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THE
UNITED PROVINCES SUGAR
COMPANY LIMITED

BOARD OF DIRECTORS

Shri Sushil K. Jalan
Chairman

Shri Vivek M. Pittie

Dr. Anurag K. Kanoria

Shri G. L. Sultania

Shri N. R. Khariawala

Shri Y. A. Mankad
Nominee IDBI

Shri A. B. Singh
Executive Director
(Upto 7th January, 2010)

Shri A. N. Singh Chauhan
Executive Director
(From 16th January, 2010)

Shri Arvind K. Kanoria
Managing Director

STATUTORY AUDITORS

M/s. Batliboi & Purohit

BANKERS

Punjab National Bank

REGISTERED OFFICE

Chartered Bank Building, 1st Floor
4, Netaji Subhas Road
Kolkata - 700 001

FACTORY

Seorahi
Kushinagar
Uttar Pradesh

NOTICE

NOTICE is hereby given that the 87th Annual General Meeting of the members of **THE UNITED PROVINCES SUGAR COMPANY LIMITED** will be held at Somani Conference Hall of Merchants' Chambers of Commerce, 15B Hemanta Basu Sarani, Kolkata 700 001 on Tuesday, the 28th September, 2010 at 2.00 p.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of Dr. Anurag K. Kanoria who, retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri G.L. Sultania who, retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :
"RESOLVED that Shri Amar Nath Singh Chauhan whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Shri Amar Nath Singh Chauhan for the office of Director, be and is hereby appointed a Director of the Company who will be liable to retire by rotation".
6. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :
"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to all such approvals as may be necessary, the Company hereby approves of the appointment of Shri Amar Nath Singh Chauhan as a Whole Time Director designated as Executive Director of the Company for a period of 3 years with effect from 16th January, 2010 upto 15th January, 2013 on the following terms and conditions including remuneration.

The remuneration, subject to the ceiling limits laid down in Section 198, 269 and 309 read with Schedule XIII, of the Companies Act, 1956 as modified by the circulars issued by the Company Law Board / Department of Corporate Affairs from time to time by way of salary and perquisites shall be as follows:

I. Salary :

- (a) Salary of Rs. 60,000/- (Rupees sixty thousand only) per month upto 31st July, 2010.
- (b) Salary of Rs. 80,000/- (Rupees eighty thousand only) per month with effect from 1st August, 2010 for the remainder of his tenure of Office, that is, upto 15th January, 2013.

II. Perquisites :

Perquisites shall be restricted to an amount equal to the annual salary. Perquisites are classified into three categories 'A', 'B' and 'C' and the ceiling shall apply to Category 'A' only.

CATEGORY 'A'

- (i) Housing :
Furnished accommodation or House Rent allowance in lieu thereof.
- (ii) Medical Reimbursement :
For self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
- (iii) Leave Travel Concession :
For self and family once a year in accordance with the rules specified by the Company.

For the purpose of Category 'A' 'family' means spouse, dependent children and dependent parents.

CATEGORY 'B'

- (i) Provident Fund and Employees' Pension Scheme :
Company's contribution towards Provident Fund and Employees' Pension Scheme shall be as per the rules of the Company but not exceeding 12% of salary.
- (ii) Gratuity :
As per the rules of the Company, but shall not exceed the rate of half a month's salary for each completed year of service subject to a maximum of 20 months salary.

- (iii) Encashment of Leave :
Appointee shall be entitled to encashment of leave at the end of tenure. This will not be included in the calculation of ceiling on perquisites.

CATEGORY 'C'

- (i) Car :
Provision of car with driver for use of the business of the Company.
Any use of car for private purposes shall be billed separately by the Company.
- (ii) Telephone :
Telephone at residence with personal long distance calls being billed separately by the Company.

III. OTHER TERMS APPLICABLE TO THE ENTIRE TENURE :

- (i) The remuneration for a part of the year shall be computed on a pro-rata basis.
- (ii) The appointment may be terminated by either party by giving three months notice.
- (iii) The Executive Director shall perform his duties and exercise his powers as Executive Director subject to directions, limitations or restrictions imposed by the Board of Directors. However, for day to day functioning, the Executive Director shall report to the Managing Director of the Company.
- (iv) The Executive Director shall devote his whole time and attention to the business of the Company.
- (v) The Executive Director, so long he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof from the date of his appointment.
- (vi) The Executive Director shall not during the continuance of his employment hereunder or at any time thereafter divulge or disclose to any person whatsoever or make any use whatsoever for own purpose or for any purpose other than that of the Company of any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets, processes of the Company and the Executive Director shall during the continuance of his employment hereunder also use his endeavors to prevent any other person from doing so.
- (vii) The Executive Director shall not so long as he functions as such become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without prior approval of the Government.
- (viii) The employment of the Executive Director shall forthwith determine if he shall become insolvent or make any compromise or arrangement with his creditors or shall cease to be a Director of the Company.
- (ix) In case the Executive Director dies in the course of his employment, the Company shall pay to his legal personal representative the salary and current emoluments for the then current month.
- (x) The Executive Director shall upon ceasing to be in the service of the Company for any reason whatsoever, vacate the accommodation provided to him by the Company.
- (xi) Notice to be given by the Executive Director to the Company shall be sent by Registered Post Acknowledgment Due (AD) to the Company at its Registered Office for the time being. Notice to be given by the Company to the Executive Director under the Agreement shall either be delivered to him personally or sent by Registered Post AD to his last known residential address. All notices given by the Executive Director to the Company or to the Executive Director by the Company shall be deemed to have been duly served upon the expiration of twenty-four hours from the date of posting.
- (xii) This Agreement represents the entire agreement between the parties hereto in relation to the terms and conditions of the Executive Director's employment with the Company and cancels and supersedes all prior agreements, arrangements or undertaking, if any, whether oral or in writing between the parties hereto on the subject matter hereof.

IV. MINIMUM REMUNERATION :

In the event of loss or inadequacy of net profit in any financial year, the Executive Director will be paid the above remuneration by way of salary and perquisites as minimum remuneration”.

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, perquisites, allowances etc. of Shri Amar Nath Singh Chauhan within the limits prescribed under the

THE UNITED PROVINCES SUGAR COMPANY LIMITED

aforesaid Schedule XIII or any modification thereof and the aforesaid agreement between the Company and Shri Amar Nath Singh Chauhan be suitably amended to give effect to such variation or increase”.

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution”.

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“RESOLVED that the Company hereby accords its consent and approval under Section 314 (1) and other applicable provisions, if any, of the Companies Act, 1956, to Smt. Leela Chauhan, a relative of Shri Amar Nath Singh Chauhan, a Director of the Company, who holds an Office of profits under the Company for holding and continuing to hold an Office or place of profit as an employee of the Company at a salary of Rs. 22,000/- (Rupees twenty two thousand only) per month together with the usual allowances and benefits, amenities and facilities including retiring gratuity and provident fund benefits applicable to other employees occupying similar post or posts within the same salary scale or grade”.

“RESOLVED FURTHER that this Resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction at their discretion and with the approval of the Central Government, where necessary, increments within the grade as they may deem fit and proper to promote her to any higher grade or grades at their discretion and in due course together with the allowances and benefits as may be applicable to the grade or grades for the time being and to give increments within that grade or grades as they may deem fit and proper.”

Mumbai,
The 12th August, 2010

By Order of the Board
Arvind K. Kanoria
Managing Director

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the scheduled time of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 14th September, 2010 to Tuesday, the 28th September, 2010 (both days inclusive)
4. Members are requested to notify change of address etc. to the Company's Registrar and Share Transfer Agent, TSR Darashaw Ltd., 6-10 Haji Moosa Patrawala Ind. Estate, 20, Off. Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 so as to reach them latest by Tuesday, the 14th September, 2010 in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by depositories as at the close of the aforesaid date will be considered.
5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the unpaid dividend that are due for transfer to the Investor Education and Protection Fund are as follows:-

<u>Date of Declaration</u>	<u>For the Year ended</u>	<u>Due for transfer on</u>
29.09.2004	31.03.2004	04.11.2012

Members who have not encashed their dividend warrants pertaining to the aforesaid year are requested to write to the Company either for obtaining duplicate dividend warrants or for revalidating the old dividend warrants lying with them.

6. A member desirous of getting any information on the accounts or operations of the Company, is requested to forward his/her queries to the Company at least 7 working days prior to the meeting, so that the required information can be made available at the meeting.
7. Members are requested to bring the admission slip alongwith their copies of the Annual Report and Accounts to the meeting.

Mumbai,
The 12th August, 2010

By Order of the Board
Arvind K. Kanoria
Managing Director

Explanatory Statement as required by Section 173 (2) of the Companies Act, 1956.

Item No. 5 & 6 :

Shri Amar Nath Singh Chauhan, on the recommendation of the Remuneration Committee, was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 16th January, 2010. He was also appointed as a Whole Time Director designated as Executive Director of the Company for a period of 3 years with effect from 16th January, 2010 upto 15th January, 2013 on the terms and conditions as set out in the Resolution at item No. 6 subject to approval by the shareholders in the General Meeting of the Company for the said appointment and remuneration as required under Schedule XIII of the Companies Act, 1956.

Shri Amar Nath Singh Chauhan, aged on or about 61 years, has proved to be an able administrator with a vast experience of over 35 years in the sugar industry. He had been employed in the Company as General Manager from 8th October, 2005 and had been looking after operations of the sugar factory of the Company under the supervision and guidance of the late Shri A.B. Singh, Executive Director.

His term of office as an Additional Director will expire on the date of this Annual General Meeting. Notice has been received from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Shri Amar Nath Singh Chauhan as a Director of the Company. His continuance as Director of the Company and as a Whole Time Director will be of immense benefit to the Company and hence your Board recommends passing of the Resolution as per item No. 5 & 6.

This may be treated as an abstract as required under Section 302 (2) of the Companies Act, 1956.

None of the Directors except Shri Amar Nath Singh Chauhan are concerned or interested in this Resolution.

Item No. 7 :

Under Section 314(1) of the Companies Act, 1956, a special resolution is required for enabling any relative of a Director of the Company holding an office or place of profit to hold any office or place of profit under the Company. Smt. Leela Chauhan, who joined the Company's service on 8th October, 2005 as a Resident Liaison Officer on a monthly salary of Rs. 22,000/- (Rupees twenty two thousand only) per month along with usual benefits/perquisites, is the wife of Shri Amar Nath Singh Chauhan a Director of the Company. Accordingly, in terms of Section 314 (1) of the Companies Act, 1956, members are requested to grant their consent to Smt. Leela Chauhan holding and continuing to hold an office or place of profit under a contract of service with the Company on terms and conditions set out in the aforesaid resolution. The members are also requested to authorise the Board to sanction in due course promotion of Smt. Leela Chauhan to the next grade together with the usual increments, allowances and benefits.

None of the Directors excepting Shri Amar Nath Singh Chauhan who is relative of Smt. Leela Chauhan are concerned or interested in this Resolution.

Mumbai,
The 12th August, 2010

By Order of the Board
Arvind K. Kanoria
Managing Director

DIRECTORS' REPORT

Your Directors are pleased to present their 87th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

Financial Results	Rupees	Rupees
Profit before Interest, Depreciation and Tax		11,02,97,770
Less : Interest		<u>5,11,99,390</u>
Profit before Depreciation and Tax		5,90,98,380
Less : Depreciation		<u>5,34,86,217</u>
Profit before Tax		56,12,163
Less : Provision for Current Tax	(6,75,000)	
Less : Provision for Deferred Tax Credit	(6,03,371)	
Add: Income Tax in respect of earlier years written back	<u>2,005</u>	<u>(12,76,366)</u>
Profit After Taxation		43,35,797
Add : Amounts transferred on Amalgamation of the erstwhile WSPL		
a) Loss After Tax for the year ended 31st March, 2008	(19,52,549)	
b) Profit After Tax for the year ended 31st March, 2009	<u>36,22,827</u>	<u>16,70,278</u>
Profit		60,06,075
Balance of Profit brought forward	1,09,88,336	
Add: Balance in Profit & Loss Account of the erstwhile WSPL as on 31st March, 2007 on the Appointed Date i.e. 1st April, 2007	<u>(7,54,505)</u>	<u>1,02,33,831</u>
Profit available for appropriation		1,62,39,906
Appropriation :		
General Reserve		—
Dividend - Equity Capital		—
Corporate Tax on Dividend		—
Balance carried forward to next year		<u>1,62,39,906</u>
		<u>1,62,39,906</u>

Dividend

With a view to conserve the financial resources of the Company, your Directors do not recommend any dividend for the year ended 31st March, 2010.

Operations and Financial Results

During the financial year under review, your mill crushed a total of 46.45 lakh Quintals (Q) of sugarcane producing 4.31 lakh Q of white crystal sugar at a recovery of 9.30% against a crush of 40.65 lakh Q of sugarcane and a production of 3.85 lakh Q of white crystal sugar at a recovery of 9.56% in the previous financial year.

The crushing season of 2009-2010 at your mill commenced on 3rd December, 2009 and ended on 10th March, 2010. During the above season of 98 days, your mill crushed a total of 46.45 lakh Q of sugarcane and produced 4.31 lakh Q of white crystal sugar at a sugar recovery of 9.30% against a crush of 35.98 lakh Q of sugarcane and a production of 3.33 lakh Q of white crystal sugar at a sugar recovery of 9.26% over 85 crop days in the previous season.

The quantum of sugarcane crushed, sugar recovery as well as sugar produced during season 2009-2010 has been higher as compared to the previous season on account of higher yield of sugarcane alongwith a lower diversion of sugarcane towards gur.

On account of a rise in sugar prices around the start of the season, and on expectation of the same continuing, the sugar industry in the whole of Uttar Pradesh, including your Company, paid much higher sugarcane prices than it was obligated to do in terms of the price declared by the Government. The market for sugar, however, fell steeply thereafter consequent to which heavy losses have been inflicted upon the industry thus affecting margins for the year under review.

Amalgamation and Further Issue of Shares

Pursuant to the Scheme of Amalgamation (the Scheme) of Warden Synplast Private Limited (WSPL) with the Company, and as approved by the Honorable High Courts of Jurisdiction at Calcutta and Bombay under Section 391 to 394 of the Companies Act, 1956 vide their Orders dated April 07, 2009 and May 18, 2009 respectively, all assets and properties as well as all debts, liabilities and reserves of the erstwhile WSPL were transferred to and vested in the Company with effect from April 01, 2007 (i.e. the Appointed Date). The Scheme has accordingly been given effect during the current financial year with the effective date of amalgamation being June 11, 2009.

Pursuant to the Scheme, the shareholders of the erstwhile WSPL were entitled to 3 (three) fully paid equity shares of Rs.10/- each of the Company for every 1 (one) fully paid equity share of Rs.10/- each held in the erstwhile WSPL. Accordingly, during the year, the Company has issued 1,50,000 fully paid equity shares of Rs.10/- each to the shareholders of the erstwhile WSPL at the meeting of the Board of Directors held on 28th August, 2009

Sugarcane & Sugar Policies

The essential features of the Sugarcane and Sugar Policy for 2009-2010 season are as under:-

- a) The Central Government has announced a Fair and Remunerative Price (FRP) of Rs.129.84/Q for sugarcane linked to a basic recovery of 9.50% (subject to a premium of Rs.1.37/Q for every 0.10% increase in recovery above that level) for season 2009-2010 in place of a Statutory Minimum Price (SMP) of Rs. 81.18/Q linked to a basic recovery of 9.00% with a premium for higher recovery in the previous season.
- b) The Uttar Pradesh Government has announced a State Advised Price (SAP) at Rs.165/Q for sugarcane for season 2009-2010. The private sugar factories in the state have, however, paid a much higher sugarcane price averaging to approximately Rs.240.00/Q for the season.
- c) The levy sugar component has been increased to 20% for season 2009-2010 from the earlier 10% for season 2008-2009. Such increase has been made applicable for season 2009-2010 only. Imported raw-sugar and white sugar have, however, been exempted from such levy obligation.
- d) The levy sugar price henceforth shall be computed based on FRP in place of SMP.
- e) The Central Government has amended the concerned statutes pursuant to which all action taken by it for determination of levy sugar prices up to season 2008-2009 shall be deemed to be valid notwithstanding anything contained in any judgment, decree or order. The said amendment has been challenged in Court by the industry.
- f) The Government of India has allowed duty-free import of raw sugar and white sugar till 31st December, 2010 to improve the availability of sugar in the domestic market.
- g) A policy of partial control on molasses allocation and distribution has continued for the year.

Prospects and outlook for season 2009-2010

The price of sugar has continued to fall steeply in recent months, so much so that it has even gone below the cost of raw material i.e. sugarcane. Meanwhile, estimates of sugar production for the incoming season are much higher, which has lent further bearishness to the sentiment. In such circumstances, the challenge before the sugar industry, as well as all its stakeholders, including the Government, will be to agree upon a raw material i.e. sugarcane price which has a rational co-relation to the price of the finished product i.e. sugar.

Directors

Dr. Anurag K. Kanoria and Shri G.L. Sultania, Directors of the Company, retire from the Board by rotation and, being eligible, offer themselves for re-election at the ensuing Annual General Meeting.

The Board of Directors of the Company places on record its deep sense of grief and sorrow on the sad demise of Shri A.B. Singh, Executive Director of the Company, on 7th January, 2010 at the factory. It also records that Shri A.B. Singh had served the Company throughout his tenure of several years with utmost dedication and loyalty and that, in his passing away, the Company has suffered a great loss.

The Board of Directors of the Company at its meeting held on 16th January, 2010, has appointed Shri Amar Nath Singh Chauhan as an Additional Director and a Whole Time Director designated as Executive Director of the Company from 16th April, 2010 to fill up the vacancy caused by the demise of Shri A.B. Singh. Shri A.N. Singh Chauhan has been in the employment of the Company as General Manager from 8th October, 2005 onwards. In terms of the provisions of Section 260 of the Companies Act, 1956, Shri A.N. Singh Chauhan will hold Office upto the date of the ensuing Annual General Meeting. The Company has received a notice proposing the candidature of Shri A.N. Singh Chauhan for the Office of Director of the Company in terms of the provisions of Section 257 of the Act and the Board recommends his appointment.

Particulars of Employees

There is no employee covered by Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

Conservation of Energy

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings/outgo as required under Section 217(1)(e) of the Companies Act, 1956 are given in a separate Annexure attached hereto and form a part of this Report.

Auditors

Messrs Batliboi & Purohit, Chartered Accountants, Auditors of the Company, retire, and being eligible, offer themselves for reappointment.

Auditors' Report

The observations made in the Annexure to the Auditors' Report are self-explanatory and do not require further explanation /comments.

Directors' Responsibility Statement

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

- A. The applicable accounting standards have been followed in the preparation of the annual accounts and there has been no material departure from the same;
- B. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for the period;
- C. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- D. The Directors have prepared the annual accounts on a going concern basis.

Corporate Governance

The shares of the Company are listed with the Calcutta Stock Exchange. The code of corporate governance as introduced by the Securities and Exchange Board of India (SEBI) by way of amendment to the listing agreement with the Stock Exchange is not applicable to the Company as its paid up share capital is below the stipulated figure laid down by SEBI as well as by the Companies Act, 1956, for such purpose.

Acknowledgement

The Board expresses its gratitude to the shareholders, bankers, financial institutions, suppliers and customers of the Company for the confidence they have reposed in the Company.

The Board also records its special appreciation for the dedication and contribution made by all the employees of the Company.

Mumbai,
The 12th August, 2010

For and on behalf of the Board
Arvind K. Kanoria
Managing Director

ANNEXURE TO DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2010.

A. Conservation of Energy :

- (a) Energy conservation measures taken:
- (i) Installed Capacitor Banks to improve the power factor and thereby reduce power loss and improve life of equipments;
 - (ii) Variable Frequency Drives (VFD) installed to optimize energy consumption at various stages of process.
- (b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy;
In addition to the equipments installed as mentioned under (a) above, further steps under consideration.
- (c) Impact of the measures taken:
Reduction in energy consumption is observed.

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

(b) FORM - A	<u>For the year ended 31st March, 2010</u>	<u>For the year ended 31st March, 2009</u>
(A) Power & Fuel Consumption :		
1. Electricity		
a) Purchase (Unit)	3,00,515	3,47,846
Total Amount (Rs.)	18,84,099	21,64,533
Rate/Unit (Rs.)	6.27	6.22
b) Own Generation		
i) Diesel Generators	4,72,627	4,07,704
Cost of Diesel Oil (Rs.)	57,42,279	47,56,236
Cost/Unit (Rs.)	12.15	11.66
ii) Steam Turbines	81,18,282	82,03,892
Cost/Unit (Rs.)	Steam produced by use of own bagasse	
2. Coal (Specify quality and where used)		
Quantity (MT)	Not directly	Not directly
Total Amount (Rs.)	consumed in	consumed in
Average Rate (Rs.)	production	production
3. Furnace Oil		
Quantity (MT)	Not directly	Not directly
Total Amount (Rs.)	consumed in	consumed in
Average Rate (Rs.)	production	production
(B) Consumption per MT of production :		
Sugar Production (MT)	43,106	38,483
Electricity (Units/MT of Sugar)	206.27	232.81
Coal (Kgs./MT of Sugar)	Nil	Nil
Furnace Oil (Ltrs./MT of Sugar)	Nil	Nil

ANNEXURE TO DIRECTORS' REPORT (Contd...)

FORM - B	<u>For the year ended 31st March, 2010</u>	<u>For the year ended 31st March, 2009</u>
(A) Research & Development :		
1. Specified Areas in which R & D carried out by Company	Nil	Nil
2. Benefits derived as a result of above R & D	Nil	Nil
3. Further Plan of Action	Nil	Nil
4. Expenditure on R & D		
A) Capital	Nil	Nil
B) Recurring	Nil	Nil
C) Total	Nil	Nil
D) Total R & D Expenditure as a percentage of total turnover	Nil	Nil
(B) Technology Absorption, Adaptation & Innovation :		
1. Efforts in brief made towards technology adaptation & Innovation	Nil	Nil
2. Benefits derived as a result of above efforts e.g. output improvement, cost reduction, product development import substitution	Nil	Nil
3. Details of Imported technology	Nil	Nil
(C) Foreign Exchange Earnings & Outgo :		
1. Activities relating to exports		
2. Initiative taken to increase exports		
3. Development of new export markets for products and services and export plan		
	The Company has been exploring possibility of export of sugar in line with various export proposals received and examined.	
Total Foreign Exchange Used (Rs.)	6,20,025	7,86,229
Total Foreign Exchange Earned (Rs.)	Nil	Nil

Mumbai,
The 12th August, 2010

For and on behalf of the Board
Arvind K. Kanoria
Managing Director

AUDITORS' REPORT

TO THE MEMBERS OF THE UNITED PROVINCES SUGAR COMPANY LIMITED

1. We have audited the attached Balance Sheet of **The United Provinces Sugar Company Limited** as at 31st March, 2010, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the 'Act'), and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the Directors and taken on record by the Board of Directors of the Company, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanation given to us, the Balance Sheet, Profit & Loss Account and Cash Flow Statement read together with the Significant Accounting Policies and Notes thereon, 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:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of Profit & Loss Account, of the profit for the year ended on that date and;
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Mumbai,
The 12th August, 2010

BATLIBOI & PUROHIT
Chartered Accountants
FRN NO. 101048W
PARAG HANGEKAR
Partner
Membership No. 110096

ANNEXURE TO THE AUDITORS' REPORT

Referred to paragraph 3 of the Auditors' Report of even date to the members of The United Provinces Sugar Company Limited on the financial statements for the year ended 31st March, 2010, we report that:

- i). (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical verification have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) The Company has not disposed off substantial part of its fixed assets during the year, accordingly, the assumption of going concern being affected, does not arise.
- ii). (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have been confirmed by their certificates in most of the cases. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii). (a) During the year the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly clauses (b), (c) and (d) of paragraph 4 of the said Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly clauses (f) and (g) of paragraph 4 of the said Order are not applicable.
- iv). In our opinion there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v). (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered into the register as per Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
- vi). In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
- vii). In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

- viii). We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for maintenance of cost records prescribed under section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determining whether they are accurate or complete.
- ix). (a) According to the information and explanations given to us and according to books and records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. As explained to us the provisions of employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, and according to the books and records of the Company examined by us, there are no outstanding dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess as at 31st March, 2010 which have not been deposited on account of dispute.
- x). The Company has no accumulated losses as at 31st March, 2010 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi). On the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in repayment of the dues to any financial institutions, banks and debenture holders.
- xii). According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii). This is not a chit fund / nidhi / mutual benefit fund / society to which the provisions of any special statute apply; accordingly, the provisions of the clause 4(xiii) of the Order are not applicable to the Company.
- xiv). In our opinion, and according to the information and explanation given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments except current investments.
- xv). The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi). In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii). On the basis of our examination and according to the information and explanation given to us, the funds raised on a short term basis have not been used for long term investment and vice versa.
- xviii). The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix). The Company has not issued any secured debenture.
- xx). The Company has not raised any money by public issue during the year.
- xxi). In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

Mumbai,
The 12th August, 2010

BATLIBOI & PUROHIT
Chartered Accountants
FRN NO. 101048W
PARAG HANGEKAR
Partner
Membership No. 110096

THE UNITED PROVINCES SUGAR COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010		As at 31st March, 2009	
		Rupees	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS :					
1. SHARE HOLDERS' FUNDS					
a) Share Capital	A	2,55,00,000		2,40,00,000	
b) Reserves & Surplus	B	33,61,32,648	36,16,32,648	<u>31,47,91,882</u>	33,87,91,882
2. LOAN FUNDS					
a) Secured Loans	C	1,22,51,41,306		1,18,27,50,558	
b) Unsecured Loans	D	11,35,000	1,22,62,76,306	<u>11,35,000</u>	<u>1,18,38,85,558</u>
TOTAL			1,58,79,08,954		<u>1,52,26,77,440</u>
II. APPLICATION OF FUNDS :					
1. FIXED ASSETS					
a) Gross Block		1,46,69,37,597		1,44,23,53,826	
b) Less : Depreciation		62,36,20,538		<u>56,40,19,025</u>	
c) Net Block		84,33,17,059		87,83,34,801	
d) Capital Work-in-Progress - at cost		—		<u>3,92,965</u>	
TOTAL FIXED ASSETS	E		84,33,17,059		87,87,27,766
2. INVESTMENTS	F		7,56,91,580		2,06,642
3. DEFERRED TAX ASSETS					
(Refer Note No. 11 (a) & (b) on Schedule N)					
a) Deferred Tax Assets		18,10,47,836		18,70,84,430	
b) Deferred Tax Liabilities		12,08,30,522	6,02,17,314	<u>12,62,63,745</u>	6,08,20,685
4. CURRENT ASSETS, LOANS AND ADVANCES	G				
a) Interest Accrued on Investments		94,39,757		—	
b) Property Development Cost		2,56,10,075		—	
c) Inventories		85,60,35,790		68,38,62,939	
d) Sundry Debtors		15,00,710		1,04,550	
e) Cash and Bank Balances		1,99,76,617		56,29,019	
f) Loans & Advances		2,22,67,128		<u>2,98,38,147</u>	
		93,48,30,077		<u>71,94,34,655</u>	
LESS : CURRENT LIABILITIES AND PROVISIONS	H				
a) Current Liabilities		29,21,03,783		10,66,75,401	
b) Provisions		3,40,43,293		<u>2,98,36,907</u>	
		32,61,47,076		<u>13,65,12,308</u>	
NET CURRENT ASSETS			60,86,83,001		<u>58,29,22,347</u>
TOTAL			1,58,79,08,954		<u>1,52,26,77,440</u>
Statement on Significant Accounting Policies	M				
Notes on Accounts	N				

Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For BATLIBOI & PUROHIT
Chartered Accountants
FRN NO. 101048W

Parag Hangekar
Partner

Mumbai, the 12th August, 2010

Sushil K. Jalan
Chairman

Arvind K. Kanoria
Managing Director

Vivek M. Pittie
Dr. Anurag K. Kanoria
G. L. Sultania
Directors

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
		Rupees	Rupees	Rupees	Rupees
I. INCOME					
Sugar & Molasses Gross Sales		1,30,61,97,975		95,73,85,851	
Less : Excise Duty and Other Taxes		6,18,24,594	1,24,43,73,381	5,99,55,055	89,74,30,796
Other Income	I		4,06,34,442		2,70,28,681
Increase / (Decrease) in Stocks	J		18,08,27,370		(5,16,42,466)
			1,46,58,35,193		87,28,17,011
II. EXPENDITURE					
Cost of Raw Materials Consumed			1,18,17,83,226		58,88,20,192
Manufacturing & Administrative Expenses	K		17,15,99,153		15,61,35,398
Selling Expenses			20,33,180		22,56,310
Interest	L		5,11,99,390		7,90,47,333
Depreciation on Fixed Assets		6,00,19,506		5,91,55,528	
Less : Transferred from Revaluation Reserve		65,33,289	5,34,86,217	65,33,289	5,26,22,239
Transfer to Molasses Storage Reserve			1,21,864		89,317
			1,46,02,23,030		87,89,70,789
III. PROFIT / (LOSS) BEFORE TAXATION			56,12,163		(61,53,778)
Provision for Taxation					
Less : Current Tax		(6,75,000)		—	
Less / Add : Deferred Tax Credit / Asset (Refer Note No. 11 (c) on Schedule N)		(6,03,371)		54,26,711	
Less : Fringe Benefit Tax		—		(3,41,760)	
Add : Income Tax in respect of earlier years Written Back		2,005	(12,76,366)	—	50,84,951
IV. PROFIT / (LOSS) AFTER TAXATION			43,35,797		(10,68,827)
Add : Balance in Profit & Loss Account of the erstwhile WSPL (Refer Note No. 4 (d) on Schedule N)					
a) (Loss) After Tax for the year ended 31st March, 2008		(19,52,549)		—	
b) Profit After Tax for the year ended 31st March, 2009		36,22,827	16,70,278	—	—
V. PROFIT / (LOSS)			60,06,075		(10,68,827)
Balance of Profit brought forward		1,09,88,336		1,20,57,163	
Add : Balance in Profit & Loss Account of the erstwhile WSPL as on Appointed Date i.e. 1st April, 2007 on Amalgamation (Refer Note No. 4 (c) (iii) on Schedule N)		(7,54,505)	1,02,33,831	—	1,20,57,163
VI. PROFIT AVAILABLE FOR APPROPRIATION			1,62,39,906		1,09,88,336
Balance carried to Balance Sheet			1,62,39,906		1,09,88,336
			1,62,39,906		1,09,88,336
VII. Basic & Diluted Earnings Per Equity Share (Face Value of Rs. 10/- each) (Refer Note No. 10 on Schedule N)			2.36		(0.45)
Statement on Significant Accounting Policies	M				
Notes on Accounts	N				

Schedules referred to above form an integral part of the Profit & Loss Account.

This is the Profit & Loss Account referred to in our report of even date.

For BATLIBOI & PUROHIT

Chartered Accountants
FRN NO. 101048W

Parag Hangekar
Partner

Mumbai, the 12th August, 2010

Sushil K. Jalan
Chairman

Arvind K. Kanoria
Managing Director

Vivek M. Pittie
Dr. Anurag K. Kanoria
G. L. Sultania
Directors

THE UNITED PROVINCES SUGAR COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before Tax and Extraordinary Items		56,12,163		(61,53,778)
Adjustments for :				
Profit on Amalgamation (Net)	9,15,773			
Depreciation	5,34,86,217		5,26,22,239	
Gratuity (Provision)	45,62,285		12,24,290	
Leave Encashment Reversal / (Provision)	(4,55,899)		10,876	
Doubtful Debts and Advances (Provision)	50,709		—	
Unspent Liabilities / Balances Written Off	(37,26,944)		—	
Sundry Debts Balances / Advances Written Off	5,212		—	
Dividend Received	(11,580)		(5,018)	
Interest Income	(52,31,831)		(3,22,424)	
Interest Charged	5,11,99,390		7,90,47,333	
Loss/(Profit) on Sale of Fixed Assets (Net)	1,67,186		—	
(Profit)/Loss on Sale of Investments	(39,938)		—	
Molasses Storage Fund Written Back	—		—	
Transfer to General Reserve on Amalgamation	9,99,379		—	
Transferred to Molasses Storage Reserve	1,21,864	10,20,41,823	89,317	13,26,66,613
Operating Profit before Working Capital Changes		10,76,53,986		12,65,12,835
Adjustment for Changes in :				
Trade and Other Receivables	55,76,831		(67,56,528)	
Inventories	(17,21,72,851)		5,36,77,343	
Trade Payables	6,97,38,339		(17,58,75,815)	
Advance Received Against Grant of Development Rights	10,50,00,000		—	
Property Development Cost	(2,56,10,075)	(1,74,67,756)	—	(12,89,55,000)
Cash generated from Operations		9,01,86,230		(24,42,165)
Direct Taxes Refund / Paid (Including TDS)- Net		2,83,023		(6,56,887)
Cash Flow before Extra Ordinary Items		9,04,69,253		(30,99,052)
Extra Ordinary Items		—		—
Net Cash Flow from Operating Activities		9,04,69,253		(30,99,052)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(2,48,82,485)		(2,32,23,853)	
Sale of Fixed Assets	1,06,500		—	
Purchase of Investments	(7,55,00,000)		—	
Sale of Investments	15,062		—	
Loans Given to Others	(4,13,000)		—	
Loans Received Back from Others	1,00,000		—	
Dividend Received	11,580		5,018	
Interest Income	52,31,831	(9,53,30,512)	3,22,424	(2,28,96,411)
Net Cash Flow from Investing Activities		(9,53,30,512)		(2,28,96,411)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from Issue of Equity Shares	15,00,000		—	
Proceeds from Borrowings	32,00,78,286		11,84,33,086	
Repayment of Borrowings	(25,41,87,538)		(3,39,47,076)	
Dividend Paid (Including Tax on Dividend Rs. Nil)	—		—	
Previous Year Rs. Nil	—		—	
Interest Paid (Net)	(4,81,81,891)	1,92,08,857	(7,90,47,333)	54,38,677
Net Cash Flow from Financing Activities		1,92,08,857		54,38,677
Net Increase/(Decrease) in Cash & Cash Equivalent (A + B + C)		1,43,47,598		(2,05,56,786)
Cash and Cash equivalent at the beginning of the year		56,29,019		2,61,85,805
Cash and Cash equivalent at the end of the year		1,99,76,617		56,29,019

Notes:-

- The above Cash Flow statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS) - 3 on "Cash Flow Statements" notified under the Companies Accounting Standard Rules, 2006.
- Cash and Cash Equivalents consists of Cash in Hand, Balances with Scheduled Banks and Post Office Savings Bank as per Schedule G on the audited accounts.
- Previous year's figures have been regrouped / re-arranged wherever necessary.

This is the Cash Flow referred to in our report of even date.

For BATLIBOI & PUROHIT, Chartered Accountants
FRN NO. 101048W

Parag Hangekar, Partner
Mumbai, the 12th August, 2010

Sushil K. Jalan
Chairman

Arvind K. Kanoria
Managing Director

Vivek M. Pittie
Dr. Anurag K. Kanoria
G. L. Sultanias
Directors

THE UNITED PROVINCES SUGAR COMPANY LIMITED

SCHEDULE - A

	As at 31st March, 2010		As at 31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
SHARE CAPITAL				
AUTHORISED				
50,00,000 Equity Shares of Rs. 10/- each		<u>5,00,00,000</u>		<u>5,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID-UP				
25,50,000 (Previous Year 24,00,000)				
Equity Shares of Rs. 10/- each fully paid-up		<u>2,55,00,000</u>		<u>2,40,00,000</u>
		<u>2,55,00,000</u>		<u>2,40,00,000</u>

Notes :

Out of the above subscribed capital :

- a) 14,40,000 equity shares of Rs. 10/- each have been allotted as fully paid up bonus shares by capitalisation of reserves.
- b) 1,50,000 equity shares of Rs. 10/- each fully paid up have been issued to shareholders of the erstwhile WSPL in the ratio of 3 fully paid equity shares of Rs. 10/- each of the Company for every 1 fully paid equity share of Rs. 10/- each of the erstwhile WSPL pursuant to the Scheme of Amalgamation (Refer Note No. 4 (b) on Schedule N).

SCHEDULE - B

RESERVES & SURPLUS

	As at 31st March, 2009	Additions during the Year	Deductions during the Year	As at 31st March, 2010
	Rupees	Rupees	Rupees	Rupees
Capital Reserve	17,42,946	2,35,00,000	—	2,52,42,946
Revaluation Reserve	24,30,10,295	—	65,33,289	23,64,77,006
Molasses Storage Fund	1,82,668	1,21,864	—	3,04,532
General Reserve	5,88,67,637	621	10,00,000	5,78,68,258
	30,38,03,546	<u>2,36,22,485</u>	<u>75,33,289</u>	31,98,92,742
As per Profit & Loss Account	1,09,88,336			1,62,39,906
	<u>31,47,91,882</u>			<u>33,61,32,648</u>

Notes :

- a) Addition to Capital Reserve represents part waiver under a One Time Settlement (OTS) entered into during the year on the outstanding principal loan amounting to Rs. 7,60,00,000/- availed from Industrial Investment Bank of India Ltd. (IIBI) which had been sanctioned and utilised exclusively for acquisition of capital assets in the expansion project of the Company.
- b) Addition to General Reserve is in respect of the transfer of General Reserve of the erstwhile WSPL as on the Appointed Date of 1st April, 2007 as also deduction from General Reserve being the difference of amount of share capital issued on Amalgamation and the equity share capital of the erstwhile WSPL - refer Note No. 4 (c) (ii) & (iii) on Schedule N.

THE UNITED PROVINCES SUGAR COMPANY LIMITED

SCHEDULE - C

	As at 31st March, 2010		As at 31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
SECURED LOANS				
A) TERM LOANS				
i) IDBI Bank Ltd. (IDBI)		12,12,60,850		15,35,97,250
ii) Industrial Investment Bank of India Ltd. (IIBI)		—		7,60,00,000
iii) Punjab National Bank (PNB)		—		8,00,00,000
iv) Punjab National Bank Excise Duty Term Loan (PNB)		8,42,40,000		9,19,00,000
v) The Pradeshiya Industrial & Investment Corporation of Uttar Pradesh Ltd. (PICUP)		94,50,160		94,40,141
vi) Government of India - Sugar Development Fund (SDF)				
Term Loans	17,88,63,680		23,38,01,200	
Interest Funded	9,42,54,366	27,31,18,046	12,08,53,057	35,46,54,257
vii) HDFC Bank Limited		29,91,384		14,99,718
viii) ICICI Bank Limited		—		1,54,927
		49,10,60,440		76,72,46,293
B) CASH CREDIT ACCOUNT				
Punjab National Bank (PNB)				
i) Secured by pledge of stock of sugar		71,20,57,954	40,06,87,886	
ii) Secured by hypothecation of stock of mill stores & spare parts	2,20,22,912	73,40,80,866	1,48,16,379	41,55,04,265
		1,22,51,41,306		1,18,27,50,558

Notes :

- Term loans from IDBI, IIBI, PNB and PICUP are secured, ranking paripassu, by hypothecation of movable plant & machinery (other than those purchased under deferred payment guarantee scheme from PNB to the extent of Rs.47.18 lakhs) and by way of mortgage through deposit of the title deeds of the Company's land and buildings in Seorahi, Uttar Pradesh. These are also secured by the movable assets of the Company, except book debt, both present and future, subject to prior charge on specific movable properties in favour of PNB for working capital facilities. The term loans from IDBI, IIBI and PNB are guaranteed by the Managing Director of the Company and certain shares held by the Promoters are pledged to the institutions. The term loan from PICUP is an interest free loan in lieu of the Trade Tax Deferment Scheme of the Uttar Pradesh Government. (due within a year Rs.3,45,31,406/-, previous year Rs.6,02,77,055/-).
- Term loans from SDF are secured by prior second charge on the fixed assets as stated in Note No. 1 above and by hypothecation of movable properties, except book debts, both present and future, subject to prior charge on specific movable properties in favour of PNB for working capital facilities. The accrued interest on the above loans are funded for a period of 8 years as per the provisions of the SDF rules and such funding is free of interest. (due within a year Rs.11,52,80,780/-, previous year Rs.8,43,30,795/-).
- Besides pledge/ hypothecation of stocks as stated above, cash credit facilities from PNB are additionally secured by a residual third charge through hypothecation of plant & machinery, both present and future, and by way of mortgage through deposit of title deeds of the Company's land and buildings in Seorahi, Uttar Pradesh and also guaranteed by the Managing Director of the Company.
- The Excise Duty Term Loan from PNB is secured by a residual charge on the fixed assets after as stated in Note Nos. 1, 2 and 3 above and by hypothecation of movable properties except book debts, both present and future, subject to prior charge on specific movable properties in favour of PNB for working capital facilities. The Government of India will provide full interest subvention to PNB for the aforesaid loan under the Scheme for Extending Financial Assistance to Sugar Undertakings, 2007 (due within a year Rs.4,59,60,000/-, previous year Rs.76,58,333/-).
- Term loans from HDFC Bank Limited and ICICI Bank Limited are secured by hypothecation of the concerned vehicles financed by them. (due within a year Rs.11,65,426/-, previous year Rs.6,05,894/-).
- Aggregate amount of Term Loans payable within a year Rs.19,69,37,612/-, previous year Rs.15,28,72,077/-.
- Aggregate amount of loans outstanding which are guaranteed by the Managing Director of the Company - Rupees Term Loans Rs.12,12,60,850/-, previous year Rs.30,95,97,250/-, Fund Based Working Capital Limits Rs.73,40,80,866/-, previous year Rs.41,55,04,265/- and Non-Fund Based Working Capital Limits Rs.6,18,287/-, previous year Rs.6,18,287/-. No guarantee commission is payable to the above Guarantor.

SCHEDULE - D

	As at 31st March, 2010		As at 31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
UNSECURED LOANS				
SHORT TERM LOAN				
From Others - a Body Corporate		11,35,000		11,35,000
		11,35,000		11,35,000

THE UNITED PROVINCES SUGAR COMPANY LIMITED

SCHEDULE - E

FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 31.03.2009 including revaluation	Additions during the year	Deductions/ Adjustments during the year	Total as at 31.03.2010	Up to 31.03.2009	During the year	Adjustments/ Deductions during the year	Total up to 31.03.2010	As at 31.03.2010 including revaluation	As at 31.03.2009 including revaluation
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	19,92,70,084	—	—	19,92,70,084	—	—	—	—	19,92,70,084	19,92,70,084
Buildings	12,47,36,312	9,46,957	—	12,56,83,269	2,64,88,385	27,85,143	—	2,92,73,528	9,64,09,741	9,82,47,927
Plant & Machinery	1,10,72,45,773	2,11,80,521	—	1,12,84,26,294	53,19,91,505	5,64,14,028	—	58,84,05,533	54,00,20,761	57,52,54,268
Furniture & Electrical Fittings	45,94,384	2,60,568	1,05,060	47,49,892	30,61,331	2,45,692	70,839	32,36,184	15,13,708	15,33,053
Motor Vehicles & Cycles	64,82,562	28,87,404	5,86,619	87,83,347	24,53,340	5,74,643	3,47,154	26,80,829	61,02,518	40,29,222
Machinery Zamindari (Tubewell)	24,711	—	—	24,711	24,464	—	—	24,464	247	247
Total	1,44,23,53,826	2,52,75,450	6,91,679	1,46,69,37,597	56,40,19,025	6,00,19,506	4,17,993	62,36,20,538	84,33,17,059	87,83,34,801
Previous Year	1,41,91,75,173	2,31,78,653	—	1,44,23,53,826	50,48,63,497	5,91,55,528	—	56,40,19,025	87,83,34,801	—

Capital Work-in-Progress

In course of Installation	
Building	—
Plant & Machinery	3,92,965
Total	3,92,965
Previous Year	3,47,765

Notes :

- 1) Certain land measuring 17 Hectares have been vested during the year 1976-77 in the Uttar Pradesh State Government in respect of which compensation has not been determined and consequently no adjustment has been made in these accounts.
- 2) a) Land, Buildings and Plant & Machinery were revalued as at 31st March, 1995 on net replacement value as per the report of PriceWaterhouse, an approved valuer, and the resultant increases of Rs. 1,78,70,000/-, Rs. 2,50,94,560/- and Rs. 11,15,99,378/- respectively were added to the book value of the said Fixed Assets.
- b) Land was further revalued as at 31st March, 2008 on net replacement value as per the report of S. Sen & Associates, an approved valuer, and the resultant increase of Rs. 17,90,66,136/- was added to the book value of the said Fixed Asset.

THE UNITED PROVINCES SUGAR COMPANY LIMITED

SCHEDULE - F

	As at 31st March, 2010		As at 31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
INVESTMENTS				
LONG TERM INVESTMENTS (At Cost) (Other than Trade)				
In Government Securities - Unquoted				
11.50% C.M.D.A. Bond - 2010	6,701		6,701	
11.50% West Bengal Loan - 2009	—		15,062	
11.50% West Bengal Loan - 2010	7,668		7,668	
2.50% Bihar Zamindari Abolition Compensation Bonds	20,211		20,211	
7.50% Government of India Loan - 2010	5,460	40,040	5,460	55,102
National Savings Certificates (Deposited with Government Authorities)		1,000		1,000
Deep Discount Bonds - Unquoted				
600 Deep Discount Bonds (Transferable) of New India Exports Pvt. Ltd. at issue price of Rs. 1,00,000/- each (Redeemable at the end of 10 years at face value of Rs. 1,80,000/- per bond)	6,00,00,000		—	
155 Deep Discount Bonds (Transferable) of Kaabil Traders Pvt. Ltd. at issue price of Rs. 1,00,000/- each (Redeemable at the end of 10 years at face value of Rs. 1,80,000/- per bond)	1,55,00,000	7,55,00,000	—	—
In Shares of Joint Stock Companies - Quoted Punjab National Bank (386 Equity Shares of Rs. 10/- each fully paid)		1,50,540		1,50,540
		7,56,91,580		2,06,642
Aggregate book value of unquoted investments		7,55,41,040		56,102
Aggregate book value of quoted investments		1,50,540		1,50,540
Aggregate market value of quoted investments		3,91,192		1,58,820

SCHEDULE - G

CURRENT ASSETS, LOANS & ADVANCES

A) INTEREST ACCRUED ON INVESTMENTS		94,39,757		—
B) PROPERTY DEVELOPMENT COST (Refer Note No. 5 on Schedule N)		2,56,10,075		—
C) INVENTORIES				
Stock of Stores & Spare Parts	3,23,32,455		3,97,12,844	
Loose Tools	3,01,972		2,52,541	
Stock-in-Trade :				
Sugar	78,49,40,570		58,12,60,514	
Sugar-in-Process	50,55,620		25,60,000	
Molasses	3,34,05,173		6,00,77,040	
Molasses-in-Process	—	85,60,35,790	—	68,38,62,939
D) SUNDRY DEBTORS (Unsecured)				
i) Debts outstanding for a period exceeding six months :				
Considered Good	7,35,452		3,731	
Considered Doubtful	1,06,394		1,06,394	
	8,41,846		1,10,125	
Less : Provision for Doubtful Debts	1,06,394		1,06,394	
	7,35,452		3,731	
ii) Other Debts :				
Considered Good	7,65,258	15,00,710	1,00,819	1,04,550
Carried Over		89,25,86,332		68,39,67,489

THE UNITED PROVINCES SUGAR COMPANY LIMITED

SCHEDULE - G (Contd...)

	As at 31st March, 2010		As at 31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
Brought Forward		89,25,86,332		68,39,67,489
E) CASH & BANK BALANCES				
Cash, Cheques and Demand Drafts in Hand	4,87,856		3,11,425	
Balances with Scheduled Banks :				
On Current Accounts	1,76,33,473		35,96,310	
On Unpaid Dividend Accounts	18,652		18,702	
On Fixed Deposit Accounts (Under lien Rs. 6,37,264/-, Previous Year Rs. 6,37,264/-)	7,86,606		7,86,606	
Balances with Non-Scheduled Banks :				
On Current Accounts (Refer Note No. 6 on Schedule N)	6,37,361		6,53,307	
On Post Office Savings Bank Account (Represents Molasses Fund Account, Maximum amount outstanding at any time during the year Rs. 4,12,669/-, Previous Year Rs. 2,62,669/-)	4,12,669	1,99,76,617	<u>2,62,669</u>	56,29,019
F) LOANS & ADVANCES (Unsecured)				
LOANS				
Considered Good :				
To Bodies Corporates	3,13,000		—	
ADVANCES				
Advance Receivable in cash or in kind or for value to be received :				
Considered Good	1,48,32,477		1,58,90,751	
Considered Doubtful	1,25,379		74,670	
	1,49,57,856		<u>1,59,65,421</u>	
Less : Provision for doubtful advances	1,25,379		74,670	
	1,48,32,477		<u>1,58,90,751</u>	
Advance Income Tax - Considered Good	35,51,881		38,36,909	
DEPOSITS				
Considered Good :				
Sundry Deposits	8,91,939		8,91,739	
Balance with Excise Authorities	26,77,831		92,18,748	
	35,69,770	2,22,67,128	<u>1,01,10,487</u>	<u>2,98,38,147</u>
		93,48,30,077		<u>71,94,34,655</u>

SCHEDULE - H

CURRENT LIABILITIES & PROVISIONS

A) CURRENT LIABILITIES

Sundry Creditors :

Total Outstanding Dues of Micro and Small Enterprises

Others

8,39,783

13,52,19,841

13,60,59,624

10,63,155

5,47,27,945

5,57,91,100

Interest Accrued but Not Due on Loans

Other Liabilities

Unclaimed Dividend*

Advance Received Against Grant of

Development Rights (Refer Note No. 5 on Schedule N)

Carried Over

30,17,699

4,80,13,299

13,161

18,71,03,783

10,50,00,000

29,21,03,783

—

5,08,71,140

13,161

10,66,75,401

—

10,66,75,401

* There is no amount due and outstanding to be credited to Investors' Education and Protection Fund.

THE UNITED PROVINCES SUGAR COMPANY LIMITED

SCHEDULE - H (Contd...)

	As at 31st March, 2010		As at 31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
Brought Forward		29,21,03,783		10,66,75,401
B) PROVISIONS				
Provision for Contingency on Stores (Refer Note No. 12 on Schedule N)	3,50,000		3,50,000	
Provision for Gratuity	2,84,11,714		2,38,49,429	
Provision for Leave Encashment	25,07,219		29,63,118	
Provision for Taxation	27,74,360	3,40,43,293	26,74,360	2,98,36,907
		32,61,47,076		13,65,12,308

SCHEDULE - I

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
OTHER INCOME				
Interest (Gross) :				
On Fixed Deposit with bank (Tax Deducted at Source Rs. 37,486/-, Previous Year Rs. 6,887/-)	3,73,776		3,08,127	
On Deep Discount Bonds (Long Term Investments)	48,47,484		—	
Others	10,571	52,31,831	14,297	3,22,424
Dividend Received on Long Term Investments		11,580		5,018
Burnt Cane Subsidy		1,289		35,024
Liabilities No Longer Required Written Back		37,26,944		32,45,816
Profit on Sale of Long Term Investments		39,938		—
Miscellaneous Operational Income		3,16,22,860		2,34,20,399
		4,06,34,442		2,70,28,681

SCHEDULE - J

INCREASE / (DECREASE) IN STOCKS

OPENING STOCK :				
Sugar	58,12,60,514		63,72,38,589	
Molasses	6,00,77,040		5,24,71,925	
Sugar-in-Process	25,60,000		94,76,600	
Molasses-in-Process	—	64,38,97,554	4,97,600	69,96,84,714
CLOSING STOCK :				
Sugar	78,49,40,570		58,12,60,514	
Molasses	3,34,05,173		6,00,77,040	
Sugar-in-Process	50,55,620		25,60,000	
Molasses-in-Process	—	82,34,01,363	—	64,38,97,554
		17,95,03,809		(5,57,87,160)
Add : Excise Duty and Other Taxes*		13,23,561		41,44,694
		18,08,27,370		(5,16,42,466)

*Represents differential excise duty and education cess on opening and closing stock of finished goods/by-products.

THE UNITED PROVINCES SUGAR COMPANY LIMITED

SCHEDULE - K	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
MANUFACTURING & ADMINISTRATIVE EXPENSES				
Stores & Spare Parts Consumed		3,07,02,965		2,89,03,284
Power & Fuel		76,26,378		69,20,769
Rent		2,76,000		2,88,960
Rates & Taxes		8,07,639		5,16,925
REPAIRS & MAINTENANCE :				
Plant & Machinery	2,12,07,700		2,80,42,020	
Building	22,09,632		13,78,264	
Others	1,40,723	2,35,58,055	<u>52,876</u>	2,94,73,160
SALARIES, WAGES & OTHER EMPLOYEES BENEFITS :				
Salaries, Wages, Bonus & Gratuity	7,42,94,170		6,29,02,002	
Contribution to Provident & Other Funds	63,49,796		53,32,521	
Workmen & Staff Welfare Expenses	13,80,592	8,20,24,558	<u>11,62,608</u>	6,93,97,131
Insurance		8,55,845		6,56,490
Godown Expenses		27,86,303		25,71,714
Travelling Expenses		22,60,637		19,10,367
Motor Car Expenses		23,44,017		20,79,328
Miscellaneous Expenses		42,55,051		47,15,733
Sundry Office Expenses [including Salaries, Bonus & Gratuity Rs. 41,08,716/- (Previous Year Rs. 37,84,031/-) Contribution to Provident & Other Funds Rs. 3,36,052/- (Previous Year Rs. 3,26,641/-) and Staff Welfare Expenses Rs. 3,03,069/- (Previous Year Rs. 2,73,770/-)]		1,37,21,147		85,48,089
AMOUNT PAID/PAYABLE TO AUDITORS :				
Audit Fees	85,000		85,000	
Tax Audit Fees	15,000		15,000	
Miscellaneous Certificates & Other Services	3,000		3,000	
Reimbursement of Expenses (including Service Tax)	20,951	1,23,951	<u>17,198</u>	1,20,198
Cost Audit Fee		30,000		30,000
Directors' Fee		3,500		3,250
Bad Debts and Advances Written Off		5,212		—
Provision for Doubtful Debts & Advances		50,709		—
Loss on Sale of Fixed Assets		1,67,186		—
		<u>17,15,99,153</u>		<u>15,61,35,398</u>

SCHEDULE - L

INTEREST

On Borrowings from Bank		2,09,48,403		4,02,17,482
On Fixed Loans				
Term Loan	3,00,99,334		3,86,73,155	
Others	1,51,653	3,02,50,987	<u>1,56,696</u>	3,88,29,851
		<u>5,11,99,390</u>		<u>7,90,47,333</u>

SCHEDULE - M

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

1. ACCOUNTING CONVENTION :

The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as prescribed by the Companies (Accounting Standard) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

2. USE OF ESTIMATES :

The preparation of the Financial Statements in conformity with GAAP required management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates generally include future obligations under employee retirement benefit plans and income taxes.

3. FIXED ASSETS, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS :

- a) Fixed Assets are stated at their original cost (net of accumulated depreciation and impairments) adjusted by revaluation of Land, Building and Plant & Machinery as at 31st March, 1995 and Land at 31st March, 2008. Cost, net of cenvat, includes acquisition price, import duties, other non-refundable taxes, attributable expenses and pre operational expenses including finance charges, wherever applicable.
- b) Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.
- c) Expenditure during construction period :
Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are being treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital work in progress". Capital Work-in-Progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

4. DEPRECIATION AND AMORTISATION :

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

5. INVESTMENTS :

Trade Investments are the investments made to enhance the Company's business interest. Investments are classified as current or long term based on Management's intension at the time of purchase. Long Term Investments are carried at cost less provision recorded to recognise any decline, other than temporary, the carrying value of each investment. Current Investments are carried at the lower of cost and fair value, category wise. Cost of investments includes acquisition cost such as brokerage, fee and duties.

6. INVENTORIES :

- a) Inventories (other than By-product) are valued at lower of cost or net realizable value. The cost of Inventories is computed on weighted average basis. The cost of Finished goods and work-in-process include cost of conversion and other cost incurred in bringing the Inventories to their present location and condition.
- b) By-product (Molasses) are valued at net realisable value.

7. REVENUE RECOGNITION :

- a) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.
- b) Gross turnover includes excise duty but exclude sales tax.
- c) Dividend income is accounted for in the year it is declared.
- d) All other income are accounted for on accrual basis.

8. EXPENSES :

All the expenses are accounted for on accrual basis.

SCHEDULE - M (Contd...)

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

9. EMPLOYEE BENEFITS :

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- b) Long-term employee benefits are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable as per actuarial valuations. However, funding of gratuity and leave encashment benefit on actuarial valuation has not been made. Actuarial gains and losses in respect of such benefits are recognised in the Profit and Loss Account.

10. BORROWING COSTS :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

11. SHARE ISSUE EXPENSES :

These are equally amortised over five years.

12. INCOME FROM INVESTMENT :

Income from Investments is included together with the related tax credit in the Profit and Loss Account.

13. INSURANCE CLAIM :

Accounted for on settlement of claims.

14. GOVERNMENT GRANTS AND SUBSIDIES :

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

15. FOREIGN CURRENCY TRANSACTION :

- 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. The effect of Exchange Rate fluctuations in respect of fixed assets is adjusted with the cost of the respective Asset, whereas in respect of Monetary Assets the same is taken to Profit and Loss Account.
- c) Forward exchange contracts entered into for hedging purposes are accounted for separately from the underlying transactions. The premium or discount on forward exchange contracts is amortised over the period of the respective contract. Exchange difference on such contracts at the year-end/upon termination is taken to Profit and Loss Account.
- d) Transactions covered by cross currency swap contracts are marked to market at the Balance Sheet date and the gain or loss is taken to Profit and Loss Account.

16. TAXES ON INCOME :

Tax on Income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961, and based on the expected outcome of assessments/appeals.

Deferred tax is recognised on timing differences between the income accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

17. IMPAIRMENT OF ASSETS :

Impairment losses, if any, are recognised in accordance with the accounting standard notified under The Companies (Accounting Standard) Rules, 2006.

18. 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.
- b) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- c) A Contingent Asset is not recognised in the accounts.

THE UNITED PROVINCES SUGAR COMPANY LIMITED

SCHEDULE - N

NOTES ON ACCOUNTS

	As at 31st March, 2010	As at 31st March, 2009
	Rupees	Rupees
FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010		
1. The estimated amount of contracts remaining to be executed on capital account net of advances, not provided for in the accounts.	—	—
2. Contingent liabilities disputed by the Company and not provided for in the accounts ;		
a) Counter guarantees given to a bank on account of guarantees furnished by it.	6,18,287	6,18,287
b) Counter guarantee given to PNB on account of a guarantee furnished by it for machines purchased under its Deferred Payment Guarantee Scheme. Though the guarantee, the validity of which has expired, is yet to be released by PNB, there remains no liability on the Company on this account by virtue of the Order dated 24th April, 1986 of the Hon'ble Calcutta High Court.	47,18,000	47,18,000
c) Claim of State Trading Corporation of India Ltd. (STC) including interest which is being contested by the Company.	3,82,481	3,82,481
d) In respect of Society Commission on additional statutory minimum price for seasons 2002-2003 to 2008-2009 pending disposal of appeal filed by the association of the private sugar mills in the Hon'ble Supreme Court against Order dated 14th May, 2003 of Hon'ble High Court, Allahabad.	73,39,239	73,39,239
e) Differential sugarcane price for the sugar season 2007-2008 pending disposal of the Writ filed by the UP Sugar Mills Association of which the Company is a member, in Hon'ble Supreme Court of India	6,28,53,085	6,28,53,085
3. An arbitration award in favour of the Company for Rs. 4,98,245/- including interest Rs. 1,61,002/-, being the damage suffered on account of non-lifting of sugar by STC will be recognised as revenue as and when appeal filed by STC in the Delhi High Court is disposed off. Pending decision of the appeal, the Delhi High Court has ordered STC to deposit 95% of the amount of the award with an option to the Company to withdraw the same against bank guarantee. The Company has realised Rs. 4,73,333/- during the year ended 31st March, 1991 on furnishing the necessary bank guarantee.		
4. Amalgamation of Warden Synplast Private Limited (WSPL) with the Company ;		
a) Pursuant to the Scheme of Amalgamation of the erstwhile Warden Synplast Private Limited ("WSPL") with the Company, under Section 391 to 394 of the Companies Act, 1956 as approved by the members of the Company on February 16, 2009 and subsequently sanctioned by the Honorable High Courts of Jurisdiction at Calcutta and Bombay by their orders dated April 07, 2009 and May 18, 2009, respectively, all assets and properties and all debts, liabilities and reserves of WSPL have been transferred to and vested in the Company retrospectively with effect from April 01, 2007 ("the Appointed Date"). The effective date of Amalgamation is June 11, 2009 and the Scheme has been given effect to accordingly in the accounts during the current financial year. The erstwhile WSPL was engaged in the business of Real Estate Development.		
b) Pursuant to the Scheme, the shareholders of WSPL are entitled to 3 (three) fully paid equity shares of Rs. 10/- each of the Company for every 1 (One) fully paid equity share of Rs. 10/- each held in WSPL. Accordingly during the year, the Company has issued 1,50,000 fully paid equity shares of Rs. 10/- each to the shareholders of WSPL.		
c) The Amalgamation has been accounted for under the 'pooling of interest' method as prescribed by Accounting Standard (AS)-14 issued in pursuance to the Companies (Accounting Standards) Rules, 1906. Accordingly, all assets, liabilities and reserves of WSPL as at April 01, 2007 have been transferred at their book values. As stipulated in the Scheme of Amalgamation, all reserves of WSPL have been transferred to the General Reserve Account of the Company. Accordingly, the amalgamation has resulted in the difference of Rs. 10,00,000/- between the face value of equity shares issued to the shareholders of the erstwhile WSPL and the net book value of assets, liabilities and reserves and the same is debited to General Reserve Account. The details of all such effects in the financial statements of the Company on the said Amalgamation is given below ;		

SCHEDULE - N (Contd...)

NOTES ON ACCOUNTS

	<u>Amount</u> Rupees	<u>Amount</u> Rupees
i) ASSETS AND LIABILITIES TAKEN OVER		
CURRENT ASSETS :		
Property Development Cost (At Cost)	2,56,10,074	
Cash and Bank Balances	70,296	
Loans and Advances	<u>6,90,86,925</u>	9,47,67,295
LESS: CURRENT LIABILITIES :		
Advance received against Grant of Development Rights	9,50,00,000	
Other Liabilities / Expenses	<u>21,178</u>	<u>9,50,21,178</u>
NET ASSETS / (LIABILITIES)		<u>(2,53,883)</u>
ii) THE DIFFERENCE ADJUSTED FROM GENERAL RESERVE		
Consideration for Amalgamation:		
Issue of Equity Shares		15,00,000
(In the ratio of 3 Equity Shares of the Company for every 1 Equity Share of WSPL)		
Less : Equity Share Capital of WSPL		5,00,000
ADJUSTED FROM GENERAL RESERVE		10,00,000
iii) TRANSFER OF		
General Reserve of WSPL to General Reserve		622
Profit and Loss Account (Debit balance) of WSPL		
to the Profit and Loss Account as Debit Balance		<u>(7,54,505)</u>

d) The income accruing and expenses incurred by WSPL during the period April 01, 2007 to March 31, 2008 and April 01, 2008 to March 31, 2009 have also been incorporated in these accounts and the extract of the same is as under;

	<u>For the year ended</u> <u>31st March, 2008</u>	<u>For the year ended</u> <u>31st March, 2009</u>
	Rupees	Rupees
I INCOME		
Sales	—	—
Other Income	—	—
Interest Income	—	45,70,770
TOTAL	<u>—</u>	<u>45,70,770</u>
II EXPENDITURE		
Advertisement & Publicity Expenses	—	18,480
Licence & Filing Fees	1,735	8,109
Legal & Professional Fees	7,73,433	7,51,213
Bank Charges	238	627
Professional Tax	—	2,500
Audit Fees	5,618	5,618
General Expenses	3,600	—
Sundry Balances Written Off	11,67,925	—
Directors Travelling Expenses	—	1,61,397
TOTAL	<u>19,52,549</u>	<u>9,47,944</u>
III (LOSS) / PROFIT BEFORE TAXATION	<u>(19,52,549)</u>	<u>36,22,826</u>
Taxation	—	—
IV (LOSS) / PROFIT AFTER TAXATION	<u>(19,52,549)</u>	<u>36,22,826</u>
Balance of loss brought forward from last year	(7,54,505)	(27,07,054)
V (LOSS) / PROFIT CARRIED TO PROFIT & LOSS ACCOUNT	<u>(27,07,054)</u>	<u>9,15,772</u>

SCHEDULE - N (Contd...)

NOTES ON ACCOUNTS

5. The erstwhile Warden Synplast Private Limited (WSPL) had alongwith Bombay Wire Ropes Limited (BWRL), entered into an agreement with a developer for the grant of development rights in the land owned by BWRL on a portion of which WSPL enjoyed development rights also. The aforesaid agreement has been terminated by WSPL and BWRL on certain grounds and the dispute has been referred to an arbitration, as per the Order of Hon'ble Bombay High Court in suit filed by the developer for specific performance of the agreement. The arbitration process has commenced but not been completed till date. As the possession of the property remains with the Company (on account of Amalgamation of the erstwhile WSPL with the Company) and BWRL and no development whatsoever has commenced thereon, the part amount received from the developer continues to be shown under "Current Liabilities and Provisions" as 'Advance Received Against Grant of Development Rights' and the Property Development Cost also continues to be included under "Current Assets" as 'Property Development Cost' having regard to para 11 of Accounting Standard (AS)-9 under which revenue cannot be recognised until significant risks and rewards of ownership have been transferred.

6. Balance with Non-Scheduled Banks on Current Accounts :

Name of the Bank	Closing Balance as at 31st March		Maximum amount outstanding at any time during the year ended 31st March	
	2010	2009	2010	2009
	Rupees	Rupees	Rupees	Rupees
i) Deoria Kasia Zila Sahakari Bank Ltd., Dudahi	1,04,911	1,04,911	1,04,911	1,04,911
ii) Deoria Kasia Zila Sahakari Bank Ltd., Fazilnagar	1,04,254	1,04,254	1,04,254	1,04,254
iii) Deoria Kasia Zila Sahakari Bank Ltd., Kasia	1,10,508	1,10,508	1,10,508	1,10,508
iv) Deoria Kasia Zila Sahakari Bank Ltd., Seorahi	34,268	50,214	50,214	8,53,193
v) Deoria Kasia Zila Sahakari Bank Ltd., Taraya Sujan	2,16,794	2,16,794	2,16,794	2,16,794
vi) Deoria Kasia Zila Sahakari Bank Ltd., Turkpatti	66,626	66,626	66,626	66,626
	6,37,361	6,53,307		

7. Employee Benefits :

a) Defined Contribution Plan

The Company makes contributions at a specified percentage of payroll cost towards Employees Provident Fund (EPF) for qualifying employees.

The Company recognised Rs. 66,85,848/- (Previous Year Rs. 56,59,162/-) for provident fund contributions in the Profit and Loss Account.

b) Defined Benefit Plans

The Company provides the annual contributions as a non-funded defined benefit plan for qualifying employees.

The gratuity scheme provides for payment to vested employees as under :

i) On normal retirement / early retirement /withdrawal / resignation :

As per the provisions of Payment of the Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death while in service :

As per the provisions of Payment of the Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March, 2010 by an actuary. The present value of the defined benefit obligations and the related current service cost, were measured using the Projected Unit Credit Method.

SCHEDULE - N (Contd...)

NOTES ON ACCOUNTS

The following table set out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2010 :

Sr. No.	Particulars	Gratuity (Non-Funded)		Leave Encashment (Non-Funded)		Provident Fund (Funded)	
		As at 31st March		As at 31st March		As at 31st March	
		2010	2009	2010	2009	2010	2009
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
(i)	Reconciliation of defined benefit obligation (DBO) :						
	DBO at the beginning of the year	2,38,49,429	2,26,25,139	29,63,118	29,52,242		
	Current Service Cost	11,59,325	15,14,546				
	Interest Cost	17,95,283	17,98,103				
	Actuarial (gain)/losses	52,95,292	12,38,448				
	Benefits paid	(36,87,615)	(33,26,807)			66,85,848	56,59,162
	DBO at the end of the year (Net liability recognised in the Balance Sheet)	2,84,11,714	2,38,49,429	25,07,219	29,63,118		
(ii)	Net cost for the year ended 31st March, 2010 :						
	Current Service Cost	11,59,325	15,14,546				
	Interest Cost	17,95,283	17,98,103				
	Actuarial (gain)/losses	52,95,292	12,38,448				
	Net Cost	82,49,900	45,51,097				
(iii)	Assumptions used in accounting for the gratuity plan :						
	Discount Rate (%)	8.25%	7.75%				
	Salary Escalation Rate (%)	1%	1%				

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

c) Other Long Term Benefit

The Leave Encashment charge / reversal for the year ended 31st March, 2010, based on actuarial valuation carried out using the Projected Accrued Benefit Method, reversal amounting to Rs. 4,55,899/- (Previous Year charge of Rs. 10,876/-) has been recognised in the Profit and Loss Account.

8. As the Company's main business is restricted to manufacturing of sugar, there are no separate reportable segments as per Accounting Standard 17 regarding segment reporting issued by The Institute of Chartered Accountants of India.

9. Related Party Disclosures As Per Accounting Standard - 18 Are Given Below :

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

i) Key Managerial Personnel (KMP) :

Mr. Arvind K. Kanoria, Managing Director

Mr. A. B. Singh, Executive Director (Upto 7th January, 2010)

Mr. A. N. Singh Chauhan, Executive Director (From 16th January, 2010)

ii) Relatives of Key Managerial Personnel :

Mr. Arvind K. Kanoria

Mr. K. K. Kanoria (Father)

Mrs. Aruna Kanoria (Mother)

Mrs. Vineeta Kanoria (Wife)

Ms. Shikha Kanoria (Daughter)

Master Paritosh Kanoria (Son)

Dr. Anurag K. Kanoria (Brother)

Mr. A. B. Singh

Mrs. Kamala Singh (Wife)

Mr. A. N. Singh Chauhan

Mrs. Leela Chauhan (Wife)

SCHEDULE - N (Contd...)

NOTES ON ACCOUNTS

b) Details of transactions with related parties :

	Key Managerial Personnel And Their Relatives		Enterprise On Which Relatives of Key Managerial Personnel Has Control	
	For the year ended 31st March, 2010	For the year ended 31st March, 2009	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Investments in Deep Discount Bonds :				
i) New India Exports Private Limited			6,00,00,000	—
ii) Kaabil Traders Private Limited			1,55,00,000	—
Interest Accrued on Investments :				
i) New India Exports Private Limited			38,52,305	—
ii) Kaabil Traders Private Limited			9,95,179	—
Loans given :				
i) New India Exports Private Limited			3,64,000	—
ii) Kaabil Traders Private Limited			49,000	—
Remuneration to Key Managerial Personnel :				
i) Mr. Arvind K. Kanoria	17,65,634	19,70,858		
ii) Mr. A. B. Singh	13,91,409	8,38,660		
iii) Mr. A. N. Singh Chauhan	1,94,168	—		
Salary, Gratuity, Leave Encashment etc. :				
i) Mrs. Kamala Singh	6,66,652	3,70,821		
ii) Mrs. Leela Chauhan	74,277	—		
Outstanding Balance As At March 31, 2010				
Investments in Deep Discount Bonds :				
i) New India Exports Private Limited			6,00,00,000	—
ii) Kaabil Traders Private Limited			1,55,00,000	—
Outstanding Balance As At March 31, 2010				
on Interest Accrued on Investments :				
i) New India Exports Private Limited			74,84,705	—
ii) Kaabil Traders Private Limited			19,33,549	—
Outstanding Balance As At March 31, 2010				
Loans given :				
i) New India Exports Private Limited			2,64,000	—
ii) Kaabil Traders Private Limited			49,000	—
c) The transactions with related parties have been entered at an amount which are not materially different from that on normal commercial terms.				
d) No amount has been written back / written off during the year in respect of due to / from related parties.				
e) The amount of due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.				

10. Earning Per Share (EPS) computed in accordance with Accounting Standard - 20 regarding Earning Per Share Basic and Diluted :	For the year ended 31st March, 2010	For the year ended 31st March, 2009
	Rupees	Rupees
(a) Profit / (Loss) after tax as per Accounts	60,06,075	(10,68,827)
(b) Number of Shares issued	25,50,000	24,00,000
(c) Basic and diluted EPS	2.36	(0.45)
(d) Nominal Value of Equity Shares	10.00	10.00

SCHEDULE - N (Contd...)

NOTES ON ACCOUNTS

11. Major Components Of Deferred Tax Liabilities And Deferred Tax Assets :

Particulars	Deferred Tax Liabilities /Assets As at 31st March, 2009	(Charge)/Credit to Profit & Loss Account for the year	Deferred Tax Liabilities /Assets As at 31st March, 2010
	Rupees	Rupees	Rupees
a) Deferred Tax Liabilities			
Difference between the book & tax depreciation	12,62,63,745	(54,33,223)	12,08,30,522
	<u>12,62,63,745</u>	<u>(54,33,223)</u>	<u>12,08,30,522</u>
b) Deferred Tax Assets			
Carry forward business loss	1,81,36,942	(70,82,992)	1,10,53,950
Unabsorbed depreciation	14,30,53,801	—	14,30,53,801
Provision for gratuity, leave etc.	88,80,218	14,12,997	1,02,93,215
Expenses allowable for tax purposes when paid	1,70,13,469	(3,66,599)	1,66,46,870
	<u>18,70,84,430</u>	<u>(60,36,594)</u>	<u>18,10,47,836</u>
c) Net Deferred Tax Liabilities/Assets	6,08,20,685	(6,03,371)	6,02,17,314
Previous Year	5,53,93,974	54,26,711	6,08,20,685

Note:- Carry forward business loss and unabsorbed depreciation have been recognised as deferred tax asset as per the latest Income-tax assessment order/return of income filed by the Company.

12. Disclosure In Terms of Accounting Standard - 29 on Provisions, Contingent Liabilities and Contingent Asset :

a) Movement for Provisions for Liabilities :

	As at 31st March, 2009	Additions during the year	Utilisation during the year	As at 31st March, 2010
	Rupees	Rupees	Rupees	Rupees
Provision for Contingency on Stores	3,50,000	—	—	3,50,000
Previous Year	3,50,000	—	—	3,50,000

Timing of outflow /uncertainties

Outflow on crystallisation

b). The Contingent Liabilities mentioned at Sr. No. 1 and 2 of Schedule N - Notes on Accounts and Provision for Contingency on Stores mentioned in Schedule H - Current Liabilities and Provisions respectively are dependant on Court decision/out of Court settlement /disposal of appeals/crystallisation etc.

c) No reimbursement is expected in the case of Contingent Liabilities and Liabilities shown respectively under Sr. No. 12 (a) above and in view of this no asset has been recognised for the expected reimbursement.

13. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company.

The disclosures relating to Micro and Small Enterprises are as under :

	As at 31st March, 2010	As at 31st March, 2009
	Rupees	Rupees
a) The principal amount remaining overdue for payment to suppliers as at the end of accounting year *	8,39,783	10,63,155
b) The interest due thereon remaining unpaid to suppliers as at the end of accounting year	—	—
c) The amount of interest paid in terms of Section 16, alongwith the amount of payment made to the suppliers beyond the appointed day during the year	—	—
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	—	—
e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year *	—	—
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises	—	—

* Included in the line item "Total outstanding dues of Micro and Small Enterprises" under Schedule - H

SCHEDULE - N (Contd...)

NOTES ON ACCOUNTS

14. Computation of Net Profit under Section 349 of the Companies Act, 1956 for the purpose of calculating Director's Remuneration.

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
Profit/(Loss) before Tax as per Profit & Loss Account		56,12,163		(61,53,778)
Add :				
a) Directors Fee		3,500		3,250
b) Directors Remuneration		33,51,211		28,09,518
c) Transfer to Storage Fund for Molasses		1,21,864		89,317
d) Loss on Sale of Fixed Assets		1,67,186		—
e) Provision for Doubtful Debts & Advances		50,709		—
		93,06,633		29,02,085
				(32,51,693)
Less :				
a) Profit on Sale of Long Term Investments		39,938		—
Net Profit as per Section 198 of the Companies Act, 1956 for the purpose of Director's Remuneration		92,66,695		(32,51,693)
Maximum permissible remuneration to Wholetime Directors under Section 198 of the Companies Act, 1956 @ 10% of the profit computed above		9,26,670		—
Commission payable to Managing Director @ 1% of Net Profit		92,667		—
Restricted to		—		—

In view of inadequacy of profit for the year and no profit for the previous year, the Wholetime Directors were, however, paid their minimum remuneration for the year ended 31st March, 2010 and 31st March, 2009.

15. Remuneration paid/payable to the Wholetime Directors of the Company :

Salary	16,62,581	16,80,000
Commission	—	—
Contribution to Provident Fund	1,33,316	1,15,200
Perquisites etc.	15,55,314	10,14,318
	33,51,211	28,09,518

Note :

The above figures do not include amount towards gratuity and leave encashment payable since the same is provided on an actuarial basis for the Company as a whole.

16. Selling Expenses represent commission paid / payable to sugar selling agents.

17 Additional information pursuant to provisions of paragraph 3, 4C and 4D of the part II of Schedule VI of the Companies Act, 1956.

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Quantity Quintals	Value Rupees	Quantity Quintals	Value Rupees
A. i) Raw Materials consumed : Sugarcane including 686 quintals (previous year 1,770 quintals) for normal driage etc.	46,45,836	1,18,17,83,226	40,67,198	58,88,20,192
ii) Stores and Spare Parts consumed and included under various heads of revenue expenditure		4,48,12,794		5,06,64,385

SCHEDULE - N (Contd...)

NOTES ON ACCOUNTS

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	% of Total Consumption	Value Rupees	% of Total Consumption	Value Rupees
iii) Break-up of Consumption of Raw Materials, Stores & Spare parts :				
a) Raw Materials :				
Imported	Nil	Nil	Nil	Nil
Indigenous	100	1,18,17,83,226	100	58,88,20,192
	100	1,18,17,83,226	100	58,88,20,192
b) Stores and Spare parts :				
Imported	Nil	Nil	Nil	Nil
Indigenous	100	4,48,12,794	100	5,06,64,385
	100	4,48,12,794	100	5,06,64,385

B. i) Quantitative Information :

a) Licensed Capacity

Not applicable

Not applicable

b) Installed Capacity
(As certified by the Management)

**5,000 Tonnes Sugarcane
Crushing per Day**

5,000 Tonnes Sugarcane
Crushing per Day

ii) Particulars of Goods Produced :

	<u>Opening Stock</u>		<u>Production</u>	<u>Sales</u>		<u>Closing Stock</u>	
	<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Value</u>
	Quintals	Rupees	Quintals	Quintals	Rupees	Quintals	Rupees
2009-2010							
Sugar	3,05,629	58,12,60,514	4,31,063	4,14,852	1,20,58,12,068	3,21,840	78,49,40,570
Molasses	1,43,840	6,00,77,040	2,40,439	2,43,727	10,03,85,907	1,40,552	3,34,05,173
		64,13,37,554			1,30,61,97,975		81,83,45,743
2008-2009							
Sugar	3,72,469	63,72,38,589	3,84,834	4,51,674	86,67,33,128	3,05,629	58,12,60,514
Molasses	1,12,829	5,24,71,925	2,09,644	1,78,633	9,06,52,723	1,43,840	6,00,77,040
		68,97,10,514			95,73,85,851		64,13,37,554

C. Expenditure in Foreign Currency

**For the year ended
31st March, 2010**

**For the year ended
31st March, 2009**

Rupees

Rupees

On Travelling

6,20,025

7,86,229

18. Previous year's figures have been regrouped/re-arranged wherever necessary.

For BATLIBOI & PUROHIT
Chartered Accountants
FRN NO. 101048W

Parag Hangekar
Partner

Mumbai, the 12th August, 2010

Sushil K. Jalan
Chairman

Arvind K. Kanoria
Managing Director

Vivek M. Pittie
Dr. Anurag K. Kanoria
G. L. Sultania
Directors

13. BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

A. REGISTRATION DETAILS

Registration No.	4929/67 of 1924-25
State Code	21
Balance Sheet Date	31st March, 2010

B. CAPITAL RAISED DURING THE YEAR (RUPEES)

Public Issue*	15,00,000
Right Issue	NIL
Bonus Issue	NIL
Private Placement (Preferential Allotment)	NIL
* including Shares issued on amalgamation	

C. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (RUPEES)

Total Liabilities	1,58,79,08,954
Total Assets	1,58,79,08,954

SOURCES OF FUNDS

Paid-up Capital	25500000
Reserves & Surplus	336132648
Secured Loans	1225141306
Unsecured Loans	1135000

APPLICATION OF FUNDS

Net Fixed Assets	843317059
Investments	75691580
Deferred Tax Assets	60217314
Net Current Assets	608683001
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL

D. PERFORMANCE OF THE COMPANY (RUPEES)

Turnover (including other income)	1465835193
Total expenditure	1460223030
Profit before Taxation	56,12,163
Profit after Tax	60,06,075
Earning per Share (Rs.)	2.36
Dividend Rate (%)	NIL

E. GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY

<u>Product Description</u>	<u>Item Code No. (ITC Code)</u>
Sugar	170,110.09
Molasses	170,310.00

Mumbai, the 12th August, 2010

Sushil K. Jalan
Chairman

Arvind K. Kanoria
Managing Director

Vivek M. Pittie
Dr. Anurag K. Kanoria
G. L. Sultania
Directors

THE UNITED PROVINCES SUGAR COMPANY LIMITED

**Regd. Office :
Chartered Bank Building, 1st Floor, 4, Netaji Subhas Road, Kolkata - 700 001**

ATTENDANCE SLIP

I hereby record my presence at the 87th ANNUAL GENERAL MEETING of the Company at the Somani Conference Hall of Merchants' Chambers of Commerce, 15B Hemanta Basu Sarani, Kolkata 700 001 on Tuesday, the 28th September, 2010 at 2.00 p.m.

Name of the Shareholder/Proxy

Folio No. No. of Shares held

Signature of the
Attending Member/Proxy

- Notes : (1) Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- (2) Shareholder/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

THE UNITED PROVINCES SUGAR COMPANY LIMITED

**Regd. Office :
Chartered Bank Building, 1st Floor, 4, Netaji Subhas Road, Kolkata - 700 001**

PROXY

I/We
of
in the District of
being a Member/Members of **The United Provinces Sugar Company Limited** hereby
appoint of
or failing him
of as
my/our Proxy to vote for me/us on my/our behalf at the 87th Annual General Meeting of the Company to be held on Tuesday, the 28th September, 2010 at 2.00 p.m. and at any adjournment thereof.

Signed this day of 2010.

Signed by the said

In the presence of

Revenue
Stamp

One
Rupee

Note : The Proxy should be deposited at the Registered Office of the Company not less than FORTY EIGHT hours before the time fixed for holding the Meeting.