



BirlaSugar

K.K. BIRLA GROUP OF SUGAR COMPANIES

UGSIL/SE/2016-17/21

July 27, 2016

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

The Dy. General Manager
Corporate Relationship
Department
BSE Ltd.
1st Floor, New Trading Ring,
Rotunda Building
P.J. Towers, Dalal Street, Fort
Mumbai-400 001
Stock Code : 530505

The Secretary
The Calcutta Stock
Exchange Ltd.
7, Lyons Range
Kolkata 700 001
Stock Code - 10031097

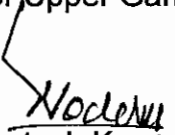
Dear Sirs,

Sub: Disclosure of the Impact of Audit Qualifications by the Listed Entities

Pursuant to SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, we enclose the Statement on Impact of Audit Qualifications on Standalone Financial Statements and Consolidated Financial Statements respectively for the financial year ended 31st March, 2016, duly signed for your records.

Thanking you,

Yours faithfully,
For Upper Ganges Sugar & Industries Limited


Santosh Kumar Poddar
Company Secretary

Encl – as above



Upper Ganges Sugar & Industries Limited

Corporate Office and Correspondence Address: Birla Building (5th Floor) • 9/1 R. N. Mukherjee Road • Kolkata 700 001 • E-mail : birlasugar@birla-sugar.com

Phone : (+91 33) 2243 0497/8, 2248 7068, 3057 3700, 3042 0900 • Fax : (+91 33) 2248 6369

Regd. Office : P.O. Seohara (N. Rly) • Dist. Bijnor (U.P.) • PIN - 246 746

CIN : L15421UP1932PLC025141



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K.K. BIRLA GROUP OF SUGAR COMPANIES

Statement on Impact of Audit Qualifications on Standalone Financial Statements for the Financial Year ended March 31, 2016.

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.

Sl No	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lacs)
1	Turnover / Total Income	84,109.49	84,109.49
2	Total Expenditure including Tax Expenses	82,990.23	90,007.84
3	Net Profit/(Loss)	1,119.26	(5,898.35)
4	Earnings Per Share (Rs.)	5.93	(54.79)
5	Total Assets	1,05,616.25	98,598.64
6	Total Liabilities	1,01,682.02	1,01,682.02
7	Net Worth	3,934.23	(3,083.38)
8	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

As indicated in Note 14 to the financial statements, the Company continues to carry Deferred Tax Asset (DTA) (net) of Rs. 7,017.61 lacs (after reversal of Rs. 199.75 lacs during the year) up to March 31, 2016, based on the future profitability projections made by the management. In our opinion, in the absence of virtual certainty about the above projections, as required in terms of Accounting Standard – 22, had the above impact been considered, loss for the year would have been Rs. 5,898.35 lacs as against the reported profit of Rs. 1,119.26 lacs and reserves & surplus as at the balance sheet date would have been (-) Rs. 7,239.11 lacs as against the reported figure of (-) Rs. 221.50 lacs.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: Repetitive



Upper Ganges Sugar & Industries Limited



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d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:-

The Company has earned profits during the current year consequent to improved realisation and sugar yields. In view of above, the management is certain that the Company would be in a position to generate positive cash flows and profitability and is certain that there would be sufficient taxable income in future to claim the above tax credit.

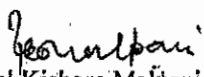
e. For Audit Qualification(s) where the impact is not quantified by the auditor:

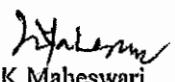
(i) Management's estimation on the impact of audit qualification:-N.A

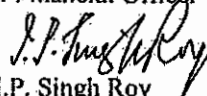
(ii) If management is unable to estimate the impact, reasons for the same: N.A

(iii) Auditors' Comments on (i) or (ii) above:- N.A

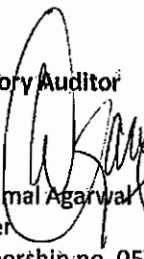
III. Signatories:


Mr. Bal Kishore Malpani
Whole-time Director


Mr. S K Maheswari
Chief Financial Officer


Mr. I.P. Singh Roy
Audit Committee Chairman

Statutory Auditor


Mr. Kamal Agarwal
Partner
Membership no. 058652



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

Place: Kolkata



Upper Ganges Sugar & Industries Limited



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Statement on Impact of Audit Qualifications on Consolidated Financial Statements for the Financial Year ended March 31, 2016.

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.

SI No	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lacs)
1	Turnover / Total income	84,464.12	84,464.12
2	Total Expenditure including Tax Expenses	82,992.16	90,009.77
3	Net Profit/(Loss)	1,471.96	(5,545.65)
4	Earnings Per Share (Rs.)	8.98	(51.74)
5	Total Assets	1,07,511.98	1,00,494.37
6	Total Liabilities	1,00,431.07	1,00,431.07
7	Net Worth	7,080.91	63.30
8	Any other financial item(s) (as felt appropriate by the management)	-	-

II. **Audit Qualification (each audit qualification separately):**

a. **Details of Audit Qualification:**

As indicated in Note 14 to the consolidated financial statements, the Holding Company continues to carry Deferred Tax Asset (DTA) (net) of Rs. 7,017.61 lacs (after reversal of Rs. 199.75 lacs during the year) up to March 31, 2016, based on the future profitability projections made by the management. In our opinion, in the absence of virtual certainty about the above projections, as required in terms of Accounting Standard – 22, had the above impact been considered, there would have been a loss of Rs. 5,545.65 lacs during the year as against the reported profit of Rs. 1,471.96 lacs and reserves & surplus as at the balance sheet date would have been (-) Rs. 4,092.43 lacs as against the reported figure of Rs. 2,925.18 lacs.

b. **Type of Audit Qualification: Qualified Opinion**

c. **Frequency of qualification: Repetitive**



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d. For Audit Qualification(s) where the Impact is quantified by the auditor, Management's Views:-

The Holding Company has earned profits during the current year consequent to improved realisation and sugar yields. In view of above, the management is certain that the Company would be in a position to generate positive cash flows and profitability and is certain that there would be sufficient taxable income in future to claim the above tax credit.

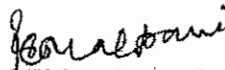
e. For Audit Qualification(s) where the impact is not quantified by the auditor:

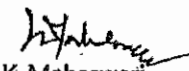
(i) Management's estimation on the impact of audit qualification:- N.A

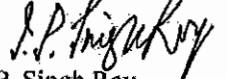
(ii) If management is unable to estimate the impact, reasons for the same: N.A

(iii) Auditors' Comments on (i) or (ii) above:- N.A

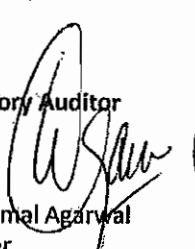
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