

9 1 s t A N N U A L R E P O R T 2 0 1 3 - 2 0 1 4

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 A.N. Singh Chauhan
Executive Director
(Upto 4th May, 2014)

Shri Babu Lal Vijay
General Manager (Commercial)
(From 5th May, 2014)

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 Subhash Road
Kolkata - 700 001

FACTORY

Seorahi
Kushinagar
Uttar Pradesh

NOTICE

NOTICE is hereby given that the 91st 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 at 4.30 p.m. on Friday, the 26th September, 2014 to transact the following businesses:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss 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 (holding Director Identification Number (DIN) 00200630) who retires by rotation in terms of section 152 (6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that M/s. Batliboi & Purohit (Firm Registration Number 101048W), Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company.”

Special Business:

4. **Appointment of Shri Babu Lal Vijay as a Director**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Shri Babu Lal Vijay, 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 in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company who will be liable to retire by rotation.”

5. **Appointment of Shri Sushil K. Jalan as an Independent Director**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Sushil K. Jalan (holding DIN 00031281), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019.”

6. **Appointment of Shri Vivek M. Pittie as an Independent Director**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Vivek M. Pittie (holding DIN 00066885), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019.”

7. **Appointment of Shri Girdhari Lal Sultania as an Independent Director**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Girdhari Lal Sultania (holding DIN 00060931), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019.”

8. **Appointment of Shri Babu Lal Vijay as a Wholetime Director designated as General Manager (Commercial)**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

NOTICE (*Contd...*)

“RESOLVED that pursuant to the provisions of sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof and subject to all such approvals as may be required the Company hereby approves appointment of Shri Babu Lal Vijay, as Whole Time Director designated as General Manager (Commercial) of the Company for a period of 3 years with effect from 5th May, 2014 upto 4th May, 2017 on the terms and conditions including remuneration as set out hereunder.

The remuneration, subject to the ceiling limits laid down in section 197 read with Schedule V of the Companies Act, 2013 by way of salary and perquisites shall be as follows:

I. Salary:

Salary of ₹ 60,000/- (Rupees sixty thousand) only per month.

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 with deduction of house rent of ₹ 200/- (Rupees two hundred) only per month or House Rent Allowance in lieu thereof.

(ii) Bonus and Exgratia:

Bonus and Ex gratia equivalent to three months salary per annum.

(iii) Other Allowance:

Reimbursement of Special Allowance equivalent to one month salary per annum.

(iv) Medical Reimbursement:

₹ 15,000/- (Rupees fifteen thousand) only per annum for self and family.

(v) 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:

The Company's contribution towards Provident Fund and Employees Pension Scheme shall be as per the rules of the Company but not exceeding 12% of the 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:

The 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.

NOTICE *(Contd...)*

- (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) 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 one month notice in writing.
- (iii) The General Manager (Commercial) shall perform his duties and exercise his powers as General Manager (Commercial) subject to directions, limitations or restrictions imposed by the Board of Directors.
- (iv) The General Manager (Commercial) shall devote his whole time and attention to the business of the Company.
- (v) The General Manager (Commercial), 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 General Manager (Commercial) 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 his own purpose or for any purpose other than that of the Company, 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 or processes of the Company and the General Manager (Commercial) shall during the continuance of his employment hereunder also endeavor to prevent any other person from doing so.
- (vii) The General Manager (Commercial) 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 General Manager (Commercial) 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 General Manager (Commercial) expires in the course of his employment, the Company shall pay his balance salary and current emoluments, if any, for the relevant month to his legal personal representative.
- (x) The General Manager (Commercial) 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 General Manager (Commercial) to the Company shall be sent by Registered Post/ Speed Post Acknowledgment Due (AD) to the Company at its Registered Office for the time being. Notice to be given by the Company to the General Manager (Commercial) under the Agreement shall either be delivered to him personally or sent by Registered Post / Speed Post Acknowledgement Due to his last known residential address. All notices given by the General Manager (Commercial) to the Company or to the General Manager (Commercial) by the Company shall be deemed to have been duly served upon the expiration of forty eight 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 General Manager (Commercial)'s employment with the Company and cancels and supersedes all prior agreements, arrangements or undertakings, 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 said Babu Lal Vijay, 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, commission, perquisites, allowances etc. of Shri Babu Lal Vijay within the limits prescribed under the aforesaid Schedule V or any modification thereof and as may be agreed to by and between the Board of Directors and Shri Babu Lal Vijay."

NOTICE (Contd...)

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this Resolution”.

9. Variation in Remuneration payable to Shri Arvind K. Kanoria, Managing Director

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

“RESOLVED that in partial modification of the resolution passed in the matter at the Annual General Meeting of the Company held on 9th September, 2011 and in accordance with the provision of sections 196, 197, 198, 203 and other applicable sections of the Companies Act, 2013 read with and in accordance with the conditions specified in Schedule V to the said Act, and subject to such other approvals as may be necessary, the Company hereby accords its approval to an increase in the salary payable to Shri Arvind K. Kanoria (holding DIN 00200202), the Managing Director of the Company, from ₹ 1,50,000/- (Rupees one lakh fifty thousand) only per month to ₹ 3,00,000/- (Rupees three lakhs) only per month with effect from 1st April, 2014 for the remaining tenure of his office, that is, upto 19th April, 2015.”

“RESOLVED FURTHER THAT except the salary related perquisites, which will stand enhanced consequent to the aforesaid increase in salary, all other perquisites, retirement benefits, commission on profit and conditions of the appointment will remain the same as approved by the shareholders in the Annual General Meeting held on 9th September, 2011.”

“RESOLVED FURTHER that in the event of inadequacy or absence of profits of the Company in any financial year, Shri Arvind K. Kanoria will be paid the aforesaid increased remuneration as minimum remuneration.”

10. Reappointment of Shri Arvind K. Kanoria as Managing Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof and subject to approval of the Central Government, if necessary, and subject to all such approvals as may be required the Company hereby approves the reappointment of Shri Arvind K. Kanoria (holding DIN 00200202), as the Managing Director of the Company for a period of 3 years with effect from 20th April, 2015 upto 19th April, 2018 on the terms and conditions including remuneration as set out hereunder:

The remuneration, subject to the ceiling limit laid down in section 197 read with Schedule V of the Companies Act, 2013 by way of salary and perquisites shall be as follows.

I. Salary:

Salary of ₹ 3,00,000/- (Rupees three lakh) only per month.

II. Commission:

The Managing Director shall be entitled to a commission of such percentage and of such amount as the Board of Directors may determine and fix having regard to the net profits of the Company in the relevant year computed in the manner laid down in section 198 of the Companies Act, 2013 subject to the overall ceiling laid down in section 197 of the Companies Act, 2013.

III. Perquisites:

- (i) The Managing Director shall be entitled to perquisites including free furnished accommodation or house rent in lieu thereof, gas, electricity, water, furnishings, medical reimbursement of actual expenses in India and/or abroad and including hospitalisation, nursing home and surgical charges for himself and family, leave travel concession towards reimbursement of actual travelling expenses for proceeding on leave once in a year in respect of himself and family to any destination in India or abroad, education benefits for self and family in India and/or abroad, club fees, medical and personal accident insurance etc. in accordance with the rules of the Company. The aforesaid perquisites may be in the form of reimbursement or allowance. For the purpose of calculating the above ceiling, the perquisites shall be evaluated as per the income-tax rules, wherever applicable, and at actual cost to the Company in any other case.

NOTICE *(Contd...)*

In the event of accommodation not being provided by the Company, the Managing Director shall be eligible for a house rent allowance of ₹ 1,80,000/- (Rupees one lakh eighty thousand) only per month and towards maintenance of accommodation including furniture, fixtures and furnishings as may be provided by the Company.

- (ii) The Managing Director shall be entitled to the Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund upto the tax exempted limit, benefits of Gratuity and Pension Scheme for Senior Management Staff, earned leave and encashment of earned leave at the end of the tenure and long service award as per the rules of the Company. These shall not be included in the computation of perquisites.
- (iii) Car/s for official use, telephone(s) and other communication facilities at residence will not be considered as perquisites.

IV. OTHER TERMS APPLICABLE TO THE ENTIRE TENURE:

- (i) Subject to the supervision and control of the Board of Directors, Shri Arvind K. Kanoria shall be overall in-charge of the management/administration of the affairs of the Company. He will look after the day to day affairs of the Company including general administration, banking, finance, sales, purchase and accounts.
- (ii) Without prejudice to the powers contained in the previous clause, the Board of Directors may from time to time entrust to Shri Arvind K. Kanoria such of the powers exercisable by the Directors as it thinks fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restriction as they may think expedient.
- (iii) The Managing Director shall be entitled to engage and dismiss staff and shall manage the business of the Company with full powers to do all acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company.
- (iv) The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof from the date of his appointment.
- (v) Shri Arvind K. Kanoria shall also visit such places from time to time, which may be necessary for the purpose of the business of the Company. Shri Arvind K. Kanoria shall be entitled to reimbursement of all the travelling, boarding, lodging and incidental expenses along with one person for assistance, which he may incur for performing his duties outside Mumbai.
- (vi) Shri Arvind K. Kanoria shall not be reckoned as Director for the purpose of determining the retirement of Directors by rotation or in fixing the number of Directors to retire but he shall immediately cease to be Managing Director if he ceases to hold the office of Director for any reason.
- (vii) Shri Arvind K. Kanoria may with the sanction of the Board of Directors delegate any of his powers to such Managers, Directors, Secretary or other persons, as he may deem fit, and shall have power to grant to such Manager, Directors or other delegates such power of attorney as Shri Arvind K. Kanoria may, subject to the approval of the Board of Directors, deem expedient and have power to revoke the same.
- (viii) The remuneration for a part of the year shall be computed on a prorata basis.
- (ix) The appointment may be terminated by either party by giving six months notice in writing to the other party.

V. MINIMUM REMUNERATION:

In the event of absence or inadequacy of net profit in any financial year, the Managing 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, commission, perquisites, allowances etc. of Shri Arvind K. Kanoria within the limits prescribed under the aforesaid Schedule V or any modification thereof and as may be agreed to by and between the Board of Directors and Shri Arvind K. Kanoria.”

NOTICE (Contd..)

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this Resolution”.

11. Appointment of Smt. Urmila Vijay as an Officer

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED that the Company hereby accords its consent and approval under section 188 (1) and other applicable provisions (including any statutory modification(s) or re-enactment thereof for the time being in force) of the Companies Act, 2013 to Smt. Urmila Vijay, a relative of Shri Babu Lal Vijay, a Director of the Company, who holds an office of profit 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 ₹ 20,875/- (Rupees twenty thousand eight hundred seventy five) only per month together with the usual allowances and benefits, amenities and facilities including retirement 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 its discretion and with the approval of the Central Government, wherever necessary, increments within the grade as it may deem fit and proper to promote her to any higher grade or grades at its 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 it may deem fit and proper.”

12. Ratification of Fees payable to the Cost Auditors

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to section 148 and all other applicable provisions of the Companies Act, 2013 (‘Act’) and Companies (Audit and Auditors Rules), 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s. V.K. Jain & Company, Cost Accountants (ICWA Firm Registration No.0049), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of ₹ 30,000/- (Rupees thirty thousand) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this Resolution”.

13. Borrowings / Financial Assistance

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of section 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorised to borrow monies for the purposes of the business of the Company notwithstanding that the monies so borrowed may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but so that the total amount of monies so borrowed (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not exceed ₹ 100.00 crores (Rupees one hundred crores) only outstanding at any time over and above the aggregate of the paid-up capital of the Company and its free reserves as aforesaid.”

14. Creation of Charge for Borrowings/Financial Assistance availed

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED that consent of the Company be and is hereby accorded under section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to mortgage, hypothecate or in any other way charge in favour of the lenders, all or any of the movable and/or immovable properties of the Company, both present and/or future of the whole or substantially the whole of the undertaking or undertakings of the Company for availment of any loan or guarantee or issue of debentures and to secure the payment of interest thereon or any fees or charges or expenses relating thereto and in the case of borrowing against debentures the said security shall be in favour of the trustees for such debenture holders wherever so required on such terms and conditions as may be approved by the Board of Directors of the Company.

THE UNITED PROVINCES SUGAR COMPANY LIMITED

NOTICE *(Contd...)*

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to execute a trust deed and/or such other documents and settle any difficulties that may arise in the course of such proposed issue and allotment of debentures and to do all acts, deeds and things in connection therewith and incidental thereto as the Board of Directors in its absolute discretion may deem fit to give effect to this resolution.”

Mumbai,
Dated: 23rd July, 2014

Registered Office:

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

By Order of the Board
Arvind K. Kanoria
Managing Director

CIN No. L15421WB1924PLC004929
Tel. : (033) 2242 0591
Fax : (033) 2242 0592
E-mail : upsclmumbai@mtnl.net.in

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a proxy form, in order to be effective, must be duly completed, stamped and lodged with the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

A person can act, as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 19th September, 2014 to Friday, 26th September, 2014 (both days inclusive).
4. The statement pursuant to section 102 of the Companies Act, 2013 is annexed thereto.
5. Members who hold shares in dematerialised form are requested to bring their Demat Statement mentioning therein the Client ID and DP ID numbers along with a photo Identity Card for easy identification of attendance at the meeting.
6. Corporate members are requested to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the AGM.
7. Shareholders holding shares in physical form are requested to advise the Company and the members holding shares in dematerialised form are requested to advise their Depository Participants immediately about any change in their address.
8. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays.
9. 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.
10. Members are requested to bring the admission slip alongwith their copies of the Annual Report and Accounts to the meeting.

Mumbai,
Dated : 23rd July, 2014

By Order of the Board
Arvind K. Kanoria
Managing Director

NOTICE (Contd...)

EXPLANATORY STATEMENT

Pursuant to section 102 of the Companies Act, 2013

Item Nos. 4 and 8

Appointment of Shri Babu Lal Vijay as a Director and a Wholetime Director designated as General Manager (Commercial)

Shri Babu Lal Vijay on the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Director of the Company by the Board of Directors in the meeting held on 5th May, 2014. He was also appointed as a Whole Time Director designated as General Manager (Commercial) of the Company for the period of 3 years with effect from 5th May, 2014 upto 4th May, 2017 on the terms and conditions as set out in the Resolution at Item No. 8 subject to approval by the Shareholders in the forthcoming Annual General Meeting of the Company for the said appointment and remuneration under Schedule V of the Companies Act, 2013.

Pursuant to section 161 of the Companies Act, 2013, Shri Babu Lal Vijay will hold office as Director upto the date of forthcoming Annual General Meeting. A notice has been received from a member proposing Shri Babu Lal Vijay as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Shri Babu Lal Vijay is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as Director of the Company.

Profile of Shri Babu Lal Vijay

Date of Birth: 3rd May, 1949.

Qualifications: Graduate in Commerce.

Occupation: Service

Expertise in specific functional areas:

He has been employed in the Company as Manager (Commercial) from 5th October, 1987 and last promoted to General Manager (Commercial) from 15th December, 2011 onwards.

Shri Babu Lal Vijay is an able administrator with a vast experience of over 40 years in the field of commercial matters of sugar industry. He has been looking after the accounts, finance and commercial matters of the sugar factory of the Company under supervision and guidance of the Unit Head at the factory.

Directorship in other Companies: NIL

Membership in other Board Committees: NIL

Shareholding as on 31st March, 2014: NIL

The Board considers that the Company would be benefited by his rich experience and guidance.

Shri Babu Lal Vijay is interested in the resolutions set out at Item Nos. 4 and 8 of the Notice with regard to his appointment. The relatives of Shri Babu Lal Vijay may be deemed to be interested in the resolutions, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 4 and 8 of the Notice.

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

The Board of Directors, therefore, recommends the resolutions set out at Item Nos. 4 and 8 of the Notice for approval by the shareholders.

Item No. 5

Appointment of Shri Sushil K. Jalan as an Independent Director

Shri Sushil K. Jalan is a Non-Executive Independent Director of the Company. He joined the Board on 27th October, 1995. Shri Sushil K. Jalan is the Chairman of the Board of Directors of the Company. He is also Chairman of the Finance Committee and the Nomination and Remuneration Committee and member of the Audit Committee constituted by the Board of Directors of the Company.

NOTICE *(Contd...)*

Shri Sushil K. Jalan is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of the Companies Act, 2013, Shri Sushil K. Jalan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri Sushil K. Jalan as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

The Company has received a declaration from Shri Sushil K. Jalan that he meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. In the opinion of the Board, Shri Sushil K. Jalan fulfills the conditions for his appointment as Independent Director as specified in the Act and the Listing Agreement. He is independent of the management.

Profile of Shri Sushil K. Jalan

Date of Birth: 23rd July, 1937.

Qualifications: B.A. (Hons.) Economics

Occupation: Industrialist

Expertise in specific functional areas: Industrialist having rich business experience in managing diversified industrial enterprises.

Directorship in other Companies: • Acrastyle Switchgear Ltd. • Acrastyle Ltd., England • Acrastyle Power (India) Ltd. • Boistur Commercial Ltd. • Bombay Gas Co. Ltd. • DCW Ltd. • Hamilton & Co. Ltd. • The Indian Merchants Chamber • RPIL Signaling System Ltd.

Membership in other Board Committees: NIL

Shareholding as on 31st March, 2014: 420 Equity Shares of the Company held jointly.

His area of experience includes administration, audit, business, corporate strategic management, corporate governance, financial management etc.

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to section 149 of the Companies Act, 2013, Shri Sushil K. Jalan shall hold office of a Director for five consecutive years for a term upto 31st March, 2019.

Shri Sushil K. Jalan is interested in the resolution set out at Item No.5 of the Notice with regard to his appointment. The relatives of Shri Sushil K. Jalan may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

The Board of Directors, therefore, recommends the resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6

Appointment of Shri Vivek M. Pittie as an Independent Director

Shri Vivek M. Pittie is a Non-Executive Independent Director of the Company. He joined the Board on 22nd June, 1998.

He is Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee and Finance Committee of the Board of Directors of the Company.

Shri Vivek M. Pittie is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of the Companies Act, 2013, Shri Vivek M. Pittie being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri Vivek M. Pittie as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

The Company has received a declaration from Shri Vivek M. Pittie that he meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

NOTICE (Contd...)

In the opinion of the Board, Shri Vivek M. Pittie fulfills the conditions for his appointment as Independent Director as specified in the Act and the Listing Agreement. He is independent of the management.

Profile of Shri Vivek M. Pittie

Date of Birth: 23rd May, 1959.

Qualifications: Graduate in Science

Occupation: Industrialist having business experience in managing diversified industrial enterprises.

Expertise in specific functional areas:

Shri Vivek M. Pittie, aged about 55 years, is a Bachelor of Science from Mumbai University. He is an able administrator with an experience of over three decades in the sugar industry in various capacities. He has been the President of Indian Sugar Mills Association, an apex body of the Sugar Industry. He is also a Board Member of Indian Sugar Exim Corporation Limited.

He was nominated as Member of the "Committee for Revitalization of Sugar Industry" constituted by the Government of India, under the Chairmanship of Shri S.K. Tuteja, Secretary, Ministry of Consumer Affairs, Food and Public Distribution.

He was nominated as a Member of 'Development Council for Sugar Industry' constituted by the Ministry of Consumer Affairs, Food and Public Distribution, Government of India, for a period of two years with effect from 5th September, 2011.

In view of the above and also in view of the high esteem in which he is held in the corporate world for his technical, commercial knowledge, business acumen and knowledge of the sugar industry all over the world, the Board considers it fit and suitable to appoint as Independent Director as proposed herein.

Directorship in other Companies: • Harinagar Sugar Mills Ltd. • Shangrila Food Products Ltd. • Altamount Holdings & Trading Co. Pvt. Ltd. • Sorento Holdings & Trading Co. Pvt. Ltd. • Oceanvies Holdings & Trading Co. Pvt. Ltd. • Amalfi Holdings & Trading Co. Pvt. Ltd. • Seaview Holdings & Trading Co. Pvt. Ltd.

Membership in other Board Committees: NIL

Shareholding as on 31st March, 2014: 200 Equity Shares of the Company held jointly.

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to section 149 of the Companies Act, 2013, Shri Vivek M. Pittie shall hold office of a Director for five consecutive years for a term upto 31st March, 2019.

Shri Vivek M. Pittie is interested in the resolution set out at Item No.6 of the Notice with regard to his appointment. The relatives of Shri Vivek M. Pittie may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

The Board of Directors, therefore, recommends the resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item No. 7

Appointment of Shri Girdhari Lal Sultania as an Independent Director

Shri Girdhari Lal Sultania is a Non-Executive Independent Director of the Company. He joined the Board on 19th January, 1995.

Shri Girdhari Lal Sultania is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of the Companies Act, 2013, Girdhari Lal Sultania being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Girdhari Lal Sultania as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

NOTICE (*Contd...*)

The Company has received a declaration from Shri Girdhari Lal Sultania that he meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Girdhari Lal Sultania fulfills the conditions for his appointment as Independent Director as specified in the Act and the Listing Agreement. He is independent of the management.

Profile of Shri Girdhari Lal Sultania

Date of Birth: 16th October, 1945.

Qualifications: B.Com., F.C.A., F.C.S.

Occupation: Corporate Adviser

Expertise in specific functional areas: Professional having rich experience in finance, taxation, legal, corporate affairs, industry and commerce matters.

Directorship in other Companies: • HSIL Ltd. • Somany Ceramics Ltd. • S.R. Continental Ltd. • Sarvottam Vanijya Ltd. • Bhilwara Holdings Ltd. • Somany Global Ltd. • Paco Exports Ltd., • Raipur Agrotech Pvt. Ltd., • Textool Mercantile Pvt. Ltd. • Adarsh Barter Pvt. Ltd., • Scope Vinimoya Pvt. Ltd., • Lakshya Infrastructures Pvt. Ltd., • Anand Apartments Maintenance Pvt. Ltd., • Garden Polymers Pvt. Ltd., • G.L. Sultania & Co., Member: Capital Market Standing Committee of MCC Chamber of Commerce & Industry, Trustee: Bangesh Hari Laxmi Foundation, HSI Relief Fund.

Membership in other Board Committees: Member of Audit Committee, Remuneration Committee and Shareholders / Investors' Grievance Committees of Somany Ceramics Ltd., Corporate Affairs Committee and Shareholders/Investors' Grievances Committee of HSIL Ltd. and S.R. Continental Ltd., Chairman of Audit Committee and shareholders/Investors' Grievances Committee and member of Remuneration Committee of SKP Securities Ltd.

Shareholding as on 31st March, 2014: 400 Equity Shares of the Company jointly.

The Board considers that the Company would be benefited by his rich experience and guidance in finance, legal and corporate governance matters. Pursuant to section 149 of the Companies Act, 2013, Shri Girdhari Lal Sultania shall hold office of a Director for five consecutive years for a term upto 31st March, 2019.

Shri Girdhari Lal Sultania is interested in the resolution set out at Item No. 7 of the Notice with regard to his appointment. The relatives of Shri Girdhari Lal Sultania may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

The Board of Directors, therefore, recommends the resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item Nos. 9 and 10

Variation in Remuneration payable to Shri Arvind K. Kanoria and Reappointment of as Managing Director

Shri Arvind K. Kanoria, Managing Director was reappointed by the shareholders at the Annual General Meeting held on 9th September, 2011. Considering the increasing activities of the Company and the consequent rise in the responsibilities that the Managing Director is required to shoulder and also having regard to the present pattern of remuneration prevailing in the industry, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at its meeting held on 29th April, 2014 have decided that, subject to the approval of the Company in a General Meeting, the remuneration payable to Shri Arvind K. Kanoria be revised upwards and increased as set out in the proposed resolution at Item No. 9 of the Notice for the remainder of tenure of his office, that is upto 19th April, 2015.

The Board of Directors at its meeting held on 23rd July, 2014 have, pursuant to the recommendation of the Nomination and Remuneration Committee approved the reappointment of Shri Arvind K. Kanoria as Managing Director of the Company for a further period of 3 years with effect from 20th April, 2015 to 19th April, 2018 on the remuneration and terms and conditions as set out in the proposed resolution at Item No. 10 of the Notice which is the same as proposed in the resolution at Item No. 9 of the Notice. A special resolution has to be passed at the forthcoming Annual General Meeting of the Company for payment of such remuneration for a period of three years with effect from 20th April, 2015.

NOTICE *(Contd...)*

Shri Arvind K. Kanoria is a Graduate in Commerce from Bombay University and an able administrator with an experience of over 31 years in the corporate world. He has been a Director of the Company since 12th November, 1990 and was appointed as its Managing Director with effect from 20th April, 1992 in charge of the day to day affairs of the Company under the supervision and control of the Board of Directors of the Company. The Company has made tremendous growth under his leadership. As Managing Director of the Company, he has played an important roll in expansion of the installed capacity of the sugar factory of the Company from 1500 Tonnes Crushing per Day (TCD) to 6000 TCD which has led to viable operations.

Profile of Shri Arvind K. Kanoria

Date of Birth: 8th March, 1961.

Qualifications: Graduate in Commerce.

Occupation: Industrialist

Expertise in specific functional areas: Industrialist having rich business experience in managing diversified industrial enterprises.

His area of experience includes administration, strategic planning, corporate strategic management, corporate governance, financial management etc.

Directorship in other Companies: • The New Great Eastern Spg. & Wvg. Co. Ltd. • Kanoria Udyog Limited • Kaabil Traders Pvt. Ltd. • New India Exports Pvt. Ltd. • Bombay Gas Company Limited • Sound Investment Company Limited • Kanvai Investment Co. Pvt. Ltd.

Membership in other Board Committees: NIL

Shareholding as on 31st March, 2014: 21,28,508 Equity Shares of the Company.

The Board considers that the Company would be benefited by his rich experience and guidance.

Shri Arvind K. Kanoria is interested in the resolutions set out at Item Nos. 9 and 10 of the Notice with regard to variation in his remuneration as well as his reappointment. Dr. Anurag K. Kanoria being brother of Shri Arvind K. Kanoria be deemed to be interested in the said resolutions. The other relatives of Shri Arvind K. Kanoria may be deemed to be interested in the resolutions, to the extent of their shareholding interest, if any, in the Company. Shri Arvind K. Kanoria has no other interest apart from receiving remuneration as stated above and as a member of the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 9 and 10 of the Notice.

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

The Board of Directors, therefore, recommends the resolutions set out at Item Nos. 9 and 10 of the Notice for approval by the shareholders.

THE STATEMENT AS REQUIRED UNDER CLAUSE (IV), SECTION II, PART II OF THE SCHEDULE V OF THE COMPANIES ACT, 2013.

I. General information:

- | | | |
|--|---|--|
| 1. Nature of Industry | : | Manufacturing and selling of sugar, its by-products, generation of power for captive consumption and other business as per Memorandum of Association of the Company. |
| 2. Date or expected date of commencement of commercial production | : | Existing Company, already commenced from 1916. |
| 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | : | Existing Company, not applicable |

THE UNITED PROVINCES SUGAR COMPANY LIMITED

NOTICE (Contd...)

4. Financial performance based on given indicators:

Sl. No.	Particulars	Audited Figure for the financial year ended 31st March, 2014 ₹	Audited Figure for the financial year ended 31st March, 2013 ₹	Audited Figure for the financial year ended 31st March, 2012 ₹	Audited Figure for the financial year ended 31st March, 2011 ₹
1.	Net Sales/Income from Operations	172,12,10,279	221,77,26,128	130,99,09,506	132,41,56,181
2.	Other Income	2,17,83,412	41,11,39,131	60,63,672	83,91,316
3.	Total Expenditure (including adjustment of stock)	162,48,40,128	231,62,96,954	116,00,76,492	118,94,61,352
4.	Finance Costs	6,38,93,061	7,21,44,822	10,16,23,595	7,71,75,320
5.	Depreciation & Amortisation Expense	5,23,05,515	5,26,98,388	5,33,05,424	5,38,52,519
6.	Profit before Tax	19,54,987	18,77,25,095	9,67,667	1,20,58,306
7.	Provision for Tax				
	a) Current Tax	—	—	1,85,000	26,35,000
	b) Deferred Tax Charge	16,95,125	5,24,30,216	25,64,792	60,02,042
	c) Income Tax provision for earlier year written back	—	(33,10,000)	(23,25,494)	(90,972)
8.	Net Profit	2,59,862	13,86,04,879	5,43,369	35,12,236

5. Foreign investments or collaborators, if any : NIL

II. Information about the Appointee:

Shri Arvind K. Kanoria

- Background Details : Shri Arvind K. Kanoria, aged on or about 53 years, is a Bachelor of Commerce from Bombay University and an able administrator with an experience of over 31 years in the corporate world. He has been a Director of the Company since 12th November, 1990 and was appointed as its Managing Director with effect from 20th April, 1992 in charge of the day to day affairs of the Company under the supervision and control of the Board of Directors of the Company.
- Past Remuneration : ₹ 1,50,000/- per month plus perquisites, retirement benefits and commission on profit.

Increased from ₹ 80,000/- per month to ₹ 1,50,000/- per month with effect from 20th April, 2012. Total remuneration over last four years is as under:

2010-2011 ₹	2011-2012 ₹	2012-2013 ₹	2013-2014 ₹
17,80,725	18,33,639	31,12,484	32,05,832

- Recognition or Awards : NIL
- Job Profile and Suitability :

Job Profile

- looking after the day today affairs of the Company under the overall supervision and control of the Board of Directors of the Company.
- rendering operations of the Company profitable through effective and optimum utilization of its resources.
- development of new businesses

NOTICE (Contd...)

- overall planning and implementation of the growth of the Company
- ensuring employee and customer satisfaction
- ensuring enhancement of shareholder value

Suitability

- serving the Company for over 24 years.
- credited with turning around the Company from a sick and loss making unit to a profitable one through viable operations.
- credited with expanding the capacity of the sugar factory of the Company from 1500 TCD to 6000 TCD in the process of which the gross total income of the Company has increased from ₹ 16.28 crores for the year ended 31st March, 1991 to ₹ 182.36 crores for the year ended 31st March, 2014.

In view of the above, and also in view of the high esteem in which he is held in the corporate world for his technical and commercial knowledge and business acumen, the Board considers it fit and suitable to raise the remuneration as proposed herein.

5. Remuneration Proposed : Salary: ₹ 3,00,000/- per month plus perquisites, retirement benefits and commission on profit as set out in the Resolutions with effect from 1st April, 2014.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) : The remuneration structure proposed is competitive to what is prevailing for a position of a Managing Director in the domestic sugar industry relative to the size and capacity of the Company.
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any. : Shri Arvind K. Kanoria is a Promoter Director holding 21,28,508 shares consisting of 83.47% of the paid-up capital of the Company. Apart from receiving remuneration as stated above and dividend as a member of the Company, he is not entitled to remuneration from the Company under any other head save what is set out in the Resolutions. Dr. Anurag K. Kanoria, a Director of the Company is brother of Shri Arvind K. Kanoria. No other direct or indirect interest in the Company and/or its managerial personnel.

III. Other information:

1. Reasons of loss or Inadequate Profits

The Company has earned profits in 18 years out of the last 24 years. Sugar is a cyclical industry and its fortunes fluctuate depending on government policies, demand and supply of sugar, international sugar scenario, availability and price of raw material i.e. sugarcane and agroclimatic conditions etc.

The Company seeks the permission of its shareholders for making a revision in payment of remuneration to Shri Arvind K. Kanoria, Managing Director for the remaining tenure of his office i.e. 1st April, 2014 to 19th April, 2015 and his reappointment as Managing Director of the Company for a period of 3 years with effect from 20th April, 2015 to 19th April, 2018 on the same remuneration as increased as per resolution at Item No. 9 and fully detailed as per resolution at Item No. 10 notwithstanding the fact that the Company may not generate a profit or inadequate profit in any such financial year.

2. Steps taken or proposed to be taken for improvement

- (i) The management of the Company has taken various steps primarily in the following areas for a sustained business operation.
- Increase in production capacity.
 - Reduction in the cost of production.
 - Improvement in sugar recovery.

NOTICE (Contd...)

- Optimisation in energy consumption.
- Improvement in the quality of the finished product i.e. sugar.

(ii) Steps proposed to be taken:

The Company is exploring the possibility of a further increase in the installed capacity of its factory and also towards co-generation of power for export.

3. Expected improvement in Productivity and Profits in measurable terms

The Company expects an improvement in the sugar scenario as it is an essential commodity and its demand continues to increase considering the rising disposable incomes across the country, such a situation is, however, subject to a rationalisation in the methodology of sugarcane price fixation.

IV. Disclosures:

1. The following disclosures are given as the Corporate Governance Report is not applicable to the Company as per Companies Act, 2013.

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
- (ii) Details of fixed component and performance linked incentives along with the performance criteria;
- (iii) Service contracts, notice period, severance fees;
- (iv) Stock options details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Details of remuneration to Directors for the year ended 31st March, 2014

Name of the Director	Salary ₹	Benefits ₹	Bonus ₹	Commis- sion ₹	Sitting Fees ₹	Total ₹	Service Contract/ Notice Period/ Severance Fees
Shri Sushil K. Jalan	-	-	-	-	10,500	10,500	Retires by rotation
Shri Vivek M.Pittie	-	-	-	-	10,250	10,250	Retires by rotation
Shri Dr. Anurag K. Kanoria	-	-	-	-	10,250	10,250	Retires by rotation
Shri G.L. Sultania	-	-	-	-	-	-	Retires by rotation
Shri A.N. Singh Chauhan	11,40,000	3,31,800	-	-	-	14,71,800	Term of office valid upto 15th January, 2016 subject to reappointment after retirement by rotation. Notice period 3 months from either side. No Severance Fees.
Shri Arvind K. Kanoria	18,00,000	14,05,832	-	-	-	32,05,832	Term of office valid upto 19th April, 2015 subject to reappointment after retirement by rotation. Notice period 6 months from either side. No Severance Fees.

Gratuity as per actuarial valuation has not been shown in the above table in respect of Managing Director and Whole Time Director.

NOTICE (Contd...)

Item No. 11

Appointment of Smt. Urmila Vijay as an Officer

Under section 188(1) of the Companies Act, 2013, a special resolution is required for enabling any relative of a Director of the Company holding office or place of profit to hold any office or place of profit under the Company. Smt. Urmila Vijay, who joined the Company's service on 1st August, 2012 as an Officer on a monthly salary of ₹ 20,875/- (Rupees twenty thousand eight hundred seventy five) only per month along with usual benefits/perquisites, is the wife of Shri Babu Lal Vijay a Director of the Company. Accordingly, in terms of Section 188 (1) of the Companies Act, 2013 the members are requested to grant their consent to Smt. Urmila Vijay 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. Urmila Vijay to the next grade together with the usual increments allowances and benefits.

Shri Babu Lal Vijay is interested in resolution set out at Item No. 11 of the Notice with regard to appointment of his relative.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors, therefore, recommends the resolution set out at Item No. 11 of the Notice for approval by the shareholders.

Item No. 12

Ratification of Fees payable to the Cost Auditors

The Board, on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s. V.K. Jain & Company, Cost Accountants (ICWA Firm Registration No. 0049) as the Cost Auditors to conduct the audit of the cost records of the Company relating to sugar for the financial year ending March 31, 2015 at a remuneration of ₹ 30,000/- exclusive of service tax as applicable, travelling, boarding, lodging and out of pocket expenses.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

The Board of Directors therefore recommended the Ordinary Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

None of the directors / key managerial personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice.

Item No. 13

Borrowings / Financial Assistance

The Company in its Annual General Meeting held on 28th December, 1999 passed an ordinary resolution under section 293(1)(d) of the Companies Act, 1956 authorizing the Board of Directors of the Company to borrow monies (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) for the purposes of the business of the Company not exceeding ₹ 100.00 crores (Rupees one hundred crores) only outstanding at any time over and above the aggregate of the paid-up capital of the Company and its free reserves. Now, a special resolution is required to be passed under section 180(1)(c) of the Companies Act, 2013 for the aforesaid purpose. Therefore, the approval of shareholders is being sought to borrow monies, as aforesaid not exceeding ₹ 100.00 crores (Rupees one hundred crores) only outstanding at any time over and above the aggregate of the, paid-up capital of the Company and its free reserves.

None of the directors or key managerial personnel of the Company or their relatives are in any way concerned or interested financially or otherwise, in the resolution set out at Item No. 13 of the Notice.

The Board of Directors therefore recommend the special resolution set out at Item No.13 of the Notice for approval by the shareholders.

NOTICE (Contd...)

Item No. 14

Creation of Charge for Borrowings / Financial Assistance availed

The Company in its Annual General Meeting held on 28th December, 1999 has passed an ordinary resolution under section 293(1)(a) of the Companies Act, 1956 authorizing the Board of Directors of the Company to mortgage, hypothecate or in any other way charge in favour of the lenders all or any of the movable and/or immovable properties of the Company for securing any loan, guarantee or security availed from lenders. Now, a special resolution is required to be passed under section 180(1)(a) of the Companies Act, 2013 for the aforesaid purpose. Therefore, the approval of shareholders is being sought under section 180(1)(a) of the Companies Act, 2013 to sell, lease, mortgage, charge, hypothecate or otherwise dispose off the whole or substantially the whole of the undertaking of the Company.

None of the directors or key managerial personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 14 of the Notice.

The Board of Directors therefore recommend the special resolution set out at item No.14 of the Notice for approval by the shareholders.

Profile of Dr. Anurag K. Kanoria seeking reappointment pursuant to Clause 49 of the Listing Agreement.

Date of Birth: 19th September, 1968

Qualifications: B. Com, M.A. North Eastern University, Boston, U.S.A.

Occupation: Industrialist

Expertise in specific functional areas: Finance, Accounts, Legal, Corporate Financial Planning and Restructuring, Corporate Communication with Press, Marketing and Administration.

Directorship in other Companies: The New Great Eastern Spinning & Weaving Company Limited, Bombay Wire Ropes Limited, Sound Investment Company Limited, New India Exports Private Limited, Kaabil Traders Private Limited, Kanoria Udyog Limited, Sparkk Organics Private Limited, Horizon Investment Company Limited.

Membership in other Board Committees: NIL

Shareholding as on 31st March, 2014 : 100 Equity Shares of the Company held jointly.

Mumbai,

Dated: 23rd July, 2014

Registered Office:

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

By Order of the Board
Arvind K. Kanoria
Managing Director

CIN No. L15421WB1924PLC004929

Tel. : (033) 2242 0591

Fax : (033) 2242 0592

E-mail : upsclmumbai@mtnl.net.in

DIRECTORS' REPORT

Your Directors are pleased to present their 91st Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2014.

Financial Results	Rupees	Rupees
Gross Sales and Other Income		182,36,86,060
Profit before Interest, Depreciation and Tax		11,81,53,563
Less: Interest		<u>6,38,93,061</u>
Profit before Depreciation and Tax		5,42,60,502
Less: Depreciation		<u>5,23,05,515</u>
Profit before Tax		19,54,987
Less: Provision for Current Tax	—	
Less: Provision for Deferred Tax Charge	<u>16,95,125</u>	<u>16,95,125</u>
Profit for the Year		2,59,862
Balance of Profit brought forward		<u>15,89,00,390</u>
Balance carried forward to next year		<u><u>15,91,60,252</u></u>

Dividend

To conserve the resources of the Company, your Directors do not recommend any dividend for the year ended 31st March, 2014.

Operations and Financial Results

During the financial year under review, your mill crushed a total of 59.54 lakh Quintals (Q) of sugarcane and produced a total of 5.64 lakh Q of white crystal sugar at a recovery of 9.50% against a crush of 59.87 lakh Q of sugarcane and a production of 5.50 lakh Q of white crystal sugar at a recovery of 9.26% during the previous financial year 2012-2013.

The crushing season of 2013-2014 at your mill commenced on 7th December, 2013 and ended on 30th April, 2014. During the above season of 145 days, your mill crushed a total of 66.51 lakh Q of sugarcane which produced 6.28 lakh Q of white crystal sugar at a sugar recovery of 9.46% against a crush of 64.15 lakh Q of sugarcane and a production of 5.93 lakh Q of white crystal sugar at a recovery of 9.25% over 130 crop days in the previous season 2012-2013.

The State Government of Uttar Pradesh, where your mill is located, maintained the sugarcane price to be paid to as per the last season. Sugar prices have, however, fallen steeply and remained depressed through out the financial year. This has resulted in huge losses for the entire sugar industry in Uttar Pradesh and consequently affected the margins of our Company too.

Sugarcane & Sugar Policy

The essential features of the sugarcane and sugar policy for 2013-2014 season are as under:-

- (a) The Central Government announced a Fair and Remunerative Price (FRP) of ₹ 210.00/Q for sugarcane linked to a basic recovery of 9.50% (subject to a premium of ₹ 2.10/Q for every 0.10% increase in recovery above that level) for season 2013-2014 as compared to ₹ 170.00/Q for the previous season.
- (b) The Uttar Pradesh Government maintained the State Advised Price (SAP) of sugarcane at ₹ 280.00/Q for normal variety of sugarcane for season 2013-2014 as for the previous season.

A remission of ₹ 2.00/Q on sugarcane purchase tax and reimbursement of ₹ 6.30/Q on sugarcane society commission as well as the withdrawal of entry tax on sugar has been announced by the State Government for the aforesaid season.

- (c) The Government of India has followed a liberal policy regarding import of sugar.
- (d) A policy of partial control on molasses allocation and distribution continued for the year.

Prospects and outlook for season 2014-2015

The viability of the domestic sugar industry continues to be impaired due to the non linkage of raw material pricing i.e. sugarcane to that of the finished product i.e. sugar. This fundamental problem needs to be addressed on an urgent footing so as to ensure that the interest of all stakeholders, be it the farmer or the consumer or the industry itself, is looked after on an equitable footing and on a sustained basis. Till such time adequate steps are taken in the above direction, it is difficult to predict the future prospects of the industry, as well as those of the Company itself, with any reasonable certainty.

Directors

Dr. Anurag K. Kanoria, Director of the Company, retires from the Board by rotation and, being eligible, offers himself for re election at the ensuing Annual General Meeting.

Shri Sushil K. Jalan, Shri Vivek M. Pittie and Shri Girdhari Lal Sultania are Independent Directors, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of the Companies Act, 2013, Shri Sushil K. Jalan, Shri Vivek M. Pittie and Shri Girdhari Lal Sultania, being eligible offer themselves for appointment as Independent Directors for five consecutive years for a term upto 31st March, 2019. The Company has received declarations from all the said Independent Directors that they meet the criteria of independence as prescribed under section 149 (6) of the Companies Act, 2013.

Shri A.N. Singh Chauhan, Whole Time Director designated as Executive Director, has resigned from the Board of Directors of the Company with effect from 5th May, 2014. The Board wishes to place on record its appreciation for valuable services rendered by Shri A.N. Singh Chauhan during his tenure of service with the Company.

The Board of Directors of the Company at its meeting held on 5th May, 2014, has appointed Shri Babu Lal Vijay as an Additional Director and a Whole Time Director designated as General Manager (Commercial) for a period of three years from 5th May, 2014 to 4th May, 2017. Shri Babu Lal Vijay has been in the employment of the Company from 5th October, 1987 onwards looking after the commercial matters at the factory. In terms of section 161 of the Companies Act, 2013, Shri Babu Lal Vijay will hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice proposing the continuation of Shri Babu Lal Vijay for the office of Director of the Company who will be liable to retirement by rotation.

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 that year;
- 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.

Delisting of Shares

The Board of Directors in its meeting held on 30th January, 2014 considered and recommended a proposal received from the promoter/promoter group (Acquirer) to acquire the entire fully paid-up equity shares of the Company held by the public shareholders in accordance and compliance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Delisting Proposal) and for consequential delisting of the said equity shares from the Calcutta Stock Exchange Limited (CSE), the only Stock Exchange where such equity shares are presently listed. The Delisting Proposal has been made under Chapter VII of the Regulations applicable for small companies. The objective of the promoter/promoter group is to provide an exit opportunity to the public shareholders, at a price determined in consultation with a merchant banker, as the CSE does not have a trading window and there has been no trading in the equity shares of the Company at the CSE for the last several years. The promoter/promoter group is of the view that continued listing with the CSE did not provide any significant tangible advantage to the members of the Company as the public shareholders did not have any exit opportunity to sell their shareholding and consequently are stuck with their investments in the Company. The requisite special resolution seeking shareholders approval for the Delisting Proposal was duly passed with the requisite majority on 11th March, 2014.

Pursuant to the regulation 8(1) (c) of the Securities and Exchange Board of India (Delisting of Securities) Regulation, 2009 the Company has submitted its request for an in-principle approval of its delisting proposal by the CSE.

The success of the delisting proposal is dependent on the acceptance of the offer of the promoter/promoter group by the public shareholders.

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 which forms a part of this Report.

Compliance Certificate

A certificate of compliance from Shri Babu Lal Patni, Practicing Company Secretary, as required by virtue of the proviso to section 383A (1) of the Companies Act, 1956, to the effect that the Company has complied with all the provisions of the Companies Act, is given in a separate Annexure-II attached hereto which forms 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/comment.

Cost Auditors

Pursuant to the directives of the Central Government under the provisions of section 233B of the Companies Act, 1956, Messrs V.K. Jain & Co., Cost Accountants, were appointed to conduct cost audits relating to sugar for the year ended 31st March, 2013.

The Cost Audit Report for the financial year ended 31st March, 2013 was filed by the Cost Auditors with respect to the sugar unit of the Company on 26th September, 2013 which is well within the due date of filing i.e. 30th September, 2013.

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,
Dated : 23rd July, 2014

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

ANNEXURE - I 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, 2014.

A. Conservation of Energy:

- (a) Energy conservation measures taken:
- (i) Installation of capacitor banks to improve power factor and thereby reduce power loss and improve life of equipments;
 - (ii) Installation of variable frequency drives to optimize energy consumption at various stages of process.
- (b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy; Further steps under study and consideration.

- (c) Impact of the measures taken:

A reduction in energy consumption has been observed.

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

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
(b) FORM-A		
(A) Power & Fuel Consumption:		
1. Electricity		
a) Purchase (unit)	2,61,320	2,79,346
Total Amount (₹)	24,05,253	21,26,434
Rate/Unit (₹)	9.20	7.61
b) Own Generation		
i) Diesel Generators	5,06,412	5,08,502
Cost of Diesel Oil (₹)	94,39,177	81,44,232
Cost/Unit (₹)	18.64	16.02
ii) Steam Turbines	1,13,23,365	1,09,33,144
Cost/Unit (₹)	Steam produced by use of own bagasse	
2. Coal (Specify quality and where used)		
Quantity (MT)	Not directly	Not directly
Total Amount (₹)	consumed in	consumed in
Average Rate (₹)	Production	Production
3. Furnace Oil		
Quantity (MT)	Not directly	Not directly
Total Amount (₹)	consumed in	consumed in
Average Rate (₹)	Production	Production
(B) Consumption per MT of production		
Sugar Production (MT)	56,394	54,965
Electricity (Units/MT of Sugar)	214.40	213.24
Coal (Kgs/MT of Sugar)	Nil	Nil
Furnace Oil (Ltrs/MT of Sugar)	Nil	Nil

ANNEXURE - I TO DIRECTORS' REPORT (Contd...)

FORM-B

For the year ended
31st March, 2014

For the year ended
31st March, 2013

(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. product improvement, cost reduction, product development, import substitution, etc.	Nil	Nil
3. Details of imported technology	Nil	Nil

(C) Foreign Exchange Earning & Outgo:

1. Activities relating to exports	The Company has been exploring possibility of export of sugar in line with various export proposals received and examined.	
2. Initiative taken to increase exports		
3. Development of new export markets for products and services and export plan		
Total Foreign Exchange Used (₹)	3,78,152	7,35,804
Total Foreign Exchange Earned (₹)	Nil	Nil

Mumbai,
Dated : 23rd July, 2014

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

ANNEXURE - II TO DIRECTORS' REPORT

COMPLIANCE CERTIFICATE

Registration No. of the Company : L15421WB1924PLC004929
Nominal Capital : ₹ 5,00,00,000/-

To,
The Members,
The United Provinces Sugar Company Limited,
Chartered Bank Building, 1st Floor,
4, Netaji Subhas Road,
Kolkata - 700 001

I have examined the registers, records, books and papers of **The United Provinces Sugar Company Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all the entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder except as otherwise stated.
3. The Company being a public limited company, comments are not required.
4. The Board of Directors duly met four times on 25.04.2013, 27.08.2013, 30.10.2013 and 30.01.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 23rd September, 2013 to 30th September, 2013 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 30th September, 2013 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year. However the Company has passed special resolution through postal ballot and the same was duly recorded in Minutes Books maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors and Members of the Company pursuant to section 314 of the Act wherever applicable.

ANNEXURE - II TO DIRECTORS' REPORT (Contd...)

COMPLIANCE CERTIFICATE

12. The Board of Directors has approved the issue of Duplicate Share Certificates.
13.
 - i. The Company has delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act. There was no allotment of securities during the year.
 - ii. The Company has not deposited any amount in separate bank account as no dividend was declared during the financial year.
 - iii. The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - iv. The Company was not required to transfer any unpaid dividend or other amount to Investor Education and Protection Fund during the year.
 - v. The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of the Directors of the Company is duly constituted. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy made during the year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained necessary approval of the Central Government for appointment of Cost Auditor.
18. The Directors have disclosed their interest in the other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued Equity Shares during the financial year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any Preference Shares or Debentures.
22. There were no transactions necessitating the Company to keep in abeyance any rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks or other during the financial year ended 31st March, 2014 are within the limits prescribed under Section 293(1)(d) of the Act.
25. The Company has made loans and investments to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. The Company has not given any guarantee or provided any security to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum with respect of situation of the Company's registered office from one state to another during the year under scrutiny.

ANNEXURE - II TO DIRECTORS' REPORT (Contd...)

COMPLIANCE CERTIFICATE

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital during the year under scrutiny.
30. The Company has altered its Articles of Association after obtaining approval of members in the Annual General Meeting held on 30th September, 2013 and the amendments to the Articles of Association have been duly registered with the Registrar of Companies.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has regularly deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

PLACE : KOLKATA
 DATED : 18th July, 2014

Signature : Sd/-
 Name of the : BABU LAL PATNI
 Company Secretary
 C. P. No. : 1321

ANNEXURE - A TO COMPLIANCE CERTIFICATE

LIST OF REGISTERS MAINTAINED BY THE COMPANY

SR. NO.	PARTICULARS	UNDER SECTION
01.	Register of Charges	143
02.	Register of Members	150
03.	Index of Members	151
04.	Directors' Minute Book	193
05.	Shareholders' Minute Book	193
06.	Register of Contracts (Part I)	301
07.	Register of Contracts (Part II)	301
08.	Register of Directors	303
09.	Register of Directors Shareholdings	307
10.	Register of Loans and Investments	372A
11.	Register of Transfer	

ANNEXURE - II TO DIRECTORS' REPORT (Contd...)

ANNEXURE - B TO COMPLIANCE CERTIFICATE

Forms and Returns as filed by the Company with Registrar of Companies Regional Director, Central Government or other authorities during the financial year ended 31st March, 2014

Sr. No.	Form No./ Return	Filed Under Section	For	Date of Filing	Whether filed within prescribed Time YES/NO	If delay in filing whether requisite additional fee paid YES/NO
1	Form No. 17	138	Satisfaction of Charge against PNB Loan of ₹ 630.00 Lakhs	09/04/2013	Yes	N.A.
2	Form No. 17	138	Satisfaction of Charge against PNB Loan of ₹ 1000.00 Lakhs	09/04/2013	Yes	N.A.
3	Form No. 23C	233B(2)	Appointment of Cost Auditor for Financial Year 31/03/2014	13/05/2013	Yes	N.A.
4	Form No. 8	125, 127	Creation of Charge in favour of PNB for WCTL of ₹ 1800.00 Lakhs	02/07/2013	Yes	N.A.
5	Form No. 8	125, 127	Modification of Charge in favour of PNB for WCTL of ₹ 1800.00 Lakhs	09/07/2013	Yes	N.A.
6	Form No. 23	192	Registration of Resolution passed by the Board of Directors towards Increase in Remuneration of Shri Arvind K. Kanoria	25/09/2013	Yes	N.A.
7	Form No. 25A	198 (4), 269	Application to Central Government for Increase in Remuneration of Shri Arvind K. Kanoria	27/09/2013	Yes	N.A.
8	Form No. 66	383A	Compliance Certificate	08/10/2013	Yes	N.A.
9	Form No. 23	192	Registration of Resolutions passed by the Shareholders at AGM held on 30/09/2013	10/10/2013	Yes	N.A.
10	Form No. 25C	269 (2) & Schedule XIII	Increase in Salary of Shri Amar Nath Singh Chauhan, Executive Director	15/10/2013	Yes	N.A.
11	Form No. 23AC And 23ACA (XBRL)	220	Balance Sheet as at 31/03/2013 and Profit & Loss Account for the financial year ended 31/03/2013	26/10/2013	Yes	N.A.
12	Form No. 20B	159	Annual Return for 31/03/2013	14/11/2013	Yes	N.A.
13	Form No. 62	192A	Registration of Resolution of Board of Directors for Delisting of Shares from Stock Exchange	03/02/2014	Yes	N.A.
14	Form No. 8	125, 127	Creation of Charge in favour of PNB for Excise Duty Term Loan of ₹ 1560.00 Lakhs	26/02/2014	Yes	N.A.
15	Form No. 23	192	Registration of Special Resolution for Delisting of Shares from Stock Exchange	12/03/2014	Yes	N.A.
16	Form No. 8	125, 127	Modification of Charge in favour of PNB for Excise Duty Term Loan of ₹ 1560.00 Lakhs	18/03/2014	Yes	N.A.

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
THE UNITED PROVINCES SUGAR COMPANY LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of **The United Provinces Sugar Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

BATLIBOI & PUROHIT
Chartered Accountants
FRN NO.: 101048W

PARAG HANGEKAR
Partner
Membership No. 110096

Place: Mumbai,
The 23rd July, 2014

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in our Report of even date to the members of The United Provinces Sugar Company Limited on the financial statements for the year ended 31st March, 2014.

- 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 explanation 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 explanation 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 the said section.
- (b) In our opinion, and according to the information and explanation 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 has not reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
- vii) In our opinion, the internal audit system of the Company is commensurate with the size of the Company and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of products where pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made

ANNEXURE TO THE AUDITORS' REPORT (Contd...)

and maintained. We, however, as not required, have not made a detailed examination of such records with a view to determining whether they are accurate or complete.

- ix) (a) According to the information and explanation 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. There were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable. As explained to us the provisions of employees' state insurance are not applicable to the Company.
- (b) According to the information and explanation 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, 2014 which has not been deposited on account of dispute.
- x) The Company has no accumulated losses and has not incurred any cash loss during the year covered by our audit or in the immediately preceding financial year.
- xi) The Company has not defaulted in payment of the dues to any financial institutions or banks. The Company has not issued any debentures.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in securities. The Company has maintained proper records of transactions and contracts in respect of investment in shares and securities and timely entries have been made therein. All shares, securities and other investments are held by the Company in its own name.
- xv) The Company has not given any guarantee for loan taken by others from banks or financial institutions.
- xvi) On the basis of our examination and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- xvii) 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 issue of shares.
- xix) The Company has not issued any debentures. Therefore, the provisions of Clause (xix) of paragraph 4 of the Order are not applicable to the Company.
- xx) The Company has not raised any money by public issue during the year covered by our audit report.
- xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements materially mis-stated.

BATLIBOI & PUROHIT
Chartered Accountants
FRN NO.: 101048W

PARAG HANGEKAR
Partner
Membership No. 110 096

Place : Mumbai,
Dated : 23rd July, 2014

THE UNITED PROVINCES SUGAR COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As at 31st March, 2014		As at 31st March, 2013	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES :					
1 SHAREHOLDERS' FUNDS					
a) Share Capital	2	2,55,00,000		2,55,00,000	
b) Reserves & Surplus	3	<u>97,61,76,755</u>	100,16,76,755	<u>100,70,24,387</u>	103,25,24,387
2 NON-CURRENT LIABILITIES					
a) Long-Term Borrowings	4	28,29,34,814		33,83,763	
b) Deferred Tax Liabilities (Net)	5	24,74,861		7,79,736	
c) Long-Term Provisions	6	<u>3,63,91,096</u>	32,18,00,771	<u>3,11,88,354</u>	3,53,51,853
3 CURRENT LIABILITIES					
a) Short-Term Borrowings	7	98,36,84,899		74,98,03,236	
b) Trade Payables	8	89,61,04,938		53,55,14,985	
c) Other Current Liabilities	9	13,82,92,745		14,58,04,708	
d) Short-Term Provisions	10	<u>71,12,989</u>	202,51,95,571	<u>1,54,60,457</u>	144,65,83,386
TOTAL			<u>334,86,73,097</u>		<u>251,44,59,626</u>
II. ASSETS :					
1 NON-CURRENT ASSETS					
a) Fixed Assets	11				
i) Tangible Assets		115,18,24,724		122,87,65,965	
ii) Capital Work In Progress		<u>0</u>		<u>0</u>	
		115,18,24,724		122,87,65,965	
b) Non-Current Investments	12	3,51,78,452		3,51,78,452	
c) Long-Term Loans & Advances	13	8,53,048		8,72,487	
d) Other Non-Current Assets	14	<u>1,54,56,379</u>	120,33,12,603	<u>1,29,38,494</u>	1,27,77,55,398
2 CURRENT ASSETS					
a) Inventories	15	155,17,58,574		122,32,13,944	
b) Trade Receivables	16	15,43,498		47,64,481	
c) Cash and Bank Balances	17	56,60,11,066		37,16,463	
d) Short-Term Loans & Advances	18	2,57,95,706		34,85,517	
e) Other Current Assets	19	<u>2,51,650</u>	214,53,60,494	<u>15,23,823</u>	123,67,04,228
TOTAL			<u>334,86,73,097</u>		<u>251,44,59,626</u>
Significant Accounting Policies	1				
Notes Forming An Integral Part of the Financial Statements	27				

As per our report of even date attached.

For BATLIBOI & PUROHIT

Chartered Accountants

F. R. No.: 101048W

Parag Hangekar

Membership No.: 110096

PARTNER

Sushil K. Jalan
Chairman

Arvind K. Kanoria
Managing Director

Vivek M. Pittie

G. L. Sultania

Directors

Mumbai, the 23rd day of July, 2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
		₹	₹
I. REVENUE FROM OPERATIONS (GROSS)			
Sale of Goods (Gross)	20	180,19,02,648	230,87,40,364
Less: Excise Duty and Other Taxes		<u>8,06,92,369</u>	<u>9,10,14,236</u>
Net Sale of Goods		172,12,10,279	221,77,26,128
Other Operating Revenue		-	-
Revenue From Operations (Net)		<u>172,12,10,279</u>	<u>221,77,26,128</u>
II. Other Income	21	<u>2,17,83,412</u>	<u>41,11,39,131</u>
III. Total Revenue		<u>174,29,93,691</u>	<u>262,88,65,259</u>
IV. EXPENSES			
Cost of Raw Materials Consumed	22	170,69,33,157	175,52,77,845
Changes In Inventories of Finished Goods,	23	<u>(32,02,22,365)</u>	32,40,17,618
By-Products & Work-In-Progress			
Employee Benefits Expenses	24	11,14,73,023	11,54,09,970
Finance Costs	25	6,38,93,061	7,21,44,822
Depreciation and Amortisation Expenses		8,35,91,895	8,39,84,768
Less: Transferred from Revaluation Reserve		<u>3,12,86,380</u>	<u>3,12,86,380</u>
Other Expenses	26	<u>12,66,56,313</u>	<u>12,15,91,521</u>
Total Expenses		<u>174,10,38,704</u>	<u>244,11,40,164</u>
V. PROFIT BEFORE EXCEPTIONAL & EXTRAORDINARY ITEMS AND TAX		19,54,987	18,77,25,095
VI. Exceptional Items		-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		19,54,987	18,77,25,095
VIII. Extraordinary items		-	-
IX. PROFIT BEFORE TAX		19,54,987	18,77,25,095
X. Tax Expenses			
Current Tax (MAT)		-	-
Deferred Tax Charge		16,95,125	5,24,30,216
Tax Provision for Earlier Years Written Back		-	<u>(33,10,000)</u>
XI. PROFIT FOR THE YEAR		<u>2,59,862</u>	<u>13,86,04,879</u>
XII. Earnings Per Share	27.6		
(Nominal Value Per Share ₹ 10/-)			
Basic		0.10	54.35
Diluted		0.10	54.35
Number of shares used in computing Earnings Per Share			
Basic		25,50,000	25,50,000
Diluted		25,50,000	25,50,000

Significant Accounting Policies 1

Notes Forming An Integral Part of the Financial Statements 27

As per our report of even date attached.

For BATLIBOI & PUROHIT

Chartered Accountants

F. R. No.: 101048W

Parag Hangekar

Membership No.: 110096

PARTNER

Sushil K. Jalan
Chairman

Arvind K. Kanoria
Managing Director

Vivek M. Pittie

G. L. Sultania

Directors

Mumbai, the 23rd day of July, 2014

THE UNITED PROVINCES SUGAR COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Exceptional Items and Extra Ordinary Items and Tax Adjustments to reconcile Profit Before Exceptional Items and Extra Ordinary Items and Tax to Net Cash Flow provided by Operating Activities :		19,54,987		18,77,25,095
Finance Costs	6,38,93,061		7,21,44,822	
Depreciation and Amortisation Expense	5,23,05,515		5,26,98,388	
Gratuity (Provision)	53,64,157		(75,73,433)	
Leave Encashment (Provision)	(1,61,415)		6,41,035	
Doubtful Debts and Advances (Provision)	98,341		-	
Unspent Liabilities / Balances Written Back	(18,00,034)		(25,38,891)	
Bad-debts / Advances Written Back	-		-	
Sundry Debts Balances / Advances Written Off	93,353		-	
Dividend Income	(1,16,595)		(9,62,892)	
Interest Income	(49,08,224)		(27,19,397)	
Income from Mutual Funds	-		(49,094)	
Loss on Sale of Fixed Assets	-		1,90,883	
Loss on Insurance Claim	1,05,431		-	
Profit on Sale of Fixed Assets	-		(1,32,582)	
Gain on Sale of Property Development Rights	-		(40,13,04,142)	
Transferred to Molasses Storage Reserve	1,78,887	11,50,52,477	1,55,587	(28,94,49,716)
Operating Profit before Working Capital Changes		11,70,07,464		(10,17,24,621)
Adjustments to reconcile Operating Profit to Cash Flow provided by changes in Working Capital :				
Increase / (Decrease) in Trade Payables	36,05,89,953		1,14,96,209	
Increase / (Decrease) in Other Long-Term and Current Liabilities	8,42,101		(2,41,28,484)	
(Decrease) / Increase in Short Term Provisions	(83,47,468)		1,16,15,457	
(Increase) / Decrease in Inventories	(32,85,44,630)		33,67,14,116	
Decrease / (Increase) in Trade and Other Receivables	32,20,983		(41,99,307)	
(Increase) / Decrease in Long-Term and Short-Term Loans & Advances	(2,22,90,750)		37,40,883	
Increase / (Decrease) in Other Non-Current and Current Assets	15,97,084	70,67,273	40,17,970	33,92,56,844
Cash Generated from / (Used in) Operations		12,40,74,737		23,75,32,223
Direct Tax Refund / (Expense) (Net)		8,90,646		-
Cash Flow before Exceptional and Extra Ordinary Items		12,49,65,383		23,75,32,223
Exceptional / Extra Ordinary Items		-		-
Net Cash Generated / (Used in) Operating Activities		12,49,65,383		23,75,32,223
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Additions to Fixed Assets	(66,50,654)		(55,65,325)	
Sale of Property Development Rights	-		32,46,37,932	
Sale of Fixed Assets	-		2,36,618	
Redemption / Sale of Investments	-		-	
Loans Received Back from Others	-		-	
Dividend Income	1,16,595		9,62,892	
Interest Income	20,65,428		38,879	
Income from Mutual Funds	-	(44,68,631)	49,094	32,03,60,090
Net Cash Generated / (Used in) Investing Activities		(44,68,631)		32,03,60,090

THE UNITED PROVINCES SUGAR COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd...)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹	₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds /(Repayment) of Long-Term Borrowings	27,24,29,445	(29,51,48,080)
Proceeds /(Repayment) of Short-Term Borrowings	23,38,81,663	(18,90,90,790)
Interest Expense (Net)	(6,45,13,257)	(7,27,74,073)
Net Cash Generated / (Used in) Financing Activities	44,17,97,851	(55,70,12,943)
Net Increase/(Decrease) in Cash & Cash Equivalent (A + B + C)	56,22,94,603	8,79,370
Cash and Cash equivalent at the beginning of the year	37,16,463	28,37,093
Cash and Cash equivalent at the end of the year	56,60,11,066	37,16,463

Notes :-

1. 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.
2. Proceeds / (Repayment) from Short-Term Borrowings have been shown on net basis.
3. Cash and Cash Equivalents do not include any amount which is not available to the Company for its use.
4. Cash and Cash Equivalents as at the Balance Sheet date consists of :

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹	₹
a) Cash on Hand	1,65,381	5,87,619
b) Balance with Banks on Current Accounts	56,58,45,685	31,28,844
	56,60,11,066	37,16,463

5. Figure in brackets represent Cash Outflow from respective activities.
6. As breakup of Cash and Cash Equivalents is also available in Note No. 17, Reconciliation of items of Cash and Cash Equivalents as per Cash Flow Statement with the equivalents items reported in the Balance Sheet is not required and hence not provided.

As per our report of even date attached.

For BATLIBOI & PUROHIT

Chartered Accountants

F. R. No.: 101048W

Parag Hangekar

Membership No.: 110096

PARTNER

Mumbai, the 23rd day of July, 2014

Sushil K. Jalan
Chairman

Arvind K. Kanoria
Managing Director

Vivek M. Pittie

G. L. Sultania

Directors

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

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

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

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

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

1.2 USE OF ESTIMATES :

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

1.3 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, Land as at 31st March, 2008 and Land, Building and Plant & Machinery as at 1st April, 2011. Cost, net of cenvat, includes acquisition price, import duties, other non-refundable taxes and levies, attributable expenses and pre-operational expenses including finance charges, wherever applicable.

b) Intangible Assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortisation and impairment, if any.

c) Expenditure during construction period :

Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative Expenses pending allocation to the assets and are shown under "Capital Work-In-Progress". Capital Work-In-Progress is stated at the amount expended upto the date of Balance Sheet for the cost of fixed assets that are not yet ready for their intended use.

1.4 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 is not amortised. Other lease hold land are amortised over the period of the lease.

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

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES *(Contd...)*

1.5 INVESTMENTS :

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

1.6 INVENTORIES :

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

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

1.8 EXPENSES :

All the expenses are accounted for on an accrual basis.

1.9 GOVERNMENT GRANTS AND SUBSIDIES :

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

1.10 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

- a) Provision is recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.
- b) A provision is recognised if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the balance sheet date.
- c) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.
- d) Reimbursement expected in respect of expenditure to settle a provision is recognised only when it is virtually certain that the re-imburement will be received.
- e) A Contingent Asset is not recognised in the accounts.

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES *(Contd...)*

1.11 IMPAIRMENT OF ASSETS :

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

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

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

1.12 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.

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

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

1.13 BORROWING COSTS:

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

1.14 INSURANCE CLAIM :

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

1.15 EMPLOYEE BENEFITS :

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

1.16 TAXES ON INCOME :

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

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES *(Contd...)*

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

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

1.17 EARNINGS PER SHARE :

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

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

1.18 CASH FLOW STATEMENT :

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

1.19 CASH AND CASH EQUIVALENTS :

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

THE UNITED PROVINCES SUGAR COMPANY LIMITED

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 2

	As at 31st March, 2014		As at 31st March, 2013	
	Number of Shares	₹	Number of Shares	₹
SHARE CAPITAL				
a) Authorised				
Equity Shares of par value ₹ 10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
b) Issued, Subscribed and Fully Paid Up				
Equity Shares of par value ₹ 10/- each fully paid up	25,50,000	2,55,00,000	25,50,000	2,55,00,000
		<u>2,55,00,000</u>		<u>2,55,00,000</u>

	As at 31st March, 2014		As at 31st March, 2013	
	Number of Shares	₹	Number of Shares	₹
Additional Information :				
2.1 Reconciliation of the number and amount of equity shares outstanding at the beginning and at the end of the reporting year				
i) Outstanding at the beginning of the year	25,50,000	2,55,00,000	25,50,000	2,55,00,000
ii) Changes during the year	—	—	—	—
iii) Outstanding at the end of the year	<u>25,50,000</u>	<u>2,55,00,000</u>	<u>25,50,000</u>	<u>2,55,00,000</u>

2.2 Further, of the above subscribed capital :

- i) 14,40,000 equity shares of par value ₹ 10/- each have been allotted as fully paid up bonus shares by capitalisation of reserves.
- ii) 1,50,000 equity shares of par value ₹ 10/- each have been allotted as fully paid up to the shareholders of the erstwhile Warden Synplast Private Limited (WSPL) pursuant to a Scheme of Amalgamation.

2.3 Terms / Rights attached to equity shares :

- i) The Company has only one class of equity share having a par value of ₹ 10/- per share. Each holder of a equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividend as declared from time to time. However, no dividend is / was declared on the equity shares for the year ended 31st March, 2014 / 31st March, 2013.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential dues. Such distribution will be in proportion to the number of equity shares held by the shareholders.

2.4 The details of shareholders holding more than 5% of the equity shares in the Company:

Name of the Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	Number of Shares Held	% of Holding	Number of Shares held	% of Holding
Shri Arvind K. Kanoria	21,28,508	83.47	21,28,508	83.47
Kaabil Traders Private Limited	1,50,000	5.88	1,50,000	5.88

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 3

	As at 31st March, 2014		As at 31st March, 2013	
	₹	₹	₹	₹
RESERVES & SURPLUS				
a) Capital Reserve				
Balance as per Last Account		2,52,42,946		2,52,42,946
b) Revaluation Reserve				
Balance as per Last Account	76,42,90,116		121,62,67,745	
Add.: Deductions from				
Revaluation amount during the				
Year (Refer Note No. 11 and 11.2)	—		42,06,91,249	
	76,42,90,116		79,55,76,496	
Less: Transfer to Statement of Profit & Loss	3,12,86,380	73,30,03,736	3,12,86,380	76,42,90,116
c) General Reserve				
Balance as per Last Account		5,78,68,258		5,78,68,258
d) Storage Fund for Molasses				
Balance as per Last Account	7,22,677		5,67,090	
Add.: Created during the Year	1,78,886	9,01,563	1,55,587	7,22,677
e) Surplus in the Statement of Profit & Loss				
Balance as per Last Account	15,89,00,390		2,02,95,511	
Add.: Profit for the Year	2,59,862		13,86,04,879	
Amount Available for Appropriation	15,91,60,252		15,89,00,390	
Less: Appropriations:				
Proposed Dividend	—		—	
Tax on Proposed Dividend	—		—	
Transfer to General Reserve	—		—	
Total Appropriations	—		—	
Balance as at the Balance Sheet Date	15,91,60,252		15,89,00,390	
	97,61,76,755		100,70,24,387	

Additional Information :

- 3.1 General Reserve is primarily created to comply with the requirements of Section 205 (2A) of the Companies Act, 1956. This is a free reserve and can be utilised for any general purpose such as issue of bonus shares, payment of dividend, buy back of shares etc.
- 3.2 The storage fund for molasses has been created to meet the cost of construction of molasses storage tanks as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974 and the said storage fund is represented by investments in the form of deposits amounting to ₹ 4,49,473/- (Previous Year ₹ 7,74,384/-), with a bank and the post office.

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 4

	As at 31st March, 2014		As at 31st March, 2013	
	Non-Current	Current Maturities	Non-Current	Current Maturities
	₹	₹	₹	₹
LONG-TERM BORROWINGS				
Term Loans				
From Banks				
Secured				
Rupee Loans				
Punjab National Bank (PNB)	28,20,00,000	5,40,00,000	-	-
	<u>28,20,00,000</u>	<u>5,40,00,000</u>	<u>-</u>	<u>-</u>
From Entities other than Banks				
Secured				
Rupee Loans				
i) Government of India - Sugar Development Fund (SDF)				
Term Loans	-	-	-	4,13,08,720
Interest Funded	-	-	-	2,01,55,041
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,14,63,761</u>
ii) The Pradeshiya Industrial & Investment Corporation of Uttar Pradesh Limited (PICUP) - Interest Free	9,34,814	24,48,949	33,83,763	21,06,794
	<u>9,34,814</u>	<u>24,48,949</u>	<u>33,83,763</u>	<u>6,35,70,555</u>
	<u>28,29,34,814</u>	<u>5,64,48,949</u>	<u>33,83,763</u>	<u>6,35,70,555</u>
Amount disclosed under the head				
“Other Current Liabilities” (Refer Note No. 9)	-	5,64,48,949	-	6,35,70,555
	<u>28,29,34,814</u>	<u>-</u>	<u>33,83,763</u>	<u>-</u>

Additional Information :

4.1 Nature of Securities :

- i) Rupee Term loans from PNB amounting to ₹ 18,00,00,000/- and PICUP are secured, ranking paripassu first charge, by hypothecation of movable plant & machinery (other than those purchased under deferred payment guarantee scheme from PNB to the extent of ₹ 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 rupee term loan from PNB is guaranteed by the Managing Director of the Company. The term loan from PICUP is an interest free loan in lieu of the Trade Tax Deferment Scheme of the Uttar Pradesh Government.
- ii) In previous year rupee term loans from SDF are secured by prior second charge on the fixed assets of the Company, as stated in Note No. 4.1 (i) 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 7 years as per the provisions of the SDF rules and such funding is free of interest. The loan has been repaid during the year but satisfaction of charge yet to be completed.
- iii) Rupee Term Loan amounting to ₹ 15,60,00,000/- from PNB is under Scheme for Extending Financial Assistance to Sugar Undertakings, 2014 and is secured by a residual charge on the fixed assets after as stated in Note Nos. 4.1 (i) and (ii) above and Short Term Borrowings from PNB as per Note No. 7 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.

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 4 (Contd...)

LONG-TERM BORROWINGS

4.2 Terms of Repayment and Rate of Interest as at 31st March, 2014 :

- i) Rupee term loan amounting to ₹ 18,00,00,000/- from PNB is repayable in 20 equal monthly installments of ₹ 90,00,000/- each, last installment falling due on May, 2016, at an interest rate of 1.25% p.a. above PNB Base Rate.
- ii) Rupee term loan amounting to ₹ 15,60,00,000/- from PNB is repayable in 12 equal quarterly installments of ₹ 1,30,00,000/- each, last installment falling due on January, 2019. The Government of India provides for interest subvention from SDF upto 12.00% p.a. to PNB for the aforesaid loan under the Scheme for Extending Financial Assistance to Sugar Undertakings, 2014.
- iii) Term loan from PICUP repayable in 5 annual installments, last installment falling due on May, 2015. The loan is interest free.
- iv) Rupee term loan from SDF repayable in 5 annual installments together with funded interest, last installment falling due on July, 2013 at an interest of 4.00% p.a. (Bank rate less 2.00%). The loan has been repaid in full in current year.
- v) Terms of repayment for loans which have been fully repaid during the year are not included above.

NOTE NO. 5

	As at 31st March, 2014		As at 31st March, 2013	
	₹	₹	₹	₹
DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liabilities				
Fixed Assets : Impact of difference between tax depreciation and depreciation charged for the financial reporting		8,39,60,768		9,31,48,446
Gross Deferred Tax Liabilities		8,39,60,768		9,31,48,446
Deferred Tax Assets				
Carry forward business loss	—		—	
Unabsorbed depreciation	5,09,77,956		5,96,57,267	
Provision for doubtful debts and advances	70,734		38,827	
Provision for gratuity	1,19,09,964		1,29,17,505	
Provision for leave encashment	16,36,293		16,49,059	
Provision for contingency on stores	1,13,558		1,13,558	
Accrued expenses deductible on payment basis	1,67,77,402		1,79,92,494	
Gross Deferred Tax Assets		8,14,85,907		9,23,68,710
Net Deferred Tax Liabilities		24,74,861		7,79,736
<u>Movement</u>				
At the beginning of the year		7,79,736		(5,16,50,480)
Arising during the year		16,95,125		5,24,30,216
At the end of the year		24,74,861		7,79,736

Additional Information :

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

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

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	As at 31st March, 2014		As at 31st March, 2013	
	₹	₹	₹	₹
NOTE NO. 6				
LONG-TERM PROVISIONS				
Provision For Employees Benefits (Refer Note No. 27.2)				
Provision for Gratuity		3,19,73,485		2,66,09,328
Provision for Leave Encashment		44,17,611		45,79,026
		<u>3,63,91,096</u>		<u>3,11,88,354</u>

NOTE NO. 7

SHORT-TERM BORROWINGS

Loans Repayable on Demand				
From Banks				
Secured				
Cash Credit Facilities				
Punjab National Bank (PNB)				
Secured by pledge of stock of sugar		96,34,36,802		73,94,91,624
Secured by hypothecation of stock of stores & spare parts		2,02,48,097		1,03,11,612
		<u>98,36,84,899</u>		<u>74,98,03,236</u>

Additional Information :

Nature of Securities :

7.1 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. Interest rate on Cash Credit facilities from PNB - 1.25% p.a. above PNB base rate of 10.25% p.a. as at 31st March, 2014.

NOTE NO. 8

TRADE PAYABLES

Total Outstanding Dues of Micro and Small Enterprises (Refer Note No. 27.8)		16,44,564		7,18,978
Total Outstanding Dues of - other than Micro and Small Enterprises		89,44,60,374		53,47,96,007
		<u>89,61,04,938</u>		<u>53,55,14,985</u>

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	As at 31st March, 2014		As at 31st March, 2013	
	₹	₹	₹	₹
NOTE NO. 9				
OTHER CURRENT LIABILITIES				
Current Maturities of Long-Term Borrowings		5,64,48,949		6,35,70,555
Interest Accrued But Not Due on Borrowings		-		6,20,196
Other Payables				
Advance from Customers & Others	1,15,16,096		63,68,486	
Deposits	2,24,200		1,24,200	
Book Overdraft Balances	3,73,261		2,25,567	
Unpaid Salaries & Other Payroll Dues	1,57,17,488		1,66,14,503	
Statutory Liabilities (Refer Note No. 9.3)	5,32,44,681		5,63,73,266	
Accrued Expenses	7,68,070		19,07,935	
Others	-		-	8,16,13,957
		8,18,43,796		8,16,13,957
		13,82,92,745		14,58,04,708

Additional Information :

- 9.1 For Nature of Securities and Terms of Repayment respectively of Current Maturities of Long-Term Borrowings refer Note No. 4.1 & 4.2.
- 9.2 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under section 205C of the Companies Act, 1956.
- 9.3 Statutory Liabilities includes Excise Duty and Cess of ₹ 4,50,58,101/- (Previous Year ₹ 4,50,58,101/-) on Closing Stocks.

NOTE NO. 10

SHORT TERM PROVISIONS

Provision For Employee Benefits

Provision for Gratuity	47,34,679		1,32,04,217	
Provision for Leave Encashment	18,43,310	65,77,989	17,21,240	1,49,25,457
Provision for Contingencies on Stores (Refer Note No. 27.7)		3,50,000		3,50,000
Provision for Taxation		1,85,000		1,85,000
		71,12,989		1,54,60,457

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 11

FIXED ASSETS

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Gross Carrying amount as at 01.04.2013 including revaluation	Additions during the year	Additions on Revaluation during the year	Deductions/ Adjustment to revaluation amount during the year	Deductions/ Adjustments during the year	Gross Carrying amount as at 31.03.2014 including revaluation	Opening accumulated depreciation / amortisation	Depreciation/ Amortisation for the year	Deductions/ Adjustment to revaluation amount during the year	Deductions/ Adjustments during the year	Closing accumulated depreciation /amortisation	Net Carrying amount as at 31.03.2014 including revaluation
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets												
Land	30,31,72,856	-	-	-	-	30,31,72,856	-	-	-	-	-	30,31,72,856
Buildings	15,25,16,839	-	-	-	-	15,25,16,839	3,79,21,161	29,22,698	-	-	4,08,43,859	11,16,72,980
Plant & Machinery	161,04,72,053	64,32,656	-	-	-	161,69,04,709	80,57,26,141	7,97,42,552	-	-	88,54,68,693	73,14,36,016
Furniture & Electrical Fittings	54,81,203	2,17,998	-	-	-	56,99,201	39,44,443	2,80,385	-	-	42,24,828	14,74,373
Motor Vehicles & Cycles	77,53,412	-	-	-	-	77,53,412	30,38,900	6,46,260	-	-	36,85,160	40,68,252
Machinery Zamindary (Tubewell)	24,711	-	-	-	-	24,711	24,464	-	-	-	24,464	247
Total	207,94,21,074	66,50,654	-	-	-	208,60,71,728	85,06,55,109	8,35,91,895	-	-	93,42,47,004	115,18,24,724

FIXED ASSETS - PREVIOUS YEAR

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Gross Carrying amount as at 01.04.2012 including revaluation	Additions during the year	Additions on Revaluation during the year	Deductions/ Adjustment to revaluation amount during the year	Deductions/ Adjustments during the year	Gross Carrying amount as at 31.03.2013 including revaluation	Opening accumulated depreciation / amortisation	Depreciation/ Amortisation for the year	Deductions/ Adjustment to revaluation amount during the year	Deductions/ Adjustments during the year	Closing accumulated depreciation /amortisation	Net Carrying amount as at 31.03.2013 including revaluation
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets												
Land	30,51,15,962	-	-	19,43,106	-	30,31,72,856	-	-	-	-	-	30,31,72,856
Buildings	21,71,73,290	1,87,000	-	6,48,43,451	-	15,25,16,839	3,64,30,159	29,20,251	14,29,249	-	3,79,21,161	11,45,95,678
Plant & Machinery	198,10,38,615	49,83,200	-	37,53,24,403	2,25,359	161,04,72,053	74,57,65,415	8,01,76,116	1,99,90,462	2,24,928	80,57,26,141	80,47,45,912
Furniture & Electrical Fittings	51,10,078	3,95,125	-	-	24,000	54,81,203	37,46,642	2,07,324	-	9,523	39,44,443	15,36,760
Motor Vehicles & Cycles	88,34,324	-	-	-	10,80,912	77,53,412	31,58,724	6,81,077	-	8,00,901	30,38,900	47,14,512
Machinery Zamindary (Tubewell)	24,711	-	-	-	-	24,711	24,464	-	-	-	24,464	247
Total	251,72,96,980	55,65,325	-	44,21,10,960	13,30,271	207,94,21,074	78,91,25,404	8,39,84,768	2,14,19,711	10,35,352	85,06,55,109	122,87,65,965

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 11 (*Contd...*)

FIXED ASSETS

Additional Information :

- 11.1 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.
- 11.2) The Company's assets viz. Land, Buildings and Plant and Machinery were revalued as on April 1, 2011 on the basis of a valuation report of an approved valuer, but the revaluation amount added to these assets was inadvertently taken in excess of that specified in the report. Having noticed the same, it has been rectified and accordingly given effect to as on April 1, 2012, while presenting the Financial Statements for the previous year.

In view of this rectification, the excess amount added to Land, Buildings and Plant and Machinery under the Gross Block and the excess amount of depreciation provided thereon under Depreciation have been reversed and specified in the Note above under Columns titled 'Deductions/Adjustments to Revaluation Amount during the year', respectively. The other limb of the reversal is given effect to in Revaluation Reserve in Note No. 3 under Reserves and Surplus.

The above rectification has no impact on the Net Profit for the previous year and except what is stated as above, there is no other impact on the previous year end accumulated balances in the General Reserve and Surplus in the Statement of Profit and Loss as reflected in Note No. 3 under Reserves and Surplus.

- 11.3 i) Land, Building and Plant & Machinery were revalued as at 31st March, 1995 on net replacement value by an approved valuer, and the resultant increases of ₹ 1,78,70,000/-, ₹ 2,50,94,560/- and ₹ 11,15,99,378/- respectively were added to the book value of the said Fixed Assets.
- ii) Land was further revalued as at 31st March, 2008 on net replacement value by an approved valuer, and the resultant increase of ₹ 17,90,66,136/- was added to the book value of the said Fixed Asset.
- iii) Land, Building and Plant & Machinery were further revalued as at 1st April, 2011 on net replacement value by an approved valuer, and the resultant increases of ₹ 10,39,02,772/-, ₹ 2,64,23,003/- and ₹ 46,65,93,384/- respectively were added to the book value of the said Fixed Assets.

THE UNITED PROVINCES SUGAR COMPANY LIMITED

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	As at 31st March, 2014		As at 31st March, 2013	
	₹	₹	₹	₹
NOTE NO. 12				
NON-CURRENT INVESTMENTS				
Long-Term				
Other Than Trade				
Unquoted (Valued At Cost)				
Investment In Government Securities				
11.50% C. M. D. A. Bond - 2010	6,701		6,701	
2.50% Bihar Zamindary				
Abolition Compensation Bonds	20,211		20,211	
National Savings Certificates	1,000		1,000	
(Deposited with Government Authorities)		<u>27,912</u>		<u>27,912</u>
Investment In Bonds				
Deep Discount Bonds				
350 (Previous Year - 350) Deep Discount Bonds				
(Transferable) of New India Exports Pvt. Ltd.				
at issue price of ₹ 1,00,000/- each		3,50,00,000		3,50,00,000
(Redeemable at the end of 10 years at face				
value of ₹ 1,80,000/- per bond)				
Quoted (Valued at cost)				
Investment In Equity Instrument				
In Equity Shares of Punjab National Bank				
(386 (Previous Year - 386) Equity Shares				
of ₹ 10/- each fully paid up)		1,50,540		1,50,540
		<u>3,51,78,452</u>		<u>3,51,78,452</u>
Additional Information :				
12.1 Aggregate amount of unquoted investments		3,50,27,912		3,50,27,912
12.2 Aggregate amount of quoted investments		1,50,540		1,50,540
12.3 Market value of quoted investments		2,87,145		2,77,109
12.4 Aggregate provision for diminution in value of investments		—		—

NOTE NO. 13

LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good unless stated otherwise)

Security Deposits	8,53,048	8,72,487
	<u>8,53,048</u>	<u>8,72,487</u>

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	As at 31st March, 2014		As at 31st March, 2013	
	₹	₹	₹	₹
NOTE NO. 14				
OTHER NON-CURRENT ASSETS				
(Unsecured, Considered Good unless stated otherwise)				
Trade Receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered Doubtful	98,341		-	
Less: Provision for Doubtful Debts	98,341	-	-	-
Cash and Bank Balances				
Other Bank Balances				
Earmarked Balances				
On Current Account	4,39,473		3,29,900	
(For Molasses Storage Fund)				
On Fixed Deposit Accounts	1,85,642		1,85,642	
(Under lien ₹ 1,44,954/-, Previous Year ₹ 1,44,954/-)				
Balances with Post Office	10,000		4,44,484	
(For Molasses Storage Fund)		6,35,115	9,60,026	
Other Loans & Advances				
Advances to Suppliers & Others				
Considered Doubtful	1,19,670		1,19,670	
Less:- Provision for Doubtful Advances	1,19,670	-	1,19,670	-
Income Accrued on Investment & Deposits		1,48,21,264		1,19,78,468
		1,54,56,379		1,29,38,494

NOTE NO. 15

INVENTORIES

(Valued at Lower of Cost and Net Realisable Value, unless stated otherwise)

Raw Materials		-		-
Work in Progress				
Sugar	2,62,81,750		2,15,87,500	
Molasses	19,28,750	2,82,10,500	7,29,500	2,23,17,000
Finished Goods				
Sugar	141,49,42,376		110,43,42,675	
Molasses	6,74,01,646	148,23,44,022	5,93,20,769	116,36,63,444
Stock of Stores & Spare Parts	3,92,48,699		3,66,30,630	
Add: Stock of Loose Tools	2,19,672		3,73,662	
Add: Goods in Transit	17,35,681	4,12,04,052	2,29,208	3,72,33,500
		155,17,58,574		122,32,13,944

Additional Information :

15.1 Finished Goods of Molasses and Bagasse are valued at Net Realisable Value.

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	As at 31st March, 2014		As at 31st March, 2013	
	₹	₹	₹	₹
NOTE NO. 16				
TRADE RECEIVABLES				
(Unsecured, Considered Good unless stated otherwise)				
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		15,43,498		1,91,694
Other Trade Receivables		–		45,72,787
		15,43,498		47,64,481
NOTE NO. 17				
CASH & BANK BALANCES				
Cash and Cash Equivalents				
Cash on Hand		1,65,381		5,87,619
Balances with Banks				
On Current Accounts		56,58,45,685		31,28,844
		56,60,11,066		37,16,463
NOTE NO. 18				
SHORT TERM LOANS AND ADVANCES				
(Unsecured, Considered Good unless stated otherwise)				
Other Loans & Advances		–		–
Advances to Suppliers & Others		4,20,729		5,60,706
Income-Tax Advances		1,88,112		3,888
Cenvat, Vat and Other Taxes & Duties		18,98,929		26,90,098
Prepaid Expenses		5,19,013		2,30,825
Others		2,27,68,923		–
		2,57,95,706		34,85,517
NOTE NO. 19				
OTHER CURRENT ASSETS				
(Unsecured, Considered Good unless stated otherwise)				
Interest Receivable / Accrued and Due		–		1,262
Claims Receivable		–		3,80,265
Income-Tax Refundable		2,51,650		11,42,296
		2,51,650		15,23,823

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 20	For the Year 31st March, 2014		For the Year 31st March, 2013	
REVENUE FROM OPERATIONS	₹	₹	₹	₹
Sale of Goods (Gross)				
Sugar Sales	159,67,04,844		215,53,51,071	
Molasses Sales	16,49,47,532		12,00,55,485	
Bagasse Sales	3,84,85,512		3,18,37,083	
Press Mud Sales	17,64,760	180,19,02,648	14,96,725	230,87,40,364
Other Operating Revenue		-		-
Revenue From Operations (Gross)		180,19,02,648		230,87,40,364
Less: Excise Duty & Other Taxes on Sale of Goods		8,06,92,369		9,10,14,236
Revenue From Operations (Net)		172,12,10,279		221,77,26,128

NOTE NO. 21

OTHER INCOME

Interest Income (Gross) :

Non-Current Investments

On Fixed Deposit with Bank	16,05,521		38,879	
On Deep Discount Bonds (Long Term Investments)	28,42,796		26,80,518	
On Others	3,74,719		-	
	48,23,036		27,19,397	
On Income-tax Refund	85,188	49,08,224	-	27,19,397
Dividend Received on Long Term Investments		1,16,595		9,62,892
Gain on Sale of Property Development Rights (Refer Note No. 21.1)		-		40,13,04,142
Other Non-Operating Income				
Income From Mutual Funds	-		49,094	
Burnt Cane Subsidy	78,140		77,655	
Liabilities no longer required Written Back	18,00,034		25,38,891	
Profit on Sale of Fixed Assets	-		1,32,582	
Cane Commission Subsidy	-		-	
Purchase Tax Remission	1,19,74,710		-	
Miscellaneous Income	29,05,709	1,67,58,593	33,54,478	61,52,700
		2,17,83,412		41,11,39,131

Additional Information :

21.1 In previous year the erstwhile Warden Synplast Private Limited (WSPL) (since merged with the Company under a court approved Scheme of Amalgamation with Appointed Date as April 1, 2007) had alongwith Bombay Wire Ropes Limited (BWRL), entered into an agreement dated 29th December, 2005 with a developer for the grant of development rights in respect of a property owned by BWRL on a portion of which the WSPL too claimed development rights. The said agreement was thereafter terminated by WSPL and BWRL on certain grounds and the dispute arising therefrom was referred to Arbitration by the developer. The Arbitral Tribunal, vide its award dated 15th June, 2011, had set aside the said termination. Based on expert legal advice, the Company (as the successor in amalgamation of WSPL) and BWRL had challenged the said award in the Hon'ble Bombay High Court which led to a settlement of the matter between the parties in terms of a decree dated 13th July, 2012.

Gain on Sale of Property Development Rights in previous year amounting to ₹ 40,13,04,142/- credited to Statement of Profit and Loss represents the surplus of the amount received (pursuant to such settlement and decree) from the developer by the Company over the costs of such rights as devolved on the Company from WSPL as a result of the amalgamation.

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	For the Year 31st March, 2014		For the Year 31st March, 2013	
	₹	₹	₹	₹
NOTE NO. 22				
COST OF MATERIALS CONSUMED				
Sugarcane		170,69,33,157		175,52,77,845
		<u>170,69,33,157</u>		<u>175,52,77,845</u>

Additional Information :

22.1 Cost of Raw Materials Consumed is net of reimbursement of Society Commission received / receivable amounting to ₹ 3,48,12,206/- (previous year ₹ NIL) from Uttar Pradesh Government as per Notification No. 1416 S.Chi.U.Anu-1/2013-64/13 dated 30th December, 2013.

NOTE NO. 23

**CHANGES IN INVENTORIES OF FINISHED GOODS,
BY-PRODUCTS AND WORK-IN-PROGRESS**

Finished Goods :

Opening Stock

Sugar	110,43,42,675		145,13,48,684	
Molasses	5,93,20,769		6,51,10,359	
Bagasse	—		13,96,802	
	<u>116,36,63,444</u>		<u>151,78,55,845</u>	

Less: Closing Stock

Sugar	141,49,42,376		110,43,42,675	
Molasses	6,74,01,646		5,93,20,769	
Bagasse	—		—	
	<u>148,23,44,022</u>	<u>(31,86,80,578)</u>	<u>116,36,63,444</u>	<u>35,41,92,401</u>

Work-In-Progress :

Opening Stock

Sugar	2,15,87,500		73,77,500	
Molasses	7,29,500		92,001	
	<u>2,23,17,000</u>		<u>74,69,501</u>	

Less: Closing Stock

Sugar	2,62,81,750		2,15,87,500	
Molasses	19,28,750		7,29,500	
	<u>2,82,10,500</u>	<u>(58,93,500)</u>	<u>2,23,17,000</u>	<u>(1,48,47,499)</u>

Add : Excise Duty and Other Taxes *

		<u>(32,45,74,078)</u>		<u>33,93,44,902</u>
		<u>43,51,713</u>		<u>(1,53,27,284)</u>
		<u>(32,02,22,365)</u>		<u>32,40,17,618</u>

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

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
NOTE NO. 24	₹	₹	₹	₹
EMPLOYEES BENEFITS EXPENSES				
Salaries and Wages		10,03,54,414		10,49,77,406
Contribution to Provident and Other Funds		91,44,259		86,07,660
Staff Welfare Expenses		19,74,350		18,24,904
		11,14,73,023		11,54,09,970
 NOTE NO. 25				
FINANCE COST				
Interest Expenses				
On Long-Term Borrowings		1,88,88,219		1,45,00,326
On Short-Term Borrowings		4,48,24,506		5,57,56,841
Others		1,80,336		18,87,655
		6,38,93,061		7,21,44,822
 NOTE NO. 26				
OTHER EXPENSES				
Consumption of Stores & Spare Parts		2,32,79,537		2,40,34,811
Consumption of Packing Materials		2,02,83,765		1,79,80,311
Power & Fuel		1,18,44,430		1,02,70,666
Rent		5,24,713		4,97,307
Repairs & Maintenance :				
Plant & Machinery	3,55,10,921		3,71,93,930	
Building	59,16,768		28,73,483	
Others	1,34,322	4,15,62,011	84,413	4,01,51,826
Insurance		13,17,633		11,92,222
Rates & Taxes (Excluding Taxes on Income)		6,79,242		6,48,080
Godown Expenses		69,35,173		64,72,278
Travelling Expenses		19,68,130		24,39,829
Motor Car Expenses		18,27,091		17,90,984
Miscellaneous Expenses		1,22,91,561		1,13,32,653
Selling Expenses		33,83,100		42,67,991
Payment to Auditors :				
Audit Fees	1,20,000		85,000	
Tax Audit Fees	60,000		15,000	
Miscellaneous Certificates & Other Services	3,000		3,000	
Reimbursement of Expenses (including Service Tax)	36,207	2,19,207	30,343	1,33,343
Cost Audit Fee		33,708		30,000
Directors' Fee		31,000		2,750
Bad Debts and Advances Written Off		93,353		-
Provision for Doubtful Debts & Advances		98,341		-
Loss on Insurance Claim		1,05,431		-
Loss on Sale of Fixed Assets		-		1,90,883
Transfer to Molasses Storage Reserve		1,78,887		1,55,587
		12,66,56,313		12,15,91,521

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 27

As at 31st March, 2014	As at 31st March, 2013
₹	₹

NOTES ON ACCOUNTS

27.1 Contingent Liabilities and Commitments (to the extent not provided for)

a) Contingent Liabilities

i) Counter guarantees given to a bank on account of guarantees furnished by it	1,44,954	1,44,954
ii) 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

b) Commitments

i) The estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for in the accounts.	-	-
--	---	---

27.2 Employee Benefits :-

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

a) Defined Contribution Plan

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

The Company recognised ₹ 91,44,259/- (previous year ₹ 86,07,660/-) towards provident fund contribution in the Statement of Profit and Loss.

b) Defined Benefit Plans

The Company provides 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 a vesting period of 5 years of service.

ii) On death while in service :

As per the provisions of the 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 was carried out at 31st March, 2014 by an Actuary using the Projected Unit Credit Method.

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 27 (Contd...)

NOTES ON ACCOUNTS

The following table sets out the amounts recognised in the Company's financial statements and the status of the gratuity plan as at 31st March, 2014 :

Sr. No.	Particulars	Gratuity (Non-Funded)		Leave Encashment (Non-Funded)		Provident Fund (Funded)	
		As on 31st March		As on 31st March		As on 31st March	
		2014	2013	2014	2013	2014	2013
		₹	₹	₹	₹	₹	₹
I	Reconciliation of Defined Benefit Obligation (DBO) :						
	DBO at the beginning of the year	3,98,13,545	3,41,82,761	63,00,266	39,37,991		
	Current Service Cost	19,81,667	25,65,586				
	Interest Cost	31,36,624	29,22,606				
	Actuarial (gain)/losses	(30,48,854)	48,72,086				
	Benefits paid	(51,74,818)	(47,29,494)			91,44,259	86,07,660
	DBO at the end of the year (Net liability recognised in the Balance Sheet)	3,67,08,164	3,98,13,545	62,60,921	63,00,266		
II	Net cost for the year ended 31st March, 2014 :						
	Current Service Cost	19,81,667	25,65,586				
	Interest Cost	31,36,624	29,22,606				
	Actuarial (gain)/losses	(30,48,854)	48,72,086				
	Net Cost	20,69,437	1,03,60,278				
III	Assumptions used in accounting for the gratuity plan :						
	Discount Rate (%)	9.32%	8.00%				
	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 Benefits

Leave encashment charge/reversal for the year ended 31st March, 2014, based on actuarial valuation carried out using the projected accrued benefit method, reversal amounting to ₹ 39,345/- (Previous Year charge of ₹ 23,62,275/-) has been recognised in the Statement of Profit and Loss.

27.3 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.

27.4 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) | : Shri Arvind K. Kanoria, Managing Director
Shri A. N. Singh Chauhan, Executive Director |
| ii) Relatives of Key Managerial Personnel | : Shri Arvind K. Kanoria |
| | Smt. Aruna Kanoria (Mother)
Smt. Vineeta Kanoria (Wife)
Ms. Shikha Kanoria (Daughter)
Shri Paritosh Kanoria (Son)
Dr. Anurag K. Kanoria (Brother) |
| | Shri A. N. Singh Chauhan
Smt. Leela Chauhan (Wife) |

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 27 (Contd...)

NOTES ON ACCOUNTS

b) Details of transactions with related parties : Key Managerial Personnel and their relatives	Enterprise on which Key Managerial Personnel and his relatives has Control	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹	₹
Investments in Deep Discount Bonds :		
i) New India Exports Private Limited		3,50,00,000
Interest Accrued on Investments :		
i) New India Exports Private Limited		92,76,803
Loans taken :		
i) New India Exports Private Limited		6,25,00,000
ii) Temple Garment Mfg. Co. Pvt. Ltd.		1,00,00,000
Remuneration to Key Managerial Personnel :		
i) Shri Arvind K. Kanoria	32,05,832	31,12,484
ii) Shri A. N. Singh Chauhan	14,71,800	12,35,200
Salary, Gratuity, Leave Encashment etc. :		
i) Smt. Leela Chauhan	6,99,954	6,49,767
Interest paid :		
i) New India Exports Private Limited		7,29,042
ii) Temple Garment Mfg. Co. Pvt. Ltd.		93,339
Loans repaid :		
i) New India Exports Private Limited		6,25,00,000
ii) Temple Garment Mfg. Co. Pvt. Ltd.		1,11,35,000
Outstanding Balance As at March 31, 2014		
Investments in Deep Discount Bonds :		
i) New India Exports Private Limited		3,50,00,000
Outstanding Balance As at March 31, 2014		
on Interest Accrued on Investments :		
i) New India Exports Private Limited		1,19,57,321

- c) Transactions with related parties have been entered at amounts 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 dues to / from related parties.
- e) All amounts due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.

27.5 Disclosure under Clause 32 of the Listing Agreement :

There are no transactions (other than loan transactions with related parties as given in Note 27.4 above) which are required to be disclosed under Clause 32 of the Listing Agreement with the Stock Exchange where the Equity Shares of the Company are listed.

For the year ended 31st March, 2014	For the year ended 31st March, 2013
₹	₹

27.6 Earning Per Share (EPS) computed in accordance with

Accounting Standard 20 : regarding Earning Per Share Basic and Diluted :

a) Profit after Tax as per Accounts	2,59,862	13,86,04,879
b) Number of Shares Issued	25,50,000	25,50,000
c) Basic and diluted EPS	0.10	54.35
d) Nominal Value of Equity Shares	10.00	10.00

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 27 (Contd..)

NOTES ON ACCOUNTS

27.7 Disclosure in terms of Accounting Standard - 29 on Provisions, Contingent Liabilities and Contingent Asset :

a) Movement for Provisions for Liabilities :

Description	As at 31st March, 2013	Additions during the year	Utilisation during the year	As at 31st March, 2014
	₹	₹	₹	₹
Provision for Contingency on Stores	3,50,000	0	0	3,50,000
Previous Year	3,50,000	0	0	3,50,000

Timing of outflow /uncertainties

Outflow on crystallisation

b) The Contingent Liabilities mentioned at Sr. No. 27.1 of Note No. 27 - Notes Forming Part of Financial Statements and Provision for Contingency on Stores mentioned in Note No. 10 Short-Term 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. 27.7 (a) above and in view of this no asset has been recognised for the expected reimbursement.

27.8 Based on the information / documents available with the Company, information as per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows :

	As at 31st March, 2014	As at 31st March, 2013
	₹	₹
a) The principal amount remaining unpaid to suppliers as at the end of accounting year *	16,44,564	7,18,978
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	—	—

* Included in the line item "Total outstanding dues of Micro and Small Enterprises" under Note No. 8

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 27 (Contd..)

NOTES ON ACCOUNTS

27.9 Consumption of Raw Materials, Stores, Spare Parts and Packing Materials (including under various heads of revenue expenditure) :

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	% of total Consumption	Value ₹	% of total Consumption	Value ₹
a) Raw Materials :				
Imported	Nil	Nil	Nil	Nil
Indigenous	100	170,69,33,157	100	175,52,77,845
	<u>100</u>	<u>170,69,33,157</u>	<u>100</u>	<u>175,52,77,845</u>
b) Consumption of Components-Stores and Spare Parts :				
Imported	Nil	Nil	Nil	Nil
Indigenous	100	6,89,14,057	100	6,88,70,507
	<u>100</u>	<u>6,89,14,057</u>	<u>100</u>	<u>6,88,70,507</u>

27.10 Expenditure in Foreign Currency

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
On Travelling	3,78,152	7,35,804

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

For BATLIBOI & PUROHIT
Chartered Accountants
F. R. No.: 101048W

Parag Hangekar
Membership No.: 110096
PARTNER

Sushil K. Jalan
Chairman

Arvind K. Kanoria
Managing Director

Vivek M. Pittie
G. L. Sultania
Directors

Mumbai, the 23rd day of July, 2014

THE UNITED PROVINCES SUGAR COMPANY LIMITED

CIN – L15421WB1924PLC004929

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

ATTENDANCE SLIP

(To be presented at the entrance duly filled in and signed)

Name of the member(s):	
Registered address:	
E-mail ID:	
Folio No. / Client ID:	DP ID:

I hereby record my presence at the 91st Annual General Meeting of The United Provinces Sugar Company Limited will be held at the Somani Conference Hall of Merchants' Chambers of Commerce, 15B Hemanta Basu Sarani, Kolkata 700 001 on Friday, the 26th day of September, 2014 at 4.30 p.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY _____

Form No. MGT – 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

THE UNITED PROVINCES SUGAR COMPANY LIMITED

CIN – L15421WB1924PLC004929

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

Name of the member(s):	
Registered address:	
E-mail ID:	
Folio No. / Client ID:	DP ID:

I/We, being the member(s) of _____ Shares of The United Provinces Sugar Company Limited, hereby appoint

1. Name
Address :
E-mail Id :
Signature Or failing him
2. Name
Address :
E-mail Id :
Signature Or failing him
3. Name
Address :
E-mail Id :
Signature Or failing him

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Ninety-first Annual General Meeting of the Company to be held on Friday, the 26th day of September, 2014, at 4.30 p.m. at the Somani Conference Hall of Merchants' Chambers of Commerce, 15B Hemanta Basu Sarani, Kolkata 700 001, and at any adjournment thereof in respect of such resolutions as are indicated overleaf.

P.T.O.

Sl. No.	Resolution	Optional	
		For	Against
	Ordinary Business		
1.	Approval of Financial Statements for the year ended 31 st March, 2014		
2.	Reappointment of Dr. Anurag K. Kanoria as Director		
3.	Appointment of Auditors		
	Special Business		
4.	Appointment of Shri Babu Lal Vijay as a Director		
5.	Appointment of Shri Sushil K. Jalan as an Independent Director		
6.	Appointment of Shri Vivek M. Pittie as an Independent Director		
7.	Appointment of Shri Girdhari Lal Sultania as an Independent Director		
8.	Appointment of Shri Babu Lal Vijay as a Wholetime Director designated as General Manager (Commercial)		
9.	Variation in Remuneration payable to Shri Arvind K. Kanoria, Managing Director		
10.	Reappointment of Shri Arvind K. Kanoria as Managing Director		
11.	Appointment of Smt. Urmila Vijay as an Officer		
12.	Ratification of fees payable to the Cost Auditors		
13.	Approval under section 180(1)(c) of the Companies Act, 2013 for borrowing not exceeding ₹ 100.00 crores outstanding at any time over and above the aggregate of the paid up capital and free reserves of the Company.		
14.	Approval under section 180(1)(a) of the Companies Act, 2013 to mortgage, hypothecate or in any other way create charge in favour of the lenders all or any of the movable and/or immovable properties of the company.		

Signed thisday of , 2014

Signature of the shareholder : _____

Signature of Proxy holder(s) : _____

Affix ₹ 1/- Revenue Stamp

Signature across the stamp

- Notes:
- This form in order to be effective should be duly completed and deposited at the Registered Office of the Company Chartered Bank Building, 1st Floor, 4, Netaji Subhash Road, Kolkata 700 001, not less than 48 hours before the commencement of the Meeting.
 - Members are requested to Select by placing a tick (✓) mark against the resolution. It is optional for the member to indicate his/her preference. In case no specific direction is given, your Proxy may vote or abstain as he/she thinks fit.