77

Performance 2014-15

The Company registered a gross turnover of ₹3093.21 crore for the year ended 31st March 2015 as against ₹2758.71 crore for the year ended 31st March 2014. The growth of 12% in gross turnover was mainly due to higher sale volume of sugar.

Excessive production led to a glut in domestic market resulting in sugar prices declining drastically from ₹30 to ₹25 a kg in U.P during the last 6 months of the financial year. Closing stock of sugar valued at year end was significantly lower than the production cost, leading to substantial loss in sugar segment despite accounting for the financial assistance of ₹28.60 per quintal of cane towards cane price receivable from U.P.Govt. Distillery & Power Divisions performed well and helped in reducing the losses. Company incurred a net loss of ₹57.73 crore as against a net profit of ₹3.64 crore in the previous year.

Sugar: The Company crushed 772.04 lac quintals of sugarcane during the 2014-15 season as against 782.43 lac quintals in the 2013-14 season. However, the recovery was marginally higher at 9.82% as against 9.78% in the previous season. Further when view against the perspective of the financial year ended 31st March, 2015 crushing was higher due to longer duration of crushing period. The Company continued to focus on cane development activities, comprising clean cane, varietal change and modern agricultural practices that is expected to improve recovery in the coming years.

The Uttar Pradesh Government fixed the SAP (State Advised Price) for sugarcane at ₹280 per quintal for the 2014-15

season - the same as in the previous season. The announced cane price of ₹280 per quintal was considered unreasonably high as against the then prevailing sugar price, making the sugar business unviable *ab initio*.

Based on the following assurances by the Uttar Pradesh Government, the industry began crushing for season 2014-15, keeping in mind the greater good of the state's farming community.

- The cane price of ₹280 per quintal would be paid in two instalments i.e. ₹240 per quintal initially and the balance ₹40 within three months of the closure of the crushing season.
- Of the balance ₹40, a sum of ₹20 would be allowed to factories as reimbursement/rebate from the State Government in the following manner:

Society commission	- ₹6.60 per quintal (as reimbursement)
Cane purchase tax	- ₹2.00 per quintal (as waiver)
Entry tax on sugar	₹2.80 per quintal (as waiver)
Additional relief	- ₹8.60 per quintal (as reimbursement)
Total	₹20.00 per quintal of sugarcane

- Further, if the average price of sugar, molasses, bagasse, press mud declined below ₹3100, ₹390, ₹167 and ₹26 per quintal respectively, the balance ₹20 per quintal would be shared between the sugar mill and State Government in a manner decided by the committee constituted under the chairmanship of the Chief Secretary, Uttar Pradesh Government

Power: The power business of the Company performed creditably during the year under review. The total power generated stood at 8294.86 lac units, as against 7504.99 lac units in the previous year. Power export to UPPCL was higher at 6168.10 lac units as against 5474.40 lac units in the previous year; the total value of power exported to the grid was ₹26130.31 lac as against ₹22860.56 lac in the previous year. The Company sold 1.34 lac certificates (units) of REC during the year valued at ₹1983.70 Lacs. The average realisation per unit of power increased from ₹4.17 in 2013-14 to ₹4.23 per unit in 2014-15.

The Uttar Pradesh Electricity Regulatory Commission increased the tariff on an average by ₹0.49 per unit for bagasse-based power generation effective from 20.01.15.

Distillery: The distillery performance was satisfactorily as the Company produced 269.63 lac BL industrial alcohol, 325.41 lac BL ethanol and 103.99 lac BL ENA as against 399.36 lac BL, 190.66 lac BL and 189.48 lac BL respectively during the previous year. The average realisation (net of excise duty) of industrial alcohol, ethanol and ENA was ₹37.40 as against ₹32.62 during the previous year.

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

Policies relating to sugar industry

In the 2014-15 season, the salient features of the policies relating to sugar industry are outlined hereunder :

- The F&RP (Fair & Remunerative Price) was fixed at ₹220 per quintal linked to a basic recovery of 9.5%, subject to a premium of ₹2.32 per quintal for every 0.1% increase in recovery above that level. The F&RP was fixed at ₹230 per quintal for the 2015-16 season.
- The Central Government announced a subsidy of ₹4000 per metric tonne on production and exports of raw sugar for 1.4 million tonnes of raw sugar for the season 2014-15.

The Central Government also hiked the import duty on sugar from 25% to 40%.

The period for discharging export obligations under the advanced authorisation scheme for sugar was reduced to six months.

- Central Govt replaced the policy for procurement of ethanol for blending programme from tender based to fixed price.

- The 12.50% central excise duty on ethanol for blending purposes was removed, effective from the sugar season 2015-16.
- The Uttar Pradesh Government maintained the State Advised Price (SAP) at ₹280 per quintal with financial reliefs indicated above.
- The Uttar Pradesh Electricity Regulatory Commission increased the tariff on an average by ₹0.49 per unit for bagasse-based power generation from 20.01.2015.

Outlook

The sugar production in the country for the season 2014-15 was estimated at an all-time high of 280 lac metric tonnes as against 244 lac metric tonnes during the 2013-14 season. The closing inventory of sugar (as of September 2015) is expected to be about 100 lac metric tonnes. Successive years of excess production led to a glut which led to sharp decline in sugar prices from ₹30 to ₹25 a kilogram within a short span of six months eroding the viability of the sugar business. The industry is at a crossroads and passing through its most challenging phase ever.

Govt. announced an export incentive of ₹4000 per MT to facilitate export of raw sugar from the country. Surplus production in Brazil along with depreciating Brazilian currency Real weighed heavily on global raw sugar prices which declined from 17.01 US cents per pound to 12.70 US cents per pound effectively shutting down the window for export from India despite the export incentive from the Govt.

Cane price arrears mounted to an all-time high of about ₹21000 crore. Sugarcane dues climbed in all three large Indian sugar producing States.

Central Govt replaced the policy for procurement of ethanol for blending programme from tender based to fixed price. Govt announced removal of 12.50% excise duty on ethanol effective from season 15-16. These measures would not only save valuable foreign exchange for the Govt, but would go a long way in encouraging the sugar industry in getting improved price of ethanol realisation on long term basis.

During the year, UPERC increased the tariff for bagasse based power generation on an average by ₹0.49 per unit effective from 20.01.15. This increase in tariff along with the benefit from sale of REC would enhance the profitability of power segment.

Policies relating to byproducts announced above, are no doubt steps in the right direction and would go a long way in securing value addition in distillery and power segments.

Since the sugar industry is regulated by both Central and State Govt, there is need for balanced policy approach on sugarcane pricing and effective addressal of the surplus stock before situation is out of control leading to irreparable damages.

Subsidiary company

The Company's subsidiary Indo Gulf Industries Ltd (IGIL) reported a net profit of ₹382.39 lac (including exceptional profit of ₹362.25 lacs) for the year ended 31st March, 2015 as against Loss of ₹12.74 lacs for the year ended 31st March, 2014.

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) in a recent hearing sought more details from the co-promoters and the matter of induction of strategic investors/co-promoters is pending. The Company has filed an appeal before the Hon'ble AAIFR for necessary relief. The Hon'ble AAIFR in the pending appeal directed circulation of Modified Draft Rehabilitation Scheme (MDRS) to all concerned for their consideration. As envisaged in the MDRS, after the said transfer of shares, IGIL will cease to be a subsidiary of the Company.

The statement with respect to the subsidiary company has been separately annexed. The audited financial statements including the consolidated financial statements of the Company and related information of the Company and the audited accounts of subsidiary are available on our website at www.chini.com. The annual accounts of the subsidiary company and the related detailed information shall be made available to members of the Company and subsidiary company seeking such information at any point of time. The annual accounts of the subsidiary company shall be kept for inspection by members at the Company's registered office and at the registered office of the subsidiary company.

The Company has only one subsidiary, as stated above. No company have become or ceased to be its subsidiary, joint venture or associate company during the year.

Consolidated financial statements

In compliance with the provisions of the Companies Act, 2013, Accounting Standard 21 and pursuant to the Listing Agreement

with the Stock Exchanges, the consolidated financial statements forms a part of this Annual Report.

Listing of equity shares

The Company's Equity Shares are listed on the Bombay, Calcutta and National Stock Exchanges. The Company paid the annual listing fees to each of these stock exchanges.

Share Capital

The Company issued and allotted 75450 equity shares of ₹1 each at a price of ₹45 per share (including premium of ₹44 per share) upon the exercise of 75450 options under the Employee Stock Option Scheme. Consequently, the paid up share capital of the Company increased to 244916267 equity shares of ₹1 each.

Credit rating

ICRA maintained the credit rating for the Company's long-term and short-term debt at A and A1 respectively.

Employee Stock Option Scheme

The applicable disclosures as required under the SEBI Guidelines as amended, the details of stock options as at 31st March, 2015 under the Employee Stock Option Scheme, 2005 are set out in the attached Annexure - I and forms a part of this Directors' Report.

Directors

Smt. Novel S. Lavasa was appointed as Additional Director of the Company in the category of Independent Director by the Board in its meeting held on 6th February, 2015. She shall hold office up to the date of ensuing Annual General Meeting of the Company and will be eligible for reappointment as Independent Director.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Dr. Arvind Krishna Saxena, Wholetime Director, retires from the Board by rotation and is eligible for re-election.

The Late Mr. Rangarajan Vasudevan ceased to be an Independent Director of the Company w.e.f. 4th November, 2014 following his demise. He was awarded posthumously by

the Government of India with the Padmashri for his outstanding contribution in the area of civil service on the occasion of 66th Republic Day. Mr. Ram Kishore Choudhury resigned and ceased to be an Independent Director of the Company w.e.f. 20th March, 2015 due to health constraints.

The Board has placed on record its appreciation for the outstanding contributions made by Mr. Ram Kishore Choudhury and the Late Mr. Rangarajan Vasudevan during their respective tenures as directors of the Company.

The Board in its meeting held on 27th May, 2015 has relieved Smt. Meenakshi Saraogi from the post of Jt. Managing Director of the Company effective from 1st June, 2015, but she will continue as Non-executive (Non-Independent) Director of the Company with effect from 1st June, 2015.

The members in the last AGM approved reappointment of Shri Vivek Saraogi as Managing Director, Smt. Meenakshi Saraogi as Jt. Managing Director and Dr. Arvind Krishna Saxena as Wholtime Director. The members also approved appointment of Shri Dinesh Kumar Mittal, Shri Krishnava Dutt, Shri Naresh Chandra, Shri Ram Kishore Choudhury, Shri Rangarajan Vasudevan and Shri R.N. Das as Independent Directors.

Directors' Responsibility Statement

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 and Clause 49(III)(D)(4)(a) of the Listing Agreement with the Stock Exchanges in the preparation of the annual accounts for the year ended 31st March, 2015 and state that :

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other

irregularities;

- iv. The Directors have prepared the annual accounts on a *going concern* basis;
- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Particulars of employees

The particulars of employees, as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in a separate annexure attached hereto and forms part of this report as Annexure II.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The particulars related to the conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013, are given in a separate Annexure - III attached hereto and forms a part of this Report.

Fixed deposits

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

Key managerial personnels

In compliance of the provisions of Section 203 of the Companies Act, 2013 the following persons were the key managerial personnel of the Company :

- (a) Mr. Vivek Saraogi, Managing Director
- (b) Smt. Meenakshi Saraogi, Jt. Managing Director
- (c) Mr. Kishor Shah, Director-cum-Chief Financial Officer
- (d) Mr. S.K. Agrawala, Company Secretary

Number of meetings of the Board

The Board met four times during the financial year, the details are given in the Corporate Governance Report that forms part of the Annual Report.

Audit Committee

The Audit Committee was constituted by the Company and the details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report. During the year there were no instances of the Board had not accepting the recommendations of the Audit Committee.

Whistleblower policy

The Company has in place a whistleblower policy to deal with unethical behavior, victimisation, fraud and other grievances or concerns, if any. The aforementioned whistleblower policy can be accessed on the Company's website: http://www.chini.com/Vigil_Mechanism_Policy.pdf.

Nomination & Remuneration Committee

A Nomination & Remuneration Committee was constituted by the Company and the details of terms of reference, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report.

Policy on selection of Directors' and remuneration

The Board on the recommendation of Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, senior managerial personnel and also approved the remuneration policy. The policy on selection of directors is annexed as Annexure IV. The remuneration policy is stated in the Corporate Governance Report.

Board evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance, of the individual directors as well as the working of its Audit, Nomination & Remuneration, CSR and Stakeholders Relationship committees. The manner in which the evaluation has been carried out has been explained in the attached Corporate Governance Report.

CSR Committee

A CSR Committee was constituted by the Company and the terms of reference, details of the committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report. The Committee

had finalised the CSR policy which was approved by the Board on 12th May 2014. Details of the same can be accessed on the Company's website: http://www.chini.com/CSR_Policy.pdf. The annual report on CSR activities is appended as Annexure-V.

Inter-corporate loans and investments

The Company has not lent out any money or made any investments or provided any guarantees during the year under review. However the details of loan given or investment made before 1st April, 2014 are provided in the notes to the financial statements.

Related party transactions

There have been no materially-significant related party transactions made by the Company with the promoters, the directors, the key managerial personnel which may be in conflict with the interest of the Company at large. All related party transactions as placed before the Audit Committee has also received approvals from the Board. The policy on related party transactions as approved by the Board can be accessed on the Company's website: http://www.chini.com/Policy_on_materiality_of_Related_Party_Transactions.pdf. The details of related party transactions are set out in the notes to the financial statements.

Risk Management Policy

The Company has laid down policy on risk assessment and minimisation procedures and the same is periodically reviewed by the Audit Committee and the Board. The policy facilitates in identification of risk at appropriate time and ensures necessary steps to be taken to mitigate the risk. Brief details of risks and concerns are given in the Management Discussion and Analysis report.

Extract of annual return

The details forming part of extract of annual return as per Form MGT- 9 is annexed herewith as Annexure – 'VI'.

Material changes and commitments, between the end of financial year and date of report

The Board in its meeting held on 27th May, 2015 has approved closure of Khalilabad Sugar Mills a unit of the Company, subject to fulfilment of necessary formalities and compliance. The closure of Khalilabad Sugar Mills A unit of Balrampur Chini Mills Ltd. is not expected to have a significant

impact on sales of the Company as the said unit's contribution in the overall sales of the Company constituted only 1.68% for the year ended 31st March, 2015. Further the net fixed assets of the said unit as at 31st March, 2015 constituted only 2.33% of the total net fixed assets of the Company as on that date.

However, for the year ended 31st March, 2015 loss before interest and tax of ₹1200.72 lacs of the said unit constituted 4.32% of the loss of the sugar segment for the year ended 31st March, 2015.

Significant and material orders passed by the regulator/court

There are no significant materials orders passed by the regulator/court which would impact the going concern status of the Company and its future operations.

Internal Financial Control

The Company has in place adequate internal financial control with reference to the financial statements. During the year, such control was reviewed and no reportable material weakness was observed.

Corporate Governance

As per Clause 49 of the Listing Agreement with the stock exchanges, the Management Discussion and Analysis, the Corporate Governance report and the Auditors' Certificate on the compliance of conditions of Corporate Governance, forms a part of the Annual Report and is given separately as Annexure VII.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/S. Sushil Goyal & Co., Company Secretaries, to undertake the secretarial audit of the Company for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31st March, 2015 is attached as Annexure 'VIII' and forms a part of the reports of the Directors. The observation made by the secretarial auditors in their report are self-explanatory and therefore do not call for any further explanations/comments.

Auditors and Auditors' Report

M/S. G.P. Agrawal & Co., Chartered Accountants, Auditors of your Company retire, and being eligible, offers themselves for reappointment. The notes on accounts referred to in the Auditors' Report are self-explanatory and therefore do not call

for any further explanations/comments.

Cost auditors

The Board appointed M/S. N. Radhakrishnan & Co., Cost Accountants, to conduct cost audit of the Company relating to sugar (including industrial alcohol) and electricity for the financial year ended 31st March, 2015.

Annexures forming a part of this Report of the Directors

The Annexures referred to in this report and other information which are required to be disclosed are annexed herewith and forms a part of this report of the Directors :

Annexure	Particulars
I	Details of Employees Stock Option Scheme.
II	Particulars of Employees
III	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange earnings and Outgo
IV	Policy on selection of directors
V	Annual Report on CSR activities
VI	Extracts of the Annual Return as per Form MGT-9
VII	Corporate Governance Report and Management Discussion & Analysis
VIII	Secretarial Audit Report

Appreciation

Your Board of Directors wish to thank the Central Government, the Government of Uttar Pradesh, the financial institutions, State Bank of India, HDFC Bank, Punjab National Bank, shareholders, customers, dealers and other business associates for the support received from them during the year. Your Directors place on record their sincere appreciation for all employees of the Company and for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of Directors

Sd/-

Kishor Shah

Director-cum-Chief Financial Officer

DIN - 00193288

Place of Signature: Kolkata

Date: 27th May, 2015

Sd/-

Vivek Saraogi

Managing Director

DIN - 00221419

Annexure I to the Directors' report

STATEMENT AS AT 31ST MARCH, 2015 WITH RESPECT TO EMPLOYEES STOCK OPTION SCHEME OF THE COMPANY.

a] Description:

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

@ 12000 options remaining unexercised at the end of exercise period as on 31.10.2014 was lapsed.

b] Pricing formula:

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

* The shareholders of the Company at their Extra-Ordinary General Meeting held on 25th May 2009 has accorded approval to re-price the exercise price of the options granted in the years 2005, 2006, 2007 & 2008, which have not been exercised, and also the exercise price in respect of options to be granted for the year 2009 at 20% discount to the average daily closing market price of the Company's

share, on the stock exchange it is traded most, during the preceding 26 weeks prior to the date of the meeting held to re-price the exercise price of the unexercised options and options granted for the year 2009. Accordingly, the Remuneration Committee on 28th May 2009 has re-priced the exercise price of the unexercised options for the years 2005, 2006, 2007 & 2008 and granted stock options for the year 2009 at an exercise price of ₹45 per equity share.

- c] Options vested: 4593000
- d] Options exercised: 4300800
- e] Total number of equity shares arising as a result of exercise of options: 4300800 equity shares of ₹1 each
- f] Options lapsed: 731500

- g] Variation of terms of option:- Re-pricing of options, as stated above.
- h] Money realised on exercise of option: ₹195952840/-
- i] Total no of option in force: 213200
- j] **Details of option granted to**
 - i] Senior Managerial Personnel: Options has not been granted during the year ended 31st March, 2015.
 - ii] Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year – NIL.
- iii] Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant – NIL.
- k] Diluted earnings per share (EPS) pursuant to the issue of shares on exercise of options calculated in accordance with Accounting Standard [AS] 'Earning Per Share' – (₹2.36).

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

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

For **G.P. Agrawal & Co.**
Chartered Accountants
 Firm's Registration No. 302082E

Sd/-
(CA. Sunita Kedia)
Partner
 Membership No. 60162

Place of Signature: Kolkata
 Date : 27th May 2015

Annexure II to the Directors' report

STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name	Designation, Nature of duties	Remuneration (₹)	Qualification and experience (years)	Age (years)	Date of commencement of employment	Last employer, designation
Employed throughout the financial year						
Vivek Saraogi	Managing Director	16904839/-	B. Com (Hons), (27)	49	3rd July, 1987	None
Meenakshi Saraogi	Jt. Managing Director	17439508/-	B.A. (32)	71	1st October, 1982	None
Krishana Pal Singh	Executive President & Group Technical Advisor	6629788/-	Diploma in Mech. Engineering (37)	58	16th September, 2002	Ghaghara Sugar Ltd, D.G.M. (Engg.)
Santosh Kumar Agrawala	Company Secretary	6567135/-	B.Com (Hons), AASM, FCMA, FCS (39)	60	1st January, 1995	Birla Cotton Spg. & Wvg. Mills Ltd., Secretary
Employed for a part of the financial year						
Kedar Nath Ranasaria	Advisor	8805249/-	M.A. (Sahityaratana) (52)	80	Service transferred from Balrampur Sugar Co. Ltd.	Balrampur Sugar Co. Ltd, Secretary
Gyan Varidhi Chaturvedi	Sr. G.M. – (Prod.) (Production supervision)	2250437/-	B.Sc., A.N.S.I., (30)	52	1st January, 2001	Basti Sugar Mill, Addl. Chief Chemist
Anil Kumar Sharma	Chief General Manager (Overall supervision of Tulsipur Unit)	1099135/-	B.Sc., LLB (25)	56	15th May, 2009	Bajaj Hindusthan Ltd., Vice-President (HR)

Notes:

- 1) Remuneration includes salary, Company's contribution to provident fund, bonus, allowances and monetary value of perquisites and gratuity paid but excluding gratuity provision.
- 2) Appointments are contractual. Shri Vivek Saraogi (Managing Director) and Smt. Meenakshi Saraogi (Jt. Managing Director) are related to each other.

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (₹ in lacs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Vivek Saraogi, Managing Director	169.05	0.12%	110.49	Net sales increased by 12.08% during 2014-15. Net loss was ₹5773 lacs in 2014-15 as against net profit of ₹364 lacs in 2013-14
2	Meenakshi Saraogi, Jt. Managing Director	174.40	(14.66%)	113.97	
3	Kishor Shah, Director-cum-Chief Financial Officer	57.86	3.08%	37.82	
4	Arvind Krishna Saxena, Wholetime Director	20.09	9.07%	13.13	—
5	Naresh Chandra, Independent Director	3.20	220%	2.09	—
6	R. N. Das, Independent Director	3.20	45.45%	2.09	—
7	D. K. Mittal, Independent Director	1.60	—#	1.04	—
8	Krishnava Dutt, Independent Director	1.80	—#	1.18	—
9	R. K. Choudhury, Independent Director ceased on 20.03.2015	3.60	63.64%	2.35	—
10	R. Vasudevan, Independent Director ceased on 04.11.2014	0.60	50%	0.39	—
11	Novel S Lavasa, Additional Director (Independent) appointed on 06.02.2015	0.40	-	0.26	—
12	Santosh Kumar Agrawala, Company Secretary	65.67	11.17%	Not Applicable	Net sales increased by 12.08% during 2014-15. Net loss was ₹5773 lacs in 2014-15 as against net profit of ₹364 lacs in 2013-14.

Note: Remuneration to Independent Directors consisting of only sitting fees in 2013-14 and in 2014-15.

Details not given as D. K. Mittal and Krishnava Dutt were directors only for part of the financial year in 2013-14, i.e. w.e.f. 6th February, 2014.

- (ii) The median remuneration of employees of the Company during the financial year was ₹1.53 lacs.
- (iii) In the financial year, there was an increase of 5.18% in the median remuneration of employees.
- (iv) Number of permanent employees on the rolls of Company as on 31st March, 2015 were 6612.
- (v) Net sales during the year 2014-15 was ₹298698 lacs as compared to ₹266494 lacs during 2013-14. Net loss was ₹5773 lacs in 2014-15 as against net profit of ₹364 lacs in 2013-14. Increase in median remuneration of employees during the year was 5.18%. The average increase in remuneration was in line with the performance of the Company.
- (vi) The total remuneration of Key Managerial Personnel's declined by 4.39% from ₹488.40 lacs in 2013-14 to ₹466.98 lacs in 2014-15. Net loss during 2014-15 was ₹5773 lacs as against net profit of ₹364 lacs in 2013-14.
- (vii) a) Variations in the market capitalisation of the Company:
The market capitalisation as on 31.03.2015 was ₹1213.56 crores and as on 31.03.2014 was ₹1367.44 crores.
- b) Price Earnings ratio of the Company as at 31.03.2014 was 372.33 and as at 31.03.2015 was not applicable as the EPS was negative at (₹2.36).
- c) Percentage increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer - The Company had come out with the initial public offer (IPO) in 1978-79 @ ₹10 per share at face value. Further, the Company had sub-divided each equity share of nominal value of ₹10 each into 10 equity shares of ₹1 each on 31.03.2005. As on 31.03.2015, the closing market price of one equity share was ₹49.55. Therefore, an amount of ₹10.00 lacs invested in said IPO in 1978-79 would be worth ₹16352 lacs as on 31.03.2015, after considering bonus issue and sub-division, representing 163420% increase over the said IPO price.
- (viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2014-15 was 8.01%, whereas the managerial remuneration was decreased during the financial year 2014-15 by 5.89%.
- (ix) In view of the loss during the year 2014-15, commission was not paid to the Managing Director, Jt. Managing Director, Director-cum-Chief Financial Officer and Independent Directors. The Non-executive Directors were paid sitting fees of ₹40000 for attending each Board of Directors meeting and ₹20000 for attending each committee meeting. Remuneration to directors are as per recommendation of the Nomination and Remuneration Committee and as approved by the Board and shareholders of the Company.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Nil; and
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Annexure III to the Directors' report

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

A. Conservation of Energy

(i) The steps taken or impact on conservation of energy

The Company has taken various steps towards energy conservation. All new sugar plants (5 nos.) set up by the Company are greenfield sugar plants. The Company continues to give high priority to the conservation of energy on an ongoing basis. Some of the significant measures taken are:

- a) Installation of Variable Frequency Drive (VFDs) at Boiler, Plate type heat exchanger with Cigar, Cane Belt Conveyor;
- b) Installation of high efficiency spreader stocker type, travelling grates, high-pressure boilers, condensing cum extraction turbine, variable frequency drives for feed pumps, compressors and fans, heat recovery units in boiler, feed water heaters, distributed control system for centralised efficient operation;
- c) Installation of bigger size, constant ratio mill with variable speed, DC motor drive having full auto control, hydraulic cane unloaders, rotary screens, juice flow stabilisation system, continuous sulphur burner, high efficiency centrifugal pumps, fluidised bed sugar drier and sugar bag conveying system, efficient and automatic centrifugal machines, semi kestners etc.;
- d) DCS controlled operation at various stations to achieve maximum efficiency. Use of capacitors near motor to maintain the power factor;

- e) Recycling of process water to conserve natural resources. Replacement of conventional inefficient bulbs with efficient CFL and LED lights. Conserve energy by providing timers at street lights & putting energy efficient motors.

- f) Installation of LTEM (Low Temperature Evaporator Module) for waste heat recovery.

The impact of above measures are expected to reduce the consumption of fuel and power substantially and consequently the cost of production.

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

- a) Most of the sugar plants of the Company have bagasse based cogeneration power plants which is used for captive consumption and also being sold to the U.P. power Corporation Ltd.
- b) Recycling of process water to conserve natural resources.
- c) Replacement of conventional inefficient sodium vapour & mercury vapour bulbs with efficient CFL and LED lights.

(iii) The capital investment on energy conservation equipments during the year 2014-15 was ₹327.34 lacs

(B) Technology absorption

(i) The Company carried on following sugarcane development activities during the financial year 2014-15:

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

- Ratoon crop management & gap filling helping increase yield and recovery;

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

(iii) The Company has not imported any technology.

(iv) Expenditure incurred on Research & Development : Nil.

(C) Foreign Exchange Earnings and outgo

Foreign Exchange earned in terms of actual inflows -	Nil
Foreign Exchange outgo in terms of actual outflows -	₹172.26 lacs

Annexure IV to the Directors' report

Criteria for selection of Directors and persons in Senior Management

A. Introduction

This Policy sets out general guiding principles defining criteria for selection of directors in the Board and persons in senior management to assist the Board of Directors in performing its duties. However, the Board should act according to its obligations under the specific facts and circumstances it faces. It will ensure constitution of the Board with optimum combination of Executive and Non-executive Directors including Independent Directors which possess diverse experience and expertise in strategic management, governance and provide long term vision and direction to the Company.

B. Selection and Composition of the Board Board Membership Criteria & Diversity

The Board of Directors should be composed of individuals who have demonstrated significant achievements in business, education, the professions and/or public service. They should have requisite intelligence, education and experience to make a significant contribution to the deliberations of the Board of Directors in light of the Company's business. In addition, the membership of the Board of Directors should bring a broad range of experiences to the Board.

The Nomination and Remuneration Committee will review, annually, the appropriate skills and characteristics of Board members in the context of the current structure of the Board. This assessment should include issues of diversity, age, business, qualifications, ethics & integrity, willingness to participate in Board matters and other criteria that the Committee and Board find to be relevant at that point of time. A variety and balance of skills, background and experience is desirable.

The composition of the Board shall meet the conditions prescribed under the Companies Act, 2013 and Clause 49 of

the Listing Agreement. The proposed appointee shall possess the director identification number and meet the criteria as laid down in the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Attributes

The overall ability and experience of individual Board candidates should determine their suitability. The following attributes may be considered as desirable in any candidate for the Board of Directors:

- **Experience** - A Board candidate should have extensive experience in business, administration, profession, governance and/or public service. An ideal Board candidate may have had experience in more than one of these areas.
- **Education** - Ideally, it is desirable that a Board candidate should hold degree from a respected college or university. In some cases, it is further desirable for the candidate also to have earned a masters or acumen in governance & administration. However, these educational criteria are not meant to exclude an exceptional candidate who does not meet these educational criteria.
- **Personal** - The Board candidate should be of the highest moral and ethical character. The candidate should exhibit independence, objectivity and be capable of serving as a representative of the stakeholder.
- **Individual Characteristics** - The Board candidate should have the personal qualities to be able to make a substantial active contribution to Board deliberations. These qualities include intelligence, self-assuredness, high ethical standard, inter-personal skills, independence, judgmental, courage, a willingness to ask the difficult question, communication skills and commitment.

- **Availability** - The Board candidate must be willing to commit, as well as have, sufficient time available to discharge the duties of Board membership. The Board candidate should not have any prohibited interlocking relationships.
- **Compatibility** - The Board candidate should be able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- **Compliance** - The Candidate should meet the compliance requirements prescribed under the Companies Act, 2013, Listing Agreement and other Rules & Regulations or standards set out by the Company.

Predominance of Independent Directors

Independence promotes integrity, accountability and governance. The Board of Directors shall comprise of requisite number of independent directors as prescribed under the law.

Not less than requisite number of directors shall consist of independent directors who meet the criteria for independence as required under the Companies Act, 2013, Listing Agreement and other prescribed Rules & Regulations applicable to the Company. Besides, the Board will consider all relevant facts and circumstances in making a determination of independence.

Selection and Orientation of New Directors

The Nomination and Remuneration Committee shall identify candidates for the Board and recommend them for appointment by Board and subsequently for approval by the shareholders as prescribed under the law. The Board delegates the screening process to the Nomination and Remuneration Committee with direct input from the Chairman of the Board or Managing Director or any other Committee as may deem appropriate. Management, working in conjunction with the Committee, shall develop an appropriate familiarisation program for new directors that include background briefings, meetings with senior management and visits to Company facilities etc.

Assessing Performance of Board and Committees

The Nomination and Remuneration Committee shall evaluate performance of each director and report annually to the Board on the results of the assessment process. The performance evaluation of Independent directors shall be done by the entire Board of Directors. The Independent directors in their meeting shall review the performance of non-independent directors and the Board as a whole. While assessing the performance, the Board or the Nomination and Remuneration Committee shall take into account attendance of directors in the Board & Committee meetings, performance of the business, accomplishment of long-term strategic objectives & their participation, role & functioning of various committees, compliance and other matter as they may think fit. The purpose of the assessment is to increase the effectiveness of the Board.

C. Selection of Key Managerial Personnel (KMP)

Above criteria shall also apply for selection of Key Managerial Personnel (KMP) excepting those which are not applicable for persons in senior management. Where appointment or performance of any KMP requires specific qualification or degree, the person should also possess that specific qualification or degree. Keeping self-up-to-date for performing duties, on issues and emerging trends is an important part of responsibilities. KMP must take reasonable steps to remain current in professional development, corporate governance and discharging duties & responsibilities.

The KMP shall meet the conditions prescribed under the Companies Act, 2013 and other Rules & Regulations as may be applicable.

D. Review

The Nomination & Remuneration Committee may review this Policy periodically and suggest revisions to the Board to ensure the policy serves its purpose and accurately reflects the sense of the Board and the Company.

Annexure V to the Directors' report

Annual Report on CSR Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs undertaken/proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Our vision for CSR is – “to contribute for bringing social and economic change to the underprivileged section of the society in an equitable manner and to contribute for the skill development as means of livelihood for the weaker sections of the society. This way we are building our business on responsible, sustainable and ethical foundations within a commercial framework to enable us to be a significant and effective force for positive change. In doing so we believe we are contributing to develop the quality of human life and making a better India.”

CSR activities will be carried on by the Company through:

- (i) Balrampur Institute of Vocational Aid (hereinafter referred to as “BIVA”),
- (ii) Balrampur Foundation (hereinafter referred to as “BF”),
- (iii) Balrampur Trust (hereinafter referred to as “BT”), and
- (iv) Other society, trust, hospital, fund or organisations engaged in activities specified in Schedule VII of the said Act, as may be approved by the CSR Committee of the Board in accordance with the provisions of the said Act and Rules made thereunder.

BIVA is a registered trust and is recognised & affiliated by different Central and State Government agencies. It provides employment enhancing specialised vocational training to the underprivileged for helping alleviate poverty and enhancing self-reliance. Most of the training programs conducted by BIVA are short-term and income-oriented,

enabling trainees to earn a livelihood. The entire program is subsidised to ensure maximum reach amongst the youth with an emphasis on women. The program's vocational training comprises income generation programmes.

The object of the Balrampur Foundation and Balrampur Trust is to provide education, medical relief, promoting rural development projects and other objects of general public utility for the upliftment of the economically disempowered section of the society.

CSR activities also carried on by the Company through other society, trust, hospital, fund or organisations engaged in activities specified in Schedule VII of the said Act, subject to approval by the CSR Committee of the Board.

Web-link to the CSR Policy – http://www.chini.com/CSR_Policy.pdf

2. Composition of the CSR Committee:

Shri Naresh Chandra – Chairman (Independent Director)
Shri Dinesh Kumar Mittal – Member (Independent Director)
Shri Vivek Saraogi – Member (Managing Director)
Smt. Novel S Lavasa – Member (Additional Director-Independent) – appointed on 06.02.2015
Shri R.K. Choudhury – Member (Independent Director) – ceased w.e.f. 20.03.2015
Shri R. Vasudevan – Member (Independent Director) – ceased w.e.f. 04.11.2014

3. Average net profit of the Company for last three financial years: ₹7847 lacs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹157 lacs

5. Details of CSR spent for the financial year:

a. Total amount spent for the financial year: ₹92 lacs

b. Amount unspent, if any: ₹65 lacs

c. Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) State & district where project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: All direct expenses	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
				₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
A	Employment enhancing vocational skills	Vocational training	Local area. Kolkata, W.B.	55.00	45.00	45.00	45.00
B	Promoting healthcare including preventive healthcare	Healthcare	Local & other area. Kolkata – W.B. Gonda – U.P. Udaipur & Jhunjhunu – Rajasthan	24.00	18.80	18.80	18.80
C	Making available safe drinking water	Safe drinking water	Local & other area. Kolkata – W.B. Jhunjhunu – Rajasthan	2.00	1.58	1.58	1.58
D	Promoting education, including special education and livelihood enhancement projects	Education	Local & other area. Kolkata & Howrah – W.B. Gonda, Balrampur & Lucknow – U.P. Ujjain – M.P. Mumbai – Maharashtra	15.00	13.48	13.48	13.48
E	Setting up homes & other facilities for orphans, senior citizens and for socially and economically backward groups	Facilities for orphans, senior citizens & economically backward people	Local & other area. Kolkata, Howrah & Hooghly – W.B., New Delhi, Sikar – Rajasthan	4.00	2.23	2.23	2.23
F	Animal welfare	Animal welfare	Other. Sriganganagar & Jhunjhunu – Rajasthan	2.00	0.64	0.64	0.64
G	Promoting rural sports & nationally recognised sports	Promoting rural sports & nationally recognised sports	Local & other area. Balrampur & Gonda – U.P., New Delhi	12.00	9.83	9.83	9.83
H	Slum area development	Slum area development	Local area. Kolkata – W.B.	1.00	0.10	0.10	0.10
TOTAL				115.00	91.66	91.66	91.66

* All activities through implementing agency, namely– Balrampur Institute of Vocational Aid, Balrampur Foundation, Anandlok Hospital, Shree Vishudanand Hospital, Balrampur Trust, Narayan Sewa Sansthan, Maharaja Agrasen Siksha & Jan Kalyan Trust, S.V.S. Marwari Hospital, Shree Shyam Prem Mondal (Kathgola), Nagarik Swasthya Sangh, Natraj Yuva Sangh, Shree Kashi Vishwanath Seva Samity, Shri Ram Krishna Sewa Samiti, Mano Vikash Kendra, The Telegraph Foundation, Mountirith Sewarth Foundation, Shree Burrabazar Kumarsabha Pustakalaya, Ramakrishna Mission Seva Pratishthan, Sarada Seva Sangha, Kabir Peace Foundation, Society for Education of the Crippled, Society for Indian Children, Ramakrishna Mission Janasikshamandira, Helpage India, Ramakrishna Mission Boys' Home, People's Welfare Trust, Bharat Relief Society, Pashu Kalyan Samiti, Shree Krishna Goshala Ked, Udai Bhan Cricket Academy, Tiljala Human Resource Development Centre

6. Reasons for not spending the required amount during the financial year:

The Company has made all its efforts to spend as maximum as possible for CSR activities. However, in view of huge losses incurred by the Company and continued adverse situation prevailing in the sugar segment the Company could not spent the required amount of ₹157 lacs during the year ended 31st March, 2015.

7. Responsibility statement of the CSR Committee :

CSR Committee confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Place of Signature: Kolkata
Date: 27th May, 2015

Sd/-
Vivek Saraogi
Managing Director
Balrampur Chini Mills Ltd
DIN - 00221419

Sd/-
Naresh Chandra
Chairman-CSR Committee
of the Board of Balrampur Chini Mills Ltd
DIN - 00015833

Annexure VI to the Directors' report

FORM MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L15421WB1975PLC030118
ii)	Registration Date	14/07/1975
iii)	Name of the Company	Balrampur Chini Mills Ltd
iv)	Category / Sub-Category of the Company	Public Company / Limited by shares
v)	Address of the Registered office and contact details	FMC Fortuna, 2nd Floor, 234/3A, A.J.C. Bose Road, Kolkata – 700020. Phone: 033-22874749, Fax-033-22873083, Email: bcml@bcml.in, Website: www.chini.com
vi)	Whether listed company: Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	In-house. Address & contact details – same as above

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Sugar	10721-Manufacture or refining of sugar (sucrose) from sugarcane	79.97%

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	Indo Gulf Industries Ltd. 213, Rectangle One, D-4 District Centre, Saket, New Delhi – 110017. India	L74900DL1981PLC011425	Subsidiary	53.96%	Section 2(87) (ii)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April -2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/HUF	82863160	-	82863160	33.84	82863160	-	82863160	33.83	-0.01
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	17136839	-	17136839	7.00	17136839	-	17136839	7.00	0.00
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	99999999	-	99999999	40.84	99999999	-	99999999	40.83	-0.01
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A)=(A)(1)+(A)(2)	99999999	-	99999999	40.84	99999999	-	99999999	40.83	-0.01
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	12973407	1862	12975269	5.30	19118344	1362	19119706	7.81	+2.51
b) Banks / FIs	1351973	1881	1353854	0.55	1250076	1881	1251957	0.51	-0.04
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	21131972	-	21131972	8.63	20514492	-	20514492	8.38	-0.25
g) FIIs	42754399	8100	42762499	17.47	41886903	100	41887003	17.10	-0.37
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Financial Institution/ Banks	3450	-	3450	0.00	3450	-	3450	0.00	0.00
Sub-total (B)(1):-	78215201	11843	78227044	31.95	82773265	3343	82776608	33.80	+1.85
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	13168218	65513	13233731	5.41	8413617	45993	8459610	3.45	-1.96
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April -2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	37158761	2529427	39688188	16.21	31398212	1753650	33151862	13.54	-2.67
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	11872387	-	11872387	4.85	14624869	-	14624869	5.97	+1.12
c) Others (specify)									
Non Resident Indians	1217979	13105	1231084	0.50	1072762	13013	1085775	0.44	-0.06
Clearing Members	448355	-	448355	0.18	1028552	-	1028552	0.42	+0.24
Trusts	71929	-	71929	0.03	57594	-	57594	0.02	-0.01
Directors & their Relatives	68100	-	68100	0.03	74694	-	74694	0.03	0.00
Foreign Portfolio Investor (Corporate)	-	-	-	-	3656704	-	3656704	1.49	+1.49
Sub-total (B)(2):-	64005729	2608045	66613774	27.21	60327004	1812656	62139660	25.37	-1.84
Total Public Shareholding (B)=(B)(1)+ (B)(2)	142220930	2619888	144840818	59.16	143100269	1815999	144916268	59.17	+0.01
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	242220929	2619888	244840817	100.00	243100268	1815999	244916267	100.00	0.00

ii) Shareholding of promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April -2014]			Shareholding at the end of the year [As on 31-March-2015]			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Shri Vivek Saraogi	38082320	15.55	Nil	38082320	15.55	Nil	Nil
2	Kamal Nayan Saraogi HUF	7862300	3.21	Nil	7862300	3.21	Nil	Nil
3	Vivek Saraogi HUF	170040	0.07	Nil	170040	0.07	Nil	Nil
4	Smt. Meenakshi Saraogi	14244300	5.82	Nil	14244300	5.82	Nil	Nil
5	Smt. Sumedha Saraogi	9799000	4.00	Nil	9799000	4.00	Nil	Nil
6	Smt. Stuti Dhanuka	5012000	2.05	Nil	5012000	2.05	Nil	Nil
7	Shri Karan Saraogi	3946600	1.61	Nil	3946600	1.61	Nil	Nil
8	Ms. Avantika Saraogi	3746600	1.53	Nil	3746600	1.53	Nil	Nil
9	Udaipur Cotton Mills Co. Ltd.	6559680	2.68	Nil	6559680	2.68	Nil	Nil
10	Meenakshi Mercantiles Ltd.#	8577050	3.50	Nil	7476050	3.05	Nil	-0.45
11	Novel Suppliers Pvt. Ltd#	2000109	0.82	Nil	3101109	1.27	Nil	+0.45
	Total	99999999	40.84	Nil	99999999	40.83	Nil	Nil

#Inter-se transfer amongst promoters.

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

Sl. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	99999999	40.84		
	Change in % of holding due to allotment of shares against ESOS on 21.06.2014 to Non-Promoters	Nil	-0.01	99999999	40.83
	No other changes except inter-se transfer amongst Promoters on 18.03.2015	Nil	Nil	99999999	40.83
	At the end of the year			99999999	40.83

iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholders	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
1	Life Insurance Corporation of India				
	At the beginning of the year	19995490	8.17		
	Transfer on 27.02.2015	-50000	-0.02	19945490	8.14
	Transfer on 06.03.2015	-507104	-0.21	19438386	7.94
	Transfer on 13.03.2015	-96424	-0.04	19341962	7.90
	At the end of the year			19341962	7.90
2	Government Pension Fund Global				
	At the beginning of the year	11409530	4.66		
	Transfer on 30.05.2014	-50000	-0.02	11359530	4.64
	Transfer on 10.10.2014	324634	0.13	11684164	4.77
	Transfer on 17.10.2014	110368	0.05	11794532	4.82
	Transfer on 24.10.2014	164998	0.07	11959530	4.88
	Transfer on 09.01.2015	40000	0.02	11999530	4.90
	Transfer on 06.03.2015	162040	0.07	12161570	4.97
	Transfer on 13.03.2015	235013	0.10	12396583	5.06
	Transfer on 20.03.2015	287659	0.12	12684242	5.18
	Transfer on 31.03.2015	373657	0.15	13057899	5.33
	At the end of the year			13057899	5.33
3	ICICI Prudential Discovery Fund				
	At the beginning of the year	5906654	2.41		
	No change during the year	0			
	At the end of the year			5906654	2.41

Sl. No.	Name of the Shareholders	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
4	JP Morgan Indian Investment Company (Mauritius) Limited				
	At the beginning of the year	5403736	2.21		
	No change during the year	0			
	At the end of the year			5403736	2.21
5	Merrill Lynch Capital Markets Espana S.A. S.V.				
	At the beginning of the year	3131476	1.28		
	Transfer on 04.04.2014	-23682	-0.01	3107794	1.27
	Transfer on 02.05.2014	84997	0.03	3192791	1.30
	Transfer on 16.05.2014	563112	0.23	3755903	1.53
	Transfer on 30.05.2014	-354357	-0.14	3401546	1.39
	Transfer on 06.06.2014	-154603	-0.06	3246943	1.33
	Transfer on 04.07.2014 separated from top 10	-931374	-0.38	2315569	0.95
	Transfer on 08.08.2014 rejoined in top 10	114775	0.05	2430344	0.99
	Transfer on 22.08.2014	209980	0.09	2640324	1.08
	Transfer on 24.10.2014	244761	0.10	2885085	1.18
	Transfer on 31.10.2014	116505	0.05	3001590	1.23
	Transfer on 07.11.2014	133260	0.05	3134850	1.28
	Transfer on 14.11.2014	-474041	-0.19	2660809	1.09
	Transfer on 06.03.2015	-232476	-0.09	2428333	0.99
	Transfer on 13.03.2015	-60854	-0.02	2367479	0.97
	At the end of the year			2367479	0.97
6	ICICI Prudential Value Fund Series 1				
	At the beginning of the year	3076990	1.26		
	Transfer on 23.05.2014	325778	0.13	3402768	1.39
	Transfer on 30.06.2014	-505269	-0.21	2897499	1.18
	Transfer on 04.07.2014	-221380	-0.09	2676119	1.09
	Transfer on 18.07.2014	-241033	-0.10	2435086	0.99
	Transfer on 25.07.2014 separated from top 10	-116692	-0.05	2318394	0.95
	Transfer on 29.08.2014	-152645	-0.06	2165749	0.88
	Transfer on 14.11.2014	10077	0.00	2175826	0.89
	31.12.2014 rejoined in top 10			2175826	0.89
	16.01.2015 separated from top 10			2175826	0.89
7	Lata Bhanshali				
	At the beginning of the year	2841432	1.16		
	Transfer on 30.09.2014	1150000	0.47	3991432	1.63
	Transfer on 17.10.2014	-159100	-0.06	3832332	1.56
	At the end of the year			3832332	1.56
8	Danske Invest Management Company S.A. A/C Danske Invest Sicav-SIF- Emerging and Frontier Markets SMID				
	At the beginning of the year	2834985	1.16		
	Transfer on 30.05.2014	-54985	0.02	2780000	1.14
	At the end of the year			2780000	1.14

Sl. No.	Name of the Shareholders	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
9	Dimensional Emerging Markets Value Fund				
	At the beginning of the year	2438192	1.00		
	20.06.2014 separated from top 10			2438192	1.00
	04.07.2014 rejoined in top 10			2438192	1.00
	Transfer on 12.09.2014	48180	0.02	2486372	1.02
	Transfer on 06.03.2015	45640	0.02	2532012	1.03
	Transfer on 13.03.2015	15376	0.01	2547388	1.04
	Transfer on 20.03.2015	51700	0.02	2599088	1.06
	Transfer on 31.03.2015	44680	0.02	2643768	1.08
	At the end of the year			2643768	1.08
10	AXIS Capital Limited				
	At the beginning of the year	2200000	0.90		
	16.05.2014 separated from top 10			2200000	0.90
11	MV SCIF Mauritius				
	At the beginning of the year	1755703	0.72		
	Transfer on 04.04.2014	39296	0.02	1794999	0.73
	Transfer on 11.04.2014	137508	0.06	1932507	0.79
	Transfer on 02.05.2014	39272	0.02	1971779	0.81
	Transfer on 09.05.2014	137440	0.06	2109219	0.86
	Transfer on 16.05.2014 joined in top 10	333960	0.14	2443179	1.00
	Transfer on 23.05.2014	39307	0.02	2482486	1.01
	Transfer on 30.05.2014	137680	0.06	2620166	1.07
	Transfer on 06.06.2014	137072	0.06	2757238	1.13
	Transfer on 13.06.2014	509050	0.21	3266288	1.33
	Transfer on 20.06.2014	-172	0.00	3266116	1.33
	Transfer on 30.06.2014	-98816	-0.04	3167300	1.29
	Transfer on 04.07.2014	118248	0.05	3285548	1.34
	Transfer on 18.07.2014	-118314	-0.05	3167234	1.29
	Transfer on 25.07.2014	98540	0.04	3265774	1.33
	Transfer on 08.08.2014	-78931	-0.03	3186843	1.30
	Transfer on 14.08.2014	-118405	-0.05	3068438	1.25
	Transfer on 22.08.2014	-138181	-0.06	2930257	1.20
	Transfer on 30.09.2014	-187968	-0.08	2742289	1.12
	Transfer on 10.10.2014	-180677	-0.07	2561612	1.05
	Transfer on 17.10.2014	-80296	-0.03	2481316	1.01
	Transfer on 24.10.2014	-120636	-0.05	2360680	0.96
	Transfer on 31.10.2014	-6739	0.00	2353941	0.96
	Transfer on 14.11.2014	13715	0.01	2367656	0.97
	Transfer on 21.11.2014	-7246	0.00	2360410	0.96

Sl. No.	Name of the Shareholders	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
	Transfer on 05.12.2014	41423	0.02	2401833	0.98
	Transfer on 12.12.2014	19923	0.01	2421756	0.99
	Transfer on 31.12.2014 separated from top 10	-744994	-0.30	1676762	0.68
12	IDFC Sterling Equity Fund				
	At the beginning of the year	0	0.00		
	Transfer on 06.06.2014	339738	0.14	339738	0.14
	Transfer on 13.06.2014	1398088	0.57	1737826	0.71
	Transfer on 20.06.2014 joined in top 10	746507	0.30	2484333	1.01
	Transfer on 04.07.2014	515667	0.21	3000000	1.22
	Transfer on 12.09.2014	-304485	-0.12	2695515	1.10
	Transfer on 19.09.2014 separated from top 10	-836555	-0.34	1858960	0.76
13	Akash Bhanshali				
	At the beginning of the year	1192045	0.49		
	Transfer on 16.05.2014	-300000	-0.12	892045	0.36
	Transfer on 23.05.2014	-250000	-0.10	642045	0.26
	Transfer on 30.05.2014	300000	0.12	942045	0.38
	Transfer on 04.07.2014	250000	0.10	1192045	0.49
	Transfer on 25.07.2014 joined in top 10	1200000	0.49	2392045	0.98
	Transfer on 30.09.2014	300000	0.12	2692045	1.10
	Transfer on 05.12.2014	1000000	0.41	3692045	1.51
	Transfer on 30.01.2015	200000	0.08	3892045	1.59
	Transfer on 06.02.2015	9115	0.00	3901160	1.59
	Transfer on 20.03.2015	200300	0.08	4101460	1.67
	Transfer on 31.03.2015	214603	0.09	4316063	1.76
	At the end of the year			4316063	1.76
14	IDFC Equity Opportunity Series 1				
	At the beginning of the year	610000	0.25		
	Transfer on 13.06.2014	-610000	-0.25	0	0.00
	Transfer on 07.11.2014	1900000	0.78	1900000	0.78
	Transfer on 31.12.2014	117219	0.05	2017219	0.82
	Transfer on 09.01.2015	99036	0.04	2116255	0.86
	Transfer on 16.01.2015 joined in top 10	209502	0.09	2325757	0.95
	Transfer on 23.01.2015	498	0.00	2326255	0.95
	Transfer on 30.01.2015	8393	0.00	2334648	0.95
	Transfer on 13.02.2015	165352	0.07	2500000	1.02
	Transfer on 20.03.2015	29578	0.01	2529578	1.03
	Transfer on 31.03.2015	255335	0.10	2784913	1.14
	At the end of the year			2784913	1.14

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	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
1	Naresh Chandra, Chairman, Independent Director				
	At the beginning of the year	0	0.00		
	Nil holding/ changes during the year	0			
	At the end of the year			0	0.00
2	Vivek Saraogi, Managing Director				
	At the beginning of the year	38082320	15.55		
	Nil changes during the year	0			
	At the end of the year			38082320	15.55
3	Meenakshi Saraogi, Jt. Managing Director				
	At the beginning of the year	14244300	5.82		
	Nil changes during the year	0			
	At the end of the year			14244300	5.82
4	Ram Kishore Choudhury, Independent Director – ceased on 20.03.2015				
	At the beginning of the year	500	0.00		
	Nil changes during the year	0			
	At the end of the year			500	0.00
5	R. N. Das, Independent Director				
	At the beginning of the year	0	0.00		
	Nil holding/ changes during the year	0			
	At the end of the year			0	0.00
6	R. Vasudevan, Independent Director - ceased on 04.11.2014				
	At the beginning of the year	0	0.00		
	Nil holding/ changes during the year	0			
	At the end of the year			0	0.00
7	D. K. Mittal, Independent Director				
	At the beginning of the year	0	0.00		
	Transfer on 09.09.2014	500	0.00	500	0.00
	Transfer on 23.09.2014	500	0.00	1000	0.00
	Transfer on 24.09.2014	94	0.00	1094	0.00
	At the end of the year			1094	0.00
8	Krishnava Dutt, Independent Director				
	At the beginning of the year	0	0.00		
	Nil holding/ changes during the year	0			
	At the end of the year			0	0.00

Sl. No.	Name of the Directors and KMP	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
9	Novel S. Lavasa, Appointed as Additional Director (Independent) on 06.02.2015				
	At the beginning of the year	0	0.00		
	Nil holding/ changes during the year	0			
	At the end of the year			0	0.00
10	Kishor Shah, Director-cum-Chief Financial Officer				
	At the beginning of the year	40600	0.02		
	ESOS allotment on 21.06.2014	10000	0.00	50600	0.02
	At the end of the year			50600	0.02
11	Arvind Krishna Saxena, Wholetime Director				
	At the beginning of the year	18000	0.01		
	Nil changes during the year	0			
	At the end of the year			18000	0.01
12	Santosh Kumar Agrawala, Company Secretary				
	At the beginning of the year	10	0.00		
	Nil changes during the year	0			
	At the end of the year			10	0.00

V. INDEBTEDNESS

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	152400.06	-	-	152400.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1615.81	-	-	1615.81
Total (i+ii+iii)	154015.87	-	-	154015.87
Change in Indebtedness during the financial year				
• Addition*	16275.47	17500.00	-	33775.47
• Reduction*	19012.83	-	-	19012.83
Net Change	-2737.36	17500.00	-	14762.64
Indebtedness at the end of the financial year				
i) Principal Amount	149951.45	17500.00	-	167451.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1327.06	-	-	1327.06
Total (i+ii+iii)	151278.51	17500.00	-	168778.51

* Addition and reduction includes an amount of ₹824.05 lacs and ₹1112.80 lacs respectively towards interest accrued but not due.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

Sl. No.	Particulars of remuneration	Name of MD/WTD/ Manager				Total Amount
		Vivek Saraogi	Meenakshi Saraogi	Kishor Shah®	Arvind Krishna Saxena	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	150.00	150.00	49.87	15.56	365.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.90	6.25	0.43	2.63	10.21
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–	–
2	Stock Option	–	–	1.66	–	1.66
3	Sweat Equity	–	–	–	–	–
4	Commission - as % of profit - others, specify...	–	–	–	–	–
5	Others, please specify	–	–	–	–	–
	Total (A)	150.90	156.25	51.96	18.19	377.30
	Ceiling as per the Act	168.15*	168.15*	72.68*	72.68*	481.66

* As per Central Government Order.

The ceiling given is as per Schedule V to the Companies Act, 2013 as there was loss during the year ended 31st March, 2015, calculated in terms of Section 198 of the Companies Act, 2013 and the Company will be seeking approval at the ensuing AGM to the payment of remuneration as minimum remuneration under Schedule V to the Companies Act, 2013.

@ Also shown under the heading of CFO.

B. Remuneration to other directors:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Naresh Chandra	R. N. Das	D.K. Mittal	Krishnava Dutt	R.K. Choudhury	R. Vasudevan	Novel S Lavasa	
1	Independent Directors								
	Fee for attending board/ committee meetings	3.20	3.20	1.60	1.80	3.60	0.60	0.40	14.40
	Commission	–	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–	–
	Total (1)	3.20	3.20	1.60	1.80	3.60	0.60	0.40	14.40
2	Other Non-Executive Directors								
	Fee for attending board/ committee meetings	–	–	–	–	–	–	–	–
	Commission	–	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	–	–	–
	Total (B)=(1+2)	3.20	3.20	1.60	1.80	3.60	0.60	0.40	14.40
	Total Managerial Remuneration								377.30#
	Overall Ceiling as per the Act	Overall ceiling for Non-executive Directors is 1% of the net profit, calculated as per Section 198 of the Companies Act, 2013. There was loss during the year, calculated in terms of the said section.							

#Total managerial remuneration paid to Managing Director, Jt. Managing Director and Wholetime Directors. The Non-executive directors are not being paid any remuneration except sitting fees.

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

₹ in Lacs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO®	Total
			Santosh Kumar Agrawala	Kishor Shah	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	58.78	49.87	108.65
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–		0.43	0.43
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2	Stock Option	–		1.66	1.66
3	Sweat Equity	–		–	–
4	Commission	–		–	–
	- as % of profit	–		–	–
	others, specify...	–		–	–
5	Others, please specify	–		–	–
	Total	–	58.78	51.96	110.74

@ Also shown under the heading of Wholtime Director (WTD).

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	–	–	–	–	–
Compounding	–	–	–	–	–
B. DIRECTORS					
Penalty	–	–	–	–	–
Punishment	–	–	NIL	–	–
Compounding	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

Annexure VII to the Directors' report

Corporate Governance Report

Philosophy on code of governance

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

Adherence to transparency, accountability, fairness and ethical standard are integral part of the Company's function. Your Company's structure, business dealings, administration and disclosure practices have aligned to good corporate governance philosophy. Your Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders. The Company aims to increase and sustain its corporate value through growth and innovation.

Board of Directors

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board. The Company has two women directors in its Board, one- promoter executive and another- Independent non-executive. As at 31st March, 2015, the constitution of the Board was:

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

During the year ended 31st March, 2015, four board meetings were held. The Company held at least one meeting in every quarter and the time gap between two board meetings did not exceed 120 days as prescribed under Clause 49. The details are as follows:

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors Present	No. of Independent Directors Present
1	12th May, 2014	10	9	6
2	7th August, 2014	10	8	4
3	7th November, 2014	9	8	5
4	6th February, 2015	10	8	5

The composition of the Board of Directors as at 31st March, 2015, the number of other Board of Directors or Board Committees of which he/she is a member/Chairperson and the attendance of each director at these Board meetings and the last Annual General Meeting (AGM) was as under:

Name of the Director	Category	No. of other directorships* (Public Limited Company)	No. of membership/ chairmanship on other Board committees**	No. of Board meetings attended	Attendance at last AGM
[1]	[2]	[3]	[4]	[5]	[6]
Shri Naresh Chandra (Chairman)	Independent, Non-executive	8	9	4	Yes
Shri Vivek Saraogi (Managing Director)	Promoter, Executive	–	–	4	Yes
Smt. Meenakshi Saraogi (Jt. Managing Director)	Promoter, Executive	–	–	4	No
Shri R.N. Das	Independent, Non-executive	1	1	4	Yes
Shri D.K. Mittal	Independent, Non-executive	7	4	2	No
Shri Krishnava Dutt	Independent, Non-executive	7	3 (including 3 as chairman)	4	Yes
Smt. Novel S Lavasa (Appointed on 06.02.2015)	Independent, Non-executive	–	–	1	N.A.
Shri Ram Kishore Choudhury (Ceased on 20.03.2015)	Independent, Non-executive	N.A.	N.A.	4	No
Shri R. Vasudevan (Ceased on 04.11.2014)	Independent, Non-executive	N.A.	N.A.	1	No
Shri Kishor Shah (Director cum Chief Financial Officer)	Non-promoter, Executive	–	–	4	Yes
Dr. Arvind Krishna Saxena (Wholetime Director)	Non-promoter, Executive	1	1	1	Yes

(*) – Excludes membership of the managing committee of various chambers/bodies and directorship in private limited companies/ foreign companies/ companies under Section 8 of the Companies Act, 2013.

(**) – For reckoning the limit, the membership/ chairmanship of the Audit Committee and Stakeholders' Relationship Committee of the Indian Public Limited Companies were considered

The composition of the Board and other provisions as to Board and Committees are in compliance with the clause 49. All the independent directors qualify the conditions for being independent director as prescribed under Clause 49 and Section 149 of the Companies Act, 2013. No Director is related to any other director, except Shri Vivek Saraogi and Smt. Meenakshi Saraogi, who are related to each other, as Shri Vivek Saraogi is son of Smt. Meenakshi Saraogi.

The Company has conducted familiarisation programme for the Independent Directors of the Company. The details of familiarisation programme are disclosed in the website of the Company at web-link- http://www.chini.com/familiarisation_programme.pdf. The Director is also explained in detail the compliances required from him under the Companies Act, Clause 49 of the Listing Agreement and other relevant Regulations.

The Board has devised proper system to ensure compliance with the provisions of applicable laws and periodically reviews compliance reports of all laws applicable to the Company and necessary steps are being taken to ensure the compliance in law and spirit.

Board committees

Audit Committee

The composition of the Audit Committee is in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Audit Committee acts as the link between the Statutory and the Internal Auditors and the Board of Directors. The present terms of reference of the Audit Committee includes the powers as laid out in Clause 49(III)(C) and role as stipulated in Clause 49(III)(D) of the Listing Agreement with the Stock Exchanges. The Audit Committee also reviews information as per the requirement of Clause 49(III)(E) of the Listing Agreement.

The Audit Committee also complies with the relevant provisions of the Companies Act, 2013 and act in accordance with the terms of reference specified by the Board which shall inter alia include:

- (i) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- (ii) Review and monitor the Auditor's independence and performance, and effectiveness of Audit process;

- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modifications of transactions of the Company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters;
- (ix) To establish a vigil mechanism that will provide for adequate safeguards against the victimisation of persons who use such mechanism and make provision for direct access to the chairperson of Audit Committee in appropriate or exceptional cases;
- (x) To perform such other functions as prescribed under the Companies Act, 2013.

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on

- the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the Company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected

fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

Composition, Meetings and Attendance

The Audit Committee of the Company comprises five directors – four of whom are Independent, Non-Executive and one is Promoter, Executive. All of them are experts in corporate finance, accounts and corporate law. The Chairman of the Committee is an Independent Non-Executive Director, nominated by the Board. The Company Secretary acts as the secretary to the Committee. The Director-cum-Chief Financial Officer, the Statutory Auditor, Cost Auditor and the Internal Auditor of the Company are permanent invitees at the meetings of the Committee. The internal auditor directly report to the audit committee. The composition of the Audit Committee meets the requirement of the Clause 49 and the provisions of the Companies Act, 2013.

During the year ended 31st March, 2015, four Audit Committee meetings were held on 12th May, 2014, 7th August, 2014, 7th November, 2014 and 6th February, 2015. The composition and attendance of the members of the Audit Committee are as follows:

Sl. No.	Name of the Directors	Position	No. of meetings attended
1	Shri R. N. Das	Chairman, Independent, Non-Executive	4
2	Shri Naresh Chandra	Member, Independent, Non-Executive	4
3	Shri Vivek Saraogi	Member, Promoter, Executive	4
4	Shri D. K. Mittal	Member, Independent, Non-Executive	2
5	Shri Krishnava Dutt (Inducted on 06.02.2015)	Member, Independent, Non-Executive	N.A.
6	Shri Ram Kishore Choudhury (Ceased on 20.03.2015)	Vice-chairman, Independent, Non-Executive	4

Shri R. N. Das, Chairman attended the AGM held on 7th August, 2014 and replied to the queries related to accounts to the satisfaction of the shareholders.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee identify 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 and carry out evaluation of every director's performance. The Nomination and Remuneration Committee formulated the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees. It shall also carry out such other functions as may be required under the Companies Act, 2013 and Clause 49 of the listing agreement. The Nomination and Remuneration Committee comprises four directors, all of whom are Non-Executive, Independent Directors. The members of the committee are Shri D.K. Mittal, Shri Naresh Chandra, Shri R.N. Das and Smt. Novel S Lavasa. Shri D.K. Mittal is the Chairman of the Committee.

The Nomination and Remuneration Committee also administers the Employee Stock Option Scheme, which was approved by a resolution of shareholders at the Extra-ordinary General Meetings of the Company held on 8th September, 2005 and 25th May, 2009. During the year ended 31st March, 2015, three meetings of the Nomination and Remuneration Committee were held on 12th May, 2014, 7th November, 2014 and 6th February, 2015. The composition and attendance of the members of the Nomination and Remuneration Committee are as follows:

Sl. No.	Name of the Directors	Position	No. of meetings attended
1	Shri D. K. Mittal	Chairman, Independent, Non-Executive	2
2	Shri Naresh Chandra	Member, Independent, Non-Executive	3
3	Shri R.N. Das	Member, Independent, Non-Executive	3
4	Smt. Novel S Lavasa (Inducted on 06.02.2015)	Member, Independent, Non-Executive	N.A.
5	Shri R. K. Choudhury (Ceased on 20.03.2015)	Member, Independent, Non-Executive	3
6	Shri R. Vasudevan (Ceased on 04.11.2014)	Member, Independent, Non-Executive	1

Remuneration Policy

Introduction – The Remuneration Policy is designed to attract, motivate and retain talented employees in a competitive market. The purpose of the remuneration policy are to motivate employees to excel in their performance, recognise their contribution, retain talent in the organisation, reward merits and protect organisational stability & flexibility and create sustainable long term value for the shareholders. Therefore, the Company formulated the Remuneration Policy with the following objectives:

- (i) Ensuring 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;
- (ii) Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Ensuring that the remuneration 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.

However, occasions may arise where it is appropriate to act differently than set out in this Policy in exceptional cases due to some extra-ordinary talent of the candidate and for outstanding performance. The Remuneration Policy applies to the Company's directors, key managerial personnel and other employees.

Criteria for remuneration – The Remuneration Policy reflects balance between the interests of Balrampur Chini main stakeholders as well as a balance between the Company's short-term and long-term strategy. As a result, the structure of the remuneration package for the Managing Board and senior executives are designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the Company. The Company strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gain, respect for people and concern for the environment in line with the Balrampur Chini values and business principles to ensure that highly skilled and qualified senior executives can be attracted and retained. The Company aims for a total remuneration level that is comparable to levels provided by other companies that are similar to Balrampur Chini in terms of size and complexity.

The following elements shall be considered for payment of remuneration to Executive Directors, KMP and other employees: Industry Average, Remuneration drawn by peers considering nature and volume of responsibilities, Qualification, Experience, Immediate previous position held in earlier organisation & responsibilities occupied, responsibilities shouldered in the Company, contribution made in the Company, any achievements, rewards or recognitions, behavioural patterns and work ethics, evaluation of performance, etc.

Remuneration to Executive Directors & Non-Executive Directors

– The remuneration of the Executive Directors consists of salary and perquisites. The Managing Director, Jt. Managing Director and Director-cum-CFO are also entitled to receive profit based annual commission. The salary, perquisites and the commission shall be recommended by the Nomination and Remuneration Committee for approval by the Board of Directors. After approval from the Board of Directors shareholder's approval will be sought.

The Non-executive Directors shall be remunerated by way of annual commission based on profit of the Company. The Non-executive Directors shall also be entitled for sitting fees for attending each Board of Directors meeting and committee meeting. The commission & sitting fees shall be recommended by the Nomination and Remuneration Committee for approval by the Board of Directors. Thereafter, shareholder's approval shall be sought for payment of commission to the Non-executive Directors.

Any review of the remuneration to Executive Directors and Non-executive Directors shall be on the basis of performance evaluation of directors and as per recommendation of the Nomination and Remuneration Committee.

The Salary, perquisites and commission to Executive Directors and commission & sitting fees to Non-executive Directors shall be subject to provisions of the Companies Act, 2013 including prescribed Rules & Schedules thereunder and the Listing agreement.

Remuneration to KMP, Senior Executives and other employees

– In order to attract and retain managerial expertise, the elements of the remuneration of the KMP & senior executives are determined on the basis of the work they do and the value they create as well as of the conditions in other similar companies. Each element of the remuneration has been weighted in order to ensure a continuous positive development

of the Company both in the short and long-term as well as of the employees to enhance productivity.

Remuneration of employees largely consists of base remuneration, perquisites, bonus, exgratia, etc. The components of the total remuneration vary for different cadres/grades are governed by industry pattern, qualification and experience of the employee, responsibilities handled by him, individual performance, among others. Employees/workers may be granted advance/loan with or without interest in case of genuine needs like- Medical, education, housing, marriage or for any other genuine purpose, subject to in conformity with the applicable laws and regulations as amended from time to time. The remuneration to employees/workers shall also comply with the applicable regulations and policies of the respective governments. As the factories of the Company are situated in the state of Uttar Pradesh, the remuneration to employees/workers there should be in compliance with the policies of the U.P. Govt. including wage Board.

However, the Company may give compensation in the form of reward or incentive to any employee for any outstanding or extraordinary performance by him which is over and above the benchmark set for him during any year.

Annual appraisal of performance of KMP, senior executives and other employees shall be done by the respective reporting authority/ head of the department in association with HR Department. Based on such performance evaluation any increase in remuneration shall be done.

Long Term Incentive Employee Stock Option Scheme –

Balrampur Chini had implemented Employees Stock Option Scheme for the Non-promoter executive director and employees of the Company with the objective of aligning interests of the executive management and key employees with the long-term goals of the Company and its shareholders and also to attract and retain talent to align the interest of employees with those creating sustainable shareholder value. The stock options plan is long term for eight years after vesting time of one year from the date of grant of options.

Review – The Nominating & Remuneration Committee shall review the Remuneration Policy and shall recommend to the Board amendments to these guidelines as it deems appropriate.

The Non-executive Directors are remunerated by way of commission and sitting fees of ₹40000 for attending each Board of Directors meeting and ₹20000 for attending each committee meeting. The aggregate commission payable to the Non-Executive Directors is up to one percent of the net profit of the Company with a maximum ceiling of ₹25 lacs per annum in such proportion and manner as fixed by the Board of Directors. The commission payments to the Managing Director, Joint Managing Director and Director-cum-Chief Financial Officer are at the rate of one percent of the net profit of the Company, subject to a ceiling of ₹150 lacs p.a. each in case of Managing Director, Joint Managing Director and ₹48 lacs p.a. in case of Director-cum-Chief Financial Officer.

Details of remuneration to the Directors for the year ended 31st March, 2015:

Name of the Directors	Salary (₹)	Benefits (₹)	Bonus (₹)	Commission (₹)	Sitting Fees (₹)	Total (₹)	Service Contract/ Notice period/ Severance Fees
Shri Naresh Chandra	–	–	–	–	320000	320000	Appointed as Independent director up to 31.03.2019
Shri Vivek Saraogi	15000000	1904839	–	–	–	16904839	Term of office valid up to 31.03.2017. No notice period and no severance fees
Smt. Meenakshi Saraogi	15000000	2439508	–	–	–	17439508	Will be ceased from the post of Jt. Managing Director w.e.f. 01.06.2015 but continuing as non-executive Director
Shri R. K. Choudhury (Ceased on 20.03.2015)	–	–	–	–	360000	360000	Not applicable
Shri R. Vasudevan (Ceased on 04.11.2014)	–	–	–	–	60000	60000	Not applicable

Name of the Directors	Salary (₹)	Benefits (₹)	Bonus (₹)	Commission (₹)	Sitting Fees (₹)	Total (₹)	Service Contract/ Notice period/ Severance Fees
Shri R. N. Das	–	–	–	–	320000	320000	Appointed as Independent director up to 31.03.2019
Shri D.K. Mittal	–	–	–	–	160000	160000	Appointed as Independent director up to 31.03.2019
Shri Krishnava Dutt	–	–	–	–	180000	180000	Appointed as Independent director up to 31.03.2019
Smt. Novel S Lavasa (Appointed on 06.02.2015)	–	–	–	–	40000	40000	Appointed as additional director (independent) upto the conclusion of ensuing AGM
Shri Kishor Shah	4800000	986389	–	–	–	5786389	Term of office valid up to 31.03.2016 subject to re-appointment after retirement by rotation. No notice period, no severance fees
Dr. Arvind Krishna Saxena	1454000	554585	–	–	–	2008585	Term of office valid up to 31.07.2017 subject to re-appointment after retirement by rotation. No notice period, no severance fees

Note - Company's contribution to provident fund of ₹18 lacs each in case of Shri Vivek Saraogi and Smt. Meenakshi Saraogi have been shown under head 'Benefits' in the above Table. The contribution to gratuity fund has not been shown in the above table.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the performance evaluation of its own performance and of the Board Committees, viz. Audit Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholders' Relationship Committee as well as evaluation of performance of Directors individually.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, corporate governance practices and stakeholders' interests, etc. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement,

meeting risk management & competition challenges, compliance & due diligence, financial control, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Nomination & Remuneration Committee also carried out evaluation of every director's performance. The Directors expressed their satisfaction with the evaluation process.

CSR Committee

The CSR Committee formulate & recommend to the board, a Corporate Social Responsibility Policy which indicate the activities to be undertaken by the Company as specified under Schedule VII of the Companies Act, 2013 and also recommend the amount of expenditure to be incurred therein. It monitors the Corporate Social Responsibility Policy of the Company time

to time. During the year ended 31st March, 2015, two CSR Committee meetings were held on 12th May, 2014 and 6th February, 2015. The Composition and attendance of the members of the CSR Committee are as follows:

Sl. No.	Name of the Directors	Position	No. of Meetings attended
1	Shri Naresh Chandra	Chairman, Independent, Non-Executive	2
2	Shri D.K. Mittal	Member, Independent, Non-Executive	1
3	Shri Vivek Saraogi	Member, Promoter, Executive	2
4	Smt. Novel S Lavasa (Inducted on 06.02.2015)	Member, Independent, Non-Executive	N.A.
5	Shri Ram Kishore Choudhury (Ceased on 20.03.2015)	Member, Independent, Non-Executive	2
6	Shri R. Vasudevan (Ceased on 04.11.2014)	Member, Independent, Non-Executive	1

Shareholders' Committee

i) Stakeholders Relationship Committee

The Stakeholders Relationship Committee considers and resolves the grievances of security holders of the Company. The Stakeholders Relationship Committee shall also oversee the redressal of shareholders' and investors' grievances in relation to the transfer of shares, non-receipt of annual report, non-receipt of dividend, among others. During the year ended 31st March, 2015, two Stakeholders Relationship Committee meetings were held on 7th August, 2014 and 6th February, 2015. The composition and attendance of the members of the Stakeholders Relationship Committee are as follows:

Sl. No.	Name of the Directors	Position	No. of Meetings attended
1	Shri R. N. Das	Chairman, Independent, Non-Executive	2
2	Shri Vivek Saraogi	Member, Promoter, Executive	2
3	Shri Krishnava Dutt	Member, Independent, Non-Executive	2
4	Shri R. K. Choudhury (ceased on 20.03.2015)	Independent, Non-Executive	2

ii) Share Transfer Committee

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

The members of the committee are Shri Vivek Saraogi, Smt. Meenakshi Saraogi, Shri R. N. Das and Shri Kishor Shah. Shri R. N. Das inducted in the Share Transfer Committee on 06.02.2015 and Shri R. K. Choudhury ceased as member of the Committee on 20.03.2015. During the year ended 31st March, 2015, 17 share transfer committee meetings were held on 16.04.2014, 13.05.2014, 21.06.2014, 18.07.2014, 19.08.2014, 08.09.2014, 27.09.2014, 14.10.2014, 12.11.2014, 28.11.2014, 16.12.2014, 29.12.2014, 14.01.2015, 10.02.2015, 27.02.2015, 14.03.2015 and 30.03.2015.

Separate meeting of Independent Directors'

During the year ended 31st March, 2015, the Independent Directors met on 6th February, 2015, inter alia, to review performance of non-independent Directors & the Board as a whole, to review performance of the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

Compliance Officer

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

Details of shareholders' complaints received

A total of 59 number of complaints/correspondence were received and replied to the satisfaction of the shareholders during the year ended 31st March, 2015. There were no outstanding complaints as on 31st March, 2015. No share was pending for transfer as on 31st March, 2015.

General Body Meeting

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

Year	Date	Location of the Meeting	Time	Special Resolution passed
2011-12	07.08.2012	Kalakunj, 48, Shakespeare Sarani, Kolkata – 700 017	10.00 a.m.	1. Payment of Commission to Non-Executive Directors.
2012-13	31.07.2013	Vidya Mandir, 1, Moira Street, Kolkata – 700 017	11.00 a.m.	1. Re-appointment including payment of remuneration to Shri Kishor Shah as Director cum Chief Financial Officer. 2. Approval to the Modified Draft Rehabilitation Scheme containing Scheme of Merger of Khalilabad Sugar Mills Pvt. Ltd. with the Company, subject to sanction of Hon'ble BIFR.
2013-14	07.08.2014	Vidya Mandir, 1, Moira Street, Kolkata - 700017	10.30 a.m.	1. Re-appointment of Shri Vivek Saraogi as Managing Director. 2. Re-appointment of Smt. Meenakshi Saraogi as Jt. Managing Director. 3. Re-appointment of Dr. Arvind Krishna Saxena as Wholetime Director. 4. Authority to the Board to borrow money under section 180(1)(c) of the Companies Act, 2013. 5. Authority to the Board to mortgage, hypothecate or in any other way charge in favour of lenders under section 180(1) (a) of the Companies Act, 2013.

No special resolution was passed through ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 12th August, 2015.

Disclosure

- i) The Company does not have any related party transactions, which may have potential conflict with the interests of the Company at large. However, disclosure of transactions with related parties is set out in the Notes to Accounts, forming part of the Annual Report. The Company has disclosed the policy on dealing with the related party transactions on its website at web-link, http://www.chini.com/Policy_on_materiality_of_Related_Party_Transactions.pdf.
- ii) The Company has followed the prescribed guidelines of Accounting Standards in preparation of its financial statements.
- iii) The Company laid down Risk Assessment and Minimisation procedures and the same is periodically reviewed by the Board. Further, the Company has adequate internal control systems to identify the risk at appropriate time and to ensure that the executive management controls the risk through properly defined framework.
- iv) The Company has no unlisted subsidiary company as defined in the Clause 49 of the Listing Agreement.
- v) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures were imposed against it during the last three years.
- vi) Whistle Blower Policy framed by the Company to deal with unethical behavior, victimisation, fraud and other grievances or concerns, if any, is available on Company's website at web-link: http://www.chini.com/Vigil_Mechanism_Policy.pdf. During the year 2014-15, no personnel has been denied access to the Audit Committee.
- vii) Shri D.K. Mittal, Non-Executive Director hold 1094 equity shares of the Company as on 31st March, 2015.

Means of Communication

- i) A half-yearly report was not sent to each household of shareholders. Shareholders were intimated through the press and the Company's website www.chini.com about the quarterly performance and financial results of the Company.
- ii) The quarterly and annual results were published in the leading English and Bengali newspapers such as the Business Standard and Arthik Lipi.
- iii) As per Clause 52 of the Listing Agreement with stock exchanges, certain documents/information such as quarterly/annual financial results, shareholding pattern and corporate governance are accessible on the website www.corpfiling.co.in.
- iv) The NEAPS is a web based application designed by NSE for corporates. All periodical compliance filings like financial results, shareholding pattern, corporate governance report etc. are filed electronically on NEAPS.
- v) BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like financial results, shareholding pattern, corporate governance report, etc. are filed electronically on the Listing Centre.
- vi) SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- vii) Presentations were also made to the media, analysts, institutional investors, fund managers, among others from time to time. Such presentations are also posted on the Company's website.
- viii) The Company has designated following email-id exclusively for redressal of the investor grievances and the necessary disclosure to this effect has also been made in the Company's website www.chini.com : investorgrievances@bcml.in
- ix) The Company sends reminders for the unpaid dividend to the shareholders every year.
- x) The Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

General Shareholders' Information

Annual General Meeting

Date and Time : 12th August, 2015 at 10.30 a.m.

Venue : Vidya Mandir, 1, Moira Street,
Kolkata – 700 017

Financial Year

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

Financial year calendar for 2014-15 (Tentative)

Results for the quarter ending 30th June, 2015
– 2nd week of August, 2015

Results for the quarter ending 30th September, 2015
– 1st week of November, 2015

Results for the quarter ending 31st December, 2015
– 1st week of February, 2016

Results for the quarter ending/Annual 31st March, 2016
– 3rd week of May, 2016

Book Closure Date

5th August, 2015 to 12th August, 2015 (both days inclusive)
on account of AGM.

Listing of Equity Shares on Stock Exchanges at

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

Listing Fees

Listing fee for the year 2014–15 has been paid to the NSE, BSE & CSE.

Depositories

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

Stock Code

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

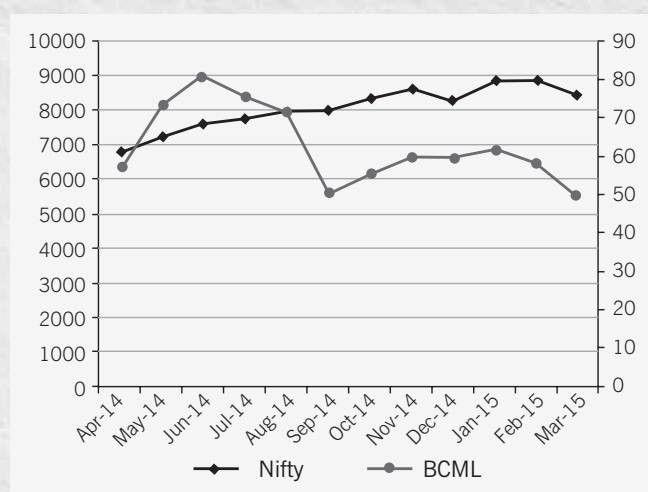
Reuters Code

NSE – BACH.NS and BSE – BACH.BO

Stock Market Data (Face value of ₹1 each)

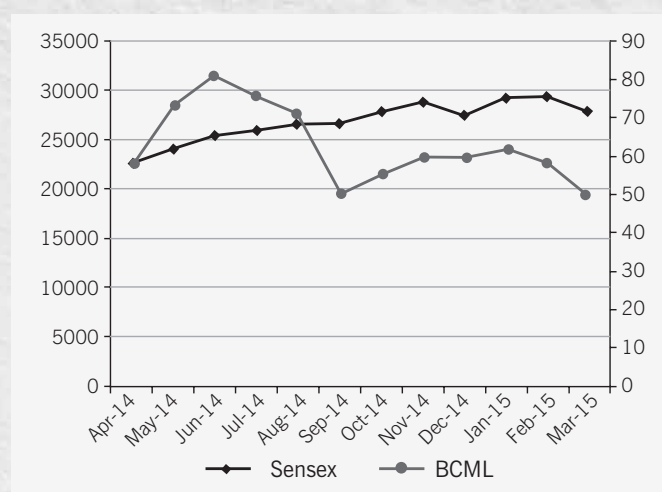
Month's	National Stock Exchange (NSE)			Bombay Stock Exchange (BSE)		
	Month's High Price (₹)	Month's Low Price (₹)	Volume (Numbers)	Month's High Price (₹)	Month's Low Price (₹)	Volume (Numbers)
April, 2014	60.90	54.00	13078304	62.45	53.25	2968319
May, 2014	82.00	55.90	21035117	81.80	56.00	5022322
June, 2014	87.95	73.15	28532927	88.00	73.15	6664807
July, 2014	84.60	71.80	9378128	84.55	71.80	2925411
August, 2014	78.20	65.10	10031730	78.00	66.20	1842611
September, 2014	72.35	48.80	13356030	72.30	48.95	2320881
October, 2014	57.50	50.00	9344072	57.55	50.10	2707502
November, 2014	74.20	53.55	29288444	74.25	53.50	7368480
December, 2014	63.70	54.00	14982549	63.70	54.10	3340289
January, 2015	65.20	59.15	8000381	65.50	59.20	1534603
February, 2015	66.40	55.20	7887615	66.10	55.50	2902585
March, 2015	60.95	46.90	7745193	60.85	47.00	2630364

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



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

Movement of BCML Share Price vs BSE SENSEX



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

Share Price Performance

Financial year	NSE S&P CNX NIFTY		BSE SENSEX	
	% Change in BCML share price	% Change in CNX Nifty	% Change in BCML share price	% Change in SENSEX
2014-15	-11.28%	+26.65%	-11.30%	+24.89%

Share Transfer System

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

Distribution of Shareholding as at 31st March, 2015 (Face Value: ₹1 each)

Shareholding Range	Demat mode			Physical mode			Total			
	Holders	Shares	% of total shares	Holders	Shares	% of total shares	Holders	% of total holders	Shares	% of total shares
Up to 5000	79018	21799474	8.90	10629	1248979	0.51	89647	98.75	23048453	9.41
5001 – 10000	504	3646814	1.49	36	240700	0.10	540	0.59	3887514	1.59
10001 – 50000	399	8500154	3.47	19	326320	0.13	418	0.46	8826474	3.60
50001 – 100000	61	4319714	1.77	–	–	–	61	0.07	4319714	1.77
100001 – 500000	69	16534159	6.75	–	–	–	69	0.08	16534159	6.75
500001 – 1000000	11	7790852	3.18	–	–	–	11	0.01	7790852	3.18
1000001 and above	33	180509101	73.70	–	–	–	33	0.04	180509101	73.70
Total	80095	243100268	99.26	10684	1815999	0.74	90779	100.00	244916267	100.00

Pattern of Shareholding as at 31st March, 2015 (Face Value: ₹1 each)

Category	No. of Shares	% of Holding
Promoters' group	99999999	40.83
Financial Institutions, Insurance Companies, Banks and Mutual Funds	40886155	16.70
Foreign Institutional Investors & Foreign Financial Institution/Banks	41890453	17.10
Private Corporate Bodies	8459610	3.46
NRIs	1085775	0.44
Trusts	57594	0.02
Clearing Members	1028552	0.42
Foreign Portfolio Investor (Corporate)	3656704	1.49
Indian Public	47851425	19.54
Total	244916267	100.00

Status of Unpaid Dividend from financial year 2007-08

Dividend for the year	Amount of dividend (₹ In lacs)	Amount of unpaid dividend as at 31.03.2015 (₹ in lacs)	% of dividend unpaid	Due date of transfer to IEPF
2007-08	1277.68	8.74	0.68%	9th March, 2016
2008-09	7752.09	39.88	0.51%	8th March, 2017
2008-09#	1.32	0.72	54.54%	1st October, 2017
2009-11*	1852.05	13.46	0.73%	30th August, 2018
2012-13	4886.28	37.84	0.77%	7th September, 2020

*18 months period.

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

Equity Shares in Unclaimed Suspense Account

In terms of Clause 5A(II) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the Unclaimed Suspense Account of the Company:

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	4185	7824
Aggregate number of shareholders and the outstanding shares transferred to Unclaimed Suspense Account during the year	710	267259
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	1 (applied in 2013-14)	1 (applied in 2013-14)
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	4894	275082

The voting rights on the shares outstanding in the suspense account as at 31st March, 2015 shall remain frozen till the rightful owner of such shares stake his/her claims.

Dematerialisation of Shares

Around 99.26% of the Share Capital is held in dematerialised form with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as at 31st March, 2015.

Plant Location

- Unit 1:** Balrampur (Sugar, Co-generation, Distillery and Organic Manure divisions), Dist: Balrampur, Uttar Pradesh
- Unit 2:** Babhnan (Sugar, Co-generation, Distillery and Organic Manure divisions), Dist: Gonda, Uttar Pradesh
- Unit 3:** Tulsipur (Sugar division), Dist: Balrampur, Uttar Pradesh
- Unit 4:** Haidergarh (Sugar and Cogeneration divisions), Dist: Barabanki, Uttar Pradesh.
- Unit 5:** Akbarpur (Sugar and Co-generation divisions), Dist: Ambedkarnagar, Uttar Pradesh.
- Unit 6:** Mankapur (Sugar, Co-generation, Distillery and Organic Manure divisions), Dist: Gonda, Uttar Pradesh.
- Unit 7:** Rauzagaon (Sugar and Co-generation divisions) Dist: Faizabad, Uttar Pradesh.
- Unit 8:** Kumbhi (Sugar and Co-generation divisions), Dist: Lakhimpur-Kheri, Uttar Pradesh.
- Unit 9:** Gularia (Sugar and Co-generation divisions), Dist: Lakhimpur-Kheri, Uttar Pradesh.
- Unit 10:** Maizapur (Sugar division), Dist: Gonda, Uttar Pradesh.
- Unit 11:** Khalilabad (Sugar division), Dist: Sant Kabir Nagar, Uttar Pradesh.

Investors' Correspondence

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

The Company has complied with the mandatory requirement of clause 49 of the listing agreement. The Company has partially adopted non-mandatory requirement as stated hereinabove.

Code of Conduct

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

Declaration by the Managing Director on the Code of Conduct

Pursuant to Clause 49 of the Listing Agreement with stock exchanges, I, Vivek Saraogi, Managing Director of Balrampur Chini Mills Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the year ended 31st March, 2015.

Place of Signature: Kolkata
Date: 27th May, 2015

Sd/-
(Vivek Saraogi)
Managing Director
DIN - 00221419

CEO/CFO Certification

The Board of Directors
Balrampur Chini Mills Limited
Kolkata

**Re: Financial Statements for the year ended 31st March, 2015 –
Certification by Managing Director and Director-cum-Chief Financial Officer.**

We, Vivek Saraogi, Managing Director and Kishor Shah, Director-cum-Chief Financial Officer, of Balrampur Chini Mills Limited, on the basis of the review of the financial statements and the cash flow statement for the year ended 31st March, 2015 and to the best of our knowledge and belief, hereby certify that :-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015 which, are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which, we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee that:
 - (a) there has been no significant changes in internal control over financial reporting during this year.
 - (b) there has been no significant changes in accounting policies during this year.
 - (c) there has been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place of Signature: Kolkata
Date: 27th May, 2015

Sd/-
Kishor Shah
Director-cum-Chief Financial Officer
DIN - 00193288

Sd/-
Vivek Saraogi
Managing Director
DIN - 00221419

Auditor's Certificate On Corporate Governance

To
The members of
Balrampur Chini Mills Limited

We have examined the compliance of the conditions of Corporate Governance by Balrampur Chini Mills Limited for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

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

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

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

For **G.P. Agrawal & Co.**
Chartered Accountants
Firm's Registration No. 302082E

Sd/-
(CA. Sunita Kedia)
Partner
Membership No. 60162

Place of Signature: Kolkata
Date : 27th May, 2015

Management discussion and analysis

India is the largest consumer of sugar worldwide.

India is the second largest producer of sugar worldwide.

India's share of sugar production worldwide stood at 16.2% in 2014-15.

INDUSTRY STRUCTURE & DEVELOPMENT

Indian sugar industry

India has nearly five million hectares of agricultural land under sugarcane cultivation. During 2014-15, 354.95 million metric tonnes of sugarcane was cultivated in the country, a rise of about 1% over that of the previous year.

The estimated sugar output in the country during 2014-15 is 28 million metric tonnes (representing an increase of 15% over the last year), which is 16.2% of the total world production estimated at 172.46 million metric tonnes.

The sugar industry can be divided into the organised and unorganised sectors. Sugar factories belong to the organised sector and those who produce traditional sweeteners fall into the unorganised

sector. Gur and khandsari are the traditional forms of sweeteners.

The year 2014-15

While some events did go in favour of the sugar industry in 2014, they weren't enough to lift the industry out of its morass. While the industry benefited from a better contribution from co-generated power and distillery by-products, falling global sugar prices created a big overhang and, to make matters worse, ample domestic output kept prices under pressure. Besides, sugarcane procurement costs remained firm, putting further pressure on declining margins.

The world sugar market continues to experience substantial price waning. Global sugar prices continue to remain

under pressure. A strengthening dollar has led sugar mills to dump stocks to take advantage of weak domestic currencies, putting further pressure on international sugar prices.

The Cabinet Committee on Economic Affairs cleared a proposal to extend an assistance of ₹4000 a tonne on production and export of 1.4 million tonnes of raw sugar in the 2014-15 crop year (which began last October and runs till end-September this year). This is expected to help millers export a portion of surplus production and help sugar mills to clear their dues. For mills with distillery facilities, the incentive applies only if they offer to supply a fourth of their annual alcohol production as ethanol for the ongoing petrol-blending programme of oil marketing companies.

Domestic prices too have fallen steeply to around ₹25.50 per kilogram which is much below the cost of production. However, the bigger problem is the sugarcane procurement cost, which was retained at ₹280 per quintal in Uttar Pradesh. The Uttar Pradesh Government announced a financial assistance of ₹40 per quintal of cane to lessen the burden of high sugarcane prices.

It's no surprise that Indian sugar mills are protesting the prices fixed by the government for sugarcane purchases from farmers.

International scenario: India in the world market

Of the 115 sugar producing countries, 67 produce sugar from cane, 39 from beet and nine from both cane and beet. Brazil, India, Thailand, Australia and Cuba are the world's largest sugarcane producers. The Indian sugar industry has a significant standing in the global sugar market. India accounts for about 16% of the total world sugar production whereas Brazil accounted for around 22% of the world production. Based on the decadal growth in consumption, it is expected that domestic sugar consumption in 2016 would be approximately 25 million metric tonnes.

Cogeneration

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

Ethanol

There are nearly 330 distilleries in India with a total combined annual production capacity of over 4 billion litres of rectified spirit (alcohol) including 1.5 billion litres of fuel ethanol. About 143 distilleries have the capacity to distill over 2 billion litres of conventional ethanol which includes an additional annual ethanol production capacity of over 400 million litres that was built up in last five years.

Theoretically, the installed capacity is sufficient to meet around 7% of blending with gasoline. India produces conventional bioethanol mostly from sugar molasses and partly from grains.

Domestic alcohol production in CY 2015 will inch closer to 2.1 billion litres compared to 2 billion litres in CY 2014. In CY 2014, the sugar mills offered 671 million litres of ethanol and OMCs have committed to procure 305 million litres.

The new fixed price mechanism replaced the system of price discovery through tenders called in by OMCs. The old system was considered time-consuming and prone to uncertainty. As per the new arrangements, mills would be paid ₹48.50 for every litre of ethanol delivered at an OMC depot within a distance of 100 kilometres. The delivered rate is ₹49 per litre if the distance is between 101 and 300 kilometres, while being ₹49.50 per litre for beyond 300 kilometres. These prices are higher than the ₹47.5 per litre rate at which the OMCs had last contracted 35 crore litres, against a total supply tender for 156 crore litres floated in July 2014.

India: Alcohol used as fuel and other industrial chemicals (in million litres)

Calendar	2009	2010	2011	2012	2013	2014	2015*
Beginning stock	1642	1240	1021	627	624	689	380
Production	1073	1522	1681	2154	2057	2036	2099
Imports	320	92	39	34	34	50	100
Exports	14	53	119	177	234	175	50
Consumption	1780	1780	1995	2015	1792	2220	2280
Fuel consumption	100	50	365	305	182	550	700
Ending stock	1240	1021	627	624	689	380	249
Refineries	115	115	115	115	115	115	115
Nameplate capacity	1500	1500	1500	2000	2000	2000	2000
Capacity utilisation (%)	72	101	112	108	103	102	105
Ethanol blending rate (%)	0.6	0.3	1.8	1.4	0.8	2.1	2.5

* Forecast

SCOT ANALYSIS OF THE INDIAN SUGAR INDUSTRY

Strengths

- The Indian sugar industry is the second largest producer of sugar in the world after Brazil. The sector has made the country self-reliant in what is a highly sensitive, commoditised, mass consumption market.
- The Indian sugar industry's annual contribution to the exchequer stands at ₹17 billion.
- The Indian sugar industry is a source of livelihood for more than 50 million people – directly and indirectly.
- The Indian sugar industry also supports downstream industries by providing key raw materials like molasses and bagasse.
- This sector has been the focal point of socioeconomic development of the rural India especially in parts of Uttar Pradesh, Maharashtra and Karnataka.

Challenges

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

Opportunities

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

Threats

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

OUTLOOK

Please refer to the Director Report.

SEGMENT-WISE PERFORMANCE

Sugar

The sugar segment revenues constituted the largest share of the Company's revenues. The segment contributed 80.84% of the Company's turnover during the year in review compared with 81.57% in 2013-14. Revenues from sugar improved by 10.82% from ₹2186.31 crore in 2013-14 to ₹2422.77 crore in 2014-15.

Alcohol

Revenues from this segment contributed 9.52% of the Company's revenues during the year in review compared with 9.39% in 2013-14. Revenues from this segment increased 13.32% from ₹251.74 crore in 2013-14 to ₹285.27 crore in 2014-15.

Cogeneration

Revenues from cogeneration contributed 9.42% of the Company's revenues during the year in review compared with 8.82% in 2013-14. Revenues from this segment increased 15.14% from ₹236.28 crore in 2013-14 to ₹282.40 crore in 2014-15.

Others

Revenues from this segment contributed 0.22% of the Company's revenues during the year in review compared with 0.22% in 2013-14. Revenues from this segment grew 9.15% from ₹5.94 crore in 2013-14 to ₹6.48 crore in 2014-15.

Segment-wise revenue#

(₹ in crore)

Segments	March 2011*	March 2012	March 2013	March 2014	March 2015
Sugar	2522.64	1950.32	2869.21	2186.31	2422.77
Alcohol	159.97	147.70	206.10	251.74	285.27
Cogeneration	296.48	218.86	218.80	236.28	282.40
Others	3.78	2.69	5.05	5.94	6.48
Total	2982.87	2319.57	3299.16	2680.27	2996.92

*18-months period

#revenue denotes net of inter-segment

FINANCE REVIEW, 2014-15

Capital structure

The equity capital of the Company increased marginally to ₹24.49 crore as on 31st March 2015 (244916267 shares of ₹1 each) from ₹24.48 crore as on 31st March 2014 (244840817 shares of ₹1 each). The increase in the equity capital was a result of the shares issued as a part of the Employee Stock Option Scheme.

Reserves and surpluses

Reserves and surpluses of the Company declined by 7.46% from ₹1194.03 crore as on 31st March 2014 to ₹1104.96 crore as on 31st March 2015 owing to loss incurred by the Company in the year and depreciation adjustments as per transitional provisions of Schedule-II to the Companies Act, 2013 in relation to assets whose usefulness has already exhausted.

During the year under review, general reserve reduced by 4.67% mainly on account of the said depreciation adjustment. Whereas capital reserve, capital redemption reserve and revaluation reserve remained unchanged. Free reserves for the Company stood at ₹1091.51 crore as on 31st March 2015, accounting for 98.78% of the total reserve.

Debt profile

Total long-term borrowings (including current maturities) of the Company declined by 26.29% – from ₹667.09 crore as on 31st March 2014 to ₹491.69 crore as on 31st March 2015 – on the back of scheduled repayments.

Working capital borrowings stood at ₹1182.83 crore as on 31st March 2015 against ₹856.91 crore as on 31st March 2014.

Capital employed

The capital employed by the Company in the business stood at ₹2803.97 crore as on 31st March 2015 against ₹2742.51 crore as on 31st March 2014, an increase of 2.24%. ROCE for the year stood at 5.1% in 2014-15 against 8.24% in 2013-14.

Gross block and depreciation

Gross block of the Company stood at ₹2683.87 crore as on 31st March 2015 as compared to ₹2662.14 crore as on 31st March 2014. The Company charged ₹115.6 crore as depreciation and amortisation during the year under review through Profit and Loss Account. Accumulated depreciation, as a part of gross block, stood at 48.48% as at 31st March, 2015.

Non-current investments

Non-current investments remained at ₹40.87 crore as on 31st March 2015.

Long-term loans and advances

Long-term loans and advances increased by 25.26% from ₹71.10 crore as on 31st March 2014 to ₹89.06 crore as on 31st March 2015 largely owing to tax payments and an increase in capital advances towards capex.

Other non-current assets

Other non-current assets increased

marginally from ₹171.08 crore as on 31st March 2014 to ₹171.52 crore owing to an increase in fixed deposit with the banks and fixed assets at the Company's disposal.

Inventories

Inventories as of 31st March 2015 stood at ₹1669.25 crore as compared to ₹2092.29 crore as on 31st March 2014, a decline of 20.22%. This was due to a decline in the valuation rate for the stock of sugar as well as lower quantity of sugar.

Trade receivables

Trade receivables increased substantially by 147.60% from ₹64.06 crore as on 31st March 2014 to ₹158.61 crore as on 31st March 2015 largely owing to increase in receivables from UPPCL for supply of power.

Short-term loans and advances

Short-term loans and advances increased by 7.92% from ₹28.29 crore as on 31st March 2014 to ₹30.53 crore as on 31st March 2015 largely owing to the increase in advances to suppliers and others.

Other current assets

Other current assets increased from ₹23.38 crore as on 31st March 2014 to ₹277.76 crore as on 31st March 2015, owing to claims receivables from U.P. Government, deferred premia on forwarded contracts and unamortised interest on commercial papers.

RISK MANAGEMENT

1 Industry risk

A slowdown in the industry could affect the Company.

De-risking

The Company has in place a crushing capacity of 79000 tonnes of cane per day which allows it to reap the benefits stemming from economies-of-scale. The Company has invested prudently in augmenting procedural efficiencies to ensure qualitative consistency and enhance recovery rates.

2 Policy risk

Government policies may not do enough to promote the development of the Indian sugar industry.

De-risking

- The Central Government has announced an export subsidy of ₹4000 per tonne on raw sugar which will help in channelising the inventory in the international markets.
- The Company possesses reserves of around ₹1105 crore as on 31st March 2015 to capitalise on the partial decontrol measures that have been implemented.

3 Raw material risk

High sugarcane prices may inflate raw material costs and adversely impact profitability.

De-risking

- The Company enjoys a high withdrawal rate, ensuring continuous cane availability.
- The Company undertakes periodic training sessions for the benefit of farmers – helping them adopt better farm practices and thereby improve yields, distributing high-yield seeds so as to ensure a better output, among others.
- The Company also has an incredible record of procuring the entire sugarcane crop from its command area.

4 Working capital risk

External volatilities may unfavourably affect working capital availability and management.

De-risking

- The Company has strong current and quick debt-equity ratios of 1.05 and 0.26, respectively.
- The Company has forged longstanding working capital arrangements with multiple banks.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system is aimed at proper utilisation and safeguarding of the Company's resources and promoting operational efficiency. The internal audit process reviews the in-system checks, covering significant operational areas regularly.

The Company's Audit Committee is responsible for reviewing the Audit Report submitted by the Internal Auditors. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee

also invites the Statutory and Internal Auditors for regular meetings to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its observations from time to time.

HUMAN RESOURCES

Continuous learning represents the cornerstone of the Company's human resource policy. The Company adopted a progressive human resource policy to meet the aspirations of employees. It organised training programmes and motivated its employees to attain

greater efficiency and competence, leading to effective retention. Value-centric management helped enhance loyalty. The Company provided various compensation packages and performance-based incentives. The Company is committed to provide

equal employment opportunities and working conditions for attracting and retaining best available talent ensuring cosmopolitan workforce and does not make any discrimination on any basis. As on 31st March 2015, the Company's workforce comprised 6612 employees.

SEXUAL HARASSMENT AT WORKPLACE

For protection against sexual harassment, the Company has formed an internal compliance committee to which employees can write their complaints. However, so far, no complaint has been received by the said internal compliance committee.

CAUTIONARY STATEMENT

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

Signatories to all foregoing annexures I, II, III, IV, VI & VII forming part of the Directors' Report.

For and on behalf of the Board of Directors

Place of Signature: Kolkata
Date: 27th May, 2015

Sd/-
Kishor Shah
Director-cum-Chief Financial Officer
DIN - 00193288

Sd/-
Vivek Saraogi
Managing Director
DIN - 00221419

Annexure VIII to the Directors' report

Form - MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Balrampur Chini Mills Limited
FMC Fortuna, 2nd Floor
234/3A, A. J. C. Bose Road
Kolkata – 700 020

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period under review)

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period under review)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period under review) and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period under review)
- (vi) Laws specifically applicable to the Industry to which the Company specifically belongs, as identified by the management, that is to say:
- a) Sugar Cess Act, 1982
 - b) Levy Sugar Price Equalisation Fund Act, 1976 (as intimated by the Company, not applicable to it during the audit period under review)
 - c) Food Safety and Standards Act, 2006
 - d) Essential Commodities Act, 1955
 - e) Sugar Development Fund Act, 1982
 - f) Export (Quality Control and Inspection) Act, 1963 (as intimated by the Company, not applicable to it during the audit period under review)
 - g) Agricultural and Processed Food Products Export Act, 1986 (as intimated by the Company, not applicable to it during the audit period under review)

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not applicable during the audit period under review, as the same was not notified)

- b) The Listing Agreements entered into by the Company with the Stock Exchanges;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observation that there was loss calculated, in terms of provisions of Section 198 of the Companies Act, 2013, in connection with remuneration paid to Shri Kishor Shah as Director-cum-Chief Financial Officer and Dr. Arvind Krishna Saxena as Wholetime Director of the Company. We have been intimated that remuneration paid to Shri Kishor Shah as Director-cum-Chief Financial Officer and Dr. Arvind Krishna Saxena as Wholetime Director of the Company was approved by the Shareholders of the Company at their AGM held on 31.07.2013 and 07.08.2014, respectively, and their approval to the existing remuneration, as minimum remuneration in terms of Schedule V of the Companies Act, 2013, is further being sought at the ensuing AGM.

Reliance has been put on compliance system prevailing in the Company and Legal Compliance Certificates received from various Unit heads as regards compliance of Laws specifically applicable to the Industry to which the Company specifically belongs;

We further 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.

During the audit period under review all decisions at Board Meetings and Committee Meetings were carried out unanimously.

We further report that there are adequate systems and

processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that during the audit period the Company has –

- a) Passed, at AGM held on 7th August, 2014, a Special resolution, in terms of section 180(1)(c) of the Companies Act, 2013, to affirm the borrowing powers to the Board of Directors to the extent of ₹2,000 Crores, outstanding at any time over and above the aggregate of the paid up capital of the Company and its free reserves;
- b) Passed, at AGM held on 7th August, 2014, a Special resolution, in terms of section 180(1)(a) of the Companies

Act, 2013, to affirm powers to the Board of Directors to mortgage, hypothecate or in any other way create charge in favour of the lenders all or any of the movable and/or immovable properties of the Company, both present and/or future of the whole or substantially the whole of the undertaking or undertakings of the Company for availment of any loan or guarantees or issue of debentures and to secure the payment of interest thereon or any fees or charges or expenses relating thereto and in the case of borrowing against debentures the said security shall be in favour of the trustees for such debenture-holders where required on such terms and conditions as may be approved by the Board of Directors.

For SUSHIL GOYAL & CO.
Company Secretaries

(Sushil Kumar Goyal)
Proprietor
FCS-3969
CP No. 8289

Place of Signature: Kolkata
Date: 27th May, 2015

This report is to be read with our letter of even date which is annexed as Annexure – A and forms an integral part of this report.

‘Annexure - A’

To,
The Members,
Balrampur Chini Mills Limited
FMC Fortuna, 2nd Floor
234/3A, A. J. C. Bose Road
Kolkata – 700 020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, Rules and Regulations 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 procedures 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.

For SUSHIL GOYAL & CO.

Company Secretaries

(Sushil Kumar Goyal)

Proprietor

FCS-3969

CP No. 8289

Place of Signature: Kolkata

Date: 27th May, 2015

Independent Auditor's Report

To
The Members of
Balrampur Chini Mills Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of **BALRAMPUR CHINI MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's responsibility for the standalone 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 standalone 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 judgments and estimates that are reasonable and prudent; and 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.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone 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 there under.

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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March, 2015 and its loss and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - i. 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.
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - iii. 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.
 - iv. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- v. On the basis of the written representations received from the directors as at 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as at 31st March, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
- vi. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 29(1) to the financial statements.
 - b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company.

For **G.P. Agrawal & Co.**
Chartered Accountants
Firm's Registration No. - 302082E

Sd/
(CA. Sunita Kedia)

Place of Signature: Kolkata
Date: 27th May, 2015

Partner
Membership No. 60162

Annexure to the Auditor's Report

Statement referred to in our report of even date to the members of BALRAMPUR CHINI MILLS LIMITED on the standalone financial statements for the year ended 31st March, 2015.

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) a) The inventories have been physically verified during the year by the management at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of their business.
- c) On the basis of our examination, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) and (iii)(b) of paragraph 3 of the said order are not applicable to the Company.
- (iv) On the basis of the information and explanation given to us, we are of the opinion that the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where pursuant to the rules made by the Central Government, the maintenance of Cost records has been prescribed under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We, however, as not required, have not made a detailed examination of such records.
- (vii) a) On the basis of our examination, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, to the extent applicable, with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.

- b) The disputed statutory dues aggregating to ₹121.32 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the Statute	Nature of dues	Period to which pertain	Amount (₹ in lacs)	Forum (Where the dispute is pending)
1	U.P. Trade Tax Act, 1948	Sales Tax	1990-91	0.22	Hon'ble High Court, Lucknow Bench
2	U.P. Trade Tax Act, 1948	Sales Tax	2002-03	0.65	Jt. Commissioner (Appeal) - Bahraich
3	Central Sales Tax Act, 1956	Central Sales Tax	2009-10	1.08	Dy. Commissioner (Appeal) - Balrampur
4	Central Excise Act, 1944	Excise Duty	2003-04	1.13	Commissioner (Appeals) Central Excise, Allahabad
5	Central Excise Act, 1944	Cenvat Credit	2006-08	12.77	CESTAT - New Delhi
6	Central Excise Act, 1944	Cenvat Credit	2006-07	0.38	Jt. Commissioner of Central Excise Allahabad
7	Central Excise Act, 1944	Cenvat Credit	2005-06	15.69	CESTAT - New Delhi
8	Central Excise Act, 1944	Excise Duty	2003-05	82.16	CESTAT - New Delhi
9	Central Excise Act, 1944	Cenvat Credit	2006-10	3.63	Commissioner (Appeals) Central Excise, Allahabad
10	Central Excise Act, 1944	Cenvat Credit	2010-11	1.63	CESTAT - New Delhi
11	Central Excise Act, 1944	Cenvat Credit	2008-11	1.98	Commissioner (Appeals) Lucknow
		Total		121.32	

- c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

- (viii) The Company do not have accumulated losses exceeding 50% of its net worth at the end of the financial year and have not incurred any cash loss during the year covered by our audit or in the immediately preceding financial year.
- (ix) The Company has not defaulted in payment of dues to financial institutions or banks. The Company has not issued any debentures.
- (x) On the basis of our examination and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xi) On the basis of our examination and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

- (xii) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements materially misstated.

For **G.P. Agrawal & Co.**
Chartered Accountants
 Firm's Registration No. - 302082E

Sd/-

(CA. Sunita Kedia)

Partner

Place of Signature: Kolkata

Date: 27th May, 2015

Membership No. 60162

Balance Sheet

as at 31st March, 2015

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2015		As at 31st March, 2014	
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	2	2449.16		2448.41	
(b) Reserves and surplus	3	110495.97	112945.13	119402.71	121851.12
(2) Non - current liabilities					
(a) Long - term borrowings	4	42978.71		49109.45	
(b) Deferred tax liabilities (net)	5	22924.46		26450.30	
(c) Other long - term liabilities	6	609.69		503.01	
(d) Long - term provisions	7	265.79	66778.65	235.42	76298.18
(3) Current liabilities					
(a) Short - term borrowings	8	118282.88		85690.58	
(b) Trade payables	9	73616.75		101539.06	
(c) Other current liabilities	10	18286.70		30037.88	
(d) Short - term provisions	11	341.90	210528.23	302.24	217569.76
Total			390252.01		415719.06
II. ASSETS					
(1) Non - current assets					
(a) Fixed assets	12				
(i) Tangible assets		137185.14		152180.70	
(ii) Intangible assets		332.10		55.81	
(iii) Capital work-in-progress	12A	756.30		30.13	
		138273.54		152266.64	
(b) Non - current investments	13	4086.83		4087.33	
(c) Long - term loans and advances	14	8906.13		7110.03	
(d) Other non - current assets	15	17151.95	168418.45	17108.45	180572.45
(2) Current assets					
(a) Inventories	16	166924.87		209228.86	
(b) Trade receivables	17	15861.26		6405.67	
(c) Cash and bank balances	18	8217.70		14344.36	
(d) Short - term loans and advances	19	3053.27		2829.42	
(e) Other current assets	20	27776.46	221833.56	2338.30	235146.61
Total			390252.01		415719.06
Significant accounting policies	1				
Other disclosures	29				
The accompanying notes 1 to 29 are an integral part of the financial statements.					

As per our report of even date attached.

For **G. P. Agrawal & Co.**

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

Sd/-

(CA. Sunita Kedia)

Partner

Membership No. 60162

Sd/-

S. K. Agrawala

Company Secretary

Sd/-

Kishor Shah

Director cum Chief

Financial Officer

DIN - 00193288

Sd/-

Vivek Saraogi

Managing Director

DIN - 00221419

Place of Signature: Kolkata

Date: 27th May, 2015

Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2015		Year ended 31st March, 2014	
I. Revenue from operations (Gross)	21				
Sale of goods (Gross)		309321.02		275870.88	
Less: Excise duty		10623.23		9376.45	
Net sale of goods			298697.79		266494.43
Other operating revenue			—		—
Revenue from operations (net)			298697.79		266494.43
II. Other income	22		1907.73		2594.47
III. Total revenue (I+II)			300605.52		269088.90
IV. Expenses:					
Cost of materials consumed	23		208354.02		227500.10
Changes in inventories of finished goods, by-products and work-in-progress	24		42641.40		(18410.17)
Employee benefits expense	25		15029.90		14170.17
Finance costs	26		10209.23		11784.26
Depreciation and amortisation expense	27		11560.32		10945.04
Other expenses	28		20426.95		21832.11
Total expenses			308221.82		267821.51
V. Profit/ (loss) before exceptional and extra ordinary items and tax (III-IV)			(7616.30)		1267.39
VI. Exceptional items			—		—
VII. Profit/ (loss) before extraordinary items and tax (V-VI)			(7616.30)		1267.39
VIII. Extraordinary items			—		—
IX. Profit/ (loss) before tax (VII-VIII)			(7616.30)		1267.39
X. Tax expense					
Current tax (MAT)			—	360.00	
Deferred tax charge/ (Write back)		(1842.86)		3390.36	
Tax provision for earlier years written back		—	(1842.86)	(2847.05)	903.31
XI. Profit/ (loss) for the year (IX-X)			(5773.44)		364.08
XII. Earnings per share (Nominal value per share ₹1/-) [Refer Note No. 29(9)]					
- Basic (₹)			(2.36)		0.15
- Diluted (₹)			(2.36)		0.15
Number of shares used in computing Earnings per share					
- Basic			244899522		244840817
- Diluted			244987362		244962929
Significant accounting policies	1				
Other disclosures	29				
The accompanying notes 1 to 29 are an integral part of the financial statements.					

As per our report of even date attached.

For **G. P. Agrawal & Co.**
Chartered Accountants
Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

Sd/-
(CA. Sunita Kedia)
Partner
Membership No. 60162

Sd/-
S. K. Agrawala
Company Secretary

Sd/-
Kishor Shah
Director cum Chief
Financial Officer
DIN - 00193288

Sd/-
Vivek Saraogi
Managing Director
DIN - 00221419

Place of Signature: Kolkata
Date: 27th May, 2015

Cash Flow Statement

for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before exceptional and extra ordinary items and tax		(7616.30)		1267.39
<i>Adjustments to reconcile profit before exceptional items and extra ordinary items and tax to net cash flow provided by operating activities :</i>				
Finance costs	10209.23		11784.26	
Depreciation and amortisation expense	11560.32		10945.04	
Loss on sale/discard of fixed assets	174.03		618.49	
Sundry debit balances/advances written off	75.76		769.01	
Transfer to storage fund for molasses	19.35		19.26	
Mark to market loss on derivatives	3.88		–	
Provision for contingency	–		0.10	
Provision for doubtful debts, loans and advances	–		410.12	
Interest income	(358.02)		(514.14)	
Loss on sale of long term investments	–		3.01	
Profit on sale of fixed assets	(128.63)		(58.36)	
Unspent liabilities/balances written back	(327.41)		(1425.28)	
Provision for doubtful debts/advances written back	(7.51)		(17.25)	
Deposit/interest receivable from subsidiary written off	403.57		–	
Provision for deposit/interest receivable from subsidiary written back	(403.57)		–	
Investments written off	0.05		–	
Expense on employee stock option scheme	(5.83)		(3.92)	
Unrealised exchange rate fluctuation	76.92		527.65	
		21292.14		23057.99
Operating profit before working capital changes		13675.84		24325.38
<i>Adjustments to reconcile operating profit to cash flow provided by changes in working capital :</i>				
(Decrease)/increase in trade payables	(27594.90)		29641.93	
(Decrease) in other current liabilities	(622.96)		(1369.30)	
Increase/(decrease) in provision for employee benefits/wealth tax	66.15		(109.39)	
Decrease/(increase) in inventories	42303.99		(17790.00)	
(Increase)/decrease in trade receivables	(9451.47)		11731.75	
(Increase)/decrease in long-term and short-term loans & advances	(883.09)		699.29	
(Increase) in other non-current and other current assets	(23911.87)		(1977.95)	
		(20094.15)		20826.33
Cash (used in)/ generated from operations		(6418.31)		45151.71
Tax (expense)/ refund (excluding wealth tax)		(1209.23)		1083.56
Cash flow before exceptional and extraordinary items		(7627.54)		46235.27
Exceptional/extraordinary items		–		–
Net cash (used in)/ generated from operating activities (A)		(7627.54)		46235.27
B CASH FLOW FROM INVESTING ACTIVITIES				
Additions to fixed assets (including intangibles)	(2697.13)		(7714.83)	
Sale of fixed assets	199.30		132.31	
Sale of shares of associate	–		234.14	
Purchase of national savings certificates	(2.54)		(0.65)	
Proceeds from maturity of national savings certificates	3.00		0.17	
Fixed deposits placed with banks	(414.62)		(74.65)	
Fixed deposits redeemed from banks	362.71		89.04	
Loan given to a subsidiary	–		(7.00)	
Loan received back from a corporate	–		550.00	
Interest received on debentures/fixed deposits and NSC	246.82		434.01	
Net cash (used in) investing activities (B)		(2302.46)		(6357.46)

Cash Flow Statement (Contd...)

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of equity shares on exercise of equity stock options	33.95		–	
Proceeds from long-term borrowings	–		41162.00	
Repayment of long-term borrowings	(17900.03)		(27343.40)	
Proceeds from issue of commercial paper (net)	31453.73		–	
Proceeds/(repayment) of other short-term borrowings (net)	92.30		(41087.71)	
Interest expense	(9848.60)		(11521.12)	
Other borrowing costs	(54.39)		(172.68)	
Dividend paid	–		(4896.82)	
Dividend distribution tax paid	–		(832.21)	
Net cash generated from /(used in) financing activities (C)		3776.96		(44691.94)
Net (decrease) in cash and cash equivalents (A+B+C)		(6153.04)		(4814.13)
Opening cash and cash equivalents		13854.22		18620.65
Cash and bank balance acquired on merger		–		47.70
Closing cash and cash equivalents (Refer Note No. 18)		7701.18		13854.22

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.
- 2) Interest expense is inclusive of, and additions to fixed assets are exclusive of, interest capitalised Nil (previous year ₹61.23 lacs).
- 3) Additions to fixed assets include movement of Capital work-in-progress during the year.
- 4) Consideration for sale of shares of Associate has been fully discharged by means of Cash.
- 5) Proceeds/(repayment) from Commercial paper and other Short-term borrowings qualify for disclosure on net basis.
- 6) Cash and cash equivalents do not include any amount which is not available to the Company for its use.
- 7) Cash and cash equivalents as at the Balance Sheet date consists of:

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
a) Balance with banks on current accounts		7528.65		13748.63
b) Cheques on hand		1.66		–
c) Cash on hand		170.87		105.59
		7701.18		13854.22

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

As per our report of even date attached.

For **G. P. Agrawal & Co.**

Chartered Accountants

Firm's Registration No. - 302082E

Sd/-
(**CA. Sunita Kedia**)

Partner

Membership No. 60162

Place of Signature: Kolkata

Date: 27th May, 2015

For and on behalf of the Board of Directors

Sd/-
S. K. Agrawala
Company SecretarySd/-
Kishor Shah
Director cum Chief
Financial Officer
DIN - 00193288Sd/-
Vivek Saraogi
Managing Director
DIN - 00221419

Notes forming part of the financial statements

Note No : 1 Significant accounting policies

1. Basis of preparation of financial statements

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

GAAP comprises applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India, relevant applicable provisions of the Companies Act, 1956, and Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI).

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2. Use of estimates

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

3. Fixed assets and capital work-in-progress

a) Tangible fixed assets are stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

Cost, net of cenvat, includes acquisition price, import duties, other non- refundable taxes and levies, directly attributable expenses and pre-operational expenses including finance costs, wherever applicable for bringing the asset to its working condition for the intended use.

b) Intangible assets acquired separately which are expected to provide future enduring economic benefits are stated at their original cost less accumulated amortisation and impairment, if any.

Cost, net of cenvat, includes acquisition price, licence fees and costs of implementation/system integration services and any directly attributable expenditure, wherever applicable for bringing the asset to its working condition for the intended use.

c) Expenditure during construction period: Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital work-in-progress". Capital work-in-progress is stated at the amount expended upto the date of Balance Sheet for the cost of fixed assets that are not yet ready for their intended use.

d) Assets identified and technically evaluated as obsolete and retired from active use and held for disposal are stated at the lower of their net book value and estimated realisable value.

4. Depreciation and amortisation

a) Depreciation on tangible fixed assets is provided on straight line basis so as to charge the cost of the assets or the amount substituted for costs in case of revalued assets less its residual value over the useful life of the respective asset as prescribed under Part C of Schedule II to the Companies Act, 2013, other than for Power Transmission Lines and Mobile Phones.

The management is of the view that the estimated useful life of Power Transmission Lines and Mobile Phones are five years and three years respectively. Hence, Power Transmission Lines are depreciated over a period of five years and Mobile Phones over a period of three years on straight line basis.

Residual value has been considered as 5% of the cost of the respective assets.

b) Lease hold land in the nature of perpetual lease are not amortised. Other lease hold land are amortised over the period of the lease on straight line basis.

c) Computer Software (Acquired) are amortised on straight line basis over a period of five years.

d) Depreciation/amortisation on assets added, sold or discarded during the year is provided on pro-rata basis.

Notes forming part of the financial statements

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

5. Investments

Investments are either classified as current or long-term based on Management's intention at the time of acquisition.

Long - term investments are carried at cost less provision for diminution recorded to recognise any decline, other than temporary, in the carrying value of each investment.

Current investments are carried at lower of cost and fair value, category wise.

Cost includes acquisition price and directly attributable acquisition charges such as brokerage, fee and duties.

6. Inventories

a) Inventories (other than By-products and Standing crop) are valued at lower of cost and net realisable value after providing for obsolescence, if any.

Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventories.

The cost of Inventories is computed on weighted average basis.

b) By-products and Standing crop are valued at net realisable value.

7. Revenue recognition

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

b) Gross turnover includes excise duty and cess and excludes sales tax/VAT, trade discounts and rebates.

c) Income from sale of Renewable Energy Certificates (RECs) is recognised on the delivery of the RECs to the customers's account.

d) Dividend income is recognised when the Company's right to receive dividend is established.

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

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

g) All other income are accounted for on accrual basis.

8. Expenses

All the expenses are accounted for on accrual basis.

9. Government grants

a) Grants and subsidies from the Government are recognised when there is reasonable assurance that the Company would comply with the conditions attached with them and the grant/subsidy would be received.

b) Government grants related to specific fixed assets are adjusted with the value of the fixed asset.

c) Government grants related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

10. Provisions, contingent liabilities and contingent assets

A provision is recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable as a result of a past event, and the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by best estimate of the outflow of economic benefits required to settle the obligation at the Balance Sheet date.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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

A Contingent Asset is neither recognised nor disclosed in the Financial Statements.

11. Impairment of assets

An asset is treated as impaired when the carrying amount of the asset exceeds its recoverable value.

The Company assesses at each Balance Sheet date whether there is an indication that an asset may be impaired.

Notes forming part of the financial statements

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

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

The Company also assesses at each Balance Sheet date whether there is an indication that the impairment losses recognised in earlier years no longer exist or have decreased. If such indication is there, then impairment losses recognised in prior years are reversed.

Such reversals are recognised as an increase in carrying amount of the assets to the extent that it does not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognised in previous years.

12. Foreign currency transactions and translations

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

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

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

- c) In case of monetary assets and liabilities which are covered by forward exchange contracts, the difference between the year-end rate and the rate on the date of the contract is recognised as exchange difference.

The premium or discount on forward exchange contracts is recognized over the period of the respective contract.

13. Borrowing costs

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

14. Employee benefits

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

15. Employee stock option scheme

In respect of employee stock options granted pursuant to the Company's Employee Stock Option Scheme, the intrinsic value of the options (excess of market price of the share on the date of grant over the exercise price of the option) is treated as discount and amortised as employee compensation cost on a straight line basis over the vesting period in accordance with the Guidelines announced by the SEBI from time to time and the Guidance Note on Accounting of Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

16. Taxes on income

Tax expense for the period comprises of current income tax and deferred tax.

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

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

Notes forming part of the financial statements

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

or written up to reflect the amount that is reasonably/virtually certain to be realized.

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 Balance Sheet date.

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

17. Derivative instruments

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

Losses in respect of outstanding derivative contracts at the balance sheet date taken for firm commitment or highly probable forecast transactions are marked to market and are recognised in the Statement of Profit and Loss.

18. Segment reporting

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

- a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment transfers. Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company's intermediate and final products and estimated realisable value in case of By-products.
- b) Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable".

19. Earnings per share

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

Diluted earnings per share are computed by dividing the net profit/(loss) after tax (including the post-tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined as at the end of each period presented.

20. Cash flow statement

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

21. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

22. Commercial papers

Commercial papers are recognised as a liability at the face value at the time of issuance of instrument. The discount is amortised as an interest cost over the period of commercial paper at the rate implicit in the transaction.

Notes forming part of the financial statements

Note No : 2 Share capital

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
(a) Authorised				
Equity shares of par value ₹1/- each	400000000	4000.00	400000000	4000.00
Preference shares of par value ₹100/- each	2500000	2500.00	2500000	2500.00
		6500.00		6500.00
(b) Issued, subscribed and fully paid up				
Equity shares of par value ₹1/- each	244916267	2449.16	244840817	2448.41
		2449.16		2448.41
Issue of 17270 (Previous year 17270) equity shares on Right basis has been kept in abeyance in view of pending dispute.				
(c) Reconciliation of number and amount of equity shares outstanding:				
At the beginning of the year	244840817	2448.41	244313923	2443.14
Add:				
(i) Shares issued on exercise of employees stock options [Refer Note No. 29(2)]	75450	0.75	–	–
(ii) Shares issued to the shareholders of erstwhile Khalilabad Sugar Mills Pvt. Ltd. (KSMPL) pursuant to Scheme of Merger	–	–	526894	5.27
At the end of the year	244916267	2449.16	244840817	2448.41

(d) The Company has only one class of equity shares. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.

(e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Shareholders holding more than 5 % of the equity shares in the Company :

Name of the shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares held	% of holding	No. of shares held	% of holding
Life Insurance Corporation of India	19341962	7.90	19995490	8.17
Government Pension Fund Global	13057899	5.33	11409530	4.66
Shri Vivek Saraogi	38082320	15.55	38082320	15.55
Smt. Meenakshi Saraogi	14244300	5.82	14244300	5.82

(g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding last five years ended on 31st March, 2015 – 570942 equity shares (previous period of five years ended 31st March, 2014 - 570942 equity shares).

(h) The aggregate number of equity shares bought back in immediately preceding last five years ended on 31st March, 2015 - 15410135 equity shares (previous period of five years ended 31st March, 2014 - 15410135 equity shares).

(i) The Company has reserved 213200 (Previous year 306150) equity shares of par value ₹1/- each for issue at a premium of ₹44/- each to eligible employees of the Company under Employees Stock Option Scheme. All these shares are vested and are exercisable at any point of time. Refer Note No. 29(2) for terms of employees stock option scheme.

Notes forming part of the financial statements

Note No : 3 Reserves and surplus		(₹ in Lacs)	
Particulars	As at 31st March, 2015		As at 31st March, 2014
(a) Capital reserves			
Balance as per last account	1156.24		1028.22
Add: Acquired on merger	–	1156.24	128.02
			1156.24
(b) Capital redemption reserve			
Balance as per last account		2654.10	
			2654.10
(c) Securities premium reserve			
Balance as per last account	51835.51		51835.51
Add: On exercise of employees stock options	55.65	51891.16	–
			51835.51
(d) Revaluation reserve			
Balance as per last account		18.24	
			18.24
(e) Share options outstanding account			
Balance as per last account	102.46		106.38
Less: Options exercised	22.46		–
Less: Options forfeited	5.83	74.17	3.92
			102.46
(f) General reserve			
Balance as per last account	68157.92		65776.98
Add: Amalgamation reserve	–		2380.94
Less: Deduction on account of depreciation *	3180.01	64977.91	–
			68157.92
(g) Storage fund for molasses			
Balance as per last account	77.71		51.60
Add: Acquired on merger	–		5.31
Add: Transfer from KSMPL for 2012-13	–		1.54
Add: Created during the year	19.35	97.06	19.26
			77.71
(h) Surplus in the Statement of Profit and Loss			
Balance as per last account	(4599.47)		8390.81
Less: Debit balance of Statement of Profit and Loss of transferor company acquired on merger	–		10725.94
Less: Loss of KSMPL during 2012-13	–		2616.09
	(4599.47)		(4951.22)
Add: Profit/ (loss) for the year	(5773.44)		364.08
Amount available for appropriation	(10372.91)		(4587.14)
Less : Appropriations:			
Dividend on equity shares			
(including tax on dividend ₹1.79 lacs) for 2012-13	–		12.33
Total appropriations	–		12.33
Balance as at the Balance Sheet date		(10372.91)	(4599.47)
		110495.97	119402.71

* Represents adjustment as per transitional provisions of Schedule II to the Companies Act, 2013 in relation to assets where useful life has already exhausted.

Notes:

- General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.
- The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974 and the said storage fund is represented by investment in the form of fixed deposits with banks amounting to ₹114.28 lacs (Previous year ₹92.37 lacs).

Notes forming part of the financial statements

Note No : 4 Long - term borrowings		(₹ in Lacs)	
Particulars	As at 31st March, 2015		As at 31st March, 2014
Term loans			
From banks			
Secured			
Rupee loans:			
State Bank of India (SBI)	17760.40		32500.00
Punjab National Bank (PNB)	4921.38		5062.00
HDFC Bank Ltd. (HDFC)	3600.00	26281.78	3600.00
FCNR - B Loan:			
State Bank of India (SBI)		12239.60	–
From entities other than banks			
Secured			
Rupee loans:			
Government of India, Sugar Development Fund (SDF)	4457.33		6276.85
External commercial borrowing (ECB):			
International Finance Corporation, Washington (IFC)	–	4457.33	1670.60
		42978.71	49109.45

a) Nature of securities:

- Rupee Term Loan from SBI amounting to ₹17500.00 lacs under Scheme for Extending Financial Assistance to Sugar Undertakings, 2014, is secured by pari passu first charge, by way of hypothecation of all the movable fixed assets and pari passu first charge on immovable properties, both present and future, pertaining to all the sugar units of the Company except Khalilabad sugar unit.
- Rupee/FCNR-B Term Loan from SBI amounting to ₹15282.20 lacs is secured by first charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to Company's sugar and cogeneration units at Balrampur, Akbarpur and Mankapur and is further secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company. The hypothecation charge on the stocks as mentioned above ranks pari passu with PNB and HDFC for their Working capital loans.
- Rupee Term Loan from PNB, under Scheme for Extending Financial Assistance to Sugar Undertakings, 2014, is secured by residual charge, by way of hypothecation of all the movable fixed assets, both present and future, pertaining to all the sugar units of the Company.
- Rupee Term Loan from HDFC is secured by first charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to Company's distillery units at Babhnan and Mankapur.
- Rupee Term Loans from SDF are secured by an exclusive second charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, of the respective sugar and cogeneration units viz Mankapur, Kumbhi, Gularia and Rauzagaon and in respect of Khalilabad Sugar unit, the said loan is secured by first charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future.
- ECB from IFC is secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties and residual charge on current assets, both present and future, pertaining to Company's sugar and cogeneration units at Haidergarh and Rauzagaon.
- Rupee Term Loan from YBL was secured by subservient charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to all sugar and cogeneration units of the Company. As the amount outstanding as at 31st March, 2014 was payable entirely within one year, the same was included in the line item "Current maturities of long-term debt" under the head "Other current liabilities" as at 31st March, 2014.
- Rupee Term Loan from SBI amounting to ₹4980.00 lacs was secured by first charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to Company's sugar units at Babhnan, Tulsipur, Akbarpur and Maizapur and Chemical unit at Balrampur and was further secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company. The hypothecation charge on the stocks as mentioned above ranked pari passu with PNB and HDFC for their Working capital loans. As the amount outstanding as at 31st March, 2014 was payable entirely within one year, the same was included in the line item "Current maturities of long-term debt" under the head "Other current liabilities" as at 31st March, 2014.

Notes forming part of the financial statements

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

b) Terms of repayment :

Name of the banks / entities	Rate of Interest	Amount outstanding as at 31.03.2015		Period of maturity w.r.t. the Balance Sheet date	Number of installments outstanding as at 31.03.2015	Amount of each installment (₹ in Lacs)
		Current (₹ in Lacs)	Non current (₹ in Lacs)			
Government of India, Sugar Development Fund	* Bank Rate (–) 2% i.e. 4% p.a.	638.88 (638.88)	– (638.88)	8 months 5 days	2	319.44
		237.66 (237.66)	118.83 (356.48)	1 year 3 months 14 days	3	118.83
		342.98 (342.98)	171.49 (514.48)	1 year 5 months 18 days	3	171.49
		– (–)	2667.01 (2667.01)	4 years 5 months 15 days	5	533.40
		– (97.39)	– (–)	–	–	–
		– (174.90)	– (–)	–	–	–
	# Bank Rate	300.00 (300.00)	1500.00 (2100.00)	6 years	6	300.00
	Sub-total	1519.52 (1791.81)	4457.33 (6276.85)			
State Bank of India	\$ 12% p.a. (Fixed)	– (–)	17500.00 (17500.00)	4 years	12	∞ 1458.30
Punjab National Bank	\$ 12% p.a. (Fixed)	140.62 (–)	4921.38 (5062.00)	4 years	36	▲ 140.62
HDFC Bank Limited	HDFC Base Rate (+) 0.90%	– (–)	3600.00 (3600.00)	3 years 7 months 17 days	1	3600.00
State Bank of India ♦	SBI Base Rate (+) 2%	2782.20 (–)	12500.00 (15000.00)	3 years 6 months	7	^ 2500.00
International Finance Corporation, Washington @	8.19% on JPY notional	1747.52 (3328.22)	– (1670.60)	5 months 15 days	1	1747.52
Yes Bank Ltd.	YBL Base Rate (+) 0.75%	– (7500.00)	– (–)	–	–	–
State Bank of India	SBI Base Rate (+) 2%	– (4980.00)	– (–)	–	–	–
	Sub-total	4670.34 (15808.22)	38521.38 (42832.60)			
	Grand Total	6189.86 (17600.03)	42978.71 (49109.45)			

Figures in brackets pertain to previous year.

* Bank rate as prevailing on the date of disbursement.

Bank rate as applicable from time to time.

\$ Entitled for interest subvention from Sugar Development Fund up to 12.00% p.a.

∞ Except last four installments of ₹1458.40 lacs each.

▲ Except last installment of ₹140.30 lacs.

♦ During the year, part of the Rupee Term Loan from SBI was converted into FCNR-B (Term Loan) carrying interest rate of USD 6M Libor + 3.05%. The repayment terms as applicable to Rupee Term Loan are applicable to said FCNR-B (Term Loan).

^ Except first and second installment of ₹1250.00 lacs and ₹1532.20 lacs respectively.

@ External commercial borrowing from IFC is payable in USD, therefore, the installment amount has been determined on the basis of applicable exchange rate prevailing as at the Balance Sheet date.

Notes forming part of the financial statements

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Deferred tax liabilities				
Depreciation		25645.15		29213.23
Less: Deferred tax assets				
Carried forward losses	181.06		162.65	
Expenses allowable for tax purposes when paid	2539.63	2720.69	2600.28	2762.93
		22924.46		26450.30

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

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

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Interest accrued but not due on borrowings		609.69		503.01
		609.69		503.01

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Provision for employee benefits - unavailed leave		265.79		232.21
Provision for wealth tax	–		50.00	
Less : Advance wealth tax	–	–	46.79	3.21
		265.79		235.42

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Loans repayable on demand				
Working capital loans				
From banks				
Secured				
State Bank of India (SBI)	52920.96		54781.07	
Punjab National Bank (PNB)	17500.04		10550.68	
HDFC Bank Ltd. (HDFC)	12861.88	83282.88	20358.83	85690.58
Unsecured				
HDFC Bank Ltd. (HDFC)		2500.00		–
Other loans and advances				
Working capital loans				
From banks				
Secured				
State Bank of India (SBI)				
Commercial paper		17500.00		–
Unsecured				
HDFC Bank Ltd. (HDFC)				
Commercial paper		15000.00		–
		118282.88		85690.58
Summary of short-term borrowings				
Secured borrowings		100782.88		85690.58
Unsecured borrowings		17500.00		–
		118282.88		85690.58

Notes forming part of the financial statements

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

Nature of securities:

a) Working capital loans from SBI are secured / to be secured :

- i) by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company on pari passu basis with PNB and HDFC.
- ii) by way of exclusive hypothecation of entire current assets of all the Cogeneration units of the Company.
- iii) by way of second charge on immovable and movable properties (excluding current assets and book debts), both present and future, of Maizapur sugar unit of the Company on pari passu basis with PNB and HDFC.
- iv) by way of third charge on immovable and movable properties (excluding current assets and book debts), both present and future, of all the sugar units of the Company, except Maizapur sugar unit. The said third charge ranks pari passu with PNB and HDFC except for Khalilabad Sugar Unit on which SBI has exclusive charge.

b) Working capital loans from PNB are secured :

- i) by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company on pari passu basis with SBI and HDFC.

c) Working capital loans from HDFC are secured / to be secured:

- i) by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company on pari passu basis with SBI and PNB.
- ii) by way of second charge on immovable and movable properties (excluding current assets and book debts), both present and future, of Maizapur sugar unit of the Company on pari passu basis with SBI and PNB.
- iii) by way of third charge on immovable and movable properties (excluding current assets and book debts), both present and future, of all the sugar units of the Company, except Maizapur and Khalilabad sugar units on pari passu basis with SBI and PNB.

Note No : 9 Trade payables

Particulars	As at		As at	
	31st March, 2015		31st March, 2014	
Total outstanding dues of Micro and Small Enterprises [Refer Note No. 29(3)]		46.11		18.33
Total outstanding dues of other than Micro and Small Enterprises		73570.64		101520.73
		73616.75		101539.06

(₹ in Lacs)

Notes forming part of the financial statements

Note No : 10 Other current liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Current maturities of long - term debt *		6189.86		17600.03
Interest accrued but not due on borrowings		717.37		1112.80
Unpaid dividends @		100.64		102.87
Other payables				
Payable to suppliers of capital goods				
Total outstanding dues of Micro and Small Enterprises [Refer Note No. 29(3)]	0.46		0.99	
Total outstanding dues of other than Micro and Small Enterprises	57.12		474.32	
	57.58		475.31	
Advance from customers and others	216.83		191.19	
Retention monies	254.62		243.03	
Security deposits	286.91		261.63	
Statutory liabilities #	7144.41		7250.40	
Book overdraft balances	134.59		287.05	
Forward contract payable	679.61		–	
Unpaid salaries and other payroll dues	1653.50		1893.28	
Accrued expenses	215.00		550.23	
Others	635.78	11278.83	70.06	11222.18
		18286.70		30037.88

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

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

Include excise duty on closing stock (₹ in lacs) 6309.99 6389.11

Note No : 11 Short - term provisions

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Provision for employee benefits - unavailed leave		300.27		270.30
Other provisions				
Provision for mark to market loss on derivatives		3.88		–
Provision for wealth tax	73.68		25.00	
Less : Advance wealth tax	42.87	30.81	–	25.00
Provision for contingencies [Refer Note No.29(4)]		6.94		6.94
		341.90		302.24

Notes forming part of the financial statements

Note No : 12 Fixed assets

Note No : 12 Fixed assets														₹ in Lacs	
Particulars	Land (Free Hold)	Land (Lease Hold)	Buildings	Roads	Plant & equipments	Furniture & Fixtures	Tangible assets					Intangible assets		Capital work-in- progress @	Grand total
							Vehicles	Office Equipments	Computers	Electrical Installation and equipments	Pipelines	Total	Computer software (Acquired)		
Particulars															
Gross block															
Gross carrying amount as at 01.04.2014	6815.00	453.04	51124.83	-	202191.04	1767.64	2106.47	1580.71	-	-	-	266038.73	145.53	30.13	266214.39
Additions during the year	-	-	143.74	30.43	975.90	44.27	210.03	18.11	172.08	43.33	10.70	1648.59	322.37	1810.08	3781.04
Reclassification made during the year	-	-	(2885.04)	2885.04	(31559.15)	(1.61)	-	(1092.08)	1093.69	20320.66	11238.49	-	-	-	-
Disposals/deductions during the year	6.83	-	96.85	-	171.33	1.05	222.95	4.53	16.65	4.02	-	524.21	-	1083.91	1608.12
Gross carrying amount as at 31.03.2015	6808.17	453.04	48286.68	2915.47	171436.46	1809.25	2093.55	502.21	1249.12	20359.97	11249.19	267163.11	467.90	756.30	268387.31
Depreciation /amortisation															
Opening accumulated depreciation /amortisation	-	47.35	11171.36	-	99333.31	1071.93	1175.90	1058.18	-	-	-	113858.03	89.72	-	113947.75
Depreciation / amortisation for the year	-	6.40	3687.86	1202.30	5692.24	261.83	166.56	178.41	151.84	4032.65	997.15	16377.24	46.08	-	16423.32
Reclassification made during the year	-	-	(411.17)	411.17	(13731.13)	(0.61)	-	(840.56)	841.17	8680.77	5050.36	-	-	-	-
Disposals/deductions during the year	-	-	10.45	-	97.44	0.94	127.58	3.82	15.15	1.92	-	257.30	-	-	257.30
Closing accumulated depreciation /amortisation	-	53.75	14437.60	1613.47	91196.98	1332.21	1214.88	392.21	977.86	12711.50	6047.51	129977.97	135.80	-	130113.77
Net carrying amount															
Net block as at 31.03.2015	6808.17	399.29	33849.08	1302.00	80239.48	477.04	878.67	110.00	271.26	7648.47	5201.68	137185.14	332.10	756.30	138273.54

Fixed assets - Previous year

Fixed assets - Previous year													₹ in Lacs)		
Particulars	Tangible assets										Intangible assets	Capital work-in-progress @	Grand total		
	Land (Free Hold)	Land (Lease Hold)	Buildings	Roads	Plant & equipments	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Installation and equipments				Pipelines	Total
Gross block															
Gross carrying amount as at 01.04.2013	6453.73	453.04	50015.12	-	189936.40	1796.19	2104.47	1690.34	-	-	-	252449.29	139.32	510.98	253099.59
Acquired on Merger	334.72	-	682.76	-	6476.13	7.23	7.89	30.97	-	-	-	7539.70	5.73	1.04	7546.47
Additions of amalgamating company during 2012-13	-	-	-	-	34.97	0.45	-	1.65	-	-	-	37.07	-	(1.04)	36.03
Additions during the year	27.94	-	643.09	-	7140.40	38.75	320.04	86.50	-	-	-	8256.72	0.48	7039.62	15296.82
Disposals/deductions during the year	1.39	-	216.14	-	1396.86	74.98	325.93	228.75	-	-	-	2244.05	-	7520.47	9764.52
Gross carrying amount as at 31.03.2014	6815.00	453.04	51124.83	-	202191.04	1767.64	2106.47	1580.71	-	-	-	266038.73	145.53	30.13	266214.39
Depreciation /amortisation															
Opening accumulated depreciation /amortisation	-	41.31	9931.68	-	86970.81	1049.23	1292.89	1123.64	-	-	-	100409.56	65.69	-	100475.25
Acquired on Merger	-	-	329.43	-	3354.29	6.62	2.48	15.16	-	-	-	3707.98	0.76	-	3708.74
Depreciation /amortisation of amalgamating company during 2012-13	-	-	22.18	-	341.97	0.57	0.75	3.43	-	-	-	368.90	1.15	-	370.05
Depreciation /amortisation for the year	-	6.04	1084.07	-	9529.82	78.12	125.70	99.45	-	-	-	10923.20	22.12	-	10945.32
Disposals/deductions during the year	-	-	196.00	-	863.58	62.61	245.92	183.50	-	-	-	1551.61	-	-	1551.61
Closing accumulated depreciation /amortisation	-	47.35	11171.36	-	99333.31	1071.93	1175.90	1058.18	-	-	-	113858.03	89.72	-	113947.75
Net carrying amount															
Net block as at 31.03.2014	6815.00	405.69	39953.47	-	102857.73	695.71	930.57	522.53	-	-	-	152180.70	55.81	30.13	152266.64
@ Refer Note No. 12A.															

@ Refer Note No. 12A.

Notes :

- 1) Land, Building, Plant & Machinery, Railway siding, Tubewell and water supply machinery of Balarampur unit were revalued as at 30th June, 1988 on net replacement value as per the report of S. R. Batliboi Consultants Pvt. Ltd. and the cost of respective asset aggregating to ₹1,200.77 lacs was substituted by the revalued amount of ₹1920.52 lacs and the resultant increase was credited to Revaluation reserve.
- 2) Land, Building and Plant & Machinery of Tulsipur unit were revalued as at 31st March, 1999 on net replacement value as per the report of Lodha & Co. and the cost of the respective asset aggregating to ₹1023.85 lacs was substituted by the revalued amount of ₹2944.93 lacs and the resultant increase was credited to Revaluation reserve in the books of erstwhile Tulsipur Sugar Company Ltd.
- 3) There was a pari passu charge by way of hypothecation and equitable mortgage on the fixed assets of Kumbhi and Gularia units of the Company for an amount of Euro 4.50 million equivalent to ₹ Nil (Previous year ₹2456.61 lacs) in favour of BNP Paribas, India for securing Swap Contract entered into in connection with hedging in respect of External commercial borrowing availed by the Company.

Notes forming part of the financial statements

Note No : 12 Fixed assets (Contd...)

(₹ in Lacs)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
4) Amount of finance cost capitalised [(Net of Interest subvention ₹ Nil (Previous Year ₹45.30 lacs) - Refer Note No. 29(5)]	–	61.23
5) Depreciation /Amortisation for the year includes:		
a) Depreciation for earlier years	–	(4.17)
b) Depreciation capitalised	–	0.28
c) Depreciation adjusted with retained earnings [Refer Note No. 29(6)]	4863.00	–

Note No : 12A Capital work-in-progress

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Plant and equipments / Civil work - in - progress		
Additions during the year	1810.08	6843.44
(A)	1810.08	6843.44
Preoperative expenses/ trial run expenses		
Additions during the year		
Employee costs		
Salaries and wages	–	36.08
Contribution to provident and other funds	–	3.39
Staff welfare expense	–	0.31
		39.78
Finance costs		
Interest	–	49.83
Other borrowing costs	–	11.40
		61.23
Depreciation	–	0.28
Other expenses		
Consumption of stores and spare parts	–	1.17
Power and fuel	–	93.62
Insurance	–	5.08
Rates and taxes	–	1.74
Miscellaneous expenses	–	143.17
		244.78
(B)	–	346.07
Income during trial run :		
Sale of Power (C)	–	149.89
Total additions during the year D= (A+B-C)	1810.08	7039.62
Balance brought forward		
Plant and equipments/ Civil work - in- progress (E)	30.13	510.98
F = (D+E)	1840.21	7550.60
Capitalised during the year (G)	1083.91	7520.47
Capital work-in-progress at the end of the year H= (F-G)	756.30	30.13

Notes forming part of the financial statements

Note No : 13 Non - current investments

Particulars	Face value	As at 31st March, 2015		As at 31st March, 2014	
		No. of Shares/ Debentures	₹ in Lacs	No. of Shares/ Debentures	₹ in Lacs
Long term					
Trade investments					
Unquoted (Valued at cost)					
(a) In equity shares of companies					
Fully paid up :					
Asia Sugar Industries Pvt. Ltd.	₹10	250000	25.00	250000	25.00
(b) In debentures of a company \$					
Fully paid up :					
Visual Percept Solar Projects Pvt. Ltd.	₹100	4050000	4050.00	4050000	4050.00
Total (A)			4075.00		4075.00
Other investments					
(a) Quoted (Valued at cost less provision for other than temporary diminution)					
In equity shares of a subsidiary					
Fully paid up :					
Subsidiary company:					
Indo Gulf Industries Ltd. *	₹1	5162470	283.27	5162470	283.27
Less: Provision for diminution in value			283.27		283.27
Total (B)			- @		- @
(b) Unquoted (Valued at cost)					
(i) In equity shares of companies/ co-operative Societies					
Fully paid up :					
Fortuna Services Ltd.	₹1	70287	0.70	70287	0.70
Balrampur Sugar Company Consumers Co-operative Society Ltd. #	₹100	-	-	35	0.03
Co-operative Development Union Ltd. #	₹10	-	-	110	0.01
Co-operative Stores Ltd. #	₹10	-	-	1	- @
(ii) In Post Office National Saving Certificates (Deposited with Government authorities)			11.13		11.59
Total (C)			11.83		12.33
Total (A+B+C)			4086.83		4087.33
Aggregate amount of quoted investments			283.27		283.27
Market value of quoted investments			* Not available		* Not available
Aggregate amount of unquoted investments			4086.83		4087.33
Aggregate provision for diminution in value of investments			283.27		283.27

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

* Shares are suspended for Trading by the Stock Exchange.

@ Shown as Nil due to rounding off.

Written off during the year.

Notes forming part of the financial statements

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Capital advances		816.02		220.21
Security deposits		60.51		70.57
Loan to related party				
Subsidiary company - considered doubtful		–		362.25
Less: Provision for doubtful loan		–		362.25
Other loans and advances				
Advances to suppliers and others				
Considered doubtful		231.04		234.43
Less: Provision for doubtful advances		231.04		234.43
		–		–
Advance tax		6075.45		5000.27
Less : Provision for taxation		4081.95		4216.00
		1993.50		784.27
MAT credit entitlement		5642.00		5642.00
Prepaid expenses		23.01		27.72
Duties and taxes paid under protest		371.09		8029.60
		8906.13		7110.03

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Trade receivables				
Considered doubtful		95.17		99.29
Less : Provision for doubtful debts		95.17		99.29
Interest accrued and due				
Subsidiary company - considered doubtful		–		41.32
Less: Provision for doubtful interest		–		41.32
Fixed deposits with banks				
(Non current portion of original maturity period more than 12 months)				
For Molasses storage fund (Earmarked)		28.40		20.10
Pledged with excise authorities		45.02		73.42
Interest accrued but not due				
Fixed deposits with banks		6.70		7.84
National saving certificates		4.06		10.76
Claims receivable				4.93
Fixed assets held for disposal				12.77
		17030.19		17030.19
		37.58		15.37
		17151.95		17108.45

Notes forming part of the financial statements

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Raw materials	3791.60		2927.64	
Add : Goods-in-transit	2.19	3793.79	–	2927.64
Packing materials	356.70		379.99	
Add : Goods-in-transit	13.19	369.89	–	379.99
Work-in-progress				
Sugar	1942.25		2798.43	
Molasses	214.62		174.41	
Organic manure	35.13	2192.00	30.90	3003.74
Finished goods				
Sugar	147017.15		189841.07	
Industrial alcohol	1732.61		2627.16	
Banked power	88.52		79.60	
Organic manure	78.50	148916.78	72.23	192620.06
Stores and spares	4675.27		4700.86	
Add : Goods-in-transit	94.92	4770.19	165.01	4865.87
Loose tools		0.19		340.77
Crop/ Standing crop *		9.33		12.59
By-products *		6872.70		5078.20
		166924.87		209228.86

* Valued at net realisable value.

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Outstanding for a period exceeding six months from due date		22.25		28.38
Others		15839.01		6377.29
		15861.26		6405.67

Notes forming part of the financial statements

Note No : 18 Cash and bank balances

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Cash and cash equivalents				
Balances with banks				
On current accounts	7528.65		13748.63	
Cheques on hand	1.66		—	
Cash on hand	170.87	7701.18	105.59	13854.22
Other bank balances				
Earmarked balances				
Fixed deposits for molasses storage fund				
Current portion of original maturity period more than 12 months	15.51		16.06	
Original maturity period up to 12 months	70.37		56.21	
	85.88		72.27	
Unpaid dividend accounts	100.64	186.52	102.87	175.14
Fixed deposits pledged with excise authorities and bank				
Current portion of original maturity period more than 12 months	30.00		15.00	
Original maturity period up to 12 months *	300.00	330.00	300.00	315.00
		8217.70		14344.36
* Under lien with bank for swap contract (₹ in lacs)		300.00		300.00

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

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Security deposits		17.00		44.69
Other loans and advances				
Intercompany deposits	920.00		920.00	
Advances to suppliers and others	1225.45		931.96	
Cenvat, Vat and other taxes/duties	520.15		590.35	
Prepaid expenses	370.67	3036.27	342.42	2784.73
		3053.27		2829.42

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

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Deferred premium on forward contract		538.96		—
Unamortised interest on commercial paper		874.12		—
Interest accrued but not due on				
Inter corporate deposits	418.26		310.62	
Fixed deposits with banks	16.44		9.34	
Others	1.26	435.96	2.79	322.75
Claims receivable		25919.63		2015.55
Others		7.79		—
		27776.46		2338.30

Notes forming part of the financial statements

Note No : 21 Revenue from operations		(₹ in Lacs)	
Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014
Sale of goods (Gross)			
Sugar	247370.52		220974.47
Industrial alcohol	30737.18		26950.06
Power	26130.31		22860.55
Organic manure	645.96		584.51
Molasses	1816.60		2882.97
Renewable energy certificates	1983.70		462.78
Others	636.75	309321.02	1155.54
Other operating revenue		–	–
Revenue from operations (Gross)		309321.02	275870.88
Less : Excise duty on sale of goods		10623.23	9376.45
Revenue from operations (net)		298697.79	266494.43

Note No : 22 Other income		(₹ in Lacs)	
Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014
Interest income			
Long term investments			
Debentures	202.50		202.50
National saving certificates	1.06		1.12
	203.56		203.62
Inter corporate deposits	119.60		136.22
Fixed deposits with banks	36.39		33.67
Income tax refund	–		140.03
Others	14.73	374.28	16.55
Net gain on sale of highly liquid investments (treated as cash equivalent)		132.27	98.98
Other non-operating income			
Insurance claims	174.50		307.04
Profit on sale of fixed assets	128.63		58.36
Unspent liabilities/balances written back	327.41		1425.28
Refund of administrative charges on molasses	186.34		–
Provision for deposit/ interest receivable from subsidiary written back	403.57		–
Provisions for doubtful debts/ advances written back	7.51		17.25
Profit from farm accounts [Refer Note No.29(7)]	4.61		2.86
Miscellaneous	168.61	1401.18	154.61
		1907.73	2594.47

Note No : 23 Cost of material consumed		(₹ in Lacs)	
Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014
Sugar cane		206252.98	223810.10
Molasses		611.43	1970.20
Bagasse		1337.41	1460.34
Pressmud		37.71	37.05
Others		114.49	222.41
		208354.02	227500.10

Notes forming part of the financial statements

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

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Finished goods				
Opening stock				
Sugar	189841.07		168009.14	
Industrial alcohol	2627.16		2162.74	
Banked power	79.60		58.29	
Organic manure	72.23	192620.06	18.88	170249.05
Add: Acquired on merger				
Sugar		–		2556.38
Less : Closing stock				
Sugar	147017.15		189841.07	
Industrial alcohol	1732.61		2627.16	
Banked power	88.52		79.60	
Organic manure	78.50	148916.78	72.23	192620.06
Total (A)		43703.28		(19814.63)
By-products				
Opening stock		5078.20		5633.61
Add: Acquired on merger		–		118.38
Less : Closing stock		6872.70		5078.20
Total (B)		(1794.50)		673.79
Work- in-progress				
Opening stock				
Sugar	2798.43		3271.08	
Molasses	174.41		217.16	
Organic manure	30.90	3003.74	51.61	3539.85
Add: Acquired on merger				
Sugar	–		6.21	
Molasses	–	–	0.15	6.36
Less : Closing stock				
Sugar	1942.25		2798.43	
Molasses	214.62		174.41	
Organic manure	35.13	2192.00	30.90	3003.74
Total (C)		811.74		542.47
Total (A+B+C)		42720.52		(18598.37)
Less : Excise duty on stock *		79.12		(188.20)
		42641.40		(18410.17)

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

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

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Salaries and wages		13047.67		12263.77
Contribution to provident and other funds		1678.23		1608.41
Employee stock option expense		(5.83)		(3.92)
Staff welfare expense		309.83		301.91
		15029.90		14170.17

Note No : 26 Finance costs (₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Interest expense				
On long term borrowings	2798.93		3417.79	
On short term borrowings	7317.09		8179.81	
Others *	38.82	10154.84	25.38	11622.98
Other borrowing costs		54.39		161.28
		10209.23		11784.26
* Includes interest for shortfall in payment of advance income-tax (₹ in lacs)		–		16.00
* Includes interest for late payment of statutory dues (₹ in lacs)		1.63		–

Notes forming part of the financial statements

Note No : 27 Depreciation and amortisation expense (₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Depreciation and amortisation of tangible assets *	11514.71		10922.92	
Amortisation of intangible assets *	45.61	11560.32	22.12	10945.04
		11560.32		10945.04

* Refer Note No.12

Note No : 28 Other expenses (₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Consumption of stores and spare parts		2569.58		2228.56
Packing materials		3480.36		3709.78
Power and fuel		424.94		469.37
Rent		72.37		55.96
Repairs				
Buildings	308.30		279.69	
Machinery	4002.46		4526.64	
Others	581.21	4891.97	282.20	5088.53
Insurance		483.17		424.32
Rates and taxes (excluding taxes on income)		229.50		256.44
Payments to auditor				
As auditor for statutory audit	37.50		25.00	
For tax audit	10.00		9.00	
For other services (Limited reviews & certifications)	18.20		12.74	
For reimbursement of expenses	3.92	69.62	4.47	51.21
Cost audit fees		3.50		3.50
Net loss on foreign currency transactions and translations		176.38		1027.60
Charity and donation		12.68		137.32
Corporate social responsibility expense [Refer Note No. 29(8)]		91.66		–
Directors' fees		14.40		6.00
Miscellaneous expenses		7179.54		6548.47
Deposit/interest receivable from subsidiary written off		403.57		–
Loss on sale/discard of fixed assets		174.03		618.49
Sundry debit balances/advances written off		75.76		769.01
Loss from dealing in commodity futures (Sugar)		46.80		2.09
Mark to market loss on derivatives		3.88		–
Payment towards balances written back earlier		1.78		–
Investments written off		0.05		–
Prior period expenses*		2.06		2.97
Provision for doubtful debts, loans and advances		–		410.12
Loss on sale of long term investment		–		3.01
Provision for contingency		–		0.10
Transfer to storage fund for molasses		19.35		19.26
		20426.95		21832.11
* Includes				
Cost of materials		0.73		0.66
Repairs (Machinery)		–		0.02
Miscellaneous expenses		1.33		2.29
		2.06		2.97

Notes forming part of the financial statements

Note No : 29 Other disclosures

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

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
a) Contingent liabilities :		
i) Claims against the Company not acknowledged as debts :		
a) Excise duty demand - under appeal	307.84	311.37
b) Sales tax demand - under appeal	11.10	11.10
c) Others - under appeal/litigation	884.64	863.53
	1203.58	1186.00
ii) Claims for acquisition of 1.99 acres of land for the Distillery unit at Balrampur and compensation there against is under dispute as the matter is sub-judice	Amount not ascertainable	Amount not ascertainable

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

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.

(₹ in Lacs)

b) Commitments :		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	2521.09	570.34
ii) Advance paid against above	816.02	220.21

2. The Employee Stock Option Scheme (Scheme 2005) of the Company was formulated in the year 2005 and under the said Scheme, Options granted have vesting period of one year and exercise period of maximum eight years.

The maximum number of options granted till date stands at 5245500 and each option is equivalent to one equity share of par value of ₹1/- each of the Company.

In the year ended 30th September, 2009, Options covered by 1st, 2nd, 3rd and 4th Series which remained outstanding were re-priced and the revised Exercise Price of ₹45/- was approved by the Shareholders of the Company in the Extra-Ordinary General Meeting held on 25th May, 2009.

The Company uses intrinsic value method to account for the employee stock options granted to employees.

The details of Options granted, lapsed and exercised as at 31st March, 2015 are as under :

Year of Issue	2005-06	2006-07	2007-08	2008-09	2008-09	Total
Series	1st	2nd	3rd	4th	5th	
Date of grant of Option	31/10/05	27/11/06	27/11/07	25/11/08	28/05/09	
Initial Exercise Price (₹)	74.60	104.10	72.20	74.20	45.00	
Revised Exercise Price (₹)	45.00	45.00	45.00	45.00	N.A.	
Market Price on the date of grant (₹)	81.10	87.65	90.75	35.40	82.35	
Excess of initial Exercise Price over Revised Exercise Price (₹)	29.60	59.10	27.20	29.20	N.A.	
Excess of Market Price over Exercise Price/ Revised Exercise Price (₹)	36.10	42.65	45.75	-	37.35	
Number of Options granted upto 31.03.2015	622500	883000	995500	1280000	1464500	5245500
Number of Options exercised upto 31.03.2014	447500	653500	821000	1157000	1146350	4225350
Number of Options lapsed upto 31.03.2014	162000	210000	139500	81000	121500	714000
Number of Options outstanding on 01.04.2014	13000	19500	35000	42000	196650	306150
Number of Options exercised during the year	1000	1000	2500	16000	54950	75450
Number of Options lapsed during the year	12000	-	-	1500	4000	17500
Number of Options outstanding/ exercisable on 31.03.2015	-	18500	32500	24500	137700	213200

Note : Refer Director's Report for other disclosures.

Notes forming part of the financial statements

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

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

(₹ in Lacs)

Sl. No.	Description	2014-15	2013-14
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	37.89	16.52
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	4.52	0.36
c)	The amount of interest paid in terms of section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	2.80	0.65
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	4.16	2.44
e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year*	8.68	2.80
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	—	—

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

4. Disclosures in terms of Accounting Standard - 29

Movement for provision for contingencies:

(₹ in Lacs)

Particulars	Duties & taxes	Others	Total
Balance as at 1st April, 2014	6.31	0.63	6.94
Provided during the year	—	—	—
Amount used during the year	—	—	—
Reversed during the year	—	—	—
Balance as at 31st March, 2015	6.31	0.63	6.94
Balance as at 1st April, 2013	6.31	0.53	6.84
Provided during the year	—	0.10	0.10
Amount used during the year	—	—	—
Reversed during the year	—	—	—
Balance as at 31st March, 2014	6.31	0.63	6.94

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

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

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

5. The Company is eligible to receive Government grants by way of reimbursement of cane price, society commission and interest subvention on certain term loans. Accordingly, the Company has recognised these Government grants in the following manner:

(₹ in Lacs)

Sl. No.	Particulars	Treatment in Accounts	2014-15	2013-14
a)	Cane Price	Deducted from cost of materials consumed	25575.91	—
b)	Society commission	Deducted from cost of materials consumed	5301.96	4450.93
c)	Interest on term loans	Deducted from interest expense on long term borrowings	2887.44	60.81
		Deducted from the respective capital expenditure	—	45.30
			33765.31	4557.04

Notes forming part of the financial statements

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

6. Depreciation for the current year has been aligned to meet the requirements of Schedule -II to the Companies Act, 2013 and accordingly an amount of ₹3180.01 lacs (net of deferred tax benefit of ₹1682.99 lacs) in relation to the assets whose useful life has already exhausted has been adjusted with Retained Earnings.

Had the Company continued to charge depreciation based on rates and manner as specified under the erstwhile Schedule XIV to the Companies Act, 1956, depreciation expense and the Loss before Tax for the year ended 31st March, 2015 would have been lower by ₹552.15 lacs.

Further, retained earnings and deferred tax liabilities would have been higher by ₹3180.01 lacs and ₹1682.99 lacs respectively and net value of fixed assets as at the date would have been higher by ₹5415.15 lacs.

7. Details of Profit from Farm Accounts :

(₹ in Lacs)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Income		
Sales	39.80	32.85
Closing stock of crop/standing crop	9.33	12.59
	49.13	45.44
Expenses		
Opening stock of crop/standing crop	12.59	12.45
Cane seeds purchases	1.39	3.36
Fertilisers and manures	5.95	7.14
Salaries and wages	11.54	7.70
Power and fuel	1.30	1.68
Irrigation and cultivation expenses	8.10	7.65
Repairs - others	1.90	1.14
Miscellaneous expenses	1.75	1.46
	44.52	42.58
Profit from Farm Accounts	4.61	2.86

8. Expenditure on Corporate Social Responsibilities (CSR) Activities

The various heads under which the CSR expenditure was incurred during the year is detailed as follows:

(₹ in Lacs)

Sl. No.	Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR Activities	2014-15
a)	Clause (i)	Promoting healthcare including preventive healthcare	18.80
b)	Clause (i)	Making available safe drinking water	1.58
c)	Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects	58.48
d)	Clause (iii)	Setting up homes & other facilities for orphans, senior citizens and for socially and economically backward groups	2.23
e)	Clause (iv)	Animal welfare	0.64
f)	Clause (vii)	Promoting rural sports & nationally recognised sports	9.83
g)	Clause (xi)	Slum area development	0.10
		Total	91.66

The aforesaid amount was spent for purposes other than on construction/acquisition of any asset.

Notes forming part of the financial statements

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

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

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
a) Amount used as the numerator (₹ in lacs)		
Profit/(Loss) for the year - (A)	(5773.44)	364.08
b) Weighted average number of Equity Shares outstanding used as denominator for computing Basic Earnings per Share - (B)	244899522	244840817
Add : Weighted average number of Equity Shares on account of Employees Stock Option Scheme	87840	122112
c) Weighted average number of Equity Shares outstanding used as denominator for computing Diluted Earnings per Share - (C)	244987362	244962929
d) Nominal value of Equity Shares (₹)	1.00	1.00
e) Basic Earnings per Share (₹) (A/B)	(2.36)	0.15
f) Diluted Earnings per Share (₹) (A/C)	(2.36)	0.15

10. Sugarcane Price Accounting

State Govt. of U.P. vide its Press Release dated 12th November, 2014 and Order No. 2970-C.D./46-3-14-3(48)/98-99 dated 24th December, 2014, had announced certain financial assistance including ₹28.60 per quintal of cane for the sugar season 2014-15 linked to average selling price of sugar and its by-products during the specified period from 1st October, 2014 to 31st May, 2015 which is to be recommended by the Committee constituted by the Government of Uttar Pradesh.

As the average selling price of sugar is significantly lower than the threshold specified in the above announcement, the Company has estimated and accounted for the above financial assistance aggregating to ₹20875.45 lacs during the year under review.

In addition, financial assistance of ₹6.00 per quintal of cane was announced for the sugar season 2013-14 vide Govt. of U.P. Order No. 2195 C.D./46-3-14-3(35)/2013 T.C. dated 9th September, 2014. Accordingly, the Company has also accounted for an amount of ₹4700.46 lacs during the year under review.

The aforesaid financial assistances have been included under the line item "Sugar cane" under Note No. 23 of Cost of material consumed.

11. Employee Benefits :

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

Defined Contribution Plan :

Employee benefits in the form of Provident Fund, Employee State Insurance and Labour Welfare Fund are considered as defined contribution plan except that Provident fund in respect of certain employees is contributed to a fund set up by the Company which is treated as defined benefit plan since the Company has to meet the interest shortfall.

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

Defined Contribution Plan	Year ended 31st March, 2015	Year ended 31st March, 2014
Employer's Contribution to Provident Fund	545.72	578.51
Employer's Contribution to Pension Scheme	484.46	331.37
Employer's Contribution to Labour Welfare Fund	0.01	0.01
Employer's Contribution to Employees' State Insurance Scheme	0.81	0.08

(₹ in Lacs)

Notes forming part of the financial statements

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

Defined Benefit Plan:

Provident fund in respect of certain employees is contributed to a fund set up by the Company which is treated as a defined benefit plan since the Company has to meet the interest shortfall. The interest shortfall of ₹ Nil (Previous year ₹11.63 lacs) at the year end is recognised as expenses for the year.

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

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

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

(₹ in Lacs)

Particulars	2014-15		2013-14	
	Gratuity	Provident Fund	Gratuity	Provident Fund
I. Components of Employer Expense :				
1 Current Service Cost	273.62	273.54	241.26	138.99
2 Past Service Cost	–	–	–	–
3 Interest Cost	244.27	283.48	230.55	259.57
4 Expected return on Plan Assets	257.62	285.29	244.11	238.80
5 Actuarial (Gain) /Loss recognised in the year	138.59	(116.61)	322.08	55.54
6 Expense recognised in the Statement of Profit and Loss	398.86	155.12	549.78	215.30
II. Change in Present Value of Defined Benefit Obligation :				
1 Present value of Defined Benefit Obligation at the beginning of the year	3220.19	3332.38	2789.78	2928.90
2 Acquisition Adjustment	–	–	154.34	–
3 Interest Cost	244.27	283.48	230.55	259.57
4 Past Service Cost	–	–	–	–
5 Current Service Cost	273.62	128.59	241.26	138.99
6 Employees Contribution	–	144.95	–	149.48
7 Benefits Paid	333.59	458.75	309.80	213.14
8 Actuarial (Gain) / Loss	251.17	(127.77)	114.06	68.58
9 Present value of Defined Benefit Obligation at the end of the year	3655.66	3302.88	3220.19	3332.38
III. Change in Fair Value of Plan Assets during the year :				
1 Plan Assets at the beginning of the year	3220.19	3209.12	2789.78	2877.08
2 Acquisition Adjustment	–	4.84	–	4.87
3 Expected return on Plan Assets	257.62	285.29	244.11	238.80
4 Contributions paid	398.86	273.54	549.78	288.47
5 Benefits paid	333.59	458.75	309.80	213.14
6 Actuarial Gain / (Loss)	112.58	(11.16)	(53.68)	13.04
7 Plan Assets at the end of the year	3655.66	3302.88	3220.19	3209.12
IV. Net Asset / (Liability) recognised in the Balance Sheet as at the year end:				
1 Present value of Defined Benefit Obligation	3655.66	3302.88	3220.19	3332.38
2 Fair value of Plan Assets	3655.66	3302.88	3220.19	3209.12
3 Funded Status [Surplus/(Deficit)]	–	–	–	(123.26)
4 Net Asset / (Liability) recognised in Balance Sheet	–	–	–	(123.26)

Notes forming part of the financial statements

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

(₹ in Lacs)

Particulars	2014-15		2013-14	
	Gratuity	Provident Fund	Gratuity	Provident Fund
V. Actuarial Assumptions :				
1 Discount Rate (per annum) %	8.00	8.75	8.75	8.75
2 Expected return on Plan Assets (per annum) %	8.00	8.89	8.75	8.30
3 Expected Rate of Salary increase %	5.50	5.50	5.50	5.50
4 Retirement/Superannuation Age (Year)	60	60	60	60
5 Mortality Rates	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
VI. Major Category of Plan Assets as a % of the Total Plan Assets as at the year end :				
1 Administered by Insurance Companies	84%	–	81%	–
2 Public Financial Institutions / Public Sector Companies bonds	6%	43%	8%	42%
3 Central / State Government Securities	9%	46%	10%	47%
4 Private sector bonds	–	11%	–	11%
5 Others (Cash and Cash Equivalents)	1%	–	1%	–
VII. Expected Employer's Contribution for the next year :				
Expected Employer's Contribution for the next year	475.00	141.45	435.00	152.00

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

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

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

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Gratuity					
Present value of Defined Benefit Obligation	3655.66	3220.19	2789.78	2412.35	2202.78
Fair value of Plan Assets	3655.66	3220.19	2789.78	2412.35	2202.78
(Deficit)/Surplus	–	–	–	–	–
Experience adjustments of Plan Assets Gain/(Loss)	112.58	(53.68)	103.10	(99.37)	(21.92)
Experience adjustments of Obligation (Gain)/Loss	251.17	114.06	191.45	2.36	183.64
Provident Fund					
Present value of Defined Benefit Obligation	3302.88	3332.38	2928.90	2526.57	2199.02
Fair value of Plan Assets	3302.88	3209.12	2877.08	2525.77	2152.92
(Deficit)/Surplus	–	(123.26)	(51.82)	(0.80)	(46.10)
Experience adjustments of Plan Assets Gain/(Loss)	(11.16)	13.04	11.84	(3.85)	111.32
Experience adjustments of Obligation (Gain)/Loss	(127.77)	68.58	47.74	(44.36)	149.77

Notes forming part of the financial statements

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

b) Details of unfunded post retirement Defined Obligations are as follows:		(₹ in Lacs)	
Particulars		Leave Encashment (Unfunded)	
		2014-15	2013-14
I. Components of Employer Expense :			
1 Current Service Cost		28.95	25.77
2 Past Service Cost		–	–
3 Interest Cost		19.58	18.60
4 Expected return on Plan Assets		–	–
5 Actuarial (Gain) /Loss recognised in the year		29.03	43.63
6 Expense recognised in the Statement of Profit and Loss		77.56	88.00
II. Change in Present Value of Defined Benefit Obligation :			
1 Present value of Defined Benefit Obligation at the beginning of the year		267.09	246.03
2 Interest Cost		19.58	18.60
3 Past Service Cost		–	–
4 Current Service Cost		28.95	25.77
5 Benefits Paid		44.75	66.94
6 Actuarial (Gain) / Loss		29.03	43.63
7 Present value of Defined Benefit Obligation at the end of the year		299.90	267.09
III. Net Asset / (Liability) recognised in the Balance Sheet as at the year end:			
1 Present value of Defined Benefit Obligation		299.90	267.09
2 Fair value of Plan Assets		–	–
3 Funded Status [Surplus/(Deficit)]		(299.90)	(267.09)
4 Net Asset / (Liability) recognised in Balance Sheet		(299.90)	(267.09)
IV. Actuarial Assumptions :			
1 Discount Rate (per annum) %		8.00	8.75
2 Expected return on Plan Assets (per annum) %		–	–
3 Expected Rate of Salary increase %		5.50	5.50
4 Retirement/Superannuation Age (Year)		60	60
5 Mortality Rates		IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
V. Expected Employer's Contribution for the next year :			
Expected Employer's Contribution for the next year		55.00	49.00

c) Other disclosures :

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

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

ii) The Gratuity and Provident Fund Expenses have been recognised under “ Contribution to Provident and Other Funds” and Leave Encashment under “ Salaries and Wages” under Note No.25.

12. Segment information as per Accounting Standard - 17 on ‘Segment Reporting’ :

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

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocable”.
- Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as “ Unallocable”.

Notes forming part of the financial statements

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

c) Information about Primary Business Segments:

(₹ in Lacs)

Particulars	Sugar	Distillery	Co-generation	Others	Unallocable	Elimination	Total
Revenue							
External Sales (Gross)	249688.70	30872.36	28114.01	645.95	-	-	309321.02
	(224799.43)	(27098.84)	(23388.10)	(584.51)	(-)	(-)	(275870.88)
Less : Excise duty on external sales	8250.05	2373.18	-	-	-	-	10623.23
	(7385.63)	(1990.82)	(-)	(-)	(-)	(-)	(9376.45)
External Sales (Net)	241438.65	28499.18	28114.01	645.95	-	-	298697.79
	(217413.80)	(25108.02)	(23388.10)	(584.51)	(-)	(-)	(266494.43)
Add : Inter Segment Sales	19181.22	1.84	9694.74	-	-	(28877.80)	-
	(17362.84)	(6.45)	(9317.70)	(-)	(-)	(-)(26686.99)	(-)
Total sales	260619.87	28501.02	37808.75	645.95	-	(28877.80)	298697.79
	(234776.64)	(25114.47)	(32705.80)	(584.51)	(-)	(-)(26686.99)	(266494.43)
Add : Allocable other income	838.61	28.15	125.80	2.29	-	-	994.85
	(1217.30)	(66.35)	(239.80)	(9.41)	(-)	(-)	(1532.86)
Segment Revenue	261458.48	28529.17	37934.55	648.24	-	(28877.80)	299692.64
	(235993.94)	(25180.82)	(32945.60)	(593.92)	(-)	(26686.99)	(268027.29)
Result							
Segment result	(27853.81)	14363.06	18398.77	45.35	-	-	4953.37
	(-)(10848.83)	(11622.07)	(15196.17)	(68.92)	(-)	(-)	(16038.33)
Less:							
Unallocable expenditure net of unallocable income					2360.44	-	2360.44
					(2986.68)	(-)	(2986.68)
Finance costs					10209.23	-	10209.23
					(11784.26)	(-)	(11784.26)
Profit/(Loss) before tax							(7616.30)
							(1267.39)
Tax							
Current tax (MAT)							-
							(360.00)
Deferred tax charge/ (Write back)							(1842.86)
							(3390.36)
Tax provision for earlier years written back							-
							(-)(2847.05)
Profit /(Loss) after tax							(5773.44)
							(364.08)

Notes forming part of the financial statements

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

Other information						(₹ in Lacs)
Particulars	Sugar	Distillery	Co-generation	Others	Unallocable	Total
Segment assets	291667.52	23546.69	56758.46	993.31	17286.03	390252.01
	(311907.10)	(17043.88)	(53110.76)	(1104.43)	(32552.89)	(415719.06)
Segment liabilities	82996.37	776.08	516.69	122.94	25443.35	109855.43
	(106380.08)	(914.88)	(852.29)	(93.86)	(33226.77)	(141467.88)
Capital expenditure	1048.07	995.33	120.22	10.42	523.09	2697.13
	(945.13)	(683.20)	(5993.52)	(1.33)	(153.17)	(7776.35)
Depreciation and amortisation	6296.94	923.23	4117.20	60.09	162.86	11560.32
	(6743.05)	(813.27)	(3254.20)	(46.50)	(88.02)	(10945.04)
Non cash expenses other than depreciation and amortisation	212.61	10.13	75.15	0.02	455.65	753.56
	(1015.60)	(37.47)	(697.75)	(11.95)	(584.87)	(2347.64)

Notes :

- Transactions between segments are primarily for materials which are transferred at cost/market determined prices. Common costs are apportioned on a reasonable basis.
 - Unallocable expenses are net of unallocable income ₹912.88 lacs (Previous year ₹1061.61 lacs).
 - Inter segment sale is net of excise duty ₹1129.13 lacs (Previous year ₹1590.57 lacs).
 - Figures in brackets pertain to previous year.
- d) Information about Secondary Geographical Segments : There is no secondary segment.

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

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

i) Subsidiary (Control exists):	Indo Gulf Industries Ltd.
ii) Associate :	VA Friendship Solar Park Pvt. Ltd. (Upto 02.03.2014)
iii) Key Managerial Personnel (KMP):	<ol style="list-style-type: none"> Shri Vivek Saraogi - Managing Director Smt. Meenakshi Saraogi - Joint Managing Director Shri Kishor Shah - Director-cum-Chief Financial Officer Dr. Arvind Krishna Saxena - Whole-time Director Shri Santosh Kumar Agrawala - Company Secretary
iv) Relatives of Key Managerial Personnel :	
Shri Vivek Saraogi	<ol style="list-style-type: none"> Shri K.N.Saraogi (Father) - Chairman Emeritus Smt. Meenakshi Saraogi (Mother) Smt. Sumedha Saraogi (Wife) Shri Karan Saraogi (Son) Miss Avantika Saraogi (Daughter) Smt. Stuti Dhanuka (Sister)
Smt. Meenakshi Saraogi	<ol style="list-style-type: none"> Shri K.N.Saraogi (Husband) Shri Vivek Saraogi (Son) Smt. Stuti Dhanuka (Daughter) Smt. Sumedha Saraogi (Daughter- in-law) Shri Karan Saraogi (Grand-Son) Miss Avantika Saraogi (Grand-Daughter)
v) Enterprises over which KMP and their relatives have substantial interest / significant influence:	<ol style="list-style-type: none"> Meenakshi Mercantiles Ltd. Udaipur Cotton Mills Co. Ltd. Novel Suppliers Pvt. Ltd. Kamal Nayan Saraogi (HUF) Vivek Saraogi (HUF) Kishor Shah (HUF) Balrampur Institute of Vocational Aid Balrampur Foundation Balrampur Trust

Notes forming part of the financial statements

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

b) Transactions with related parties :

(₹ in Lacs)

Nature of transaction / Name of the related party	Subsidiary	Associate	Enterprises over which KMP and their relatives have substantial interest/ significant influence	Key Managerial Personnel (KMP)	Relatives of KMP	Total
i) Inter-Corporate loan given						
Indo Gulf Industries Ltd.	— (7.00)	— (—)	— (—)	— (—)	— (—)	— (7.00)
ii) Investments sold during the year						
VA Friendship Solar Park Pvt.Ltd.	— (—)	— (234.14)	— (—)	— (—)	— (—)	— (234.14)
iii) Receiving of Services						
Smt. Meenakshi Saraogi	— (—)	— (—)	— (—)	174.40 (204.36)	— (—)	174.40 (204.36)
Shri Vivek Saraogi	— (—)	— (—)	— (—)	169.05 (168.84)	— (—)	169.05 (168.84)
Shri Kishor Shah	— (—)	— (—)	— (—)	57.86 (56.13)	— (—)	57.86 (56.13)
Dr. Arvind Krishna Saxena	— (—)	— (—)	— (—)	20.09 (18.42)	— (—)	20.09 (18.42)
Shri Santosh Kumar Agrawala *	— (—)	— (—)	— (—)	65.67 (59.07)	— (—)	65.67 (59.07)
iv) Dividend Paid to Shareholders						
Smt. Meenakshi Saraogi	— (—)	— (—)	— (—)	— (284.89)	— (—)	— (284.89)
Shri Vivek Saraogi	— (—)	— (—)	— (—)	— (761.65)	— (—)	— (761.65)
Shri Kishor Shah	— (—)	— (—)	— (—)	— (0.81)	— (—)	— (0.81)
Dr. Arvind Krishna Saxena	— (—)	— (—)	— (—)	— (0.36)	— (—)	— (0.36)
Smt. Sumedha Saraogi	— (—)	— (—)	— (—)	— (—)	— (195.98)	— (195.98)
Shri Karan Saraogi	— (—)	— (—)	— (—)	— (—)	— (78.93)	— (78.93)
Miss Avantika Saraogi	— (—)	— (—)	— (—)	— (—)	— (74.93)	— (74.93)
Smt. Stuti Dhanuka	— (—)	— (—)	— (—)	— (—)	— (100.24)	— (100.24)
Meenakshi Mercantiles Ltd.	— (—)	— (—)	— (171.54)	— (—)	— (—)	— (171.54)
Udaipur Cotton Mills Co. Ltd.	— (—)	— (—)	— (131.19)	— (—)	— (—)	— (131.19)
Novel Suppliers Pvt. Ltd.	— (—)	— (—)	— (40.00)	— (—)	— (—)	— (40.00)
Kamal Nayan Saraogi (HUF)	— (—)	— (—)	— (157.25)	— (—)	— (—)	— (157.25)
Vivek Saraogi (HUF)	— (—)	— (—)	— (3.40)	— (—)	— (—)	— (3.40)
Kishor Shah (HUF)	— (—)	— (—)	— (0.10)	— (—)	— (—)	— (0.10)

Notes forming part of the financial statements

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

b) Transactions with related parties : (contd.)						(₹ in Lacs)
Nature of transaction / Name of the related party	Subsidiary	Associate	Enterprises over which KMP and their relatives have substantial interest/ significant influence	Key Managerial Personnel (KMP)	Relatives of KMP	Total
v) Corporate Social Responsibility Expenditure						
Balrampur Institute of Vocational Aid	– (–)	– (–)	45.00 (–)	– (–)	– (–)	45.00 (–)
Balrampur Foundation	– (–)	– (–)	18.54 (–)	– (–)	– (–)	18.54 (–)
Balrampur Trust	– (–)	– (–)	1.01 (–)	– (–)	– (–)	1.01 (–)
vi) Donation paid						
Balrampur Institute of Vocational Aid	– (–)	– (–)	– (45.30)	– (–)	– (–)	– (45.30)
Balrampur Foundation	– (–)	– (–)	1.96 (29.15)	– (–)	– (–)	1.96 (29.15)
Balrampur Trust	– (–)	– (–)	0.60 (–)	– (–)	– (–)	0.60 (–)
vii) Employees Stock Options #						
Shri Kishor Shah	– (–)	– (–)	– (–)	4.50 (–)	– (–)	4.50 (–)
viii) Balance Outstanding						
a) Inter Corporate Loan receivable						
Indo Gulf Industries Ltd.	– (362.25)	– (–)	– (–)	– (–)	– (–)	– (362.25)
b) Interest receivable						
Indo Gulf Industries Ltd.	– (41.32)	– (–)	– (–)	– (–)	– (–)	– (41.32)
c) Amounts payable						
Shri Santosh Kumar Agrawala	– (–)	– (–)	– (–)	9.64 (8.68)	– (–)	9.64 (8.68)
ix) Provision for doubtful loan and interest thereon						
Indo Gulf Industries Ltd.	– (403.57)	– (–)	– (–)	– (–)	– (–)	– (403.57)
x) Provision for doubtful loan and interest thereon written back						
Indo Gulf Industries Ltd.	403.57 (–)	– (–)	– (–)	– (–)	– (–)	403.57 (–)
xi) Loan and interest receivable written off						
Indo Gulf Industries Ltd.	403.57 (–)	– (–)	– (–)	– (–)	– (–)	403.57 (–)

* Though the figure for previous year has been given as comparative, however, during 2013-14, Shri Santosh Kumar Agrawala was not covered under the definition of KMP.

Excluding monetary value of perquisites.

- c) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- d) No amount has been written back/written off during the year in respect of due to/ from relating parties other than stated above under 13(b)(xi).
- e) Figures in brackets pertain to previous year.

Notes forming part of the financial statements

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

14. Disclosure under clause 32 of the Listing Agreement :

Loan given to Subsidiary:

(₹ in Lacs)

Particulars	Amount outstanding as at		Maximum amount outstanding at any time during the year ended	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Indo Gulf Industries Ltd.	–	362.25	362.25	362.25

- Loan to Subsidiary fall under the category of “Loans and Advances in the nature of Loans where there is no repayment schedule” and was re-payable on demand.
- The above loan was interest bearing. However, interest for the current year as well as previous year has not been accounted for as the loan (including interest accrued thereon) was considered as doubtful of realisation in the previous year and has been written off during the current year.
- No investment is made by the loanee company in the shares of the Company.

15. Derivative Instruments

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

(₹ in Lacs)

Particulars	Outstanding amount of exposure hedged	
	As at 31st March, 2015	As at 31st March, 2014
Swaps	1747.52	4998.82
Forward Contracts	15965.68	–

- Based on the review made at the Balance Sheet date, MAT credit of ₹5642.00 lacs (previous year: ₹5642.00 lacs) recognised in earlier years is carried forward as the Management is confident that there will be sufficient taxable profit during the specified period to utilise the same.
- Under the New Sugar Industry Promotion Policy, 2004 of the Government of Uttar Pradesh, the Company had accounted for recoverable incentives aggregating to ₹16900.57 lacs and had availed remissions in respect of Entry Tax on Sugar, Administrative Charges on Molasses, Trade Tax on Molasses and Cane Purchase Tax aggregating to ₹8267.19 lacs till 31st March, 2012. The above policy was terminated by the Government of Uttar Pradesh vide order dated 4th June, 2007. The Company has been legally advised that it continues to be eligible to receive the incentives under the above policy. Furthermore, the Company has filed Writ Petition against withdrawal of the aforesaid policy which has been admitted by the Lucknow Bench of the Hon'ble Allahabad High Court vide its order dated 9th May, 2008, the final hearing of which is yet to be completed. As an interim measure, the Order permits limited protection from remission of taxes. Accordingly, during the year, the Company has accounted for only remissions of taxes of ₹56.58 lacs (Previous year ₹825.35 lacs). Eligible cumulative reimbursements of ₹9526.38 lacs (Previous year ₹6935.70 lacs) will be accounted for in accordance with the final order of the Hon'ble High Court. Even though the Company's aforesaid writ petition is pending in Hon'ble Allahabad High Court, in the assessment of Entry Tax on Sugar and Trade Tax on Molasses for the years 2008-09 to 2012-13, a sum of ₹3659.50 lacs and ₹883.59 lacs respectively aggregating to ₹4543.09 lacs has been determined by the assessing officer as Company's liability for four of its units namely Akbarpur, Mankapur, Kumbhi and Gularia though these units are eligible under the aforesaid incentive scheme. However, no demand has been raised on the Company by the assessing officer in view of limited protection from remission of taxes granted by Hon'ble High Court as aforesaid. Based on the same, the Company neither considers the aforesaid amount of ₹4543.09 lacs as a liability or a contingent liability.
- In view of inadequacy of profits, the Remuneration paid to the Managing Director and Joint Managing Director is the minimum remuneration in accordance with terms and conditions approved by the shareholders. Necessary approval has been obtained from the Central Government in this regard.

Notes forming part of the financial statements

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

19. Pursuant to the sanction of the Modified Rehabilitation Scheme containing the Scheme of Merger between Khalilabad Sugar Mills Pvt. Ltd. (KSMPL), a sick Company and the Company by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 14th August, 2013, KSMPL i.e. the Amalgamating Company was merged with the Company with effect from the appointed date i.e. 1st April, 2012. The effect of aforesaid merger was given in the accounts for the year ended 31st March, 2014.

20. The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 7th January, 2014 had permitted transfer of 20% equity shares of Indo Gulf Industries Ltd. (IGIL) held by the Company as well as induction of co-promoter /strategic investor in IGIL, under a Modified Draft Rehabilitation Scheme (MDRS) to be approved by the Hon'ble BIFR. However, the Hon'ble BIFR vide its order dated 4th August, 2014, reviewed its directions and directed the Operating Agency to submit its report after conducting due-diligence of co-promoter/ Strategic Investor and reserved its order for pronouncement.

The order in the subject matter was pronounced on 23rd January, 2015, whereby the Bench observed that induction of co-promoter/ strategic investor was not in transparent manner and was not in accordance with the Law. The Hon'ble BIFR fixed the next date of hearing for further hearing in the matter. Aggrieved by the BIFR's order dated 23rd January, 2015, IGIL has preferred an Appeal before the Hon'ble AAIFR which is pending adjudication before the Hon'ble AAIFR as on date. The Hon'ble AAIFR in the pending appeal has passed a direction vide its order dated 15th May, 2015, directing circulation of MDRS to all concerned for their consideration. As envisaged in the MDRS, after the said transfer of shares, IGIL will cease to be a subsidiary of the Company and the Co-Promoter shall invest in terms of the provisions contained in the MDRS to meet the requirement of funds for its revival.

21. Call Option Agreement

A Call Option Agreement with Talma Chemical Industries Private Limited (Talma), a Company having 100% interest in the Equity Share Capital of Visual Percept Solar Projects Private Limited (VPSPPL) has been entered by the Company during the year to acquire at a future date 8914500 Equity Shares of ₹10/- each fully paid at a mutually agreed price of ₹25/- per Equity Share of ₹10/- each.

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

(₹ in Lacs)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
a) Spare parts*	16.16	120.46
b) Capital goods	10.81	—

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

23. Expenditure in foreign currency

(₹ in Lacs)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
a) On professional and consultancy fees	—	6.07
b) On travelling	54.08	7.93
c) On interest / financial charges	91.21	189.15
d) Others	—	0.45

24. Consumption of materials

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Percentage	₹ in Lacs	Percentage	₹ in Lacs
a) Imported	—	—	—	—
b) Indigenous	100.00%	208354.02	100.00%	227500.10
Total	100.00%	208354.02	100.00%	227500.10

Notes forming part of the financial statements

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

25. Consumption of component and spare parts*

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Percentage	₹ in Lacs	Percentage	₹ in Lacs
a) Imported	0.63%	16.16	0.32%	7.21
b) Indigenous	99.37%	2553.42	99.68%	2221.35
Total	100.00%	2569.58	100.00%	2228.56

* Spare parts includes store items also.

26. Dividend remitted in foreign currency :

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

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
i) Year to which Dividend relates	—	2012-13
ii) Number of non-resident shareholders*	—	1461
iii) Number of Ordinary Shares held by them*	—	42942141
iv) Gross amount of Dividend (₹ in lacs)	—	858.84

* The Company has not declared any dividend for the year ended 31st March, 2014 and 31st March, 2015. Hence no disclosure in respect of Number of Non-resident shareholders and Number of shares held by them has been made.

27. The company has not incurred any cost in respect of RECs, as such RECs remaining unsold and lying in inventory as at the balance sheet date, the value of such inventory has been considered as Nil in the accounts.

28. Details of Loan and investments covered under section 186(4) of the Companies Act, 2013:

The particulars of investments made are given under "Non-current investments" under Note No. 13.

The particulars of loan given are as under:

Particulars	As at 31st March, 2015
Name of the Loanee	Auro Sugar Pvt. Ltd.
Amount of Loan (₹ in lacs)*	920.00
Rate of interest	13% p.a.
Terms of repayment of Loan	Repayable on demand
Purpose of utilisation of loan by the loanee	General corporate purpose

* No amount has been given during the year.

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

As per our report of even date attached.

For **G. P. Agrawal & Co.**

Chartered Accountants

Firm's Registration No. - 302082E

Sd/-

(CA. Sunita Kedia)

Partner

Membership No. 60162

Place of Signature: Kolkata

Date: 27th May, 2015

For and on behalf of the Board of Directors

Sd/-

S. K. Agrawala

Company Secretary

Sd/-

Kishor Shah

Director cum Chief

Financial Officer

DIN - 00193288

Sd/-

Vivek Saraogi

Managing Director

DIN - 00221419

Independent Auditor's Report

To
The Members of
Balrampur Chini Mills Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of **BALRAMPUR CHINI MILLS LIMITED** (hereinafter referred to as "the Holding Company") and its Subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements") for the year then ended.

Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making 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. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing 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 controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in Other Matters paragraph below, 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, 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, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of Indo Gulf Industries Ltd., a subsidiary, whose financial statements reflect total assets of ₹159.88 lacs as at 31st March, 2015, total revenues of ₹56.51

lacs and net cash flows amounting to ₹4.53 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has 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 the subsidiary, 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 subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and based on the comments in the auditors' reports of the Holding company and subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - i. 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.
 - ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - iv. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- v. On the basis of the written representations received from the directors of the Holding Company as at 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the group companies is disqualified as at 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group companies – Refer Note No. 29(1) to the consolidated financial statements.
 - b) The group companies did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - c) There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Holding company.

There were no amounts which were required to be transferred to the investor education and protection fund by the Subsidiary company.

For **G.P. Agrawal & Co.**
Chartered Accountants
Firm's Registration No. - 302082E

Sd/-
(CA. Sunita Kedia)
Place of Signature: Kolkata
Date: 27th May, 2015

(CA. Sunita Kedia)
Partner
Membership No. 60162

Annexure to the Auditor's Report

Statement referred to in our report of even date to the members of BALRAMPUR CHINI MILLS LIMITED on the consolidated financial statements for the year ended 31st March, 2015.

- (i) a) The group companies have maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (ii) a) The inventories have been physically verified during the year by the management of the group companies at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the group companies and nature of their business.
 - c) On the basis of our examination, we are of the opinion that the group companies are maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
 - (iii) The group companies have not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) and (iii) (b) of paragraph 3 of the said order are not applicable to the group companies.
 - (iv) On the basis of the information and explanation given to us, we are of the opinion that the group companies have an adequate internal control system commensurate with the size of the group companies and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services.
- Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) The group companies have not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the group companies.
 - (vi) We have broadly reviewed the books of account maintained by the Holding company in respect of products where pursuant to the rules made by the Central Government, the maintenance of Cost records has been prescribed under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We, however, as not required, have not made a detailed examination of such records. As per information given to us, the provisions relating to maintenance of cost records are not applicable to the subsidiary company.
 - (vii) a) On the basis of our examination, the group companies are regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, to the extent applicable, with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable. However, due to non-availability of records on account of seizure of explosive unit of the subsidiary company, we are unable to comment whether in respect of earlier years, any undisputed statutory dues were outstanding at the end of the year.

- b) The disputed statutory dues aggregating to ₹121.32 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the Statute	Nature of dues	Period to which pertain	Amount (₹ in Lacs)	Forum (Where the dispute is pending)
1	U.P. Trade Tax Act, 1948	Sales Tax	1990-91	0.22	Hon'ble High Court, Lucknow Bench
2	U.P. Trade Tax Act, 1948	Sales Tax	2002-03	0.65	Jt. Commissioner (Appeal) - Bahraich
3	Central Sales Tax Act, 1956	Central Sales Tax	2009-10	1.08	Dy. Commissioner (Appeal) - Balrampur
4	Central Excise Act, 1944	Excise Duty	2003-04	1.13	Commissioner (Appeals) Central Excise, Allahabad
5	Central Excise Act, 1944	Cenvat Credit	2006-08	12.77	CESTAT - New Delhi
6	Central Excise Act, 1944	Cenvat Credit	2006-07	0.38	Jt. Commissioner of Central Excise Allahabad
7	Central Excise Act, 1944	Cenvat Credit	2005-06	15.69	CESTAT - New Delhi
8	Central Excise Act, 1944	Excise Duty	2003-05	82.16	CESTAT - New Delhi
9	Central Excise Act, 1944	Cenvat Credit	2006-10	3.63	Commissioner (Appeals) Central Excise, Allahabad
10	Central Excise Act, 1944	Cenvat Credit	2010-11	1.63	CESTAT - New Delhi
11	Central Excise Act, 1944	Cenvat Credit	2008-11	1.98	Commissioner (Appeals) Lucknow
		Total		121.32	

- c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

(viii) The group companies do not have accumulated losses exceeding 50% of its net worth at the end of the financial year and have not incurred any cash loss during the year covered by our audit or in the immediately preceding financial year.

(ix) The group companies have not defaulted in payment of dues to financial institutions or banks. The group companies has not issued any debentures.

(x) On the basis of our examination and according to the information and explanations given to us, the group companies have not given any guarantee for loan taken by others from banks or financial institutions.

(xi) On the basis of our examination and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(xii) In our opinion and according to the information and explanations given to us, no fraud on or by the group companies have been noticed or reported during the year that causes the financial statements materially misstated.

For **G.P. Agrawal & Co.**
Chartered Accountants
Firm's Registration No. - 302082E

Sd/-

(CA. Sunita Kedia)

Partner

Place of Signature: Kolkata

Date: 27th May, 2015

Membership No. 60162

Consolidated Balance Sheet

as at 31st March, 2015

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2015		As at 31st March, 2014	
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	2	2449.16		2448.41	
(b) Reserves and surplus	3	110257.48	112706.64	119185.72	121634.13
(2) Minority interest			-		-
(3) Non - current liabilities					
(a) Long - term borrowings	4	43287.09		49417.83	
(b) Deferred tax liabilities (net)	5	22924.46		26450.30	
(c) Other long - term liabilities	6	609.69		503.01	
(d) Long - term provisions	7	265.79	67087.03	235.42	76606.56
(4) Current liabilities					
(a) Short - term borrowings	8	118282.88		85690.58	
(b) Trade payables	9	73616.75		101550.09	
(c) Other current liabilities	10	18320.70		30075.89	
(d) Short - term provisions	11	385.35	210605.68	345.69	217662.25
TOTAL			390399.35		415902.94
II. ASSETS					
(1) Non - current assets					
(a) Fixed assets	12				
(i) Tangible assets		137342.22		152369.78	
(ii) Intangible assets		332.10		55.81	
(iii) Capital work-in-progress	12A	756.30		30.13	
		138430.62		152455.72	
(b) Non - current investments	13	4074.26		4074.76	
(c) Long - term loans and advances	14	8906.13		7110.04	
(d) Other non - current assets	15	17151.95	168562.96	17108.45	180748.97
(2) Current assets					
(a) Inventories	16	166924.87		209228.86	
(b) Trade receivables	17	15861.26		6405.67	
(c) Cash and bank balances	18	8220.49		14351.69	
(d) Short - term loans and advances	19	3053.31		2829.45	
(e) Other current assets	20	27776.46	221836.39	2338.30	235153.97
TOTAL			390399.35		415902.94
Basis of consolidation and significant accounting policies	1				
Other disclosures	29				
The accompanying notes 1 to 29 are an integral part of the consolidated financial statements.					

As per our report of even date attached.

For **G. P. Agrawal & Co.**

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

Sd/-

(CA. Sunita Kedia)

Partner

Membership No. 60162

Sd/-

S. K. Agrawala

Company Secretary

Sd/-

Kishor Shah

Director cum Chief

Financial Officer

DIN - 00193288

Sd/-

Vivek Saraogi

Managing Director

DIN - 00221419

Place of Signature: Kolkata

Date: 27th May, 2015

Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2015		Year ended 31st March, 2014	
I. Revenue from operations (Gross)	21				
Sale of goods (Gross)		309321.02		275870.88	
Less: Excise duty		10623.23		9376.45	
Net sale of goods			298697.79		266494.43
Other operating revenue			—		—
Revenue from operations (net)			298697.79		266494.43
II. Other income	22		1519.35		2682.88
III. Total revenue (I+II)			300217.14		269177.31
IV. Expenses:					
Cost of materials consumed	23		208354.02		227500.10
Changes in inventories of finished goods, by-products and work-in-progress	24		42641.40		(18410.17)
Employee benefits expense	25		15029.90		14170.17
Finance costs	26		10209.23		11784.26
Depreciation and amortisation expense	27		11591.99		10958.29
Other expenses	28		20028.07		21428.63
Total expenses			307854.61		267431.28
V. Profit/(Loss) before exceptional and extra ordinary items and tax (III-IV)			(7637.47)		1746.03
VI. Exceptional items			—		—
VII. Profit/(Loss) before extraordinary items and tax (V-VI)			(7637.47)		1746.03
VIII. Extraordinary items			—		—
IX. Profit/(Loss) before tax (VII-VIII)			(7637.47)		1746.03
X. Tax expense :					
Current tax (MAT)		—		360.00	
Deferred tax charge/(write back)		(1842.86)		3390.36	
Tax provision for earlier years written back		—	(1842.86)	(2847.05)	903.31
XI. Profit/(Loss) after tax but before adjustment of minority interest and share of Associate (IX-X)			(5794.61)		842.72
Share of profit in Associate			—		3.05
XII. Profit/(Loss) for the year			(5794.61)		845.77
Profit/(Loss) attributable to					
Owners of the Company			(5794.61)		845.77
Minority interests			—		—
			(5794.61)		845.77
XIII. Earnings per share (Nominal value per share ₹1/-)					
[Refer Note No. 29(9)]					
- Basic (₹)			(2.37)		0.35
- Diluted (₹)			(2.37)		0.35
Number of shares used in computing Earnings per share					
- Basic			244899522		244840817
- Diluted			244987362		244962929
Basis of consolidation and significant accounting policies	1				
Other disclosures	29				
The accompanying notes 1 to 29 are an integral part of the consolidated financial statements.					

As per our report of even date attached.

For **G. P. Agrawal & Co.**

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

Sd/-
(CA. Sunita Kedia)

Partner

Membership No. 60162

Sd/-
S. K. Agrawala
Company SecretarySd/-
Kishor Shah
Director cum Chief
Financial Officer
DIN - 00193288Sd/-
Vivek Saraogi
Managing Director
DIN - 00221419

Place of Signature: Kolkata

Date: 27th May, 2015

Consolidated Cash Flow Statement

for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before exceptional and extra ordinary items and tax		(7637.47)		1746.03
<i>Adjustments to reconcile profit before exceptional items and extra ordinary items and tax to net cash flow provided by operating activities :</i>				
Finance costs	10209.23		11784.26	
Depreciation and amortisation expense	11591.99		10958.29	
Loss on sale/discard of fixed assets	174.03		618.49	
Sundry debit balances/advances written off	75.76		769.01	
Transfer to storage fund for molasses	19.35		19.26	
Mark to market loss on derivatives	3.88		–	
Provision for contingency	–		0.10	
Provision for doubtful debts, loans and advances	–		6.55	
Interest income	(358.02)		(514.14)	
Profit on sale of fixed assets	(128.63)		(58.36)	
Unspent liabilities/balances written back	(342.60)		(1425.28)	
Provision for doubtful debts/advances written back	(7.51)		(17.25)	
Investments written off	0.05		–	
Profit on sale of shares of associate	–		(84.80)	
Expense on employee stock option scheme	(5.83)		(3.92)	
Unrealised exchange rate fluctuation	76.92		527.65	
		21308.62		22579.86
Operating profit before working capital changes		13671.15		24325.89
<i>Adjustments to reconcile operating profit to cash flow provided by changes in working capital :</i>				
(Decrease)/increase in trade payables	(27590.73)		29641.93	
(Decrease) in other current liabilities	(626.99)		(1371.88)	
Increase/(decrease) in provision for employee benefits/wealth tax	66.15		(109.39)	
Decrease/(increase) in inventories	42303.99		(17790.00)	
(Increase)/decrease in trade receivables	(9451.47)		11731.75	
(Increase)/decrease in long-term and short-term loans & advances	(883.09)		699.29	
(Increase) in other non-current and other current assets	(23911.87)		(1977.95)	
		(20094.01)		20823.75
Cash (used in) / generated from operations		(6422.86)		45149.64
Tax (expense)/ refund (excluding wealth tax)		(1209.22)		1083.58
Cash flow before exceptional and extraordinary items		(7632.08)		46233.22
Exceptional/extraordinary items		–		–
Net cash (used in)/generated from operating activities (A)		(7632.08)		46233.22
B CASH FLOW FROM INVESTING ACTIVITIES				
Additions to fixed assets (including intangibles)	(2697.13)		(7714.84)	
Sale of fixed assets	199.30		132.31	
Sale of shares of associate	–		234.14	
Purchase of national savings certificates	(2.54)		(0.65)	
Proceeds from maturity of national savings certificates	3.00		0.17	
Fixed deposits placed with banks	(414.62)		(74.65)	
Fixed deposits redeemed from banks	362.71		89.04	
Loan received back from a corporate	–		550.00	
Interest received on debentures/fixed deposits and NSC	246.82		434.01	
Net cash (used in) investing activities (B)		(2302.46)		(6350.47)

Consolidated Cash Flow Statement (Contd...)

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of equity shares on exercise of equity stock options	33.95		–	
Proceeds from long term borrowings	–		41162.00	
Repayment of long term borrowings	(17900.03)		(27343.40)	
Proceeds from issue of commercial paper (net)	31453.73		–	
Proceeds/(repayment) of other short-term borrowings (net)	92.30		(41087.71)	
Interest expense	(9848.60)		(11521.12)	
Other borrowing costs	(54.39)		(172.68)	
Dividend paid	–		(4896.82)	
Dividend distribution tax paid	–		(832.21)	
Net cash generated from/(used in) financing activities (C)		3776.96		(44691.94)
Net (decrease) in cash and cash equivalents (A+B+C)		(6157.58)		(4809.19)
Opening cash and cash equivalents		13861.55		18623.04
Cash and bank balance acquired on merger		–		47.70
Closing cash and cash equivalents (Refer Note No. 18)		7703.97		13861.55

Notes:

- 1) The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.
- 2) Interest expense is inclusive of, and additions to fixed assets are exclusive of, interest capitalised Nil (previous year ₹61.23 lacs).
- 3) Additions to fixed assets include movement of Capital work-in-progress during the year.
- 4) Consideration for sale of shares of Associate has been fully discharged by means of Cash.
- 5) Proceeds/(repayment) from Commercial paper and other Short-term borrowings qualify for disclosure on net basis.
- 6) Cash and cash equivalents do not include any amount which is not available to the Company for its use.
- 7) Cash and cash equivalents as at the Balance Sheet date consists of:

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
a) Balance with banks on current accounts		7531.44		13755.93
b) Cheques on hand		1.66		–
c) Cash on hand		170.87		105.62
		7703.97		13861.55

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

As per our report of even date attached.

For **G. P. Agrawal & Co.**
Chartered Accountants
Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

Sd/-
(CA. Sunita Kedia)
Partner
Membership No. 60162

Sd/-
S. K. Agrawala
Company Secretary

Sd/-
Kishor Shah
Director cum Chief
Financial Officer
DIN - 00193288

Sd/-
Vivek Saraogi
Managing Director
DIN - 00221419

Place of Signature: Kolkata
Date: 27th May, 2015

Notes forming part of the consolidated financial statements

Note No : 1 Basis of Consolidation and Significant accounting policies

A. Principles of consolidation

The Consolidated Financial Statements relate to Balrampur Chini Mills Limited ("The Company") and its Subsidiary. The Company and its Subsidiary constitute the Group. The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Company and its Subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses thereon have been fully eliminated.
- The Consolidated Financial Statements include the Share of Profit of the Associate Company till last year which has been accounted as per the "Equity Method".
- The excess of cost to the Company of its Investments in the Subsidiary and Associate over its Share of Equity of the Subsidiary and Associate, at the date on which the investments are made, is recognised as "Goodwill" being an asset in the Consolidated Financial Statements. The Goodwill so arising on consolidation of subsidiary is amortised in 5 years.
- The Minority Interest in the net assets of the Subsidiary on the date of Balance Sheet is Nil as the net worth of the Subsidiary has been fully eroded. Accordingly, the Minority Share in the loss up to the date of Investment in the Subsidiary has been adjusted with the Share of Majority and shown as Goodwill. Minority Share of losses subsequent to the date of Investment has also been adjusted with the Share of the Majority.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented in the same manner as the Parent Company's separate financial statements.
- Companies considered in the consolidated financial statements:

Name of the Company	Country of Incorporation	Percentage of ownership interest as at		Financial year ends on
		31.03.2015	31.03.2014	
Subsidiary :				
Indo Gulf Industries Ltd.	India	53.96%	53.96%	31st March
Associate :				
VA Friendship Solar Park Pvt. Ltd. *	India	—	—	31st March

* Investment fully disposed off on 3rd March, 2014.

B. Basis of preparation of consolidated financial statements

- The Financial Statements of the Subsidiary used in consolidation is drawn upto the same balance sheet date as of the Company.

The Consolidated Financial Statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India.

The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention except for certain tangible fixed assets which are carried at revalued amounts.

GAAP comprises applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India, relevant applicable provisions of the Companies Act, 1956, and Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI).

The Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of the Subsidiary and Associate, on the audited financial statements prepared for consolidation in accordance with the requirements of Accounting Standard 21 – "Consolidated Financial Statement" and Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statement" for each of the included entities.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

Notes forming part of the consolidated financial statements

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

C. Significant accounting policies

1. Use of estimates

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

2. Fixed assets and capital work-in-progress

- a) Tangible fixed assets are stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

Cost, net of cenvat, includes acquisition price, import duties, other non- refundable taxes and levies, directly attributable expenses and pre-operational expenses including finance costs, wherever applicable for bringing the asset to its working condition for the intended use.

- b) Intangible assets acquired separately which are expected to provide future enduring economic benefits are stated at their original cost less accumulated amortisation and impairment, if any.

Cost, net of cenvat, includes acquisition price, licence fees and costs of implementation/system integration services and any directly attributable expenditure, wherever applicable for bringing the asset to its working condition for the intended use.

- c) Expenditure during construction period: Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital work-in-progress". Capital work-in-progress is stated at the amount expended upto the date of Balance Sheet for the cost of fixed assets that are not yet ready for their intended use.

- d) Assets identified and technically evaluated as obsolete and retired from active use and are held for disposal stated at the lower of their net book value and estimated realisable value.

3. Depreciation and amortisation

- a) Depreciation on tangible fixed assets is provided on straight line basis so as to charge the cost of the assets or the amount substituted for costs in case of revalued assets less its residual value over the useful life of the respective asset as prescribed under Part C of Schedule II to the Companies Act, 2013, other than for Power Transmission Lines and Mobile Phones.

The management is of the view that the estimated useful life of Power Transmission Lines and Mobile Phones are five years and three years respectively. Hence, Power Transmission Lines are depreciated over a period of five years and Mobile Phones over a period of three years on straight line basis.

Residual value has been considered as 5% of the cost of the respective assets.

- b) Lease hold land in the nature of perpetual lease are not amortised. Other lease hold land are amortised over the period of the lease on straight line basis.
- c) Computer Software (Acquired) are amortised on straight line basis over a period of five years.
- d) Depreciation/amortisation on assets added, sold or discarded during the year is provided on pro-rata basis.

4. Investments

Investments are either classified as current or long-term based on Management's intention at the time of acquisition.

Long - term investments are carried at cost less provision for diminution recorded to recognise any decline, other than temporary, in the carrying value of each investment.

Current investments are carried at lower of cost and fair value, category wise.

Cost includes acquisition price and directly attributable acquisition charges such as brokerage, fee and duties.

Notes forming part of the consolidated financial statements

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

5. Inventories

- a) Inventories (other than By-products and Standing crop) are valued at lower of cost and net realisable value after providing for obsolescence, if any.

Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventories.

The cost of Inventories is computed on weighted average basis.

- b) By-products and Standing crop are valued at net realisable value.

6. Revenue recognition

- a) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.
- b) Gross turnover includes excise duty and cess and excludes sales tax/VAT, trade discounts and rebates.
- c) Income from sale of Renewable Energy Certificates (RECs) is recognised on the delivery of the RECs to the customers's account.
- d) Dividend income is recognised when the Company's right to receive dividend is established.
- e) Interest income is recognized on time proportion basis taking into account the amount outstanding and the interest rate applicable.
- f) Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.
- g) All other income are accounted for on accrual basis.

7. Expenses

All the expenses are accounted for on accrual basis.

8. Government grants

- a) Grants and subsidies from the Government are recognised when there is reasonable assurance that the Company would comply with the conditions attached with them and the grant/subsidy would be received.
- b) Government grants related to specific fixed assets are adjusted with the value of the fixed asset.
- c) Government grants related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

9. Provisions, contingent liabilities and contingent assets

A provision is recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable as a result of a past event, and the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by best estimate of the outflow of economic benefits required to settle the obligation at the Balance Sheet date.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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

A Contingent Asset is neither recognised nor disclosed in the Financial Statements.

10. Impairment of assets

An asset is treated as impaired when the carrying amount of the asset exceeds its recoverable value.

The Company assesses at each Balance Sheet date whether there is an indication that an asset may be impaired.

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

The Company also assesses at each Balance Sheet date whether there is an indication that the impairment losses recognised in earlier

Notes forming part of the consolidated financial statements

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

years no longer exist or have decreased. If such indication is there, then impairment losses recognised in prior years are reversed.

Such reversals are recognised as an increase in carrying amount of assets to the extent that it does not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognised in previous years.

11. Foreign currency transactions and translations

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

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

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

- c) In case of monetary assets and liabilities which are covered by forward exchange contracts, the difference between the year-end rate and the rate on the date of the contract is recognised as exchange difference.

The premium or discount on forward exchange contracts is recognized over the period of the respective contract.

12. Borrowing costs

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

13. Employee benefits

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

14. Employee stock option scheme

In respect of employee stock options granted pursuant to the Company's Employee Stock Option Scheme, the intrinsic value of the options (excess of market price of the share on the date of grant over the exercise price of the option) is treated as discount and amortised as employee compensation cost on a straight line basis over the vesting period in accordance with the Guidelines announced by the SEBI from time to time and the Guidance Note on Accounting of Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

15. Taxes on income

Tax expense for the period comprises of current income tax and deferred tax.

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

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

Notes forming part of the consolidated financial statements

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

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 Balance Sheet date.

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

16. Derivative instruments

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

Losses in respect of outstanding derivative contracts at the balance sheet date taken for firm commitment or highly probable forecast transactions are marked to market and are recognised in the Statement of Profit and Loss.

17. Segment reporting

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

- a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment transfers.

Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company's intermediate and final products and estimated realisable value in case of By-products.

- b) Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable".

18. Earnings per share

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

Diluted earnings per share are computed by dividing the net profit/(loss) after tax (including the post-tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined as at the end of each period presented.

19. Cash flow statement

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

20. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

21. Commercial papers

Commercial papers are recognised as a liability at the face value at the time of issuance of instrument. The discount is amortised as an interest cost over the period of commercial paper at the rate implicit in the transaction.

Notes forming part of the consolidated financial statements

Note No : 2 Share capital

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
(a) Authorised				
Equity shares of par value ₹1/- each	400000000	4000.00	400000000	4000.00
Preference shares of par value ₹100/- each	2500000	2500.00	2500000	2500.00
		6500.00		6500.00
(b) Issued, subscribed and fully paid up				
Equity shares of par value ₹1/- each	244916267	2449.16	244840817	2448.41
		2449.16		2448.41
Issue of 17270 (Previous year 17270) equity shares on Right basis has been kept in abeyance in view of pending dispute.				
(c) Reconciliation of number and amount of equity shares outstanding:				
At the beginning of the year	244840817	2448.41	244313923	2443.14
Add:				
(i) Shares issued on exercise of employees stock options [Refer Note No. 29(2)]	75450	0.75	–	–
(ii) Shares issued to the shareholders of erstwhile Khalilabad Sugar Mills Pvt. Ltd. (KSMPL) pursuant to Scheme of Merger	–	–	526894	5.27
At the end of the year	244916267	2449.16	244840817	2448.41

(d) The Company has only one class of equity shares. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.

(e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Shareholders holding more than 5 % of the equity shares in the Company :

Name of the shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares held	% of holding	No. of shares held	% of holding
Life Insurance Corporation of India	19341962	7.90	19995490	8.17
Government Pension Fund Global	13057899	5.33	11409530	4.66
Shri Vivek Saraogi	38082320	15.55	38082320	15.55
Smt. Meenakshi Saraogi	14244300	5.82	14244300	5.82

(g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding last five years ended on 31st March, 2015 – 570942 equity shares (previous period of five years ended 31st March, 2014 - 570942 equity shares).

(h) The aggregate number of equity shares bought back in immediately preceding last five years ended on 31st March, 2015 - 15410135 equity shares (previous period of five years ended 31st March, 2014 - 15410135 equity shares).

(i) The Company has reserved 213200 (Previous year 306150) equity shares of par value ₹1/- each for issue at a premium of ₹44/- each to eligible employees of the Company under Employees Stock Option Scheme. All these shares are vested and are exercisable at any point of time. Refer Note No. 29(2) for terms of employees stock option scheme.

Notes forming part of the consolidated financial statements

Note No : 3 Reserves and surplus		(₹ in Lacs)	
Particulars	As at 31st March, 2015	As at 31st March, 2014	
(a) Capital reserves			
Balance as per last account	1156.24	1028.22	
Add: Acquired on merger	–	128.02	1156.24
(b) Capital redemption reserve			
Balance as per last account	2654.10		2654.10
(c) Securities premium reserve			
Balance as per last account	51835.51	51835.51	
Add: On exercise of employees stock options	55.65	–	51835.51
(d) Revaluation reserve			
Balance as per last account	18.24		18.24
(e) Share options outstanding account			
Balance as per last account	102.46	106.38	
Less: Options exercised	22.46	–	
Less: Options forfeited	5.83	3.92	102.46
(f) General reserve			
Balance as per last account	68154.38	65773.44	
Add: Amalgamation reserve	–	2380.94	
Less: Deduction on account of depreciation *	3180.34	–	68154.38
(g) Storage fund for molasses			
Balance as per last account	77.71	51.60	
Add: Acquired on merger	–	5.31	
Add: Transfer from KSMPL for 2012-13	–	1.54	
Add: Created during the year	19.35	19.26	77.71
(h) Surplus in the Statement of Profit and Loss			
Balance as per last account	(4812.92)	7695.67	
Less: Debit balance of Statement of Profit and Loss of transferor company acquired on merger	–	10725.94	
Less: Loss of KSMPL during 2012-13	–	2616.09	
	(4812.92)	(5646.36)	
Add: Profit/ (loss) for the year	(5794.61)	845.77	
Amount available for appropriation	(10607.53)	(4800.59)	
Less : Appropriations:			
Dividend on equity shares (including tax on dividend ₹1.79 lacs) for 2012-13	–	12.33	
Total appropriations	–	12.33	
Balance as at the Balance Sheet date	(10607.53)		(4812.92)
	110257.48		119185.72

* Represents adjustment as per transitional provisions of Schedule II to the Companies Act, 2013 in relation to assets where useful life has already exhausted.

Notes:

- General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.
- The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974 and the said storage fund is represented by investment in the form of fixed deposits with banks amounting to ₹114.28 lacs (Previous year ₹92.37 lacs).

Notes forming part of the consolidated financial statements

Note No : 4 Long - term borrowings		(₹ in Lacs)	
Particulars	As at 31st March, 2015	As at 31st March, 2014	
Term loans			
From banks			
Secured			
Rupee loans:			
State Bank of India (SBI)	17760.40	32500.00	
Punjab National Bank (PNB)	4921.38	5062.00	
HDFC Bank Ltd. (HDFC)	3600.00	3600.00	41162.00
FCNR - B Loan:			
State Bank of India (SBI)	12239.60		–
From entities other than banks			
Secured			
Rupee loans:			
Government of India, Sugar Development Fund (SDF)	4457.33	6276.85	
External commercial borrowing (ECB):			
International Finance Corporation, Washington (IFC)	–	1670.60	7947.45
Deferred Sales Tax Loan			
Unsecured	308.38		308.38
	43287.09		49417.83

a) Nature of securities:

- Rupee Term Loan from SBI amounting to ₹17500.00 lacs under Scheme for Extending Financial Assistance to Sugar Undertakings, 2014, is secured by pari passu first charge, by way of hypothecation of all the movable fixed assets and pari passu first charge on immovable properties, both present and future, pertaining to all the sugar units of the Company except Khalilabad sugar unit.
- Rupee/FCNR-B Term Loan from SBI amounting to ₹15282.20 lacs is secured by first charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to Company's sugar and cogeneration units at Balrampur, Akbarpur and Mankapur and is further secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company. The hypothecation charge on the stocks as mentioned above ranks pari passu with PNB and HDFC for their Working capital loans.
- Rupee Term Loan from PNB, under Scheme for Extending Financial Assistance to Sugar Undertakings, 2014, is secured by residual charge, by way of hypothecation of all the movable fixed assets, both present and future, pertaining to all the sugar units of the Company.
- Rupee Term Loan from HDFC is secured by first charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to Company's distillery units at Babhnan and Mankapur.
- Rupee Term Loans from SDF are secured by an exclusive second charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, of the respective sugar and cogeneration units viz Mankapur, Kumbhi, Gularia and Rauzagaon and in respect of Khalilabad Sugar unit, the said loan is secured by first charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future.
- ECB from IFC is secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties and residual charge on current assets, both present and future, pertaining to Company's sugar and cogeneration units at Haidergarh and Rauzagaon.
- Rupee Term Loan from YBL was secured by subservient charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to all sugar and cogeneration units of the Company. As the amount outstanding as at 31st March, 2014 was payable entirely within one year, the same was included in the line item "Current maturities of long-term debt" under the head "Other current liabilities" as at 31st March, 2014.
- Rupee Term Loan from SBI amounting to ₹4980.00 lacs was secured by first charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to Company's sugar units at Babhnan, Tulsipur, Akbarpur and Maizapur and Chemical unit at Balrampur and was further secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company. The hypothecation charge on the stocks as mentioned above ranked pari passu with PNB and HDFC for their Working capital loans. As the amount outstanding as at 31st March, 2014 was payable entirely within one year, the same was included in the line item "Current maturities of long-term debt" under the head "Other current liabilities" as at 31st March, 2014.

Notes forming part of the consolidated financial statements

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

b) Terms of repayment :

Name of the banks / entities	Rate of Interest	Amount outstanding as at 31.03.2015		Period of maturity w.r.t. the Balance Sheet date	Number of installments outstanding as at 31.03.2015	Amount of each installment (₹ in Lacs)
		Current (₹ in Lacs)	Non current (₹ in Lacs)			
Government of India, Sugar Development Fund	* Bank Rate (-) 2% i.e. 4% p.a.	638.88 (638.88)	– (638.88)	8 months 5 days	2	319.44
		237.66 (237.66)	118.83 (356.48)	1 year 3 months 14 days	3	118.83
		342.98 (342.98)	171.49 (514.48)	1 year 5 months 18 days	3	171.49
		– (–)	2667.01 (2667.01)	4 years 5 months 15 days	5	533.40
		– (97.39)	– (–)	–	–	–
		– (174.90)	– (–)	–	–	–
	# Bank Rate	300.00 (300.00)	1500.00 (2100.00)	6 years	6	300.00
	Sub-total	1519.52 (1791.81)	4457.33 (6276.85)			
State Bank of India	\$ 12% p.a. (Fixed)	– (–)	17500.00 (17500.00)	4 years	12	∞ 1458.30
Punjab National Bank	\$ 12% p.a. (Fixed)	140.62 (–)	4921.38 (5062.00)	4 years	36	▲ 140.62
HDFC Bank Limited	HDFC Base Rate (+) 0.90%	– (–)	3600.00 (3600.00)	3 years 7 months 17 days	1	3600.00
State Bank of India ♦	SBI Base Rate (+) 2%	2782.20 (–)	12500.00 (15000.00)	3 years 6 months	7	^ 2500.00
International Finance Corporation, Washington @	8.19% on JPY notional	1747.52 (3328.22)	– (1670.60)	5 months 15 days	1	1747.52
Deferred Sales Tax Loan \$\$	–	– (–)	308.38 (308.38)		–	–
Yes Bank Ltd.	YBL Base Rate (+) 0.75%	– (7500.00)	– (–)	–	–	–
State Bank of India	SBI Base Rate (+) 2%	– (4980.00)	– (–)	–	–	–
	Sub-total	4670.34 (15808.22)	38829.76 (43140.98)			
	Grand Total	6189.86 (17600.03)	43287.09 (49417.83)			

Figures in brackets pertain to previous year.

* Bank rate as prevailing on the date of disbursement.

Bank rate as applicable from time to time.

\$ Entitled for interest subvention from Sugar Development Fund up to 12.00% p.a.

∞ Except last four installments of ₹1458.40 lacs each.

▲ Except last installment of ₹140.30 lacs.

♦ During the year, part of the Rupee Term Loan from SBI was converted into FCNR-B (Term Loan) carrying interest rate of USD 6M Libor + 3.05%. The repayment terms as applicable to Rupee Term Loan are applicable to said FCNR-B (Term Loan).

^ Except first and second installment of ₹1250.00 lacs and ₹1532.20 lacs respectively.

@ External commercial borrowing from IFC is payable in USD, therefore, the installment amount has been determined on the basis of applicable exchange rate prevailing as at the Balance Sheet date.

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

Notes forming part of the consolidated financial statements

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Deferred tax liabilities				
Depreciation		25645.15		29213.23
Less: Deferred tax assets				
Carried forward losses	181.06		162.65	
Expenses allowable for tax purposes when paid	2539.63	2720.69	2600.28	2762.93
		22924.46		26450.30

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

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Interest accrued but not due on borrowings		609.69		503.01
		609.69		503.01

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Provision for employee benefits - unavailed leave		265.79		232.21
Provision for wealth tax	–		50.00	
Less : Advance wealth tax	–	–	46.79	3.21
		265.79		235.42

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Loans repayable on demand				
Working capital loans				
From banks				
Secured				
State Bank of India (SBI)	52920.96		54781.07	
Punjab National Bank (PNB)	17500.04		10550.68	
HDFC Bank Ltd. (HDFC)	12861.88	83282.88	20358.83	85690.58
Unsecured				
HDFC Bank Ltd. (HDFC)		2500.00		–
Other loans and advances				
Working capital loans				
From banks				
Secured				
State Bank of India (SBI)				
Commercial paper		17500.00		–
Unsecured				
HDFC Bank Ltd. (HDFC)				
Commercial paper		15000.00		–
		118282.88		85690.58
Summary of short-term borrowings				
Secured borrowings		100782.88		85690.58
Unsecured borrowings		17500.00		–
		118282.88		85690.58

Notes forming part of the consolidated financial statements

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

Nature of securities:

a) Working capital loans from SBI are secured / to be secured :

- i) by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company on pari passu basis with PNB and HDFC.
- ii) by way of exclusive hypothecation of entire current assets of all the Cogeneration units of the Company.
- iii) by way of second charge on immovable and movable properties (excluding current assets and book debts), both present and future, of Maizapur sugar unit of the Company on pari passu basis with PNB and HDFC.
- iv) by way of third charge on immovable and movable properties (excluding current assets and book debts), both present and future, of all the sugar units of the Company, except Maizapur sugar unit. The said third charge ranks pari passu with PNB and HDFC except for Khalilabad Sugar Unit on which SBI has exclusive charge.

b) Working capital loans from PNB are secured :

- i) by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company on pari passu basis with SBI and HDFC.

c) Working capital loans from HDFC are secured / to be secured:

- i) by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company on pari passu basis with SBI and PNB.
- ii) by way of second charge on immovable and movable properties (excluding current assets and book debts), both present and future, of Maizapur sugar unit of the Company on pari passu basis with SBI and PNB.
- iii) by way of third charge on immovable and movable properties (excluding current assets and book debts), both present and future, of all the sugar units of the Company, except Maizapur and Khalilabad sugar units on pari passu basis with SBI and PNB.

Note No : 9 Trade payables

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Total outstanding dues of Micro and Small Enterprises [Refer Note No. 29(3)]	46.11	18.33
Total outstanding dues of other than Micro and Small Enterprises	73570.64	101531.76
	73616.75	101550.09

Notes forming part of the consolidated financial statements

Note No : 10 Other current liabilities		(₹ in Lacs)	
Particulars	As at 31st March, 2015	As at 31st March, 2014	
Current maturities of long - term debt *	6189.86	17600.03	
Interest accrued but not due on borrowings	717.37	1112.80	
Unpaid dividends @	100.64	102.87	
Other payables			
Payable to suppliers of capital goods			
Total outstanding dues of Micro and Small Enterprises [Refer Note No. 29(3)]	0.46	0.99	
Total outstanding dues of other than Micro and Small Enterprises	57.12	474.32	
	57.58	475.31	
Advance from customers and others	216.83	191.19	
Retention monies	254.62	243.03	
Security deposits	286.91	261.63	
Statutory liabilities #	7144.42	7250.40	
Book overdraft balances	134.59	287.05	
Forward contract payable	679.61	–	
Unpaid salaries and other payroll dues	1653.50	1893.28	
Accrued expenses	215.43	550.51	
Others	669.34	107.79	11260.19
	18320.70		30075.89
* Refer Note No. 4 (a) & (b) for nature of securities and terms of repayment respectively.			
@ There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under section 205C of the Companies Act, 1956.			
# Include excise duty on closing stock (₹ in lacs)	6309.99	6389.11	

Note No : 11 Short - term provisions		(₹ in Lacs)	
Particulars	As at 31st March, 2015	As at 31st March, 2014	
Provision for employee benefits - unavailed leave	300.27	270.30	
Other provisions			
Provision for mark to market loss on derivatives	3.88	–	
Provision for wealth tax	73.68	25.00	
Less : Advance wealth tax	42.87	–	25.00
Provision for contingencies [Refer Note No.29(4)]	50.39	50.39	
	385.35		345.69

Notes forming part of the consolidated financial statements

Note No : 12 Fixed assets														₹ in Lacs		
Particulars	Tangible assets								Intangible assets				Capital work-in-progress @	Grand total		
	Land (Free Hold)	Land (Lease Hold)	Buildings	Roads	Plant & equipments	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Installation and equipments	Pipelines	Total			Computer software (acquired)	Goodwill on consolidation
Gross block																
Gross carrying amount as at 01.04.2014	6831.56	484.49	5125.40	-	203357.07	1767.64	2106.47	1581.06	-	-	-	267653.69	145.53	2043.08	30.13	269726.90
Additions during the year	-	-	143.74	30.43	975.90	44.27	210.03	18.11	172.08	43.33	10.70	1648.59	322.37	-	322.37	1810.08
Reclassification made during the year	-	-	(2885.04)	2885.04	(31559.15)	(1.61)	-	(1092.29)	1093.90	20320.66	11238.49	-	-	-	-	-
Disposals/deductions during the year	6.83	-	96.85	-	171.33	1.05	222.95	4.53	16.65	4.02	-	524.21	-	-	1083.91	1608.12
Gross carrying amount as at 31.03.2015	6824.73	484.49	48687.25	2915.47	172602.49	1809.25	2093.55	502.35	1249.33	20359.97	11249.19	268778.07	467.90	1897.55	2363.45	271899.82
Depreciation /amortisation																
Opening accumulated depreciation /amortisation	-	47.35	11447.53	-	100482.82	1071.93	1175.90	1058.38	-	-	-	115283.91	89.72	1897.55	1987.27	-
Depreciation /amortisation for the year	-	6.40	3719.72	1202.30	5692.24	261.83	166.56	178.52	151.87	4032.65	997.15	16409.24	46.08	-	46.08	-
Reclassification made during the year	-	-	(411.17)	411.17	(13731.13)	(0.61)	-	(840.73)	841.34	8680.77	5050.36	-	-	-	-	-
Disposals/deductions during the year	-	-	10.45	-	97.44	0.94	127.58	3.82	15.15	1.92	-	257.30	-	-	-	-
Closing accumulated depreciation /amortisation	-	53.75	14745.63	1613.47	92346.49	1332.21	1214.88	392.35	978.06	12711.50	6047.51	131435.85	135.80	1897.55	2033.35	-
Net carrying amount																
Net block as at 31.03.2015	6824.73	430.74	33941.62	1302.00	80256.00	477.04	878.67	110.00	271.27	7648.47	5201.68	137342.22	332.10	-	332.10	756.30
																138430.62

Fixed assets - Previous year														₹ in Lacs		
Particulars	Tangible assets								Intangible assets				Capital work-in-progress @	Grand total		
	Land (Free Hold)	Land (Lease Hold)	Buildings	Roads	Plant & equipments	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Installation and equipments	Pipelines	Total			Computer software (acquired)	Goodwill on consolidation
Gross block																
Gross carrying amount as at 01.04.2013	6470.29	484.49	50415.69	-	191102.43	1796.19	2104.47	1690.69	-	-	-	254064.25	139.32	1897.55	2036.87	256612.10
Acquired on Merger	334.72	-	682.76	-	6476.13	7.23	7.89	30.97	-	-	-	7539.70	5.73	-	5.73	1.04
Additions of amalgamating company during 2012-13	-	-	-	-	34.97	0.45	-	1.65	-	-	-	37.07	-	-	-	(1.04)
Additions during the year	27.94	-	643.09	-	7140.40	38.75	320.04	86.50	-	-	-	8256.72	0.48	-	0.48	7039.62
Disposals/deductions during the year	1.39	-	216.14	-	1396.86	74.98	325.93	228.75	-	-	-	2244.05	-	-	-	7520.47
Gross carrying amount as at 31.03.2014	6831.56	484.49	51525.40	-	203357.07	1767.64	2106.47	1581.06	-	-	-	267653.69	145.53	1897.55	2043.08	30.13
Depreciation and amortization																
Opening accumulated depreciation /amortization	-	41.31	10194.64	-	88120.32	1049.23	1292.89	1123.80	-	-	-	101822.19	65.69	1897.55	1963.24	-
Acquired on Merger	-	-	329.43	-	3354.29	6.62	2.48	15.16	-	-	-	3707.98	0.76	-	0.76	-
Depreciation /amortisation of amalgamating company during 2012-13	-	-	22.18	-	341.97	0.57	0.75	3.43	-	-	-	368.90	1.15	-	1.15	-
Depreciation /amortization for the year	-	6.04	1097.28	-	9529.82	78.12	125.70	99.49	-	-	-	10936.45	22.12	-	22.12	-
Disposals/deductions during the year	-	-	196.00	-	863.58	62.61	245.92	183.50	-	-	-	1551.61	-	-	-	-
Closing accumulated depreciation /amortization	-	47.35	11447.53	-	100482.82	1071.93	1175.90	1058.38	-	-	-	115283.91	89.72	1897.55	1987.27	-
Net carrying amount																
Net block as at 31.03.2014	6831.56	437.14	40077.87	-	102874.25	695.71	930.57	522.68	-	-	-	152369.78	55.81	-	55.81	30.13
@ Refer Note No. 12A.																

Notes :

- Land, Building, Plant & Machinery, Railway siding, Tubewell and water supply machinery of Balrampur unit were revalued as at 30th June, 1988 on net replacement value as per the report of S. R. Batilboi Consultants Pvt. Ltd. and the cost of respective asset aggregating to ₹1200.77 lacs was substituted by the revalued amount of ₹1920.52 lacs and the resultant increase was credited to Revaluation reserve.
- Land, Building and Plant & Machinery of Tulsipur unit were revalued as at 31st March, 1999 on net replacement value as per the report of Lodha & Co. and the cost of the respective asset aggregating to ₹1023.85 lacs was substituted by the revalued amount of ₹2444.93 lacs and the resultant increase was credited to Revaluation reserve in the books of erstwhile Tulsipur Sugar Company Ltd.
- There was a pari passu charge by way of hypothecation and equitable mortgage on the fixed assets of Kumbhi and Gularia units of the Company for an amount of Euro 4.50 million equivalent to ₹ Nil (Previous year ₹2456.61 lacs) in favour of BNP Paribas, India for securing Swap Contract entered into in connection with hedging in respect of External commercial borrowing availed by the Company.
- Lease deed for 50 acres of land (Out of total land of 705 acres) for Jhansi plant has not been executed. In respect of some other land, the registration formalities are under process.

Notes forming part of the consolidated financial statements

Note No : 12 Fixed assets (Contd....)

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
5) Amount of finance cost capitalised [(Net of Interest subvention ₹ Nil (Previous Year ₹45.30 lacs) - Refer Note No. 29(5))]	–	61.23
6) Depreciation /Amortisation for the year includes:		
a) Depreciation for earlier years	–	(4.17)
b) Depreciation capitalised	–	0.28
c) Depreciation adjusted with retained earnings [Refer Note No. 29(6)]	4863.33	–

Note No : 12A Capital work-in-progress

Particulars	(₹ in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
Plant and equipments / Civil work - in - progress		
Additions during the year	1810.08	6843.44
(A)	1810.08	6843.44
Preoperative expenses/ trial run expenses		
Additions during the year		
Employee costs		
Salaries and wages	–	36.08
Contribution to provident and other funds	–	3.39
Staff welfare expense	–	0.31
		39.78
Finance costs		
Interest	–	49.83
Other borrowing costs	–	11.40
		61.23
Depreciation	–	0.28
Other expenses		
Consumption of stores and spare parts	–	1.17
Power and fuel	–	93.62
Insurance	–	5.08
Rates and taxes	–	1.74
Miscellaneous expenses	–	143.17
		244.78
(B)	–	346.07
Income during trial run :		
Sale of Power (C)	–	149.89
Total additions during the year D= (A+B-C)	1810.08	7039.62
Balance brought forward		
Plant and equipments/ Civil work - in- progress (E)	30.13	510.98
F = (D+E)	1840.21	7550.60
Capitalised during the year (G)	1083.91	7520.47
Capital work-in-progress at the end of the year H= (F-G)	756.30	30.13

Notes forming part of the consolidated financial statements

Note No : 13 Non - current investments

Particulars	Face value	As at 31st March, 2015		As at 31st March, 2014	
		No. of Shares/ Debentures	₹ in Lacs	No. of Shares/ Debentures	₹ in Lacs
Long term					
Trade investments					
Unquoted (Valued at cost)					
(a) In equity shares of companies					
Fully paid up :					
Asia Sugar Industries Pvt. Ltd.	₹10	250000	12.43	250000	12.43
(b) In debentures of a company \$					
Fully paid up :					
Visual Percept Solar Projects Pvt. Ltd.	₹100	4050000	4050.00	4050000	4050.00
Total (A)			4062.43		4062.43
Other investments					
Unquoted (Valued at cost)					
(a) In equity shares of companies/ co-operative Societies					
Fully paid up :					
Fortuna Services Ltd.	₹1	70287	0.70	70287	0.70
Balrampur Sugar Company Consumers Co-operative Society Ltd. #	₹100	–	–	35	0.03
Co-operative Development Union Ltd. #	₹10	–	–	110	0.01
Co-operative Stores Ltd. #	₹10	–	–	1	– @
(b) In Post Office National Saving Certificates (Deposited with Government authorities)			11.13		11.59
Total (B)			11.83		12.33
Total (A+B)			4074.26		4074.76
Aggregate amount of unquoted investments			4074.26		4074.76

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

@ Shown as Nil due to rounding off.

Written off during the year.

Notes forming part of the consolidated financial statements

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Capital advances		816.02		220.21
Security deposits		60.51		70.57
Other loans and advances				
Advances to suppliers and others				
Considered doubtful	231.04		234.43	
Less: Provision for doubtful advances	231.04		234.43	
	–		–	
Advance tax	6075.45		5000.28	
Less : Provision for taxation	4081.95		4216.00	
	1993.50		784.28	
MAT credit entitlement	5642.00		5642.00	
Prepaid expenses	23.01		27.72	
Duties and taxes paid under protest	371.09	8029.60	365.26	6819.26
		8906.13		7110.04

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Trade receivables				
Considered doubtful	95.17		99.29	
Less : Provision for doubtful debts	95.17	–	99.29	–
Fixed deposits with banks				
(Non current portion of original maturity period more than 12 months)				
For Molasses storage fund (Earmarked)	28.40		20.10	
Pledged with excise authorities	45.02	73.42	30.02	50.12
Interest accrued but not due				
Fixed deposits with banks	6.70		7.84	
National saving certificates	4.06	10.76	4.93	12.77
Claims receivable		17030.19		17030.19
Fixed assets held for disposal		37.58		15.37
		17151.95		17108.45

Notes forming part of the consolidated financial statements

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Raw materials	3791.60		2927.64	
Add : Goods-in-transit	2.19	3793.79	–	2927.64
Packing materials	356.70		379.99	
Add : Goods-in-transit	13.19	369.89	–	379.99
Work-in-progress				
Sugar	1942.25		2798.43	
Molasses	214.62		174.41	
Organic manure	35.13	2192.00	30.90	3003.74
Finished goods				
Sugar	147017.15		189841.07	
Industrial alcohol	1732.61		2627.16	
Banked power	88.52		79.60	
Organic manure	78.50	148916.78	72.23	192620.06
Stores and spares	4675.27		4700.86	
Add : Goods-in-transit	94.92	4770.19	165.01	4865.87
Loose tools		0.19		340.77
Crop/ Standing crop *		9.33		12.59
By-products *		6872.70		5078.20
		166924.87		209228.86

* Valued at net realisable value.

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Outstanding for a period exceeding six months from due date		22.25		28.38
Others		15839.01		6377.29
		15861.26		6405.67

Notes forming part of the consolidated financial statements

Note No : 18 Cash and bank balances

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Cash and cash equivalents				
Balances with banks				
On current accounts	7531.44		13755.93	
Cheques on hand	1.66		–	
Cash on hand	170.87	7703.97	105.62	13861.55
Other bank balances				
Earmarked balances				
Fixed deposits for molasses storage fund				
Current portion of original maturity period more than 12 months	15.51		16.06	
Original maturity period up to 12 months	70.37		56.21	
	85.88		72.27	
Unpaid dividend accounts	100.64	186.52	102.87	175.14
Fixed deposits pledged with excise authorities and bank				
Current portion of original maturity period more than 12 months	30.00		15.00	
Original maturity period upto 12 months *	300.00	330.00	300.00	315.00
		8220.49		14351.69
* Under lien with bank for swap contract (₹ in lacs)		300.00		300.00

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

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Security deposits		17.04		44.72
Other loans and advances				
Intercompany deposits	920.00		920.00	
Advances to suppliers and others	1225.45		931.96	
Cenvat, Vat and other taxes/duties	520.15		590.35	
Prepaid expenses	370.67	3036.27	342.42	2784.73
		3053.31		2829.45

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

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Deferred premium on forward contract		538.96		–
Unamortised interest on commercial paper		874.12		–
Interest accrued but not due on				
Inter corporate deposits	418.26		310.62	
Fixed deposits with banks	16.44		9.34	
Others	1.26	435.96	2.79	322.75
Claims receivable		25919.63		2015.55
Others		7.79		–
		27776.46		2338.30

Notes forming part of the consolidated financial statements

Note No : 21 Revenue from operations

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Sale of goods (Gross)				
Sugar	247370.52		220974.47	
Industrial alcohol	30737.18		26950.06	
Power	26130.31		22860.55	
Organic manure	645.96		584.51	
Molasses	1816.60		2882.97	
Renewable energy certificates	1983.70		462.78	
Others	636.75	309321.02	1155.54	275870.88
Other operating revenue		–		–
Revenue from operations (Gross)		309321.02		275870.88
Less : Excise duty on sale of goods		10623.23		9376.45
Revenue from operations (net)		298697.79		266494.43

Note No : 22 Other income

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Interest income				
Long term investments				
Debentures	202.50		202.50	
National saving certificates	1.06		1.12	
	203.56		203.62	
Inter corporate deposits	119.60		136.22	
Fixed deposits with banks	36.39		33.67	
Income tax refund	–		140.03	
Others	14.73	374.28	16.55	530.09
Net gain on sale of highly liquid investments (treated as cash equivalent)		132.27		98.98
Profit on sale of shares of Associates		–		84.80
Profit from dealing in commodities		–		3.61
Other non-operating income				
Insurance claims	174.50		307.04	
Profit on sale of fixed assets	128.63		58.36	
Unspent liabilities/balances written back	342.60		1425.28	
Refund of administrative charges on molasses	186.34		–	
Provisions for doubtful debts/ advances written back	7.51		17.25	
Profit from farm accounts [Refer Note No.29(7)]	4.61		2.86	
Miscellaneous	168.61	1012.80	154.61	1965.40
		1519.35		2682.88

Note No : 23 Cost of material consumed

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Sugar cane		206252.98		223810.10
Molasses		611.43		1970.20
Bagasse		1337.41		1460.34
Pressmud		37.71		37.05
Others		114.49		222.41
		208354.02		227500.10

Notes forming part of the consolidated financial statements

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

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Finished goods				
Opening stock				
Sugar	189841.07		168009.14	
Industrial alcohol	2627.16		2162.74	
Banked power	79.60		58.29	
Organic manure	72.23	192620.06	18.88	170249.05
Add: Acquired on merger				
Sugar		–		2556.38
Less : Closing stock				
Sugar	147017.15		189841.07	
Industrial alcohol	1732.61		2627.16	
Banked power	88.52		79.60	
Organic manure	78.50	148916.78	72.23	192620.06
Total (A)		43703.28		(19814.63)
By-products				
Opening stock		5078.20		5633.61
Add: Acquired on merger		–		118.38
Less : Closing stock		6872.70		5078.20
Total (B)		(1794.50)		673.79
Work-in-progress				
Opening stock				
Sugar	2798.43		3271.08	
Molasses	174.41		217.16	
Organic manure	30.90	3003.74	51.61	3539.85
Add: Acquired on merger				
Sugar	–		6.21	
Molasses	–	–	0.15	6.36
Less : Closing stock				
Sugar	1942.25		2798.43	
Molasses	214.62		174.41	
Organic manure	35.13	2192.00	30.90	3003.74
Total (C)		811.74		542.47
Total (A+B+C)		42720.52		(18598.37)
Less : Excise duty on stock *		79.12		(188.20)
		42641.40		(18410.17)

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

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

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Salaries and wages		13047.67		12263.77
Contribution to provident and other funds		1678.23		1608.41
Employee stock option expense		(5.83)		(3.92)
Staff welfare expense		309.83		301.91
		15029.90		14170.17

Note No : 26 Finance costs (₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Interest expense				
On long term borrowings	2798.93		3417.79	
On short term borrowings	7317.09		8179.81	
Others *	38.82	10154.84	25.38	11622.98
Other borrowing costs		54.39		161.28
		10209.23		11784.26
* Includes interest for shortfall in payment of advance income-tax (₹ in lacs)		–		16.00
* Includes interest for late payment of statutory dues (₹ in lacs)		1.63		–

Notes forming part of the consolidated financial statements

Note No : 27 Depreciation and amortisation expense

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Depreciation and amortisation of tangible assets *	11546.38		10936.17	
Amortisation of intangible assets *	45.61	11591.99	22.12	10958.29
		11591.99		10958.29

* Refer Note No.12

Note No : 28 Other expenses

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
Consumption of stores and spare parts		2569.58		2228.56
Packing materials		3480.36		3709.78
Power and fuel		424.94		469.37
Rent		72.88		56.43
Repairs				
Buildings	308.30		279.69	
Machinery	4002.46		4526.64	
Others	581.24	4892.00	282.24	5088.57
Insurance		483.17		424.32
Rates and taxes (excluding taxes on income)		229.61		256.50
Payments to auditor				
As auditor for statutory audit	37.71		25.21	
For tax audit	10.00		9.00	
For other services (Limited reviews & certifications)	18.26		12.80	
For reimbursement of expenses	3.92	69.89	4.47	51.48
Cost audit fees		3.50		3.50
Net loss on foreign currency transactions and translations		176.38		1027.60
Charity and donation		12.68		137.32
Corporate social responsibility expense [Refer Note No. 29(8)]		91.66		–
Directors' fees		14.40		6.00
Miscellaneous expenses		7183.31		6552.82
Loss on sale/discard of fixed assets		174.03		618.49
Sundry debit balances/advances written off		75.76		769.01
Loss from dealing in commodity futures (Sugar)		46.80		–
Mark to market loss on derivatives		3.88		–
Payment towards balances written back earlier		1.78		–
Investments written off		0.05		–
Prior period expenses *		2.06		2.97
Provision for doubtful debts, loans and advances		–		6.55
Provision for contingency		–		0.10
Transfer to storage fund for molasses		19.35		19.26
		20028.07		21428.63
* Includes				
Cost of materials		0.73		0.66
Repairs (Machinery)		–		0.02
Miscellaneous expenses		1.33		2.29
		2.06		2.97

Notes forming part of the consolidated financial statements

Note No : 29 Other disclosures

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

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
a) Contingent liabilities :		
i) Claims against the Company not acknowledged as debts :		
a) Excise duty demand - under appeal	307.84	311.37
b) Sales tax demand - under appeal	11.10	11.10
c) Others - under appeal/litigation	884.64	863.53
	1203.58	1186.00
ii) Claims for acquisition of 1.99 acres of land for the Distillery unit at Balrampur and compensation there against is under dispute as the matter is sub-judice	Amount not ascertainable	Amount not ascertainable

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

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.

(₹ in Lacs)

b) Commitments :		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	2521.09	570.34
ii) Advance paid against above	816.02	220.21

2. The Employee Stock Option Scheme (Scheme 2005) of the Company was formulated in the year 2005 and under the said Scheme, Options granted have vesting period of one year and exercise period of maximum eight years.

The maximum number of options granted till date stands at 5245500 and each option is equivalent to one equity share of par value of ₹1/- each of the Company.

In the year ended 30th September, 2009, Options covered by 1st, 2nd, 3rd and 4th Series which remained outstanding were re-priced and the revised Exercise Price of ₹45/- was approved by the Shareholders of the Company in the Extra-Ordinary General Meeting held on 25th May, 2009.

The Company uses intrinsic value method to account for the employee stock options granted to employees.

The details of Options granted, lapsed and exercised as at 31st March, 2015 are as under :

Year of Issue	2005-06	2006-07	2007-08	2008-09	2008-09	Total
Series	1st	2nd	3rd	4th	5th	
Date of grant of Option	31/10/05	27/11/06	27/11/07	25/11/08	28/05/09	
Initial Exercise Price (₹)	74.60	104.10	72.20	74.20	45.00	
Revised Exercise Price (₹)	45.00	45.00	45.00	45.00	N.A.	
Market Price on the date of grant (₹)	81.10	87.65	90.75	35.40	82.35	
Excess of initial Exercise Price over Revised Exercise Price (₹)	29.60	59.10	27.20	29.20	N.A.	
Excess of Market Price over Exercise Price/ Revised Exercise Price (₹)	36.10	42.65	45.75	–	37.35	
Number of Options granted upto 31.03.2015	622500	883000	995500	1280000	1464500	5245500
Number of Options exercised upto 31.03.2014	447500	653500	821000	1157000	1146350	4225350
Number of Options lapsed upto 31.03.2014	162000	210000	139500	81000	121500	714000
Number of Options outstanding on 01.04.2014	13000	19500	35000	42000	196650	306150
Number of Options exercised during the year	1000	1000	2500	16000	54950	75450
Number of Options lapsed during the year	12000	–	–	1500	4000	17500
Number of Options outstanding/ exercisable on 31.03.2015	–	18500	32500	24500	137700	213200

Note : Refer Director's Report for other disclosures.

Notes forming part of the consolidated financial statements

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

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

(₹ in Lacs)

Sl. No.	Description	2014-15	2013-14
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	37.89	16.52
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	4.52	0.36
c)	The amount of interest paid in terms of section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	2.80	0.65
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	4.16	2.44
e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year*	8.68	2.80
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	—	—

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

4. Disclosures in terms of Accounting Standard - 29

Movement for provision for contingencies:

(₹ in Lacs)

Particulars	Duties & taxes	Others	Total
Balance as at 1st April, 2014	49.76	0.63	50.39
Provided during the year	—	—	—
Amount used during the year	—	—	—
Reversed during the year	—	—	—
Balance as at 31st March, 2015	49.76	0.63	50.39
Balance as at 1st April, 2013	49.76	0.53	50.29
Provided during the year	—	0.10	0.10
Amount used during the year	—	—	—
Reversed during the year	—	—	—
Balance as at 31st March, 2014	49.76	0.63	50.39

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

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

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

5. The Company is eligible to receive Government grants by way of reimbursement of cane price, society commission and interest subvention on certain term loans. Accordingly, the Company has recognised these Government grants in the following manner:

(₹ in Lacs)

Sl. No.	Particulars	Treatment in Accounts	2014-15	2013-14
a)	Cane Price	Deducted from cost of materials consumed	25575.91	—
b)	Society commission	Deducted from cost of materials consumed	5301.96	4450.93
c)	Interest on term loans	Deducted from interest expense on long term borrowings	2887.44	60.81
		Deducted from the respective capital expenditure	—	45.30
			33765.31	4557.04

Notes forming part of the consolidated financial statements

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

6. Depreciation for the current year has been aligned to meet the requirements of Schedule -II to the Companies Act, 2013 and accordingly an amount of ₹3180.34 lacs (net of deferred tax benefit of ₹1682.99 lacs) in relation to the assets whose useful life has already exhausted has been adjusted with Retained Earnings.

Had the Company continued to charge depreciation based on rates and manner as specified under the erstwhile Schedule XIV to the Companies Act, 1956, depreciation expense and the Loss before Tax for the year ended 31st March, 2015 would have been lower by ₹570.58 lacs.

Further, retained earnings and deferred tax liabilities would have been higher by ₹3180.34 lacs and ₹1682.99 lacs respectively and net value of fixed assets as at the date would have been higher by ₹5433.91 lacs

7. Details of Profit from Farm Accounts :

(₹ in Lacs)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Income		
Sales	39.80	32.85
Closing stock of crop/standing crop	9.33	12.59
	49.13	45.44
Expenses		
Opening stock of crop/standing crop	12.59	12.45
Cane seeds purchases	1.39	3.36
Fertilisers and manures	5.95	7.14
Salaries and wages	11.54	7.70
Power and fuel	1.30	1.68
Irrigation and cultivation expenses	8.10	7.65
Repairs - others	1.90	1.14
Miscellaneous expenses	1.75	1.46
	44.52	42.58
Profit from Farm Accounts	4.61	2.86

8. Expenditure on Corporate Social Responsibilities (CSR) Activities

The various heads under which the CSR expenditure was incurred during the year is detailed as follows:

(₹ in Lacs)

Sl. No.	Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR Activities	2014-15
a)	Clause (i)	Promoting healthcare including preventive healthcare	18.80
b)	Clause (i)	Making available safe drinking water	1.58
c)	Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects	58.48
d)	Clause (iii)	Setting up homes & other facilities for orphans, senior citizens and for socially and economically backward groups	2.23
e)	Clause (iv)	Animal welfare	0.64
f)	Clause (vii)	Promoting rural sports & nationally recognised sports	9.83
g)	Clause (xi)	Slum area development	0.10
		Total	91.66

The aforesaid amount was spent for purposes other than on construction/acquisition of any asset.

Notes forming part of the consolidated financial statements

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

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

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
a) Amount used as the numerator (₹ in lacs)		
Profit/(Loss) for the year - (A)	(5794.61)	845.77
b) Weighted average number of Equity Shares outstanding used as denominator for computing Basic Earnings per Share - (B)	244899522	244840817
Add : Weighted average number of Equity Shares on account of Employees Stock Option Scheme	87840	122112
c) Weighted average number of Equity Shares outstanding used as denominator for computing Diluted Earnings per Share - (C)	244987362	244962929
d) Nominal value of Equity Shares (₹)	1.00	1.00
e) Basic Earnings per Share (₹) (A/B)	(2.37)	0.35
f) Diluted Earnings per Share (₹) (A/C)	(2.37)	0.35

10. Sugarcane Price Accounting

State Govt. of U.P. vide its Press Release dated 12th November, 2014 and Order No. 2970-C.D./46-3-14-3(48)/98-99 dated 24th December, 2014, had announced certain financial assistance including ₹28.60 per quintal of cane for the sugar season 2014-15 linked to average selling price of sugar and its by-products during the specified period from 1st October, 2014 to 31st May, 2015 which is to be recommended by the Committee constituted by the Government of Uttar Pradesh.

As the average selling price of sugar is significantly lower than the threshold specified in the above announcement, the Company has estimated and accounted for the above financial assistance aggregating to ₹20875.45 lacs during the year under review.

In addition, financial assistance of ₹6.00 per quintal of cane was announced for the sugar season 2013-14 vide Govt. of U.P. Order No. 2195 C.D./46-3-14-3(35)/2013 T.C. dated 9th September, 2014. Accordingly, the Company has also accounted for an amount of ₹4700.46 lacs during the year under review.

The aforesaid financial assistances have been included under the line item "Sugar cane" under Note No. 23 of Cost of material consumed.

11. Employee Benefits :

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

Defined Contribution Plan :

Employee benefits in the form of Provident Fund, Employee State Insurance and Labour Welfare Fund are considered as defined contribution plan except that Provident fund in respect of certain employees is contributed to a fund set up by the Company which is treated as defined benefit plan since the Company has to meet the interest shortfall.

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

Defined Contribution Plan	Year ended 31st March, 2015	Year ended 31st March, 2014
Employer's Contribution to Provident Fund	545.72	578.51
Employer's Contribution to Pension Scheme	484.46	331.37
Employer's Contribution to Labour Welfare Fund	0.01	0.01
Employer's Contribution to Employees' State Insurance Scheme	0.81	0.08

(₹ in Lacs)

Notes forming part of the consolidated financial statements

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

Defined Benefit Plan:

Provident fund in respect of certain employees is contributed to a fund set up by the Company which is treated as a defined benefit plan since the Company has to meet the interest shortfall. The interest shortfall of ₹ Nil (Previous year ₹11.63 lacs) at the year end is recognised as expenses for the year.

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

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

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

(₹ in Lacs)

Particulars	2014-15		2013-14	
	Gratuity	Provident Fund	Gratuity	Provident Fund
I. Components of Employer Expense :				
1 Current Service Cost	273.62	273.54	241.26	138.99
2 Past Service Cost	–	–	–	–
3 Interest Cost	244.27	283.48	230.55	259.57
4 Expected return on Plan Assets	257.62	285.29	244.11	238.80
5 Actuarial (Gain) /Loss recognised in the year	138.59	(116.61)	322.08	55.54
6 Expense recognised in the Statement of Profit and Loss	398.86	155.12	549.78	215.30
II. Change in Present Value of Defined Benefit Obligation :				
1 Present value of Defined Benefit Obligation at the beginning of the year	3220.19	3332.38	2789.78	2928.90
2 Acquisition Adjustment	–	–	154.34	–
3 Interest Cost	244.27	283.48	230.55	259.57
4 Past Service Cost	–	–	–	–
5 Current Service Cost	273.62	128.59	241.26	138.99
6 Employees Contribution	–	144.95	–	149.48
7 Benefits Paid	333.59	458.75	309.80	213.14
8 Actuarial (Gain) / Loss	251.17	(127.77)	114.06	68.58
9 Present value of Defined Benefit Obligation at the end of the year	3655.66	3302.88	3220.19	3332.38
III. Change in Fair Value of Plan Assets during the year :				
1 Plan Assets at the beginning of the year	3220.19	3209.12	2789.78	2877.08
2 Acquisition Adjustment	–	4.84	–	4.87
3 Expected return on Plan Assets	257.62	285.29	244.11	238.80
4 Contributions paid	398.86	273.54	549.78	288.47
5 Benefits paid	333.59	458.75	309.80	213.14
6 Actuarial Gain / (Loss)	112.58	(11.16)	(53.68)	13.04
7 Plan Assets at the end of the year	3655.66	3302.88	3220.19	3209.12
IV. Net Asset / (Liability) recognised in the Balance Sheet as at the year end:				
1 Present value of Defined Benefit Obligation	3655.66	3302.88	3220.19	3332.38
2 Fair value of Plan Assets	3655.66	3302.88	3220.19	3209.12
3 Funded Status [Surplus/(Deficit)]	–	–	–	(123.26)
4 Net Asset / (Liability) recognised in Balance Sheet	–	–	–	(123.26)

Notes forming part of the consolidated financial statements

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

(₹ in Lacs)

Particulars	2014-15		2013-14	
	Gratuity	Provident Fund	Gratuity	Provident Fund
V. Actuarial Assumptions :				
1 Discount Rate (per annum) %	8.00	8.75	8.75	8.75
2 Expected return on Plan Assets (per annum) %	8.00	8.89	8.75	8.30
3 Expected Rate of Salary increase %	5.50	5.50	5.50	5.50
4 Retirement/Superannuation Age (Year)	60	60	60	60
5 Mortality Rates	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
VI. Major Category of Plan Assets as a % of the Total Plan Assets as at the year end :				
1 Administered by Insurance Companies	84%	–	81%	–
2 Public Financial Institutions / Public Sector Companies bonds	6%	43%	8%	42%
3 Central / State Government Securities	9%	46%	10%	47%
4 Private sector bonds	–	11%	–	11%
5 Others (Cash and Cash Equivalents)	1%	–	1%	–
VII. Expected Employer's Contribution for the next year :				
Expected Employer's Contribution for the next year	475.00	141.45	435.00	152.00

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

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

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

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Gratuity					
Present value of Defined Benefit Obligation	3655.66	3220.19	2789.78	2412.35	2202.78
Fair value of Plan Assets	3655.66	3220.19	2789.78	2412.35	2202.78
(Deficit)/Surplus	–	–	–	–	–
Experience adjustments of Plan Assets Gain/(Loss)	112.58	(53.68)	103.10	(99.37)	(21.92)
Experience adjustments of Obligation (Gain)/Loss	251.17	114.06	191.45	2.36	183.64
Provident Fund					
Present value of Defined Benefit Obligation	3302.88	3332.38	2928.90	2526.57	2199.02
Fair value of Plan Assets	3302.88	3209.12	2877.08	2525.77	2152.92
(Deficit)/Surplus	–	(123.26)	(51.82)	(0.80)	(46.10)
Experience adjustments of Plan Assets Gain/(Loss)	(11.16)	13.04	11.84	(3.85)	111.32
Experience adjustments of Obligation (Gain)/Loss	(127.77)	68.58	47.74	(44.36)	149.77

Notes forming part of the consolidated financial statements

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

b) Details of unfunded post retirement Defined Obligations are as follows:		(₹ in Lacs)	
Particulars		Leave Encashment (Unfunded)	
		2014-15	2013-14
I. Components of Employer Expense :			
1 Current Service Cost		28.95	25.77
2 Past Service Cost		–	–
3 Interest Cost		19.58	18.60
4 Expected return on Plan Assets		–	–
5 Actuarial (Gain) /Loss recognised in the year		29.03	43.63
6 Expense recognised in the Statement of Profit and Loss		77.56	88.00
II. Change in Present Value of Defined Benefit Obligation :			
1 Present value of Defined Benefit Obligation at the beginning of the year		267.09	246.03
2 Interest Cost		19.58	18.60
3 Past Service Cost		–	–
4 Current Service Cost		28.95	25.77
5 Benefits Paid		44.75	66.94
6 Actuarial (Gain) / Loss		29.03	43.63
7 Present value of Defined Benefit Obligation at the end of the year		299.90	267.09
III. Net Asset / (Liability) recognised in the Balance Sheet as at the year end:			
1 Present value of Defined Benefit Obligation		299.90	267.09
2 Fair value of Plan Assets		–	–
3 Funded Status [Surplus/(Deficit)]		(299.90)	(267.09)
4 Net Asset / (Liability) recognised in Balance Sheet		(299.90)	(267.09)
IV. Actuarial Assumptions :			
1 Discount Rate (per annum) %		8.00	8.75
2 Expected return on Plan Assets (per annum) %		–	–
3 Expected Rate of Salary increase %		5.50	5.50
4 Retirement/Superannuation Age (Year)		60	60
5 Mortality Rates		IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
V. Expected Employer's Contribution for the next year :			
Expected Employer's Contribution for the next year		55.00	49.00

c) Other disclosures :

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

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

ii) The Gratuity and Provident Fund Expenses have been recognised under “Contribution to Provident and Other Funds” and Leave Encashment under “Salaries and Wages” under Note No.25.

12. Segment information as per Accounting Standard - 17 on ‘Segment Reporting’ :

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

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocable”.
- Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as “Unallocable”.

Notes forming part of the consolidated financial statements

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

c) Information about Primary Business Segments:

(₹ in Lacs)

Particulars	Sugar	Distillery	Co-generation	Others	Unallocable	Elimination	Total
Revenue							
External Sales (Gross)	249688.70	30872.36	28114.01	645.95	–	–	309321.02
	(224799.43)	(27098.84)	(23388.10)	(584.51)	(–)	(–)	(275870.88)
Less : Excise duty on external sales	8250.05	2373.18	–	–	–	–	10623.23
	(7385.63)	(1990.82)	(–)	(–)	(–)	(–)	(9376.45)
External Sales (Net)	241438.65	28499.18	28114.01	645.95	–	–	298697.79
	(217413.80)	(25108.02)	(23388.10)	(584.51)	(–)	(–)	(266494.43)
Add : Inter Segment Sales	19181.22	1.84	9694.74	–	–	(28877.80)	–
	(17362.84)	(6.45)	(9317.70)	(–)	(–)	(–)(26686.99)	(–)
Total sales	260619.87	28501.02	37808.75	645.95	–	(28877.80)	298697.79
	(234776.64)	(25114.47)	(32705.80)	(584.51)	(–)	(26686.99)	(266494.43)
Add : Allocable other income	838.61	28.15	125.80	17.48	–	–	1010.04
	(1217.30)	(66.35)	(239.80)	(9.41)	(–)	(–)	(1532.86)
Segment Revenue	261458.48	28529.17	37934.55	663.43	–	(28877.80)	299707.83
	(235993.94)	(25180.82)	(32945.60)	(593.92)	(–)	(–)(26686.99)	(268027.29)
Result							
Segment result	(27853.81)	14363.06	18398.77	24.18	–	–	4932.20
	(–)(10848.83)	(11622.07)	(15196.17)	(68.92)	(–)	(–)	(16038.33)
Less:							
Unallocable expenditure net of unallocable income					2360.44	–	2360.44
					(2508.04)	(–)	(2508.04)
Finance costs					10209.23	–	10209.23
					(11784.26)	(–)	(11784.26)
Profit/(Loss) before tax							(7637.47)
							(1746.03)
Tax							
Current tax (MAT)							–
							(360.00)
Deferred tax charge/ (Write back)							(1842.86)
							(3390.36)
Tax provision for earlier years written back							–
							(–)(2847.05)
Profit/(Loss) after tax							(5794.61)
							(842.72)

Notes forming part of the consolidated financial statements

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

Other information						(₹ in Lacs)
Particulars	Sugar	Distillery	Co-generation	Others	Unallocable	Total
Segment assets	291667.52	23546.69	56758.46	1153.19	17273.49	390399.35
	(311907.10)	(17043.88)	(53110.76)	(1300.84)	(32540.36)	(415902.94)
Segment liabilities	82996.37	776.08	516.69	200.39	25443.35	109932.88
	(106380.08)	(914.88)	(852.29)	(186.35)	(33226.77)	(141560.37)
Capital expenditure	1048.07	995.33	120.22	10.42	523.09	2697.13
	(945.13)	(683.20)	(5993.52)	(1.33)	(153.17)	(7776.35)
Depreciation and amortisation	6296.94	923.23	4117.20	91.76	162.86	11591.99
	(6743.05)	(813.27)	(3254.20)	(59.75)	(88.02)	(10958.29)
Non cash expenses other than depreciation and amortisation	212.61	10.13	75.15	0.02	52.08	349.99
	(1015.60)	(37.47)	(697.75)	(11.95)	(178.29)	(1941.06)

Notes :

- Transactions between segments are primarily for materials which are transferred at cost/market determined prices. Common costs are apportioned on a reasonable basis.
 - Unallocable expenses are net of unallocable income ₹509.31 lacs (Previous year ₹1150.02 lacs).
 - Inter segment sale is net of excise duty ₹1129.13 lacs (Previous year ₹1590.57 lacs).
 - Figures in brackets pertain to previous year.
- d) Information about Secondary Geographical Segments : There is no secondary segment.

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

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

i) Associate :	VA Friendship Solar Park Pvt. Ltd. (Upto 02.03.2014)
ii) Key Managerial Personnel (KMP):	<ol style="list-style-type: none"> Shri Vivek Saraogi - Managing Director Smt. Meenakshi Saraogi - Joint Managing Director Shri Kishor Shah - Director-cum-Chief Financial Officer Dr. Arvind Krishna Saxena - Whole-time Director Shri Santosh Kumar Agrawala - Company Secretary
iii) Relatives of Key Managerial Personnel : Shri Vivek Saraogi	<ol style="list-style-type: none"> Shri K.N.Saraogi (Father) - Chairman Emeritus Smt. Meenakshi Saraogi (Mother) Smt. Sumedha Saraogi (Wife) Shri Karan Saraogi (Son) Miss Avantika Saraogi (Daughter) Smt. Stuti Dhanuka (Sister)
Smt. Meenakshi Saraogi	<ol style="list-style-type: none"> Shri K.N.Saraogi (Husband) Shri Vivek Saraogi (Son) Smt. Stuti Dhanuka (Daughter) Smt. Sumedha Saraogi (Daughter- in-law) Shri Karan Saraogi (Grand-Son) Miss Avantika Saraogi (Grand-Daughter)
iv) Enterprises over which KMP and their relatives have substantial interest / significant influence:	<ol style="list-style-type: none"> Meenakshi Mercantiles Ltd. Udaipur Cotton Mills Co. Ltd. Novel Suppliers Pvt. Ltd. Kamal Nayan Saraogi (HUF) Vivek Saraogi (HUF) Kishor Shah (HUF) Balrampur Institute of Vocational Aid Balrampur Foundation Balrampur Trust

Notes forming part of the consolidated financial statements

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

b) Transactions with related parties :					(₹ in Lacs)
Nature of transaction / Name of the related party	Associate	Enterprises over which KMP and their relatives have substantial interest/ significant influence	Key Managerial Personnel (KMP)	Relatives of KMP	Total
i) Investments sold during the year					
VA Friendship Solar Park Pvt.Ltd.	– (234.14)	– (–)	– (–)	– (–)	– (234.14)
ii) Receiving of Services					
Smt. Meenakshi Saraogi	– (–)	– (–)	174.40 (204.36)	– (–)	174.40 (204.36)
Shri Vivek Saraogi	– (–)	– (–)	169.05 (168.84)	– (–)	169.05 (168.84)
Shri Kishor Shah	– (–)	– (–)	57.86 (56.13)	– (–)	57.86 (56.13)
Dr. Arvind Krishna Saxena	– (–)	– (–)	20.09 (18.42)	– (–)	20.09 (18.42)
Shri Santosh Kumar Agrawala *	– (–)	– (–)	65.67 (59.07)	– (–)	65.67 (59.07)
iii) Dividend Paid to Shareholders					
Smt. Meenakshi Saraogi	– (–)	– (–)	– (284.89)	– (–)	– (284.89)
Shri Vivek Saraogi	– (–)	– (–)	– (761.65)	– (–)	– (761.65)
Shri Kishor Shah	– (–)	– (–)	– (0.81)	– (–)	– (0.81)
Dr. Arvind Krishna Saxena	– (–)	– (–)	– (0.36)	– (–)	– (0.36)
Smt. Sumedha Saraogi	– (–)	– (–)	– (–)	– (195.98)	– (195.98)
Shri Karan Saraogi	– (–)	– (–)	– (–)	– (78.93)	– (78.93)
Miss Avantika Saraogi	– (–)	– (–)	– (–)	– (74.93)	– (74.93)
Smt. Stuti Dhanuka	– (–)	– (–)	– (–)	– (100.24)	– (100.24)
Meenakshi Mercantiles Ltd.	– (–)	– (171.54)	– (–)	– (–)	– (171.54)
Udaipur Cotton Mills Co. Ltd.	– (–)	– (131.19)	– (–)	– (–)	– (131.19)
Novel Suppliers Pvt. Ltd.	– (–)	– (40.00)	– (–)	– (–)	– (40.00)
Kamal Nayan Saraogi (HUF)	– (–)	– (157.25)	– (–)	– (–)	– (157.25)
Vivek Saraogi (HUF)	– (–)	– (3.40)	– (–)	– (–)	– (3.40)
Kishor Shah (HUF)	– (–)	– (0.10)	– (–)	– (–)	– (0.10)

Notes forming part of the consolidated financial statements

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

b) Transactions with related parties : (contd.)					(₹ in Lacs)
Nature of transaction / Name of the related party	Associate	Enterprises over which KMP and their relatives have substantial interest/ significant influence	Key Managerial Personnel (KMP)	Relatives of KMP	Total
iv) Corporate Social Responsibility Expenditure					
Balrampur Institute of Vocational Aid	– (–)	45.00 (–)	– (–)	– (–)	45.00 (–)
Balrampur Foundation	– (–)	18.54 (–)	– (–)	– (–)	18.54 (–)
Balrampur Trust	– (–)	1.01 (–)	– (–)	– (–)	1.01 (–)
v) Donation paid					
Balrampur Institute of Vocational Aid	– (–)	– (45.30)	– (–)	– (–)	– (45.30)
Balrampur Foundation	– (–)	1.96 (29.15)	– (–)	– (–)	1.96 (29.15)
Balrampur Trust	– (–)	0.60 (–)	– (–)	– (–)	0.60 (–)
vi) Employees Stock Options #					
Shri Kishor Shah	– (–)	– (–)	4.50 (–)	– (–)	4.50 (–)
vii) Balance outstanding					
Accounts payable					
Shri Santosh Kumar Agrawala	– (–)	– (–)	9.64 (8.68)	– (–)	9.64 (8.68)

* Though the figure for previous year has been given as comparative, however, during 2013-14, Shri Santosh Kumar Agrawala was not covered under the definition of KMP.

Excluding monetary value of perquisites.

- c) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- d) No amount has been written back/written off during the year in respect of due to/from related parties.
- e) Figures in brackets pertain to previous year.

14. Derivative Instruments

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

Particulars	Outstanding amount of exposure hedged	
	As at 31st March, 2015	As at 31st March, 2014
Swaps	1747.52	4998.82
Forward Contracts	15965.68	–

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

Notes forming part of the consolidated financial statements

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

16. Under the New Sugar Industry Promotion Policy, 2004 of the Government of Uttar Pradesh, the Company had accounted for recoverable incentives aggregating to ₹16900.57 lacs and had availed remissions in respect of Entry Tax on Sugar, Administrative Charges on Molasses, Trade Tax on Molasses and Cane Purchase Tax aggregating to ₹8267.19 lacs till 31st March, 2012. The above policy was terminated by the Government of Uttar Pradesh vide order dated 4th June, 2007. The Company has been legally advised that it continues to be eligible to receive the incentives under the above policy. Furthermore, the Company has filed Writ Petition against withdrawal of the aforesaid policy which has been admitted by the Lucknow Bench of the Hon'ble Allahabad High Court vide its order dated 9th May, 2008, the final hearing of which is yet to be completed. As an interim measure, the Order permits limited protection from remission of taxes.

Accordingly, during the year, the Company has accounted for only remissions of taxes of ₹56.58 lacs (Previous year ₹825.35 lacs). Eligible cumulative reimbursements of ₹9526.38 lacs (Previous year ₹6935.70 lacs) will be accounted for in accordance with the final order of the Hon'ble High Court.

Even though the Company's aforesaid writ petition is pending in Hon'ble Allahabad High Court, in the assessment of Entry Tax on Sugar and Trade Tax on Molasses for the years 2008-09 to 2012-13, a sum of ₹3659.50 lacs and ₹883.59 lacs respectively aggregating to ₹4543.09 lacs has been determined by the assessing officer as Company's liability for four of its units namely Akbarpur, Mankapur, Kumbhi and Gularia though these units are eligible under the aforesaid incentive scheme. However, no demand has been raised on the Company by the assessing officer in view of limited protection from remission of taxes granted by Hon'ble High Court as aforesaid. Based on the same, the Company neither considers the aforesaid amount of ₹4543.09 lacs as a liability or a contingent liability.

17. In view of inadequacy of profits, the Remuneration paid to the Managing Director and Joint Managing Director is the minimum remuneration in accordance with terms and conditions approved by the shareholders. Necessary approval has been obtained from the Central Government in this regard.
18. Pursuant to the sanction of the Modified Rehabilitation Scheme containing the Scheme of Merger between Khalilabad Sugar Mills Pvt. Ltd. (KSMPL), a sick Company and the Company by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 14th August, 2013, KSMPL i.e. the Amalgamating Company was merged with the Company with effect from the appointed date i.e. 1st April, 2012. The effect of aforesaid merger was given in the accounts for the year ended 31st March, 2014.
19. The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 7th January, 2014 had permitted transfer of 20% equity shares of Indo Gulf Industries Ltd. (IGIL) held by the Company as well as induction of co-promoter /strategic investor in IGIL, under a Modified Draft Rehabilitation Scheme (MDRS) to be approved by the Hon'ble BIFR. However, the Hon'ble BIFR vide its order dated 4th August, 2014, reviewed its directions and directed the Operating Agency to submit its report after conducting due-diligence of co-promoter/ Strategic Investor and reserved its order for pronouncement.

The order in the subject matter was pronounced on 23rd January, 2015, whereby the Bench observed that induction of co-promoter/ strategic investor was not in transparent manner and was not in accordance with the Law. The Hon'ble BIFR fixed the next date of hearing for further hearing in the matter. Aggrieved by the BIFR's order dated 23rd January, 2015, IGIL has preferred an Appeal before the Hon'ble AAIFR which is pending adjudication before the Hon'ble AAIFR as on date. The Hon'ble AAIFR in the pending appeal has passed a direction vide its order dated 15th May, 2015, directing circulation of MDRS to all concerned for their consideration. As envisaged in the MDRS, after the said transfer of shares, IGIL will cease to be a subsidiary of the Company and the Co-Promoter shall invest in terms of the provisions contained in the MDRS to meet the requirement of funds for its revival.

20. Call Option Agreement

A Call Option Agreement with Talma Chemical Industries Private Limited (Talma), a Company having 100% interest in the Equity Share Capital of Visual Percept Solar Projects Private Limited (VPSPL) has been entered by the Company during the year to acquire at a future date 8914500 Equity Shares of ₹10/- each fully paid at a mutually agreed price of ₹25/- per Equity Share of ₹10/- each.

21. The company has not incurred any cost in respect of RECs, as such RECs remaining unsold and lying in inventory as at the balance sheet date, the value of such inventory has been considered as Nil in the accounts.

Notes forming part of the consolidated financial statements

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

22. Details of Loan and investments covered under section 186(4) of the Companies Act, 2013:

The particulars of investments made are given under "Non-current investments" under Note No. 13.

The particulars of loan given are as under:

Particulars	As at 31st March, 2015
Name of the Loanee	Auro Sugar Pvt. Ltd.
Amount of Loan (₹ in lacs)*	920.00
Rate of interest	13% p.a.
Terms of repayment of Loan	Repayable on demand
Purpose of utilisation of loan by the loanee	General corporate purpose

* No amount has been given during the year.

23. Other notes in respect of a Subsidiary Company (Indo Gulf Industries Ltd.):

- The Government of Uttar Pradesh has initiated recovery proceedings for recovery of Sales Tax dues related to Explosive unit at Jhansi, pursuant to which, the factory at Jhansi has been seized by the Government authorities. All the assets located at factory including records there at remain seized till the year end. Out of the above assets, certain assets pertaining to the said unit have been auctioned by the office of the labour commissioner, Jhansi, against which a sum of ₹8.03 lacs (previous year: ₹8.03 lacs) is lying with them. Pending availability of relevant information, no adjustment in this respect has been carried out in these accounts.
- Due to seizure of Company's explosive plant at Jhansi, the condition of the plant & machineries and other fixed assets there at and the impairment loss, if any, in respect thereof could not be determined, pending which no provision for such impairments, if any, could be made in the accounts.

24. Additional Information as required under Schedule III to the Companies Act, 2013 as at 31st March, 2015:

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit/(loss)	Amount (₹ in lacs)
Parent				
Balrampur Chini Mills Ltd.	100.21	112945.13	99.63	(5773.44)
Subsidiary - Indian				
Indo Gulf Industries Ltd.	(0.20)	(225.97)	(6.60)	382.39
Sub Total	100.01	112719.16	99.03	(5391.05)
Inter Company Elimination and consolidation adjustments	(0.01)	(12.52)	6.97	(403.56)
Grand Total	100.00	112706.64	100.00	(5794.61)
Minority interest in subsidiary		—		—
Share of profit in associates		—		—

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

As per our report of even date attached.

For **G. P. Agrawal & Co.**

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

Sd/-

(CA. Sunita Kedia)

Partner

Membership No. 60162

Sd/-

S. K. Agrawala

Company Secretary

Sd/-

Kishor Shah

Director cum Chief

Financial Officer

DIN - 00193288

Sd/-

Vivek Saraogi

Managing Director

DIN - 00221419

Place of Signature: Kolkata

Date: 27th May, 2015

Form AOC-I

(Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as at 31st March, 2015:

Part "A": Subsidiaries

Sl. No.	Particulars	Detailed Information
1.	Name of the subsidiary *	Indo Gulf Industries Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable
3.	Reporting currency	Indian Rupees (₹)
4.	Share capital (₹ in lacs)	95.67
5.	Reserves and surplus (₹ in lacs)	(321.64)
6.	Total assets (₹ in lacs)	159.88
7.	Total liabilities (₹ in lacs)	385.85
8.	Investments (₹ in lacs)	Nil
9.	Turnover (₹ in lacs)	Nil
10.	Profit before taxation (₹ in lacs)	382.39
11.	Provision for taxation (₹ in lacs)	Nil
12.	Profit after taxation (₹ in lacs)	382.39
13.	Proposed dividend (₹ in lacs)	Nil
14.	% of shareholding	53.96%

* There is no other subsidiary of the Company during the year.

Notes:

(i)	Names of subsidiaries which are yet to commence operations	Not applicable
(ii)	Names of subsidiaries which have been liquidated or sold during the year	Not applicable

Part "B": Associates and Joint Ventures

The Company does not have an associate or a joint venture during the year, hence, the requirements under this Part is not applicable to the Company and no information is required to be disclosed.

As per our report of even date attached.

For **G. P. Agrawal & Co.**

Chartered Accountants

Firm's Registration No. - 302082E

Sd/-

(CA. Sunita Kedia)

Partner

Membership No. 60162

Place of Signature: Kolkata

Date: 27th May, 2015

For and on behalf of the Board of Directors

Sd/-

S. K. Agrawala

Company Secretary

Sd/-

Kishor Shah

Director cum Chief

Financial Officer

DIN - 00193288

Sd/-

Vivek Saraogi

Managing Director

DIN - 00221419

Notes

Notes



CIN: L15421WB1975PLC030118

Registered Office: FMC Fortuna, 2nd Floor, 234/3A, A.J.C. Bose Road,
Kolkata – 700 020, Phone: (033)22874749, Fax: (033)22873083,
Email: bcml@bcml.in, Website: www.chini.com

ATTENDANCE SLIP

Name of the shareholder/ Proxy:		
Address:		
Email-Id:		
Folio No./Client ID:		DP ID:

I hereby record my presence at the **39th Annual General Meeting** of the company held on Wednesday, the 12th day of August, 2015 at 10.30 a.m. at Vidya Mandir, 1 Moira Street, Kolkata – 700017.

Signature of Shareholder / Proxy

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HAND OVER AT THE ENTRANCE DULY FILLED IN



CIN: L15421WB1975PLC030118

Registered Office: FMC Fortuna, 2nd Floor, 234/3A, A.J.C. Bose Road,
Kolkata – 700 020, Phone: (033)22874749, Fax: (033)22873083,
Email: bcml@bcml.in, Website: www.chini.com

FORM NO. MGT-11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013
and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member (s):		
Registered Address:		
Email-Id:		
Folio No./Client ID:		DP ID:

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

1. Name: Address:
E-mail Id: Signature:....., or failing him;
2. Name: Address:
E-mail Id: Signature:....., or failing him;
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 **39th Annual General Meeting** of the company, to be held on Wednesday, the 12th day of August, 2015 at 10.30 a.m. at Vidya Mandir, 1 Moira Street, Kolkata – 700017 and at any adjournment thereof in respect of such resolutions as are indicated below:



P.T.O.



Sl. No.	Resolution	Optional	
Ordinary Business		For	Against
1.	Adoption of Financial Statements for the year ended 31st March, 2015		
2.	Re-appointment of Dr. Arvind Krishna Saxena who retires by rotation		
3.	Re-appointment of M/s G.P. Agrawal & Co., Chartered Accountants, as Statutory Auditors and fixing their remuneration		
Special Business			
4.	Appointment of Smt. Novel S. Lavasa as an Independent Director		
5.	Alteration/substitution of Articles of Association		
6.	Payment of commission to Non-Executive Directors		
7.	Payment of existing remuneration to Shri Kishor Shah, Director cum Chief Financial Officer as minimum remuneration		
8.	Payment of existing remuneration to Dr. Arvind Krishna Saxena, Wholetime Director, as minimum remuneration		
9.	Ratification of remuneration of Cost Auditor		

Signed this..... day of..... 2015

Signature of shareholder:

Signature of Proxy holder(s):

Please
Affix
Revenue
Stamp

Notes: 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.

Corporate information

Chairman Emeritus

Kamal Nayan Saraogi

Board of Directors

Naresh Chandra (IAS Retd.),
Chairman- Independent Director

Vivek Saraogi, *Managing Director*

Meenakshi Saraogi,
Joint Managing Director

R. N. Das (IAS Retd.),
Independent Director

D. K. Mittal (IAS Retd.),
Independent Director

Krishnavia Dutt,
Independent Director

Novel S. Lavasa,
Additional Director - Independent

Kishor Shah,
Director cum Chief Financial Officer

Dr. Arvind Krishna Saxena,
Wholetime Director

Company Secretary

S.K. Agrawala

Board Committees

Audit Committee

R. N. Das, Chairman

Naresh Chandra

D. K. Mittal

Vivek Saraogi

Krishnavia Dutt

Nomination and Remuneration Committee

D. K. Mittal, *Chairman*

Naresh Chandra

R. N. Das

Novel S. Lavasa

CSR Committee

Naresh Chandra, *Chairman*

D.K. Mittal

Vivek Saraogi

Novel S. Lavasa

Stakeholders Relationship Committee

R. N. Das, *Chairman*

Krishnavia Dutt

Vivek Saraogi

Share Transfer Committee

Vivek Saraogi

Meenakshi Saraogi

R. N. Das

Kishor Shah

Solicitors and Advocates

Khaitan & Co LLP

1B, Old Post Office Street,

Kolkata 700 001

Bankers

State Bank of India

HDFC Bank

Punjab National Bank

Auditors

G.P. Agrawal & Co.

Chartered Accountants

Registered office

FMC Fortuna, 2nd Floor,

234/3A, A.J.C. Bose Road,

Kolkata 700 020

Sugar factories

Unit 1: Balrampur

(Including Distillery, Organic Manure and Co-generation units)

Dist: Balrampur, Uttar Pradesh

Unit 2: Babhnan

(Including Distillery, Organic Manure and Co-generation units)

Dist: Gonda, Uttar Pradesh

Unit 3: Tulsipur

Dist: Balrampur, Uttar Pradesh

Unit 4: Haidergarh

(Including Co-generation unit)

Dist: Barabanki, Uttar Pradesh

Unit 5: Akbarpur

(Including Co-generation unit)

Dist: Ambedkar Nagar, Uttar Pradesh

Unit 6: Rauzagaon

(Including Co-generation unit)

Dist: Faizabad, Uttar Pradesh

Unit 7: Mankapur

(Including Distillery, Organic Manure and Co-generation units)

Dist: Gonda, Uttar Pradesh

Unit 8: Kumbhi

(Including Co-generation unit)

Dist: Lakhimpur Kheri, Uttar Pradesh

Unit 9: Gularia

(Including Co-generation unit)

Dist: Lakhimpur Kheri, Uttar Pradesh

Unit 10: Maizapur

Dist: Gonda, Uttar Pradesh

Unit 11: Khalilabad

Dist: Sant Kabir Nagar, Uttar Pradesh



If undelivered please return to:

Balrampur Chini Mills Limited

CIN: L15421WB1975PLC030118

Registered Office:

FMC Fortuna, 2nd Floor

234/3A AJC Bose Road,

Kolkata 700020, India

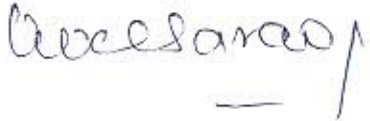
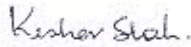

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FORM A

1.	Name of the Company	Balrampur Chini Mills Ltd
2.	Annual Financial Statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by- <ul style="list-style-type: none">▪ Managing Director▪ Director-cum-Chief Financial Officer▪ Auditor of the Company▪ Audit Committee Chairman	   G. P. AGRAWAL & Co. Suniti Partner 