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THE
UNITED PROVINCES SUGAR
COMPANY LIMITED

THE UNITED PROVINCES SUGAR COMPANY LIMITED

BOARD OF DIRECTORS

Shri Sushil K. Jalan
Chairman – Independent Director
(Upto 17th June, 2015)

Shri Vivek M. Pittie
Independent Director

Dr. Anurag K. Kanoria
Director

Shri G. L. Sultania
Independent Director

Smt. Lakshmi Iyer
Director
(w.e.f. 20th June, 2015)

Shri Babu Lal Vijay
Whole Time Director designated as General Manager

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 92nd 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 2.00 p.m. on Tuesday, the 29th September, 2015 to transact the following business

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2015 including the Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and the Auditors 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 in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that M/s. 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 at such remuneration as may be fixed by the Board of Directors of the Company.”

Special Business:

4. Appointment of Smt. Lakshmi Iyer 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 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Lakshmi Iyer (DIN 00591643), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 20th June, 2015 and who holds office up to the date of the Annual General Meeting in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, signifying his intention to propose Smt. Lakshmi Iyer as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. Voluntary Delisting of Equity Shares of the Company from The Calcutta Stock Exchange Limited (“CSE”):-

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

“RESOLVED that subject to the provisions of the Companies Act, 2013 wherever applicable (including any statutory modification(s) or re-enactments thereof for the time being in force), the Securities & Exchange Board of India Act, 1992 and the rules framed thereunder, the existing Listing Agreement of the Company as also the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and all other applicable laws (including any statutory modification(s) or re-enactment thereto for the time being in force) and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’), or a Committee of Directors / persons authorised by the Board, the consent of the Company be and is hereby accorded to the Board to voluntarily delist the equity shares of the Company from The Calcutta Stock Exchange Limited.”

“RESOLVED FURTHER that The Board of Directors / a Committee of Directors / persons authorized by the Board be and are hereby authorized on behalf of the Company to do all such acts, deeds and things which they may be required with a view to complying with the legal and procedural formalities in connection with the delisting of the equity shares of the Company as aforesaid from The Calcutta Stock Exchange Limited.”

NOTICE (Contd...)

6. Ratification of Remuneration 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, 2016, be paid a remuneration of Rs.30,000/- (Rupees thirty thousand) plus service tax as applicable along with 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”.

Place of signature: Mumbai

Dated: 31st July, 2015

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.

Pursuant to section 105 of the Companies Act, 2013 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. Members holding more than ten percent of the total share capital of the Company may appoint a single person as a proxy who should not act as a proxy for any other member.

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.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 18th September, 2015 to Tuesday, 29th September, 2015 (both days inclusive).
3. The Statement pursuant to section 102 of the Companies Act, 2013 is annexed thereto.
4. Members who hold shares in dematerialised form are requested to bring their demat statement mentioning therein their Client ID and DP ID numbers along with a photo identity card for easy identification of attendance at the meeting.
5. Corporate members are requested to send a duly certified copy of a board resolution pursuant to section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the AGM.
6. Shareholders holding shares in physical form are requested to advise the Company and those holding shares in dematerialised form are requested to advise their depository participants immediately about any change in their address.
7. Members holding shares in a single name and in physical form are advised to make a nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company’s website www.unitedprovincessugar.com
8. Electronic copy of the Notice of the 92nd Annual General Meeting along with the Annual Report 2014-15 of the Company inter alia indicating the process and manner of e-voting along with the attendance slip and the proxy form is being sent to all the members whose email IDs are registered with the Depository Participant(s)/Company for communication purposes

NOTICE (*Contd...*)

unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 92nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the attendance slip and the proxy form is being sent in the permitted mode.

9. Members may also note that the Notice of 92nd Annual General Meeting and the Annual Report 2014-2015 will also be available on Company's website: www.unitedprovincessugar.com for downloading.

10. Voting through Electronic Means/Postal Ballot

I. The instructions for e-voting are as under:

In compliance with the provisions of section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014 read with clause 35 of the listing agreement the Company is pleased to provide members facility to exercise their right to vote at the 92nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with TSRDPL/Depositories)

1. Open the e-mail and also open PDF file namely "upsacle-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
2. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
3. Click on Shareholder - Login.
4. If you are already registered with NSDL for e-voting then you can use your existing user ID and Password.
5. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
6. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
7. Once the e-voting home page opens, click on e-voting > Active Voting Cycles.
8. Select "EVEN" (E-Voting Event Number) of The United Provinces Sugar Company Limited which is "102421". Now you are ready for e-voting as Cast Vote page opens.
9. On the voting page, you may cast your vote by selecting an appropriate option "For" or "Against" and click "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. Upon confirmation, the message "Vote cast successfully" will be displayed.
10. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutnizer's email id patnibl@yahoo.com, with a copy marked to evoting@nsdl.co.in.
11. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the Downloads section of www.evoting.nsdl.com.

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/ Depositories):

1. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
2. Please follow all steps from Sl. No. (2) to Sl. No. (11) above, to cast vote.

II Instructions for voting through Postal Ballot

This Ballot Form is provided for the Members who do not have access to e-voting facility.

NOTICE (*Contd...*)

Process and manner for Members opting to vote using the Ballot Form:

1. Please complete and sign the Ballot Form (no other form or photo copy thereof is permitted) and send so as to reach the scrutinizer, appointed by the Board of Directors of the Company, Shri Babu Lal Patni (Membership No. F 2304, PCS: 1321), Practicing Company Secretary, C/O. THE UNITED PROVINCES SUGAR COMPANY LIMITED, Chartered Bank Building, 1st Floor, 4, Netaji Subhash Road, Kolkata - 700 001 not later than Monday, 28th September, 2015. (5.00 p.m. IST).
2. The Form should be signed by the Members as per the specimen signature registered with the Company/ Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted by a proxy.
3. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization.
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick () mark in the column provided in the Ballot.
5. Unsigned, incomplete, improperly or incorrectly tick marked Ballot forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.

III. Other instructions:

1. The remote e-voting period commences on Saturday, 26th September, 2015 (9.00 a.m. IST) and ends on Monday, 28th September, 2015 (5.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut of date of Friday, 18th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
2. Members who do not have access to e-voting facility may send duly completed Ballot Form in self-addressed prepaid envelope (enclosed) so as to reach the Scrutinizer at the Registered Office of the Company not later than Monday, 28th September, 2015 (5.00 p.m. IST).
3. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to csg-unit@tsrdarashaw.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Monday, 28th September, 2015 (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.
4. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
5. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut of date of Friday, 18th September, 2015 and as per the Register of Members of the Company.
6. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).
7. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of Annual General Meeting and holding shares as of the cut-off date, i.e., 18th September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.

NOTICE (*Contd...*)

8. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, voting through Ballot Form, as well as voting at the Annual General Meeting through polling paper.
9. Mr. Babu Lal Patni, Practicing Company Secretary (Membership No. FCS 2304), has been appointed as the Scrutinizer to scrutinize the remote e-voting process (including the Ballot Form received from the Members who do not have access to the remote e-voting process) in a fair and transparent manner.
10. At the Annual General Meeting, at the end of the discussion of the resolutions on which voting is to be held, the Chairman shall with the assistance of the Scrutinizer order voting for all those members who are present but have not cast their vote electronically using the remote e-voting facility or Ballot Form.
11. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
12. The Chairman or a person authorized by him in writing shall declare the result of voting forthwith.
13. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tatasteel.com and on the website of NSDL www.evoting.nsdl.com immediately after the result declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to The Calcutta Stock Exchange Limited, where the shares of the Company are listed.
14. 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.
15. 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.
16. Members are requested to bring the admission slip alongwith their copies of the annual report and accounts to the meeting.
17. Members holding shares in physical mode are requested to provide their email id, CIN/Regn. No. (for corporate members), Unique Identification No., PAN, in case member is minor than date of birth of minor and name of guardian, declaration regarding beneficial ownership (if any), nomination details, lien details (if any), particulars of dividend mandate etc. and such other information as mentioned under section 88 (1)(a) of the Companies Act, 2013 and Rule 3(1) of the Companies (Management and Administration) Rules, 2014.

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

Place of signature: Mumbai
Dated: 31st July, 2015

By order of the Board
Arvind K. Kanoria
Managing Director

NOTICE *(Contd...)*

EXPLANATORY STATEMENT

Pursuant to section 102 of the Companies Act, 2013

Item No. 4

Appointment of Smt. Lakshmi Iyer as a Director

Smt. Lakshmi Iyer (DIN 00591643) on the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 20th June, 2015 pursuant to section 161 of the Companies Act, 2013 read with the Articles of the Association of the Company.

Pursuant to section 161 of the Companies Act, 2013, Smt. Lakshmi Iyer will hold office as director upto the date of forthcoming Annual General Meeting. The Company has received a notice in writing under the provisions of section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Smt. Lakshmi Iyer is not disqualified from being appointed as a director in terms of section 164 of the Companies Act, 2013 and has given her consent to act as a director of the Company.

Profile of Smt. Lakshmi Iyer

Date of Birth: 11th August, 1968.

Qualification: Graduate in Arts.

Occupation: Worked with the Indian Hotels Company Limited and Procter & Gamble (India) Limited and presently sits on the Board of Directors of Dixit Infotech Services Pvt. Ltd.

Expertise in Specific Functional Areas: Marketing, Finance and Administration with Information Technology Hardware and Software being her special area of expertise.

Directorship in other Companies: Dixit Infotech Services Private Limited

Membership in other Board Committees: NIL

Shareholding as on 31st March, 2015: 3000 Shares

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

Smt. Lakshmi Iyer is interested in the resolution set out at Item Nos. 4 of the Notice with regard to her appointment. The relatives of Smt. Lakshmi Iyer 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 set out at Item Nos. 4 of the Notice.

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

The Board of Directors recommends the resolution set out at Item Nos. 4 of the Notice for approval by the shareholders.

Item No. 5

VOLUNTARY DELISTING OF THE EQUITY SHARES OF THE COMPANY FROM THE CALCUTTA STOCK EXCHANGE LIMITED (CSE).

The equity shares of the Company are listed with CSE which does not have an operational trading platform since April, 2013 on account of its suspension by SEBI for non compliance with certain norms set down by SEBI.

In such circumstances, it is felt that continued listing with the CSE does not provide any significant tangible advantage to the members of the Company as the public shareholders of the Company do not have any exit opportunity to sell their shareholdings and consequently may be stuck with their investments in the Company. The Company too does not derive any benefit from continuation of the listing of its shares with CSE.

The Securities and Exchange Board of India (SEBI) has formulated the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("SEBI Delisting Regulations") formulating the procedure for delisting of shares. The said Regulations provide for a simplified procedure for small companies which have less than 300 public shareholders whereby delisting of such companies can be achieved by the Promoters sending written intimation to all individual shareholders of their intention to delist the shares so as to provide them with an exit opportunity at a price determined in consultation with a Merchant Banker.

It may be recalled that the shareholders of the Company had passed a special resolution through Postal Ballot to delist the equity shares of the Company from CSE and the outcome of the same was declared on 11th March, 2014.

THE UNITED PROVINCES SUGAR COMPANY LIMITED

NOTICE (Contd...)

As the matter of approval has remained pending for consideration by the CSE and a period of one year has lapsed since passing of the aforesaid special resolution, the Board of Directors of the Company proposes to once again seek approval of the shareholders for the passing a fresh resolution for the delisting of the equity shares of the Company from CSE.

The Promoters have reiterated to the Company vide their letter dated 16th July, 2015 that they are willing to acquire equity shares of the Company from the public shareholders whose shares are listed in the CSE. The Promoter/Promoter Group collectively own 24,19,566 equity shares of the Company which represents 94.88% of its subscribed and paid up equity share capital whereas 1,30,434 equity shares are held by public shareholders which represents 5.12% of subscribed and paid up equity share capital of the Company. The objective of the Delisting Proposal as stated by the Promoter/ Promoter Group in the requisition letter is to provide an exit opportunity to the public shareholders.

In the light of the above, consent of the members by way of a special resolution is required for voluntary delisting of the shares of the Company from CSE.

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

Shri Arvind K. Kanoria, Managing Director and his relatives may be deemed to be interested in or concerned with the proposed resolution to the extent of their shareholding in the Company and any shares which may be acquired by them pursuant thereof.

Save and except the above, none of the directors/key managerial personnel of the Company/their relatives are in any way concerned or interested, financially or otherwise the proposed resolution as set out at Item No. 5 of the Notice.

Item No. 6

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, 2016 at a remuneration of Rs.30,000/- plus service tax as applicable as well as travelling, boarding, lodging and out of pocket expenses.

In accordance with the provisions of section 148 (3) 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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

The Board of Directors therefore recommended the Ordinary Resolution set out at Item No. 6 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. 6 of the Notice.

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, 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 and Esmart Energy Solutions Private Limited.

Membership in other Board Committees: NIL

Shareholding as on 31st March, 2015: 100 Equity Shares of the Company held jointly with Shri Arvind K. Kanoria.

Place of signature: Mumbai

Dated: 31st July, 2015

Registered Office:

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

CIN No. - L15421WB1924PLC004929

Tel. : (033) 2242 0591

Fax : (033) 2242 0592

E-mail : upsclmumbai@mtnl.net.in

By order of the Board
Arvind K. Kanoria
Managing Director

DIRECTORS' REPORT

Your Directors present their 92nd Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2015 as below.

Financial Results	2014-2015		2013-2014	
	Rupees	Rupees	Rupees	Rupees
Gross Sales and Other Income		228,27,95,123		182,36,86,060
Profit / (Loss) before Interest, Depreciation and Tax		(38,96,44,303)		11,81,53,563
Finance Costs		9,18,46,274		6,38,93,061
Profit / (Loss) before Depreciation and Tax		(48,14,90,577)		5,42,60,502
Depreciation and Amortization Expense		2,81,25,860		5,23,05,515
Profit / (Loss) before Tax		(50,96,16,437)		19,54,987
Provision for Current Tax	-		-	
Deferred Tax Credit/Charge	16,63,94,667	16,63,94,667	16,95,125	16,95,125
Profit / (Loss) for the year		(34,32,21,770)		2,59,862
Balance of Profit brought forward		15,91,60,252		15,89,00,390
Balance carried forward to next year		(18,40,61,518)		15,91,60,252

Dividend

Your Directors do not recommend any dividend for the year ended 31st March, 2015 in view of the losses incurred during the year.

Operations and Financial Results

During the financial year under review, the factory crushed a total of 68.09 lakh Quintals (Q) of sugarcane and produced a total of 5.87 lakh Q of white crystal sugar at a recovery of 8.65% against a crush of 59.54 lakh Q of sugarcane and a production of 5.64 lakh Q of white crystal sugar at a recovery of 9.50% during the previous financial year 2013-2014.

The crushing season of 2014-2015 at the factory commenced on 8th December, 2014 and ended on 21st April, 2015. During the above season of 135 days, your mill crushed a total of 65.95 lakh Q of sugarcane which produced 5.52 lakh Q of white crystal sugar at a sugar recovery of 8.38% against a crush of 66.51 lakh Q of sugarcane and a production of 6.28 lakh Q of white crystal sugar at a recovery of 9.46% over 145 crop days in the previous season 2013-2014.

A continuous and steep fall in sugar prices has resulted in huge losses for the entire sugar industry and consequently affected the margins of the Company too. These losses further increased for the Company due to the damage caused by the Hudhud Cyclone to its standing sugarcane crop which resulted in an extraordinarily low sugar recovery for the sugarcane crushed in the 2014-2015 season.

Sick Industrial Company

The net worth of the Company has turned negative as on 31st March, 2015 and it has become a sick industrial company within the meaning of section 3(1)(o) the Sick Industrial Companies (Special Provisions) Act, 1985.

A reference shall be made by the Board of Directors within the prescribed time to the Board for Industrial and Financial Reconstruction (BIFR) for determination of measures with respect to the Company.

Sugarcane & Sugar Policy

The essential features of the sugarcane and sugar policy for 2014-2015 season are as under

- The Central Government determined a Fair and Remunerative Price (FRP) for sugarcane at Rs.220.00/Q linked to a basic recovery of 9.50% subject to a premium of Rs.2.32/Q for every 0.10% increase in recovery.
- The Uttar Pradesh Government maintained its State Advised Price (SAP) for sugarcane at Rs.280.00/Q.

A relief of Rs. 8.60/Q of sugarcane has been announced by the State Government for the aforesaid season as a rebate to the factories.

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An additional relief of upto Rs.20.00/Q has been further announced by the State Government if the average price of sugar and its bye products declined below a certain earmarked level as may be decided by a Committee to be constituted under the Chairmanship of the Chief Secretary, Uttar Pradesh Government.

- (c) The Central Government announced a subsidy of Rs. 4000.00 per tonne on export of raw sugar for upto a total 1.40 million tonnes of export.
- (d) The Central Government also increased the import duty on sugar from 25% to 40%.
- (e) The period for discharge of export obligation under the Advance Authorization Scheme for sugar was reduced to six months by the Central Government.
- (f) A policy of partial control on molasses sales and distribution continued for the year in Uttar Pradesh.

Prospects and Outlook for season 2015-2016

The viability of the domestic sugar industry continues to be seriously impaired due to non linkage of the price of its raw material i.e. sugarcane to that of its finished product i.e. sugar.

The so called Fair and Remunerative Price (FRP) of sugarcane declared by the Central Government is neither fair nor remunerative being based on a hypothetical price of sugar which in actuality may vary considerably e.g. the FRP of season 2014-2015 has been determined on an estimated sugar realization of Rs.30/kg. to Rs.34/kg. whereas the actual realization is expected to be in the range of Rs.20/kg to Rs.24/kg only. Such a huge gap has resulted in unviable manufacturing operations and consequent huge losses which ultimately hits the farmer itself whose sugarcane payments get unduly delayed.

To make matters worse, State Governments, including the one in Uttar Pradesh, often step in and further enhance the FRP by imposing an additional burden on the industry through the announcement of a State Advised Price (SAP) for sugarcane which has no relation to economic viability.

Such a situation continues to exist year after year inspite of the opinion and advice of several think tanks and committees that have been set up by the government, last resting with the Rangarajan Committee, all of whom have recommended the adoption of a rational sugarcane pricing policy where there is a co relation between the price of sugarcane and sugar.

In this background, unless the aforesaid fundamental problem of viable sugarcane pricing is addressed by both the Central Government as well as the State Governments, any prediction with regard to the future prospects of the industry, as well as the Company itself, is mired in uncertainty.

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, Chairman and Independent Director has, on account of his advanced age, resigned from the Board of Directors of the Company with effect from 17th June, 2015. The Board wishes to place on record its sincere and deep appreciation of the valuable guidance and advice rendered by Shri Sushil K. Jalan during his long tenure with the Company which has contributed in a significant manner to its progress.

The Board of Directors at its meeting held on 20th June, 2015 has, on the recommendation of the Nomination and Remuneration Committee, appointed Smt. Laxmi Iyer as an Additional Director on the Board of the Company. In terms of section 161 of the, Companies Act, 2013, Smt. Lakshmi Iyer will hold office upto the date of the ensuing annual general meeting. The Company has received a notice proposing the continuation of Smt. Lakshmi Iyer for the office of a Director of the Company, liable for retirement by rotation. The Board of Directors recommends appointment of Smt. Lakshmi Iyer as a Director of the Company.

Directors' Responsibility Statement

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

- a. the applicable accounting standards been followed along with proper explanation relating to material departures, if any in the preparation of the annual accounts.
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.

- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the Directors have prepared the annual accounts on a going concern basis.
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
and
- f. there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Policy on Selection of Directors and Remuneration

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

Board Evaluation

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

Independent Directors Declaration

The Company has received necessary declaration from each of independent directors in accordance with section 149(7) of the Companies Act, 2013, that she/he meets the criteria of independence as laid down in sub-section 6 of section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

Number of Meetings of the Board

The Board met five times during the financial year as detailed in the Corporate Governance Report which forms part of the Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement.

Key Managerial Personnel

In compliance of the provisions of section 203 of the Companies Act, 2013, Shri Arvind K. Kanoria, Managing Director and Shri Babu Lal Vijay, Whole Time Director designated as General Manager, have been the key managerial personnel of the Company during the year.

Particulars of Employees

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

Share Capital

The paid-up equity share capital of the Company as on 31st March, 2015 stood at Rs.2,55,00,000 comprising of 25,50,000 equity shares of Rs.10/- each. During the year under review the Company has neither issued any shares with differential voting rights nor granted stock options nor sweat equity.

The shareholding of directors of the Company (including promoter director) is given in the Corporate Governance Report forming part of this report.

Particulars of Loans, Guarantees or Investments

The Company has not lent any monies or made any investment or provided any guarantee during the year under review.

Deposits

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

Internal Control Systems and their Adequacy

The Company has in place an adequate internal control system commensurate with the size, scale and complexity of its operations and with reference to the financial statements. During the year, such control was reviewed and no reportable material weakness was observed.

Internal Financial Controls

The Company has established internal financial control system for ensuring the orderly and efficient conduct of the business including adherence to Company's policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable Financial Statements.

Related Party Transactions

There have been no materially significant related party transactions made by the Company during the financial year with the promoters, the directors, the key managerial personnel or their relatives except for those set out in the notes to the financial statements.

All related party transactions placed before the Audit Committee have also received approval from the Board.

Accordingly, particulars of contracts or arrangements with related parties referred to in section 188(1) along with the justification for entering into such contracts or arrangements in Form AOC-2 do not form a part of this Report.

Audit Committee

An Audit Committee has been constituted by the Company and the details of terms of reference of the Audit Committee, number and dates of meeting held, attendance etc are given separately in the attached Corporate Governance Report. During the year there were no instances of the Board rejecting any recommendation of the Audit Committee.

Nomination & Remuneration Committee

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

CSR Committee

As the profits of the Company are presently inadequate, the CSR Committee shall be constituted by the Board as and when required.

Whistleblower Policy

The Company has in place a whistleblower policy to deal with unethical behavior, victimization, fraud and other grievances or concerns, if any.

Risk Management Policy

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

Auditors and Auditors' Report

Messrs Batliboi & Purohit, Chartered Accountants, Auditors of the Company, retire, and being eligible, offer themselves for reappointment. The Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanation / comment.

Secretarial Audit Report

Pursuant to the provisions of section 204 of the Companies Act, 2013, the Company has appointed Shri Babu Lal Patni, a practicing Company Secretary, to undertake the secretarial audit of the Company for the financial year 2014-2015. The Secretarial Audit Report for the financial year ended 31st March, 2015 is attached as Annexure - IV and forms a part of this Report.

The comments mentioned in the Secretarial Audit Report are self explanatory.

Cost Auditors

The Board has appointed M/s. V.K. Jain & Co., Cost Accountants to conduct the cost audit of the Company relating to sugar for the financial year ended 31st March, 2015.

Extract of Annual Return

The details forming a part of the extract of Annual Return as per Form MGT-9 is annexed herewith as Annexure - V.

Corporate Governance

As per clause 49 of the Listing Agreement with the stock exchange, the statement of Management Discussion and Analysis, the Corporate Governance Report and the Auditors' Certificate on the compliance of conditions of Corporate Governance forms a part of the Annual Report and are given separately as Annexure – VI.

Material Changes and Commitments between the end of the Financial Year and the Date of Report

There has been no significant changes and commitments between the end of the financial year and date of this Report.

Significant and Material Orders Passed By Regulator/Court

There are no significant or material orders passed by any regulator / court which could impact the going concern status of the Company and its future operations.

Listing of Equity Shares

The equity shares of the Company are listed on the Calcutta Stock Exchange (CSE) and the annual listing fees for the financial year 2014-2015 have been paid to CSE.

Delisting of Shares

The equity shares of the Company are listed with CSE which does not have an operational trading platform since April, 2013 on account of its suspension by SEBI for non compliance with certain norms set down by SEBI.

In such circumstances, it is felt that continued listing with the CSE does not provide any significant tangible advantage to the members of the Company as the public shareholders of the Company do not have any exit opportunity to sell their shareholdings and consequently may be stuck with their investments in the Company. The Company too does not derive any benefit from continuing the listing of its shares with CSE.

It may be recalled that the shareholders of the Company had passed a special resolution through Postal Ballot to delist the equity shares of the Company from CSE and outcome of the same was declared on 11th March, 2014.

As the matter of approval has remained pending for consideration by the CSE and a period of one year has lapsed since passing of the aforesaid special resolution, the Board of Directors of the Company proposes to once again seek approval of the shareholders for the passing a fresh resolution for the delisting of the equity shares of the Company from CSE.

Consolidated Financial Statements

The Company does not have any subsidiary/associate company. As such, the consolidated financial statements are not applicable to the Company pursuant to the provisions of Accounting Standard 21 of the Companies Act, 2013 and the Listing Agreement with CSE.

Employee Stock Option Scheme

The Company does not at present have any policy for grant of Employee Stock Options.

Annexures forming a part of this Report

The Annexures referred to in this Report along with all other information which is required to be disclosed are annexed herewith and form a part of this Report.

Annexure Particulars

I	Policy on Selection of Directors
II	Particulars of Employees
III	Particulars of Conservation of Energy, Technology, Absorption and Foreign Exchange Earnings and Outgo.
IV	Secretarial Audit Report
V	Extracts of Annual Return as per Form MGT-9
VI	Corporate Governance Report and Management Discussion & Analysis

Acknowledgment

The Board expresses its gratitude to the shareholders, bankers, 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.

Place of signature: Mumbai

Dated: 31st July, 2015

For and on behalf of the Board

Arvind K. Kanoria

Managing Director

ANNEXURE - I TO DIRECTORS' REPORT

Criteria for selection of Directors and Persons in Senior Management

A. Introduction

This policy sets out the general guidelines for the selection of candidates on the Board of Directors and persons in senior management to assist the Board in performing its duties as well as to ensure constitution of the Board with an optimum combination of executive and non-executive directors including independent directors who possess diverse experience and expertise in strategic management and governance and provide long term vision and direction to the Company.

B. Selection and Composition of the Board

Board Membership Criteria and Diversity

The Board of Directors should be composed of individuals who have demonstrated significant achievement in the fields of business, education, the professions and/or public service. They should have the requisite intelligence as well as education and experience to make a significant contribution to the deliberations of the Board in light of the business of the Company and should bring a broad range of experience to the Board.

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

The composition of the Board shall meet the conditions prescribed under the Companies Act, 2013 and clause 49 of the Listing Agreement. The proposed appointee shall possess a director identification number and also meet the criteria laid down in the Companies Act, 2013 and clause 49 of the Listing Agreement.

Attributes

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

- Experience - A candidate should have extensive experience in business, administration, profession, governance and/or public service. An ideal Board candidate may have had experience in more than one of these areas.
- Education - Ideally, it is desirable that a candidate should hold a degree from a respected college or university. In some cases, it is further desirable for the candidate to have also earned a masters or special acumen in governance & administration. However, such criteria are not meant to exclude an exceptional candidate who does not meet the same.
- Personal - The candidate should be of the highest moral and ethical character. The candidate should exhibit independence, objectivity and be capable of serving as a representative of the stakeholders.
- Individual Characteristics - The candidate should have such personal qualities so as to be able to make a substantial and active contribution to the deliberations of the Board. These qualities include intelligence, self-assuredness, high ethics, inter-personal skills, independence, judgment, courage along with willingness to ask difficult questions, communication skills and commitment.
- Availability - The candidate must be willing to commit as well as have sufficient time available to discharge the duties of membership. The candidate should not have any prohibited interlocking relationships.

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

- Compatibility - The candidate should be able to develop a good working relationship with other members of the Board and contribute to the working relationship of the Board with the senior management of the Company.
- Compliance - The candidate should meet the compliance requirements prescribed under the Companies Act, 2013, the Listing Agreement and other rules & regulations or standards set out by the Company.

Predominance of Independent Directors

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

Selection and Orientation of New Directors

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

Assessing Performance of the Board and Committees

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

C. Selection of Key Managerial Personnel

The above criteria shall also apply for selection of Key Managerial Personnel (KMP) excepting those which are not applicable for persons in senior management. Where appointment or performance of any KMP requires a specific qualification or degree, the person should also possess such specific qualification or degree. Keeping oneself upto date for performing duties on issues and emerging trends is an important part of the responsibilities of a KMP.

A KMP shall meet the conditions prescribed under the Companies Act, 2013 and other rules & regulations as may be applicable.

D. Review

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

Place of signature: Mumbai
Dated: 31st July, 2015

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

THE UNITED PROVINCES SUGAR COMPANY LIMITED

ANNEXURE - II TO THE DIRECTORS' REPORT

Statement of particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

Name	Designation, Nature of Duties	Remuneration Received* Rupees	Qualification and Experience (years)	Age (years)	Date of commencement of employment	Last employer, designation
Employed throughout the financial year						
Shri Arvind K. Kanoria	Managing Director	63,51,242	Bachelor of Commerce (32 years)	54	20 th April, 1992	None
Employed for a part of the financial year						
Shri A.N. Singh Chauhan	Executive Director	12,63,520	Master of Science (Agriculture) (30 years)	65	8 th October, 2005	The Jagraon Co-Op. Sugar Mills Ltd., Managing Director

* Remuneration for this purpose has been calculated on an actual basis and excludes any benefit accrued but not paid.

Notes:

- 1) Remuneration includes salary, contribution to provident fund by the Company, bonus, allowances and monetary value of perquisites, leave encashment, notice pay and gratuity paid but does not include any provision made for gratuity or leave benefit as they are determined on an actuarial basis for the Company as a whole.
- 2) Appointments are on a contractual basis.
- 3) Shri Arvind K. Kanoria, Managing Director and Dr. Anurag K. Kanoria, Director are related to each other.
- 4) No employee was in receipt of remuneration in the financial year which in aggregate or at a rate which in the aggregate was in excess of that drawn by the managing director and held by himself or along with his spouse and dependent children not less than two percent of the equity shares of the Company.

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

- (i) The percentage increase in remuneration of each director during the financial year 2014-2015, the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2014-2015 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under

Sl No.	Name of Director / KMP and Designation	Remuneration of Director/KMP for financial year 2014-2015 Rupees	% increase in remuneration in the financial year 2014-2015	Ratio of remuneration of each Director to the median remuneration of employees	Comparison of the remuneration of KMP against the performance of the Company
1.	Shri Arvind K. Kanoria, Managing Director	63,51,242	98.12%		Net sales increased by 25.65% during 2014-2015. The net loss was Rs.3432.22 lakhs in 2014-2015 as against a net profit of Rs.2.60 lakhs in 2013-2014.
2.	Shri A.N. Singh Chauhan, Executive Director (Upto 4 th May, 2014)	12,63,520	*		
3.	Shri B.L. Vijay, Whole Time Director designated as General Manager (w.e.f. 5 th May, 2014)	10,16,832	*		
4.	Shri Sushil K. Jalan, Independent Director	25,000	138.00%		
5.	Shri Vivek M. Pittie, Independent Director	25,000	143.90%		
6.	Dr. Anurag K. Kanoria, Director	20,000	95.12%		
7.	Shri G.L. Sultania, Independent Director	5,010	100.00%		

Note: Remuneration to independent directors consist of only sitting fees in the financial years 2013-2014 and 2014-2015.

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

* Details not given as Shri A.N. Singh Chauhan and Shri B.L. Vijay (Whole Time Directors) were only employed for a part of the financial year 2014-2015 i.e. upto 4th May, 2014 and from 5th May, 2014 respectively.

- (ii) The median remuneration of employees of the Company during the financial year was Rs. 1,68,924.
- (iii) There was an increase of 7.26% in the median remuneration of employees in the financial year.
- (iv) Number of permanent employees on the rolls of Company as on 31st March, 2015 was 220.
- (v) Net Sales during the year 2014-2015 was Rs. 216,26,43,300 as compared to Rs.172,12,10,279 during 2013-2014. Net Loss was Rs.34,32,21,770 in 2014-2015 against a Net Profit of Rs. 2,59,862 in 2013-2014. The Increase in median remuneration of employees during the year was 7.26%.
- (vi) The total remuneration of KMP increased by 84.53% from Rs.46,77,632 in 2013-2014 to Rs.86,31,594 in 2014-2015. Net loss during 2014-2015 was Rs.34,32,21,770 against a net profit of Rs. 2,59,862 in 2013-2014.
- (vii) (a) No quotation of the share price of the shares of the Company which are listed at The Calcutta Stock Exchange (CSE) has been available for the last several years on account of the ongoing suspension of the trading platform of CSE by SEBI. The market capitalization of the Company is therefore not ascertainable.
- b) Though the earning per share as at 31st March, 2014 was Rs. 0.10 per share, the price earnings ratio of the Company as on that day was not ascertainable on account of non availability of the market price of its share on account of the reasons stated above and was not applicable as at 31st March, 2015 as the EPS was negative at Rs. (134.60).
- c) Percentage of increase/decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer.

The Company had come out with a rights issue of zero percent interest unsecured fully convertible debentures of Rs. 100.00 each in the year 1996 - 1997 which were convertible into 10 equity shares of Rs. 10.00 each. The same was accordingly converted into equity shares of a face value of Rs. 10.00 each on 14th June, 1997. The Company has subsequently issued bonus shares on 23rd February, 1999 in the ratio of 1:1.

As there is no trading of shares of the Company on CSE, the closing market price of the same is not ascertainable.

- (viii) Average percentage increase in the salaries of employees other than managerial personnel in the financial year 2014-2015 was 5.33%.
- (ix) In view of the loss during the financial year 2014-2015, no commission was paid to the managing director and the independent directors. The non-executive directors were paid sitting fees of Rs. 5,000/- for attending each meeting of the Board of Directors and no fee was paid for attending a Committee Meeting. The remuneration to directors is as per the recommendation of the Nomination and Remuneration Committee and as approved by the Board and the shareholders of the Company.
- (x) The ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Nil
- (xi) It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

Place of signature: Mumbai
Dated: 31st July, 2015

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

ANNEXURE - III TO DIRECTORS' REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

A. Conservation of Energy

1. The Company continues to give high priority to the conservation of energy on an ongoing basis. Some of the significant measures taken are
 - (i) Installation of variable frequency drives (VFDs) at boilers ID Fan, FD Fan, feed pumps and injection and cooling tower pump, raw Juice, sulphited juice and syrup pumps.
 - (ii) Installation of high efficiency fans for high-pressure boilers, condensing cum extraction turbines, heat recovery units in boiler, feed water heaters, distributed control system for centralised efficient operation.
 - (iii) Installation of hydraulic sugarcane unloaders, rotary screens, juice flow stabilisation system, continuous sulphur burner, high efficiency centrifugal pumps and sugar bag conveying system, efficient and automatic centrifugal machines, semi kestners with double effect evaporators.
 - (iv) DCS controlled operation at various stations such as mill house, boilers & boiling house to achieve maximum efficiency. Use of capacitors near motor to maintain power factor.
 - (v) Recycling of process water to conserve natural resources by installing cooling tower. Replacement of conventional inefficient bulbs with efficient CFL lights and putting energy efficient motors.

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

2. The steps taken by the Company for utilising alternate sources of energy
 - (i) The sugar plant of the Company has bagasse based power generation plants which are used for its captive consumption needs during the crushing season.
 - (ii) Recycling of process water to conserve natural resources.
3. The capital investment on energy conservation equipments during the financial year 2014-2015 was: NIL

(B) Technology Absorption

1. The Company carried out the following sugarcane development activities during the financial year 2014-2015
 - Distributed Trichoderma, Cloropyrephos and Caragen amongst sugarcane growers on landed cost from original manufacturers to control pest and to protect sugarcane from disease.
 - Motivation of sugarcane growers for adopting inter cropping of sugarcane for multi crop system.
 - Education of sugarcane growers for proper use of fertilizers and manure for healthy development & growth of sugarcane.
 - Soil testing in laboratory including analysis of micronutrients at the G.S. Sugarcane Breeding & Research Institute, Babhnoulee (Seorahi).
 - Adoption of ratoon crop management to increase yield and recovery.
2. Due to the above efforts, it is expected that a higher yield of disease free sugarcane will be available resulting in a higher return to the Company and the sugarcane growers.
3. Expenditure incurred on Research & Development: NIL

(C) Foreign Exchange Earnings and outgo

1. Foreign Exchange earned in terms of actual inflows NIL
2. Foreign Exchange outgo in terms of actual outflows Rs.1,58,280

Place of signature: Mumbai
Dated: 31st July, 2015

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

ANNEXURE - IV TO DIRECTORS' REPORT

Form - MR - 3

SECRETARIAL AUDITORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

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

I have conducted my Secretarial Audit regarding compliance of the applicable statutory provisions and adherence to good corporate practices by The United Provinces Sugar Company Limited (hereinafter called 'the Company'). The said Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct and statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns files and other records maintained by the Company and also the information provided by the Company and its offices, agents and authorised representatives during the conduct of my secretarial audit, I hereby report that, in my opinion, the Company has during the audit periods covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that Company has a proper process and compliance mechanism in place to such except subject to the reporting made hereinafter.

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

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.
- (iii) The Depositors Act, 1996 and the Regulations and Bye-Laws framed thereunder.
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of the India (Prohibition of Insider Trading) Regulations, 1992.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - (not applicable to the Company during the audit period).
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - (not applicable to the Company during the audit period).
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (not applicable to the Company during the audit period).
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - (not applicable to the Company during the audit period).
- (vi) Laws specifically applicable to the Industry to which the Company specifically belongs, as identified by the management, that is to say
 - a) Sugar Cess Act, 1982.
 - b) Levy Sugar Price Equalisation Fund Act, 1976 - (not applicable to the Company during the audit period under review as intimated by the Company).

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

- c) Food Safety and Standards Act, 2006.
- d) Essential Commodities Act, 1955.
- e) Sugar Development Fund Act, 1982.
- f) Export (Quality Control and Inspection) Act, 1963 - (not applicable to the Company during the audit period under review as intimated by the Company).
- g) Agricultural and Processed Food Products Export Act, 1986 - (not applicable to the Company during the audit period under review as intimated by the Company).

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreement entered into by the Company with The Calcutta Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations :

1. The Company has not appointed a Company Secretary and a Chief Financial Officer as required under Section 203 of the Companies Act, 2013. I have been explained by the management that necessary steps are being taken to comply with these requirements.
2. The Company has appointed a Woman Director as required under section 149 of the Companies Act, 2013 on 20th June 2015.

A reliance has been put by me on the compliance systems prevailing in the Company and the legal compliance certificates received from the unit head as regards compliance of laws specifically applicable to the industry to which the Company specifically belongs.

I further report that

The Board of Director of the Company is duly constituted with a proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors regarding schedulment of the Board meetings and the Agenda and Detailed Notes on Agenda are sent at least seven days in advance of the meeting and a system exists for seeking and obtaining further information and clarification on the items on agenda before the meeting and for meaningful participation at the meeting.

During the audit period under review, all decisions at the Board meetings and the Committee meetings have been carried out unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has

- a) Passed at its Annual General Meeting held on 26th September, 2014 a special resolution in terms of section 180(1)(c) of the Companies Act, 2013, to affirm the borrowing powers of the Board of Directors to the extent of Rs.100.00 crores outstanding at any time over and above the aggregate of the paid up capital of the Company and its free reserves.
- b) Passed at its Annual General Meeting held on 26th September, 2014, a special resolution, in terms of section 180(1)(a) of the Companies Act, 2013 to affirm powers to the Board of Directors to mortgage, hypothecate or in any other way create a charge in favour of the lenders of any or all 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 undertaking of the Company, for availment of the loan or guarantee or issue of debentures and to secure the payment of interest thereon or determine any fee or charge or expense relating thereto with a proviso that in the case of any borrowing against debentures, the said security shall be in favour of the trustees of such debentureholders where required on such terms and conditions as may be approved by the Board of Directors.

Babu Lal Patni
Practising Company Secretary
Membership No. 2304
Certificate of Practice Number-1321

Place : Kolkata

Dated : 27th July, 2015

Note :

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

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

Annexure - 'A'

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

My Report of even date is to be read along with this letter.

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

Babu Lal Patni
Practising Company Secretary
Membership No. 2304
Certificate of Practice Number-1321

Date : 27th July 2015
Place : Kolkata

ANNEXURE - V TO DIRECTORS' REPORT

FORM MGT - 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS:

i)	CIN	L15421WB1924PLC004929
ii)	Registration Date	10th September, 1924
iii)	Name of the Company	The United Provinces Sugar Company Limited
iv)	Category / Sub-Category of the Company	Public Company / Limited by Shares
v)	Address of the Registered Office and Contact Details	Chartered Bank Building, 1st Floor, 4 Netaji Subhash Road, Kolkata - 700 001 Tel: (033) 22420591 Fax: (033) 22420592 Email: upsc@kolkata@vsnl.net
vi)	Whether Listed Company: Yes / No	Yes
vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	TSR Darashaw Private Limited 6-10 Haji Moosa Patrawala Ind. Estate 20, Off. Dr. E. Moses Road Mahalaxmi Mumbai 400 011 Email: sshelar@tsrdarashaw.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1	Manufacture of Sugar	10721-Manufacture of Sugar (Sucrose) from Sugarcane	90.85%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	The Company has no holding, subsidiary or associate company.				

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

IV SHARE HOLDING PATTERN (Equity Share Capital Break-Up as percentage of Total Equity)

i) Category-Wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April-2014]				No. of Shares held at the end of the year beginning of the year [As on 31st March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/HUF	22,68,346	1,220	22,69,566	89.00	22,68,346	1,220	22,69,566	89.00	--
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	1,50,000	1,50,000	5.88	-	1,50,000	1,50,000	5.88	-
e) Financial Institutions	-	-	-	-	-	-	-	-	-
f) Banks	-	-	-	-	-	-	-	-	-
g) Any other (specify)	-	-	-	-	-	-	-	-	-
Sub total (A) (1)	22,68,346	1,51,220	24,19,566	94.88	22,68,346	1,51,220	24,19,566	94.88	-
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Foreign-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank / Financial Institutions	-	-	-	-	-	-	-	-	-
e) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
f) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter Group (A)=(A)(1)(2)	22,68,346	1,51,220	24,19,566	94.88	22,68,346	1,51,220	24,19,566	94.88	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Banks/Financial Institutions	550	5,248	5,798	0.23	550	5,248	5,798	0.23	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1,000	1,000	2,000	0.08	1,000	1,000	2,000	0.08	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
j) Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
k) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub total (B) (1)	1,550	6,248	7,798	0.31	1,550	6,248	7,798	0.31	-
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	3,601	1,607	5,208	0.20	3,601	1,607	5,208	0.20	-
ii) Overseas	-	-	-	-	-	-	-	-	-

THE UNITED PROVINCES SUGAR COMPANY LIMITED

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April-2014]				No. of Shares held at the end of the year beginning of the year [As on 31st March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individual									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	21,346	96,082	1,17,428	4.61	21,478	95,950	1,17,428	4.61	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Directors & their Relatives	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub total (B) (2)	24,947	97,689	1,22,636	4.81	25,079	97,557	1,22,636	4.81	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	26,497	1,03,937	1,30,434	5.12	26,629	1,03,805	1,30,434	5.12	-
C. Shares held by Custodian for GDRs & ADRs.	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	22,94,843	2,55,157	25,50,000	100.00	22,94,975	2,55,025	25,50,000	100.00	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 1st April-2014]			Shareholding at the end of the year [As on 31st March-2015]			% Change share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to Company	
1	Shri Arvind K. Kanoria	21,28,508	83.47	Nil	21,28,508	83.47	Nil	Nil
2	Smt. Vineeta Kanoria	41,460	1.63	Nil	41,460	1.63	Nil	Nil
3	Smt. Shikha Arvind Kanoria	87,598	3.43	Nil	87,598	3.43	Nil	Nil
4	Shri Paritosh Arvind Kanoria	12,000	0.47	Nil	12,000	0.47	Nil	Nil
5	Kaabil Traders Pvt. Ltd.	1,50,000	5.88	Nil	1,50,000	5.88	Nil	Nil
	Total	24,19,566	94.88	Nil	24,19,566	94.88	Nil	Nil

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

iii) Change in Promoter's Shareholding (Please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year (As on 1st April, 2014)		Cumulative Shareholding during the year (1st April, 2014 to 31st March, 2015)	
		No. of Shares	% of the total shares of the Company	No. of Shares	% of the total shares of the Company
1	At the beginning of the year	24,19,566	94.88	-	-
	Datewise increase/decrease in promoters share holding during the year specifying the reasons for increase / decrease (i.e. allotment / transfer / bonus / sweat equity etc.):	Nil	No change during the year		
	At the end of the year			24,19,566	94.88

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Change during the year			Cumulative Shareholding during the year (1st April, 2014 to 31st March, 2015)	
		No. of shares at the beginning (1st April, 2014)	% of total shares of the Company	Date	Increase/ Decrease in share-holding	Reason	No. of shares	% of total shares of the Company
1	Smt. Karuna Sonthalia	8,000 8,000	0.31 0.31	-	-	-	8,000	0.31
2	Shri Sudesh Kumar Somani	5,108 5,108	0.20 0.20	-	-	-	5,108	0.20
3	Smt. Nina Maroo	5,000 5,000	0.20 0.20	-	-	-	5,000	0.20
4	Shri Bhuwaneshwar Shahi	4,400 4,400	0.17 0.17	-	-	-	4,400	0.17
5	Smt. Tusha Mittal	4,000 4,000	0.6 0.10	-	-	-	4,000	0.16
6	Shri Shivram Iyer	3,000 3,000	0.12 0.12	-	-	-	3,000	0.12
7	Smt. Lakshmi Iyer	3,000 3,000	0.12 0.12	-	-	-	3,000	0.12
8	Shri Ashok Kumar Maroo	3,000 3,000	0.12 0.12	-	-	-	3,000	0.12
9	Uco Bank	3,000 3,000	0.12 0.12	-	-	-	3,000	0.12
10	Emerald Company Limited	2,700 2,700	0.11 0.11	-	-	-	2,700	0.11

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

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of the total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri Sushil K. Jalan, Chairman and Independent Director At the beginning of the year Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweet equity etc.) At the end of the year				
2	Shri Vivek M. Pittie, Independent Director At the beginning of the year Datewise/Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/transfer/bonus/sweet equity etc.) At the end of the year				
3	Dr. Anurag K. Kanoria At the beginning of the year Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweet equity etc.) At the end of the year				
4	Shri G.L. Sultania, Independent Director At the beginning of the year Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweet equity etc.) At the end of the year				
5	Shri A.N. Singh Chauhan, Executive Director (Ceased on 4th May, 2014) At the beginning of the year Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweet equity etc.) At the end of the year				
6	Shri B.L. Vijay, General Manager, (Appointed from 5th May, 2014) At the beginning of the year Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweet equity etc.) At the end of the year				
7	Shri Arvind K. Kanoria, Managing Director At the beginning of the year Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweet equity etc.) At the end of the year	21,28,508 21,28,508	83.47 83.47	21,28,508 21,28,508	83.47 83.47

Note: The Directors are holding qualification shares jointly with Shri Arvind K. Kanoria as first holder and the same has been shown under his shareholding.

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

V. INDEBTENDNESS

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

	Secured Loans excluding deposits Rupees	Unsecured Loans Rupees	Deposits Rupees	Total Indebtedness Rupees
Indebtedness at the beginning of the financial year				
i) Principal Amount	132,30,68,662	-	-	132,30,68,662
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	132,30,68,662	-	-	132,30,68,662
Change in Indebtedness during the financial year				
Addition	25,00,00,000	-	-	25,00,00,000
Reduction	25,72,47,177	-	-	25,72,47,177
Net Change	(72,47,177)	-	-	(72,47,177)
Indebtedness at the end of the financial year				
i) Principal Amount	131,58,21,485	-	-	131,58,21,485
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	131,58,21,485	-	-	131,58,21,485

Changes in amount of cash credit account balance at the beginning and end of the financial year has only been considered.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and/or Manager

Sl. No.	Particulars of remuneration	Name of MD/WTD/Manager			Total Amount Rupees
		Shri Arvind K. Kanoria Rupees	Shri A.N. Singh Chauhan Rupees	Shri B.L. Vijay Rupees	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	7,30,354	8,40,000	51,70,354
(b)	Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	22,33,531	54,527	62,730	23,50,788
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5	- Others, please specify	-	-	-	-
	Total (A)	58,33,531	7,84,881	9,02,730	75,21,142
	Ceiling as per the Act	Rs. 84.00 lakhs	Rs. 42.00 lakhs	Rs. 42.00 lakhs	Rs. 210.00 lakhs

* The ceiling given is as per Schedule V to the Companies Act, 2013. As there was loss during the year ended 31st March, 2015, calculated in terms of Section 198 of the Companies Act, 2013, the Managing Director and the Whole Time Directors have been paid minimum remuneration under Schedule V to the Companies Act, 2013.

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

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount Rupees
		Shri Sushu Kumar Jalan Rupees	Vivek M. Pittie Rupees	Dr. Anurag K. Kanoria Rupees	G.L. Sultania Rupees	
1	Independent Directors Fee for attending Board/Committee meetings. Commission Others, please specify	25,000 - -	25,000 - -	- - -	5,000 - -	55,000 - -
	Total (1)	25,000	25,000	-	5,000	55,000
2	Other Non-Executive Directors Fee for attending Board/Committee meeting. Commission Others	- - -	- - -	20,000 - -	- - -	20,000 - -
	Total (2)	-	-	20,000	-	20,000
	Total (B) = (1 + 2)	25,000	25,000	20,000	5000	75,000
	Total Managerial Remuneration					75,21,142**
	Overall Ceiling as per the Act	Overall ceiling for Non-Executive Directors is 1% of the net profit calculated as per Section 198 of the Companies Act, 2013. There was a loss during the year calculated in terms of the said section.				

** Total managerial remuneration paid to Managing Director and Wholtime Directors. The Non-Executive Directors are not paid any remuneration except sitting fees.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Rupees	Company Secretary Rupees	CFO Rupees	Total Rupees
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17 (3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as a % of profit	-	-	-	-
5	Others, specify	-	-	-	-
	Total	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Overall ceiling for Non-Executive Directors is 1% of the net profit calculated as per Section 198 of the Companies Act, 2013.			

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty Punishment/ Compounding fees imposed Rupees	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Place of signature: Mumbai
Dated: 31st July, 2015

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

ANNEXURE VI TO THE DIRECTORS' REPORT

Corporate Governance Report

Philosophy on Code of Governance

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

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

Board of Directors

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board. As at 31st March, 2015, the constitution of the Board was:

One Promoter Executive Director

One Non-Promoter Executive Director

Three Independent Non-Executive Directors

One Non-Executive Director

During the year ended 31st March, 2015, five board meetings were held. The Company has held at least one meeting every quarter and the time gap between any two board meetings did not exceed 120 days as prescribed under clause 49 of the Listing Agreement. The details are as follows

	Date of Board Meeting	Board Strength	No. of Directors Present	No. of Independent Directors Present
1	29th April, 2014	6	4	2
2	5th May, 2014	6	4	2
3	23rd July, 2014	6	4	3
4	25th October, 2014	6	4	2
5	24th January, 2015	6	4	2

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

Name of the Director	Category	No. of other directorships* (Public Limited Company)	No. of membership/ chairmanship on other Board Committees**	No. of Board meetings attended	Attendance at last AGM
[1]	[2]	[3]	[4]	[5]	[6]
Shri Sushil K. Jalan Chairman	Independent, Non-Executive	8	3	5	No
Shri Arvind K. Kanoria Managing Director	Promoter, Executive	2	2	5	No
Shri Vivek M. Pittie	Independent, Non-Executive	3	2	5	No

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd...)

Dr. Anurag K. Kanoria	Non-Executive	6	1	4	No
Shri G.L. Sultania	Independent, Non-Executive	9	7	1	Yes
Shri A.N.Singh Chauhan Executive Director (Upto 4th May, 2014)	Non-Promoter Executive	-	-	-	No
Shri B.L. Vijay Whole Time Director designated as General Manager (w.e.f. 5th May, 2014)	Non-Promoter Executive	-	-	-	No

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

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

The composition of the Board and other provisions as to the Board and the Committees are in compliance with clause 49 of the Listing Agreement. All the independent directors qualify the conditions for being an independent director as prescribed under clause 49 of the Listing Agreement and section 149 of the Companies Act, 2013. No director is related to any other director except Shri Arvind K. Kanoria and Dr. Anurag K. Kanoria who are related to each other as Shri Arvind K. Kanoria is the brother of Dr. Anurag K. Kanoria.

The Company has conducted a familiarisation programme for the independent directors of the Company. Each director has also been explained in detail the compliances required from him/her under the Companies Act, 2013, clause 49 of the Listing Agreement and other relevant regulations.

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

Board Committees

Audit Committee

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

The Audit Committee complies with the relevant provisions of the Companies Act, 2013 and acts in accordance with the terms of reference specified by the Board which inter alia includes.

1. Recommendation for appointment, remuneration and terms of appointment of the Auditors of the Company.
2. Review and monitoring of the auditors independence and performance and the effectiveness of audit processes.
3. Examination of the financial statement and the Auditors' Report thereon.
4. Approval or any subsequent modifications of transactions of the Company with related parties.
5. Scrutiny of intercorporate loans and investments.
6. Valuation of undertakings or assets of the Company, wherever necessary.
7. Evaluation of internal financial controls and risk management systems.
8. Monitoring the end use of funds raised through public offers and related matters.

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd..)

9. Establishment of a vigil mechanism to provide for adequate safeguards against victimisation of persons who use such mechanism and making provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

10. Performance of such other functions as prescribed under the Companies Act, 2013.

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

1. Oversight of the financial reporting process of the Company and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of the auditors of the Company.
3. Approval of payment to the statutory auditors for any other services rendered by them.
4. Review along with the management the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to
 - i) matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - ii) changes, if any, in the accounting policies and practices and the reasons for the same;
 - iii) major accounting entries involving estimates based on the exercise of judgment by the management
 - iv) significant adjustments made in the financial statements arising out of audit findings
 - v) compliance with listing and other legal requirements relating to the financial statements.
 - vi) disclosure of related party transactions.
 - vii) qualifications in the draft audit report.
5. Review along with the management of the quarterly financial statements before submission to the Board for approval.
6. Review along with the management, the statement of uses/application of funds raised through an issue (public/rights/preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or a rights issue and making appropriate recommendations to the Board to take steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of intercorporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Review, along with the management, the performance of statutory and internal auditors and the adequacy of the internal control systems.
13. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, report upon structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into reasons for substantial defaults in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd...)

18. To review the functioning of the whistle blower mechanism.
19. Approval of appointment of a CFO (i.e. a whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
20. Carry out any other function as mentioned in the terms of reference of the Audit Committee.

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

Composition, Meetings and Attendance

The Audit Committee of the Company comprises three directors two of whom are independent and non-executive and one is a promoter, executive. All of these directors are experts in corporate finance, accounts and corporate law. The Chairman of the Committee is an independent non-executive director, nominated by the Board. The Finance Controller acts as the secretary to the Committee. The statutory auditor, cost auditor and the internal auditor of the Company are permanent invitees at the meetings of the Committee. The internal auditor directly reports to the audit committee. The composition of the Audit Committee meets the requirement of clause 49 and the provisions of the Companies Act, 2013.

During the year ended 31st March, 2015, four Audit Committee meetings were held on 29th April, 2014, 23rd July, 2014, 25th October and 24th January, 2014. The composition and attendance of the members of the Audit Committee are as follows:

SI. No.	Name of the Directors	Position	No. of meetings attended
1	Shri Vivek M. Pittie	Chairman, Independent, Non-Executive	4
2	Shri Sushil K. Jalan	Member, Independent, Non-Executive	4
3	Shri Arvind K. Kanoria	Member, Promoter, Executive	4

Nomination and Remuneration Committee

The Nomination and Remuneration Committee identifies persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommends to the Board their appointment and removal and carries out on/the performance evaluation of each director. The Nomination and Remuneration Committee also formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy relating to remuneration for directors, key managerial personnel and other employees. The Committee also carries out such other functions as may be required under the Companies Act, 2013 and clause 49 of the Listing Agreement. The Committee comprises three directors, all of whom are non-executive, independent directors. The members of the Committee are Shri Sushil K. Jalan, Vivek M. Pittie and Shri G.L. Sultania. Shri Sushil K. Jalan is the Chairman of the Committee.

During the year ended 31st March, 2015, two meetings of the Committee were held on 5th May, 2014 and 23rd July, 2014. The composition and attendance of the Committee are as follows

SI. No.	Name of the Directors	Position	No. of meetings attended
1	Shri Sushil K. Jalan	Chairman, Independent, Non-Executive	2
2	Shri Vivek M. Pittie	Member, Independent, Non-Executive	2
3	Shri G.L. Sultania	Member, Independent, Non-Executive	1

Remuneration Policy

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

1. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd..)

2. Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. Ensuring that the remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Occasions may, however, arise where it is appropriate to act differently than set out in this policy in exceptional cases due to some extraordinary talent of the candidate and / or on account of outstanding performance. The Remuneration Policy applies to the directors, key managerial personnel and other employees of the Company.

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

The following elements shall be considered for payment of remuneration to executive directors, KMP and other employees: Industry average, remuneration drawn by peers considering nature and volume of responsibilities, qualification, experience, immediate previous position held in an earlier organisation and responsibilities occupied, responsibilities shouldered in the Company, contribution made to the Company, achievements, rewards or recognitions, behavioural patterns and work ethics, evaluation of performance, etc.

Remuneration to Executive Directors and Non-Executive Directors

The remuneration of the executive directors consists of salary and perquisites. The managing director is also entitled to receive a profit based annual commission. The salary perquisites and the commission shall be recommended by the Nomination and Remuneration Committee for approval by the Board of Directors. After approval from the Board of Directors approval of the shareholder is to be sought.

The non-executive directors are entitled for sitting fees for attending each meeting of the Board of Directors. The sitting fees shall be recommended by the Nomination and Remuneration Committee for approval by the Board. Thereafter, approval of the shareholders shall be sought for payment of commission, if any, to the non-executive directors.

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

The salary, perquisites and commission to the managing director and whole time director and sitting fees to the non-executive directors shall be subject to provisions of the Companies Act, 2013 including prescribed rules & schedules thereunder and the Listing Agreement.

Remuneration to KMP, Senior Executives and other Employees

In order to attract and retain managerial expertise, the elements of the remuneration of the KMP and senior executives are determined on the basis of the work they do and the value they create as well as of the conditions in other similar companies. Each element of the remuneration has been weighed in order to ensure a continuous positive development of the Company both in the short and long term as well as of the employees to enhance productivity.

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

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd...)

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

An annual appraisal of performance of KMP, senior executives and other employees shall be done by the respective reporting authority/head of the department in association with Human Resource Department. Any increase in remuneration shall be done based on such performance evaluation.

Long Term Incentive Employee Stock Option Scheme

The Company does not have an employee stock option scheme.

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

The non-executive directors are remunerated by way of sitting fees of Rs. 5,000 for attending each meeting of the Board of Directors.

The payment of commission to the managing director is of such percentage and of such amount as the Board of Directors may determine and fix having regard to the net profit 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.

Details of remuneration to the directors for the year ended 31st March, 2015.

Name of the Directors	Salary Rupees	Benefits Rupees	Bonus Rupees	Commission Rupees	Sitting Fees Rupees	Total Rupees	Service Contract/ Notice Period/ Severance Fees
Shri Sushil K. Jalan	-	-	-	-	25,000	25,000	Appointed as Independent Director upto 31st March, 2019.
Shri Arvind K. Kanoria	36,00,000	27,51,242	-	-	-	63,51,242	Term of Office valid upto 19th April, 2018. Notice period of 6 months from either side.No severance fees
Shri Vivek M. Pittie	-	-	-	-	25,000	25,000	Appointed as Independent Director upto 31st March, 2019.
Dr. Anurag K. Kanoria	-	-	-	-	20,000	20,000	Liable to retire by rotation.
Shri G.L. Sultania	-	-	-	-	5,000	5,000	Appointed as Independent Director upto 31st March, 2019.
Shri A.N. Singh Chauhan (Ceased on 4th May, 2014)	1,16,129	11,47,391	-	-	-	12,63,520	Not Applicable
Shri B.L. Vijay (Appointed on 5th May, 2014)	6,52,932	2,00,733	1,63,167	-	-	10,16,832	Term of Office valid upto 4th May, 2017. One month notice period from either side. No severance fees.

Note: Contribution to provident fund by the Company of Rs. 4,32,000, Rs. 19,935 and Rs. 78,352 in case of Shri Arvind K. Kanoria, Shri A.N. Singh Chauhan and Shri B.L. Vijay respectively has been shown under the Benefits in the above table. In the case of Shri A.N. Singh Chauhan gratuity, leave encashment and notice pay amounting to Rs.11,19,231 has also, been shown under the Benefits in the above table.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out a performance evaluation of its own performance and of the Board Committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee as well as an evaluation of the performance of individual directors.

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

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd..)

on parameters such as level of engagement and contribution, independence of judgment, meeting risk management and competition challenges, compliance and due diligence, financial control, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the independent directors was carried out by the entire Board. The performance evaluation of the chairman and the non-independent directors was carried out by the independent directors. The Nomination & Remuneration Committee also carried out evaluation of the performance of each director. The directors expressed their satisfaction with the evaluation process.

Corporate Social Responsibility (CSR) Committee

The CSR Committee has not been constituted as the Company does not generate adequate profit.

Shareholders' Committee

i) Stakeholders Relationship Committee

The Stakeholders Relationship Committee considers and resolves the grievances of the security holders of the Company. The Stakeholders Relationship Committee also oversees the redressal of shareholders and investors grievances in relation to the transfer of shares, non-receipt of annual report, non-receipt of dividend etc. During the year ended 31st March, 2015, two Stakeholders Relationship Committee meetings were held on 29th April, 2014 and 24th January, 2015. The composition and attendance of the members of the Stakeholders Relationship Committee are as below

Sl. No.	Name of the Directors	Position	No. of meetings attended
1.	Shri Arvind K. Kanoria	Member, Promoter, Executive	2
2.	Shri Anurag K. Kanoria	Member, Non-Executive	2

ii) Share Transfer Committee

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

The members of the Committee are Shri Arvind K. Kanoria and Dr. Anurag K. Kanoria.

Separate meeting of Independent Directors

During the year ended 31st March, 2015, the Independent Directors met on 24th January, 2015 as also inter alia, to review the performance of the non-independent directors and the Board as a whole as also to review performance of the Chairman of the Company and to assess the quality, quantity and timeliness of the flow of information between the management of Company and the Board.

Compliance Officer

The Board designated Shri R.G. Panchbhai, Financial Controller of the Company, as the Compliance Officer.

Details of Shareholders Complaints Received

A total of 3 number of complaints/correspondence were received and replied to the satisfaction of the shareholders during the year ended 31st March, 2015. There were no outstanding complaints as on 31st March, 2015. No share was pending for transfer as on 31st March, 2015.

General Body Meeting

Location and Time where last three Annual General Meetings were held:

Year	Date	Location of the meeting	Time	Special Resolutions passed
2011-2012 89th AGM	27th September, 2012	Somany Conference Hall of Merchants' Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata 700001	2.00 p.m.	1. Re-appointment of Shri A.N. Singh Chauhan as Whole Time Director.

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd...)

2012-2013 90th AGM	30th September, 2013	Somany Conference Hall of Merchants' Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata 700001	2.00 p.m.	<ol style="list-style-type: none"> 1. Authority to the Board to make loans and to give guarantees and to invest in any body corporate under section 372A of the Companies Act, 1956. 2. Substitution of the existing Article 105 of the Articles of Association of the Company with a new article to authorise the Board to determine sitting fees payable to Non-Executive Directors for attending meetings of the Board and Committees thereof. 3. Variation in remuneration payable to Shri A.N. Singh Chauhan as Whole Time Director. 4. Variation in remuneration payable to Shri Arvind K. Kanoria as Managing Director.
2013-2014 91st AGM	26th September, 2014	Somany Conference Hall of Merchants' Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata 700001	4.30 p.m.	<ol style="list-style-type: none"> 1. Variation in remuneration payable to Shri Arvind K. Kanoria, Managing Director 2. Reappointment of Shri Arvind K. Kanoria as Managing Director 3. Appointment of Smt. Urmila Vijay as an officer under section 188(1) of the Companies Act, 2013. 4. Authority to the Board to borrow monies under section 180(1)(c) of the Companies Act, 2013. 5. Authority to the Board to mortgage, hypothecate or in any other way create a charge in favour of the lenders to the Company under section 180(1) (a) of the Companies Act, 2013.

No Extraordinary General Meeting (EGM) was held during the last three years.

During the financial year, following special resolutions were passed by Postal Ballot on 26th September, 2014. The voting pattern for the same was as follows:

Sl. No.	Special Resolution Description	Votes cast in favour		Votes cast against		Date of declaration of results
		No of votes	%	No of votes	%	
1.	Variation in remuneration payable to Shri Arvind K. Kanoria, Managing Director	4,002	97.56	100	2.44	26.09.2014
2.	Reappointment of Shri Arvind K. Kanoria	4,102	100	NIL	NIL	26.09.2014
3.	Appointment of Smt. Urmila Vijay as officer under section 188 (1) of the Companies Act, 2013	4,102	100	NIL	NIL	26.09.2014
4.	Authority to the board to borrow monies under section 180 (1) (c) of the Companies Act, 2013	4,002	97.56	100	2.44	26.09.2014
5.	Authority to the Board to mortgage, hypothecate or create a charge or in any other way in favour of lenders to the Company under section 180(1) (a) of the Companies Act, 2013.	4,002	97.56	100	2.44	26.09.2014

Shri Babu Lal Patni, Practising Company Secretary, Kolkata was appointed as the Scrutinizer for conducting the process of Postal Ballot in a fair and transparent manner and to ascertain majority.

Procedure for Postal Ballot

In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting facility to all its members to enable them to cast their votes electronically. The Company engages the services of NSDL for the purpose of providing such e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting. The

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd..)

Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members/list of beneficiaries on a cut-off date. The postal ballot notice is sent to members in electronic form to their email addresses registered with their depository participants (in case of electronic shareholding)/the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed to the Scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting. The Scrutinizer submits his report to the Chairman, after completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorized officer. The results are also displayed on the website of the Company, www.unitedprovincessugar.com besides being communicated to the stock exchange, depository and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

Disclosure

- A. The Company does not have any related party transactions which may have potential conflict with the interests of the Company at large. Disclosure of transactions with related parties is set out in the Notes to Accounts, forming part of the Annual Report.
- B. The Company has followed the prescribed guidelines of Accounting Standards in preparation of its financial statements.
- C. The Company has laid down Risk Assessment and Minimisation procedures and the same is periodically reviewed by the Board. The Company also has adequate internal control systems to identify risk at an appropriate time and to ensure that its executive management controls such risk through a properly defined framework.
- D. The Company has no listed or unlisted subsidiary company as defined in the clause 49 of the Listing Agreement.
- E. The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures were imposed against it during the last three years.
- F. A Whistle Blower Policy has been framed by the Company to deal with any unethical behavior, victimisation, fraud and other grievances or concerns and no personnel has been denied access to the Audit Committee.

Means of Communication

- A. As per clause 52 of the Listing Agreement with the stock exchange, certain documents/ information such as quarterly/ annual financial results, shareholding pattern and corporate governance are accessible on the website of the Company i.e. www.unitedprovincessugar.com
- B. SEBI Complaints Redress System (SCORES): Investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (AIRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

General Shareholders' Information

Annual General Meeting

Date and Time : 29th September, 2015 at 2.00 P.M.

Venue : Somany Conference Hall of Merchants' Chamber of Commerce,
15B Hemanta Basu Sarani, Kolkata 700 001

Financial Year

The financial year of the Company extends from 1st April upto 31st March.

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd...)

Financial Year Calendar for 2014-2015 (Tentative)

Results for the quarter ending 30th June, 2015 – before August 15, 2015 (subject to Limited Review).

Results for the quarter ending 30th September, 2015 – before 15th November, 2015 (Subject to Limited Review).

Results for the quarter ending 31st December, 2015 – before 15th February, 2016 (subject to Limited Review).

Results for the quarter ending/Annual 31st March, 2016 – before 31st July, 2016 (Audited).

Book Closure Dates

Friday, 18th September, 2015 to Tuesday, 29th September, 2015 (both days inclusive) on account of AGM.

Listing of Equity Shares on Stock Exchange

The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata – 700 001

(Application for delisting has been made)

Listing Fees

Listing fee for the financial year 2014-2015 has been paid to the Calcutta Stock Exchange.

Depositories

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

Stock Code:

- CSE Code for UPSCL is 10031177
- ISIN number for UPSCL is INE509E01014

Stock Market Data, Movement in Share Price of Company and Share Price Performance (Face value of 10.00 each)

There was no trading in shares of the Company at Calcutta Stock Exchange as it was reported that its trading remain suspended even though the Company have been in compliance of all the requirement of Stock Exchanges Listing Agreement and requested the CSE to lift such suspension. The Company is actively pursuing the matter with CSE.

Distribution of Shareholding as at 31st March, 2015 (Face Value: Rs. 10.00 each)

Shareholding Range	Demat mode			Physical mode			Total			
	Holders	Shares	% of total shares	Holders	Shares	% of total shares	Holders	% of total holders	Shares	% of total holders
Upto 5000	68	6,139	0.24	148	31,391	1.23	216	76.87	37,530	1.47
5001 - 10000	4	3,450	0.14	27	19,700	0.77	31	11.03	23,150	0.91
10001-20000	4	7,132	0.28	13	23,534	0.92	17	6.05	30,666	1.20
20001-30000	2	4,800	0.19	4	12,000	0.47	6	2.14	16,800	0.66
30001-40000	-	-	-	1	4,000	0.16	1	0.35	4,000	0.16
40001-50000	-	-	-	2	9,400	0.37	2	0.71	9,400	0.37
50001-100000	2	12,386	0.48	1	8,000	0.32	3	1.07	20,386	0.80
100000 and above	4	22,61,068	88.67	1	1,47,000	5.76	5	1.78	24,08,068	94.43
	84	22,94,975	90.00	197	2,55,025	10.00	281	100.00	25,50,000	100.00

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd...)

Pattern of Shareholding as at 31st March, 2015 (Face Value: Rs. 10.00 each)

Category	No. of Shares	% of Holding
Promoter Group	24,19,566	94.88
Financial Institutions, Insurance Companies, Banks and Mutual Funds	7,798	0.31
Foreign Institutional Investors & Foreign Financial Institution/Banks	-	-
Private Corporate Bodies	5,208	0.20
NRIs	200	-
Trusts	-	-
Clearing Members	-	-
Foreign Portfolio Investor (Corporate)	-	-
Indian Public	1,17,228	4.61
Total	25,50,000	100.00

Share Transfer System

At present, the share transfers which are received in physical form are normally put into effect within a maximum period of 15 days from the date of receipt and demat requests are confirmed within a maximum period of 15 days. The Company provides investor and depository services through its Registrar and Transfer Agent TSR Darashaw Private Limited.

Status of Unpaid Dividend from financial year 2007-2008.

The Company has not declared any dividend for the financial year 2007-2008 onwards.

Equity Shares in Unclaimed Suspense Account

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

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	NIL	NIL
Aggregate number of shareholders and the outstanding shares transferred to Unclaimed Suspense Account during the year.	NIL	NIL
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	NIL	NIL
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	NIL	NIL
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	NIL	NIL

Dematerialisation of Shares

Around 90% of the Share Capital is held in dematerialised form with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as at 31st March, 2015.

Plant Location

P.O. Seorahi - 274 406

Dist: Kushinagar

State: Uttar Pradesh

Investors Correspondence

A. The Company

Shri R.G. Panchbhai
Financial Controller

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd...)

The United Provinces Sugar Co. Ltd.
C/o. 401-405 Jolly Bhavan 1,
10, New Marine Lines, Mumbai 400 020
Tel: 2200 3231/4325/5056, Fax: 2206 0745
E-mail: upsclmumbai@mtnl.net.in

B. Name, Address and Contact details of Registrar and Transfer Agent

TSR Darashaw Private Limited
6-10 Haji Moosa Patrawala Ind. Estate
20, Off. Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011

The Company has complied with the mandatory requirements of clause 49 of the Listing Agreement. The Company has partially adopted non-mandatory requirements as stated hereinabove.

Code of Conduct

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

Declaration by Managing Director on the Code of Conduct

Pursuant to clause 49 of the Listing Agreement with the stock exchange, I, Arvind K. Kanoria, Managing Director of The United Provinces Sugar Company Limited, declare that all the board members and senior executives of the Company have affirmed their compliance with the Code of Conduct during the year ended 31st March, 2015.

Place of signature: Mumbai
Dated: 31st July, 2015

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

CEO / CFO Certification

The Board of Directors
The United Provinces Sugar Co. Ltd.,
Chartered Bank Building, 1st Floor,
4, Netaji Subhash Road, Kolkata - 700 001.

Re : Financial Statements for the year ended 31st March, 2015 Certification by Managing Director

I, Arvind K. Kanoria, Managing Director of the United Provinces Sugar Company Limited on the basis of the review of the financial statements and the cash flow statement for the year ended 31st March, 2015 and to the best of my knowledge and belief, hereby certify that

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

Place of signature: Mumbai
Dated: 31st July, 2015

Arvind K. Kanoria
Managing Director
DIN-00200202

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd..)

Auditors' Certificate on Corporate Governance

To
The Members of
The United Provinces Sugar Company Limited

We have examined the compliance of the conditions of Corporate Governance by The United Provinces Sugar Company Limited for the year ended 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

BATLIBOI & PUROHIT
Chartered Accountants
Firm's Registration No. 101048W
Raman D. Hangekar
Partner
Membership No. 030615

Place: Mumbai,
Date: 31st July, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

1. Global Sugar Industry

Sugar is produced in over 120 countries from beet or cane.

Brazil is the dominant sugar producer and exporter. Thailand is the second largest sugar exporter. India is placed as the second largest sugar producer and the highest sugar consumer in the world though it remains marginal player in the global trade.

Global sugar production has remained surplus over consumption for the fifth consecutive season in 2014 - 2015. Better crops in India and the EU have more than counterbalanced the smaller output in Brazil and China. World sugar prices have accordingly remained under pressure from the resultant surplus.

2. Indian Sugar Industry

The Indian sugar industry is characterised by the coexistence of private, cooperative and public sector mills. It is inherently inclusive and supports over 50 million farmers and their families. It is rural centric and a key driver of village level wealth creation. Sugar is India's second largest agro-based industry after textiles. It has tremendous transformational opportunities to meet food, fuel and power needs in an environment friendly manner.

Maharashtra and Uttar Pradesh are the dominant sugar producing states while Karnataka has in recent years has also significantly stepped up its production.

Sugar production in India has outstripped consumption since 2010 - 2011 for five consecutive seasons. Early estimates are a clear pointer to the persistence of this surge during 2015 - 2016 as well. Domestic sugar prices have been weighed down by a cumulative supply overhang and a limited scope for sugar exports despite sops for export being

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd...)

periodically announced by the Government. Sugar prices have now been hovering for several quarters far below the cost of production across regions.

In this background sugarcane prices have kept being increased by the Central and the State Governments primarily on political considerations.

Such non linkage of the price of its raw material i.e. sugarcane to that of its finished product i.e. sugar has seriously impaired the viability of the domestic sugar industry.

The so called Fair and Remunerative Price (FRP) of sugarcane declared by the Central Government is neither fair nor remunerative being based on a hypothetical price of sugar which in actuality may vary considerably eg. the FRP of season 2014-2015 has been determined on an estimated sugar realization of Rs.30/- to Rs.34/kg, whereas the actual realization is expected to be in the range of Rs.20/- to Rs.24/kg only. Such a huge gap has resulted in unviable manufacturing operations and consequent huge losses which ultimately hits the farmer itself whose sugarcane payments get unduly delayed.

To make matters worse, several State Governments step in and further enhance the FRP by imposing an additional burden on the industry through the announcement of a State Advised Price (SAP) for sugarcane which has no relation to economic viability.

Such a situation continues to exist year after year inspite of the opinion and advice of several think tanks and committees that have been set up by the government, last resting with the Rangarajan Committee, all of whom have recommended the adoption of a rational sugarcane pricing policy where there is a co relation between the price of sugarcane and sugar.

In this background, unless the aforesaid fundamental problem of viable sugarcane pricing is addressed by both the Central Government as well as the State Governments, the future prospects of the sugar industry remain clouded and uncertain.

3. Scot Analysis of the Indian Sugar Industry

Strengths

The Indian sugar industry is the second largest producer of sugar in the world after Brazil.

This sector has been the focal point of socioeconomic development of rural India especially in large parts of Uttar Pradesh, Maharashtra and Karnataka.

It is a source of livelihood for more than 50 million farmers as well as workmen and staff associated with the sugar factories.

The annual contribution of the Indian sugar industry to the exchequer stands at Rs. 17 billion.

The Indian sugar industry also supports downstream industries by providing key raw materials like molasses and bagasse for production of alcohol and electricity.

Threats

The sugar sector is vulnerable to political interests which interfere in sugarcane pricing both at the Central as well as State Government levels.

Artificially high sugarcane prices have resulted in excessive area being set aside for sugarcane cultivation at the cost of other crops such as rice, wheat, oil seeds etc.

On account of political patronage, sugarcane is often grown in water deficient regions which has led to severe water shortage in these areas, especially in Maharashtra.

4. Internal Control Systems and their Adequacy

The Company has proper and adequate system of internal controls to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition of assets and that the transactions are recorded and reported.

The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd...)

Company, its compliance with the operating systems, accounting procedures and policies. The Audit Committee reviews the internal controls at periodic intervals in close coordination with the Internal Auditors.

5. **Review of Financial Year 2014-2015**

a) **Operating Results**

The total revenue from operations of the Company for the year under review has been Rs. 218,94,91,506 as compared to Rs.174,29,93,691 in the previous year. During the year under review the total expenses amounted to Rs.253,27,13,276 as compared to Rs.174,27,33,829 during the previous year. The Company has incurred net loss of Rs. 34,32, 21,770 for the year against net profit of Rs. 2,59,862 for the previous year.

b) **Share Capital:** The issued and subscribed share capital of the Company consists of equity share capital only. The paid-up share capital of the Company as at 31st March, 2015 stood at Rs. 2,55,00,000 comprised of Rs.25,50,000 equity shares of Rs.10/- each.

c) **Reserves and Surplus:** During the year under review, the reserves and surplus inclusive of revaluation reservation was Rs.90,52,85,018 as against Rs.97,61,76,755 during the previous year.

d) **Non-Current Liabilities:** During the year under review the non-current liabilities stood at Rs. 35,28,24,063 as against Rs. 31,03,25,870 during the previous year.

e) **Non-Current Assets:** During the year under review, the non-current assets stood at Rs. 156,64,53,683 as against Rs. 120,08,37,742 during the previous year.

f) **Current Assets & Current Liabilities:** The current assets and current liabilities and provisions for the year under review stood at Rs. 162,08,64,564 and Rs. 190,37,09,166 respectively against Rs. 214,53,60,494 and Rs.203,41,95,611 for the previous year.

6. **Human Resources**

The Company has adequate human resources which are commensurate with the current volume of activity and is reviewed by the management periodically and the Company would induct competent personnel on increase / expansion of the activity.

7. **Cautionary Statement**

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

Place of signature: Mumbai
Dated: 31st July, 2015

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

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 of the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2015 and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying the audit report we would like to draw attention to the following matter in the Notes to Financial Statements:

The financial statements of the Company have been prepared on Going Concern basis even though the net worth of the Company has been fully eroded as the Management is hopeful of earning substantial revenue in the future.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT (Contd...)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as at 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as at 31st March, 2015 from being appointed as a Director in terms of section 164 (2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - (i) The Company does not have any pending litigations which would have an impact on its financial position.
 - (ii) The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the investor education and protection fund by the Company.

BATLIBOI & PUROHIT
Chartered Accountants
Firm's Registration No. 101048W
Raman D. Hangekar
Partner
Membership No. 030615

Place: Mumbai,
Date: 31st July, 2015

ANNEXURE TO THE INDEPENDENT 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, 2015.

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) a) The inventories have been physically verified during the year by the management at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
- c) On the basis of our examination, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) and (iii) (b) of paragraph 3 of the said order are not applicable to the Company.
- (iv) On the basis of the information and explanation given to us, we are of the opinion that the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control system.
- (v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We, however, as not required, have not made a detailed examination of such records.
- (vii) a) On the basis of our examination, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, to the extent applicable, with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.
- c) According to the records of the Company, no amounts are required to be transferred to Investor Education and Protection Fund.
- (viii) The Company have accumulated losses exceeding 50% of its net worth at the end of the financial year and has incurred cash loss during the year covered by our audit. The Company has, however, not incurred any cash loss in the immediately preceding financial year.
- (ix) The Company has not defaulted in payment of dues to financial institutions or banks. The Company has not issued any debentures.
- (x) On the basis of our examination and according to the information and explanations given to us, the Company has not given any guarantee for any loan taken by others from a bank or financial institution.
- (xi) On the basis of our examination and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

BATLIBOI & PUROHIT
Chartered Accountants
Firm's Registration No. 101048W
Raman D. Hangekar
Partner
Membership No. 030615

Place: Mumbai,
Date: 31st July, 2015

THE UNITED PROVINCES SUGAR COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	As at 31st March, 2015		As at 31st March, 2014	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES :					
1 SHAREHOLDERS' FUNDS					
a) Share Capital	2	2,55,00,000		2,55,00,000	
b) Reserves & Surplus	3	90,52,85,018	93,07,85,018	97,61,76,755	100,16,76,755
2 NON-CURRENT LIABILITIES					
a) Long Term Borrowings	4	31,50,00,000		27,39,34,774	
b) Long Term Provisions	5	3,78,24,063	35,28,24,063	3,63,91,096	31,03,25,870
3 CURRENT LIABILITIES					
a) Short Term Borrowings	6	83,18,86,711		98,36,84,899	
b) Trade Payables	7	80,00,10,924		89,61,04,938	
c) Other Current Liabilities	8	26,12,29,254		14,72,92,785	
d) Short Term Provisions	9	1,05,82,277	190,37,09,166	71,12,989	203,41,95,611
TOTAL			318,73,18,247		334,61,98,236
II. ASSETS :					
1 NON-CURRENT ASSETS					
a) Fixed Assets	10				
i) Tangible Assets		139,97,50,284		115,18,24,724	
ii) Intangible Assets		8,73,092		-	
iii) Capital Work In Progress		-		-	
		140,06,23,376		115,18,24,724	
b) Non Current Investments	11	1,78,452		3,51,78,452	
c) Deferred Tax Assets (Net)	12	16,39,19,806		(24,74,861)	
d) Long Term Loans & Advances	13	8,98,585		8,53,048	
e) Other Non Current Assets	14	8,33,464	156,64,53,683	1,54,56,379	120,08,37,742
2 CURRENT ASSETS					
a) Current Investments	15	2,20,00,000		-	
b) Inventories	16	97,75,95,044		155,17,58,574	
c) Trade Receivables	17	51,57,765		15,43,498	
d) Cash and Bank Balances	18	42,97,51,978		56,60,11,066	
e) Short Term Loans & Advances	19	1,21,90,264		84,94,143	
f) Other Current Assets	20	17,41,69,513	162,08,64,564	1,75,53,213	214,53,60,494
TOTAL			318,73,18,247		334,61,98,236
Significant Accounting Policies	1				
Notes Forming an integral part of the Financial Statements	29				

As per our report of even date attached.

For BATLIBOI & PUROHIT

Chartered Accountants

F. R. No.: 101048W

Raman D. Hangekar

PARTNER

Membership No.: 030615

Mumbai, the 31st day of July, 2015

For and on behalf of the Board of Directors

Vivek M. Pittie

Dr. Anurag K. Kanoria

Lakshmi Iyer

Directors

Arvind K. Kanoria

Managing Director

THE UNITED PROVINCES SUGAR COMPANY LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	For the year ended		For the year ended	
		31st March, 2015		31st March, 2014	
		₹	₹	₹	₹
I. REVENUE FROM OPERATIONS (GROSS)					
Sale of Goods (Gross)	21	225,59,46,917		180,19,02,648	
Less: Excise Duty and Other Taxes		<u>9,33,03,617</u>		<u>8,06,92,369</u>	
Net Sale of Goods		216,26,43,300			172,12,10,279
Other Operating Revenue			—		—
Revenue From Operations (Net)		216,26,43,300			172,12,10,279
II. Other Income	22	2,68,48,206			2,17,83,412
III. Total Revenue		<u>218,94,91,506</u>			<u>174,29,93,691</u>
IV. EXPENSES					
Cost of Raw Materials Consumed	23	172,74,45,358		170,69,33,157	
Changes In Inventories of Finished Goods,	24	56,84,84,211		(32,02,22,365)	
By-Products & Work-In-Progress					
Employee Benefits Expenses	25	13,29,67,762		11,14,73,023	
Finance Costs	26	9,18,46,274		6,38,93,061	
Depreciation and Amortisation Expenses	27	5,38,01,342		8,35,91,895	
Less: Transferred from Revaluation Reserve		<u>2,56,75,482</u>	<u>2,81,25,860</u>	<u>3,12,86,380</u>	<u>5,23,05,515</u>
Other Expenses	28	15,02,38,478			12,66,56,313
Total Expenses		<u>269,91,07,943</u>			<u>174,10,38,704</u>
V. (LOSS)/PROFIT BEFORE EXCEPTIONAL & EXTRAORDINARY ITEMS AND TAX		(50,96,16,437)			19,54,987
VI. Exceptional Items		—		—	—
VII. (LOSS)/PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		(50,96,16,437)			19,54,987
VIII. Extraordinary items		—		—	—
IX. (LOSS)/PROFIT BEFORE TAX		(50,96,16,437)			19,54,987
X. Tax Expenses					
Current Tax (MAT)		—		—	
Deferred Tax Credit/Charge		<u>16,63,94,667</u>	<u>16,63,94,667</u>	<u>16,95,125</u>	<u>16,95,125</u>
XI. (LOSS)/PROFIT FOR THE YEAR		<u>(34,32,21,770)</u>			<u>2,59,862</u>
XII. Earnings Per Share	29.7				
(Nominal Value Per Share ₹ 10/-)					
Basic		(134.60)			0.10
Diluted		(134.60)			0.10
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	29				

As per our report of even date attached.

For BATLIBOI & PUROHIT

Chartered Accountants

F. R. No.: 101048W

Raman D. Hangekar

PARTNER

Membership No.: 030615

Mumbai, the 31st day of July, 2015

For and on behalf of the Board of Directors

Vivek M. Pittie

Dr. Anurag K. Kanoria

Lakshmi Iyer

Directors

Arvind K. Kanoria

Managing Director

THE UNITED PROVINCES SUGAR COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Exceptional Items and Extra Ordinary Items and Tax		(50,96,16,437)		19,54,987
Adjustments to reconcile Profit Before Exceptional Items and Extra Ordinary Items and Tax to Net Cash Flow provided by Operating Activities :				
Finance Costs	9,18,46,274		6,38,93,061	
Depreciation and Amortisation Expense	2,81,25,860		5,23,05,515	
Gratuity (Provision)	(5,86,258)		53,64,157	
Leave Encashment (Provision)	20,19,225		(1,61,415)	
Doubtful Debts and Advances (Provision)	–		98,341	
Unspent Liabilities/Balances Written Back	(21,18,403)		(18,00,034)	
Bad-debts/Advances Written Back	–		–	
Sundry Debts Balances/Advances Written Off	11,117		93,353	
Dividend Income	(3,52,760)		(1,16,595)	
Interest Income	(24,44,290)		(49,08,224)	
Loss on Insurance Claim	–		1,05,431	
Transferred to Molasses Storage Reserve	1,58,371	11,66,59,136	1,78,887	11,50,52,477
Operating Profit before Working Capital Changes		(39,29,57,301)		11,70,07,464
Adjustments to reconcile Operating Profit to Cash Flow provided by changes in Working Capital :				
(Decrease)/Increase in Trade Payables	(9,60,94,014)		36,05,89,953	
Increase in Other Long-Term and Current Liabilities	1,25,57,970		8,42,101	
Increase/(Decrease) in Short Term Provisions	34,69,288		(83,47,468)	
Decrease/(Increase) in Inventories	57,41,63,530		(32,85,44,630)	
(Increase)/Decrease in Trade and Other Receivables	(36,14,267)		32,20,983	
(Increase) in Long-Term and Short-Term Loans & Advances	(37,41,658)		(49,89,187)	
(Increase) in Other Non-Current and Current Assets	(15,67,93,500)	32,99,47,349	(1,57,04,479)	70,67,273
Cash Generated from/(Used in) Operations		(6,30,09,952)		12,40,74,737
Direct Tax Refund/(Expense) (Net)		–		8,90,646
Cash Flow before Exceptional and Extra Ordinary Items		(6,30,09,952)		12,49,65,383
Exceptional/Extra Ordinary Items		–		–
Net Cash Generated/(Used in) Operating Activities		(6,30,09,952)		12,49,65,383
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Additions to Fixed Assets	(47,52,850)		(66,50,654)	
Purchase of Investments	(2,20,00,000)		–	
Redemption / Sale of Investments	3,50,00,000		–	
Dividend Income	3,52,760		1,16,595	
Interest Income	1,72,44,405		20,65,428	
Income from Mutual Funds	–	2,58,44,315	–	(44,68,631)
Net Cash Generated/(Used in) Investing Activities		2,58,44,315		(44,68,631)

THE UNITED PROVINCES SUGAR COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd...)

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	₹	₹	₹	₹
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Long-Term Borrowings	14,45,51,011		27,24,29,445	
(Repayment)/Proceeds of Short-Term Borrowings	(15,17,98,188)		23,38,81,663	
Interest Expense (Net)	(9,18,46,274)	(9,90,93,451)	(6,45,13,257)	44,17,97,851
Net Cash Generated/(Used in) Financing Activities		(9,90,93,451)		44,17,97,851
Net Increase/(Decrease) in Cash & Cash Equivalent (A + B + C)		(13,62,59,088)		56,22,94,603
Cash and Cash equivalent at the beginning of the year		56,60,11,066		37,16,463
Cash and Cash equivalent at the end of the year		42,97,51,978		56,60,11,066

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.
2. (Repayment)/Proceeds 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, 2015		For the year ended 31st March, 2014	
	₹	₹	₹	₹
a) Cash on Hand	3,36,434		1,65,381	
b) Balance with Banks on Current Accounts	42,94,15,544		56,58,45,685	
		42,97,51,978		56,60,11,066

5. Figure in brackets represent Cash Outflow from respective activities.
6. As breakup of Cash and Cash Equivalents is also available in Note No. 18, Reconciliation of items of Cash and Cash Equivalents as per Cash Flow Statement with the 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

Raman D. Hangekar

PARTNER

Membership No.: 030615

Mumbai, the 31st day of July, 2015

For and on behalf of the Board of Directors

Vivek M. Pittie

Dr. Anurag K. Kanoria

Lakshmi Iyer

Directors

Arvind K. Kanoria

Managing Director

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 for certain tangible fixed assets which are carried at revalued amount.

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

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

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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/ materialise.

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, Land, Building and Plant & Machinery as at 1st April, 2011 and Land as at 31st March, 2015. 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 tangible fixed assets is provided on straight line basis so as to charge the cost of the assets or the amount substituted for costs in case of revalued assets less its residual value over the useful life of the respective asset as prescribed under Part C of Schedule II to the Companies Act, 2013, other than for Mobile Phones.

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

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

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES *(Contd...)*

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

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 is accounted for on accrual basis.

1.8 EXPENSES :

All 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.

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES *(Contd...)*

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.

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

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES *(Contd...)*

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.

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 Earning 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 Earning 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, 2015		As at 31st March, 2014	
	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, 2015		As at 31st March, 2014	
	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, 2015/31st March, 2014.
- 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 equity shares in the Company:

Name of the Shareholders	As at 31st March, 2015		As at 31st March, 2014	
	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, 2015		As at 31st March, 2014	
	₹	₹	₹	₹
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	73,30,03,736		76,42,90,116	
Add.: Deductions / Additions to Revaluation amount during the Year (Refer Note No. 10 and 10.2)	<u>29,78,47,144</u>		-	
	103,08,50,880		76,42,90,116	
Less: Transfer to Statement of Profit & Loss	<u>2,56,75,482</u>	100,51,75,398	<u>3,12,86,380</u>	73,30,03,736
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	9,01,563		7,22,677	
Add.: Created during the Year	<u>1,58,371</u>	10,59,934	<u>1,78,886</u>	9,01,563
e) Surplus in the Statement of Profit & Loss				
Balance as per Last Account	15,91,60,252		15,89,00,390	
Add.: (Loss) / Profit for the Year	<u>(34,32,21,770)</u>		<u>2,59,862</u>	
Amount Available for Appropriation	(18,40,61,518)		15,91,60,252	
Less: Appropriations:				
Proposed Dividend on Equity Shares	-		-	
Tax on Proposed Dividend	-		-	
Transfer to General Reserve	-		-	
Total Appropriations	<u>-</u>		<u>-</u>	
Balance as at the Balance Sheet Date		<u>(18,40,61,518)</u>		<u>15,91,60,252</u>
		<u>90,52,85,018</u>		<u>97,61,76,755</u>

Additional Information :

- 3.1 General Reserve is primarily created to comply with the requirements of section 123 (1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose 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 Niyamtran (Sansodhan) Adesh, 1974 and the said storage fund is represented by investments in the form of deposits amounting to ₹ 6,26,673/- (Previous Year ₹ 4,49,473/-), with a bank and the post office.

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 4

	As at 31st March, 2015		As at 31st March, 2014	
	Non-Current	Current Maturities	Non-Current	Current Maturities
	₹	₹	₹	₹
LONG-TERM BORROWINGS				
Term Loans				
From Banks				
Secured				
Rupee Loans				
Punjab National Bank (PNB)	31,50,00,000	16,80,00,000	27,30,00,000	6,30,00,000
	<u>31,50,00,000</u>	<u>16,80,00,000</u>	<u>27,30,00,000</u>	<u>6,30,00,000</u>
From Entities other than Banks				
Secured				
Rupee Loans				
The Pradeshiya Industrial & Investment Corporation of Uttar Pradesh Limited (PICUP) - Interest Free	–	9,34,774	9,34,774	24,48,989
	–	9,34,774	9,34,774	24,48,989
	<u>31,50,00,000</u>	<u>16,89,34,774</u>	<u>27,39,34,774</u>	<u>6,54,48,989</u>
Amount disclosed under the head				
“Other Current Liabilities” (Refer Note No. 8)	–	16,89,34,774	–	6,54,48,989
	<u>31,50,00,000</u>	<u>–</u>	<u>27,39,34,774</u>	<u>–</u>

Additional Information :

4.1 Nature of Securities :

- i) Rupee Term Loans from PNB amounting to ₹ 32,70,00,000/- 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 loans 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) Rupee Term Loan amounting to ₹ 15,60,00,000/- from PNB 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) above and Short Term Borrowings from PNB as per Note No. 6 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.

4.2 Terms of Repayment and Rate of Interest as at 31st March, 2015 :

- 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 of 10.25% p.a.
- ii) Rupee Term Loan amounting to ₹ 10,00,00,000/- from PNB is repayable first installment of ₹ 4,00,00,000/- and balance in 3 equal monthly installments of ₹ 2,00,00,000/- each, last installment falling due on March, 2016, at an interest rate of 1.25% p.a. above PNB Base Rate of 10.25% p.a.

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 4 (Contd...)

- iii) Rupee Term Loan amounting to ₹ 15,00,00,000/- from PNB is repayable in 20 equal monthly installments of ₹ 75,00,000/- each, last installment falling due on January, 2018, at an interest rate of 1.25% p.a. above PNB Base Rate of 10.25% p.a.
- iv) 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.
- v) Term Loan from PICUP repayable in 5 annual installments, last installment falling due on May, 2015 [since paid]. The loan was interest free.
- vi) Terms of repayment for loans which have been fully repaid during the year are not included above.

NOTE NO. 5

	As at 31st March, 2015		As at 31st March, 2014	
	₹	₹	₹	₹
LONG-TERM PROVISIONS				
Provision For Employees Benefits (Refer Note No. 29.3)				
Provision for Gratuity		3,13,87,227		3,19,73,485
Provision for Unavailed Leave		64,36,836		44,17,611
		3,78,24,063		3,63,91,096

NOTE NO. 6

SHORT-TERM BORROWINGS

Loans Repayable on Demand				
From Banks				
Secured				
Punjab National Bank (PNB)				
Cash Credit Facilities				
Secured by pledge of stock of sugar	79,92,59,855		96,34,36,802	
Secured by hypothecation of stock of stores & spare parts	2,20,20,924	82,12,80,779	2,02,48,097	98,36,84,899
		82,12,80,779		98,36,84,899
Clean Demand Loan		1,06,05,932		-
		83,18,86,711		98,36,84,899

Additional Information :

Nature of Securities :

- 6.1 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, 2015.

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	As at 31st March, 2015		As at 31st March, 2014	
	₹	₹	₹	₹
NOTE NO. 7				
TRADE PAYABLES				
Total Outstanding Dues of Micro and Small Enterprises (Refer Note No. 29.9)		7,59,558		16,44,564
Total Outstanding Dues of other than Micro and Small Enterprises		79,92,51,366		89,44,60,374
		<u>80,00,10,924</u>		<u>89,61,04,938</u>

NOTE NO. 8

OTHER CURRENT LIABILITIES

Current Maturities of Long-Term Borrowings		16,89,34,774		6,54,48,989
Other Payables				
Advance from Customers & Others	2,10,14,580		1,15,16,096	
Deposits	3,04,200		2,24,200	
Book Overdraft Balances	1,00,179		3,73,261	
Unpaid Salaries & Other Payroll Dues	1,79,93,322		1,57,17,488	
Statutory Liabilities (Refer Note No. 8.3)	5,20,57,068		5,32,44,681	
Accrued Expenses	8,25,131		7,68,070	
Others	–	9,22,94,480	–	8,18,43,796
		<u>26,12,29,254</u>		<u>14,72,92,785</u>

Additional Information :

- 8.1 For Nature of Securities and Terms of Repayment respectively of Current Maturities of Long-Term Borrowings refer Note No. 4.1 & 4.2.
- 8.2 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under Section 205C of the Companies Act, 1956.
- 8.3 Statutory Liabilities includes Excise Duty and Cess of ₹ 4,27,84,655/- (Previous Year ₹ 4,94,09,814/-) on Closing Stock.

NOTE NO. 9

SHORT TERM PROVISIONS

Provision For Employee Benefits				
Provision for Gratuity	69,53,217		47,34,679	
Provision for Unavailed Leave	30,94,060	1,00,47,277	18,43,310	65,77,989
Provision for Contingencies on Stores (Refer Note No. 29.8)		3,50,000		3,50,000
Provision for Taxation		1,85,000		1,85,000
		<u>1,05,82,277</u>		<u>71,12,989</u>

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 10

FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Carrying amount as at 01.04.2014 including revaluation	Additions during the year	Additions on Revaluation during the year	Deductions/ Adjustments during the year	Gross Carrying amount as at 31.03.2015 including revaluation	Opening accumulated depreciation / amortisation	Depreciation/ Amortisation for the year	Deductions/ Adjustments during the year		Closing accumulated depreciation /amortisation
Tangible Assets	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land	30,31,72,856	-	29,78,47,144	-	60,10,20,000	-	-	-	-	60,10,20,000
Buildings	15,25,16,839	2,71,135	-	-	15,27,87,974	4,08,43,859	33,46,332	-	4,41,90,191	10,85,97,783
Plant & Machinery	161,69,04,709	33,50,122	-	-	162,02,54,831	88,54,68,693	4,82,98,214	-	93,37,66,907	68,64,87,924
Furniture & Electrical Fittings	56,99,201	2,43,711	-	-	59,42,912	42,24,828	7,87,353	-	50,12,181	9,30,731
Motor Vehicles & Cycles	77,53,412	-	-	-	77,53,412	36,85,160	13,54,653	-	50,39,813	27,13,599
Machinery Zamindary (Tubewell)	24,711	-	-	-	24,711	24,464	-	-	24,464	247
Total	208,60,71,728	38,64,968	29,78,47,144	-	238,77,83,840	93,42,47,004	5,37,86,552	-	98,80,33,556	139,97,50,284
Intangible Assets										
Computer Software System	-	8,87,882	-	-	8,87,882	-	14,790	-	14,790	8,73,092
Total Intangible Assets	-	8,87,882	-	-	8,87,882	-	14,790	-	14,790	8,73,092
Total Assets	208,60,71,728	47,52,850	29,78,47,144	-	238,86,71,722	93,42,47,004	5,38,01,342	-	98,80,48,346	140,06,23,376

FIXED ASSETS - PREVIOUS YEAR

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/ Adjustments during the year	Gross Carrying amount as at 31.03.2014 including revaluation	Opening accumulated depreciation / amortisation	Depreciation/ Amortisation for the year	Deductions/ Adjustments during the year		Closing accumulated depreciation /amortisation
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

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 10 (Contd...)

FIXED ASSETS

Additional Information :

- 10.1 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.
- 10.2 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.
- iv) Land was further revalued as at 31st March, 2015 on net replacement value by an approved valuer and the resultant increase ₹ 29,78,47,144/- was added to the book value of the said Fixed Asset.

	As at 31st March, 2015		As at 31st March, 2014	
	₹	₹	₹	₹

NOTE NO. 11

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 Zamindari Abolition Compensation Bonds	20,211		20,211	
National Savings Certificates (Deposited with Government Authorities)	1,000		1,000	
		27,912		27,912

Investment In Bonds

Deep Discount Bonds

NIL (Previous Year - 350) Deep Discount Bonds (Transferable) of New India Exports Pvt. Ltd. at issue price of ₹ 1,00,000/- each (Redeemable at the end of 10 years at face value of ₹ 1,80,000/- per bond)		—		3,50,00,000
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Quoted (Valued at cost)

Investment In Equity Instrument

In Equity Shares of Punjab National Bank (1930 (Previous Year - 386) Equity Shares of ₹ 2/-/(Previous Year ₹ 10/-) each fully paid up)

	1,50,540		1,50,540
	1,78,452		3,51,78,452

Additional Information :

11.1 Aggregate amount of unquoted investments	27,912		3,50,27,912
11.2 Aggregate amount of quoted investments	1,50,540		1,50,540
11.3 Market value of quoted investments	2,78,692		2,77,109
11.4 Aggregate provision for diminution in value of investments	—		—

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	As at 31st March, 2015		As at 31st March, 2014	
	₹	₹	₹	₹
NOTE NO. 12				
DEFERRED TAX ASSETS (NET)				
Deferred Tax Liabilities				
Fixed Assets : Impact of difference between tax depreciation and depreciation charged for the financial reporting	8,17,97,016		8,39,60,768	
Gross Deferred Tax Liabilities	8,17,97,016		8,39,60,768	
Deferred Tax Assets				
Carry forward business loss	15,68,86,286		-	
Unabsorbed depreciation	5,88,79,527		5,09,77,956	
Provision for doubtful debts and advances	70,734		70,734	
Provision for gratuity	1,24,39,557		1,19,09,964	
Provision for leave encashment	26,97,237		16,36,293	
Provision for contingency on stores	1,13,558		1,13,558	
Accrued expenses deductible on payment basis	1,46,29,923		1,67,77,402	
Gross Deferred Tax Assets	24,57,16,822		8,14,85,907	
Net Deferred Tax Assets/(Liabilities)	16,39,19,806		(24,74,861)	
<u>Movement</u>				
At the beginning of the year	(24,74,861)		(7,79,736)	
Arising during the year	16,63,94,667		(16,95,125)	
At the end of the year	16,39,19,806		(24,74,861)	

Additional Information :

12.1 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.

NOTE NO. 13

LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good unless stated otherwise)

Security Deposits	8,98,585		8,53,048	
	8,98,585		8,53,048	

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		98,341	
Less: Provision for Doubtful Debts	98,341	-	98,341	-

THE UNITED PROVINCES SUGAR COMPANY LIMITED

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	As at 31st March, 2015		As at 31st March, 2014	
	₹	₹	₹	₹
NOTE NO. 14 (Contd...)				
OTHER NON-CURRENT ASSETS				
Cash and Bank Balances				
Other Bank Balances				
Earmarked Balances				
On Current Account	6,16,673		4,39,473	
(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		10,000	
(For Molasses Storage Fund)				
		8,12,315		6,35,115
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		21,149		1,48,21,264
		8,33,464		1,54,56,379

NOTE NO. 15

CURRENT INVESTMENTS

Other Than Trade				
Unquoted (Valued at Lower of Cost or Fair Value)				
In Units of Mutual Funds				
ICICI Prudential Short Term - Growth				
[15,41,782.300 Units]		2,20,00,000		-
		2,20,00,000		-

NOTE NO. 16

INVENTORIES

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

Raw Materials		-		-
Work in Progress				
Sugar	2,32,50,240		2,62,81,750	
Molasses	21,15,000	2,53,65,240	19,28,750	2,82,10,500
Finished Goods				
Sugar	84,61,09,634		141,49,42,376	
Molasses	6,39,70,278	91,00,79,912	6,74,01,646	148,23,44,022
Stock of Stores & Spare Parts	3,94,71,179		3,92,48,699	
Stock of Loose Tools	3,15,940		2,19,672	
Goods in Transit	23,62,773	4,21,49,892	17,35,681	4,12,04,052
		97,75,95,044		155,17,58,574

Additional Information :

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

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	As at 31st March, 2015		As at 31st March, 2014	
	₹	₹	₹	₹
NOTE NO. 17				
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		3,689		15,43,498
		51,54,076		–
Other Trade Receivables		51,57,765		15,43,498
 NOTE NO. 18				
CASH & BANK BALANCES				
Cash and Cash Equivalents				
Cash on Hand		3,36,434		1,65,381
Balances with Banks				
On Current Accounts		42,94,15,544		56,58,45,685
		42,97,51,978		56,60,11,066
 NOTE NO. 19				
SHORT TERM LOANS AND ADVANCES				
(Unsecured, Considered Good unless stated otherwise)				
Other Loans & Advances		–		–
Advances to Suppliers & Others		26,87,386		4,20,729
Income-Tax Advances		19,08,633		1,88,112
Cenvat, Vat and Other Taxes & Duties		71,40,642		72,53,929
Prepaid Expenses		4,53,603		5,19,013
Others		–		1,12,360
		1,21,90,264		84,94,143
 NOTE NO. 20				
OTHER CURRENT ASSETS				
(Unsecured, Considered Good unless stated otherwise)				
Interest Receivable / Accrued and Due		–		–
Claims Receivable		17,39,17,863		1,73,01,563
Income-Tax Refundable		2,51,650		2,51,650
		17,41,69,513		1,75,53,213

THE UNITED PROVINCES SUGAR COMPANY LIMITED

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 21	For the Year ended 31st March, 2015		For the Year ended 31st March, 2014	
REVENUE FROM OPERATIONS	₹	₹	₹	₹
Sale of Goods (Gross)				
Sugar Sales	204,96,52,576		159,67,04,844	
Molasses Sales	14,89,13,384		16,49,47,532	
Bagasse Sales	5,42,01,507		3,84,85,512	
Press Mud Sales	31,79,450	225,59,46,917	17,64,760	180,19,02,648
Other Operating Revenue		—		—
Revenue From Operations (Gross)		225,59,46,917		180,19,02,648
Less: Excise Duty & Other Taxes on Sale of Goods		9,33,03,617		8,06,92,369
Revenue From Operations (Net)		216,26,43,300		172,12,10,279

NOTE NO. 22

OTHER INCOME

Interest Income (Gross) :

Non-Current Investments

On Fixed Deposit with Bank	16,708		16,05,521	
On Deep Discount Bonds (Long Term Investments)	24,27,260		28,42,796	
On Others	—		3,74,719	
	24,43,968		48,23,036	
On Income-tax Refund	322	24,44,290	85,188	49,08,224
Dividend Received on Long Term Investments		3,52,760		1,16,595
Other Non-Operating Income				
Burnt Cane Subsidy	2,28,093		78,140	
Liabilities no longer required Written Back	21,18,403		18,00,034	
Excess Provision For Society Commission Written Back	1,98,89,662		—	
Purchase Tax Remission	—		1,19,74,710	
Miscellaneous Income	18,14,998	2,40,51,156	29,05,709	1,67,58,593
		2,68,48,206		2,17,83,412

NOTE NO. 23

COST OF MATERIALS CONSUMED

Sugarcane	172,74,45,358		170,69,33,157	
		172,74,45,358		170,69,33,157

Additional Information :

23.1 Cost of Raw Materials Consumed is net of

- Financial assistance of ₹ 6.00 per quintal of sugarcane amounting to ₹ 3,99,11,732/- announced for sugar season 2013-2014 vide Government of Uttar Pradesh Order No. 2195-C.D./46-3-14-3(35)/2013 T.C. dated 9th September, 2014.
- Financial assistance of ₹ 28.60 per quintal of sugarcane amounting to ₹ 16,25,50,684/- announced by the State Government of Uttar Pradesh vide its Press Release dated 12th November, 2014, and Order No. 2970-C.D./46-3-14-3(48)/98-99 dated 24th December, 2014 for sugar season 2014-2015. The above financial assistance is subject to recommendation by the Committee constituted by the Government of Uttar Pradesh.

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	For the Year ended 31st March, 2015		For the Year ended 31st March, 2014	
	₹	₹	₹	₹
NOTE NO. 24				
CHANGES IN INVENTORIES OF FINISHED GOODS, BY-PRODUCTS AND WORK-IN-PROGRESS				
Finished Goods :				
Opening Stock				
Sugar	141,49,42,376		110,43,42,675	
Molasses	6,74,01,646		5,93,20,769	
Bagasse	—		—	
	148,23,44,022		116,36,63,444	
Less: Closing Stock				
Sugar	84,61,09,634		141,49,42,376	
Molasses	6,39,70,278		6,74,01,646	
Bagasse	—		—	
	91,00,79,912	57,22,64,110	148,23,44,022	(31,86,80,578)
Work-In-Progress :				
Opening Stock				
Sugar	2,62,81,750		2,15,87,500	
Molasses	19,28,750		7,29,500	
	2,82,10,500		2,23,17,000	
Less: Closing Stock				
Sugar	2,32,50,240		2,62,81,750	
Molasses	21,15,000		19,28,750	
	2,53,65,240	28,45,260	2,82,10,500	(58,93,500)
		57,51,09,370		(32,45,74,078)
Less : Excise Duty and Other Taxes *		(66,25,159)		43,51,713
		56,84,84,211		(32,02,22,365)

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

NOTE NO. 25

EMPLOYEES BENEFITS EXPENSES

Salaries and Wages	12,11,82,062	10,03,54,414
Contribution To Provident and Other Funds	98,59,829	91,44,259
Staff Welfare Expenses	19,25,871	19,74,350
	13,29,67,762	11,14,73,023

THE UNITED PROVINCES SUGAR COMPANY LIMITED

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
NOTE NO. 26		
FINANCE COST		
Interest Expenses		
On Long-Term Borrowings	2,29,77,945	1,88,88,219
On Short-Term Borrowings	6,86,48,898	4,48,24,506
Others	2,19,431	1,80,336
	<u>9,18,46,274</u>	<u>6,38,93,061</u>
NOTE NO. 27		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	2,81,11,071	5,23,05,515
Amortisation on Intangible Assets	14,790	-
	<u>2,81,25,861</u>	<u>5,23,05,515</u>
NOTE NO. 28		
OTHER EXPENSES		
Consumption of Stores & Spare Parts	2,90,21,805	2,32,79,537
Consumption of Packing Materials	2,08,56,026	2,02,83,765
Power & Fuel	1,35,05,119	1,18,44,430
Rent	6,25,971	5,24,713
Repairs & Maintenance :		
Plant & Machinery	5,22,92,293	3,55,10,921
Building	18,26,017	59,16,768
Others	1,34,164	1,34,322
	<u>5,42,52,474</u>	<u>4,15,62,011</u>
Insurance	13,22,744	13,17,633
Rates & Taxes (Excluding Taxes on Income)	6,91,328	6,79,242
Godown Expenses	79,27,396	69,35,173
Travelling Expenses	19,88,419	19,68,130
Motor Car Expenses	18,42,884	18,27,091
Miscellaneous Expenses	1,30,15,858	1,22,91,561
Selling Expenses	46,33,440	33,83,100
Payment to Auditors :		
Audit Fees	1,20,000	1,20,000
Tax Audit Fees	60,000	60,000
Miscellaneous Certificates & Other Services	46,292	3,000
Reimbursement of Expenses (including Service Tax)	53,742	36,207
	<u>2,80,034</u>	<u>2,19,207</u>
Cost Audit Fee	30,492	33,708
Directors' Fee	75,000	31,000
Bad Debts and Advances Written Off	11,117	93,353
Provision for Doubtful Debts & Advances	-	98,341
Loss on Insurance Claim	-	1,05,431
Transfer to Molasses Storage Reserve	1,58,371	1,78,887
	<u>15,02,38,478</u>	<u>12,66,56,313</u>

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 29

As at 31st March, 2015	As at 31st March, 2014
₹	₹

NOTES ON ACCOUNTS

29.1 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

b) Commitments

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

29.2 The net-worth of the Company has eroded and turned into negative as on 31st March, 2015 due to losses incurred by the Company during the year. Consequent to such erosion of net-worth, the Company has become a Sick Industrial Company within the meaning of 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985. The management is of the view that the Company will be in a position to generate positive cash flows and adequate profitability in future and hence these final statements have been drawn up on a going concern basis.

29.3 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 has recognised ₹ 98,59,829/- (previous year ₹ 91,44,259/-) 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, 2015 by an Actuary using the Projected Unit Credit Method.

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 29 (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, 2015 :

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	
		2015	2014	2015	2014	2015	2014
		₹	₹	₹	₹	₹	₹
I	Reconciliation of Defined Benefit Obligation (DBO) :						
	DBO at the beginning of the year	3,67,08,164	3,98,13,545	62,60,921	63,00,266		
	Current Service Cost	19,99,471	19,81,667				
	Interest Cost	34,21,201	31,36,624				
	Actuarial losses/(gain)	12,75,089	(30,48,854)				
	Benefits paid	(50,63,481)	(51,74,818)			98,59,829	91,44,259
	DBO at the end of the year (Net liability recognised in the Balance Sheet)	3,83,40,444	3,67,08,164	95,30,896	62,60,921		
II	Net cost for the year ended 31st March, 2015 :						
	Current Service Cost	19,99,471	19,81,667				
	Interest Cost	34,21,201	31,36,624				
	Actuarial losses/(gain)	12,75,089	(30,48,854)				
	Net Cost	66,95,761	20,69,437				
III	Assumptions used in accounting for the gratuity plan :						
	Discount Rate (%)	7.99%	9.32%				
	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, 2015, based on actuarial valuation carried out using the projected accrued benefit method, charge amounting to ₹ 32,69,975/- (Previous Year reversal of ₹ 39,345/-) has been recognised in the Statement of Profit and Loss.

29.4 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.

29.5 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 (Ceased on 4th May, 2014)
 - Shri Babu Lal Vijay, Whole-Time Director [General Manager] (Appointed on 5th May, 2014)
- ii) Relatives of Key Managerial Personnel :
- Shri Arvind K. Kanoria : Smt. Aruna Kanoria (Mother)
 - Smt. Vineeta Kanoria (Wife)
 - Smt. Shikha Barasia (Daughter)
 - Shri Paritosh Kanoria (Son)
 - Dr. Anurag K. Kanoria (Brother)
 - Shri A. N. Singh Chauhan : Smt. Leela Chauhan (Wife)
 - Shri Babu Lal Vijay : Smt. Urmila Vijay (Wife)

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 29 (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, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	₹	₹	₹	₹
Investments in Deep Discount Bonds :				
i) New India Exports Private Limited				
			3,50,00,000	3,50,00,000
Interest Accrued on Investments :				
i) New India Exports Private Limited				
			1,48,00,116	1,19,57,321
Remuneration to Key Managerial Personnel :				
i) Shri Arvind K. Kanoria				
	63,51,243	32,05,832		
ii) Shri A. N. Singh Chauhan				
	12,63,520	14,71,800		
iii) Shri Babu Lal Vijay				
	10,16,832	-		
Salary, Gratuity, Leave Encashment etc. :				
i) Smt. Leela Chauhan				
	4,38,778	6,99,954		
ii) Smt. Urmila Vijay				
	2,27,166	-		
Outstanding Balance As at March 31, 2015				
Investments in Deep Discount Bonds :				
i) New India Exports Private Limited				
			-	3,50,00,000
Outstanding Balance As at March 31, 2015				
on Interest Accrued on Investments :				
i) New India Exports Private Limited				
			-	1,48,00,116
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.				

29.6 Disclosure under Clause 32 of the Listing Agreement :

There are no transactions (other than loan transactions with related parties as given in Note 29.5 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, 2015	For the year ended 31st March, 2014
	₹	₹
29.7 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	(34,32,21,770)	2,59,862
b) Number of Shares Issued	25,50,000	25,50,000
c) Basic and diluted EPS	(134.60)	0.10
d) Nominal Value of Equity Shares	10.00	10.00

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 29 (Contd..)

NOTES ON ACCOUNTS

29.8 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, 2014 ₹	Additions during the year ₹	Utilisation during the year ₹	As at 31st March, 2015 ₹
Provision for Contingency on Stores	3,50,000	—	—	3,50,000
Previous Year	3,50,000	—	—	3,50,000

Timing of outflow /uncertainties

Outflow on crystallisation

b) The Contingent Liabilities mentioned at Sr. No. 29.1 of Note No. 29 - Notes Forming Part of Financial Statements and Provision for Contingency on Stores mentioned in Note No. 9 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. 29.8 (a) above and in view of this no asset has been recognised for the expected reimbursement.

29.9 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, 2015 ₹	As at 31st March, 2014 ₹
a) The principal amount remaining unpaid to suppliers as at the end of accounting year *	7,59,558	16,44,564
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. 7

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS

NOTE NO. 29 (Contd...)

NOTES ON ACCOUNTS

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

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	% of total Consumption	Value ₹	% of total Consumption	Value ₹
a) Raw Materials :				
Imported	Nil	Nil	Nil	Nil
Indigenous	100	172,74,45,358	100	170,69,33,157
	<u>100</u>	<u>172,74,45,358</u>	<u>100</u>	<u>170,69,33,157</u>
b) Consumption of Components-Stores and Spare Parts :				
Imported	Nil	Nil	Nil	Nil
Indigenous	100	8,78,80,460	100	6,89,14,057
	<u>100</u>	<u>8,78,80,460</u>	<u>100</u>	<u>6,89,14,057</u>

29.11 Expenditure in Foreign Currency

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
On Travelling	1,58,280	3,78,152

29.12 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

Raman D. Hangekar

PARTNER

Membership No.: 030615

Mumbai, the 31st day of July, 2015

For and on behalf of the Board of Directors

Vivek M. Pittie

Dr. Anurag K. Kanoria

Lakshmi Iyer

Directors

Arvind K. Kanoria

Managing Director

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 92nd 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 Tuesday, the 29th day of September, 2015 at 2.00 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

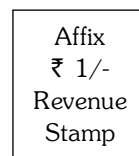
as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Ninetysecond Annual General Meeting of the Company to be held on Tuesday, the 29th day of September, 2015 at 2.00 p.m. at the Somani Conference Hall of Merchants' Chambers of Commerce, 15B Hemanta Basu Sarani, Kolkata 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 of the Company for the year ended 31st March, 2015		
2.	Reappointment of Dr. Anurag K. Kanoria as Director		
3.	Appointment of Auditors		
	Special Business		
4.	Appointment of Smt. Lakshmi Iyer as a Director		
5.	Voluntary Delisting of Equity Shares of the Company from The Calcutta Stock Exchange Limited ("CSE")		
6.	Ratification of fees payable to the Cost Auditors		

Signed thisday of, 2015

Signature of the shareholder : _____



Signature of Proxy holder(s) : _____

Signature across the stamp

- Notes:
1. 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.
 2. 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.