



## **BALRAMPUR CHINI MILLS LIMITED**

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18th August, 2016

<b>National Stock Exchange of India Limited</b> Listing Deptt., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai- 400051	<b>BSE Limited</b> The Corporate Relationship Department 1st Floor, New Trading Wing, Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai- 400001	<b>The Calcutta Stock Exchange Limited</b> 7, Lyons Range, Kolkata – 700 001
<b>Scrip Code: BALRAMCHIN</b>	<b>Scrip Code: 500038</b>	<b>Scrip Code: 12012</b>

Dear Sir(s)/ Madam,

**Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Sub: Submission of Annual Report 2015-16**

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the Annual Report 2015-16 as approved and adopted in the 40th Annual General Meeting of the Company held on 12th August, 2016.

You are requested to kindly take the same on record.

Thanking you,

**Yours faithfully,  
For Balrampur Chini Mills Limited**

**Nitin Bagaria  
(Company Secretary)**

# PRINCIPLES AT WORK

HOW TIME-TESTED FUNDAMENTALS HELPED TRANSFORM  
A CHALLENGING REALITY INTO A VIGOROUS TURNAROUND





## Balrampur Chini Mills in 2015-16

**Our aspiration** is to sustain our position as one of the most efficient and profitable Indian sugar companies across business cycles.

**Our purpose** is to enhance value for all our stakeholders – sugarcane providers, employees, customers, communities, government and our shareowners.

**Our aspiration** is supported by an overarching organisational culture translating into sustained outperformance.

*Read more on pages 4 to 13*

Sticking to fundamentals has created a robust business model.

*Read more on pages 18 and 19*

Over the years, we have created successful business verticals.

*Read more on pages 30 to 33*

### Balrampur Chini Mills Limited

is listed on the BSE Ltd., National Stock Exchange of India Ltd. and The Calcutta Stock Exchange Ltd.

This is the Annual Report of Balrampur Chini Mills Limited for the year ended 31st March 2016 and is also available on the Company's website.

Balrampur Chini Mills Limited is among India's largest integrated sugar mills. This multi-decade Company is engaged in the manufacturing of sugar, ethanol and power.

The Company has sugar crushing capacity of 76,500 tonnes of cane per day, distillery capacity of 320 KL per day and saleable cogeneration capacity of 153.20 MW.

The Company (headed by Vivek Saraogi, Managing Director) is headquartered in Kolkata, West Bengal and possesses 10 manufacturing units at Balrampur, Babhnan, Tulsipur, Haidergarh, Akbarpur, Rauzagaon, Mankapur, Kumbhi, Gularia and Maizapur in Uttar Pradesh.

For more information about Balrampur Chini Mills Limited, our plants and people, visit [www.chini.com](http://www.chini.com)

## Contents

<b>04</b>	Our principles explained in strategy	<b>14</b>	MD's review	<b>18</b>	Our resilient business model	<b>20</b>	Financial summary	<b>24</b>	Management discussion and analysis	<b>46</b>	Report of Board of Directors
<b>79</b>	Corporate Governance Report	<b>98</b>	Independent Auditor's Report	<b>102</b>	Balance Sheet	<b>103</b>	Statement of Profit and Loss	<b>104</b>	Cash Flow statement	<b>144</b>	Consolidated financial statements

## Capacities

Units	Sugar capacity (tonnes of cane per day)	Distillery (KL per day)	Installed power (MW)	Saleable power (MW)
Balrampur	12000	160	43.55	27.25
Babhnan	10000	60	15.00	3.00
Tulsipur	7000	-	9.50	-
Haidergarh	5000	-	23.25	20.95
Akbarpur	7500	-	18.00	11.00
Mankapur	8000	100	37.00	25.00
Rauzagaon *	8000	-	30.75	23.00
Kumbhi	8000	-	32.70	23.00
Gularia	8000	-	31.30	20.00
Maizapur	3000	-	6.00	-
<b>Total</b>	<b>76500</b>	<b>320</b>	<b>247.05</b>	<b>153.20</b>

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

Net revenues	Net profit	Recovery rate*	Ethanol production	Power sold
<b>2801.22</b>	<b>99.42</b>	<b>11.06%</b>	<b>61648.15</b>	<b>5307.41</b>
2015-16 (₹/Crore)	2015-16 (₹/Crore)	2015-16	2015-16 (KL)	2015-16 (Lac units)

\* For the sugar season 2015-16, recovery rate was 11.13%

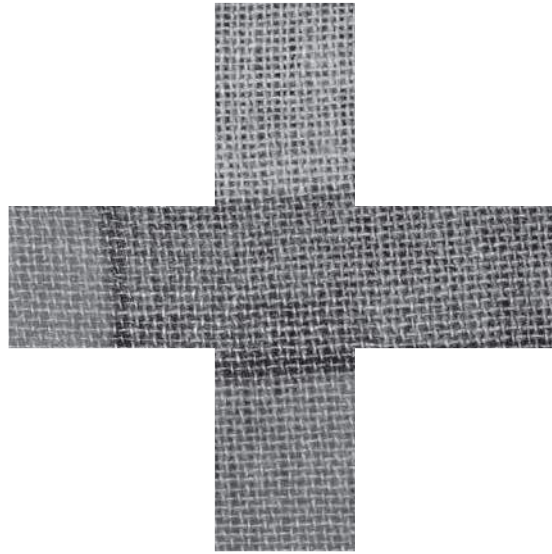
Balrampur Chini Mills Limited posted a vigorous transformation in its FY 2015-16 bottomline.

One of the first within the industry to report a handsome increase in profits following a sectoral rebound.

A PAT of ₹99.42 Crore in 2015-16 compared to loss of ₹57.73 Crore in 2014-15.

The Company outperformed its sector – decisively and substantially – by putting more than its principal to work.

*Its principles instead.*



Our principles  
explained in a  
few sentences.

Just do it. No frills. Urgency.  
Drill-down. Push the envelope.  
Maximise efficiency. Create  
benchmarks. More out of less.  
Recheck. Do whatever it takes.  
Never let go. Watch everything.  
Outperform. Sweat the small  
stuff. Squeeze the last drop.  
*Repeat.*



# Our principles explained in strategy.

**At Balrampur,** we did not aggressively increase capacities over the last decade; we focused on sweating our assets instead.

**At Balrampur,** we preferred to invest in integrated multi-product complexes over standalone cane crushing capacities instead.

**At Balrampur,** we stopped waiting for realisations to increase; we began to generate surpluses from within instead.

**At Balrampur,** we did not grow our sugar capacity significantly beyond 2007; we selected to debottleneck instead.

**At Balrampur,** we did not chase fancy strategies; we selected to do what we had always been doing - only significantly better instead.

**At Balrampur,** we did not acquire or build assets beyond our core geographies; we continued to invest proximate to our existing locations instead.

**At Balrampur,** we did not seek to maximise output alone; we invested in futuristic environment management technologies instead.

This then really  
is our story.





# Principles mean paranoia.

AT BALRAMPUR, WE DON'T JUST REQUEST FARMERS TO GROW MORE CANE, COLLECT ON HARVEST AND PAY FOR WHAT WE BUY. OVER THE YEARS, WE HAVE VIRTUALLY TRANSFORMED THIS SEEMINGLY SIMPLE ACTIVITY INTO A WATERTIGHT CASE FOR EXCELLENCE.

We conduct village meetings to encourage greater cane planting.  
We advise farmers on superior cane varieties.

We showcase these varieties via demonstration farms. We make periodic farm visits to evaluate standing cane quality.

We employ handheld digital equipment for cane survey.

We deploy a second team to appraise whether the first team got all its evaluations right.

We appraise the cane (variety, freshness and extraneous materials) delivered to our factory gates.

We replicate the best practices across plants. We focus on arresting problems at source.

We measure cut-to-crush tenures.

**The moral of our story:** Only the paranoid survive.

7

Extraneous material (%)  
in our cane, FY2010-11

2

Extraneous material (%)  
in our cane, FY2015-16





300

Per hectare cane yield  
(quintals) before using  
superior cane varieties,  
FY2010-11

450

Per hectare cane yield  
(quintals) after using  
superior cane varieties,  
FY2015-16

600

Peak per hectare cane  
yield (quintals) after  
using superior cane  
varieties, FY2015-16

# Principles mean profits.

AT BALRAMPUR, WE DON'T JUST ASK FARMERS TO GROW CANE;  
WE ADVISE FARMERS ON HOW THEY CAN BEST ENHANCE THEIR PROFITABILITY INSTEAD.

We kickstarted a nursery programme to generate healthy seeds.

We create a 'Foundation Seed' from a 'Nucleus Seed' at the seed nursery in our sugarcane research station.

We derive 'Certified Seeds' from the 'Foundation Seed'.

We demonstrate how these seeds needed to be handled. We change these seeds every few years to protect seed effectiveness.

We introduce high-yielding and high sugar varieties (Co 0238, Co 0118, Co 0239, Co 98014 and CoLk 94184).

We replant the best early-maturing varieties (multiplication).

We enhance command area coverage of these high-performing varieties.

We bunch cane plants together to prevent toppling.

We fence farms against animals. We recommend soil-centric nutrients. We discuss planting techniques, ratoon\* management, integrated nutrient cultivation, improving germination through hot water treatment, integrated pest and disease management, earthing /propping sugarcane and potash application with farmers.

We coordinate the supply of quality nutrients, fungicides, pesticides at subsidised rates.

We arrange for the procurement of agricultural implements and foliar spray machines.

We advise inter-cropping so that farmers may generate higher incomes.

The result is that the new varieties adopted by farmers in our area matured a good month before the rest. The cultivation cost of these varieties requires lower nutrient quantum. The high ratoon output was a bonus. Sugar recovery was 50 bps higher than older varieties and a good 100 bps over rejected varieties. Farm productivity increased 50% to 450 quintals per hectare; in some of our command areas, farm productivity doubled.

**The moral of the story:** When you work harder than you have ever done before, farmers can prosper like they have never before.

*\* The ratoon crop is regarded as a bonus crop, offering several advantages: lower cultivation costs by 20-30% as it obviates the need for germination, land preparation and planting. It matures a month in advance, is ideal for early crushing and is generally juice-rich.*

## Countering cane disease: the Gularia response

A few years ago, the cane in the command area adjoining our Gularia factory was affected with a disease.

More than 40% of the command area reported a mere 5-7% recovery against an average of 9-9.5% recovery, virtually wiping out farmer income and our plant viability for that season.

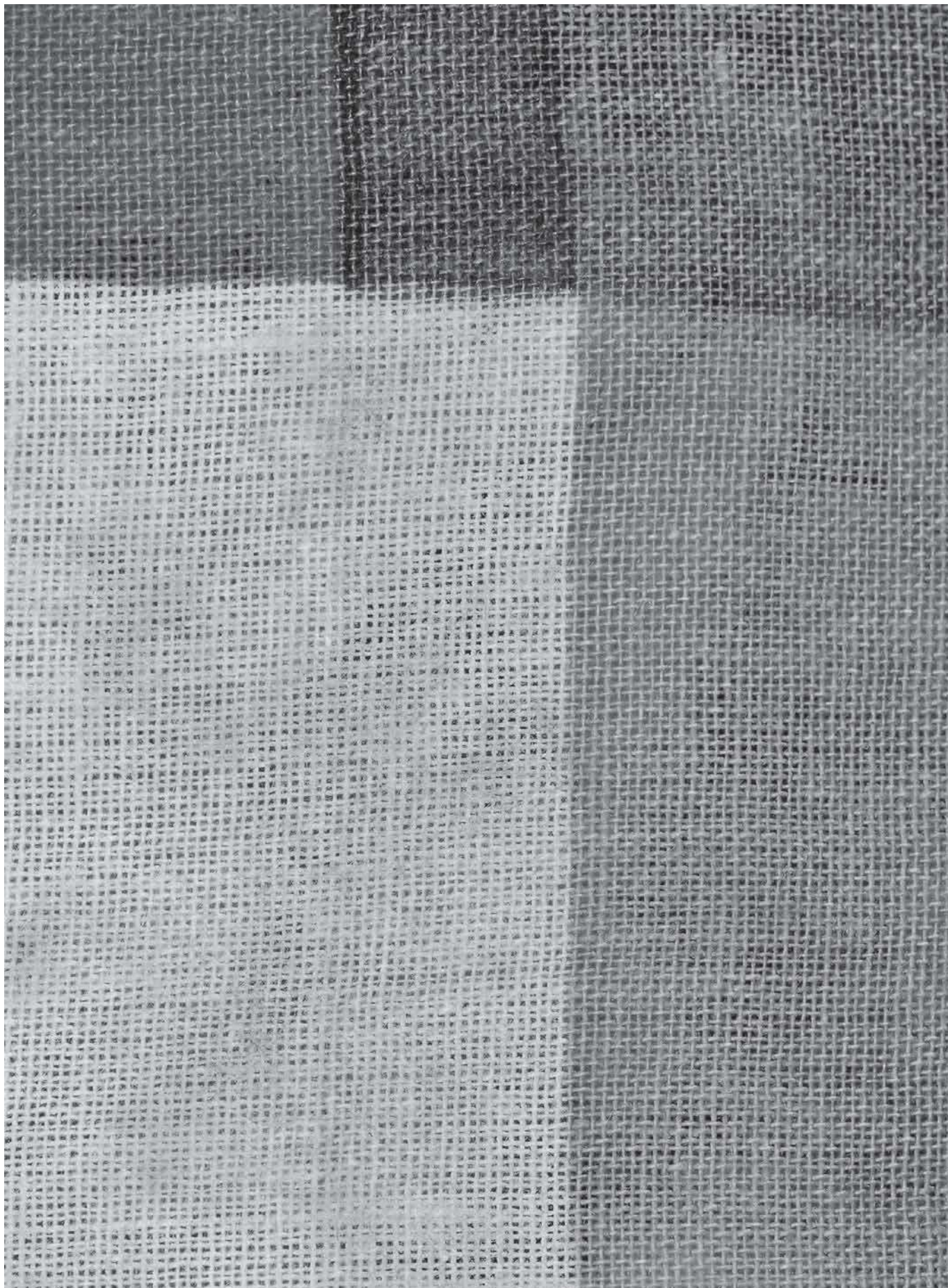
At Balrampur, the big question was not how this disease occurred; it was what we could have done to know of this as soon as it had transpired.

We deepened our coverage. We accelerated our field visit frequency. We strengthened our farmer communication. We built IT-driven

field visit frequency measurement system. We began to identify probable symptoms (rather than the disease itself).

**The result:** recovery in the Gularia command area rebounded to 11.74% in 2015-16, the highest in years.





# Principles mean discipline.

AT BALRAMPUR, WE DON'T MERELY CRUSH CANE, MARKET PRODUCE AND ENDEAVOUR TO GENERATE A SURPLUS. WE PLAN RIGOROUSLY AND PROACTIVELY TO TAKE ALL SHOCKS AND SURPRISES OUT OF THE SYSTEM INSTEAD.

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Our budget for a sugar season starting in October is usually completed by mid-August. This bottom-up approach reconciles all our factories and enhances our operational visibility (enhances clarity regarding how many trucks would be at the factory gate at 3 pm on 23 January, for instance). The budget is put together after tabulating benchmarks across plants (If they could achieve it, why can't you?). Salient points are discussed and vetoed in a meeting comprising the plant heads and

senior management. The budget is logged into the IT backbone for pan-organisation reference.

This budgetary discipline is reinforced by ongoing monitoring. A core management team (resident of the Company's 'war room') monitors various operating parameters across 10 plants within four hours of the shift ending. Performance deviations are questioned within hours. A phantom internal audit team travels unannounced between plants for surprise systems

checks. All budgetary deviations are rejected by the robust ERP framework. The procurement of high value items are negotiated in the presence of plant heads and head office executives.

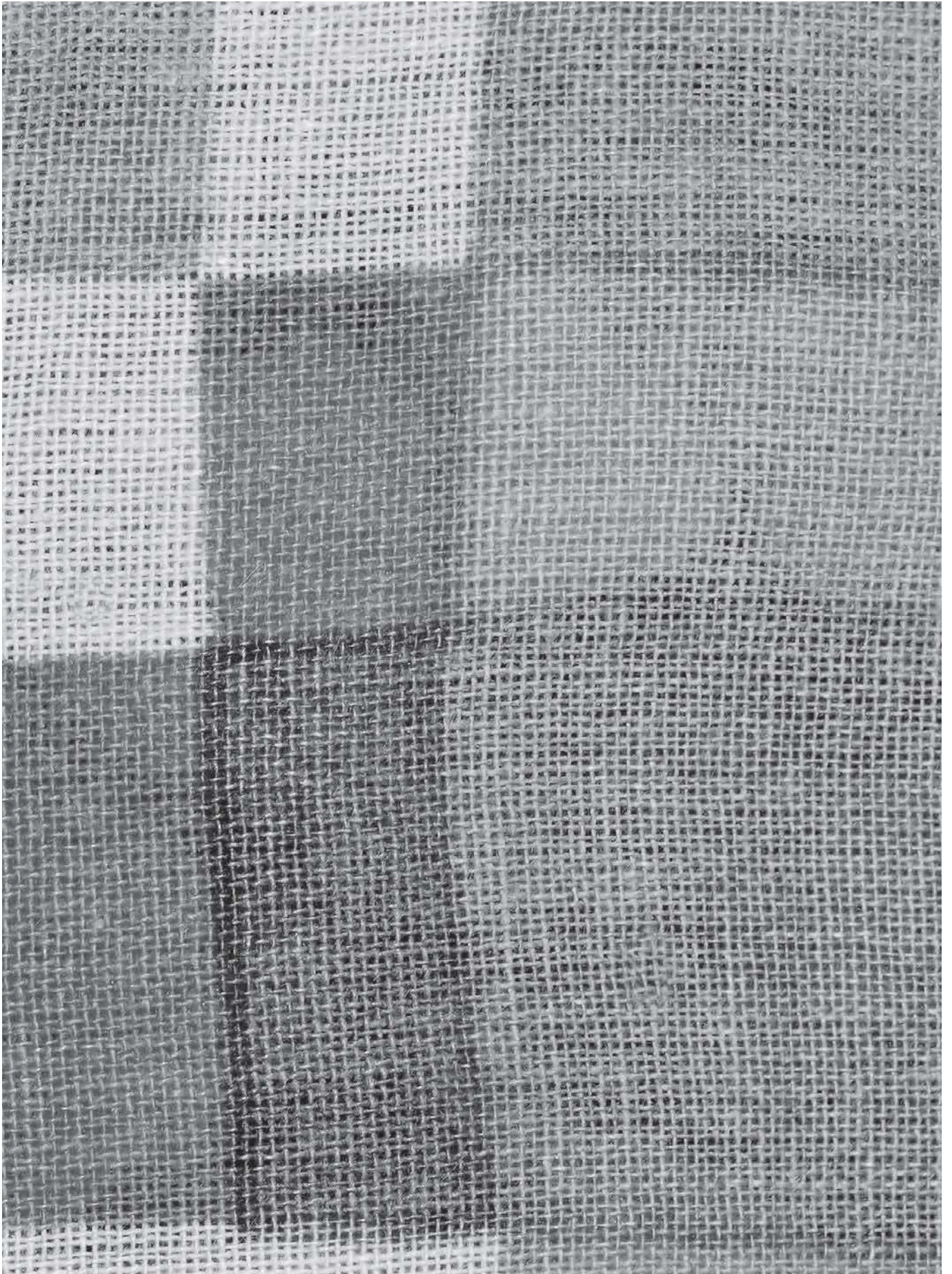
The result is that cost monitoring has evolved into relentless cost reduction. A head office-mediated cost management initiative now has become a multi-plant agenda. What used to be a private cost reduction measure is now a pan-organisational movement.

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**The moral of the story:** The only limits are in our mind.

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# Principles mean responsibility.

IN A BUSINESS THAT ALSO GENERATES CLEAN ENERGY AND PROVIDES ENVIRONMENT-FRIENDLY FUEL ADDITIVES, THE PRIORITY IS NOT JUST TO RESPOND WITH A PATCHWORK OF INTENT. THE OBJECTIVE IS TO BE COMPLETELY RESPONSIBLE. THE OPERATIVE WORD BEING 'COMPLETELY'.

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During the financial year ended 2015-16, Balrampur partially implemented a ₹225 Crore project to incinerate spent wash (effluent discharge) across its three distilleries.

The incineration will translate into the following benefits: eliminate the need for external disposal, remove logistical and environmental challenges, generate approximately 9MW of surplus power and extend plant running days in our distillery.

The result: the Balrampur distillery became zero-discharge even before it became mandatory.

Correspondingly, the Company enhanced the capacity utilisation

of its distillery by extending its operational period. This incremental working days will enable the Company to additionally utilise captively-generated molasses, capitalise on existing infrastructure that could reduce the breakeven point, run the distillery for 60 more days each year, generate an incremental 20 million litres (approximately) annually, completely graduate its product mix towards ethanol and remuneratively market this product to government-owned Oil Marketing Companies (OMCs).

***Cleaner processes. Larger volumes.  
Better prices. Win-win-win.***

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**The moral of our story:** Principles lead to business sustainability.

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# The Managing Director's review

Vivek Saraogi analyses the Company's robust 2015-16 turnaround

## The turnaround

Balrampur Chini Mills reported a vigorous turnaround in 2015-16. The Company evolved from a net profit of ₹3.64 Crore in 2013-14 to a net loss of ₹57.73 Crore in 2014-15 to a net profit of ₹99.42 Crore in 2015-16.

The extent of the turnaround will prompt a number of people to believe that this was the singular result of an improvement in sugar realisations.

That would only be partially true; there were actually a number of reasons why the Company reported such a significant turnaround.

The improvement was the result of working in a certain manner, whereby whatever that could not be earned from the marketplace was partly retrieved from within.

'Retrieved from within' is a deliberate statement whereby we continue to believe that any Company driven by thousands of operating variables can always maximise its overall efficiency by reworking some or a number of those variables.

This 'tweaking' is more potent than it appears. It comprises the replacement of high-cost debt with cheaper alternatives, focus to improve sugar

recovery, quality, consumption of entire molasses for ethanol production and reporting energy savings to enhance bagasse availability, among others.

At Balrampur, what may not appear significant to a number of observers is valuable to us. It provides us with a window into a larger latent opportunity. These could be insignificant from a standalone perspective but attractive from an aggregated one.

For instance, we focus on strengthening cane varieties. We focus on improving recoveries across our command area. We celebrate cost-cutters. We try to stretch our rupee the farthest. We measure sugar quality every single day. We create captive downstream capacities to utilise the entire bagasse and molasses generated through cane crushing. We produce more ethanol for government OMCs to enhance fiscal stability.

The result is that Balrampur fine-tuned virtually every operational aspect within its control with the objective to enhance efficiency. Anything that was good could be made better.

The result is there in the numbers. Balrampur reported a substantial cash profit of ₹209.52 Crore and a profit

after tax of ₹99.42 Crore (after valuing its sugar stock at cost). We always said that we would be among the first to get going in an industry rebound after an extended downturn. The Company's performance during the last financial year proved so. During the year, we wrote off ₹169.00 Crores claim receivables from the UP Government under the New Sugar Investment and Promotion Policy, 2004 in view of the uncertainty in realising this.

### Our principles

Over the years, we have run our Company by some principles.

These principles indicate that we do not need to demonstrate extraordinary brilliance while running the Company on a daily basis. These principles entail a disciplined approach in which the routine is done better than anyone else. It means not trying to be needlessly courageous while the storm is blowing. It means responding to our everyday business priorities without panic or euphoria. It means maintaining a long-term perspective before every decision. It means investing during downturns. It means not necessarily being driven by scale but by the excitement of creating a higher returns-driven company.

### Principles at work

The principles have manifested into how we conducted ourselves in the last few years.

**One**, over the years, we have stuck to our core competence: the efficient manufacture of sugar on the one hand and the planned integration into the processing of downstream byproducts on the other. The result is that we continue to do what we did a few decades ago – encourage farmers to plant more cane, replace legacy cane varieties with superior alternatives and explore every possible means of enhancing farmer profitability, convinced that if the farmers grew more cane (and sold to us), we would not only enhance our long-term viability but also theirs.

**Two**, we kept leverage under control, retained bankers' confidence and stayed away from the temptation of unrelated diversifications. The result was that we stuck to the conventional model with a resolve to manage this better than anyone else.

**Three**, while it would be evident that we remained conservative, the reality is that within this conservatism we



We focus on strengthening cane varieties. We focus on improving recoveries across our command area. We celebrate cost cutters. We try to stretch our rupee the farthest.

redefined our dynamism. We invested in cane management a few years ago; we helped evolve a large proportion of our command area to superior cane varieties (warranting the farmers to work harder); we provided adequate pest and disease management inputs that induced farmers to believe that the pain was worth it. Under the circumstances prevailing in the last couple of years, we paid farmers on schedule and the result was that this maximised cane availability without a reduction in our command areas. The result is that over the last couple of years, we have remarkable results to present. Cane yields in significant portions of our command area increased 50%. To top this, recoveries improved by 131 bps in 2015-16 over the previous sugar season to possibly the highest in our existence. I have no hesitation in conceding that some of this increase was climate-induced over which we had no control, but the reality is that even as we might relinquish some of these recovery gains next season, we still expect to finish considerably higher than our retrospective average.

The other instance of our conservative-dynamic hybrid approach was our decision to invest ₹225 Crore in incinerator boilers. In our business, the scale of the incinerator investment was almost equivalent to investing in a new distillery plant. However, within this conservatism lay dynamism. We believe that there will soon come a time when running a distillery in excess of 300 days

will not be possible without this facility. This proactive investment could create favourable marketplace realities that Balrampur could competently capitalise on. The bonus is that the Company has also been permitted to extend distillery operations by almost 60 days a year, enhancing revenues and shrinking payback tenures.

This conservative dynamic approach has got us far. The Company is the second largest sugar manufacturer in India, among the country's largest ethanol manufacturers and Uttar Pradesh's largest cogeneration company.

### Optimism

I am optimistic for a number of reasons.

**One,** sugar output in the country declined in 2015-16 following reduced output in Maharashtra and Karnataka. I believe that we should see yet another decline in 2016-17, stabilising sugar realisations at remunerative levels for the industry (after years) without this being prohibitive for the end-consumer.

**Two,** we expect to counter the marginal decline in cane crushing through enhanced yield, which means that we could generate an attractive quantity of sugar for sale at enhanced realisations.

**Three,** we expect to allocate our entire distillery capacity towards the manufacture of ethanol, which we expect to market to Oil Marketing Companies appointed by the Government. This is a

rare industry reality where there are no marketing restrictions; the onus is on us to produce as much as we can. Besides, the incinerator boiler investment will result in incremental capacity utilisation, which is likely to enhance revenue/profitability of the distillery segment.

**Four,** our cogeneration business will play a stabilising annuity role, generating predictable PPA-protected revenues and profits.

### Overview

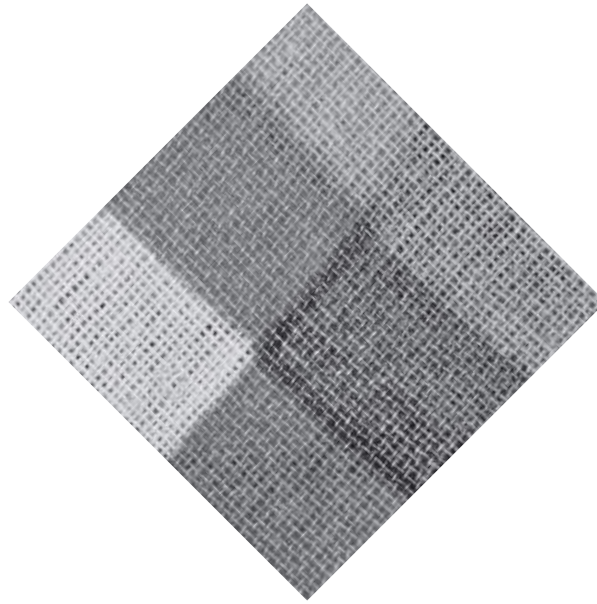
For the last few years, the country's integrated sugar sector lost heavily in the manufacture of sugar, made a reasonable quantum on ethanol and generated predictable revenues from cogeneration.

The time has come when we expect to breakeven (or more) on sugar, enhance profits through ethanol and continue generating predictable cogeneration revenues.

At Balrampur, our principal objective will be to reduce debt and invest in overall plant balancing that would make it possible to moderate our costs (financial and operational), strengthen our viability across market cycles and reward shareholders.

Regards,

**Vivek Saraogi**  
*Managing Director*



Focusing on  
principles has  
done well for  
our business.

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INCREASED RECOVERY

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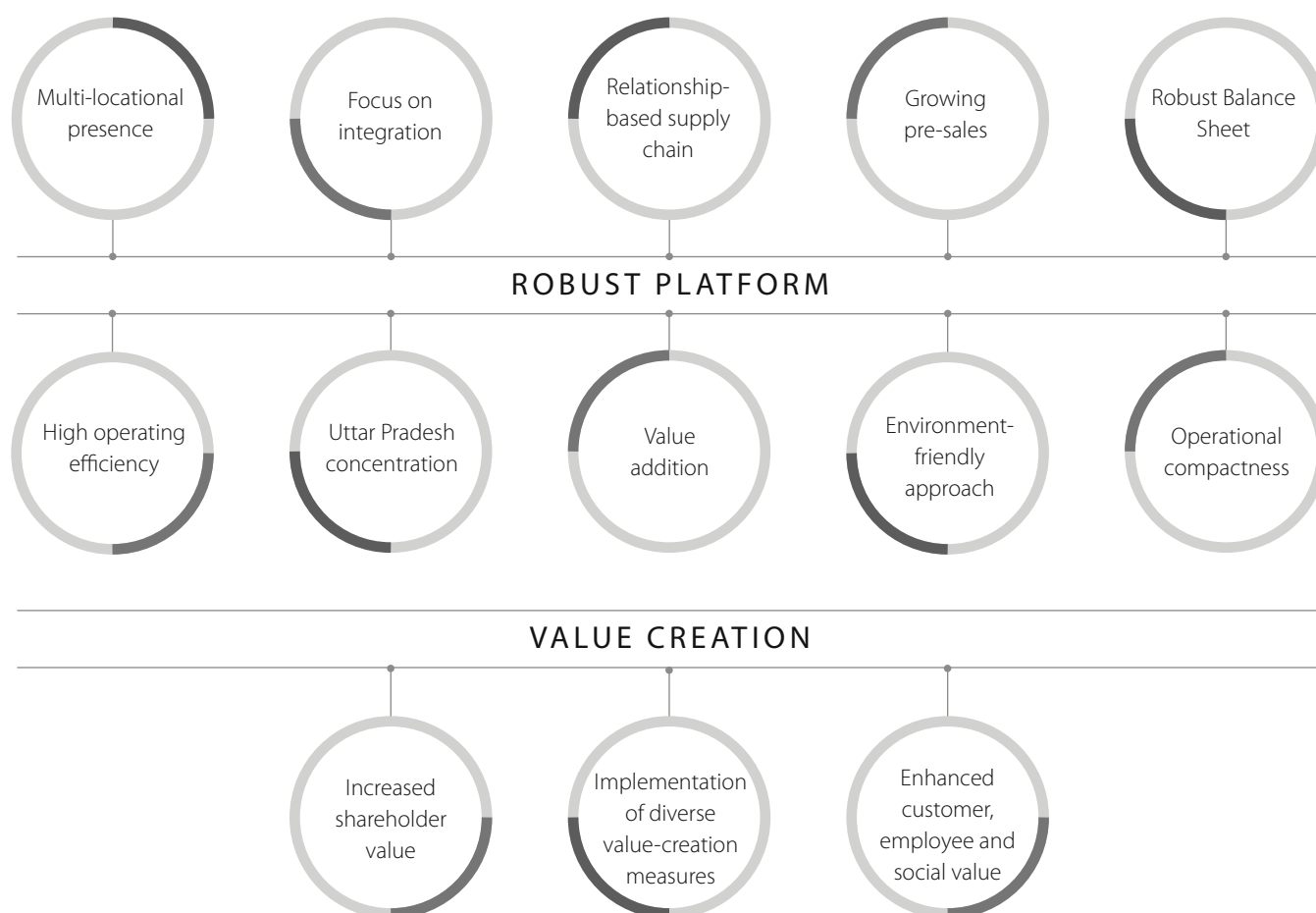
Recovery improvement

154 bps

In FY 2015-16, over FY 2012-13



# Our resilient business model



**Multi-locational presence:** The Company has ten plants across Central and Eastern Uttar Pradesh capitalising on the conducive climatic conditions.

## Widening footprint

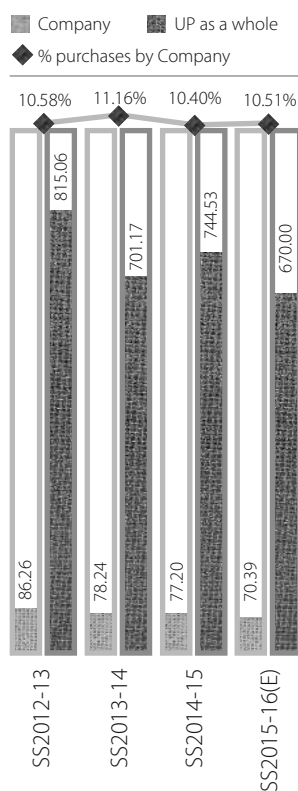
1990	2000	2016
One plant	Three plants	Ten plants

**Focus on integration:** The Company has progressively repositioned itself as a sugar-cum-ethanol-cum-cogeneration company as opposed to its complete erstwhile focus on sugar.

## Declining dependence on sugar\*

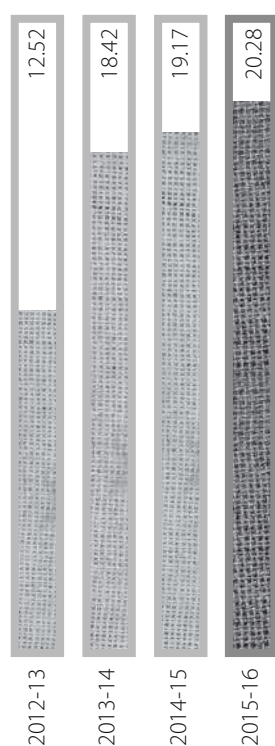
	1995-96	2005-06	2015-16
Alcohol production [KL]	4628	57279	70555
Power generation [Lac units]	-	4398.50	7469.14

\* The Company has not invested significantly in standalone sugar manufacturing facilities post 2007.



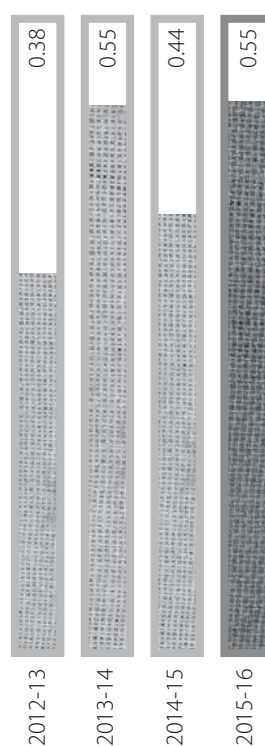
#### Growing cane purchase (Lac tonnes)

**Relationship-based supply chain:** The Company has been highly effective in encouraging farmers to grow more cane, providing multi-season support and timely payments, helping enhance asset utilisation.



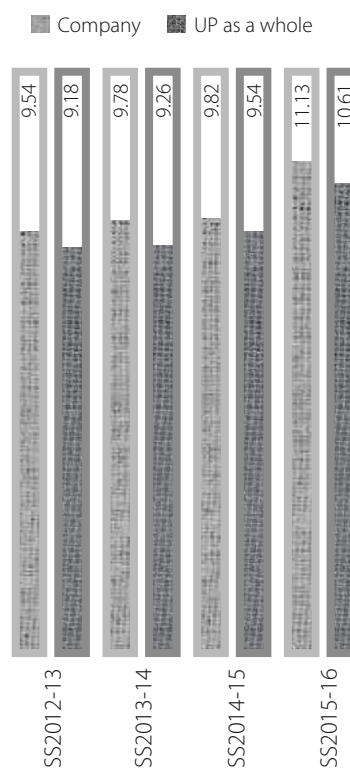
#### Proportion of distillery and cogeneration revenue (net external sales) over the years (%)

**Growing pre-sales:** The Company selected to grow businesses marked by consistent demand for number of years (ethanol and cogeneration), empowering it to focus largely on manufacture.



#### Debt-equity ratio

**Robust Balance Sheet:** The Company possesses a robust Balance Sheet, marked by a gearing of 0.55 (net of working capital) and significant long-term interest free debt, strengthening its capacity to survive sectoral downturns.



#### Recovery (%)

**High operating efficiency:** The Company's stretch culture translated into a high operating efficiency; the Company's average recovery has generally been higher than the Uttar Pradesh average.

#### Uttar Pradesh concentration

The Company has selected to grow its presence in the cane-rich belt of Uttar Pradesh by leveraging decades of terrain knowledge, superior inter-plant synergies and supportive agro-climatic conditions.

#### Value-addition

The Company focused on the production of value-added refined sugar – around 12% of its sugar output (generating premium).

#### Environment -friendly

The Company is among the first in India's sugar industry to install an incinerator in its distillery to enhance capacity utilisation and eliminate effluent discharge.

#### Operational compactness

The Company has selected to enhance operational proximity with the objective to enhance logistical and benchmarking efficiencies. Its Eastern Uttar Pradesh plants (80% of capacity) are within a 150 kilometre radius; its Central Uttar Pradesh plants are in the same district.

# Financial summary

## Financials

(₹ in Crore)

Particulars	March 2012	March 2013	March 2014	March 2015	March 2016
Gross sales	2390.31	3384.03	2758.71	3093.21	2874.07
Other operating income	-	-	-	-	-
<b>Total income</b>	<b>2390.31</b>	<b>3384.03</b>	<b>2758.71</b>	<b>3093.21</b>	<b>2874.07</b>
Stock adjustments	(487.10)	108.04	(184.10)	426.41	(136.23)
Cost of material consumed	2262.63	2410.91	2275.00	2083.54	2112.54
Excise duty	80.77	109.19	93.76	106.23	117.41
<b>Gross profit</b>	<b>534.01</b>	<b>755.89</b>	<b>574.05</b>	<b>477.03</b>	<b>780.35</b>
Overheads and all other expenditure	295.78	336.00	360.03	350.53	361.04
<b>Profit from operations</b>	<b>238.23</b>	<b>419.89</b>	<b>214.02</b>	<b>126.50</b>	<b>419.31</b>
Other income	27.74	42.80	25.94	15.04	44.55
<b>PBDIT</b>	<b>265.97</b>	<b>462.69</b>	<b>239.96</b>	<b>141.54</b>	<b>463.86</b>
Finance costs	147.41	143.87	117.84	102.09	75.60
<b>PBDT</b>	<b>118.56</b>	<b>318.82</b>	<b>122.12</b>	<b>39.45</b>	<b>388.26</b>
Depreciation and amortisation expense	110.78	108.26	109.45	115.61	110.10
<b>Profit/(loss) before tax and exceptional items</b>	<b>7.78</b>	<b>210.56</b>	<b>12.67</b>	<b>(76.16)</b>	<b>278.16</b>
Exceptional items	-	-	-	-	173.10
<b>Pre-tax profit/(loss)</b>	<b>7.78</b>	<b>210.56</b>	<b>12.67</b>	<b>(76.16)</b>	<b>105.06</b>
Tax	1.16	48.53	9.03	(18.43)	5.64
<b>Post-tax profit/(loss)</b>	<b>6.62</b>	<b>162.03</b>	<b>3.64</b>	<b>(57.73)</b>	<b>99.42</b>
Equity capital	24.43	24.43	24.48	24.49	24.50
Reserves (excluding revaluation reserves)	1193.50	1298.44	1193.84	1104.78	1205.92

## Value-added statement

(₹ in Crore)

Particulars	March 2012	March 2013	March 2014	March 2015	March 2016
Income from production	2796.63	3166.80	2849.05	2560.57	2892.89
Add: other income	27.74	42.80	25.94	15.04	44.55
Corporate output	2824.37	3209.60	2874.99	2575.61	2937.44
Less: Cost of material consumed	2262.63	2410.91	2275.00	2083.54	2112.54
Less: Other manufacturing expenses	178.03	206.55	218.33	200.23	209.61
<b>Equals gross value-added</b>	<b>383.71</b>	<b>592.14</b>	<b>381.66</b>	<b>291.84</b>	<b>615.29</b>
Less: Depreciation and amortisation expense	110.78	108.26	109.45	115.61	110.10
Less: Exceptional items	-	-	-	-	173.10
<b>Equals net value-added</b>	<b>272.93</b>	<b>483.88</b>	<b>272.21</b>	<b>176.23</b>	<b>332.09</b>
<b>Allocation of net value-added</b>					
To personnel	117.74	129.46	141.70	150.30	151.43
To taxes (including tax on proposed dividend)	1.16	56.83	9.03	(18.43)	5.64
To creditors (via interest)	147.41	143.87	117.84	102.09	75.60
To investors (via dividend)	-	48.86	-	-	-
To the Company (via retained earnings)	6.62	104.86	3.64	(57.73)	99.42

# Financial ratios

## Key financial ratios

Financial year	March 2012	March 2013	March 2014	March 2015	March 2016
Overheads- total income (%)	12.37	9.93	13.05	11.33	12.56
PBDIT- total income (%)	11.13	13.67	8.70	4.58	16.14
Interest- total income (%)	6.17	4.25	4.27	3.30	2.63
Interest cover (times)	1.80	3.22	2.04	1.39	6.14
PBDT-total income (%)	4.96	9.42	4.43	1.28	13.51
Net profit-total income (%)	0.28	4.79	0.13	(1.87)	3.46
Cash profit-total income (%)	4.91	7.99	4.10	1.87	7.29
Return on net worth (%)	0.53	12.75	0.29	(4.92)	8.43
Return on capital employed (%)	8.19	14.72	8.24	5.10	16.26

## Balance sheet ratios

Financial year	March 2012	March 2013	March 2014	March 2015	March 2016
Debt-equity ratio	0.63	0.38	0.55	0.44	0.55
Inventory turnover (days)	305	203	277	197	237
Current ratio	1.10	0.99	1.08	1.05	1.22
Quick ratio	0.22	0.22	0.12	0.26	0.18
Asset turnover (total revenue-total assets)	0.60	0.80	0.66	0.77	0.75
Fixed asset coverage ratio	2.11	3.05	2.28	2.81	2.11
Debt service coverage ratio	0.56	0.99	0.70	0.96	1.21

## Growth ratios

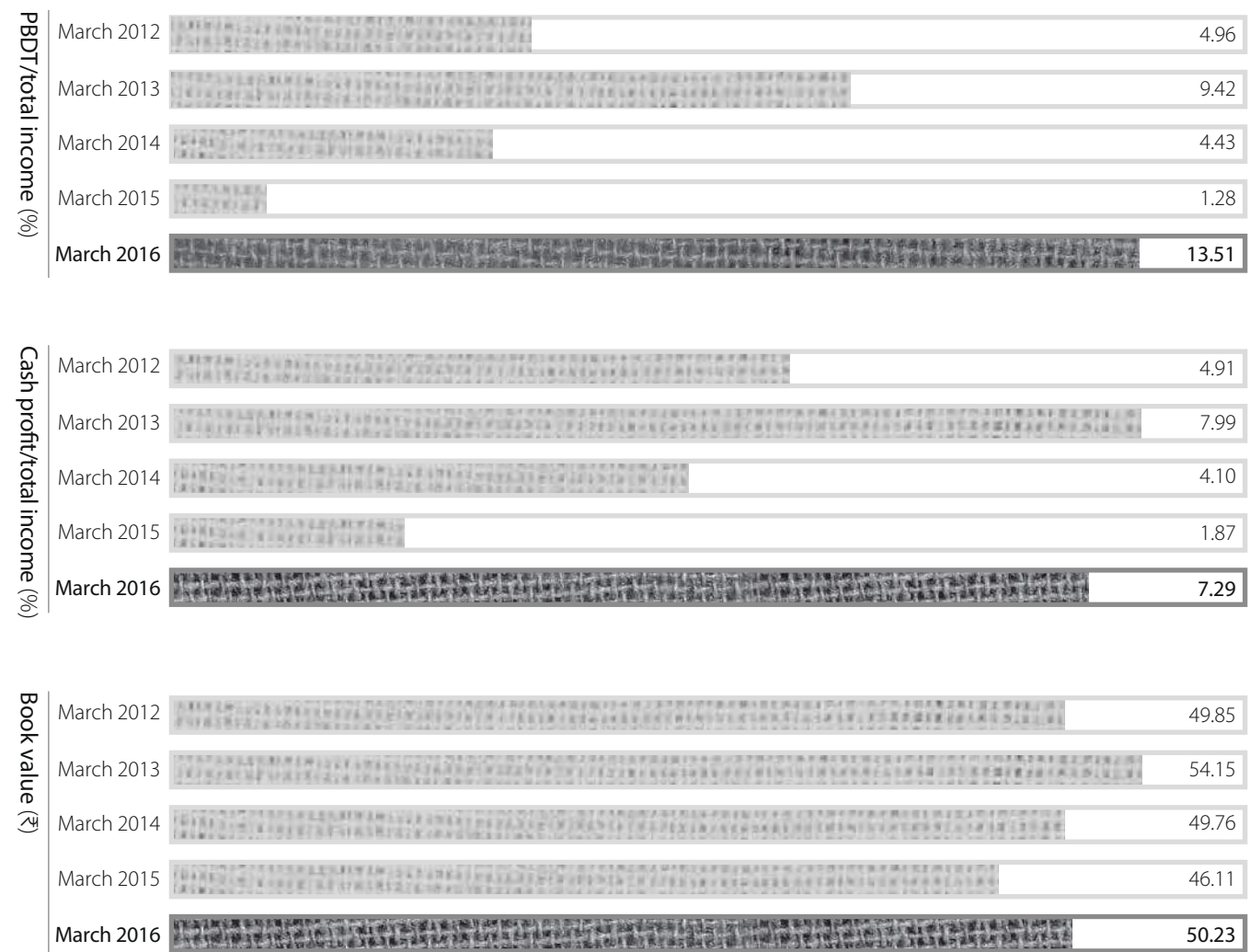
Financial year	March 2012	March 2013	March 2014	March 2015	March 2016
Growth in turnover (%)	16.89	41.57	(18.48)	12.13	(7.08)
Growth in PBDIT (%)	(26.43)	73.96	(48.14)	(41.02)	227.75
Growth in PAT (%)	(93.96)	2347.58	(97.75)	(1685.99)	272.20
Growth in cash profit (%)	(47.04)	130.23	(58.16)	(48.82)	262.06

## Per share data

Financial year	March 2012	March 2013	March 2014	March 2015	March 2016
Basic EPS (₹)	0.27	6.63	0.15	(2.36)	4.06
CEPS (₹)	4.78	11.06	4.62	2.36	8.55
Dividend (₹)	-	2.00	-	-	-
Book value (₹)	49.85	54.15	49.76	46.11	50.23
Price-earnings (%)	212.45	6.57	375.59	-	26.58
Net indebtedness (₹)	31.24	20.45	27.25	20.08	27.63



# Our performance



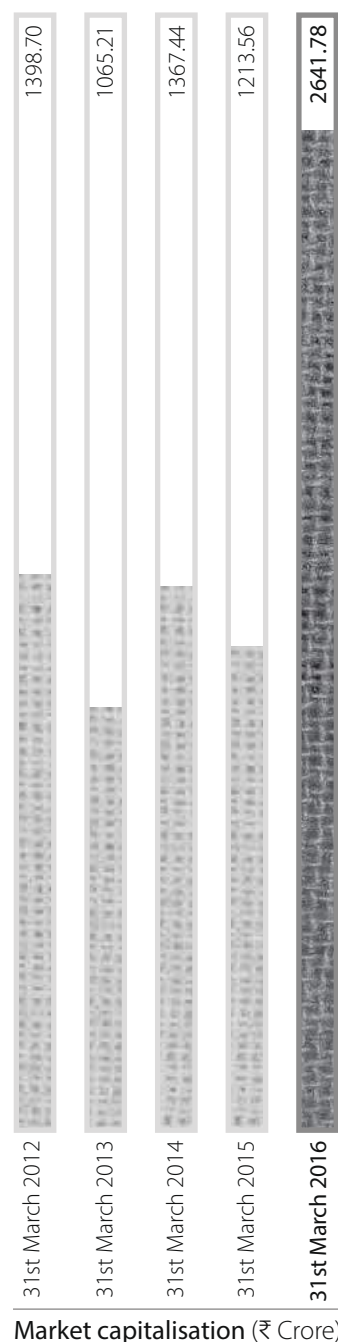
# Creating shareholder value

## Market capitalisation

The Company's market capitalisation strengthened from ₹1213.56 Crore as on 31st March 2015 to ₹2641.78 Crore as on 31st March 2016.

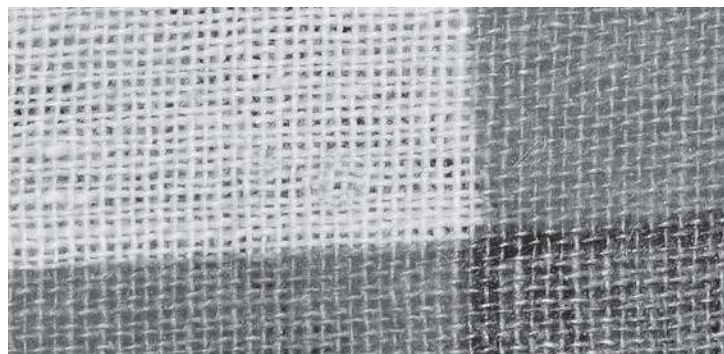
## Total shareholders' return (TSR)

Total shareholders' return is the tool to measure the increase derived directly in the form of dividend and indirectly in the form of capital appreciation recorded by the stock during the financial year under review. TSR is calculated by adding the dividend to the difference between the closing and the opening market capitalisation (equity shares multiplied by closing market price on the stock exchanges). During the year under review, the Company reported a TSR of 117.69%.





# Management discussion and analysis



## Industry overview

The sugar industry has been India's rural economy driver because of numerous key interventions:

- By encouraging the growth of cane over the years
- By providing extensive farm and non-farm employment across an estimated 50 million farmers and their families and by providing direct employment to over 0.5 million skilled and semi-skilled labourers in sugar mills and allied industries
- By providing sales opportunities for a number of farm supplements and machinery
- By creating logistic opportunities via the transportation of cane to factories and sugar to consumption points
- By incentivising the creation of a supporting infrastructure that enhances regional productivity
- By providing timely payments for delivered cane (among stronger mills), virtually eliminating cane arrears.

The Indian sugar industry (annual production capacity of around 30 million metric tonnes) is the second largest sugar producer in the world and the second

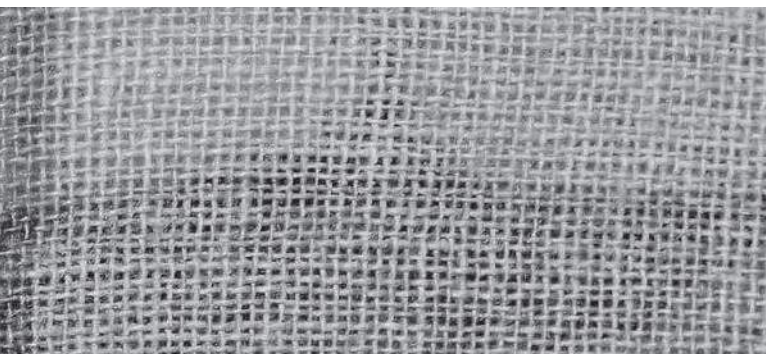
largest Indian agro-based industry after cotton. The industry's annual turnover is estimated at over ₹80,000 Crore; it contributes about ₹2,500 Crore per annum to the exchequer through taxes. Over the last decade, the industry has emerged as a potent driver of environmental responsibility through the manufacture of ethanol and cogeneration.

The result is that the country's sugar industry plays a critical role in addressing consumer preferences, economic growth and environmental responsibility.

## Sugarcane - area under cultivation, production and yield

India's sugarcane production and area under cultivation registered a compounded annual growth rate of 3.70% and 2.03%, respectively, during the 10 years ending with sugar season 2013-14. Although sugar can be extracted from any crop possessing related content, sugarcane is preferred on account of its crop durability, governmental support and attractive viability over paddy and cotton.

The result is that cane acreage under cultivation has increased consistently over the years.



THE INDIAN SUGAR INDUSTRY  
ACCOUNTED FOR MORE THAN 15%  
OF THE GLOBAL SUGAR PRODUCTION  
DURING THE FIVE YEARS ENDING WITH  
SUGAR SEASON 2014-15.

### Localisation

The Indian sugar industry is centred around sugarcane, a heavy, low-value, weight-losing and perishable raw material. Sugarcane cannot be stored for long on account of rapid sucrose loss. Besides, it cannot be transported in bulk on account of logistical costs and sucrose depletion.

Even today, a majority of sugarcane is transported to factories through bullock carts within 20-25 kilometres of farms.

### Industry size, structure and developments

The Indian sugar industry accounted for more than 15% of the global sugar production during the five years ending with sugar season 2014-15. As on January 31, 2015, India had 703 active sugar mills (including two standalone refineries), which were with predominantly rural. About 50% of the sugar mills were promoted by farmers through cooperative societies.

### Mill ownership

Sector	Units
Private limited companies	335
Cooperative societies	325
Public limited companies	43
<b>Total</b>	<b>703</b>

Of these mills, 328 have distillery facilities and 210 possess cogeneration power plants. India produces around 300-350 million metric tonnes sugarcane, 24-26 million metric tonnes of white sugar and 6-8 million metric tonnes jaggery and *khandsari* a year to address a growing demand. Besides, the industry produces approximately 2,700 million litres of alcohol and 2,300 MW of power and allied products.

The industry does not just consume all the power that it generates. It channelises about 1,000 MW to state electricity grids after addressing captive needs. The industry is gradually transforming from standalone cane-crushing facilities into sugar complexes (sugar, bioelectricity,

ethanol, bio-manure and chemicals) contributing about 1% to the national GDP.


Maharashtra, Uttar Pradesh and Karnataka are the principal sugar producing Indian states. Maharashtra and Uttar Pradesh cumulatively account for nearly 60% of the country's sugar production. Uttar Pradesh was the largest sugarcane cultivating state, accounting for 39% of the total sugarcane in 2013-14 followed by Maharashtra (22%). The average sugarcane yield during the last five years in Uttar Pradesh was 53-57 tonnes per hectare while Maharashtra reported an average yield of 77-93 tonnes per hectare.

The Indian sugar industry is among the few industries to have catalysed the country's rural economy by generating employment.

### Uttar Pradesh sugarcane industry

The cost of growing cane in Uttar Pradesh is attractively low and the soil and climatic conditions in some parts of the state considered ideal for sugarcane cultivation. To enhance cane growth, the State Government is likely to commission a research and development unit to develop





superior plants offering enhanced yields and disease-resistance, strengthening its position within India's sugar sector.

- Uttar Pradesh is agro-climatically suitable for quality sugarcane growth, marked by the use of lower inputs compared to other states.
- The state possesses the leading sugarcane acreage in the country. The state accounted for about 40% of the country's sugarcane.
- The state's output for 2015-16 is expected at 6.8 million tonnes.
- The cane price (SAP) of ₹280 per quintal has remained unchanged for three years.
- The acreage under early sugarcane variety in the state is expected to go up to around 40% of all cane areas in 2016-17, enhancing recovery, strengthening the balance sheets of sugar manufacturers and enhancing income for farmers.

### **The global sugar industry, an overview**

Sugar production in the year 2015-16 is expected to fall globally by 4%, decreasing to 178.9 million tonnes raw value (mtrv) from 187.9 mtrv. This would be the most significant decrease in sugar production since 2008-09. This fall has been driven by heavy rainfall in Center-South Brazil, as well as in the EU, where the acreage has significantly declined year-on-year. Due to the fall in output in Brazil, the global deficit is estimated to steepen.

### **Global sugar consumption**

- There was an increase in sugar consumption of 2.4% from 2014 to 2015, bringing the total volume to 182.9 mtrv.
- The average consumption growth over the last decade has been about 2%; new point prices in 2015 led to a strong consumption growth.
- The forecasted sugar consumption for 2016 is 186.1 mtrv.
- These figures reveal an increase in global per capita consumption.

### **Global balance**

- For the first time in five years, 2015-16 is likely to end in global deficit.
- Although there are plentiful stocks due to four years of surplus, current prices reflect the recent shortfall in production.

### **Opportunities in byproduct segments**

The manufacture of ethanol and cogeneration has emerged as enduring annuity earners for India's sugar industry.

The global energy insecurity and environmental concerns are driving the adoption of the mixing of ethanol in fuel. Countries like Brazil, the U.S., Australia, Canada Japan and a number of European nations have mandated blending of ethanol with automotive fuel. Based on this reality, global ethanol demand is likely to grow exponentially; global ethanol exports, currently estimated at 6.5 billion litres, is expected to increase to 50 to 200 billion litres by 2020 (depending on crude oil prices and regulatory norms).

India needs to develop fuel ethanol programmes with high blending levels. In 2017, based on molasses availability, the 5% level seems achievable. 10% / 20%, on the other hand, would need a stable blending policy and consensus between oil companies, automotive majors and the sugar industry.

From a distillery perspective in 2017, an additional 96 million litres would be needed for the 5% blending ratio and projected demand increase for industrial and potable alcohol, while 965 million litres would be required in the event of 10% blending ratio. The regulatory environment will need to facilitate the transition to a higher blending programme through necessary changes. Higher blending levels will also warrant sugar mills - to shift flexibly from sugar to ethanol in response to market dynamics.

In the cogeneration segment, the exportable power potential is estimated at approximately 9,700 MW for 2017. This can potentially address almost 6% of the additional power requirement of 128 gigawatts by 2017.

### **Ethanol-blended petrol programme (EBP)**

The EBP, besides moderating pollution, is expected to ensure molasses utilisation and enhance revenue potential for sugar mills.

The EBP was taken up for 2007. In 2012, the Cabinet Committee on Economic Affairs



evaluated the recommendations of the Group of Ministers on the reports of the Expert Committee on pricing of ethanol and the Economic Advisory Council to the Prime Minister, and approved that the procurement price of ethanol would be decided henceforth by oil marketing companies and ethanol suppliers. Following this decision, the 5% ethanol blending with petrol became mandatory. Subsequently, for the last two years the Central Government has been following the fixed supply price mechanism for supply of ethanol by sugar mills to oil marketing companies.

### **Key sectoral constraints**

#### **Production surplus, weakening**

**realisations:** The Indian sugar industry has been reporting surplus sugar production since the 2010-11 Sugar Season. Concurrently, global sugar production exceeded immediate consumption, affecting realisations and closing down small and medium-sized mills.

#### **Regulated resource; vulnerable end**

**product:** The Indian sugar industry continues to be regulated by State and Central Governments - in terms of cane procurement areas and sugarcane pricing. FRP is decided by the Central Government for sugar season each year, which is the minimum cane price that a sugar mill needs to pay farmers. Besides, some State Governments also implement a (Administered Price) insisting that mills pay the FRP or the SAP (whichever higher).

The FRP/SAP declared by the Indian Government for sugarcane is considered globally prohibitive. Brazil, the largest sugar producing nation, has linked sugarcane prices with market-driven sugar realisations. In India, the Rangarajan Committee was constituted to determine sugarcane price as a percentage of the price of sugar and byproduct realisations; their recommendations have not been implemented, making Indian sugar globally uncompetitive. The sugar inventory, with virtually no export (because of relatively low international prices), resulted in domestic price erosion. On the other hand, a consistent cane price increase impacted mill margins and affected the timeliness of cane payments to farmers.

As on March 31, 2015, the difference between payments to farmers to be made as per FRP/SAP against sugarcane procured and actual payment made by the sugar manufacturers was estimated at about ₹19,000 Crore. The situation aggravated when Uttar Pradesh kept the SAP prices at uneconomical levels unchanged during the last three sugar seasons. The State alone accounted for approximately 50% of cane arrears.

#### **Protected cane pricing; banks averse**

**to sectoral lending:** Operational snags, mounting cane arrears and a significant sugar stock depressed prices, moderated operating spread and resulted in operating losses for a number of sugar mills. The Hon'ble Supreme Court's directive to sugar

FROM A DISTILLERY PERSPECTIVE IN 2017, AN ADDITIONAL 96 MILLION LITRES WOULD BE NEEDED FOR THE 5% BLENDING RATIO AND PROJECTED DEMAND INCREASE FOR INDUSTRIAL AND POTABLE ALCOHOL, WHILE 965 MILLION LITRES WOULD BE REQUIRED IN THE EVENT OF A 10% BLENDING RATIO.



THE CENTRAL GOVERNMENT ANNOUNCED A MINIMUM INDICATIVE EXPORT QUOTA IN SEPTEMBER 2015 FOR THE EXPORT OF SUGAR DURING THE ONGOING SUGAR SEASON TO REDUCE SURPLUS STOCKS.

mills to prioritise farmer payments by liquidating the sugar stock hypothecated to banks over bank repayments created uncertainties in accessing additional financing from banks.

**Sugar mill financial performance:** High domestic sugarcane prices in the last three years, uncompetitive export pricing, working capital tied up in sugar stocks and mounting cane arrears affected the financial profile of sugar companies in FY15. Following a decline in operating income and profitability, the operations of small and medium-scale sugar mills remained stressed.

### Government initiatives to address industry issues

**Export encouragement:** The Central Government announced a MIEQ (Minimum Indicative Export Quota) in September 2015 for the export of sugar during the ongoing sugar season, to reduce surplus stocks.

### Ethanol blended petrol (EBP)

**programme:** The Government of India mandated a minimum ethanol blending of 5% with petrol from June 2013 and set an aggressive target for increasing the blending ratio to 20% by 2017 in line with major sugar producing countries. The

Indian Government incentivised the sugar industry by increasing ethanol prices to ₹49.50 per litre for supply to oil marketing companies and waived the excise duty of 12.50% on ethanol intended for blending for 2015-16.

**Sugar Development Fund:** The Sugar Development Fund (SDF) was set up under the SDF Act, 1982 for financing the sugar industry. Under this, the sugar mills are required to pay for the levy of cess (₹24 per quintal of sugar manufactured which has been increased to ₹124 per quintal w.e.f. 1st February 2016). The Indian Government uses SDF proceeds to advance loans for the rehabilitation and modernisation of sugar factories. The fund can also be used to build and maintain buffer stocks.

### Outlook

Sugar production during sugar season 2015-16 is expected to be 25.2 million tonnes and lower in sugar season 2016-17.

On the consumption side, robust demand is expected from soft drink manufacturers, confectioneries, hotels, bakeries and ice cream manufacturers. Besides, sugar consumption is likely to be catalysed by India's relatively strong economic growth, rising incomes, youthful population and changing consumption patterns.





# Segment-wise performance



## Sugar

The sugar segment constituted the largest share of the Company's revenues. The segment contributed 79.91% of the Company's turnover during the year against 80.84% in 2014-15.

Revenues from the sugar segment during 2015-16 stood at ₹2231.13 Crore compared to ₹2422.77 Crore in 2014-15.



## Distillery

Revenues from this segment contributed 9.70% of the Company's revenues during the year against 9.52% in 2014-15.

Revenues from the segment stood at ₹270.79 Crore in 2015-16 compared to ₹285.27 Crore in 2014-15.



## Cogeneration

Revenues from cogeneration contributed 10.07% of the Company's revenues during the year compared with 9.42% in 2014-15.

Revenues from this segment stood at ₹281.10 Crore in 2015-16 compared to ₹282.40 Crore in 2014-15.



## Others

Revenues from this segment contributed 0.33% of the Company's revenues during the year compared with 0.22% in 2014-15.

Revenues from this segment grew from ₹6.48 Crore in 2014-15 compared to ₹9.08 Crore in 2015-16.

## Segment-wise revenue#

(₹ in Crores)

	March 2012	March 2013	March 2014	March 2015	March 2016
Sugar	1950.32	2869.21	2186.31	2422.77	2231.13
Distillery	147.70	206.10	251.74	285.27	270.79
Cogeneration	218.86	218.80	236.28	282.40	281.10
Others	2.69	5.05	5.94	6.48	9.08
<b>Total</b>	<b>2319.57</b>	<b>3299.16</b>	<b>2680.27</b>	<b>2996.92</b>	<b>2792.10</b>

# Does not include inter-segment revenues



## Sugar

Revenue (net of inter-segment) in 2015-16:

₹2231.13 Crore

Proportion of overall revenues in 2015-16:

79.91%

Sugar remained the largest revenue generator for BCML with a steady cash flow. Over the years, the Company has invested in enhancing process efficiencies, helping generate a better quality sugar. Nearly 12% of the production is refined sugar, resulting in better prices on one hand and increased consumer trust on the other. The Company also initiated energy reduction measures that helped generate more bagasse for byproduct generation and strengthened revenues.

Balrampur Chini Mills Limited possesses the second-largest sugar manufacturing capacity in India; its cumulative manufacturing capacity of 76,500 TCD is spread across ten units.

The Company's manufacturing units are located in Eastern and Central Uttar Pradesh, which usually enjoy robust cane output and recoveries. The units are proximate (within a radius of 150-200 kms) resulting in cost optimisation and operational synergies.

The Company's raw materials are sourced from within 50-60 kms of its factories. The Company provides logistical support to shrink the time between post-harvest and crushing leading to attractive recoveries.

The Company's growing cane needs are serviced by around 4.6 Lac farmers.

### Competitive advantages

**Scale:** The Company is among the largest

sugar manufacturers in Uttar Pradesh, leveraging superior economies-of-scale.

**Geography:** The Company's manufacturing units are located in Eastern and Central Uttar Pradesh, which offer better cane quality.

**Cane management:** The Company provides better seeds and quality agri-inputs to its farmers in its command area reflecting in better cane quality and one of the best recoveries (in excess of 11%) in Uttar Pradesh for the current sugar season.

**Energy reduction:** Process efficiency - enhancing measures helped the Company optimise energy consumption.

**Quality:** Efficient operations and stringent quality checks enabled the Company to produce better quality sugar (more than 12% of the production as refined sugar), commanding better realisations.

### Recovery

11.06%

As on 31st March 2016

### Farmer payment

₹1589.92 Crore

For the current sugar season up to 31st March 2016

## PROCESS EFFICIENCY ENHANCING MEASURES HELPED THE COMPANY OPTIMISE ENERGY CONSUMPTION.

**Farmer-friendly:** The Company provides farmers quality seeds, effective agri-inputs, timely payment as well as logistical support for bringing the cane from fields to the factory. This helps the Company generate strong farmer support in its command area.

### Initiatives, 2015-16

- Better varieties of cane helped the Company achieve improved recoveries.

- Improved processes and high output cane helped BCML enhance recovery by 131 bps during the sugar season 2015-16
- The Company prioritised energy optimisation through lower steam consumption, power consumption and water cycle reduction leading to lower bagasse consumption. This was utilised for the generation of more power.
- The Company focused on improving

process efficiency and consistency.

- The Company reported superior plant maintenance, resulting in greater plant availability during the year.

### Outlook

Going ahead, the Company will focus on optimising energy consumption on the one hand and improving cane varieties to increase overall recovery rates on the other.

## Five-year operational summary

### Cane crushed

(in Lac tonnes)

Units	March 2012	March 2013	March 2014	March 2015	March 2016
Balrampur	13.95	12.59	12.12	12.91	12.02
Babhnan	10.68	10.48	10.03	11.24	8.77
Tulsipur	7.00	5.72	6.02	6.64	7.11
Haidergarh	4.28	4.17	3.71	3.53	3.31
Akbarpur	8.51	8.37	7.83	6.34	7.14
Rauzagaon	7.01	7.88	6.78	6.58	5.62
Mankapur	9.26	8.62	8.61	9.20	7.69
Kumbhi	10.40	10.77	9.31	9.79	10.01
Gularia	10.33	9.06	7.23	8.40	9.79
Maizapur	3.21	3.39	3.38	3.60	2.79
Khalilabad	-	-	2.26	2.34	-
<b>Total</b>	<b>84.63</b>	<b>81.05</b>	<b>77.28</b>	<b>80.57</b>	<b>74.25</b>

### Sugar production

(in Lac tonnes)

Units	March 2012	March 2013	March 2014	March 2015	March 2016
Balrampur	1.35	1.20	1.18	1.27	1.30
Babhnan	1.01	1.00	1.00	1.09	0.97
Tulsipur	0.69	0.53	0.58	0.66	0.76
Haidergarh	0.39	0.38	0.34	0.32	0.34
Akbarpur	0.82	0.82	0.77	0.61	0.78
Rauzagaon	0.68	0.76	0.67	0.64	0.61
Mankapur	0.90	0.82	0.85	0.91	0.85
Kumbhi	1.01	1.04	0.94	1.01	1.17
Gularia	0.93	0.86	0.69	0.85	1.14
Maizapur	0.29	0.31	0.32	0.35	0.30
Khalilabad	-	-	0.21	0.21	-
<b>Total</b>	<b>8.07</b>	<b>7.72</b>	<b>7.55</b>	<b>7.92</b>	<b>8.22</b>





## Distillery

Revenue (net of inter-segmental) in 2015-16:

₹270.79 Cr

Proportion of revenue in 2015-16:

9.70%

Timely and forward-looking investments will help BCML to be categorised as a complete 'zero waste discharging' company. It would also help in enhancing the distillery availability by more than 60 days and in captive utilisation of the entire molasses generated during sugar production. Around 87% of capacity is now used for ethanol production. This, coupled with assured offtake through long-term contracts with OMCs, will ensure 100% captive consumption, going forward.

**Environment-friendly:** The Company is among the first in Uttar Pradesh to invest in incinerators which would help the Company achieve zero liquid discharge status for its distillery operations and help extend distillery operation by 60 days a year.

**Ethanol focused:** Owing to assured offtake by the OMCs at a pre-determined price, the Company has already dedicated 87% of its capacity towards ethanol production which going forward, it plans to increase to 100%.

### Initiatives, 2015-16

- The Company was permitted to operate its distillery for only 270 days a year on account of the sugar-based distillery being flagged as 'red' on account of its environmental impact. The Company installed an incinerator at its distillery which would help increase distillery availability to 330 days, enhanced captive molasses consumption, achieve 'zero' discharge and utilise incinerated wastes for energy generation.
- Around 87% of the distillery capacity was dedicated to ethanol production.

### Outlook

The Company is implementing incinerators across distilleries, strengthening its environment-friendliness. The Company will focus on enhancing distillery availability and divisional revenues.

Proportion of ethanol

87.38%

During FY 2015-16

Average number of days of operation in Distillery

268 days

During FY 2015-16

Balrampur has already invested in 320 KLPD distillery capacity to produce industrial alcohol and ethanol. The Company is among the few in India to invest in a distillery capacity capable of consuming its entire molasses output captively, reducing its dependence on external sources. The Company converts a majority of the rectified spirit produced in the distillery into ethanol, enabling the Company to service OMC contracts. These large volume contracts are backed by strong realisations and quicker off-take, helping the Company enhance revenue visibility, improve bottomline and register stronger performance.

### Competitive advantage

**Scale:** The Company over the years created a capacity of 320 KLPD, which helps the Company enjoy economies-of-scale on the one hand and utilise its molasses output captively on the other.

### Alcohol production

(in kilolitres)

	March 2012	March 2013	March 2014	March 2015	March 2016
Overall	55785	67666	77950	69903	70555



## Cogeneration

Revenue  
(net of inter-segment  
revenue) in 2015-16:

₹281.10 Crore

Proportion of  
overall revenues  
in 2015-16:

10.07%

As an integrated sugar manufacturer, BCML invested in 153.2 MW worth of saleable cogeneration capacities across eight of its manufacturing units. Around 71% of the power produced was sold to the State Electricity Board. The foray into bagasse-based power generation helped it access seamless supply for power-critical sugar operations on the one hand and generate additional revenues through sale on the other.

### Competitive advantage

**Scale:** The Company has created a saleable cogeneration capacity of 153.2 MW which after sufficing captive needs, gets exported to the extent of nearly 71% to the State Electricity Grid for additional revenue generation.

**Efficiency:** Process efficiency improvement and preventive maintenance initiatives helped the Company achieve higher PLF.

### Initiatives, 2015-16

- The reduction in power and steam consumption helped release additional bagasse for power generation, bringing in additional revenues.
- Enhanced machine-time efficiency, increasing the yield ratio of steam from bagasse.
- Channelised 5,307.41 Lac units of power to the grid at ₹4.77 per unit (6168.1 Lac units at ₹4.23 per unit in 2014-15)

### Outlook

Going ahead, the increased bagasse availability is expected to strengthen the cogeneration capacity utilisation of the Company. The Company will also work on improving plant availability.

Total power generated

7469.14 Lac units

As on 31st March 2016

Proportion of power sold

71%

As on 31st March 2016

Average rate per unit

₹4.77

In 2015-16

Balrampur invested in 153.2 MW worth of saleable power generation capacity across eight units. Nearly 71% of the cogenerated energy was sold to the State Electricity board secured through multi-year power purchase agreements. While profitability in the sugar segment is highly dependent on market cycles, sale of power adds significantly to the bottomline and provides assured power for captive use. Over the past five years, the Company was able to achieve higher PLF, which led to improved revenue contribution (net of inter-segment) from 6.45% in 2012-13 to 10.07% in 2015-16.

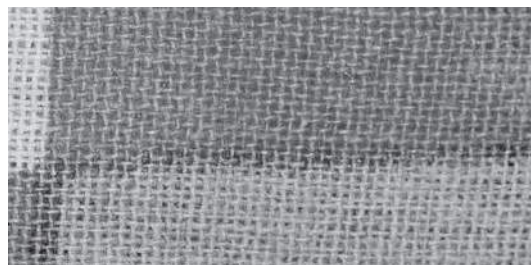
The Company consumed almost the entire bagasse generated for co-generation, a decisive value-addition measure.

### Power generation

	March 2012	March 2013	March 2014	March 2015	March 2016
Overall	7393.04	7488.69	7504.99	8294.86	7469.14

(in Lac units)

# SCOT Analysis - Strengths, Challenges, Opportunities and Threats



## Strengths

- The Indian sugar industry is the second largest producer of sugar in the world after Brazil. The sector has the potential to make the country become self-reliant in a highly-sensitive, mass consumption market.
- The Uttar Pradesh sugar industry paid ₹9,597 Crore to the sugarcane growers for the sugar season 2015-16 in addition to clearing dues of sugar season 2014-15.
- Annual tax contribution to exchequer stands at ₹25 billion annually.
- The Indian sugar industry provides direct employment, including ancillary activities, to about 0.5 million workers in sugar mills and allied industries.
- The Indian sugar industry also supports downstream industries by providing necessary raw materials.
- The Indian sugar industry has been the focal point of rural socioeconomic development.

## Challenges

- Strong governmental policies regulating input prices resulting in uncompetitive costs of production at times.
- Most of the sugar factories are more than 40 years old and dependant on legacy technologies with low installed production capacities leading to a decrease in production.

## Opportunities

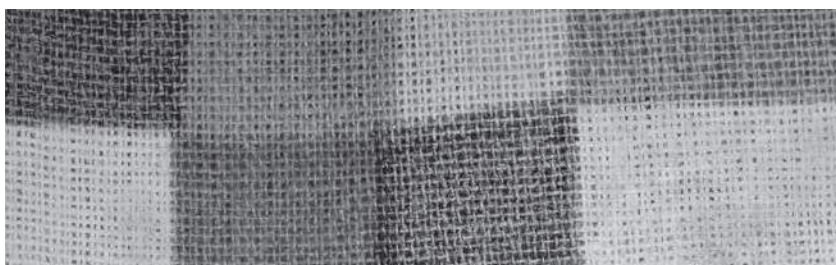
- High value of byproducts for downstream industries.
- Huge potential to increase the productivity of cane and sugar recovery rates.
- Availability of advanced technology available for effective byproduct utilisation.

## Threats

- Sugar sector vulnerable to political interests.
- Lack of ground water availability for irrigation.
- Deteriorating quality of soil due to the overuse of fertilisers and pesticides for increasing sugarcane yield.
- Increased competition.



# Financial review 2015-16



## Capital structure

The equity capital of the Company increased marginally to ₹24.50 Crore as on 31st March 2016 (244949767 shares of ₹1 each) from ₹24.49 Crore as on 31st March 2015 (244916267 shares of ₹1 each). The increase in equity capital was a result of shares issued under the Employee Stock Option Scheme.

## Reserves and surpluses

Reserves and surpluses of the Company increased by 9.15% from ₹1104.96 Crore as on 31st March 2015 to ₹1206.11 Crore as on 31st March 2016. This was mainly on account of ploughing back of profit for the year amounting to ₹99.42 Crore.

During the year, Capital Reserve increased by 12.97% to ₹13.06 Crore owing to the receipt of capital subsidy of ₹1.50 Crore. Capital Redemption Reserve, Revaluation Reserve and General Reserve remained unchanged during the year. Free reserves for the Company stood at ₹1191.20 Crore as on 31st March 2016, accounting for 98.76% of the total reserve.

## Debt profile

Total long-term borrowings (including current maturities) of the Company increased by 37.63% from ₹491.69 Crore as on 31st March 2015 to ₹676.70 Crore as on 31st March 2016 due to the availing of soft loan as per Central Government scheme and also rupee loans for incinerator projects.

Working capital borrowings stood at ₹994.42 Crore as on 31st March 2016 against ₹1182.83 Crore as on 31st March 2015.

## Capital employed

The capital employed by the Company in the business stood at ₹2901.72 Crore as on 31st March 2016 against ₹2803.97 Crore as on 31st March 2015, an increase of 3.49%. ROCE for the year stood at 16.26% in 2015-16 against 5.10% in 2014-15.

## Gross block and depreciation

Gross block of the Company stood at ₹2831.67 Crore as on 31st March 2016 compared to ₹2683.87 Crore as on 31st March 2015. The Company provided ₹110.11 Crore as depreciation and amortisation during the year. Accumulated depreciation, as a percentage of gross block, stood at 49.67% as at 31st March 2016.

## Non-current investments

Non-current investments stood at ₹40.85 Crore as on 31st March 2016 compared to ₹40.87 Crore as on 31st March 2015.

## Long-term loans and advances

Long-term loans and advances increased by 2.25% from ₹89.06 Crore as on 31st March 2015 to ₹91.06 Crore as on 31st March 2016, largely owing to an increase in capital advances for the incinerator projects.

## Other non-current assets

Other non-current assets decreased from ₹171.52 Crore as on 31st March 2015 to ₹3.22 Crore as on 31st March 2016 owing to claim receivables amounting to ₹169 Crore written off during the year.

## Inventories

Inventories as on 31st March 2016 stood at ₹1864.93 Crore as compared to ₹1669.25 Crore as on 31st March 2015, an increase of 11.72%. This was largely due to the valuation of sugar at a higher rate as compared to the last year.

## Trade receivables

Trade receivables increased by 25.23% from ₹158.61 Crore as on 31st March 2015 to ₹198.63 Crore as on 31st March 2016 largely owing to an increase in receivables on account of power sale to UPPCL.

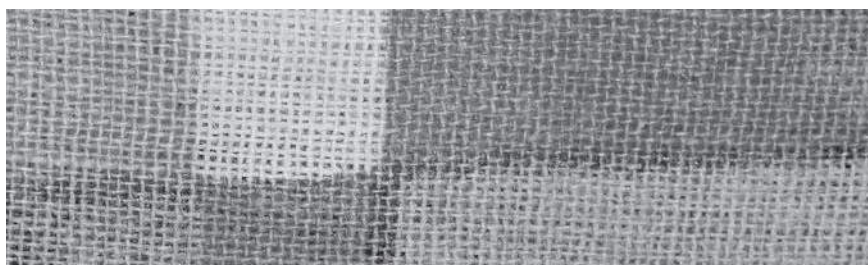
## Short-term loans and advances

Short-term loans and advances increased 67.47% from ₹30.53 Crore as on 31st March 2015 to ₹51.13 Crore as on 31st March 2016 largely owing to an increase in CENVAT, VAT and other taxes and duties.

## Other current assets

Other current assets decreased from ₹277.76 Crore as on 31st March 2015 to ₹61.51 Crore as on 31st March 2016, mainly owing to realisation of claims receivable on account of cane price subsidy for the sugar season 2014-15.

# Risk management



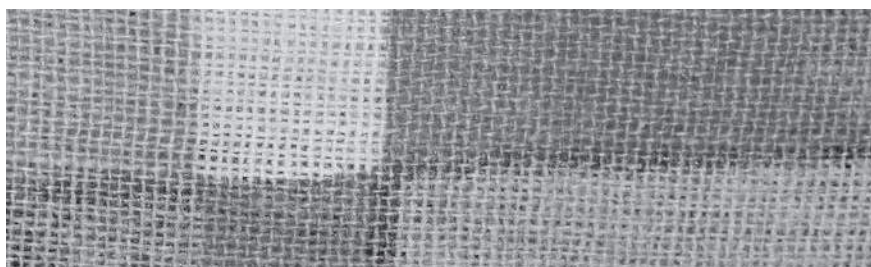
The significant risks and concerns of the Company are outlined hereunder:

<b>1</b> Industry risk	<b>Mitigation</b>
<p>A slowdown in the industry can adversely impact the Company's performance.</p>	<p>India is the largest consumer of sugar in the world. BCML, with a capacity of 76500 TCD, enjoys economies-of-scale and ensures higher recoveries through better seed management and process efficiencies. The Company produces sugar, alcohol and power to reduce its dependence on one vertical.</p>
<b>2</b> Raw material risk	<b>Mitigation</b>
<p>Raw material unavailability may impact the Company's operations.</p>	<p>The Company is based in Uttar Pradesh, which is the largest sugarcane producer in India. The Company engages closely with farmers and provides them superior seeds, which enjoy increased yields in the area. The Company also enjoys strong relations with farmers.</p>
<b>3</b> Location risk	<b>Mitigation</b>
<p>Unfavourable location of the manufacturing units may hamper operations.</p>	<p>The Company's units are located in Eastern and Central Uttar Pradesh, which offer the best quality sugarcane with a recovery rate of more than 11% (for SS2015-16). The Company's cane drawal area spans a 50-60 kilometre radius. The Company's units are also located within 100-150 kilometres from each other, resulting in lower inter-unit transportation costs.</p>
<b>4</b> Regulatory risk	<b>Mitigation</b>
<p>Failing to comply with the regulatory norms may impact the Company's business.</p>	<p>The Company believes in consistently complying with regulatory norms. It has installed an incinerator/is in the process of installing incinerators at other distillery units. This has helped one of the distilleries achieve a zero liquid discharge status and will allow the Company to run its distillery for 330 days against 270 days in the previous fiscal.</p>
<b>5</b> Finance risk	<b>Mitigation</b>
<p>A stretched Balance Sheet may impact the sustainability of the Company.</p>	<p>BCML believes the power of a strong Balance Sheet. The long-term debt-equity ratio of the Company stood at 0.55. The Company's current and quick ratios stood at 1.22 and 0.18, respectively, signifying strong working capital management.</p>

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# Cane management

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## Overview

BCML has a strong support system for its farmers. The farmers are provided better quality seeds along with effective agro inputs to improve productivity. The Company also encouraged farmers to sow early-maturing crops, which help achieve better recovery rates.



## Uttar Pradesh presence rationale

Balrampur Chini has over the years chosen to stay in Uttar Pradesh. Uttar Pradesh offers one of the best climatic conditions for sugarcane production in the country. With an improvement in irrigation network, Uttar Pradesh has progressively reduced its dependence on the monsoons.

BCML has a cumulative cane crushing capacity of 76,500 tonnes of cane per day. Out of its ten units, eight are located in the Eastern Uttar Pradesh and two in Central Uttar Pradesh – these two regions offer better quality sugarcane compared to rest of the state. The Company's sugar capacities are integrated with an overall distillery capacity of 320 kilolitres per day and saleable cogeneration capacity of 153.2 MW.

## Locations

Eastern Uttar Pradesh: 8  
Central Uttar Pradesh: 2

## Achievements

BCML has the second-largest cane crushing capacity in Uttar Pradesh. The Company paid cane dues to the farmers within stipulated timelines.

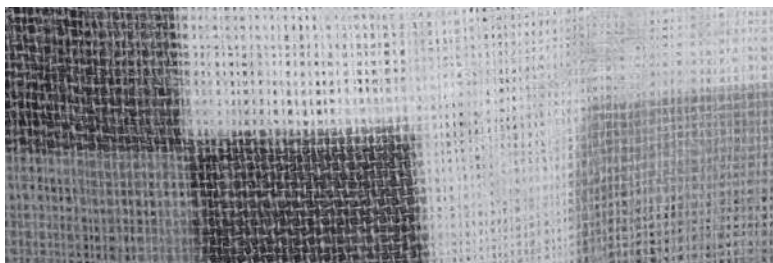
## Outperformance

BCML achieved its highest ever recovery of 11.13% during sugar season 2015-16.

## Outlook

Going ahead, BCML's primary objective will be to enhance process efficiencies through the optimisation of energy usage.

# Our environment management



## Overview

At Balrampur Chini Mills, we have progressively invested in environment-protecting plants and processes, strengthening the company's position as a responsible corporate citizen.

## Operating philosophy

The company's operating philosophy is one of integration – whereby the end product of one business segment represents the raw material for another segment. This integration enhances resource consumption, minimizes logistics costs and reduces the need to dispose material in the external environment.

The core cane crushing operation generates molasses and bagasse as by-products; molasses is utilised to manufacture ethanol; bagasse is utilised to generate power.

It would be relevant to indicate that even as this overarching process architecture is by itself environment-friendly, the nature of downstream products also contributes to environment integrity. For instance, ethanol is used as a petrol additive that enhances engine combustibility that reduces vehicular emissions; bagasse is used to generate power through a renewable resource (as opposed to finite fossil fuels). The beauty of this arrangement

lies in the fact that all byproducts generated by the Company are consumed within; the company is not required to market by-products.

## Emissions control

**Overview:** Prior to 2000, environment management within the country's sugar industry was not a priority. At BCML, we took a differentiated perspective; we invested in environment management plants and processes well before most norms became mandatory and in, doing so, reported results that were considerably more compliant than required by statutory agencies.

**Investment:** The Company strengthened its environment commitment through investments in electrostatic precipitator in cogeneration plants. The ESP reduced solid particulate matter to less than 50 mg/nm<sup>3</sup> as against prevailing norms of 150 mg.

**Benefits:** The investment strengthened the company's environment friendly credential. The company's cogen capacity is 100 percent ESP-backed. In some of the older plants, the company invested in a wet scrubber with similar effectiveness.

**Result:** Emissions across the company's plants are well below prevailing pollution control limits.

65%

Power efficiency pre-investment  
in modern gears

95%

Power efficiency post-investment  
in modern gears



## Water conservation

### Overview

Sugar cane process produce 50% water (500 litres / ton cane crush) on cane crush in the form of a vapour condensate of 70-80 degree centigrade out of which 32 % (320 litres / ton cane crush) evaporates through cooling towers while the remaining 18% (180 litres / ton cane crush) is captured within the system through recirculation.

All our new plants are equipped with the latest effluent treatment equipment coupled with buffer storage reservoirs to avoid shock dosing of the ETP and with ponds for irrigation addressing pollution control norms. The older plants are being retrofitted with modern technologies to address CPCB norms.

### Investment

The company invested in a buffer effluent water storage tank and post-treated water ponds in all new plants, addressing the CPCB norm of 200 litres per tonne of cane crush.

The company also replaced the use of black bituminous mill roller bearing oil with solid grease to maintain oil-free water.

The Company embarked on the use of fully-covered bagasse-handling conveyors in place of the commonly-used open bagasse conveyors to control air and water pollution. The company extended this investment across most plants.

### Benefits

This regulated the flow to the effluent treatment plant, enhancing ETP efficiency, the first such in the country's sugar industry. The use of solid grease minimized ground spills and enhanced ETP efficiency. The post-treated water is used in a pond within the premises that supports aquatic life.

**Result:** The Company's achievements (pH, total suspended solids and biological oxygen demand) have emerged as national benchmarks.

600

Kgs of steam consumption per tonne of cane, in 2002-03

400

Kgs of steam consumption per tonne of cane, in 2015-16

## Energy conservation

Energy conservation is the need of the hour for long-term business sustainability.

This can be achieved in the following manner:

**Reduction of steam consumption in old plants:** The steam consumption of our three old units (Balrampur, Babhnai and Tulsipur) is to be reduced to 38-40% from 54% of cane crush following the implementation of the latest technologies, potentially saving almost 7% of bagasse (160,000 tonnes) per annum and

enhancing revenues by ₹3500 Lacs per annum. The investment of ₹7000 Lacs across two years can potentially generate a payback of two years.

### Bagasse drying

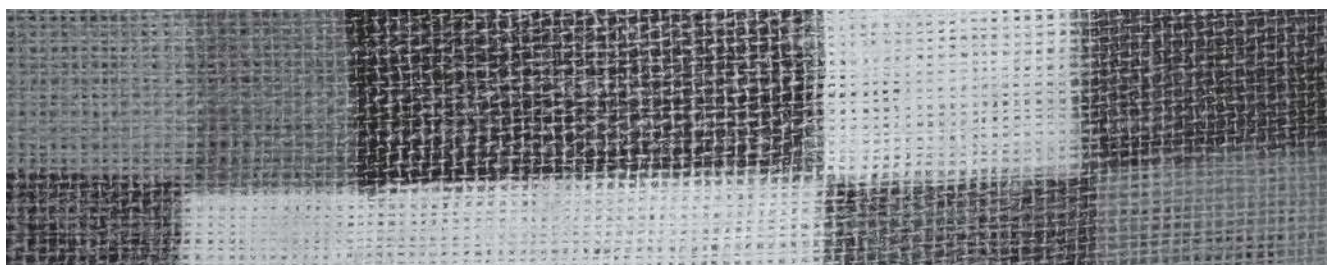
The installation of a bagasse drier can save about 2-3% of bagasse of all group plants and save around 150,000 tons of bagasse annually. This can potentially enhance revenues by ₹3000 Lacs annually with an estimated cost-benefit ratio of two seasons. The Company is in the process of installing the same in a phased manner.

45

The number of units of electricity consumed per MT of cane crushed, in 2002-03

30

The number of units of electricity consumed per MT of cane crushed, 2015-16



## Investment

The Company plans to replace inefficient worm type reduction gear box with efficient planetary gears and helical gears across all plants. The company plans to invest a large amount in energy conservation and the installation of waste heat recovery system. The proposed investment in energy conservation and bagasse drying system will initially be in

one plant followed by all plants in two or three years.

## Benefits

This could translate into increased power efficiency across the company's manufacturing facilities – enhanced power efficiency, lower steam consumption and lower power consumption per tonne of crushed cane. The bagasse drying system

can potentially moderate moisture content from 45% to 35%, enhancing bagasse availability to power the incinerator; it can enhance waste heat flue gas recovery.

**Result:** These initiatives translated into power substantial savings, strengthening competitiveness. The bagasse drying investment can potentially generate a payback of two or three years.

## Effluent management

270

The number of days in a year that the Balrampur plant distillery could run without the incinerator

330

The number of days in a year that the Balrampur plant distillery is now being permitted to run with the incinerator

## Overview

Molasses, the by-product of sugar manufacture, is processed in distilleries to produce power alcohol / ethanol. This demands huge quantities of raw water / bore-well water for fermentation, generating 8 litres of coloured spent wash per litre of alcohol production. This spent wash is being used in the production of organic manure by mixing with Filter Mud (by product).

Incineration is the best solution for real zero discharge for a distillery. At BCML, we are proud to state to have made this forward-looking investment.

## Investment

The company committed to invest ₹225 Crores across three distillery units (320

KLPD) in 2015-16 to incinerate distillery waste. The concentrate spent wash generates condensate water, which is treated in a condensate polishing unit to enhance reusability and reduce ground water requirements.

## Benefits

The incineration generates heat and power and potash-rich ash (soil nutrient). Ground water extraction has been minimized. Molasses, which was earlier sold because of an inadequate number of operating days, will now be completely consumed within to maximize ethanol output.

**Result:** The distillery has now been permitted to run an additional 60 days i.e. up to 330 days, enhancing unit profitability and generating a three-year payback.



### **Internal control system and their adequacy**

The internal controls are commensurate with the size and the nature of the operations of the Company. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, safeguarding of resources and utilizing them to the maximum, promoting operational efficiency, compliances with applicable regulations and ensuring reliability of financial reporting. In addition, there is an internal audit process that reviews the in-system checks and regularly covers significant operational areas.

The Audit Reports, submitted by the Internal Auditors, are reviewed by the Audit committee. Any suggestion for improvements submitted to the Committee are considered and the implementation of corrective actions, wherever required, is followed up. Statutory and Internal Auditors are also invited to the Audit Committee meetings to ascertain their views on the adequacy of internal control systems. Periodically, the Board of Directors is informed of the same.

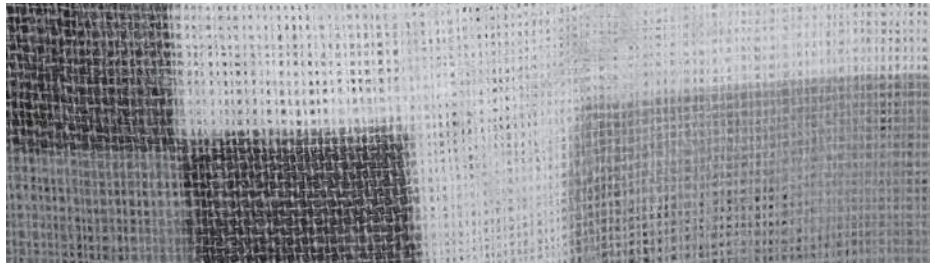
### **Human resources**

The focal point of the Company's human resource policy is continuous learning; the policy is progressively geared to meet the aspirations of the employees. To enhance efficiency and competence, as well as motivate employees, the Company organises training programmes. This resulted in an effective retention of employees and enhanced loyalties. The Company provides various compensation packages and performance-based incentives. To attract and retain the best available talent, the Company is committed to providing equal employment opportunities and the best working conditions. The Company had 3113 employees on its payroll as on 31 March, 2016.

### **Cautionary statement**

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

# Responsibly social



AT BALRAMPUR CHINI, WE HAVE EXTENDED THE PROSPERITY-ENHANCING ETHOS OF OUR CORE BUSINESS TO OUR SOCIAL RESPONSIBILITY AGENDA AS WELL.

## Core philosophy

- Usher visible positive and equitable change in the lives of the underprivileged residing in the vicinity of our mills
- Provide a platform for the community to contribute to society through enhanced skills leading to sustainable livelihoods
- Build our business in a responsible and ethical manner extending beyond the commercial

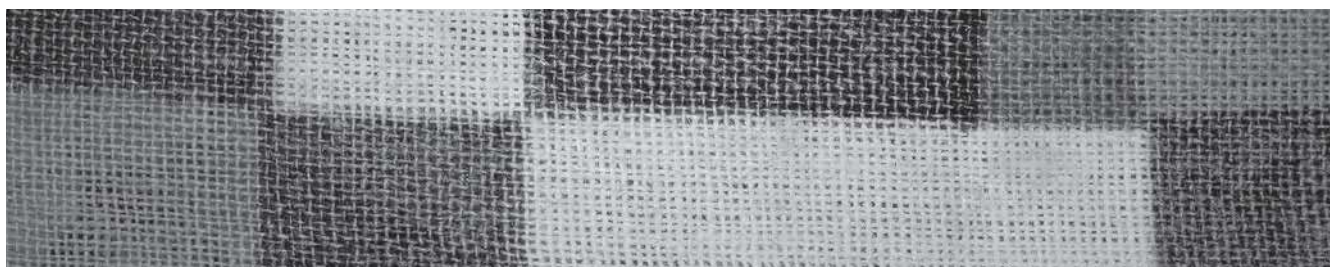
## Ways and means

- Support a genuine cause wholeheartedly
- Collaborate with entities enjoying an in-depth understanding of ground realities.
- Extend beyond 'cheque writing'
- Utilise out-of-the-box communication to widen reach
- Widen terrain coverage of our interventions
- Leverage day-to-day operational knowledge for deeper CSR engagement
- Capitalise on the goodwill of the years to forge partnerships

## Our CSR vehicles

- Balrampur Institute of Vocational Aid
- Balrampur Foundation
- Balrampur Trust
- Collaborations with societies, trusts, hospitals, funds and organisations (engaged in activities specified in Schedule VII of the Companies Act, 2013).





## EDUCATION

AT BALRAMPUR CHINI, WE BELIEVE THAT EDUCATION FORMS THE BEDROCK OF A PROGRESSIVE SOCIETY. LITERACY RATES WERE LOW IN THE BALRAMPUR AREA (49.51% IN 2011) AND ESPECIALLY SO FOR FEMALES (38.43%). THIS REALITY VALIDATED A NEED FOR THE COMPANY'S INTERVENTION. THE SCHOOLS RUN BY BALRAMPUR CHINI NOTWITHSTANDING, THERE IS NO COMPARABLE SCHOOL ACROSS FIVE KILOMETRES.

Balrampur Chini is engaged in running the following schools in the Balrampur and Babhnan areas:

Bal Adarsh Vidyalaya, Bhagwati Ganj, Balrampur	Pannalal Saraogi Shishu Shikshalaya, Sonapur, Balrampur	Pannalal Saraogi Laghu Madhyamik Vidyalaya, Maharajganj, Gonda	Satyabai Children Academy, Babhnan
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A cumulative 1,318 students are enrolled at these schools.

### **Bal Adarsh Vidyalaya, Bhagwati Ganj, Balrampur (since 1972)**

- Class KG to V (till 1979)
- Class VI to VIII (1979-2000)
- Class IX and X (2001 onwards)
- Current strength: 620

#### **Facilities**

Computer education is provided for a nominal fee. Fee structures of similar schools in the area are more than double of this school.

### **Pannalal Saraogi Shishu Shikshalaya, Sonapur, Balrampur (since 1987)**

- Class I to V (till 2014)
- Class VI to X (2014 onwards)
- Current strength: 327

#### **Facilities**

50% fee is waived for the third child of the same parents and 100% for the fourth child of the same parents.

### **Pannalal Saraogi Laghu Madhyamik Vidyalaya, Maharajganj, Gonda (since 1992)**

- Class VI to VIII
- Current strength: 131

#### **Facilities**

50% fee is charged from girl students.

### **Satyabai Children Academy, Babhnan (since 1998)**

- Nursery to Class V
- CBSE affiliation
- English medium
- Current strength: 240

#### **Facilities**

Concession of 15 to 20% for the wards of factory staff.

## HEALTHCARE

AT BALRAMPUR CHINI, WE BELIEVE THAT THE PROVISION OF DEPENDABLE AND AFFORDABLE HEALTH CARE MAKES IT POSSIBLE FOR SOCIETIES TO GROW WITHOUT THE BURDEN OF DISEASE AND RELATED DEBT.

The Company is engaged with the following health care institutions:

### Maternity Hospital, Maharajganj

In collaboration with Deendayal Sodh Sansthan, a social organisation established by Shri Nanaji Deshmukh. The Balrampur Foundation provides ₹3.75 Lac a year to this institution. This initiative addresses high maternal (292 per 1,000) and infant mortality (53 per 1,000) in Uttar Pradesh, until 2009 the worst in India.

### Pannalal Saraogi Eye Hospital (1990)

This institution is run in collaboration with the Lions' Club. Spread across 14,000 square

feet, the hospital stands on a plot of land donated by Shri Kailash Nath Agrawal and his grandson Shri Saumya Agrawal to Dr. Vijai Kumar Shukla. Thanks to a generous donation of ₹10,000 per month from the Company as well as contributions from local people as well as members of Lions' Club Balrampur, the entire ground floor was rebuilt. After rebuilding the first floor, an operation theatre, private wards, doctors' residences were constructed.

Balrampur Foundation assumed management control more than a decade

ago. A 15-person team was recruited from the local population. The hospital now serves an average 100 outdoor patients a day, some coming from 100 to 150 kilometres away and even neighbouring Nepal. The numbers of surgeries has increased to 150 per month. The facility organises two free eye camps per month in remote areas. Free OPD services are provided at these camps; eligible patients are identified for eye operations and treated free. The hospital started an outreach project to provide best-in-class eye care to villagers at a minimal charge.

## SPORTS

- The Company is engaged in the promotion of wrestling in collaboration with the **Uttar Pradesh Wrestling Association**.
- National-level wrestling tournaments have been organised in Gonda district by **Uttar Pradesh Wrestling Association**.

## MISCELLANEOUS

- Drinking water facility
- Disaster management facility during UP floods
- Blanket distribution with State Government and NGOs
- Cultural activity sponsorship
- Cataract removal camps in Sikar (Rajasthan)
- Animal welfare

### Capability building

Unemployment and the need for skill building remains a national challenge. Balrampur Institute of Vocational Aid was promoted by Balrampur Chini in Kolkata to provide vocational training to the unemployed in October 2004; more than

640 people are taught in 15 courses (three government-affiliated) at subsidised rates each year.

### Interventions

- BIVA is not just a course-focused agency; it trains in soft and behavioural skills that enhance job-worthiness.
- BIVA is not just a hole-in-the-wall agency; it has 5,000 square feet at its disposal a few buildings from RCGC in South Kolkata.
- BIVA doesn't just train and forget; it provides post training follow-up with placement and self-employment assistance.
- BIVA doesn't just focus on maximising admissions; it screens admission inflow for students from the financially weaker sections.

- BIVA doesn't just train, it has built collaborations with District Industries Centre (DIC), Khadi & Village Industries Corporation (KVIC), I Create Foundation, Society for Self Employment for unemployed youths (SSEUY), Parivaar Education Society, Red Cross Society, National Thermal Power Corporation (NTPC), West Bengal State Council of Technical & Vocational Education & Skill Development, Kolkata Environmental Improvement Project (KEIP), Rotary Club, Bajaj Electricals Ltd., Dakshin Chabbis Parganas Pratibandhi Sanstha, among others.

- This is the result: BIVA was ranked one of the best vocational institutes as assessed at Kolkata Gives.



## Statutory section

# Report of the Board of Directors

for the year ended 31st March, 2016

*Dear shareholders,*

YOUR DIRECTORS HAVE PLEASURE IN PRESENTING THEIR REPORT AS A PART OF THE 40TH ANNUAL REPORT, ALONG WITH THE AUDITED ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2016.

## Financial Results

The financial results of the Company are summarized below:

[₹ in Lacs]

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations (Gross)	287407.48	309321.02	287407.48	309321.02
Profit before finance costs, tax, depreciation and amortisation and exceptional items	46386.76	14153.25	46384.06	14163.75
Less : Finance costs	7559.66	10209.23	7559.66	10209.23
Less : Depreciation and amortization expense	11010.52	11560.32	11019.71	11591.99
Profit / (Loss) before Tax	27816.58	(7616.30)	27804.69	(7637.47)
Less: Exceptional Items	17310.41	-	17310.41	-
Less : Tax expense/(write back)	564.44	(1842.86)	564.44	(1842.86)
<b>Net Profit/(Loss) after Tax</b>	<b>9941.73</b>	<b>(5773.44)</b>	<b>9929.84</b>	<b>(5794.61)</b>

## Dividend

Your Directors have not recommended any dividend for the year ended 31st March, 2016, in view of the restrictions under Section 123 of the Companies Act, 2013 (the Act) as amended by the Companies (Amendment) Act, 2015, becoming effective from 29th May, 2015, by virtue of which no company can declare dividend unless carried over previous losses and depreciation not provided in previous year or years, are set off against profit of the company for the current year.

## Operations

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

Parameters	Season 2015-16	Season 2014-15	Financial year ended 31.3.16	Financial year ended 31.3.15
Sugarcane crushed (in lac Qtls)	703.87	772.04	742.56	805.69
Sugar produced (in lac Qtls)	78.35	75.80	82.15	79.19
Recovery (Percent)	11.13	9.82	11.06	9.83

A detailed analysis of the Company's operations, future expectations and business environment has been given in the Management Discussion & Analysis Report which forms part of this Report.

## Performance & Outlook

The Company registered a gross turnover of ₹287407 Lacs for the year ended 31st March, 2016 as against ₹309321 Lacs for the year ended 31st March 2015 - a reduction of 7% primarily on account of lower sugar realizations. The sugar recovery increased to 11.06% in the financial year ended 31st March 2016 as compared to 9.83% in the corresponding previous year. Distillery and Cogeneration divisions performed well and helped in posting a positive bottom-line this year. The Company earned a net profit of ₹9942 Lacs as against a net loss of ₹5773 Lacs in the previous year.





The financial year began with a surplus stock with mills causing the sugar prices to touch a three-year low of ₹23,000/MT by August 2015. With the global sugar-surplus scenario and muted international prices, the chances of any improvement in domestic sugar prices seemed distant.

Finally, at that depressing point, the End of the tunnel was found.

The Govt. of India stepped in at the right time and announced a slew of measures with a view to

- Reduce the surplus stock of sugar
- Boost the price sentiments in the domestic market
- Clear cane arrears worth about ₹14,000 Crores to farmers (the Govt. of India announced interest free loans).

In September 2015, the Hon'ble Ministry of Consumer affairs, Food & Public Distribution allocated a target of 4 Million Tonnes of sugar as Minimum Indicative Export Quota (MIEQ) amongst 570 sugar mills for sugar season 2015-16 and directed the mills to discharge their export obligations accordingly. Subsequently, in Early December, the government notified a production subsidy of ₹4.50 per quintal of cane crushed to offset the cane cost of millers. The eligibility of production subsidy was subject to a minimum 80% export and ethanol blending targets.

Meanwhile, the production failure across the Globe led the markets to revise the sugar stock positions from surplus to deficit and from a depressed 11 to 12 cents per pound range prevalent in late September 2015, the international raw sugar prices gradually revived to 14.77 cents in early December 2015 and to around 16.50 cents by March 2016. Improvement in global prices helped the Indian Mills to partially discharge their export obligations under MIEQ thereby reducing surplus stock in the country.

The sugar production in the country for the sugar season 2015-16 is at 25.2 million tonnes against the estimates of 26 million tonnes. With an approximate carry forward stock of 9.0 million tonnes from previous season and estimated domestic consumption of 25.5 million tonnes and exports of around 1.6 million tonnes during the season 2015-16, a carry forward stock of around 7.1 million tonnes is estimated as on 1st October 2016.

At present, the cane acreage data for season 2016-17 is not available. However, with reports on lower plantation in the State of Maharashtra and deficit rainfall in the preceding two years, the country's sugar production in 2016-17 is expected to be lower than 2015-16.

Going forward, the country's demand supply dynamics is expected to keep the prices firm.

During the year, the prices of power, alcohol and ethanol remained remunerative, driven by healthy demand. With the focus of the Government on the Ethanol Blending Programme (EBP) and the new fixed pricing mechanism for ethanol supplied to OMCs and removal of central excise duty of 12.5%, the profitability of the industry as a whole is expected to further stabilize in the next season.

The average realization per unit of power increased from ₹4.23 per unit in 2014-15 to ₹4.77 per unit in 2015-16 primarily due to upward revision of power tariff in the month of January 2015 as well as on account of normal annual escalation of 2 (two) percent.

## Performance of Business Segments

### Sugar

Your Company is glad to report its highest ever recovery of 11.13% as against 9.82% in previous season due to varietal change and ideal weather conditions throughout the crushing season. The Company initiated stringent processes and quality control measures in procuring clean cane, improving varietal balance and inculcating better agricultural practices. The Company's aggregate sugarcane crushing was lower at 703.87 lac quintals during the season 2015-16 as against 772.04 lac quintals in season 2014-15. During the year, the Company sold 80.70 lac quintals of sugar at an average realisation of ₹27.06/kg as against 81.45 lac quintals at an average realisation of ₹29.40/kg in the corresponding year.

The Board in its meeting held on 27th May, 2015 approved the closure of its sugar unit at Khalilabad, subject to fulfillment of necessary formalities and compliance. The closure of the said unit does not have any significant impact on sales of the Company as the said unit's contribution in the overall sales of the Company

constituted only 1.68% for the year ended 31st March, 2015. Further, the net fixed assets of the said unit as at 31st March, 2015 constituted only 2.33% of the total net fixed assets of the Company as on that date. However, for the year ended 31st March, 2015 loss before interest and tax of ₹1200.72 Lacs of the said unit constituted 4.31% of the loss of the sugar segment for the year ended 31st March, 2015.

Owing to the huge uncertainty regarding the receipt of the Company's claim under the New Sugar Industry Promotion Policy, 2004 (SIPP) with respect to reimbursements, the Company discontinued the accounting for the same w.e.f. 1st April, 2012. Since no meaningful progress has been made in last four years in the said matter, your directors have proposed to write-off an amount of ₹16,900.57 Lacs, on account of the Company's claim of reimbursements, which was currently lying as incentive receivables under the head "other non-current assets", in line with a legal advice received in this matter.

### Distillery

The distillery performance was satisfactory as the Company produced 705.55 lac BL during 2015-16 as against 699.03 lac BL during the previous year. Ethanol production constituted 87.38% of the Distillery production in the current year as against 46.55% during the previous year. The average realization per BL stood at ₹40.41 as against ₹37.40 during the previous year. Further, the Company has successfully commissioned incinerator boilers at its distillery - Balrampur in view of prescribed pollution guidelines to achieve Zero Liquid Discharge (ZLD) of effluent waste on 10th February, 2016. The other projects at Mankapur and Babhnan are under construction and would be completed during the ongoing year. This would enable the Company to run its distilleries for higher number of days every year.

### Cogeneration

The performance of the cogeneration business of the Company was as per expectations. The total power generated stood at 7469.14 lac units, as against 8294.86 lac units in the previous year. Power export to Uttar Pradesh Power Corporation Limited stood at 5307.41 lac units as against 6168.10 lac units in the previous year and the total value of power exported to the grid was ₹25351.10 Lacs as against ₹26130.31 Lacs in the previous year. The Company also sold 1.78 lac Renewable Energy Certificates during the year resulting into gross proceeds of ₹2670.00 Lacs.

### Organic Manure

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

### Policies relating to sugar industry

For sugar season 2015-16, the salient features of the policies relating to sugar industry are as under:

- The FRP (Fair & Remunerative Price) for sugarcane was fixed at ₹230 per quintal linked to a basic recovery of 9.50% subject to a premium of ₹2.42 per quintal for every 0.1% increase in recovery above that level.
- The Government of Uttar Pradesh maintained State Advised Price (SAP) for sugarcane for season 2015-16, in line with the previous season. In view of the situation prevailing in the Industry at the time of announcement of cane price, the Government of Uttar Pradesh also decided the following:
  - (i) The cane price of ₹275 per quintal for rejected variety of sugarcane, ₹280 per quintal for normal variety of sugarcane and ₹290 per quintal for early variety of sugarcane would be paid to farmers in two installments. The first installment of ₹230 per quintal would be paid within 14 days of purchase and the balance amount would be paid within three months of closure of crushing for the sugar season 2015-16.
  - (ii) In addition to the above, the State Government also announced the sugarcane subsidy of ₹35 per quintal of cane which included concessions of ₹11.70 per quintal of sugarcane covering the following heads:

Waiver of Entry Tax on sugar	₹2.80 per quintal
Waiver of cane purchase tax	₹2.00 per quintal
Reimbursement of Society Commission	₹6.90 per quintal
<b>Total</b>	<b>₹11.70 per quintal</b>

The balance subsidy amount of ₹23.30 (₹35.00 – 11.70) per quintal of sugarcane would be shared between the State Government and the Millers as per the decision of the Special Committee to be formed by the Government under the chairmanship of the Hon'ble Chief Secretary. The sharing mechanism would be determined by the Committee based on prices of sugar, molasses, bagasse, pressmud and would also be based on recovery of the said products.

- (iii) Subsequently, the State Government reduced the rate of society commission for the sugar season 2015-16, as mentioned above, from ₹6.90 per quintal of sugarcane to ₹3.00 per quintal of sugarcane thus restricting the concessions also at ₹3.00 per quintal from the earlier announced rate of ₹6.90 per quintal of sugarcane.

The policies / schemes announced by the Central Government are summarised as under:

- Soft loan aggregating to ₹6,000 Crores during the year, in order to clear sugarcane dues of sugar season 2014-15. The Government will bear interest burden upto 10% simple interest or actual rate of interest charged by banks whichever is less for a maximum of one year by way of interest subvention.
- MIEQ (Minimum Indicative Export Quota) of 4.00 million tones for the sugar season 2015-16 which was pro-rated amongst all sugar factories with an objective to export surplus stock of sugar from the domestic market.
- Cane subsidy of ₹4.50 per quintal of sugarcane, to be paid directly to farmers for clearance of cane dues for the sugar season 2015-16 and cane price arrears of previous sugar season. Millers to be eligible for the said subsidy, have to fulfil minimum of 80% of their export obligations under MIEQ and 80% of their ethanol contracts wherever distillation capacities are installed.
- Sugar cess was increased from ₹24.00 per quintal to ₹124.00 per quintal with effect from 1st February 2016 with an aim to create fund with the Sugar Development Fund to facilitate timely payment to farmers in case of exigencies.
- Waiver of excise duty of 12.50% on ethanol produced out of molasses from sugar season 2015-16 and included the waiver component of excise duty within the fixed supply price of Ethnaol so as to assist the Millers for paying the farmers on time.

### Subsidiary

The Company's subsidiary Indo Gulf Industries Limited (IGIL) reported a net loss of ₹11.89 Lacs for the year ended 31st March, 2016 as against a net profit of ₹382.39 Lacs (including exceptional profit of ₹362.25 Lacs) for the year ended 31st March, 2015.

During the year under review, IGIL issued and allotted 2,50,000 Non-Convertible, Non-Cumulative, Redeemable Preference Shares

of ₹100 each on Private Placement basis. Consequently, the networth of IGIL has become positive.

Details of the matter relating to IGIL before the Hon'ble Board for Industrial and Financial Reconstruction are given in the Annual Report 2015-16 of IGIL and the same is available on the website of the Company ([www.chini.com](http://www.chini.com)) and also on the website of IGIL ([www.indogulfind.com](http://www.indogulfind.com)). Therefore, the same is not repeated here for the sake of brevity.

The statement with respect to the Subsidiary Company has been separately annexed. The audited financial statements of the Company including the consolidated financial statements and related information of the Company and the audited accounts of subsidiary are available on the website of the Company at [www.chini.com](http://www.chini.com). The annual accounts of the Subsidiary Company and the related detailed information shall be made available to members of the Company or of the Subsidiary Company seeking such information at any point of time. The annual accounts of the Subsidiary Company would be available for inspection by members at the Company's registered office and at the registered office of the Subsidiary Company.

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

### Consolidated financial statements

In compliance with the provisions of the Act, Accounting Standard - 21 and pursuant to Regulation 34(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the consolidated financial statements forms part of this Annual Report.

### Share Capital

The Company issued and allotted 33,500 equity shares of ₹1 each at a price of ₹45 per share (including premium of ₹44 per share) upon the exercise of 33,500 options under the Employee Stock Option Scheme. Consequently, the paid up share capital of the Company increased to ₹24,49,49,767 consisting of 24,49,49,767 equity shares of ₹1 each.

### Employee Stock Option Scheme

The applicable disclosures as required under the SEBI Guidelines as amended, and the details of stock options as at 31st March, 2016

under the Employee Stock Option Scheme, 2005 are set out in the attached Annexure - I and forms part of this Report.

### **Credit rating**

ICRA Limited - the Credit Rating Agency, vide its letter dated 1st April, 2016, revised the Credit Rating of the Company from [ICRA] A to [ICRA] A+ with respect to long-term loans and from [ICRA] A+ to [ICRA] A1+ with respect to short-term credit facilities.

### **Directors**

The members of the Company at the 39th Annual General Meeting, held on 12th August, 2015, appointed Smt. Novel S. Lavasa as an Independent Director for a term of 5 (five) consecutive years ending on 31st March, 2019 in terms of Section 149 and other applicable provisions of the Act.

Pursuant to Section 149 and other applicable provisions of the Act, your Directors are seeking appointment of Shri Sakti Prasad Ghosh and Shri Sumit Mazumder as Independent Directors for a period of 5 (five) consecutive years, who were appointed as Additional Directors in the category of Independent Directors with effect from 4th November, 2015 and 21st May, 2016 respectively. The terms and conditions of the above appointments are contained in the Letter of Appointment issued to the respective directors and the same is also hosted on the website of the Company. Notices in writing under Section 160 of the Act have been received by the Company proposing the appointment of Shri Sakti Prasad Ghosh and Shri Sumit Mazumder as Directors of the Company.

Smt. Meenakshi Saraogi stepped down from the post of Jt. Managing Director owing to her indifferent health and accordingly the Board of Directors noted the change in status of her directorship from Executive Director to Non-Executive (Non-Independent) Director w.e.f. 1st June, 2015.

Further, during the year under review, Shri Kishor Shah informed the Company about his decision to relinquish his position as Director cum Chief Financial Officer of the Company, to allocate his time and commitment towards pursuing other professional ventures. Accordingly, with effect from the close of business hours on 30th November, 2015, he ceased to be the Director cum Chief Financial Officer of the Company. Shri Kishor Shah had been with the Company for over 22 years in various capacities and has made exceptional contributions to the growth of the Company.

The Board places on record its deep appreciation of Shri Shah's contribution to the Company, spanning over two decades.

### **Director retiring by rotation**

Smt. Meenakshi Saraogi retires from the Board by rotation and being eligible, offers herself for reappointment.

### **Information regarding the directors seeking appointment/ reappointment**

Resume and other information regarding the directors seeking appointment / reappointment as required by Regulation 36 of the Listing Regulations has been given in the Notice convening the ensuing Annual General Meeting and in the Statement pursuant to Section 102 of the Act. The Board of Directors recommends the above appointment(s) / reappointment(s).

### **Other Information**

Appointment of directors is made in accordance with the Criteria for Selection of Directors and persons in Senior Management as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

Other details pertaining to the Directors, their appointment / cessation during the year under review and their remuneration are given in the Extract of Annual Return annexed hereto and forming part of this Report.

The Executive Directors (including Managing Director and Wholetime Director) of the Company do not receive any remuneration or commission from the subsidiary company.

### **Declaration by Independent Directors**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed both under the Act and Regulation 16 of the Listing Regulations.

### **Directors' Responsibility Statement**

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 and Regulation 18 of the Listing Regulations in the preparation of the annual accounts for the year ended 31st March, 2016 and state that :

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;



- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis;
- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Particulars of Employees

The particulars of employees, as required under Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in a separate annexure attached hereto and forms part of this Report as Annexure - II. During the year under review, no complaint / case was filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 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 Act are given in Annexure - III attached hereto and forms part of this Report.

### Deposits

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

### Key Managerial Personnel

Pursuant to the change in the position of Smt. Meenakshi Saraogi from Jt. Managing Director to Non-Executive (Non-Independent) Director, she ceased to be a Key Managerial Personnel of the Company, w.e.f. 31st May, 2015.

Shri Santosh Kumar Agrawala retired as the Company Secretary of the Company at the close of business hours on 3rd November, 2015, after serving the Company for more than two decades. The Board places on record its appreciation for the services rendered by Shri Agrawala during his tenure as the Company Secretary of the Company. Accordingly, he ceased to be a Key Managerial Personnel of the Company, w.e.f. 3rd November, 2015.

Based on the recommendations of the Nomination & Remuneration Committee of the Board, Shri Nitin Bagaria, a qualified company secretary, has been appointed by the Board of Directors as the Company Secretary and Key Managerial Personnel of the Company, w.e.f. 4th November, 2015.

Consequent to the resignation of Shri Kishor Shah as the Director cum CFO of the Company, he ceased to be a Key Managerial Personnel of the Company, w.e.f. 30th November, 2015.

Based on the recommendations of the Nomination & Remuneration Committee and the Audit Committee of the Board, Shri Pramod Patwari, a qualified chartered accountant, has been appointed by the Board of Directors as the Chief Financial Officer of the Company, w.e.f. 16th December, 2015.

Other details pertaining to the Key Managerial Personnel of the Company, their appointment / cessation during the year under review and their remuneration have been provided in the Extract of Annual Return annexed hereto and forming part of this Report.

### Board Meetings

The Board met 5 (five) times during the financial year under review, the details of which are given in the Corporate Governance Report attached to this Report.

### Audit Committee

Details of the composition, the terms of reference, number and dates of meetings held, attendance, etc. pertaining to the Audit Committee, constituted by the Board, are given in the Corporate Governance Report attached to this Report. All recommendations made by the Audit Committee during the year were accepted by the Board.

## Whistleblower Policy

The Company has in place a Whistleblower Policy to deal with unethical behavior, victimisation, fraud and other grievances or concerns, if any. The aforementioned whistleblower policy is available on Company's website at the following web-link: [http://www.chini.com/Vigil\\_Mechanism\\_Policy.pdf](http://www.chini.com/Vigil_Mechanism_Policy.pdf).

## Nomination & Remuneration Committee

Details of the composition, the terms of reference, number and dates of meetings held, attendance, etc. pertaining to the Nomination & Remuneration Committee, constituted by the Board, are given in the Corporate Governance Report attached to this Report.

## Policy on Selection of Directors and Remuneration

The Policy on Selection of Directors and Remuneration Policy is annexed as Annexure - IV.

## Board evaluation

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out the evaluation of its own performance and that of its Committees as well as evaluation of performance of the Directors individually. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report attached to this Report.

## CSR Committee

Details of the composition, the terms of reference, number and dates of meetings held, attendance, etc. pertaining to the CSR Committee, constituted by the Board, are given in the Corporate Governance Report attached to this Report. The CSR policy approved by the Board is available on Company's website at the following web-link: [http://www.chini.com/CSR\\_Policy.pdf](http://www.chini.com/CSR_Policy.pdf).

The annual report on CSR activities is appended as Annexure - V.

## Inter-corporate Loans and Investments

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

## Related Party Transactions

There have been no materially-significant related party transactions made by the Company with the promoters, the directors, the key managerial personnel which may be in conflict with the interest of the Company at large. The policy on related party transactions as approved by the Board can be accessed on the Company's website at the following web-link: [http://www.chini.com/Policy\\_on\\_materiality\\_of\\_Related\\_Party\\_Transactions.pdf](http://www.chini.com/Policy_on_materiality_of_Related_Party_Transactions.pdf)

The details of related party transactions are set out in the notes to the financial statements.

## Risk Management Policy

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

## Extract of Annual Return

Extract of Annual Return in Form MGT- 9 is annexed to this Report as Annexure – VI.

## Material Changes and Commitments

There are no material changes and commitments, affecting the financial position of the Company, between the end of the financial year of the Company i.e. 31st March, 2016 and the date of this Report.

## Significant and Material Orders

There are no significant/ material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

## Internal Financial Controls

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

## Corporate Governance

In terms of the provisions of Regulation 34(3) of the Listing Regulations, the Management Discussion and Analysis, the Corporate Governance Report and the Certificate on the compliance of conditions of Corporate Governance, forms part of the Annual Report and are given separately as Annexure - VII.

## Auditors

### Statutory Auditors and its Audit Report

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

### Secretarial Auditors and its Audit Report

Pursuant to the provisions of Section 204 of the Act, the Company has appointed M/s. MKB & Associates, Company Secretaries, to undertake the secretarial audit of the Company for the financial year 2015-16. The Secretarial Audit Report for the financial year 2015-16 is attached as Annexure - VIII and forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

### Cost Auditors and its Audit Report

The cost auditors (M/s. N. Radhakrishnan & Co., Cost Accountants) appointed by the Board have submitted the Cost Audit Report within the time limit prescribed under the Act and Rules made thereunder.

During the year under review, pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 (as amended), the Board appointed M/s. N. Radhakrishnan & Co., Cost Accountants, to conduct cost audit of the Company relating to sugar (including industrial alcohol) and electricity for the financial year ended 31st March, 2016.

On the date of this Report, your directors have, on the recommendation of the Audit Committee, appointed M/s. N. Radhakrishnan & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2016-17. As required under the Act, a resolution seeking ratification for the remuneration payable to the Cost Auditors forms part of the Notice convening the ensuing Annual General Meeting.

## Annexures forming part of this Report

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

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

## Appreciation

Your Board of Directors are thankful to various stakeholders – the Central Government, the Government of Uttar Pradesh, shareholders, customers, dealers, State Bank of India, HDFC Bank, Punjab National Bank, other banks and financial institutions, shareholders, customers, dealers and other business associates for the excellent support received from them during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees.

Place: Kolkata

Date: 20th May, 2016

### For and on behalf of the Board of Directors

Sd/-

**Dr. Arvind Krishna Saxena**

*Whole-time Director*

DIN – 00846939

Sd/-

**Vivek Saraogi**

*Managing Director*

DIN – 00221419

# Annexure I to the Board's Report

## Statement with respect to Employees Stock Option Scheme of the Company as at 31st March, 2016:

### a] Description:

Year	2005@	2006#	2007	2008	2009
No. of options granted	6,22,500	8,83,000	9,95,500	12,80,000	14,64,500
Date of grant	31.10.2005	27.11.2006	27.11.2007	25.11.2008	28.05.2009
Exercise price per share* (Each option is equivalent to one equity share having face value of ₹1 each of the Company)	₹ 45 (revised from ₹ 74.60)	₹ 45 (revised from ₹ 104.10)	₹ 45 (revised from ₹ 72.20)	₹ 45 (revised from ₹ 74.20)	₹ 45

@ 12,000 options remaining unexercised at the end of exercise period as on 31.10.2014 lapsed during the year 2014-15.

# 18,500 options remaining unexercised at the end of exercise period as on 26.11.2015 lapsed during the year 2015-16.

### b] Pricing formula:

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

\* The shareholders of the Company at their Extra-Ordinary General Meeting held on 25th May, 2009 has accorded approval to re-price the exercise price of the options granted in the years 2005, 2006, 2007 & 2008, which have not been exercised and also the exercise price in respect of options to be granted for the year 2009 at 20% discount to the average daily closing market price of the Company's shares, on the stock exchange it is traded most, during the preceding 26 weeks prior to the date of the meeting held to re-price the exercise price of the unexercised options and options granted for the year 2009. Accordingly, the Remuneration Committee on 28th May 2009 has re-priced the exercise price of the unexercised options for the years 2005, 2006, 2007 & 2008 and granted stock options for the year 2009 at an exercise price of ₹45 per equity share.

c] Options vested: 45,93,000

d] Options exercised: 43,34,300

e] Total number of equity shares arising as a result of exercise of options: 43,34,300 equity shares of ₹1 each.

f] Options lapsed: 7,53,000

g] Variation of terms of option: Re-pricing of options, as stated above.

h] Money realised on exercise of option: ₹19,74,60,340/-

i] Total no. of option in force: 1,58,200

j] Details of option granted to

- Senior Managerial Personnel: Options have not been granted during the year ended 31st March, 2016.
- Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year – Nil.
- Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant – Nil.

k] Diluted Earnings per share (EPS) pursuant to the issue of shares on exercise of options calculated in accordance with Accounting Standard [AS] 'Earnings Per Share' – ₹4.06.

For and on behalf of the Board of Directors

Sd/-

Dr. Arvind Krishna Saxena

Whole-time Director

DIN – 00846939

Sd/-

Vivek Saraogi


Managing Director

DIN – 00221419

Place: Kolkata

Date: 20th May, 2016





## Auditors' Certificate as required under Clause 14 of the SEBI (Employees Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 read with Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014

We have examined the books of account and other relevant records of Balrampur Chini Mills Ltd. having its registered office at 'FMC Fortuna', 2nd floor, 234/3A, A.J.C. Bose Road, Kolkata – 700020 and based on the information and explanations given to us, we certify that in our opinion, the Company has implemented the Employee Stock Option Scheme in accordance with SEBI (Employees Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 read with the SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the special resolution passed by the Company in the Extra-ordinary General Meeting held on 8th September, 2005 and 25th May, 2009.

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

*Chartered Accountants*

F.R.No. 302082E

Sd/-

**(CA. Sunita Kedia)**

Membership No. 60162

*Partner*

Place: Kolkata

Date: 20th May, 2016

# Annexure II to the Board's Report

## Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### I. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015-16:

Name	Designation	Ratio
Shri Vivek Saraogi	Managing Director	104:1
Dr. A. K. Saxena	Wholetime Director	13:1
Smt. Meenakshi Saraogi	Jt. MD upto 31.05.2015 and Non-Executive Director thereafter	N.A. (Refer Note No. 1)
Shri Kishor Shah	Director cum Chief Financial Officer (Resigned w.e.f. 30.11.2015)	N.A. (Refer Note No. 1)

(Refer Note No. 3)

### II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2015-16:

Name	Designation	% increase in remuneration
Shri Vivek Saraogi	Managing Director	1.83
Dr. A. K. Saxena	Wholetime Director	8.81
Smt. Meenakshi Saraogi	Not Applicable	
Shri S. K. Agrawala	(Refer Note No. 1, 2 and 3)	
Shri Nitin Bagaria		
Shri Kishor Shah		
Shri Pramod Patwari		

### III. The percentage increase in the median remuneration of employees in the financial year 2015-16:

The percentage increase in the median remuneration of the employees is 8.50%.

### IV. The number of permanent employees on the rolls of the Company:

There were 3113 number of permanent employees on the rolls of the Company as on 31st March, 2016.

### V. The explanation on the relationship between average increase in remuneration and the Company performance:

Net sales during the year 2015-16 was ₹2,75,667 Lacs as compared to ₹2,98,698 Lacs during 2014-15. Net profit for the year 2015-16 was ₹9,942 Lacs as against a net loss of ₹5,773 Lacs in 2014-15. Increase in median remuneration of

employees during the year was 8.50%. The remuneration philosophy of the Company is to provide performance driven remuneration with reference to external market norms and in relation to other positions within the Company, keeping in mind the performance of the Company.

### VI. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

The Company earned a net profit of ₹9,942 Lacs for the financial year 2015-16 as compared to a net loss of ₹5,773 Lacs in the previous year, whereas the salary of Shri Vivek Saraogi increased marginally by 1.83%.

All the other Key Managerial Personnel were employed for part of the year, therefore the comparison against the performance of the Company is not provided.

**VII. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars		As on 31st March, 2016	As on 31st March, 2015
Closing Price – (₹)	NSE	107.85	49.55
	BSE	107.65	49.45
Market Capitalisation (₹ in Lacs)	NSE	264178	121356
	BSE	263688	121111
P/E Ratio (Considering Standalone Earnings)	NSE	26.56 Times	N.A.
	BSE	26.51 Times	(The EPS for the year 2014-15 was negative)
IPO Price (in 1978-79) (Adjusted) (₹)		1	1
Percentage increase (after considering bonus issues and sub-division) in the market quotations in comparison to the IPO Price (Adjusted)		355805%	163420%

**VIII. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year – 3.18%

Percentile increase in the managerial remuneration – 5.32%

Justification – The above percentile increase in the managerial remuneration is based on the salary of those managerial persons who have served for the full year. Remuneration of managerial persons who were employed for part of the year has not been considered. Therefore, the correlation will not be visible in the salaries of employees other than the managerial personnel and in the managerial remuneration, hence no justification is deemed necessary.

**IX. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:**

Please refer to Point no. VI above.

**X. The key parameters for any variable component of remuneration availed by the directors:**

The Managing Director, Jt. Managing Director and Director cum CFO are entitled to receive profit based annual

commission. The Non-Executive Directors are entitled to be remunerated by way of annual commission based on profit of the Company. The Non-Executive Directors are also entitled to receive sitting fees for attending each meeting of the Board and its committees.

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 & Remuneration Committee.

The commission to Executive Directors and commission and sitting fees to Non-Executive Directors are subject to provisions of the Companies Act, 2013 including prescribed rules and schedules thereunder and the Listing Regulations.

**XI. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

None of the employees of the Company received remuneration in excess of the highest paid director during the year.

**XII. Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is hereby affirmed that the remuneration paid during the year 2015-16 is as per the Remuneration Policy of the Company.

**Notes:** 1. Smt. Meenakshi Saraogi ceased to be the Jt. Managing Director and Shri Kishor Shah ceased to be the Director cum Chief Financial Officer of the Company with effect from 31st May, 2015 and 30th November 2015 respectively and therefore, the calculation of the ratio of remuneration and percentage increase in remuneration is not provided.

2. Shri S. K. Agrawala ceased to be the Company Secretary of the Company with effect from 3rd November, 2015, Shri Pramod Patwari (Chief Financial Officer) and Shri Nitin Bagaria (Company Secretary) were appointed w.e.f. 16th December, 2015 and 4th November, 2015 respectively and therefore, percentage increase in remuneration is not provided.

3. The Non-Executive Directors of the Company are entitled for sitting fee and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-Executive Directors are provided in the Report on Corporate Governance and is governed by the Remuneration Policy of the Company, as provided in the Annual Report. In view of this, the calculation of the ratio of remuneration and percentage increase in remuneration of Non-Executive Directors would not be meaningful and hence not provided.

4. Permanent employees on the rolls of the Company does not include Badli Workers, Seasonal, Retainers, Advisors, Trainees / Apprentice, etc.

**STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Name	Designation, Nature of duties	Remuneration (₹)	Qualification and experience (years)	Age (years)	Date of commencement of employment	Last employer, designation
<b>Employed throughout the financial year</b>						
Shri Vivek Saraogi	Managing Director	1,72,14,496	B. Com (Hons.), (28)	50	3rd July, 1987	None
Shri Krishana Pal Singh	Group Head (Operations)	69,60,589	Diploma in Mech. Engineering (38)	59	16th September, 2002	Ghaghara Sugar Ltd., D.G.M. (Engg.)
<b>Employed for a part of the financial year</b>						
Smt. Meenakshi Saraogi	Jt. Managing Director upto 31st May, 2015	28,48,036	B.A. (33)	72	1st October, 1982	None
Shri Kishor Shah	Director cum Chief Financial Officer upto 30th November, 2015	48,67,608	Chartered Accountant (28)	52	24th January, 1994	Independent Consultancy
Shri Santosh Kumar Agrawala	Company Secretary upto 3rd November, 2015	49,59,371	B.Com (Hons), AASM, FCMA, FCS (40)	61	1st January, 1995	Birla Cotton Spg. & Wvg. Mills Ltd., Secretary

**Notes:**

1. Remuneration includes salary, company's contributions to provident fund, bonus, allowances and monetary value of perquisites. However, provision for gratuity including settlements during the year have been excluded.
2. Except the appointment of directors, all appointments are non-contractual and terminable by notice on either side.
3. No employee is a relative of any director, except Shri Vivek Saraogi and Smt. Meenakshi Saraogi who are related to each other.
4. None of the employees are covered under Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**For and on behalf of the Board of Directors**

Sd/-  
**Dr. Arvind Krishna Saxena**  
*Whole-time Director*  
DIN – 00846939

Sd/-  
**Vivek Saraogi**  
*Managing Director*  
DIN – 00221419

Place: Kolkata  
Date: 20th May, 2016



# Annexure III to the Board's Report

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

### (A) Conservation of Energy

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

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

- Installation of Variable Frequency Drive (VFDs) at Boiler, Plate type heat exchanger with Cigar, Cane Belt Coveyor;
- Installation of high efficiency spreader stocker type, travelling grates, high-pressure boilers, condensing cum extraction turbine, variable frequency drives for feed pumps, compressors and fans, heat recovery units in boiler, feed water heaters, distributed control system for centralised efficient operation;
- Installation of bigger size, constant ratio mill with variable speed, DC motor drive having full auto control, hydraulic cane unloaders, rotary screens, juice flow stabilization system, continuous sulphur burner, high efficiency centrifugal pumps, fluidized bed sugar drier and sugar bag conveying system, efficient and automatic centrifugal machines, continuous pans for B and C massecuites, etc.;
- DCS controlled operation at various stations to achieve maximum efficiency. Use of capacitors near motor to maintain the power factor;
- Recycling of process water to conserve natural resources. Replacement of conventional inefficient bulbs with efficient CFL and LED lights. Conserve energy by providing timers at street lights & putting energy efficient motors.
- Installation of LTEM (Low Temperature Evaporator Module) for waste heat recovery.
- Change in Vapour Bleeding Systems for steam conservation.

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

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

- Most of the sugar plants of the Company have bagasse based cogeneration power plants which is used for captive consumption and surplus being sold to the U.P. Power Corporation Ltd.

- Recycling of process water to conserve natural resources.
- Replacement of conventional inefficient sodium vapour & mercury vapour bulbs with efficient CFL and LED lights.

#### (iii) The capital investment on energy conservation equipments during the year 2015-16 was ₹500 Lacs.

Apart from this, the Company makes investments wherever required for conservation of energy. The Company has a continuous process to monitor and explore ways and means for conservation of energy.

### (B) Technology absorption

#### (i) The Company carried on following sugarcane development activities during the financial year 2015-16:

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

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

#### (iii) The Company has not imported any technology.

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

### (C) Foreign Exchange Earnings and outgo

	Year 2015-16	Year 2014-15
Foreign Exchange earned in terms of actual inflows	Nil	Nil
Foreign Exchange outgo in terms of actual outflows	₹44.87 Lacs	₹172.26 Lacs

#### For and on behalf of the Board of Directors

Sd/-  
**Dr. Arvind Krishna Saxena**  
*Whole-time Director*  
 DIN – 00846939

Sd/-  
**Vivek Saraogi**  
*Managing Director*  
 DIN – 00221419

Place: Kolkata  
 Date: 20th May, 2016

# Annexure IV to the Board's Report

## Remuneration Policy

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

- (i) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (ii) Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Ensuring that the remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

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

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

The following elements shall be considered for payment of remuneration to Executive Directors, KMP and other employees: Industry Average, Remuneration drawn by peers considering nature and volume of responsibilities, Qualification, Experience, Immediate previous position held in earlier organization &

responsibilities occupied, responsibilities shouldered in the Company, contribution made in the Company, any achievements, rewards or recognitions, behavioural patterns and work ethics, evaluation of performance etc.

### Remuneration to Executive Directors & Non-Executive Directors

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

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

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

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

### Remuneration to KMP, Senior Executives and other employees –

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

Remuneration of employees largely consists of base remuneration, perquisites, bonus, exgratia, etc. The components of the total remuneration vary for different cadres/grades are governed by industry pattern, qualification and experience of the employee, responsibilities handled by him, individual performance, among

others. Employees/workers may be granted advance/loan with or without interest in case of genuine needs like- medical, education, housing, marriage or for any other genuine purpose, subject to in conformity with the applicable laws and regulations as amended from time to time. The remuneration to employees/workers shall also comply with the applicable regulations and policies of the respective Governments. As the factories of the Company are situated in the State of Uttar Pradesh, the remuneration to employees/workers there should be in compliance with the policies of the U.P. Govt. including Wage Board.

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

Annual appraisal of performance of KMP, senior executives and other employees shall be done by the respective reporting

authority/ head of the department in association with HR Department. Based on such performance evaluation any increase in remuneration shall be done.

#### **Long Term Incentive Employee Stock Option Scheme –**

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

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

## **Criteria for selection of Directors and persons in Senior Management**

### **A. Introduction**

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

### **B. Selection and Composition of the Board**

#### **Board Membership Criteria & Diversity**

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

The Nomination & Remuneration Committee will review, annually, the appropriate skills and characteristics of Board members in the context of the current structure of the Board. This assessment should include issues of diversity, age, business, qualifications, ethics & integrity, willingness to participate in

Board matters and other criteria that the Committee and Board find to be relevant at that point of time. A variety and balance of skills, background and experience is desirable.

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

#### **Attributes**

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

**Experience** - A Board candidate should have extensive experience in business, administration, profession, governance and/or public service. An ideal Board candidate may have had experience in more than one of these areas.

**Education** - Ideally, it is desirable that a Board candidate should hold degree from a respected college or university. In some cases, it is further desirable for the candidate also to have earned a masters or acumen in governance & administration. However, these educational criteria are not meant to exclude an exceptional candidate who does not meet these educational criteria.

**Personal** - The Board candidate should be of the highest moral and ethical character. The candidate should exhibit independence, objectivity and be capable of serving as a representative of the stakeholder.

**Individual Characteristics** - The Board candidate should have the personal qualities to be able to make a substantial active contribution to Board deliberations. These qualities include intelligence, self-assuredness, high ethical standard, inter-personal skills, independence, judgmental, courage, a willingness to ask the difficult question, communication skills and commitment.

**Availability** - The Board candidate must be willing to commit, as well as have, sufficient time available to discharge the duties of Board membership. The Board candidate should not have any prohibited interlocking relationships.

**Compatibility** - The Board candidate should be able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.

**Compliance** - The Candidate should meet the compliance requirements prescribed under the Companies Act, 2013, Listing Agreement and other Rules & Regulations or standards set out by the Company.

#### **Predominance of Independent Directors**

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

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

#### **Selection and Orientation of New Directors**

The Nomination & Remuneration Committee shall identify candidates for the Board and recommend them for appointment by Board and subsequently for approval by the shareholders as prescribed under the law. The Board delegates the screening process to the Nomination & Remuneration

Committee with direct input from the Chairman of the Board or Managing Director or any other Committee as may deem appropriate. Management, working in conjunction with the Committee, shall develop an appropriate familiarisation program for new directors that include background briefings, meetings with senior management and visits to Company facilities etc.

#### **Assessing Performance of Board and Committees**

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

#### **C. Selection of Key Managerial Personnel (KMP)**

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

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

#### **D. Review**

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

(All the references to Listing Agreements be read as the Listing Regulations)



# Annexure V to the Board's Report

## Annual Report On Corporate Social Responsibility (CSR) Activities

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:	<p>Our vision for CSR is – “to contribute for bringing social and economic change to the underprivileged section of the society in an equitable manner and to contribute for the skill development as means of livelihood for the weaker sections of the society. This way we are building our business on responsible, sustainable and ethical foundations within a commercial framework to enable us to be a significant and effective force for positive change. In doing so we believe we are contributing to develop the quality of human life and making a better India.”</p> <p>CSR activities will be carried on by the Company through:</p> <ol style="list-style-type: none"> <li>I. Balrampur Institute of Vocational Aid (hereinafter referred to as “BIVA”),</li> <li>II. Balrampur Foundation (hereinafter referred to as “BF”),</li> <li>III. Balrampur Trust (hereinafter referred to as “BT”), and</li> <li>IV. Other society, trust, hospital, fund or organisations engaged in activities specified in Schedule VII of the said Act, as may be approved by the CSR Committee of the Board in accordance with the provisions of the said Act and Rules made thereunder.</li> </ol> <p>BIVA is a registered trust and is recognised &amp; affiliated by different Central and State Government agencies. It provides employment enhancing specialised vocational training to the underprivileged for helping alleviate poverty and enhancing self-reliance. Most of the training programs conducted by BIVA are short-term and income-oriented, enabling trainees to earn a livelihood. The entire program is subsidised to ensure maximum reach amongst the youth with an emphasis on women. The program's vocational training comprises income generation programmes.</p> <p>The object of the Balrampur Foundation and Balrampur Trust is to provide education, medical relief, promoting rural development projects and other objects of general public utility for the upliftment of the economically disempowered section of the society.</p>
2.	The Composition of the CSR Committee:	<p>Your Company's CSR Committee is comprises of the following members:</p> <ul style="list-style-type: none"> <li>– Shri Naresh Chandra – Chairman (Independent Director)</li> <li>– Shri Dinesh Kumar Mittal – Member (Independent Director)</li> <li>– Shri Vivek Saraogi – Member (Managing Director)</li> <li>– Smt. Novel S Lavasa – Member (Independent Director)</li> </ul>
3.	Average net profit of the Company for last three financial years:	₹4847.26 Lacs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above	₹96.95 Lacs

5.	<b>Details of CSR spent during the financial year</b> a. Total amount to be spent for the Financial Year: b. Amount unspent, if any : c. Manner in which the amount spent during the financial year is detailed below:	₹96.95 Lacs ₹34.21 Lacs The manner in which the amount is spent is detailed in Annexure A.
6.	<b>In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:</b>	<p>The Company has been implementing societal activities since many years. The Company has been contributing part of its earnings on a yearly basis for the Company's CSR Initiatives, largely to benefit the socially and economically underprivileged sections of the society.</p> <p>As per the strict interpretation of the CSR Rules, some of these initiatives may not be eligible as CSR spend under the prescribed law. However, as these activities are integral to the business of the Company, the same would be continued.</p> <p>While the Company's focus area for CSR has been in the field of vocational training and health, as a responsible citizen, the Company has also been actively supporting other issues such as eradicating poverty and promoting education.</p> <p>During the year under review, the Company managed to spend 64.72% of the total amount required to be spend for the financial year 2015-16 under the prescribed law.</p> <p>Over the last two years, we have approached the mandatory requirement of CSR positively by building and scaling-up the existing CSR projects. The Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learn from on-ground realities, getting feedback from the community and then putting an enhanced sustainable model to ensure maximum benefit to the community.</p> <p>The Company is also in the process of evaluating other alternative areas for CSR expenditure so as to ensure that they deliver optimal impact on the socially and economically underprivileged sections of the society. In the years to come, the Company would further augment its efforts to meet the targeted CSR expenditure.</p> <p>For these reasons, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013.</p> <p>Going forward, the Company will endeavor to achieve the prescribed limits for CSR expenditure.</p>
7.	<b>Affirmation by CSR Committee:</b>	The CSR Committee affirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objective and Policy of the Company.

## Annexure A

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where the project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs	Cumulative Expenditure up to reporting period	Amount spent: Direct or through implementing agency
				₹	₹	₹	
1	Eradicating hunger, Poverty and malnutrition, making available safe drinking water	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.	Local Area - Uttar Pradesh	12,50,000	1,61,975	1,61,975	- Zilaadhikari Vivekadhin Kosh - Lions' Club - Balrampur Foundation
2	Promoting health care including preventing health care	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.	Local & Other area - Kolkata (W.B.), Uttar Pradesh, Jhunjhunu (Rajasthan), Sikar (Rajasthan)	9,30,000	6,49,295	6,49,295	- Lions' Club - Balrampur Foundation - Anandalok Hospital - S.V.S. Marwari Hospital - Maharaja Agrasen Siksha & Jan Kalyan Trust - Society for Indian Children's Welfare - Shree Kalyan Arogya
3	Promoting education	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement Projects.	Local area - Kolkata (W.B.) Local Area - Uttar Pradesh	6,45,000	4,36,100	4,36,100	- Balrampur Foundation - Ramakrishna Mission Janasikshamandira - Natraj Yuva Sangh - Bharat Relief Society
4	Special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement Projects.	Local area - Kolkata (W.B.), Uttar Pradesh Other area - Mumbai (Maharashtra)	35,10,000	26,60,467	26,60,467	- Balrampur Institute of Vocational Aid - Balrampur Foundation - Manovikas Kendra - Society for the Education of the Crippled - Divya Chaya Trust - Kabir Peace Mission



1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where the project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs	Cumulative Expenditure up to reporting period	Amount spent: Direct or through implementing agency
				₹	₹	₹	
5	Setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Other area - Palanpur (Gujarat) Sikar (Rajasthan)	17,00,000	10,05,100	10,05,100	- Catholic Ashram - People's Welfare Society
6	Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;	Local area - Kolkata (W.B.) Local Area - Uttar Pradesh	15,50,000	11,53,500	11,53,500	- Dist. Sports Promotion Committee (U.P.) - Balrampur Foundation - Bengal Badminton Academy
7	Animal Welfare	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;	Local Area - Uttar Pradesh	1,15,000	61,000	61,000	- Balrampur Foundation
8	Rural Development Projects	Rural development projects.	Local Area - Uttar Pradesh	2,00,000	1,47,000	1,47,000	- Balrampur Foundation
9	Slum Area Development	Slum Area Development	-	1,00,000	-	-	-
10	Expenditure on administrative overheads				Nil		
				1,00,00,000	62,74,437	62,74,437	

Place: Kolkata  
Date: 20th May, 2016

Sd/-  
**Vivek Saraogi**  
Managing Director  
DIN - 00221419

Sd/-  
**Naresh Chandra**  
Chairman-CSR Committee  
DIN - 00015833



# Annexure VI to the Board's Report

## FORM MGT. 9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

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

#### I. Registration and other details

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

#### II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Sugar	10721	79%
2	Industrial Alcohol	1101	10%

#### III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Indo Gulf Industries Ltd. 213, Rectangle One, D-4 District Centre, Saket, New Delhi – 110017, India	L74900DL1981PLC011425	Subsidiary	53.96%	Section 2(87)(ii)

## IV. Share Holding Pattern

(Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April -2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	82863160	-	82863160	33.83	82863160	-	82863160	33.82	-0.01
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	17136839	-	17136839	7.00	17136839	-	17136839	7.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>99999999</b>	<b>-</b>	<b>99999999</b>	<b>40.83</b>	<b>99999999</b>	<b>-</b>	<b>99999999</b>	<b>40.82</b>	<b>-0.01</b>
<b>(2) Foreign</b>									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoters (A)= (A)(1)+(A)(2)</b>	<b>99999999</b>	<b>-</b>	<b>99999999</b>	<b>40.83</b>	<b>99999999</b>	<b>-</b>	<b>99999999</b>	<b>40.82</b>	<b>-0.01</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	19118344	1362	19119706	7.81	23333141	1362	23334503	9.53	+1.72
b) Banks / FIs	1250076	1881	1251957	0.51	1126640	1881	1128521	0.46	-0.05
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	20514492	-	20514492	8.38	16982522	-	16982522	6.93	-1.45
g) FIs	41886903	100	41887003	17.10	20538514	100	20538614	8.38	-8.72
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Financial Institution/ Banks	3450	-	3450	0.00	3450	-	3450	0.00	-
<b>Sub-total (B)(1):-</b>	<b>82773265</b>	<b>3343</b>	<b>82776608</b>	<b>33.80</b>	<b>61984267</b>	<b>3343</b>	<b>61987610</b>	<b>25.30</b>	<b>-8.50</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April -2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	8413617	45993	8459610	3.45	12211595	45989	12257584	5.00	+1.55
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	31398212	1753650	33151862	13.54	30160976	1605463	31766439	12.98	-0.57
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	14624869	-	14624869	5.97	21111545	-	21111545	8.62	+2.65
c) Others (specify)									
Non Resident Indians	1072762	13013	1085775	0.44	1472069	12652	1484721	0.61	+0.17
Clearing Members	1028552	-	1028552	0.42	3382681	-	3382681	1.38	+0.96
Trusts	57594	-	57594	0.02	57444	-	57444	0.02	-
Directors & their Relatives	74694	-	74694	0.03	18594	-	18594	0.01	-0.02
Foreign Portfolio Investor (Corporate)	3656704	-	3656704	1.49	12611569	-	12611569	5.15	+3.66
Others	0	-	0	0.00	271581	-	271581	0.11	+0.11
<b>Sub-total (B)(2):-</b>	<b>60327004</b>	<b>1812656</b>	<b>62139660</b>	<b>25.37</b>	<b>81298054</b>	<b>1664104</b>	<b>82962158</b>	<b>33.88</b>	<b>+8.51</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>143100269</b>	<b>1815999</b>	<b>144916268</b>	<b>59.17</b>	<b>143282321</b>	<b>1667447</b>	<b>144949768</b>	<b>59.18</b>	<b>+0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>243100268</b>	<b>1815999</b>	<b>244916267</b>	<b>100.00</b>	<b>243282320</b>	<b>1667447</b>	<b>244949767</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters:

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year [As on 01-April-2015]			Shareholding at the end of the year [As on 31-March-2016]			% change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Shri Vivek Saraogi	38082320	15.55	Nil	38082320	15.55	Nil	Nil
2	Kamal Nayan Saraogi HUF	7862300	3.21	Nil	7862300	3.21	Nil	Nil
3	Vivek Saraogi HUF	170040	0.07	Nil	170040	0.07	Nil	Nil
4	Smt. Meenakshi Saraogi	14244300	5.82	Nil	14244300	5.81	Nil	-0.01
5	Smt. Sumedha Saraogi	9799000	4.00	Nil	9799000	4.00	Nil	Nil
6	Smt. Stuti Dhanuka	5012000	2.04	Nil	5012000	2.04	Nil	Nil
7	Shri Karan Saraogi	3946600	1.61	Nil	3946600	1.61	Nil	Nil
8	Ms. Avantika Saraogi	3746600	1.53	Nil	3746600	1.53	Nil	Nil
9	Udaipur Cotton Mills Co. Ltd.	6559680	2.68	Nil	6559680	2.68	Nil	Nil
10	Meenakshi Mercantiles Ltd.	7476050	3.05	Nil	7476050	3.05	Nil	Nil
11	Novel Suppliers Pvt. Ltd.	3101109	1.27	Nil	3101109	1.27	Nil	Nil
	<b>Total</b>	<b>99999999</b>	<b>40.83</b>	<b>Nil</b>	<b>99999999</b>	<b>40.82</b>	<b>Nil</b>	<b>-0.01</b>

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

Sl. No.		Shareholding at the beginning of the year (As on 01.04.2015)		Cumulative Shareholding during the Year (01.04.2015 to 31.03.2016)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	99999999	40.83		
	Nil changes during the year*	0	-0.01	99999999	40.82
	At the end of the year	-	-	99999999	40.82

\*There is no change in the total shareholding of promoters during the year 2015-16. The percentage holding has changed by -0.01% owing to increase in the total paid-up share capital of the Company.

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

Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India						
	At the beginning of the year	01.04.2015		19341962	7.90		
	Increase / Decrease in Shareholding during the year	04.12.2015	SELL	149029	0.06	19192933	7.84
		11.12.2015	SELL	288844	0.12	18904089	7.72
		18.12.2015	SELL	626052	0.26	18278037	7.46
		25.12.2015	SELL	154449	0.06	18123588	7.40
		31.12.2015	SELL	194167	0.08	17929421	7.32
		01.01.2016	SELL	300000	0.12	17629421	7.20
		12.02.2016	SELL	801591	0.33	16827830	6.87
		19.02.2016	SELL	44995	0.02	16782835	6.85
		26.02.2016	SELL	298195	0.12	16484640	6.73
		04.03.2016	SELL	432009	0.18	16052631	6.55



Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		11.03.2016	SELL	300000	0.12	15752631	6.43
		18.03.2016	SELL	272908	0.11	15479723	6.32
		25.03.2016	SELL	475000	0.19	15004723	6.13
		31.03.2016	SELL	821489	0.34	14183234	5.79
	At the end of the year	31.03.2016				14183234	5.79
<b>2</b>	<b>Government Pension Fund Global</b>						
	At the beginning of the year	01.04.2015		13057899	5.33		
	Increase / Decrease in Shareholding during the year	31.07.2015	BUY	499129	0.20	13557028	5.53
		28.08.2015	BUY	10871	0.01	13567899	5.54
		20.11.2015	SELL	961245	0.39	12606654	5.15
		27.11.2015	SELL	306661	0.13	12299993	5.02
	At the end of the year	31.03.2016				12299993	5.02
<b>3</b>	<b>ICICI Prudential Discovery Fund**</b>						
	At the beginning of the year	01.04.2015		5906654	2.41		
	Increase / Decrease in Shareholding during the year	10.07.2015	BUY	500000	0.21	6406654	2.62
		14.08.2015	BUY	1612946	0.66	8019600	3.27
		21.08.2015	BUY	750000	0.31	8769600	3.58
		20.11.2015	SELL	1000000	0.41	7769600	3.17
		04.12.2015	SELL	10991	0.00	7758609	3.17
		11.12.2015	SELL	87946	0.04	7670663	3.13
		18.12.2015	SELL	493558	0.20	7177105	2.93
		25.12.2015	SELL	457464	0.19	6719641	2.74
		31.12.2015	SELL	419432	0.17	6300209	2.57
		01.01.2016	SELL	457825	0.19	5842384	2.38
		08.01.2016 ***	SELL	4446698	1.81	1395686	0.57
		15.01.2016	SELL	1395686	0.57	0	0.00
	At the end of the year	31.03.2016				0	0.00
<b>4</b>	<b>JP Morgan Indian Investment Company (Mauritius) Limited**</b>						
	At the beginning of the year	01.04.2015		5403736	2.21		
	Increase / Decrease in Shareholding during the year	17.04.2015	SELL	93000	0.04	5310736	2.17
		24.04.2015	SELL	332841	0.14	4977895	2.03
		01.05.2015	SELL	507026	0.21	4470869	1.82
		08.05.2015	SELL	158962	0.06	4311907	1.76
		15.05.2015	SELL	140560	0.06	4171347	1.70
		22.05.2015 ***	SELL	4171347	1.70	0	0.00
	At the end of the year	31.03.2016				0	0.00
<b>5</b>	<b>Akash Bhanshali</b>						
	At the beginning of the year	01.04.2015		4316063	1.76		
	Increase / Decrease in Shareholding during the year	10.04.2015	BUY	400000	0.16	4716063	1.92
		01.05.2015	BUY	100000	0.04	4816063	1.96
		15.05.2015	BUY	112891	0.05	4928954	2.01
		22.05.2015	BUY	1813457	0.74	6742411	2.75

Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		05.06.2015	BUY	189244	0.08	6931655	2.83
		04.09.2015	BUY	89211	0.04	7020866	2.87
		30.10.2015	BUY	423697	0.17	7444563	3.04
		06.11.2015	BUY	253669	0.10	7698232	3.14
		13.11.2015	BUY	75000	0.03	7773232	3.17
	At the end of the year	31.03.2016				7773232	3.17
<b>6</b>	<b>Lata Bhanshali</b>						
	At the beginning of the year	01.04.2015		3832332	1.56		
	Increase / Decrease in Shareholding during the year	22.05.2015	BUY	1750000	0.72	5582332	2.28
	At the end of the year	31.03.2016				5582332	2.28
<b>7</b>	<b>IDFC Equity Opportunity Series 1**</b>						
	At the beginning of the year	01.04.2015		2784913	1.14		
	Increase / Decrease in Shareholding during the year	10.04.2015	BUY	55994	0.02	2840907	1.16
		17.04.2015	BUY	1659093	0.68	4500000	1.84
		22.05.2015 ***	SELL	4500000	1.84	0	0.00
	At the end of the year	31.03.2016				0	0.00
<b>8</b>	<b>Danske Invest Management Company S.A. A/C Danske Invest Sicav-SIF- Emerging and Frontier Markets SMID**</b>						
	At the beginning of the year	01.04.2015		2780000	1.13		
	Increase / Decrease in Shareholding during the year	10.07.2015	SELL	500000	0.20	2280000	0.93
		31.07.2015 ***	SELL	2280000	0.93	0	0.00
	At the end of the year	31.03.2016				0	0.00
<b>9</b>	<b>Dimensional Emerging Markets Value Fund</b>						
	At the beginning of the year	01.04.2015		2643768	1.08		
	Increase / Decrease in Shareholding during the year	10.04.2015	BUY	18375	0.00	2662143	1.08
		24.04.2015	BUY	18526	0.01	2680669	1.09
		01.05.2015	BUY	17520	0.01	2698189	1.10
		15.05.2015	BUY	23835	0.01	2722024	1.11
		22.05.2015	BUY	24773	0.01	2746797	1.12
		29.05.2015	BUY	20008	0.01	2766805	1.13
		07.08.2015	SELL	20005	0.01	2746800	1.12
		14.08.2015	SELL	76996	0.03	2669804	1.09
		21.08.2015	SELL	62942	0.03	2606862	1.06
		28.08.2015	SELL	3409	0.00	2603453	1.06
		25.09.2015	SELL	45319	0.02	2558134	1.04
		01.10.2015	SELL	23678	0.01	2534456	1.03
		30.10.2015	SELL	65383	0.03	2469073	1.00
		06.11.2015	SELL	84103	0.03	2384970	0.97
		13.11.2015	SELL	51529	0.02	2333441	0.95
		20.11.2015	SELL	43937	0.02	2289504	0.93
		18.12.2015	SELL	120679	0.05	2168825	0.88
	At the end of the year	31.03.2016				2168825	0.88

Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
10	Merrill Lynch Capital Markets Espana S.A. S.V.**						
	At the beginning of the year	01.04.2015		2367479	0.97		
	Increase / Decrease in Shareholding during the year	16.10.2015	SELL	35265	0.02	2332214	0.95
		23.10.2015	SELL	270467	0.11	2061747	0.84
		30.10.2015	SELL	125484	0.05	1936263	0.79
		18.12.2015 ***		0	0.00	1936263	0.79
		08.01.2016*		0	0.00	1936263	0.79
		12.02.2016 ***		0	0.00	1936263	0.79
	At the end of the year	31.03.2016				1936263	0.79
11	IDFC Premier Equity Fund#						
	At the beginning of the year	01.04.2015		0	0.00		
	Increase / Decrease in Shareholding during the year	22.05.2015*	BUY	5789315	2.36	5789315	2.36
		29.05.2015	BUY	765189	0.32	6554504	2.68
		05.06.2015	BUY	1494545	0.61	8049049	3.29
		12.06.2015	BUY	110951	0.04	8160000	3.33
		19.06.2015	BUY	121224	0.05	8281224	3.38
	At the end of the year	31.03.2016				8281224	3.38
12	ICICI PRUDENTIAL VALUE FUND – SERIES I						
	At the beginning of the year	01.04.2015		2175826	0.89		
	Increase / Decrease in Shareholding during the year	22.05.2015*		0	0	2175826	0.89
		16.10.2015***	SELL	653657	0.27	1522169	0.62
		23.10.2015	SELL	1026108	0.42	496061	0.20
		30.10.2015	SELL	496061	0.20	0	0.00
	At the end of the year					0	0.00
13	HDFC Small & Midcap Fund						
	At the beginning of the year	01.04.2015		1976600	0.81		
	Increase / Decrease in Shareholding during the year	31.07.2015*		0	0.00	1976600	0.81
		19.02.2016***		0	0.00	1976600	0.81
		18.03.2016	SELL	976600	0.40	1000000	0.41
	At the end of the year	31.03.2016				1000000	0.41
14	L & T Mutual Fund Trustee Limited – L & T Equity Fund#						
	At the beginning of the year	01.04.2015		0	0.00		
	Increase / Decrease in Shareholding during the year	31.07.2015	BUY	1495792	0.61	1495792	0.61
		14.08.2015	BUY	33180	0.01	1528972	0.62
		21.08.2015	BUY	44049	0.02	1573021	0.64
		28.08.2015	BUY	200000	0.08	1773021	0.72
		04.09.2015	BUY	103038	0.04	1876059	0.76
		16.10.2015*		0	0.00	1876059	0.76
		06.11.2015***		0	0.00	1876059	0.76
		20.11.2015	BUY	50137	0.02	1926196	0.78
		18.12.2015*	BUY	133080	0.05	2059276	0.84
		15.01.2016	BUY	907088	0.37	2966364	1.21
	At the end of the year	31.03.2016				2966364	1.21

Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
15	POLUNIN EMERGING MARKETS SMALL CAP FUND, LLC#						
	At the beginning of the year	01.04.2015		0	0.00		
	Increase / Decrease in Shareholding during the year	24.07.2015	BUY	142662	0.06	142662	0.06
		31.07.2015	BUY	297715	0.12	440377	0.18
		07.08.2015	BUY	646602	0.26	1086979	0.44
		14.08.2015	BUY	276526	0.11	1363505	0.55
		18.09.2015	BUY	20047	0.01	1383552	0.56
		25.09.2015	BUY	232744	0.10	1616296	0.66
		01.10.2015	BUY	212948	0.09	1829244	0.75
		06.11.2015*	BUY	153554	0.06	1982798	0.81
		11.12.2015	BUY	118365	0.05	2101163	0.86
		18.12.2015	BUY	31635	0.01	2132798	0.87
	At the end of the year	31.03.2016				2132798	0.87
16	L & T Mutual Fund Trustee Limited – L & T India Value Fund#						
	At the beginning of the year	01.04.2015		0	0.00		
	Increase / Decrease in Shareholding during the year	20.11.2015	BUY	1355700	0.55	1355700	0.55
		08.01.2016	BUY	314700	0.13	1670400	0.68
		29.01.2016	BUY	254886	0.10	1925286	0.78
		19.02.2016*	BUY	115214	0.05	2040500	0.83
		11.03.2016	BUY	510000	0.21	2550500	1.04
	At the end of the year	31.03.2016				2550500	1.04
17	SBI Life Insurance#						
	At the beginning of the year	01.04.2015		0	0.00		
	Increase / Decrease in Shareholding during the year	20.11.2015	BUY	835388	0.34	835388	0.34
		04.12.2015	BUY	178622	0.07	1014010	0.41
		29.01.2016	BUY	280000	0.11	1294010	0.52
		05.02.2016	BUY	360620	0.15	1654630	0.67
		12.02.2016*	BUY	748132	0.31	2402762	0.98
		26.02.2016	BUY	595526	0.24	2998288	1.22
		04.03.2016	BUY	575000	0.23	3573288	1.45
		11.03.2016	SELL	170000	0.06	3403288	1.39
		18.03.2016	SELL	754000	0.31	2649288	1.08
		31.03.2016	BUY	150000	0.06	2799288	1.14
	At the end of the year	31.03.2016				2799288	1.14

#Not in the list of Top 10 shareholders as on 01.04.2015. The same has been reflected above since the shareholder was one of the Top Ten Shareholders as on 31.03.2016.

\*Refers to the date on which joined as one of the Top Ten Shareholders.

\*\*During the year ceased to be in the list of Top Ten Shareholders.

\*\*\*Refers to the date on which ceased as one of the Top Ten Shareholders.

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1</b>	<b>Shri Naresh Chandra, Chairman, Independent Director</b>				
	At the beginning of the year	0	0.00		
	Nil holding / changes during the year	0			
	At the end of the year			0	0.00
<b>2</b>	<b>Shri Vivek Saraogi, Managing Director</b>				
	At the beginning of the year	38082320	15.55		
	Nil changes during the year	0			
	At the end of the year			38082320	15.55
<b>3</b>	<b>Smt. Meenakshi Saraogi, Director#</b>				
	At the beginning of the year	14244300	5.82		
	Nil changes during the year**	0	-0.01	14244300	5.81
	At the end of the year			14244300	5.81
<b>4</b>	<b>Shri R. N. Das, Independent Director</b>				
	At the beginning of the year	0	0.00		
	Nil holding / changes during the year	0			
	At the end of the year			0	0.00
<b>5</b>	<b>Shri D. K. Mittal, Independent Director</b>				
	At the beginning of the year	1094	0.00		
	Nil changes during the year	0			
	At the end of the year			1094	0.00
<b>6</b>	<b>Shri Krishnava Dutt, Independent Director</b>				
	At the beginning of the year	0	0.00		
	Nil holding / changes during the year	0			
	At the end of the year			0	0.00
<b>7</b>	<b>Smt. Novel S. Lavasa, Independent Director</b>				
	At the beginning of the year	0	0.00		
	Nil holding/ changes during the year	0			
	At the end of the year			0	0.00
<b>8</b>	<b>Shri Kishor Shah, Director cum Chief Financial Officer@</b>				
	At the beginning of the year	50600	0.02		
	Nil changes during the year	0			
	At the end of the year			50600	0.02
<b>9</b>	<b>Dr. Arvind Krishna Saxena, Wholetime Director</b>				
	At the beginning of the year	18000	0.01		
	Sold as on 30.03.2016	500	0.00	17500	0.01
	At the end of the year			17500	0.01
<b>10</b>	<b>Shri Sakti Prasad Ghosh, Independent Director%</b>				
	At the beginning of the year	0	0.00		
	Nil holding / changes during the year	0			
	At the end of the year			0	0.00



Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
11	Shri Santosh Kumar Agrawala, Company Secretary <sup>^</sup>				
	At the beginning of the year	10	0.00		
	Nil changes during the year	0			
	At the end of the year			10	0.00
12	Shri Nitin Bagaria, Company Secretary <sup>\$</sup>				
	At the beginning of the year	6	0.00		
	Nil changes during the year	0			
	At the end of the year			6	0.00
13	Shri Pramod Patwari, Chief Financial Officer <sup>*</sup>				
	At the beginning of the year	0	0.00		
	Nil holding / changes during the year	0			
	At the end of the year			0	0.00

# Jt. Managing Director upto 31st May, 2015 and Non-Executive Director thereafter.

@ Resigned with effect from 30th November, 2015

% Appointed with effect from 4th November, 2015.

^ Retired with effect from 3rd November, 2015.

\$ Appointed with effect from 4th November, 2015.

\* Appointed with effect from 16th December, 2015.

\*\* The percentage holding has changed by -0.01% owing to increase in the total paid-up share capital of the Company.

## V. Indebtedness

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

(₹ in Lacs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	149951.45	17500.00	-	167451.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1327.06	-	-	1327.06
<b>Total (i+ii+iii)</b>	<b>151278.51</b>	<b>17500.00</b>	<b>-</b>	<b>168778.51</b>
<b>Change in Indebtedness during the financial year</b>				
i) Principal Amount				
Addition*	64333.48	42500.00	-	106833.48
Reduction*	62248.25	45000.00	-	107248.25
<b>Net Change</b>	<b>2085.23</b>	<b>-2500.00</b>	<b>-</b>	<b>-414.77</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	152111.52	15000.00	-	167111.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1252.22	-	-	1252.22
<b>Total (i+ii+iii)</b>	<b>153363.74</b>	<b>15000.00</b>	<b>-</b>	<b>168363.74</b>

\* Addition and reduction includes an amount of ₹642.53 Lacs and ₹717.37 Lacs respectively towards interest accrued but not due.

## VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
		Shri Vivek Saraogi	Smt. Meenakshi Saraogi#	Shri Kishor Shah@	Dr. Arvind Krishna Saxena	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	150.00	270.19	95.17	17.05	532.41
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	3.99	0.33	0.29	2.76	7.37
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–	–	–	–
2	Stock Option	–	–	–	–	–
3	Sweat Equity	–	–	–	–	–
4	Commission	–	–	–	–	–
	- as % of profit					
	- others, specify					
5	Others, please specify	–	–	–	–	–
	<b>Total (A)</b>	<b>153.99</b>	<b>270.52</b>	<b>95.46</b>	<b>19.81</b>	<b>539.78</b>
	Ceiling as per the Act	10% of the net profit, calculated as per Section 198 of the Companies Act, 2013 read together with the Central Government Orders dated 8th January, 2015.				

# Jt. Managing Director upto 31st May, 2015.

@ Also shown under the heading "CFO" upto 30th November, 2015 (i.e. date of cessation as Director cum CFO).

### B. Remuneration to other directors:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Shri Naresh Chandra	Shri R. N. Das	Shri D. K. Mittal	Shri Krishnava Dutt	Smt. Meenakshi Saraogi#	Shri S. P. Ghosh	Smt. Novel S Lavasa	
1	<b>Independent Directors</b>								
	Fee for attending board/ committee meetings	3.40	4.40	2.60	2.40	–	3.00	3.40	19.20
	Commission	4.50	4.50	3.50	3.50	–	1.00	3.50	20.50
	Others, please specify	–	–	–	–	–	–	–	–
	<b>Total (1)</b>	<b>7.90</b>	<b>8.90</b>	<b>6.10</b>	<b>5.90</b>	<b>–</b>	<b>4.00</b>	<b>6.90</b>	<b>39.70</b>
2	<b>Other Non-Executive Directors</b>	–	–	–	–	–	–	–	–
	Fee for attending board/ committee meetings	–	–	–	–	1.00	–	–	1.00
	Commission	–	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–	–
	<b>Total (2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1.00</b>	<b>–</b>	<b>–</b>	<b>1.00</b>
	<b>Total (B)=(1+2)</b>	<b>7.90</b>	<b>8.90</b>	<b>6.10</b>	<b>5.90</b>	<b>1.00</b>	<b>4.00</b>	<b>6.90</b>	<b>40.70</b>
	<b>Total Managerial Remuneration [(A) + (B)]</b>								<b>580.48</b>
	Overall Ceiling as per the Act	11% of the net profit, calculated as per Section 198 of the Companies Act, 2013.							

# Non-Executive Director w.e.f. 1st June, 2015.

Commission relates to the financial year 2015-16 and shall be paid after the 40th Annual General Meeting. Smt. Meenakshi Saraogi has waived off her entitlement to receive commission (payable to Non-Executive Directors) for the financial year 2015-16. Sitting Fees and Commission is net off Service Tax and Swachh Bharat Cess (SBC).

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		CEO	Company Secretary	Company Secretary	CFO	CFO	
			Shri Santosh Kumar Agrawala#	Shri Nitin Bagaria\$	Shri Kishor Shah@	Shri Pramod Patwari*	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	104.34	6.86	95.17	6.67	213.04
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	–	–	–	0.29	–	0.29
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–	–	–
2	Stock Option	–	–	–	–	–	–
3	Sweat Equity	–	–	–	–	–	–
4	Commission	–	–	–	–	–	–
	- as % of profit	–	–	–	–	–	–
	Others, specify	–	–	–	–	–	–
5	Others, please specify	–	–	–	–	–	–
	<b>Total</b>	<b>–</b>	<b>104.34</b>	<b>6.86</b>	<b>95.46</b>	<b>6.67</b>	<b>213.33</b>

# Retired with effect from 3rd November, 2015.

\$ Appointed with effect from 4th November, 2015.

@ Also shown under the heading "Whole-time Director (WTD)" upto 30th November, 2015 (i.e. date of cessation as Director cum CFO).

\* Appointed with effect from 16th December, 2015.

### VII. Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment			None		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			None		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			None		
Compounding					

For and on behalf of the Board of Directors

Sd/-  
**Dr. Arvind Krishna Saxena**  
*Whole-time Director*  
DIN – 00846939

Sd/-  
**Vivek Saraogi**  
*Managing Director*  
DIN – 00221419

Place: Kolkata  
Date: 20th May, 2016



# Annexure VII to the Board's Report

## Corporate Governance Report

### Company's Philosophy on Code of Governance

Corporate Governance refers to, but not limited to, a set of laws, regulations and good practices & 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 levels of competency and capability to meet the expectations in managing the enterprise and its resources optimally with prudent ethical standards. The Company recognises that good corporate governance is a continuous exercise.

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

### Date of Report

The information provided in this Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2016. This Report is updated as on the date of the Report wherever applicable.

### Board of Directors

The Company recognises the importance of a diverse board in its success. The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) mandate that for a company with a non-executive chairman, atleast one third of the board should comprise of independent directors. As on 31st March, 2016, the Board comprised of 9 (nine) directors, of which 6 (six) (two third) were Independent Directors including the Chairman. The composition of the Board is compliant with the requirements of Regulation 17(1) of the Listing Regulations.

The composition of the Board of Directors as on 31st March, 2016, the number of other Board of Directors or Board Committees of which a director is a Member/ Chairperson and the attendance of each director at the Board meetings and the last Annual General Meeting (AGM) of the Company were as follows:

Name of the Directors	Category	No. of directorships*#@	No. of membership/ chairmanship on Board committees**#	No. of Board meetings attended during the year 2015-16	Attendance at last AGM
Shri Naresh Chandra (Chairman)	Independent, Non-Executive	11 (7)	10 (including 1 as Chairman)	4	Yes
Shri Vivek Saraogi (Managing Director)	Promoter, Executive	3	2	5	Yes
Smt. Meenakshi Saraogi (Jt. MD upto 31.05.2015 and Non-Executive Director thereafter)	Promoter, Non-Executive	1	0	2	No
Shri R. N. Das	Independent, Non-Executive	2 (1)	3 (including 2 as Chairman)	5	Yes
Shri D. K. Mittal	Independent, Non-Executive	13 (4)	10 (including 3 as Chairman)	3	Yes
Shri Krishnava Dutt	Independent, Non-Executive	10 (4)	6 (including 3 as Chairman)	3	Yes
Smt. Novel S Lavasa	Independent, Non-Executive	3 (2)	2	5	Yes
Shri Sakti Prasad Ghosh (Appointed w.e.f. 04.11.2015)	Independent, Non-Executive	7 (2)	6 (including 2 as Chairman)	2	N.A.
Dr. Arvind Krishna Saxena (Wholetime Director)	Non-Promoter, Executive	1	0	2	Yes
Shri Kishor Shah (Director cum Chief Financial Officer) (Ceased w.e.f. 30.11.2015)	Non-Promoter, Executive	N.A.	N.A.	3	Yes

\* In case of Independent Directors, figures in brackets represent the number of directorships, including Balrampur Chini Mills Limited, reckoned in terms of Regulation 25(1) of the Listing Regulations.

@ Excludes memberships of the managing committee of various chambers/bodies and alternate directorships.

\*\* Only membership/ chairmanship of the Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies have been considered.

# Includes Balrampur Chini Mills Limited.

The composition of the Board and other provisions as to Board and Committees are in compliance with the Listing Regulations. The Independent Directors of the Company fulfil the criteria for "independence" and / or "eligibility" as prescribed under the Listing Regulations and Section 149 of the Companies Act, 2013 (the Act). Except Shri Vivek Saraogi and Smt. Meenakshi Saraogi, who are related to each other (Shri Vivek Saraogi is son of Smt. Meenakshi Saraogi), no director of the Company is related to any other director of the Company.

None of the directors on the Board is a member of more than 10 committees and / or Chairman of more than 5 committees,

reckoned in terms of Regulation 26 of the Listing Regulations. The Independent Directors of the Company do not serve in more than the prescribed number of companies as independent directors in terms of the requirements of the Listing Regulations.

The Board has devised proper system to ensure compliance with the provisions of all applicable laws and periodically reviewed the compliance reports of all laws applicable to the Company and necessary steps were taken to ensure the compliance in letter and spirit.

The Board of Directors of the Company met 5 (five) times during the year 2015-16. Atleast one meeting of the Board was held in



every quarter and the time gap between any two consecutive board meetings did not exceed 120 days during the year 2015-16. The details are as follows:

Sl. No.	Date of Board Meetings	Board Strength (No. of directors)	No. of directors Present	No. of Independent Directors Present
1	27th May, 2015	9	6	3
2	12th August, 2015	9	8	5
3	3rd November, 2015	9	7	5
4	16th December, 2015	9	5	3
5	8th February, 2016	9	8	6

Disclosures regarding appointment / re-appointment of the directors have been furnished in the Notice convening the 40th Annual General Meeting, which forms part of the Annual Report.

### Familiarisation Programme

In terms of Regulation 25 of the Listing Regulations, the Company is required to conduct various programmes for the Independent Directors of the Company to familiarise them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The details of such programmes for familiarisation of the Independent Directors are put on the website of the Company at the following web-link:

[http://www.chini.com/familiarisation\\_programme.pdf](http://www.chini.com/familiarisation_programme.pdf)

### Independent Directors' Separate Meeting

Schedule IV to the Act and the Listing Regulations mandates the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of non-independent directors and members of the management. During the year ended 31st March, 2016, the Independent Directors met on 8th February, 2016, inter alia, to review performance of Non-Independent Directors & the Board as a whole, to review performance of the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

### Code of Conduct

In terms of Regulation 17 of the Listing Regulations, there exists a Code of Conduct, laid down by the Board, for all Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company. The Board Members and Senior Management Personnel have affirmed compliance with the said Code in terms of Regulation 26 of the Listing Regulations.

A declaration to this effect for the financial year 2015-16 from the Managing Director of the Company is annexed to this Report.

### Board Committees

The Board has constituted various committees consisting of Executive and Non-Executive Directors of the Company to meet various mandatory requirements of the Act and the Listing Regulations as well as to perform other critical functions. Currently, the Board has 6 (six) committees: Audit Committee, CSR Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Executive Committee and Share Transfer Committee. The composition of the said committees have been disclosed on the website of the Company. The Company Secretary acts as the Secretary to all the Committees of the Board.

### Audit Committee

The Audit Committee acts as the link between the management, the Statutory and Internal Auditors and the Board of Directors of the Company.

### Terms of Reference

The terms of reference of the Audit Committee are in conformity with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. Terms of reference of the Audit Committee includes overseeing the financial reporting process, review of financial statements, ensuring compliance with the regulatory guidelines, review of internal audit reports, recommending appointment and remuneration of auditors to the Board of Directors and to review adequacy of internal control systems and internal audit function and other matters specified for Audit Committee under the Listing Regulations and Section 177 of the Act. The Audit Committee also reviews information as per the requirement of Part C of Schedule II to the Listing Regulations.

## Composition, Meetings and Attendance

The composition of the Audit Committee is in accordance with the provisions of the Act and Regulation 18 of the Listing Regulations.

As on 31st March, 2016, the Audit Committee comprised of 6 (six) directors – 5 (five) of whom are Independent, Non-Executive and 1 (one) is Promoter, Executive. All of them are experts in corporate finance, accounts and corporate laws. The Chairman of the Committee is an Independent Non-Executive Director, nominated by the Board. The Committee meetings were attended by the

Chief Financial Officer of the Company as an invitee. The Statutory Auditors also attended the meetings as and when required. The Committee also invited the representatives of Internal Auditors for obtaining valuable guidance from their expertise in best practices in Internal Audit. The Cost Auditors were also invited whenever the Cost Audit related matters were considered. The minutes of the Audit Committee meetings were circulated to the Board, discussed and taken note of. All recommendations made by the Audit Committee during the year were accepted by the Board.

At least one meeting of the Audit Committee was held in every quarter and the time gap between any two consecutive meetings of the Audit Committee did not exceed 120 days during the year 2015-16. During the year ended 31st March, 2016, 5 (five) Audit Committee meetings were held on 27th May, 2015, 12th August, 2015, 3rd November, 2015, 16th December, 2015 and 8th February, 2016. The composition and attendance of the members of the Audit Committee are as follows:

Sl. No.	Name of the Directors	Position	Category	No. of meetings attended
1	Shri R. N. Das	Chairman	Independent, Non-Executive	5
2	Shri Naresh Chandra	Member	Independent, Non-Executive	4
3	Shri Vivek Saraogi	Member	Promoter, Executive	5
4	Shri D. K. Mittal	Member	Independent, Non-Executive	3
5	Shri Krishnava Dutt	Member	Independent, Non-Executive	3
6	Shri Sakti Prasad Ghosh (inducted w.e.f. 14.12.2015)	Member	Independent, Non-Executive	2

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company to answer the queries related to accounts to the satisfaction of the shareholders.

## Nomination & Remuneration Committee

The terms of reference of the Nomination & Remuneration Committee cover all the areas mentioned under Regulation 19 of the Listing Regulations and Section 178 of the Act. The broad terms of reference of the Committee includes:

- (i) To formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- (ii) To recommend to the Board a policy relating to the

remuneration for the directors, key managerial personnel and other employees of the Company;

- (iii) To identify persons who are qualified to become directors and who may be appointed in senior management;
- (iv) To evaluate the performance of all Directors.

As on 31st March, 2016, the Nomination & Remuneration Committee comprised of 4 (four) directors, all of whom are Non-Executive, Independent Directors.

The Nomination & Remuneration Committee also administers the Employee Stock Option Scheme, which was approved by the shareholders at the Extra-Ordinary General Meetings of the Company held on 8th September, 2005 and 25th May, 2009. The details of the composition, meetings and attendance of the members of the Nomination & Remuneration Committee are as follows:

Sl. No.	Name of the Directors	Position	No. of meetings attended	Date of meetings
1	Shri D. K. Mittal	Chairman	2	27th May, 2015
2	Shri Naresh Chandra	Member	2	3rd November, 2015
3	Shri R. N. Das	Member	4	16th December, 2015
4	Smt. Novel S Lavasa	Member	4	8th February, 2016

The Chairman of the Nomination & Remuneration Committee was present at the last Annual General Meeting of the Company to answer the queries of the shareholders.

### Remuneration Policy

The Criteria for selection of Directors (including Board Diversity) and persons in Senior Management alongwith the Remuneration Policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors are annexed to the Board's Report and are also available on the Company's website.

The Non-Executive Directors do not have any pecuniary relationship/ transactions with the Company in their personal capacity other than Commission (not exceeding the limits prescribed under the Companies Act, 2013) and Sitting Fees (paid at the rate of ₹40,000/- for attending each meeting of the Board

and ₹20,000/- for attending each meeting of the Committees thereof). The aggregate commission payable to the Non-Executive Directors is upto one percent of the net profit of the Company with a maximum ceiling of ₹30 Lacs per annum in such proportion and manner as fixed by the Board of Directors.

The Commission payable to the Managing Director, Joint Managing Director and Director cum Chief Financial Officer are at the rate of one percent of the net profit of the Company, subject to a ceiling of ₹150 Lacs p.a. each in case of Managing Director, Joint Managing Director and ₹48 Lacs p.a. in case of Director cum Chief Financial Officer.

Details of remuneration paid / payable to the Directors for the year ended 31st March, 2016 and their shareholding as on that date is as under:

Name of the Directors	Salary (₹)	Perquisites / Benefits (₹)	Bonus (₹)	Commission (₹)	Sitting Fees (₹)	Total (₹)	Service Contract/ Notice period/ Severance Fees	Shareholding (Equity)
Shri Naresh Chandra	–	–	–	4,50,000	3,40,000	7,90,000	Appointed as Independent Director upto 31.03.2019	Nil
Shri Vivek Saraogi	150,00,000	22,14,496	–	–	–	1,72,14,496	Term of office valid upto 31.03.2017. No notice period and no severance fees.	3,80,82,320
Smt. Meenakshi Saraogi	25,00,000	3,48,036	–	–	1,00,000	29,48,036	Jt. Managing Director upto 31.05.2015 and Non-Executive Director thereafter. Liable to retire by rotation.	1,42,44,300
Shri R. N. Das	–	–	–	4,50,000	4,40,000	8,90,000	Appointed as Independent Director upto 31.03.2019	Nil
Shri D.K. Mittal	–	–	–	3,50,000	2,60,000	6,10,000	Appointed as Independent Director upto 31.03.2019	1,094

Name of the Directors	Salary (₹)	Perquisites / Benefits (₹)	Bonus (₹)	Commission (₹)	Sitting Fees (₹)	Total (₹)	Service Contract/ Notice period/ Severance Fees	Shareholding (Equity)
Shri Krishnav Dutt	–	–	–	3,50,000	2,40,000	5,90,000	Appointed as Independent Director upto 31.03.2019	Nil
Smt. Novel S Lavasa	–	–	–	3,50,000	3,40,000	6,90,000	Appointed as Independent Director upto 31.03.2019	Nil
Shri Kishor Shah	32,00,000	16,67,608	–	–	–	48,67,608	N.A. (Ceased w.e.f. 30.11.2015)	
Shri Sakti Prasad Ghosh	–	–	–	1,00,000	3,00,000	4,00,000	Appointed w.e.f. 04.11.2015 as Independent Director upto 30.09.2020 (Subject to Shareholders' approval)	Nil
Dr. Arvind Krishna Saxena	15,80,000	6,05,919	–	–	–	21,85,919	Term of office valid upto 31.07.2017 subject to re-appointment after retirement by rotation. No notice period, no severance fees.	17,500

**Note** – Company's contributions to provident fund have been shown under head 'Benefits' in the above Table. However, provision for gratuity including settlements during the year have been excluded. Commission relates to the financial year 2015-16 and shall be paid after the 40th Annual General Meeting. Smt. Meenakshi Saraogi has waived off her entitlement to receive commission (payable to Non-Executive Directors) for the financial year 2015-16. Sitting Fees and Commission is net off Service Tax and Swachh Bharat Cess (SBC). None of the Directors of the Company hold any convertible instruments of the Company.

Other terms and conditions of appointment of the Independent Directors have been disclosed on the website of the Company at the following web-link: [http://www.chini.com/Terms\\_and\\_conditions\\_of\\_appointment\\_of\\_Non-Executive\\_Independent\\_Director.pdf](http://www.chini.com/Terms_and_conditions_of_appointment_of_Non-Executive_Independent_Director.pdf)

## Performance Evaluation and Criteria

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out the performance evaluation of its own performance and that of its Committees as well as evaluation of performance of the Directors individually. The performance evaluation of the Independent Directors was also carried out by the entire Board (excluding the director being evaluated).

The performance evaluation of the Board, its Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Nomination & Remuneration Committee also carried out evaluation of every director's performance. The evaluation for the year 2015 – 16 was carried out through structured questionnaires (based on various aspects of the Board's functioning, composition, its committees, culture, governance, execution and

performance of statutory duties and obligations). The Directors expressed their satisfaction with the evaluation process.

## Executive Committee

The Executive Committee, constituted during the year by the Board of Directors of the Company, met 3 (three) times during the year 2015-16. The terms of reference of the said Committee includes the following:

- To approve and / or authorise opening of bank accounts, cash credit, current, dividend payment or otherwise and to give instructions relating to such banking accounts.
- To borrow money/monies, from time to time, for the purpose of the Company, from banks / Financial Institutions.
- To authorise affixation of the Company's Common Seal.

- iv. To confer signing powers and authorities on such officers and employees of the Company as deemed fit for various operational and statutory matters.
- v. To perform such other function as may be delegated by the Board of Directors from time to time.

The details of the composition, meetings and attendance of the members of the Executive Committee are as follows:

Sl. No.	Name of the Directors	Position	No. of meetings attended	Date of meetings
1	Shri S. P. Ghosh (inducted w.e.f. 16th December, 2015)	Member*	3	
2	Shri Vivek Saraogi	Member	3	9th January, 2016
3	Dr. A. K. Saxena	Member	0	4th March, 2016
4	Shri Kishor Shah (ceased w.e.f. 30th November, 2015)	Member	N.A.	30th March, 2016

(\*the Committee doesn't have a Chairman, however, whenever Shri S. P. Ghosh was present, he was elected as the Chairman of the Committee for the meeting.)

## CSR Committee

Pursuant to the provisions of the Act, the CSR Committee is required to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified under Schedule VII to the Act and also recommend the amount of expenditure to be

incurred therein. It monitors the Corporate Social Responsibility Policy of the Company from time to time. During the year ended 31st March, 2016, 2 (two) CSR Committee meetings were held on 27th May, 2015 and 8th February, 2016. The composition and attendance of the members of the CSR Committee are as follows:

Sl. No.	Name of the Directors	Position	Category	No. of meetings attended
1	Shri Naresh Chandra	Chairman	Independent, Non-Executive	2
2	Shri D. K. Mittal	Member	Independent, Non-Executive	1
3	Shri Vivek Saraogi	Member	Promoter, Executive	2
4	Smt. Novel S Lavasa	Member	Independent, Non-Executive	2

## Shareholders' Committee

### i) Stakeholders Relationship Committee

The Stakeholders Relationship Committee considers and resolves the grievances of security holders of the Company. The Stakeholders Relationship Committee also oversees the redressal of shareholders' and investors' grievances in relation to the transfer of shares, non-receipt of annual report, non-receipt of declared dividend, among others. During the year ended 31st March, 2016, 2 (two) Stakeholders Relationship Committee meetings were held on 12th August, 2015 and 8th February, 2016. The composition and attendance of the members of the Stakeholders Relationship Committee are as follows:

Sl. No.	Name of the Directors	Position	Category	No. of meetings attended
1	Shri R. N. Das	Chairman	Independent, Non-Executive	2
2	Shri Krishnav Dutt	Member	Independent, Non-Executive	2
3	Shri Vivek Saraogi	Member	Promoter, Executive	2



## ii) Share Transfer Committee

The Share Transfer Committee of the Board deals with various matters/ requests relating to share transfer/transmission, allotment, issue of duplicate share certificates, demat/remat, split and consolidation requests and other matters relating to transfer and registration of shares.

During the year ended 31st March, 2016, 18 (eighteen) Share Transfer Committee meetings were held on 18th April, 2015, 4th

May, 2015, 20th May, 2015, 29th June, 2015, 17th July, 2015, 4th August, 2015, 26th August, 2015, 15th September, 2015, 28th October, 2015, 9th November, 2015, 21st November, 2015, 30th November, 2015, 14th December, 2015, 19th January, 2016, 16th February, 2016, 4th March, 2016, 16th March, 2016 and 30th March, 2016.

The composition and attendance of the members of the Share Transfer Committee are as follows:

Sl. No.	Name of the Directors	Position	Category	No. of meetings attended
1	Shri R. N. Das	Member	Independent, Non-Executive	0
2	Shri Vivek Saraogi	Member	Promoter, Executive	18
3	Smt. Meenakshi Saraogi	Member	Promoter, Non-Executive	7
4	Shri Kishor Shah (ceased w.e.f. 30th November, 2015)	Member	Non-Promoter, Executive	11
5	Shri S. P. Ghosh (inducted w.e.f. 16th December, 2015)	Member*	Independent, Non-Executive	5

(\*the Committee doesn't have a Chairman, however, whenever Shri S. P. Ghosh was present, he was elected as the Chairman of the Committee for the meeting.)

## Compliance Officer

The Board has designated Shri Nitin Bagaria, Company Secretary as the Compliance Officer.

## Details of Shareholders' complaints

A total of 32 (thirty-two) complaints were received and replied to the satisfaction of the shareholders during the year ended 31st March, 2016. There were no outstanding complaints as on 31st March, 2016. No share was pending for transfer as on 31st March, 2016.

## General Body Meetings

Details of the last three Annual General Meetings are given below:

Accounting Year	Date	Location	Time	Special Resolution passed
2012-13	31.07.2013	'Vidya Mandir', 1, Moira Street, Kolkata – 700 017	11.00 A.M.	1. Re-appointment including payment of remuneration to Shri Kishor Shah as Director cum Chief Financial Officer. 2. Approval to the Modified Draft Rehabilitation Scheme containing Scheme of Merger of Khalilabad Sugar Mills Pvt. Ltd. with the Company, subject to sanction of the Hon'ble BIFR.

Accounting Year	Date	Location	Time	Special Resolution passed
2013-14	07.08.2014	'Vidya Mandir', 1, Moira Street, Kolkata – 700 017	10.30 A.M.	<ol style="list-style-type: none"> <li>1. Re-appointment including payment of remuneration to Shri Vivek Saraogi as Managing Director.</li> <li>2. Re-appointment including payment of remuneration to Smt. Meenakshi Saraogi as Jt. Managing Director.</li> <li>3. Re-appointment including payment of remuneration to Dr. Arvind Krishna Saxena as Wholetime Director.</li> <li>4. Authority to the Board to borrow money under Section 180(1)(c) of the Companies Act, 2013.</li> <li>5. Authority to the Board to mortgage, hypothecate or in any other way charge in favour of lenders under Section 180(1)(a) of the Companies Act, 2013.</li> </ol>
2014-15	12.08.2015	'Vidya Mandir', 1, Moira Street, Kolkata – 700 017	10.30 A.M.	<ol style="list-style-type: none"> <li>1. Substitution of existing Articles of Association of the Company by a new set of Articles of Association as per Companies Act, 2013.</li> <li>2. Approval for Payment of Commission to the Non-Executive Directors of the Company.</li> <li>3. Approval for payment of existing remuneration to Shri Kishor Shah, Director cum Chief Financial Officer as minimum remuneration.</li> <li>4. Approval for payment of existing remuneration to Dr. Arvind Krishna Saxena, Wholetime Director as minimum remuneration.</li> </ol>

### Details of Resolution passed through Postal Ballot

During the year ended 31st March, 2016, the Company has passed the following Special Business through Postal Ballot (including e-voting), conducted in accordance with the provisions of Sections 108 and 110 and other applicable provisions of the Act read together with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard 2 on General Meetings and the Listing Regulations:

**Special Resolution:** To keep Register of Members etc. at a place other than the Registered Office of the Company.

Notice of Postal Ballot were sent through permitted modes (email, speed post and courier) to all the members of the Company

along with Postal Ballot Form and postage pre-paid self-addressed envelopes (in case of physical dispatches). The said dispatch was completed on 25th February, 2016.

Shri Vivek Saraogi, Managing Director and Shri Nitin Bagaria, Company Secretary of the Company, were authorised by the Board and were responsible for conducting the entire postal ballot and e-voting process under the provisions of the Act read together with the rules made thereunder and in terms of the Listing Regulations.

The Board had appointed Shri Mohan Ram Goenka, Company Secretary in Practice as the Scrutinizer, for scrutinizing the Postal Ballot process in a fair and transparent manner. On the basis of the

Report of the Scrutinizer, Shri Vivek Saraogi, Managing Director, declared the results of the Postal Ballot on 29th March, 2016. The details of the Voting are as follows:

Particulars	No. of votes						Percentage (%)
	E-voting		Postal Ballot Form		Total		
	No.	Votes	No.	Votes	No.	Votes	
Assent	265	152385751	226	1146032	491	153531783	99.98 (approx)
Dissent	16	4066	27	27786	43	31852	0.02 (approx)
Total	281	152389817	253	1173818	534	153563635	100.00
Abstain/ invalid	0	0	11	5514	11	5514	-

On the basis of the above results, the Resolution was deemed to be passed with requisite majority on 26th March, 2016 (i.e. last date for receipt of Postal Ballot Forms) as per Clause 16.6.3 of Secretarial Standard- 2.

No special resolution was passed through ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 12th August, 2016.

## Means of Communication

The quarterly and annual results were published in the leading English and Bengali newspapers such as Business Standard (All editions) and Arthik Lipi. Subsequent to the applicability of the Listing Regulations, the extracts of the quarterly / periodic results were published in the said newspapers and the full format of the results were filed with the Stock Exchanges and were available on the Stock Exchange websites [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com). The results were also displayed on the Company's website [www.chini.com](http://www.chini.com).

Presentations were also made to the analysts, institutional investors, fund managers, among others from time to time. Such presentations were also posted on the Company's website.

## Other Disclosures

- The Company does not have any materially significant related party transactions, which may have potential conflict with the interests of the Company at large. The transactions with related parties, in normal course of business, have been disclosed separately in the Notes to the Financial Statements. The Company has disclosed the policy on dealing with the related party transactions on its website at the following web-link: [http://www.chini.com/Policy\\_on\\_materiality\\_of\\_Related\\_Party\\_Transactions.pdf](http://www.chini.com/Policy_on_materiality_of_Related_Party_Transactions.pdf)
- There were no instances of non-compliances related to capital markets during the year under review and no penalties/

strictures were imposed against the Company during the last three years.

- Whistle Blower Policy framed by the Company to deal with unethical behavior, victimization, fraud and other grievances or concerns, if any, is available on Company's website at the following web-link:  
[http://www.chini.com/Vigil\\_Mechanism\\_Policy.pdf](http://www.chini.com/Vigil_Mechanism_Policy.pdf).  
During the year 2015-16, no personnel has been denied access to the Audit Committee.
- All mandatory requirements relating to corporate governance under the Listing Regulations have been appropriately complied with and the status of non-mandatory (discretionary) requirements is given below:
  - The Company doesn't bear any expenses of the Non-Executive Chairman's Office.
  - The Financial Statements are free from any Audit Qualifications.
  - The Company has appointed separate persons as its Chairman and Managing Director.
  - The Internal Auditors of the Company report directly to the Audit Committee.
- The Company doesn't have any unlisted subsidiary company as defined in the Listing Regulations and therefore corresponding disclosures have not been made.

- vi) In terms of the Listing Regulations, the Management Discussion and Analysis Report forms part of the Annual Report. Disclosures relating to risks including commodity price risk, foreign exchange risk, etc., have been adequately covered under the Management Discussion and Analysis Report.
- vii) The CEO & CFO Certification for the year 2015-16 forms part of the Annual Report.
- viii) The Company has followed the prescribed Accounting Standards in preparation of its financial statements.
- ix) The Company has laid down Risk Assessment and Minimization procedures and the same are periodically reviewed by the Board. The Company has a defined Risk Management Policy approved by the Board of Directors of the Company. Further, the Company has adequate internal control systems to identify risks at appropriate time and to ensure that the executive management controls the risk through properly defined framework.
- x) Other items which are not applicable to the Company have not been separately commented upon.

## General Shareholders' Information

### Annual General Meeting (AGM) and Book Closure Dates

The Day, Date, Time and Venue of the 40th Annual General Meeting and Book Closure Dates in relation thereto have been indicated in the Notice convening the AGM, which forms part of the Annual Report.

### Financial Year

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

### Financial year calendar for 2016 – 17 (Tentative)

Results for the quarter ending 30th June, 2016

– 2nd week of August, 2016

Results for the quarter ending 30th September, 2016

– 1st week of November, 2016

Results for the quarter ending 31st December, 2016

– 1st week of February, 2017

Results for the quarter ending/Annual 31st March, 2017

– 3rd week of May, 2017

## Details of Listing of Equity Shares and Stock Code

National Stock Exchange of India Ltd. (NSE)	BSE Ltd. (BSE)	The Calcutta Stock Exchange Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051.	PJ Towers, Dalal Street, Fort, Mumbai 400 001.	7, Lyons Range, Kolkata 700 001. [Application for delisting has been made].
BALRAMCHIN	500038	12012

## Listing Fees

Listing fee for the year 2016–17 has been paid to each of the above named stock exchanges.

## Depositories

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

INE119A01028 (Equity Shares)

## Reuters Code

NSE – BACH.NS and BSE – BACH.BO

#### Market Price and Volume Data (Face value of ₹1 each)

NSE			Months	BSE		
High (₹)	Low (₹)	Volume (Numbers)		High (₹)	Low (₹)	Volume (Numbers)
54.25	45.55	11682060	April, 2015	54.25	45.30	3184889
46.50	41.25	15126276	May, 2015	46.50	41.50	5847503
46.50	38.50	11490034	June, 2015	46.40	33.45	2638924
51.40	40.00	9215504	July, 2015	51.40	40.00	2926548
57.10	37.00	9764350	August, 2015	57.50	37.00	3984812
54.60	38.10	7512008	September, 2015	54.50	38.70	2334280
67.00	52.70	25729225	October, 2015	67.15	52.75	6066437
85.70	54.75	53855556	November, 2015	85.40	55.00	10374233
77.00	65.60	20995916	December, 2015	76.90	68.00	3975530
91.50	70.05	71115957	January, 2016	91.55	70.15	15283283
95.00	70.25	35382715	February, 2016	95.00	70.20	7458030
115.00	81.30	75530838	March, 2016	114.90	81.50	14246231

#### Stock Performance in comparison to broad based indices

Financial year	NSE CNX NIFTY		BSE SENSEX	
	Change in BCML share price	Change in Nifty	Change in BCML share price	Change in SENSEX
2015-16	+117.65%	-8.86%	+117.69%	-9.36%

#### Registrar and Share Transfer Agent (w.e.f. 1st April, 2016)

##### Karvy Computershare Private Limited

1st Floor, 49, Jatin Das Road,  
Kolkata- 700029.

##### Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No. 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad-500032.

Tel. No. 040-67161500

Fax No. 040-23420814

Toll Free No.18003454001

Email: einward.ris@karvy.com

Website: www.karvycomputershare.com

#### Share Transfer System

All valid share transfer requests / demat requests are processed and put into effect within a maximum period of 15 days from the date of receipt.

The Company provided share registration and other investor services through its in-house department upto 31st March, 2016.

M/s. Karvy Computershare Pvt. Ltd. has been appointed as the Registrar and Share Transfer Agent of the Company with effect from 1st April, 2016, for servicing all matters relating to physical and demat shares such as transfer, transmission, dematerialisation, rematerialisation, dividend etc. Accordingly, members may please address all correspondence and requests relating to the Shares of the Company to M/s Karvy Computershare Pvt. Ltd at any of the above mentioned addresses.



## Shareholding Pattern as on 31st March, 2016

Category	No. of Shares	% of Holding
Promoters' Holding (A)	9,99,99,999	40.82
Public Shareholding (B)		
Financial Institutions, Insurance Companies, Banks and Mutual Funds	4,14,45,546	16.92
Foreign Institutional Investors & Foreign Financial Institution/Banks	2,05,42,064	8.39
Corporate Bodies	1,22,57,584	5.00
NRIs	14,84,721	0.61
Trusts	57,444	0.02
Foreign Portfolio Investor (Corporate)	1,26,11,569	5.15
Indian Public	5,31,68,159	21.71
Clearing Members	33,82,681	1.38
<b>Total (A) + (B)</b>	<b>24,49,49,767</b>	<b>100.00</b>

## Distribution of Shareholding and Dematerialisation position as on 31st March, 2016

Shareholding Range	Demat mode			Physical mode			Total			
	Holders	Shares	% of total shares	Holders	Shares	% of total shares	Holders	% of total holders	Shares	% of total shares
Up to 5000	70540	1,94,46,700	7.94	10426	11,38,927	0.46	80966	98.43	2,05,85,627	8.40
5001 – 10,000	548	40,62,318	1.66	32	2,09,950	0.09	580	0.70	42,72,268	1.75
10,001 – 50,000	475	1,03,91,386	4.24	18	3,18,570	0.13	493	0.60	1,07,09,956	4.37
50,001 – 1,00,000	88	63,75,446	2.60	–	–	–	88	0.11	63,75,446	2.60
100,001 – 5,00,000	80	1,64,55,473	6.72	–	–	–	80	0.10	1,64,55,473	6.72
5,00,001 – 10,00,000	14	1,10,25,567	4.50	–	–	–	14	0.02	1,10,25,567	4.50
10,00,001 and above	31	17,55,25,430	71.66	–	–	–	31	0.04	17,55,25,430	71.66
<b>Total</b>	<b>71776</b>	<b>24,32,82,320</b>	<b>99.32</b>	<b>10476</b>	<b>16,67,447</b>	<b>0.68</b>	<b>82252</b>	<b>100.00</b>	<b>24,49,49,767</b>	<b>100.00</b>

Around 99.32% of the Share Capital is held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at 31st March, 2016.

## Status of Unpaid Dividend

Dividend for the year	Amount of dividend (₹ in Lacs)	Amount of unpaid dividend as at 31.03.2016 (₹ in Lacs)	Due date of transfer to IEPF
2008-09	7752.09	39.05	8th March, 2017
2008-09#	1.32	0.72	1st October, 2017
2009-11*	1832.35	13.28	30th August, 2018
2012-13	4886.28	36.96	7th September, 2020

\*18 months period.

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

The Company sends reminders to the shareholders for the unpaid dividend every year.

In terms of Section 205A of the Companies Act, 1956, the Company is required to transfer the unpaid dividend amounts which remained unclaimed for 7 years from the date of transfer of such amounts to Unpaid Dividend A/C to Investor Education and Protection Fund. In compliance with the same, the Company has transferred Unpaid Dividend for the year 2007-08 amounting to ₹8,55,082 to Investor Education and Protection Fund on 17th March, 2016.

### Equity Shares in Demat Suspense Account

In terms of Regulation 34 read with Schedule V to the Listing Regulations, the Company reports the following details in respect of equity shares lying in the Demat Suspense Account of the Company

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares lying in the Demat Suspense Account at the beginning of the year	4,894	2,75,082
Aggregate number of shareholders and the outstanding shares transferred to Suspense Account during the year	Nil	Nil
Number of shareholders who approached the Company for transfer of shares from the Suspense Account during the year	3	3501
Number of shareholders to whom shares were transferred from the Suspense Account during the year	3	3501
Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the end of the year	4,891	2,71,581

The voting rights on the shares outstanding in the Suspense Account as at 31st March, 2016 shall remain frozen till the rightful owners of such shares claim their shares.

### Plant Locations

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

Disclosures relating to risks and activities including commodity price risk, foreign exchange risk, etc., have been adequately covered under the Management Discussion and Analysis Report forming part of the Annual Report.

### Investors' Correspondence

Shri Nitin Bagaria, Company Secretary  
Balrampur Chini Mills Ltd.  
FMC Fortuna, 2nd Floor  
234/3A, A.J.C. Bose Road  
Kolkata – 700 020  
Phone : (033) 2287 4749  
Email – nitin.bagaria@bcml.in

The Company has designated [investorgrievances@bcml.in](mailto:investorgrievances@bcml.in) (email id) exclusively for the purpose of registering complaints by investors.

For and on behalf of the Board of Directors

Sd/-  
**Dr. Arvind Krishna Saxena**  
Whole-time Director  
DIN – 00846939

Sd/-  
**Vivek Saraogi**  
Managing Director  
DIN – 00221419

Place: Kolkata  
Date: 20th May, 2016



## Declaration regarding compliance with the Code of Conduct

This is to confirm that the Company has adopted the Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the website of the Company.

The Board of Directors and Senior Management Personnel of the Company have affirmed their compliance with the said Code. It is hereby declared that the Company has obtained from all the Board Members and Senior Management Personnel affirmation that they have complied with the said Code for the financial year 2015 -2016.

Place: Kolkata

Date: 20th May, 2016

Sd/-

**Vivek Saraogi**

*Managing Director*

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## Certification by Managing Director and Chief Financial Officer in Terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Balrampur Chini Mills Limited ("the Company") to the best of our knowledge and belief, hereby certify that:

- A. We have reviewed the financial statements for the year ended 31st March, 2016 and that to the best of our knowledge and belief, we state that:
  - 1. these statements do not contain any materially untrue statement 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.
- B. We further state that to the best of our knowledge and belief, no transactions were entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
  - 1. there has been no significant change in internal control over financial reporting during the year;
  - 2. there has been no significant change in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - 3. there has been no instance of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Place: Kolkata

Date: 20th May, 2016

Sd/-

**Vivek Saraogi**

*Managing Director*

Sd/-

**Pramod Patwari**

*Chief Financial Officer*



## Auditors' Certificate on Corporate Governance

To the members of  
**Balrampur Chini Mills Limited**

We have examined the compliance of the conditions of Corporate Governance by Balrampur Chini Mills Limited for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and the relevant provisions of chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1st December, 2015 to 31st March, 2016.

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/Listing Regulations, as applicable.

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

**For G.P. Agrawal & Co.**  
*Chartered Accountants*  
F.R. No.302082E

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

Place : Kolkata  
Date : 20th May, 2016.

# Annexure VIII to the Board's Report

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**BALRAMPUR CHINI MILLS LIMITED,**

FMC Fortuna, 2nd Floor,

234/3A, A. J. C. Bose Road, Kolkata – 700 020.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BALRAMPUR CHINI MILLS LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

- ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, the following laws/acts are also, inter alia, applicable to the Company:
  - a) The Sugar Cess Act, 1982 and the Rules made thereunder;
  - b) The Sugar Development Fund Act, 1982 and the Rules made thereunder;
  - c) The Sugar (Control) Order, 1966;
  - d) The Levy Sugar Price Equalisation Fund Act, 1976 [as intimated by the Company not applicable during the year under audit];
  - e) The Food Safety & Standards Act, 2006 and the Rules & Regulations made thereunder;
  - f) The Agricultural and Processed Food Products Export Act, 1986 [as intimated by the Company not applicable during the year under audit];
  - g) The Export (Quality Control and Inspection) Act, 1963 [as intimated by the Company not applicable during the year under audit];
  - h) The Essential Commodities Act, 1955;
  - i) The Legal Metrology Act, 2009.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.[Applicable from 1st July, 2015];
- b) The Listing Agreements entered into by the Company with BSE Limited, the National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. [Applicable from 1st December, 2015].

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

We further report that during the audit period there are no specific events/actions which have any major bearing on the Company's affairs.

This report is to be read with our letter of even date which is annexed as Annexure – 1 which forms an integral part of this report.

**For MKB & Associates**  
*Company Secretaries*

Sd/-  
**Manoj Kumar Banthia**  
*Partner*

Place: Kolkata  
Date: 16th May, 2016

ACS no. 11470  
COP no. 7596



## Annexure – 1

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

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For MKB & Associates**  
*Company Secretaries*

Sd/-  
**Manoj Kumar Banthia**  
*Partner*

Place: Kolkata  
Date: 16th May, 2016

ACS no. 11470  
COP no. 7596

# Independent Auditor's Report

To  
The Members of  
**Balrampur Chini Mills Limited**

## Report on the standalone financial statements

We have audited the accompanying standalone financial statements of **BALRAMPUR CHINI MILLS LIMITED** (the Company), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

## Management's responsibility for the standalone financial statements

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

## Auditor's responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.

## Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (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, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - iii. The Balance Sheet, the Statement of Profit and Loss and the Cash flow Statement dealt with by this Report are in agreement with the books of account.
  - iv. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- v. On the basis of the written representations received from the directors as at 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2016 from being appointed as a director in terms of section 164 (2) of the Act.
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in [Annexure B].
- vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements [Refer Note No. 30 (1) to the financial statements.

- b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company.

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

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

Place of Signature: Kolkata  
Date: 20th May, 2016

Membership No. 60162

## "Annexure A" to the Auditor's Report

Statement referred to in paragraph [Report on Other Legal and Regulatory Requirements] of our report of even date to the members of Balrampur Chini Mills Limited on the standalone financial statements for the year ended 31st March, 2016.

- (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.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a), (b) and (c) of paragraph 3 of the said order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Based on our audit procedures performed and according to information and explanations given by the management, the Company has complied with provisions of section 186 of the Act in respect of loans granted and investments.
- (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, 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, 2016 for a period of more than six months from the date of becoming payable.
- b) The disputed statutory dues aggregating to ₹112.95 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the Statute	Nature of dues	Period to which pertain	Amount (₹ in Lacs)	Forum where the dispute is pending
1	U.P. Trade Tax Act, 1948	Sales Tax	1990-91	0.22	Hon'ble High Court - Lucknow Bench
2	U.P. Trade Tax Act, 1948	Sales Tax	2002-03	0.65	Jt. Commissioner, (Appeal) □ Bahraich
3	Central Sales Tax Act, 1956	Central Sales Tax	2009-10	1.08	Dy. Commissioner, (Appeal) □ Balrampur
4	Central Excise Act, 1944	Cenvat Credit	2006-08	12.77	CESTAT - New Delhi
5	Central Excise Act, 1944	Cenvat Credit	2006-07	0.38	Jt. Commissioner of Central Excise, Allahabad
6	Central Excise Act, 1944	Cenvat Credit	2005-06	15.69	CESTAT - New Delhi
7	Central Excise Act, 1944	Excise Duty	2003-05	82.16	CESTAT - New Delhi
		<b>Total</b>		<b>112.95</b>	

- (viii) The Company has not defaulted in repayment of loans or borrowings to financial institutions or banks or Government. The Company has not issued any debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. On the basis of our examination and according to the information and explanations given to us, money raised by way of term loans have been applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, clause (xii) of paragraph 3 of the said order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of paragraph 3 of the said order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

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

Place of Signature: Kolkata  
Date: 20th May, 2016

Partner  
Membership No. 60162



# "Annexure B" to the Auditor's Report

**Annexure B to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of Balrampur Chini Mills Limited**  
**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the Act)**

We have audited the internal financial controls over financial reporting of **BALRAMPUR CHINI MILLS LIMITED** (the Company) as at 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the

reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **G.P. AGRAWAL & CO.**

*Chartered Accountants*

Firm's Registration No. - 302082E

*Sd/-*

**(CA. Sunita Kedia)**

*Partner*

Membership No. 60162

Place of Signature: Kolkata

Date: 20th May, 2016

## Balance Sheet as at 31st March, 2016

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2016		As at 31st March, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholders' funds					
(a) Share capital	2	2449.50		2449.16	
(b) Reserves and surplus	3	120610.67	123060.17	110495.97	112945.13
(2) Non - current liabilities					
(a) Long - term borrowings	4	50652.05		42978.71	
(b) Deferred tax liabilities (net)	5	21288.89		22924.46	
(c) Other long - term liabilities	6	563.57		609.69	
(d) Long - term provisions	7	259.31	72763.82	265.79	66778.65
(3) Current liabilities					
(a) Short - term borrowings	8	99441.85		118282.88	
(b) Trade payables	9				
(i) Total outstanding dues of micro enterprises and small enterprises		34.84		46.11	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		41759.65		73570.64	
(c) Other current liabilities	10	36676.35		18286.70	
(d) Short - term provisions	11	556.81	178469.50	341.90	210528.23
<b>Total</b>			<b>374293.49</b>		<b>390252.01</b>
<b>II. ASSETS</b>					
(1) Non - current assets					
(a) Fixed assets	12				
(i) Tangible assets		133576.89		137185.14	
(ii) Intangible assets		280.72		332.10	
(iii) Capital work-in-progress	12A	8647.05		756.30	
		142504.66		138273.54	
(b) Non - current investments	13	4084.80		4086.83	
(c) Long - term loans and advances	14	9105.67		8906.13	
(d) Other non - current assets	15	321.92	156017.05	17151.95	168418.45
(2) Current assets					
(a) Inventories	16	186492.63		166924.87	
(b) Trade receivables	17	19863.28		15861.26	
(c) Cash and bank balances	18	655.93		8217.70	
(d) Short - term loans and advances	19	5113.20		3053.27	
(e) Other current assets	20	6151.40	218276.44	27776.46	221833.56
<b>Total</b>			<b>374293.49</b>		<b>390252.01</b>
Significant accounting policies	1				
Other disclosures	30				
The accompanying notes 1 to 30 are an integral part of the financial statements.					

As per our report of even date attached.

For G. P. AGRAWAL &amp; CO.

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

Sd/-

(CA. Sunita Kedia)

Partner

Membership No. 60162

Sd/-

Nitin Bagaria

Company Secretary

Sd/-

Pramod Patwari

Chief Financial Officer

Sd/-

Dr. Arvind Krishna Saxena

Whole-time Director

DIN - 00846939

Sd/-

Vivek Saraogi

Managing Director

DIN - 00221419

Place of Signature: Kolkata

Date: 20th May, 2016

## Statement of Profit and Loss for the year ended 31st March, 2016

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>I. Revenue from operations (Gross)</b>	21				
Sale of goods (Gross)		287407.48		309321.02	
Less: Excise duty		11740.75		10623.23	
Net sale of goods			275666.73		298697.79
Other operating revenue			□		□
<b>Revenue from operations (net)</b>			<b>275666.73</b>		<b>298697.79</b>
<b>II. Other income</b>	22		4455.39		1504.16
<b>III. Total revenue (I+II)</b>			<b>280122.12</b>		<b>300201.95</b>
<b>IV. Expenses:</b>					
Cost of material consumed	23		211254.20		208354.02
Changes in inventories of finished goods, by-products and work-in-progress	24		(13623.47)		42641.40
Employee benefits expense	25		15142.81		15029.90
Finance costs	26		7559.66		10209.23
Depreciation and amortisation expense	27		11010.52		11560.32
Other expenses	28		20961.82		20023.38
<b>Total expenses</b>			<b>252305.54</b>		<b>307818.25</b>
<b>V. Profit/ (loss) before exceptional and extra ordinary items and tax (III-IV)</b>			<b>27816.58</b>		<b>(7616.30)</b>
<b>VI. Exceptional items</b>	29		17310.41		□
<b>VII. Profit/ (loss) before extraordinary items and tax (V-VI)</b>			<b>10506.17</b>		<b>(7616.30)</b>
<b>VIII. Extraordinary items</b>			□		□
<b>IX. Profit/ (loss) before tax (VII-VIII)</b>			<b>10506.17</b>		<b>(7616.30)</b>
<b>X. Tax expense</b>					
Current tax		2200.00		□	
Deferred tax write back		(1635.56)	564.44	(1842.86)	(1842.86)
<b>XI. Profit/ (loss) for the year (IX-X)</b>			<b>9941.73</b>		<b>(5773.44)</b>
<b>XII. Earnings per share (Nominal value per share ₹1/-)</b>					
[Refer Note No. 30(10)]					
- Basic (₹)			4.06		(2.36)
- Diluted (₹)			4.06		(2.36)
<b>Number of shares used in computing Earnings per share</b>					
- Basic			244922208		244899522
- Diluted			244985121		244987362
Significant accounting policies	1				
Other disclosures	30				
The accompanying notes 1 to 30 are an integral part of the financial statements.					

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

Sd/-

(CA. Sunita Kedia)

Partner

Membership No. 60162

Sd/-

Nitin Bagaria

Company Secretary

Sd/-

Pramod Patwari

Chief Financial Officer

Sd/-

Dr. Arvind Krishna Saxena

Whole-time Director

DIN - 00846939

Sd/-

Vivek Saraogi

Managing Director

DIN - 00221419

Place of Signature: Kolkata

Date: 20th May, 2016

## Cash Flow Statement for the year ended 31st March, 2016

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(loss) before exceptional and extra ordinary items and tax		27816.58		(7616.30)
<i>Adjustments to reconcile profit before exceptional items and extra ordinary items and tax to net cash flow provided by operating activities :</i>				
Finance costs	7559.66		10209.23	
Depreciation and amortisation expense	11010.52		11560.32	
Impairment of tangible assets	148.79		□	
Loss on sale/discard of fixed assets	349.76		174.03	
Sundry debit balances/advances written off	238.28		75.76	
Transfer to storage fund for molasses	17.24		19.35	
Provision for doubtful advances	1.09		□	
Interest income	(349.50)		(358.02)	
Profit on sale of fixed assets	(25.06)		(128.63)	
Cane commission no longer payable written back	(2752.55)		□	
Unspent liabilities/balances written back	(305.45)		(327.41)	
Provision for doubtful debts/advances written back	(319.19)		(7.51)	
Bad debts written off	95.17		□	
Deposit/interest receivable from subsidiary written off	□		(403.57)	
Provision for deposit/interest receivable from subsidiary written back	□		403.57	
Mark to market loss on derivatives	□		3.88	
Provision for mark to market loss on derivatives written back	(2.85)		□	
Investments written off	□		0.05	
Expense on employee stock option scheme	(9.01)		(5.83)	
Unrealised exchange rate fluctuation	□		76.92	
		15656.90		21292.14
<b>Operating profit before working capital changes</b>		<b>43473.48</b>		<b>13675.84</b>
<i>Adjustments to reconcile operating profit to cash flow provided by changes in working capital :</i>				
Decrease in trade payables	(28764.26)		(27594.90)	
Increase/(decrease) in other current liabilities	7286.41		(622.96)	
(Decrease)/increase in provision for employee benefits/wealth tax	(40.57)		66.15	
(Increase)/decrease in inventories	(19567.76)		42303.99	
Increase in trade receivables	(4002.02)		(9451.47)	
Increase in long-term and short-term loans and advances	(2341.01)		(883.09)	
Decrease/(increase) in other non-current and other current assets	21030.77		(23911.87)	
		(26398.44)		(20094.15)
Cash (used in) / generated from operations		<b>17075.04</b>		<b>(6418.31)</b>
Tax expense (excluding wealth tax)		(1987.62)		(1209.23)
<b>Cash flow before exceptional and extraordinary items</b>		<b>15087.42</b>		<b>(7627.54)</b>
Exceptional item - Voluntary retirement scheme		(409.84)		□
<b>Net cash (used in)/generated from operating activities (A)</b>		<b>14677.58</b>		<b>(7627.54)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Additions to fixed assets (including intangibles)	(15323.75)		(2697.13)	
Sale of fixed assets	105.49		199.30	
Purchase of national savings certificates	(0.05)		(2.54)	
Proceeds from maturity of national savings certificates	2.08		3.00	
Fixed deposits placed with banks	(108.56)		(414.62)	
Fixed deposits redeemed from banks	415.91		362.71	
Interest received on debentures/fixed deposits and NSC	247.38		246.82	
<b>Net cash used in investing activities (B)</b>		<b>(14661.50)</b>		<b>(2302.46)</b>

## Cash Flow Statement (Contd...)

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of equity shares on exercise of employee stock option	15.08		33.95	
Capital subsidy	150.00		□	
Proceeds from long-term borrowings	26054.00		□	
Repayment of long-term borrowings	(7689.85)		(17900.03)	
Proceeds from issue of commercial paper (net)	(31453.73)		31453.73	
Proceeds/(repayment) of other short-term borrowings (net)	13658.97		92.30	
Interest expense	(7901.63)		(9848.60)	
Other borrowing costs	(82.93)		(54.39)	
<b>Net cash (used in)/ generated from financing activities (C)</b>		<b>(7250.09)</b>		<b>3776.96</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>		<b>(7234.01)</b>		<b>(6153.04)</b>
Opening cash and cash equivalents		7701.18		13854.22
<b>Closing cash and cash equivalents (Refer Note No. 18)</b>		<b>467.17</b>		<b>7701.18</b>

## Notes:

- 1) The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statement.
- 2) Interest expense is inclusive of, and additions to fixed assets are exclusive of, interest capitalised ₹454.32 lacs (previous year Nil). Further, other borrowing costs is inclusive of, and additions to fixed assets are exclusive of, other borrowing cost capitalised ₹42.55 lacs (previous year Nil).
- 3) Additions to fixed assets include movement of Capital work-in-progress during the year.
- 4) Proceeds/(repayment) of / from Commercial paper and other Short-term borrowings qualify for disclosure on net basis.
- 5) Cash and cash equivalents do not include any amount which is not available to the Company for its use.
- 6) Cash and cash equivalents as at the Balance Sheet date consists of:

(₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
a) Balance with banks on current accounts		375.62		7528.65
b) Cheques on hand		0.01		1.66
c) Cash on hand		91.54		170.87
		<b>467.17</b>		<b>7701.18</b>

7) Figure in brackets represent cash outflow from respective activities.

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

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

Sd/-

(CA. Sunita Kedia)

Partner

Membership No. 60162

Place of Signature: Kolkata

Date: 20th May, 2016

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Nitin Bagaria

Company Secretary

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Pramod Patwari

Chief Financial Officer

Sd/-

Dr. Arvind Krishna Saxena

Whole-time Director

DIN - 00846939

Sd/-

Vivek Saraogi

Managing Director

DIN - 00221419



# Notes forming part of the financial statements

## Note No : 1 Significant accounting policies

### 1. Basis of preparation of financial statements

The Financial Statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India.

The Financial Statements have been prepared on accrual basis and under the historical cost convention except for certain tangible fixed assets which are carried at revalued amounts.

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

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

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

### 2. Use of estimates

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

### 3. Fixed assets and capital work-in-progress

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

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

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

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

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

### 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 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.

Tangible fixed assets individually costing less than ₹5000/- are depreciated over the period of one year from the date the assets are available for use.

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

- b) Freehold land is not depreciated. Leasehold land are amortised over the period of the lease on straight line basis.
- c) Computer Software (Acquired) are amortised on straight line basis over estimated useful lives of five years.
- d) Depreciation/amortisation on assets added, sold or discarded during the year is provided on pro-rata basis.

# Notes forming part of the financial statements

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

### 5. Investments

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

Investments that are not readily realisable and are intended to be held for more than one year from the date, on which such investments are made, are classified as non-current investments. All other investments are classified as current investments.

Short term highly liquid investments with an original maturity of three months or less which carry insignificant risk of changes in value are classified as cash and cash equivalents.

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

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

### 6. Inventories

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

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

The cost of Inventories is computed on weighted average basis.

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

### 7. Revenue recognition

- a) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.
- b) Gross turnover includes excise duty and excludes sales tax/VAT, trade discounts and rebates.
- c) Income from sale of Renewable Energy Certificates (RECs) is recognised on the delivery of the RECs to the customers' account.
- d) Dividend income is recognised when the Company's right to receive dividend is established.
- e) Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rate.
- f) Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.
- g) All other income are accounted for on accrual basis.

### 8. Expenses

All the expenses are accounted for on accrual basis.

### 9. Government grants

- a) Grants and subsidies from the Government are recognised when there is reasonable assurance that the Company would comply with the conditions attached with them and the grant/subsidy would be received.
- b) Government grants related to specific fixed assets are adjusted with the value of the fixed asset.
- Government grants in the nature of promoter's contribution i.e., grants received with reference to the total investment or by way of contribution towards total capital outlay by the Company, are credited to Capital Reserve.
- c) Government grants related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

### 10. Provisions, contingent liabilities and contingent assets

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

# Notes forming part of the financial statements

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

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

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

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

### 11. Impairment of assets

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

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

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

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

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

### 12. Foreign currency transactions and translations

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

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

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

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

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

### 13. Borrowing costs

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

### 14. Employee benefits

- a) Short-term employee benefits  
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) Post-employment benefits  
Defined contribution plan  
Employee benefits in the form of Provident Fund, Employee State Insurance and Labour Welfare Fund are considered as defined contribution plan.

The Company's contributions to defined contribution plans are recognised in the Statement of Profit and Loss for the year as they fall due. The Company has no further obligations under these plans beyond its periodic contributions.

# Notes forming part of the financial statements

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

### Defined benefit plan

The Company provides for retirement benefits in the form of Gratuity which are in the nature of Defined Benefit Plans. Such benefits are provided for on the basis of an independent actuarial valuation done at the year-end using Projected Unit Credit Method. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions which are recognized in the Statement of Profit and Loss in the year in which they arise.

### c) Other long term employee benefits

The employees of the Company are also entitled for long-term benefits in the form of compensated absences as per policy of the Company. The Company's liability is actuarially determined (using Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognized in the statement of Profit and Loss in the year in which they arise.

### d) Expenditure on voluntary retirement scheme is charged to the Statement of Profit and Loss in the year in which it is incurred.

## 15. Employee stock option scheme

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

## 16. Taxes on income

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

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

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

The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date.

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

## 17. Derivative instruments

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

Derivative contracts outstanding at the Balance Sheet date for firm commitment or highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains, if any, are ignored in accordance with the announcement of ICAI on 'Accounting of Derivatives' issued in March, 2008.

# Notes forming part of the financial statements

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

### 18. Segment reporting

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

- a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment transfers.

Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company's intermediate and final products and estimated realisable value in case of by-products.

- b) Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable".

### 19. Earnings per share

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

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

### 20. Cash flow statement

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

### 21. Cash and cash equivalents

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

### 22. Commercial papers

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



# Notes forming part of the financial statements

## Note No : 2 Share capital

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
<b>(a) Authorised</b>				
Equity shares of par value ₹1/- each	400000000	4000.00	400000000	4000.00
Preference shares of par value ₹100/- each	2500000	2500.00	2500000	2500.00
		<b>6500.00</b>		<b>6500.00</b>
<b>(b) Issued, subscribed and fully paid up</b>				
Equity shares of par value ₹1/- each	244949767	2449.50	244916267	2449.16
		<b>2449.50</b>		<b>2449.16</b>

Issue of 17270 (Previous year 17270) equity shares on Right basis has been kept in abeyance in view of pending dispute.

<b>(c) Reconciliation of number and amount of equity shares outstanding:</b>				
<b>At the beginning of the year</b>	244916267	2449.16	244840817	2448.41
Add: Shares issued on exercise of employee stock option [Refer Note No. 30(2)]	33500	0.34	75450	0.75
<b>At the end of the year</b>	<b>244949767</b>	<b>2449.50</b>	<b>244916267</b>	<b>2449.16</b>

- (d) The Company has only one class of equity shares. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.
- (e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) Shareholders holding more than 5 % of the equity shares in the Company :

Name of the shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares held	% of holding	No. of shares held	% of holding
Shri Vivek Saraogi	38082320	15.55	38082320	15.55
Smt. Meenakshi Saraogi	14244300	5.81	14244300	5.82
Life Insurance Corporation of India	14183234	5.79	19341962	7.90
Government Pension Fund Global	12299993	5.02	13057899	5.33

- (g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended on 31st March, 2016 □ 526894 equity shares (previous period of five years ended on 31st March, 2015 - 570942 equity shares).
- (h) The aggregate number of equity shares bought back in immediately preceding five years ended on 31st March, 2016 - 11960988 equity shares (previous period of five years ended on 31st March, 2015 - 15410135 equity shares).
- (i) The Company has reserved 158200 (Previous year 213200) equity shares of par value ₹1/- each for issue at a premium of ₹44/- each to eligible employees of the Company under Employee Stock Option Scheme. All these shares are vested and are exercisable at any point of time. Refer Note No. 30(2) for terms of Employee Stock Option Scheme.

# Notes forming part of the financial statements

Note No : 3 Reserves and surplus

(₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>(a) Capital reserves</b>				
Balance as per last account	1156.24		1156.24	
Add: Capital subsidy	150.00	1306.24	□	1156.24
<b>(b) Capital redemption reserve</b>				
Balance as per last account		2654.10		2654.10
<b>(c) Securities premium reserve</b>				
Balance as per last account	51891.16		51835.51	
Add: On exercise of employee stock option	26.78	51917.94	55.65	51891.16
<b>(d) Revaluation reserve</b>				
Balance as per last account		18.24		18.24
<b>(e) Share options outstanding account</b>				
Balance as per last account	74.17		102.46	
Less: Options exercised	12.04		22.46	
Less: Options forfeited	9.01	53.12	5.83	74.17
<b>(f) General reserve</b>				
Balance as per last account	64977.91		68157.92	
Less: Deduction on account of depreciation *	□	64977.91	3180.01	64977.91
<b>(g) Storage fund for molasses</b>				
Balance as per last account	97.06		77.71	
Add: Created during the year	17.24	114.30	19.35	97.06
<b>(h) Surplus in the Statement of Profit and Loss</b>				
Balance as per last account	(10372.91)		(4599.47)	
Add: Profit/ (loss) for the year	9941.73		(5773.44)	
<b>Amount available for appropriation</b>	(431.18)		(10372.91)	
Less : Appropriations	□		□	
Balance as at the Balance Sheet date		(431.18)		(10372.91)
		<b>120610.67</b>		<b>110495.97</b>

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

## Notes:

- General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.
- The storage fund for molasses has been created to meet the cost of construction and repair of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974 and the said storage fund is represented by investment in the form of fixed deposits with banks amounting to ₹136.93 lacs (Previous year ₹114.28 lacs).

# Notes forming part of the financial statements

Note No : 4 Long - term borrowings (₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>Term loans</b>				
<b>From banks</b>				
<b>Secured</b>				
<b>Rupee loans:</b>				
State Bank of India (SBI)	23949.10		17760.40	
Punjab National Bank (PNB)	8609.56		4921.38	
HDFC Bank Ltd. (HDFC)	8808.68	41367.34	3600.00	26281.78
<b>FCNR - B Loan:</b>				
State Bank of India (SBI)		7151.10		12239.60
<b>From entities other than banks</b>				
<b>Secured</b>				
<b>Rupee loans:</b>				
Government of India, Sugar Development Fund (SDF)		2133.61		4457.33
		<b>50652.05</b>		<b>42978.71</b>

## a) Nature of securities:

- Rupee Term Loan from SBI amounting to ₹17500.00 lacs under Scheme for Extending Financial Assistance to Sugar Undertakings, 2014, is secured by pari passu first charge, by way of hypothecation of all the movable fixed assets and pari passu first charge on immovable properties, both present and future, pertaining to all the sugar units of the Company except Khalilabad sugar unit.
- Rupee Term Loan from SBI amounting to ₹13638.00 lacs under the Soft Loan Scheme extended by Central Government, is secured by pari passu first charge on all the movable and immovable fixed assets of ten sugar units of the Company viz; Balrampur, Babhnan, Tulsipur, Haidergarh, Akbarpur, Mankapur, Rauzagaon, Kumbhi, Gularia and Maizapur.
- Rupee/FCNR-B Term Loan from SBI amounting to ₹12636.95 lacs is secured by first charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to Company's sugar and cogeneration units at Balrampur, Akbarpur and Mankapur and is further secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company. The hypothecation charge on the stocks as mentioned above ranks pari passu with PNB and HDFC for their Working capital loans.
- Rupee Term Loan from PNB amounting to ₹4921.38 lacs, under Scheme for Extending Financial Assistance to Sugar Undertakings, 2014, is secured by residual charge, by way of hypothecation of all the movable fixed assets, both present and future, pertaining to all the sugar units of the Company.
- Rupee Term Loan from PNB amounting to ₹3250.00 lacs is secured by pari passu first charge, by way of hypothecation on the fixed assets of Mankapur distillery unit of the Company.
- Rupee Term Loan from PNB amounting to ₹3116.00 lacs under the Soft Loan Scheme extended by Central Government, is secured by pari passu first charge on all the movable and immovable fixed assets of ten sugar units of the Company viz; Balrampur, Babhnan, Tulsipur, Haidergarh, Akbarpur, Mankapur, Rauzagaon, Kumbhi, Gularia and Maizapur.
- Rupee Term Loan from HDFC amounting to ₹2900.00 lacs is secured by pari passu first charge, by way of hypothecation of the movable fixed assets of Balrampur distillery unit of the Company.
- Rupee Term Loan from HDFC amounting to ₹3600.00 lacs is secured by first charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to Company's distillery unit at Babhnan and by pari passu first charge, by way of movable fixed assets, both present and future, pertaining to Company's distillery unit at Mankapur.
- Rupee Term Loan from HDFC amounting to ₹3150.00 lacs under the Soft Loan Scheme extended by Central Government, is secured by pari passu first charge on all the movable and immovable fixed assets of ten sugar units of the Company viz; Balrampur, Babhnan, Tulsipur, Haidergarh, Akbarpur, Mankapur, Rauzagaon, Kumbhi, Gularia and Maizapur.
- Rupee Term Loans from SDF are secured by an exclusive second charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, of the respective sugar and cogeneration units viz Kumbhi, Gularia and Rauzagaon. Rupee Term Loan from SDF amounting to ₹1800.00 lacs was secured by first charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future. The said amount has been fully repaid during the year.
- ECB from International Finance Corporation, Washington (IFC) was secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties and residual charge on current assets, both present and future, pertaining to Company's sugar and cogeneration units at Haidergarh and Rauzagaon. As the amount outstanding as at 31st March, 2015 was payable entirely within one year, the same was included in the line item 'Current maturities of long-term debt' under the head 'Other current liabilities' as at 31st March, 2015.
- Release of securities in respect of certain term loans fully repaid by the Company is in progress.

# Notes forming part of the financial statements

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

### b) Terms of repayment :

Name of the banks / entities	Rate of Interest	Amount outstanding as at 31.03.2016		Period of maturity w.r.t. the Balance Sheet date	Number of installments outstanding as at 31.03.2016	Amount of each installment (₹ in Lacs)
		Current (₹ in Lacs)	Non current (₹ in Lacs)			
Government of India, Sugar Development Fund	Bank Rate (□) 2% i.e. 4% p.a.*	□ (638.88)	□ (□)	□	□	□
		118.83 (237.66)	□ (118.83)	3 months 14 days	1	118.83
		171.49 (342.98)	□ (171.49)	5 months 18 days	1	171.49
		533.40 (□)	2133.61 (2667.01)	3 years 5 months 15 days	5	533.40
	Bank Rate#	□ (300.00)	□ (1500.00)	□	□	□
	<b>Sub□total</b>	<b>823.72</b> (1519.52)	<b>2133.61</b> (4457.33)			
State Bank of India	12% p.a. (Fixed)* /	5833.20 (□)	11666.80 (17500.00)	3 years	12	∞ 1458.30
	SBI Base Rate (+) 0.30% Δ, ##	1704.60 (□)	11933.40 (□)	4 years 3 months 1 day	16	~ 852.30
	SBI Base Rate (+) 2% □	5136.95 (2782.20)	7500.00 (12500.00)	2 years 6 months	5	^ 2500.00
	<b>Sub□total</b>	<b>12674.75</b> (2782.20)	<b>31100.20</b> (30000.00)			
Punjab National Bank	12% p.a. (Fixed)* /	1687.33 (140.62)	3234.06 (4921.38)	3 years	35	140.61
	PNB Base Rate (+) 0.40%	406.25 (□)	2843.75 (□)	2 years 9 months	8	406.25
	PNB Base Rate (+) 1.00% ##	584.25 (□)	2531.75 (□)	4 years 3 months	16	194.75
	<b>Sub□total</b>	<b>2677.83</b> (140.62)	<b>8609.56</b> (4921.38)			
HDFC Bank Limited	HDFC Base Rate (+) 0.40% **	644.44 (□)	2255.56 (□)	2 years 7 months	9	322.22
	HDFC Base Rate (+) 0.90%	□ (□)	3600.00 (3600.00)	2 years 7 months 17 days	1	3600.00
	HDFC Base Rate (+) 0.70% □, ##	196.88 (□)	2953.12 (□)	4 years 5 months 11 days	16	196.88
	<b>Sub□total</b>	<b>841.32</b> (□)	<b>8808.68</b> (3600.00)			
International Finance Corporation, Washington	8.19% on Japanese Yen (JPY)	□ (1747.52)	□ (□)	□	□	□
	<b>Grand Total</b>	<b>17017.62</b> (6189.86)	<b>50652.05</b> (42978.71)			

Figures in brackets pertain to previous year.

\* Bank rate as prevailing on the date of disbursement.

# Bank rate as applicable from time to time.

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

## Interest subvention from Government for the 1st year limited to 10.00%.

\*\* For the 1st year, applicable interest rate is 10.10% p.a. fixed.

Δ Subject to minimum of 10.00% p.a.

□ For the 1st year, applicable interest rate is 10.40% p.a. fixed.

□ During the year, part of the Rupee Term Loan from SBI was converted into FCNR-B (Term Loan) carrying interest rate of USD 6M Libor + 3.00%. The repayment terms as applicable to Rupee Term Loan are applicable to said FCNR-B (Term Loan).

∞ Except last four installments of ₹1458.40 lacs each.

~ Except last two instalments of ₹852.90 lacs.

^ Except first installment of ₹2636.95 lacs.

# Notes forming part of the financial statements

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>Deferred tax liabilities</b>				
Depreciation		25721.44		25645.15
<b>Less: Deferred tax assets</b>				
Carried forward losses	149.81		181.06	
Expenses allowable for tax purposes when paid	4169.27		2539.63	
VRS expenses	113.47	4432.55	□	2720.69
		<b>21288.89</b>		<b>22924.46</b>

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

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

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Interest accrued but not due on borrowings		563.57		609.69
		<b>563.57</b>		<b>609.69</b>

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Provision for employee benefits - unavailed leave		259.31		265.79
		<b>259.31</b>		<b>265.79</b>

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>Loans repayable on demand</b>				
<b>Working capital loans</b>				
From banks				
Secured				
State Bank of India (SBI)	50800.49		52920.96	
Punjab National Bank (PNB)	22507.08		17500.04	
HDFC Bank Ltd. (HDFC)	11134.28	84441.85	12861.88	83282.88
Unsecured				
HDFC Bank Ltd. (HDFC)		15000.00		2500.00
<b>Other loans and advances</b>				
<b>Working capital loans</b>				
From banks				
Secured				
State Bank of India (SBI)				
Commercial paper		□		17500.00
Unsecured				
HDFC Bank Ltd. (HDFC)				
Commercial paper		□		15000.00
		<b>99441.85</b>		<b>118282.88</b>
<b>Summary of short-term borrowings</b>				
Secured borrowings		84441.85		100782.88
Unsecured borrowings		15000.00		17500.00
		<b>99441.85</b>		<b>118282.88</b>



# Notes forming part of the financial statements

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

## Nature of securities:

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

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

### b) Working capital loans from PNB are secured / to be secured :

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

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

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

Note No : 9 Trade payables		(₹ in Lacs)	
Particulars	As at 31st March, 2016	As at 31st March, 2015	
Total outstanding dues of micro enterprises and small enterprises [Refer Note No. 30(3)]	34.84		46.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	41759.65		73570.64
	<b>41794.49</b>		<b>73616.75</b>

# Notes forming part of the financial statements

Note No : 10 **Other current liabilities** (₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Current maturities of long - term debt *		17017.62		6189.86
Interest accrued but not due on borrowings		688.65		717.37
Unpaid dividends @		90.01		100.64
<b>Other payables</b>				
Payable to suppliers of capital goods				
Total outstanding dues of micro enterprises and small enterprises [Refer Note No. 30(3)]	158.41		0.46	
Total outstanding dues of creditors other than micro enterprises and small enterprises	382.29		57.12	
	540.70		57.58	
Advance from customers and others	639.09		216.83	
Retention monies	934.24		254.62	
Security deposits	283.59		286.91	
Statutory liabilities #	13171.03		7144.41	
Book overdraft balances	101.87		134.59	
Forward contract payable	330.83		679.61	
Unpaid salaries and other payroll dues	2120.41		1653.50	
Accrued expenses	153.94		215.00	
Others	604.37	18880.07	635.78	11278.83
		<b>36676.35</b>		<b>18286.70</b>

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

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

# Include excise duty on closing stock (₹ in Lacs) 12084.61 6309.99

Note No : 11 **Short - term provisions** (₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Provision for employee benefits - unavailed leave		289.12		300.27
<b>Other provisions</b>				
Provision for mark to market loss on derivatives		1.03		3.88
Provision for tax	2289.66		□	
Less : Advance tax	2037.81	251.85	□	□
Provision for wealth tax	73.68		73.68	
Less : Advance wealth tax	65.81	7.87	42.87	30.81
Provision for contingencies [Refer Note No.30(4)]		6.94		6.94
		<b>556.81</b>		<b>341.90</b>

Note No : 12		Fixed assets												(₹ in Lacs)		
Particulars	Tangible assets												Intangible assets	Capital work-in-progress @	Grand total	
	Land (Free Hold)	Land (Lease Hold)	Buildings	Roads	Plant & equipments	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Installation and equipments	Pipelines	Total	Computer software (Acquired)			
Gross block																
Gross carrying amount as at 01.04.2015	6808.17	453.04	48286.68	2915.47	171436.46	1809.25	2093.55	502.21	1249.12	20359.97	11249.19	267163.11	467.90	756.30	268387.31	
Additions during the year	47.48	0	595.08	0	6671.91	80.57	153.59	22.42	111.63	206.40	0	7889.08	42.36	18770.46	26701.90	
Reclassification made during the year	0	0	0	0	13.22	0	0	0	0	0	(13.22)	0	0	0	0	
Disposals/deductions during the year	28.18	0	26.48	0	515.14	30.03	219.02	69.74	90.11	29.64	34.41	1042.75	0	10879.71	11922.46	
Gross carrying amount as at 31.03.2016	6827.47	453.04	48855.28	2915.47	177606.45	1859.79	2028.12	454.89	1270.64	20536.73	11201.56	274009.44	510.26	8647.05	283166.75	
Depreciation /amortisation/ impairment																
Opening accumulated depreciation /amortisation	0	53.75	14437.60	1613.47	91196.98	1332.21	1214.88	392.21	977.86	12711.50	6047.51	129977.97	135.80	0	130113.77	
Depreciation/ amortisation for the year	0	6.40	1262.56	572.50	5014.66	135.57	149.24	26.18	97.80	2967.48	685.96	10918.35	93.74	0	11012.09	
Impairment during the year	0	0	148.79	0	0	0	0	0	0	0	0	148.79	0	0	148.79	
Reclassification made during the year	0	0	0	0	7.00	0	0	0	0	0	(7.00)	0	0	0	0	
Disposals/deductions during the year	0	0	18.21	0	241.64	27.55	145.53	65.37	85.86	18.88	9.52	612.56	0	0	612.56	
Closing accumulated depreciation /amortisation/ impairment	0	60.15	15830.74	2185.97	95977.00	1440.23	1218.59	353.02	989.80	15660.10	6716.95	140432.55	229.54	0	140662.09	
Net carrying amount as at 31.03.2016	6827.47	392.89	33024.54	729.50	81629.45	419.56	809.53	101.87	280.84	4876.63	4484.61	133576.89	280.72	8647.05	142504.66	

## Fixed assets - Previous year

Fixed assets - Previous year														(₹ in Lacs)		
Particulars	Tangible assets												Intangible assets	Capital work-in-progress @	Grand total	
	Land (Free Hold)	Land (Lease Hold)	Buildings	Roads	Plant & equipments	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Installation and equipments	Pipelines	Total	Computer software (Acquired)			
Gross block																
Gross carrying amount as at 01.04.2014	6815.00	453.04	51124.83	0	202191.04	1767.64	2106.47	1580.71	0	0	0	266038.73	145.53	30.13	266214.39	
Additions during the year	0	0	143.74	30.43	975.90	44.27	210.03	18.11	172.08	43.33	10.70	1648.59	322.37	1810.08	3781.04	
Reclassification made during the year	0	0	(2885.04)	2885.04	(31559.15)	(1.61)	0	(1092.08)	1093.69	20320.66	11238.49	0	0	0	0	
Disposals/deductions during the year	6.83	0	96.85	0	171.33	1.05	222.95	4.53	16.65	4.02	0	524.21	0	1083.91	1608.12	
Gross carrying amount as at 31.03.2015	6808.17	453.04	48286.68	2915.47	171436.46	1809.25	2093.55	502.21	1249.12	20359.97	11249.19	267163.11	467.90	756.30	268387.31	
Depreciation /amortisation																
Opening accumulated depreciation /amortisation	0	47.35	11171.36	0	99333.31	1071.93	1175.90	1058.18	0	0	0	113858.03	89.72	0	113947.75	
Depreciation/ amortisation for the year	0	6.40	3687.86	1202.30	5692.24	261.83	166.56	178.41	151.84	4032.65	997.15	16377.24	46.08	0	16423.32	
Reclassification made during the year	0	0	(411.17)	411.17	(13731.13)	(0.61)	0	(840.56)	841.17	8680.77	5050.36	0	0	0	0	
Disposals/deductions during the year	0	0	10.45	0	97.44	0.94	127.58	3.82	15.15	1.92	0	257.30	0	0	257.30	
Closing accumulated depreciation /amortisation	0	53.75	14437.60	1613.47	91196.98	1332.21	1214.88	392.21	977.86	12711.50	6047.51	129977.97	135.80	0	130113.77	
Net carrying amount as at 31.03.2015	6808.17	399.29	33849.08	1302.00	80239.48	477.04	878.67	110.00	271.26	7648.47	5201.68	137185.14	332.10	756.30	138273.54	

@ Refer Note No. 12A.

## Notes :

- 1) Land, Building, Plant & Machinery, Tubewell and Water supply machinery of Balrampur unit were revalued as at 30th June, 1988 on net replacement value as per the report of S. R. Batliboi Consultants Pvt. Ltd. and the cost of respective asset aggregating to ₹1200.77 lacs was substituted by the revalued amount of ₹1920.52 lacs and the resultant increase was credited to Revaluation reserve.
- 2) Land, Building and Plant & Machinery of Tulsipur unit were revalued as at 31st March, 1999 on net replacement value as per the report of Lodha & Co. and the cost of the respective asset aggregating to ₹1023.85 lacs was substituted by the revalued amount of ₹2944.93 lacs and the resultant increase was credited to Revaluation reserve in the books of erstwhile Tulsipur Sugar Company Ltd.

# Notes forming part of the financial statements

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

(₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
3) Depreciation for the year includes:		
a) Depreciation capitalised	1.57	0
b) Depreciation adjusted with retained earnings [Refer Note No. 30(11)]	0	4863.00
4) Amount of finance cost capitalised	496.87	0

Note No : 12A **Capital work-in-progress**

(₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>Plant and equipments / Civil work-in-progress</b>				
Additions during the year		18082.59		1810.08
(A)		<b>18082.59</b>		<b>1810.08</b>
<b>Preoperative expenses/ trial run expenses</b>				
Additions during the year				
Cost of material consumed @		235.17		0
<b>Employee costs</b>				
Salaries and wages	55.52		0	
Contribution to provident and other funds	4.46		0	
Staff welfare expense	0.53	60.51	0	0
<b>Finance costs</b>				
Interest	454.32		0	
Other borrowing costs	42.55	496.87	0	0
<b>Depreciation</b>		1.57		0
<b>Other expenses</b>				
Consumption of stores and spare parts	2.27		0	
Power and fuel	3.23		0	
Insurance	3.63		0	
Professional Expenses	1.47			
Rates and taxes	9.51		0	
Miscellaneous expenses	14.25	34.36	0	0
(B)		<b>828.48</b>		0
<b>Income during trial run :</b>				
Inter division transfer to distillery				
Steam	87.95		0	
Power	52.66	140.61	0	0
(C)		<b>140.61</b>		0
<b>Total additions during the year</b>	<b>D = (A+B-C)</b>	<b>18770.46</b>		<b>1810.08</b>
<b>Balance brought forward</b>				
Plant and equipments/ Civil work-in-progress	(E)	756.30		30.13
<b>F = (D+E)</b>		<b>19526.76</b>		<b>1840.21</b>
Capitalised during the year	(G)	10879.71		1083.91
<b>Capital work-in-progress at the end of the year</b>	<b>H = (F-G)</b>	<b>8647.05</b>		<b>756.30</b>

@ Includes ₹156.06 lacs being used during trial run of Incineration Project.

# Notes forming part of the financial statements

## Note No : 13 Non - current investments

Particulars	Face value	As at 31st March, 2016		As at 31st March, 2015	
		No. of Shares/ Debentures	₹ in Lacs	No. of Shares/ Debentures	₹ in Lacs
Long term					
Trade investments					
Unquoted (Valued at cost)					
(a) In equity shares of a company					
Fully paid up :					
Asia Sugar Industries Pvt. Ltd.	₹10	250000	25.00	250000	25.00
(b) In debentures of a company ^					
Fully paid up :					
Visual Percept Solar Projects Pvt. Ltd.	₹100	4050000	4050.00	4050000	4050.00
<b>Total (A)</b>			<b>4075.00</b>		<b>4075.00</b>
Other investments					
(a) Quoted (Valued at cost less provision for other than temporary diminution)					
In equity shares of a subsidiary					
Fully paid up :					
Indo Gulf Industries Ltd. *	₹1	5162470	283.27	5162470	283.27
Less: Provision for diminution in value			283.27		283.27
<b>Total (B)</b>			<b>₹ @</b>		<b>₹ @</b>
(b) Unquoted (Valued at cost)					
(i) In equity shares of a company					
Fully paid up :					
Fortuna Services Ltd.	₹1	70287	0.70	70287	0.70
(ii) In Post Office National Saving Certificates			9.10		11.13
(Deposited with Government authorities)					
<b>Total (C)</b>			<b>9.80</b>		<b>11.83</b>
<b>Total (A+B+C)</b>			<b>4084.80</b>		<b>4086.83</b>
Aggregate amount of quoted investments			283.27		283.27
Market value of quoted investments			* Not available		* Not available
Aggregate amount of unquoted investments			4084.80		4086.83
Aggregate provision for diminution in value of investments			283.27		283.27

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

\* Shares are suspended for Trading by the Stock Exchange.

@ ₹1/- shown as Nil due to rounding off.



# Notes forming part of the financial statements

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Capital advances		1096.74		816.02
Security deposits		57.55		60.51
<b>Other loans and advances</b>				
Advances to suppliers and others				
Considered doubtful	8.11		231.04	
Less: Provision for doubtful advances	8.11		231.04	
	□		□	
Advance tax	6025.26		6075.45	
Less : Provision for taxation	4097.95		4081.95	
	1927.31		1993.50	
MAT credit entitlement	5642.00		5642.00	
Prepaid expenses	41.54		23.01	
Duties and taxes paid under protest	340.53	7951.38	371.09	8029.60
		<b>9105.67</b>		<b>8906.13</b>

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>Trade receivables</b>				
Considered doubtful	□		95.17	
Less : Provision for doubtful debts	□	□	95.17	□
<b>Fixed deposits with banks</b>				
Non current portion of original maturity period more than 12 months				
For Molasses storage fund (Earmarked)	48.18		28.40	
Pledged with excise authorities	35.02	83.20	45.02	73.42
<b>Interest accrued but not due</b>				
Fixed deposits with banks	8.36		6.70	
National saving certificates	3.59	11.95	4.06	10.76
Claims receivable		226.77		17030.19
Assets held for disposal		□		37.58
		<b>321.92</b>		<b>17151.95</b>

# Notes forming part of the financial statements

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Raw materials	4530.13		3791.60	
Add : Goods-in-transit	3.65	4533.78	2.19	3793.79
Packing materials	118.07		356.70	
Add : Goods-in-transit	□	118.07	13.19	369.89
Work-in-progress				
Sugar	1119.96		1942.25	
Molasses	101.37		214.62	
Organic manure	□	1221.33	35.13	2192.00
Finished goods				
Sugar	165311.32		147017.15	
Industrial alcohol	2217.80		1732.61	
Banked power	113.42		88.52	
Organic manure	1.56		78.50	
	167644.10		148916.78	
Add : Goods-in-transit	168.81	167812.91	□	148916.78
Stores and spares	4566.18		4675.27	
Add : Goods-in-transit	47.46	4613.64	94.92	4770.19
Loose tools		0.19		0.19
Crop/ Standing crop *		3.44		9.33
By-products *		8189.27		6872.70
		<b>186492.63</b>		<b>166924.87</b>

\* Valued at net realisable value.

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Outstanding for a period exceeding six months from due date		28.18		22.25
Others		19835.10		15839.01
		<b>19863.28</b>		<b>15861.26</b>

# Notes forming part of the financial statements

## Note No : 18 Cash and bank balances

(₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>Cash and cash equivalents</b>				
Balances with banks				
On current accounts	375.62		7528.65	
Cheques on hand	0.01		1.66	
Cash on hand	91.54	467.17	170.87	7701.18
<b>Other bank balances</b>				
<b>Earmarked balances</b>				
Fixed deposits for molasses storage fund				
Current portion of original maturity period more than 12 months	11.19		15.51	
Original maturity period up to 12 months	77.56		70.37	
	88.75		85.88	
Unpaid dividend accounts	90.01	178.76	100.64	186.52
<b>Fixed deposits pledged with excise authorities and bank</b>				
Current portion of original maturity period more than 12 months	10.00		30.00	
Original maturity period up to 12 months *	□	10.00	300.00	330.00
		<b>655.93</b>		<b>8217.70</b>
* Under lien with bank for swap contract (₹ in Lacs)		□		300.00

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

(₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Security deposits		13.93		17.00
<b>Other loans and advances</b>				
Intercompany deposits	920.00		920.00	
Advances to suppliers and others	1270.51		1225.45	
Cenvat, Vat and other taxes/duties	2477.38		520.15	
Prepaid expenses	431.38	5099.27	370.67	3036.27
		<b>5113.20</b>		<b>3053.27</b>

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

(₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Unamortised premium on forward contract		238.47		538.96
Unamortised interest on commercial paper		□		874.12
<b>Interest accrued but not due on</b>				
Inter corporate deposits	525.90		418.26	
Fixed deposits with banks	9.41		16.44	
Others	1.58	536.89	1.26	435.96
Claims receivable		5290.32		25919.63
Others		85.72		7.79
		<b>6151.40</b>		<b>27776.46</b>

# Notes forming part of the financial statements

## Note No : 21 Revenue from operations

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>Sale of goods (Gross)</b>				
Sugar	227300.24		247370.52	
Industrial alcohol	29396.11		30737.18	
Power	25351.10		26130.31	
Organic manure	891.91		645.96	
Molasses	1301.20		1816.60	
Renewable energy certificates	2623.42		1983.70	
Others	543.50	287407.48	636.75	309321.02
<b>Other operating revenue</b>		□		□
<b>Revenue from operations (Gross)</b>		<b>287407.48</b>		<b>309321.02</b>
Less : Excise duty on sale of goods		11740.75		10623.23
<b>Revenue from operations (net)</b>		<b>275666.73</b>		<b>298697.79</b>

## Note No : 22 Other income

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>Interest income</b>				
Long term investments				
Debentures	202.50		202.50	
National saving certificates	0.85		1.06	
	203.35		203.56	
Inter corporate deposits	119.60		119.60	
Fixed deposits with banks	26.23		36.39	
Income tax refund	11.55		□	
Others	20.31	381.04	14.73	374.28
Net gain on sale of highly liquid investments (treated as cash equivalent)		331.95		132.27
<b>Other non-operating income</b>				
Provision for doubtful advances written back	224.02		7.51	
Less: Advances written off	223.60		□	
	0.42		7.51	
Insurance claims	87.35		174.50	
Profit on sale of fixed assets	25.06		128.63	
Cane commission liability no longer payable written back	2752.55		□	
Unspent liabilities/balances written back	305.45		327.41	
Refund of administrative charges on molasses	□		186.34	
Provision for mark to market loss on derivatives written back	2.85		□	
Recovery towards balances written off earlier	213.39		□	
Profit from farm accounts [Refer Note No.30(8)]	2.58		4.61	
Miscellaneous	352.75	3742.40	168.61	997.61
		<b>4455.39</b>		<b>1504.16</b>

# Notes forming part of the financial statements

## Note No : 23 Cost of material consumed

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Sugar cane		209815.07		206252.98
Molasses		996.87		611.43
Bagasse		412.65		1337.41
Pressmud		29.61		37.71
Others		□		114.49
		<b>211254.20</b>		<b>208354.02</b>

## Note No : 24 Changes in inventories of finished goods, by-products and work-in-progress

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>Finished goods</b>				
<b>Opening stock</b>				
Sugar	147017.15		189841.07	
Industrial alcohol	1732.61		2627.16	
Banked power	88.52		79.60	
Organic manure	78.50	148916.78	72.23	192620.06
<b>Less : Closing stock</b>				
Sugar	165311.32		147017.15	
Industrial alcohol	2386.61		1732.61	
Banked power	113.42		88.52	
Organic manure	1.56	167812.91	78.50	148916.78
<b>Total (A)</b>		<b>(18896.13)</b>		<b>43703.28</b>
<b>By-products</b>				
<b>Opening stock</b>		6872.70		5078.20
<b>Less : Closing stock</b>		8189.27		6872.70
Less: Bagasse used during trial run of Incineration Project		156.06		□
<b>Total (B)</b>		<b>(1472.63)</b>		<b>(1794.50)</b>
<b>Work-in-progress</b>				
<b>Opening stock</b>				
Sugar	1942.25		2798.43	
Molasses	214.62		174.41	
Organic manure	35.13	2192.00	30.90	3003.74
<b>Less : Closing stock</b>				
Sugar	1119.96		1942.25	
Molasses	101.37		214.62	
Organic manure	□	1221.33	35.13	2192.00
<b>Total (C)</b>		<b>970.67</b>		<b>811.74</b>
<b>Total (A+B+C)</b>		<b>(19398.09)</b>		<b>42720.52</b>
Less : Excise duty on stock *		(5774.62)		79.12
		<b>(13623.47)</b>		<b>42641.40</b>

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



# Notes forming part of the financial statements

## Note No : 25 Employee benefits expense

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Salaries and wages		13298.51		13047.67
Contribution to provident and other funds		1553.11		1678.23
Employee stock option expense		(9.01)		(5.83)
Staff welfare expense		300.20		309.83
		<b>15142.81</b>		<b>15029.90</b>

## Note No : 26 Finance costs

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Interest expense				
On long term borrowings	2153.55		2798.93	
On short term borrowings	5233.34		7317.09	
Others *	132.39	7519.28	38.82	10154.84
Other borrowing costs		40.38		54.39
		<b>7559.66</b>		<b>10209.23</b>
* Includes interest for late payment of statutory dues (₹ in Lacs)		0.02		1.63
* Includes interest for shortfall in payment of advance income-tax (₹ in Lacs)		89.66		□

## Note No : 27 Depreciation and amortisation expense

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Depreciation and amortisation of tangible assets *	10916.78		11514.71	
Amortisation of intangible assets *	93.74	11010.52	45.61	11560.32
		<b>11010.52</b>		<b>11560.32</b>

\* Refer Note No.12

# Notes forming part of the financial statements

Note No : 28 **Other expenses** (₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Consumption of stores and spare parts		2263.04		2569.58
Packing materials		2543.56		3480.36
Power and fuel @		574.05		424.94
Rent		62.50		72.37
Repairs				
Buildings	246.03		308.30	
Machinery	3694.50		4002.46	
Others	185.44	4125.97	581.21	4891.97
Insurance		490.60		483.17
Rates and taxes (excluding taxes on income)		256.70		229.50
Payments to auditor				
As auditor for statutory audit	37.69		37.50	
For tax audit	10.05		10.00	
For other services (Limited reviews & certifications)	16.33		18.20	
For reimbursement of expenses	0.44	64.51	3.92	69.62
Cost audit fees		3.52		3.50
Net loss on foreign currency transactions and translations		116.95		176.38
Charity and donation		13.96		12.68
Corporate social responsibility expense [Refer Note No. 30(9)]		62.74		91.66
Directors' fees		20.25		14.40
Commission to non-whole time directors		20.60		—
Professional expenses [Refer Note No. 30(6)]		2799.50		290.42
Miscellaneous expenses		7008.38		6889.12
Impairment of tangible assets		148.79		—
Loss on sale/discard of fixed assets		349.76		174.03
Sundry debit balances/advances written off		14.68		75.76
Loss from dealing in commodity futures (Sugar)		—		46.80
Mark to market loss on derivatives		—		3.88
Payment towards balances written back earlier		3.43		1.78
Prior period expenses *		—		2.06
Investments written off		—		0.05
Provision for doubtful advances		1.09		—
Deposit/interest receivable from subsidiary written off	—	—	403.57	—
Less : Provision for deposit/ interest receivable from subsidiary written back	—	—	403.57	—
Bad debts written off	95.17	—	—	—
Less : Provision for bad and doubtful debts written back	95.17	—	—	—
Transfer to storage fund for molasses		17.24		19.35
		<b>20961.82</b>		<b>20023.38</b>
@ Includes steam and power generated during trial run of Incineration Project and used in Distillery (₹ in Lacs)		140.61		—
* Includes				
Cost of materials		—		0.73
Miscellaneous expenses		—		1.33
		—		<b>2.06</b>

Note No : 29 **Exceptional items** (₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Claims receivable written off [Refer Note No.30 (18)]		16900.57		—
Voluntary retirement scheme expense [Refer Note No.30 (20)]		409.84		—
		<b>17310.41</b>		<b>—</b>

# Notes forming part of the financial statements

Note No : 30 Other disclosures

## 1. Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>a) Contingent liabilities :</b>		
i) Claims against the Company not acknowledged as debts :		
a) Excise duty demand - under appeal	278.00	307.84
b) Sales tax demand - under appeal	11.30	11.10
c) Others - under appeal/litigation	705.46	884.64
	<b>994.76</b>	<b>1203.58</b>
ii) Claims for acquisition of 1.99 acres of land for the Distillery unit at Balrampur and compensation there against is under dispute as the matter is sub-judice	Amount not ascertainable	Amount not ascertainable

The amounts shown in (i) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants, as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.

(₹ in Lacs)

<b>b) Commitments :</b>		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	6030.62	2521.09
ii) Advance paid against above	1096.74	816.02

## 2. The Employee Stock Option Scheme (Scheme 2005) of the Company was formulated in the year 2005 and under the said Scheme, Options granted have vesting period of one year and exercise period of maximum eight years.

The maximum number of options granted till date stand at 5245500 and each option is equivalent to one equity share of par value of ₹1/- each of the Company.

In the year ended 30th September, 2009, Options covered by 1st, 2nd, 3rd and 4th Series which remained outstanding were re-priced and the revised Exercise Price of ₹45/- was approved by the Shareholders of the Company in the Extra-Ordinary General Meeting held on 25th May, 2009.

The Company uses intrinsic value method to account for the employee stock options granted to employees.

The details of Options granted, lapsed and exercised as at 31st March, 2016 are as under :

Year of Issue	2005-06	2006-07	2007-08	2008-09	2008-09	Total
Series	1st	2nd	3rd	4th	5th	
Date of grant of Option	31/10/05	27/11/06	27/11/07	25/11/08	28/05/09	
Initial Exercise Price (₹)	74.60	104.10	72.20	74.20	45.00	
Revised Exercise Price (₹)	45.00	45.00	45.00	45.00	N.A.	
Market Price on the date of grant (₹)	81.10	87.65	90.75	35.40	82.35	
Excess of initial Exercise Price over Revised Exercise Price (₹)	29.60	59.10	27.20	29.20	N.A.	
Excess of Market Price over Exercise Price/Revised Exercise Price (₹)	36.10	42.65	45.75	□	37.35	
Number of Options granted upto 31.03.2016	622500	883000	995500	1280000	1464500	5245500
Number of Options exercised upto 31.03.2015	448500	654500	823500	1173000	1201300	4300800
Number of Options lapsed upto 31.03.2015	174000	210000	139500	82500	125500	731500
Number of Options outstanding on 01.04.2015	□	18500	32500	24500	137700	213200
Number of Options exercised during the year	□	□	1000	1500	31000	33500
Number of Options lapsed during the year	□	18500	□	□	3000	21500
Number of Options outstanding/exercisable on 31.03.2016	□	□	31500	23000	103700	158200

Note : Refer Board Report for other disclosures.

# Notes forming part of the financial statements

Note No : 30 Other disclosures (Contd...)

3. Based on the information/documents available with the Company, information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 with respect to trade payables and payable to suppliers of capital goods are as follows:

As at 31st March, 2016 :

(₹ in Lacs)

Sl. No.	Description	Trade Payables	Payable to suppliers of capital goods	Total
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	31.56	158.41	189.97
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	1.69	0	1.69
c)	The amount of interest paid by the Company in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	8.68	0	8.68
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 Micro, Small and Medium Enterprises Development Act, 2006	1.59	0	1.59
e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year*	3.28	0	3.28
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0	0	0

\* Included in the line item "Total outstanding dues of micro enterprises and small enterprises" under Note No. 9 and 10.

As at 31st March, 2015 :

(₹ in Lacs)

Sl. No.	Description	Trade Payables	Payable to suppliers of capital goods	Total
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	37.43	0.46	37.89
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	4.52	0	4.52
c)	The amount of interest paid by the Company in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	2.80	0	2.80
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 Micro, Small and Medium Enterprises Development Act, 2006	4.16	0	4.16
e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year*	8.68	0	8.68
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0	0	0

\* Included in the line item "Total outstanding dues of micro enterprises and small enterprises" under Note No. 9 and 10.

# Notes forming part of the financial statements

Note No : 30 Other disclosures (Contd...)

## 4. Disclosures in terms of Accounting Standard - 29

### Movement for provision for contingencies:

(₹ in Lacs)

Particulars	Duties & taxes	Others	Total
<b>Balance as at 1st April, 2015</b>	6.31	0.63	6.94
Provided during the year	□	□	□
Used during the year	□	□	□
Reversed during the year	□	□	□
<b>Balance as at 31st March, 2016</b>	<b>6.31</b>	<b>0.63</b>	<b>6.94</b>
<b>Balance as at 1st April, 2014</b>	6.31	0.63	6.94
Provided during the year	□	□	□
Used during the year	□	□	□
Reversed during the year	□	□	□
<b>Balance as at 31st March, 2015</b>	<b>6.31</b>	<b>0.63</b>	<b>6.94</b>

Provisions for contingencies as referred to above represent provision towards various claims made/anticipated against the Company based on the Management's assessment.

It is not possible to estimate the timing/uncertainties relating to utilisation /reversal from the provision for contingencies. Future cash outflow in respect of the above is determinable only upon Court decision/out of Court settlement/disposal of appeals.

The Company does not expect any reimbursement in respect of above provisions.

## 5. Sugarcane Price Accounting

State Government of Uttar Pradesh vide its Press Release dated 18th January, 2016 announced certain financial assistances including ₹23.30 per quintal of cane for the sugar season 2015-16 linked to average selling price and recovery percentage of sugar and its by-products during the specified period which is to be recommended by the Committee constituted by the Government of Uttar Pradesh. However, in view of the prevalent sugar prices, the Company has not accounted for the said sugarcane subsidy of ₹23.30 per quintal of cane for the sugar season 2015-16.

The Cane Subsidy of ₹28.60 per quintal of cane paid by the Government of Uttar Pradesh for the sugar season 2014-15 aggregating to ₹1238.75 lacs (Previous year ₹20875.45 lacs ) has been accounted for by the Company and has been included under line item 'Sugar cane' under Note No. 23 - 'Cost of material consumed'.

## 6. Export and Production Subsidy:

The Central Government vide its Notification No. 1(10)/2015-SP-I dated 18th September, 2015 announced Minimum Indicative Export Quota (MIEQ) under tradeable export scrip scheme in order to export surplus sugar inventory out of the country. Under the said scheme, the Company was allocated quota of 115642.40 MT for export of sugar in respect of its ten sugar units. Further, the Central Government vide its Notification No. 20(43)/2015-SP - I dated 2nd December, 2015 has announced a scheme for extending production subsidy @ ₹4.50 per quintal of actual cane crushed during sugar season 2015-16 or the proportionate cane crushed for the average sugar production of the Company's each unit in last three sugar seasons, whichever is lower.

As the Company has substantially complied with the eligibility criteria, the aforesaid subsidy @ ₹4.50 per quintal of cane crushed amounting to ₹3113.15 lacs has been accounted for during the year and adjusted with line item 'Sugar cane' under Note No. 23 - 'Cost of material consumed'.

Further, the expenses incurred by the Company till 31st March, 2016 towards fulfilment of export obligation amounting to ₹2620.41 lacs has been included under line item 'Professional expenses' under Note No. 28 - 'Other expenses'.

# Notes forming part of the financial statements

Note No : 30 Other disclosures (Contd...)

7. The Company is eligible to receive various Government grants by way of reimbursement of cane price, production subsidy, society commission and interest subvention on certain term loans. Accordingly, the Company has recognised these Government grants in the following manner:

(₹ in Lacs)

Sl. No.	Particulars	Treatment in Accounts	2015-16	2014-15
a)	Cane price subsidy	Deducted from cost of material consumed	1238.75	25575.91
b)	Production subsidy	Deducted from cost of material consumed	3113.15	□
c)	Society commission	Deducted from cost of material consumed	2186.13	5301.96
d)	Interest on term loans	Deducted from interest expense on long term borrowings	3788.99	2887.44
			<b>10327.02</b>	<b>33765.31</b>

In addition to the above, the Company has received financial assistance of ₹150.00 lacs (Previous year: Nil) from the Hon'ble Ministry of New and Renewable Energy during the year. The said amount has been received under Scheme to Support □Promotion of Grid Interactive Biomass Power and Bagasse Cogeneration in Sugar Mills□ notified through circular no. F. No. 13/10/2013 □ BM. The entire proceeds would be utilised for prepayment of term loan taken from bank. The said financial assistance has been credited to Capital Reserve.

During the year, society commission on cane for sugar season 2012-13 was reduced to ₹2.00 per quintal of cane by the State Government. Accordingly, the Company has written back a sum of ₹2752.55 lacs which was accounted for in the books of account in the relevant years. The said write back of liability has been disclosed under Note No. 22 - □Other Income□

## 8. Details of Profit from Farm Accounts :

(₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Income</b>		
Sales	40.89	39.80
Closing stock of crop/standing crop	3.44	9.33
	<b>44.33</b>	<b>49.13</b>
<b>Expenses</b>		
Opening stock of crop/standing crop	9.33	12.59
Cane seed purchases	3.61	1.39
Fertilisers and manures	4.79	5.95
Salaries and wages	12.46	11.54
Power and fuel	1.32	1.30
Irrigation and cultivation expenses	7.72	8.10
Repairs - others	1.85	1.90
Miscellaneous expenses	0.67	1.75
	<b>41.75</b>	<b>44.52</b>
<b>Profit from Farm Accounts</b>	<b>2.58</b>	<b>4.61</b>



# Notes forming part of the financial statements

Note No : 30 Other disclosures (Contd...)

## 9. Expenditure on Corporate Social Responsibility (CSR) Activities:

The various heads under which the CSR expenditure was incurred in cash during the year is detailed as follows:

(₹ in Lacs)

Sl. No.	Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR Activities	2015-16	2014-15
a)	Clause (i)	Promoting healthcare including preventive healthcare	6.49	18.80
b)	Clause (i)	Eradicating hunger, poverty and malnutrition and making available safe drinking water	1.62	1.58
c)	Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects	30.97	58.48
d)	Clause (iii)	Setting up homes & other facilities for orphans, senior citizens and for socially and economically backward groups	10.05	2.23
e)	Clause (iv)	Animal welfare	0.61	0.64
f)	Clause (vii)	Promoting rural sports & nationally recognised sports	11.53	9.83
g)	Clause (x)	Rural development projects	1.47	□
h)	Clause (xi)	Slum area development	□	0.10
i)		Expenditure on administrative overheads	□	□
			<b>62.74</b>	<b>91.66</b>

The aforesaid amounts were spent for purposes other than on construction/acquisition of any asset.

## 10. Earnings per Share - The numerators and denominators used to calculate Basic / Diluted Earnings per Share :

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a) Amount used as the numerator (₹ in lacs)		
Profit/(Loss) for the year - (A)	9941.73	(5773.44)
b) Weighted average number of Equity Shares outstanding used as denominator for computing Basic Earnings per Share - (B)	244922208	244899522
Add : Weighted average number of Equity Shares on account of Employee Stock Option Scheme	62913	87840
c) Weighted average number of Equity Shares outstanding used as denominator for computing Diluted Earnings per Share - (C)	244985121	244987362
d) Nominal value of Equity Shares (₹)	1.00	1.00
e) Basic Earnings per Share (₹) (A/B)	4.06	(2.36)
f) Diluted Earnings per Share (₹) (A/C)	4.06	(2.36)

11. Depreciation for the previous year was aligned to meet the requirements of Schedule -II to the Companies Act, 2013 and accordingly an amount of ₹3180.01 lacs (net of deferred tax benefit of ₹1682.99 lacs) in relation to the assets whose useful life has already exhausted was adjusted with Retained Earnings.

# Notes forming part of the financial statements

Note No : 30 Other disclosures (Contd...)

## 12. Employee Benefits :

As per Accounting Standard - 15 [Employee Benefits], the disclosures of Employee Benefits as defined in the Accounting Standard are as follows:

### Defined Contribution Plan :

Employee benefits in the form of Provident Fund, Employee State Insurance and Labour Welfare Fund are considered as defined contribution plan. However, upto 31st March, 2015, Provident fund in respect of certain employees was contributed to a fund set up by the Company which was treated as a defined benefit plan since the Company had to meet the interest shortfall.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognised as expense in the Statement of Profit and Loss are as under :

Defined Contribution Plan	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Employer's Contribution to Provident Fund	582.12	545.72
Employer's Contribution to Pension Scheme	556.01	484.46
Employer's Contribution to Labour Welfare Fund	0.01	0.01
Employer's Contribution to Employees' State Insurance Scheme	0.75	0.81

### Defined Benefit Plan:

On Company's request, in exercise of the powers conferred under section 17(4) of the Employees' Provident Fund & Miscellaneous Provisions Act, 1952, the Hon'ble Ministry of Labour and Employment, Government of India, has cancelled the exemption granted to the Company with effect from 1st April, 2014 vide its order dated 29th April, 2015. Accordingly, Employees Provident Fund set up by the Company ceases to exist. After cancellation, contribution to the provident fund of the related employees is being deposited with Government Provident Fund w.e.f 1st April, 2015.

Long-term employee benefits in the form of gratuity and leave encashment are considered as defined benefit obligation. The present value of the obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognised in the Balance Sheet represent the present value of the obligation as adjusted for unrecognised past service cost and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to the discounted value of any economic benefit available in the form of refunds from the plan or reduction in future contribution to the plan. The amount recognised in the Accounts in respect of Employees Benefit Schemes based on actuarial reports are as follows :

### a) Details of funded post retirement plans are as follows :

	Particulars	2015-16		2014-15	
		Gratuity	Provident Fund	Gratuity	Provident Fund
I.	Components of Employer Expense :				
1	Current Service Cost	264.00	□	273.62	273.54
2	Past Service Cost	□	□	□	□
3	Interest Cost	257.74	□	244.27	283.48
4	Expected return on Plan Assets	292.45	□	257.62	285.29
5	Actuarial (Gain) /Loss recognised in the year	47.91	□	138.59	(116.61)
6	Expense recognised in the Statement of Profit and Loss	277.20	□	398.86	155.12

# Notes forming part of the financial statements

Note No : 30 Other disclosures (Contd...)

a) Details of funded post retirement plans are as follows :

(₹ in Lacs)

	Particulars	2015-16		2014-15	
		Gratuity	Provident Fund	Gratuity	Provident Fund
<b>II.</b>	<b>Change in Present Value of Defined Benefit Obligation :</b>				
1	Present value of Defined Benefit Obligation at the beginning of the year	3655.66	□	3220.19	3332.38
2	Acquisition Adjustment	□	□	□	□
3	Interest Cost	257.74	□	244.27	283.48
4	Past Service Cost	□	□	□	□
5	Current Service Cost	264.00	□	273.62	128.59
6	Employees Contribution	□	□	□	144.95
7	Benefits Paid	867.90	□	333.59	458.75
8	Actuarial Gain / (Loss)	17.58	□	251.17	(127.77)
9	Present value of Defined Benefit Obligation at the end of the year	3327.08	□	3655.66	3302.88
<b>III.</b>	<b>Change in Fair Value of Plan Assets during the year :</b>				
1	Plan Assets at the beginning of the year	3655.66	□	3220.19	3209.12
2	Acquisition Adjustment	□	□	□	4.84
3	Expected return on Plan Assets	292.45	□	257.62	285.29
4	Contributions paid	277.20	□	398.86	273.54
5	Benefits paid	867.90	□	333.59	458.75
6	Actuarial Gain / (Loss)	(30.33)	□	112.58	(11.16)
7	Plan Assets at the end of the year	3327.08	□	3655.66	3302.88
<b>IV.</b>	<b>Net Asset / (Liability) recognised in the Balance Sheet as at the year end:</b>				
1	Present value of Defined Benefit Obligation	3327.08	□	3655.66	3302.88
2	Fair value of Plan Assets	3327.08	□	3655.66	3302.88
3	Funded Status [Surplus/(Deficit)]	□	□	□	□
4	Net Asset / (Liability) recognised in Balance Sheet	□	□	□	□
<b>V.</b>	<b>Actuarial Assumptions :</b>				
1	Discount Rate (per annum) %	8.00	□	8.00	8.75
2	Expected return on Plan Assets (per annum) %	8.00	□	8.00	8.89
3	Expected Rate of Salary increase %	5.50	□	5.50	5.50
4	Retirement/Superannuation Age (Year)	60	□	60	60
5	Mortality Rates	IALM 2006-08 Ultimate	□	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

# Notes forming part of the financial statements

Note No : 30 Other disclosures (Contd...)

a) Details of funded post retirement plans are as follows :

(₹ in Lacs)

	Particulars	2015-16		2014-15	
		Gratuity	Provident Fund	Gratuity	Provident Fund
<b>VI.</b>	<b>Major Category of Plan Assets as a % of the Total Plan Assets as at the year end :</b>				
1	Administered by Insurance Companies	100%	□	84%	□
2	Public Financial Institutions / Public Sector Companies bonds	□	□	6%	43%
3	Central / State Government Securities	□	□	9%	46%
4	Private sector bonds	□	□	□	11%
5	Others (Cash and Cash Equivalents)	□	□	1%	□
<b>VII.</b>	<b>Expected Employer's Contribution for the next year :</b>				
	Expected Employer's Contribution for the next year	305.00	□	475.00	141.45

**VIII. Basis used to determine the expected Rate of return on Plan Assets :**

The basis used to determine overall expected Rate of return on Plan Assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the Capital and optimise returns within acceptable risk parameters, the Plan Assets are well diversified.

**IX. The history of experience adjustments for funded post retirement plans are as follows :**

(₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
<b>Gratuity</b>					
Present value of Defined Benefit Obligation	3327.08	3655.66	3220.19	2789.78	2412.35
Fair value of Plan Assets	3327.08	3655.66	3220.19	2789.78	2412.35
(Deficit)/Surplus	□	□	□	□	□
Experience adjustments of Plan Assets Gain/(Loss)	(30.33)	112.58	(53.68)	103.10	(99.37)
Experience adjustments of Obligation (Gain)/Loss	17.58	251.17	114.06	191.45	2.36
<b>Provident Fund</b>					
Present value of Defined Benefit Obligation	□	3302.88	3332.38	2928.90	2526.57
Fair value of Plan Assets	□	3302.88	3209.12	2877.08	2525.77
(Deficit)/Surplus	□	□	(123.26)	(51.82)	(0.80)
Experience adjustments of Plan Assets Gain/(Loss)	□	(11.16)	13.04	11.84	(3.85)
Experience adjustments of Obligation (Gain)/Loss	□	(127.77)	68.58	47.74	(44.36)

# Notes forming part of the financial statements

Note No : 30 Other disclosures (Contd...)

## b) Details of unfunded post retirement Defined Obligations are as follows:

(₹ in Lacs)

	Particulars	Leave Encashment (Unfunded)	
		2015-16	2014-15
<b>I.</b>	<b>Components of Employer Expense :</b>		
1	Current Service Cost	76.49	28.95
2	Past Service Cost	□	□
3	Interest Cost	21.10	19.58
4	Expected return on Plan Assets	□	□
5	Actuarial (Gain) /Loss recognised in the year	(39.34)	29.03
6	Expense recognised in the Statement of Profit and Loss	58.25	77.56
<b>II.</b>	<b>Change in Present Value of Defined Benefit Obligation :</b>		
1	Present value of Defined Benefit Obligation at the beginning of the year	299.90	267.09
2	Interest Cost	21.10	19.58
3	Past Service Cost	□	□
4	Current Service Cost	76.49	28.95
5	Benefits Paid	72.20	44.75
6	Actuarial (Gain) / Loss	(39.34)	29.03
7	Present value of Defined Benefit Obligation at the end of the year	285.95	299.90
<b>III.</b>	<b>Net Asset / (Liability) recognised in the Balance Sheet as at the year end:</b>		
1	Present value of Defined Benefit Obligation	285.95	299.90
2	Fair value of Plan Assets	□	□
3	Funded Status [Surplus/(Deficit)]	(285.95)	(299.90)
4	Net Asset / (Liability) recognised in Balance Sheet	(285.95)	(299.90)
<b>IV.</b>	<b>Actuarial Assumptions :</b>		
1	Discount Rate (per annum) %	8.00	8.00
2	Expected return on Plan Assets (per annum) %	□	□
3	Expected Rate of Salary increase %	5.50	5.50
4	Retirement/Superannuation Age (Year)	60	60
5	Mortality Rates	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
<b>V.</b>	<b>Expected Employer's Contribution for the next year :</b>		
	Expected Employer's Contribution for the next year	60.00	55.00

## c) Other disclosures :

### i) Basis of estimates of Rate of escalation in salary :

The estimates of rate of escalation in salary, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

### ii) The Gratuity and Provident Fund Expenses have been recognised under □Contribution to Provident and Other Funds□ and Leave Encashment under □Salaries and Wages□ under Note No.25 - □Employee benefits expense□.

## 13. Segment information as per Accounting Standard - 17 on □Segment Reporting□:

The Company has identified three primary business segments viz. Sugar, Distillery and Co-generation. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure and internal business reporting system.

### a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as □Unallocable□.

# Notes forming part of the financial statements

Note No : 30 **Other disclosures (Contd...)**

- b) Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as Unallocable

c) **Information about Primary Business Segments:**

(₹ in Lacs)

Particulars	Sugar	Distillery	Co-generation	Others	Unallocable	Elimination	Total
<b>Revenue</b>							
<b>External Sales (Gross)</b>	<b>228990.17</b>	<b>29548.62</b>	<b>27976.78</b>	<b>891.91</b>			<b>287407.48</b>
	(249688.70)	(30872.36)	(28114.01)	(645.95)	(1)		(309321.02)
Less : Excise duty on external sales	<b>9241.67</b>	<b>2499.08</b>					<b>11740.75</b>
	(8250.05)	(2373.18)	(1)	(1)	(1)	(1)	(10623.23)
<b>External Sales (Net)</b>	<b>219748.50</b>	<b>27049.54</b>	<b>27976.78</b>	<b>891.91</b>			<b>275666.73</b>
	(241438.65)	(28499.18)	(28114.01)	(645.95)	(1)	(1)	(298697.79)
Inter Segment Sales	<b>24689.52</b>	<b>0.52</b>	<b>13177.18</b>			<b>(37867.22)</b>	
	(19181.22)	(1.84)	(9694.74)	(1)		(1)(28877.80)	(1)
<b>Total sales</b>	<b>244438.02</b>	<b>27050.06</b>	<b>41153.96</b>	<b>891.91</b>		<b>(37867.22)</b>	<b>275666.73</b>
	(260619.87)	(28501.02)	(37808.75)	(645.95)	(1)	(1)(28877.80)	(298697.79)
<b>Add : Allocable other income</b>	<b>3364.72</b>	<b>28.86</b>	<b>133.32</b>	<b>16.40</b>			<b>3543.30</b>
	(838.61)	(28.15)	(125.80)	(2.29)	(1)	(1)	(994.85)
<b>Segment Revenue</b>	<b>247802.74</b>	<b>27078.92</b>	<b>41287.28</b>	<b>908.31</b>		<b>(37867.22)</b>	<b>279210.03</b>
	(261458.48)	(28529.17)	(37934.55)	(648.24)	(1)	(1)(28877.80)	(299692.64)
<b>Result</b>							
<b>Segment result</b>	<b>5442.33</b>	<b>13457.39</b>	<b>17908.38</b>	<b>285.11</b>			<b>37093.21</b>
	(-)(27853.81)	(14363.06)	(18398.77)	(45.35)	(1)	(1)	(4953.37)
<b>Less:</b>							
Unallocable expenditure net of unallocable income					<b>1716.97</b>		<b>1716.97</b>
					(2360.44)	(-)	(2360.44)
Finance costs					<b>7559.66</b>		<b>7559.66</b>
					(10209.23)	(1)	(10209.23)
<b>Profit /(Loss) before exceptional items and tax</b>							<b>27816.58</b>
							(-)(7616.30)
<b>Exceptional Items</b>							<b>17310.41</b>
							(1)
<b>Profit /(Loss) before tax</b>							<b>10506.17</b>
							(-)(7616.30)
<b>Tax</b>							
Current tax							<b>2200.00</b>
							(1)
Deferred tax write back							<b>(1635.56)</b>
							(1)(1842.86)
<b>Profit /(Loss) after tax</b>							<b>9941.73</b>
							(1)(5773.44)



# Notes forming part of the financial statements

Note No : 30 Other disclosures (Contd...)

## Other information

(₹ in Lacs)

Particulars	Sugar	Distillery	Co-generation	Others	Unallocable	Total
Segment assets	267404.20	20525.83	69911.00	921.39	15531.07	374293.49
	(291667.52)	(23546.69)	(56758.46)	(993.31)	(17286.03)	(390252.01)
Segment liabilities	57587.49	1387.03	1332.83	102.06	23712.39	84121.80
	(82996.37)	(776.08)	(516.69)	(122.94)	(25443.35)	(109855.43)
Capital expenditure	1721.01	3363.49	10479.26	0.08	258.35	15822.19
	(1048.08)	(995.33)	(120.22)	(10.42)	(523.08)	(2697.13)
Depreciation and amortisation	5979.70	892.99	3901.74	39.41	196.68	11010.52
	(6296.94)	(923.23)	(4117.20)	(60.09)	(162.86)	(11560.32)
Non cash expenses other than depreciation and amortisation	518.04	75.23	9.46	□	24.00	626.73
	(212.61)	(10.13)	(75.15)	(0.02)	(455.65)	(753.56)

## Notes :

- Transactions between segments are primarily for materials which are transferred at cost/market determined prices. Common costs are apportioned on a reasonable basis.
  - Unallocable expenses are net of unallocable income ₹912.09 lacs (Previous year ₹509.31 lacs).
  - Inter segment sale is net of excise duty ₹1146.24 lacs (Previous year ₹1129.13 lacs).
  - Figures in brackets pertain to previous year.
- d) Information about Secondary Geographical Segments : There is no secondary segment.

## 14. Related party disclosures as per Accounting Standard - 18 are given below :

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

i) Subsidiary (Control exists):	Indo Gulf Industries Ltd.
ii) Key Managerial Personnel (KMP):	1. Shri Vivek Saraogi - Managing Director 2. Smt. Meenakshi Saraogi - Joint Managing Director (upto 31.05.2015) 3. Shri Kishor Shah - Director cum Chief Financial Officer (upto 30.11.2015) 4. Dr. Arvind Krishna Saxena - Whole-time Director
iii) Relatives of Key Managerial Personnel :	
Shri Vivek Saraogi	Smt. Meenakshi Saraogi (Mother)
Smt. Meenakshi Saraogi	Shri Vivek Saraogi (Son)
iv) Enterprises over which KMP and their relatives have substantial interest / significant influence:	1. Balrampur Institute of Vocational Aid 2. Balrampur Foundation 3. Balrampur Trust

# Notes forming part of the financial statements

Note No : 30 Other disclosures (Contd...)

## b) Transactions with related parties :

(₹ in Lacs)

Nature of transaction / Name of the related party	Subsidiary	Enterprises over which KMP and their relatives have substantial interest/ significant influence	Key Managerial Personnel (KMP)	Relatives of KMP	Total
<b>i) Receiving of Services</b>					
Smt. Meenakshi Saraogi	□	□	28.48 @	1.00	29.48
	(□)	(□)	(174.40)	(□)	(174.40)
Shri Vivek Saraogi	□	□	172.14	□	172.14
	(□)	(□)	(169.05)	(□)	(169.05)
Shri Kishor Shah	□	□	48.68 *	□	48.68
	(□)	(□)	(57.86)	(□)	(57.86)
Dr. Arvind Krishna Saxena	□	□	21.86	□	21.86
	(□)	(□)	(20.09)	(□)	(20.09)
<b>ii) Corporate Social Responsibility Expenditure</b>					
Balrampur Institute of Vocational Aid	□	21.50	□	□	21.50
	(□)	(45.00)	(□)	(□)	(45.00)
Balrampur Foundation	□	23.00	□	□	23.00
	(□)	(18.54)	(□)	(□)	(18.54)
Balrampur Trust	□	□	□	□	□
	(□)	(1.01)	(□)	(□)	(1.01)
<b>iii) Donation paid</b>					
Balrampur Foundation	□	□	□	□	□
	(□)	(1.96)	(□)	(□)	(1.96)
Balrampur Trust	□	□	□	□	□
	(□)	(0.60)	(□)	(□)	(0.60)
<b>iv) Employee Stock Option #</b>					
Shri Kishor Shah	□	□	□	□	□
	(□)	(□)	(4.50)	(□)	(4.50)
<b>v) Provision for doubtful loan and interest thereon written back</b>					
Indo Gulf Industries Ltd.	□	□	□	□	□
	(403.57)	(□)	(□)	(□)	(403.57)
<b>vi) Loan and interest receivable written off</b>					
Indo Gulf Industries Ltd.	□	□	□	□	□
	(403.57)	(□)	(□)	(□)	(403.57)

@ Excluding gratuity payment amounting to ₹245.19 lacs pursuant to settlement during the year which has been reimbursed by The Balrampur Sugar Co. Ltd. Employees Gratuity Fund.

\* Excluding gratuity payment amounting to ₹50.77 lacs pursuant to settlement during the year which has been reimbursed by The Balrampur Sugar Co. Ltd. Employees Gratuity Fund.

# Excluding monetary value of perquisites.

c) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

d) No amount has been written back/written off in respect of due to/ from related parties other than stated above under Note No. 14(b) (v) and (vi).

e) Figures in brackets pertain to previous year.

# Notes forming part of the financial statements

Note No : 30 Other disclosures (Contd...)

## 15. Disclosure under Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

### Loan given to Subsidiary:

(₹ in Lacs)

Particulars	Amount outstanding as at		Maximum amount outstanding at any time during the year ended	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Indo Gulf Industries Ltd.	₹	₹	₹	362.25

- Loan to Subsidiary fall under the category of Loans and Advances in the nature of Loans where there is no repayment schedule and was re-payable on demand.
- The above loan was interest bearing. However, interest was not accounted for in the previous year as the loan (including interest accrued thereon) was considered doubtful of realisation and was written off during the previous year.
- No investment is/was made by the loanee company in the shares of the Company.

## 16. Derivative Instruments

The Company has entered into derivative contracts to hedge the interest rate and currency risks. The details of derivative contracts entered for hedging purpose and outstanding as at the date of the Balance Sheet are as under:

(₹ in Lacs)

Particulars	Outstanding amount of exposure hedged	
	As at 31st March, 2016	As at 31st March, 2015
Swaps	₹	1747.52
Forward Contracts	7751.51	15965.68

- Based on the review made at the Balance Sheet date, MAT credit of ₹5642.00 lacs (previous year: ₹5642.00 lacs) recognised in earlier years is carried forward as the Management is confident that there will be sufficient taxable profit during the specified period to utilise the same.
- Under the New Sugar Industry Promotion Policy, 2004 of the Government of Uttar Pradesh, the Company had accounted for recoverable incentives aggregating to ₹16900.57 lacs and had availed remissions in respect of Entry Tax on Sugar, Administrative Charges on Molasses, Trade Tax on Molasses and Cane Purchase Tax. The above policy was terminated by the Government of Uttar Pradesh vide order dated 4th June, 2007.

The Company's Writ Petition against withdrawal of the aforesaid policy which has been admitted by the Lucknow Bench of the Hon'ble Allahabad High Court vide its order dated 9th May, 2008 is still pending. As an interim measure, the Order permits limited protection from remission of taxes. Therefore, the Company continues to account for only remission of taxes, and accordingly, during the year, the Company has accounted for remission of taxes of ₹61.43 lacs (Previous year ₹56.58 lacs).

However, in view of the long pendency of the said writ petition, it might take years for the Hon'ble High Court to decide the case and the aggrieved party would certainly approach the Hon'ble Supreme Court and due to high pendency in the Hon'ble Supreme Court, it may take considerable time for the final decision in these cases. Even thereafter, the actual realization of the claims from the State may not be possible without repetitive intervention of the Apex Court.

Hence, the Company has written off the recoverable incentives aggregating to ₹16900.57 lacs (Previous year nil) during the year. The same has been shown as Claims receivable written off under Note No. 29 - Exceptional Items.

# Notes forming part of the financial statements

## Note No : 30 Other disclosures (Contd...)

In the assessment of Entry Tax on Sugar and Trade Tax on Molasses for the years 2008-09 to 2012-13, a sum of ₹3659.50 lacs and ₹883.59 lacs respectively aggregating to ₹4543.09 lacs has been determined by the assessing officer as the Company's liability for four of its units namely Akbarpur, Mankapur, Kumbhi and Gularia though these units are also eligible under the aforesaid incentive scheme. However, no demand has been raised on the Company by the assessing officer in view of limited protection from remission of taxes granted by Hon'ble High Court as aforesaid. Based on the same, the Company neither considers the aforesaid amount of ₹4543.09 lacs as a liability nor a contingent liability.

19. In view of inadequacy of profits, the Remuneration paid during the year and during the previous year to the Managing Director and Joint Managing Director is/was the minimum remuneration in accordance with terms and conditions approved by the shareholders. Necessary approval has been obtained from the Central Government in this regard.

20. Khalilabad Sugar unit, a unit of Company was incurring losses for the last several years and getting low recovery. Further, the Sugar Mill was old and expenses on wear and tear were abnormally high.

Since, even the most efficient and integrated plants were incurring losses, it was impossible for the said Sugar unit to survive in long term. Therefore, the Board of Directors of the Company in its meeting held on 27th May, 2015 discussed and decided to close the said sugar unit of the Company.

As a result of closure of the said unit, the Company announced voluntary retirement scheme (VRS scheme) for the employees of the said unit pursuant to which, the Company has paid compensation of ₹409.84 lacs (Previous year: nil) to those who availed the said VRS scheme.

21. The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 7th January, 2014 had permitted transfer of 20% equity shares of Indo Gulf Industries Ltd. (IGIL) held by the Company as well as induction of co-promoter /strategic investor in IGIL, under a Modified Draft Rehabilitation Scheme (MDRS) to be approved by the Hon'ble BIFR. However, the Hon'ble BIFR vide its order dated 4th August, 2014, reviewed its directions and directed the Operating Agency to submit its report after conducting due-diligence of co-promoter/strategic investor and reserved its order for pronouncement.

The order in the subject matter was pronounced on 23rd January, 2015, whereby the concerned Bench observed that induction of co-promoter/strategic investor was not in transparent manner and was not in accordance with the Law. Aggrieved by the said order IGIL preferred an Appeal before the Hon'ble AAIFR which was disposed of by the Hon'ble AAIFR on 14th September, 2015 by setting aside the observation of the Hon'ble BIFR and remanding the matter back to the Hon'ble BIFR with a direction to consider the MDRS in accordance with law.

In the meantime, net-worth of IGIL turned positive to ₹12.15 lacs as per its Audited Balance Sheet as at 31st March, 2016. Accordingly, IGIL has filed an application with the Hon'ble BIFR on 29th April, 2016 for deregistration from the purview of the Sick Industrial Companies (Special Provisions) Act, 1985.

The Hon'ble BIFR passed an order on 6th May, 2016 wherein it directed the Operating Agency to file status reports (1) on the business of the strategic investor after evaluating the induction of strategic investor and conducting due diligence, (2) whether the induction of the strategic investor results in change of management of IGIL and (3) on the operation /function of IGIL after visiting the unit of IGIL.

### 22. Call Option Agreement

A Call Option Agreement dated 30th March, 2015 has been entered by the Company with Talma Chemical Industries Private Limited (Talma), a company having 100% interest in the Equity Share Capital of Visual Percept Solar Projects Private Limited (VPSPPL) to acquire at a future date, 8914500 Equity Shares of ₹10/- each fully paid at a mutually agreed price of ₹25/- per Equity Share of ₹10/- each.

23. The Company has not incurred any cost in respect of RECs. The value of RECs remaining unsold and lying in inventory as at the balance sheet date has been considered as Nil in the accounts.

# Notes forming part of the financial statements

Note No : 30 Other disclosures (Contd...)

## 24. Details of Loan and investments covered under section 186(4) of the Companies Act, 2013:

The particulars of investments made are given under "Non-current investments" under Note No. 13.

The particulars of loan given are as under:

Particulars	As at 31st March, 2016	As at 31st March, 2015
Name of the Loanee	Auro Sugar Pvt. Ltd.	Auro Sugar Pvt. Ltd.
Amount of loan (₹ in Lacs) *	920.00	920.00
Rate of interest	13% p.a.	13% p.a.
Terms of repayment of loan	Repayable on demand	Repayable on demand
Purpose of utilization of loan by the Loanee	General corporate purpose	General corporate purpose

\* No amount has been given during the year/previous year.

## 25. Value of imports on C.I.F. basis

(₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a) Spare parts*	7.00	16.16
b) Capital goods	0	10.81

\* Spare parts includes store items also. Further, there is no import of components.

## 26. Expenditure in foreign currency

(₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a) On travelling	12.66	54.08
b) On interest / financial charges	24.74	91.21
c) Others	0.47	0

## 27. Consumption of materials

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Percentage	₹ in Lacs	Percentage	₹ in Lacs
a) Imported	0	0	0	0
b) Indigenous	100.00%	211254.20	100.00%	208354.02
<b>Total</b>	<b>100.00%</b>	<b>211254.20</b>	<b>100.00%</b>	<b>208354.02</b>

## 28. Consumption of component and spare parts\*

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Percentage	₹ in Lacs	Percentage	₹ in Lacs
a) Imported	0	0	0.63%	16.16
b) Indigenous	100.00%	2263.04	99.37%	2553.42
<b>Total</b>	<b>100.00%</b>	<b>2263.04</b>	<b>100.00%</b>	<b>2569.58</b>

\* Spare parts includes store items also.

# Notes forming part of the financial statements

Note No : 30 **Other disclosures (Contd...)**

## 29. Dividend remitted in foreign currency :

The Company has not remitted any amount in foreign currency on account of dividend. The particulars of dividend payable to non-resident shareholders are as under :

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a) Year to which Dividend relates	0	0
b) Number of non-resident shareholders	0	0
c) Number of Ordinary Shares held by them	0	0
d) Gross amount of Dividend (₹ in Lacs)	0	0

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

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

Sd/-

(CA. Sunita Kedia)

Partner

Membership No. 60162

Sd/-

Nitin Bagaria

Company Secretary

Sd/-

Pramod Patwari

Chief Financial Officer

Sd/-

Dr. Arvind Krishna Saxena

Whole-time Director

DIN - 00846939

Sd/-

Vivek Saraogi

Managing Director

DIN - 00221419

Place of Signature: Kolkata

Date: 20th May, 2016



# Independent Auditor's Report

To

The Members of

**Balrampur Chini Mills Limited**

## **Report on the consolidated financial statements**

We have audited the accompanying consolidated financial statements of **BALRAMPUR CHINI MILLS LIMITED** (hereinafter referred to as [the Holding Company]) and its Subsidiary (the Holding Company and its subsidiary together referred to as [the Group]), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as [the consolidated financial statements]) for the year then ended.

## **Management's responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## **Auditor's responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included

in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## **Other Matters**

We did not audit the financial statements of Indo Gulf Industries Ltd., a subsidiary, whose financial statements reflect total assets of ₹399.59 lacs as at 31st March, 2016, total revenues of ₹3.30 lacs

and net cash flows amounting to ₹248.06 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

#### **Report on other legal and regulatory requirements**

As required by section 143(3) of the Act, we report that:

- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
- iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- iv. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. On the basis of the written representations received from the directors of the Holding Company as at 31st March, 2016 taken

on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the group companies is disqualified as at 31st March, 2016 from being appointed as a director in terms of section 164 (2) of the Act.

- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in [Annexure A] and
- vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group [Refer Note No. 30(1) to the consolidated financial statements.
  - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - c. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Holding company. There were no amounts which were required to be transferred to the investor education and protection fund by the Subsidiary Company.

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

Sd/-

(CA. Sunita Kedia)

Partner

Place of Signature: Kolkata

Date: 20th May, 2016

Membership No. 60162

# "Annexure A" to the Auditor's Report

Annexure A to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Balrampur Chini Mills Limited  
Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the Act)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of **BALRAMPUR CHINI MILLS LIMITED** (the Holding Company) and its subsidiary company as of that date.

## Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over

financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of his report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **G.P. AGRAWAL & CO.**

*Chartered Accountants*

Firm's Registration No. - 302082E

*Sd/-*

**(CA. Sunita Kedia)**

*Partner*

Place of Signature: Kolkata

Date: 20th May, 2016

Membership No. 60162

## Consolidated Balance Sheet as at 31st March, 2016

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2016		As at 31st March, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholders' funds					
(a) Share capital	2	2449.50		2449.16	
(b) Reserves and surplus	3	120360.29	122809.79	110257.48	112706.64
(2) Minority interest			250.00		
(3) Non - current liabilities					
(a) Long - term borrowings	4	50960.43		43287.09	
(b) Deferred tax liabilities (net)	5	21288.89		22924.46	
(c) Other long - term liabilities	6	563.57		609.69	
(d) Long - term provisions	7	259.31	73072.20	265.79	67087.03
(4) Current liabilities					
(a) Short - term borrowings	8	99441.85		118282.88	
(b) Trade payables	9				
(i) Total outstanding dues of micro enterprises and small enterprises		34.84		46.11	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		41759.65		73570.64	
(c) Other current liabilities	10	36711.95		18320.70	
(d) Short - term provisions	11	600.26	178548.55	385.35	210605.68
<b>TOTAL</b>			<b>374680.54</b>		<b>390399.35</b>
<b>II. ASSETS</b>					
(1) Non - current assets					
(a) Fixed assets	12				
(i) Tangible assets		133724.78		137342.22	
(ii) Intangible assets		280.72		332.10	
(iii) Capital work-in-progress	12A	8647.05		756.30	
		142652.55		138430.62	
(b) Non - current investments	13	4072.23		4074.26	
(c) Long - term loans and advances	14	9105.67		8906.13	
(d) Other non - current assets	15	321.92	156152.37	17151.95	168562.96
(2) Current assets					
(a) Inventories	16	186492.63		166924.87	
(b) Trade receivables	17	19863.28		15861.26	
(c) Cash and bank balances	18	906.78		8220.49	
(d) Short - term loans and advances	19	5113.75		3053.31	
(e) Other current assets	20	6151.73	218528.17	27776.46	221836.39
<b>TOTAL</b>			<b>374680.54</b>		<b>390399.35</b>
Basis of consolidation and significant accounting policies	1				
Other disclosures	30				
The accompanying notes 1 to 30 are an integral part of the consolidated financial statements.					

As per our report of even date attached.

For G. P. AGRAWAL &amp; CO.

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

Sd/-

(CA. Sunita Kedia)

Partner

Membership No. 60162

Place of Signature: Kolkata

Date: 20th May, 2016

Sd/-

Nitin Bagaria

Company Secretary

Sd/-

Pramod Patwari

Chief Financial Officer

Sd/-

Dr. Arvind Krishna Saxena

Whole-time Director

DIN - 00846939

Sd/-

Vivek Saraogi

Managing Director

DIN - 00221419

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>I. Revenue from operations (Gross)</b>	21				
Sale of goods (Gross)		287407.48		309321.02	
Less: Excise duty		11740.75		10623.23	
Net sale of goods			275666.73		298697.79
Other operating revenue			□		□
<b>Revenue from operations (net)</b>			<b>275666.73</b>		<b>298697.79</b>
<b>II. Other income</b>	22		4458.69		1519.35
<b>III. Total revenue ( I+II)</b>			<b>280125.42</b>		<b>300217.14</b>
<b>IV. Expenses:</b>					
Cost of material consumed	23		211254.20		208354.02
Changes in inventories of finished goods, by-products and work-in-progress	24		(13623.47)		42641.40
Employee benefits expense	25		15142.84		15029.90
Finance costs	26		7559.66		10209.23
Depreciation and amortisation expense	27		11019.71		11591.99
Other expenses	28		20967.79		20028.07
<b>Total expenses</b>			<b>252320.73</b>		<b>307854.61</b>
<b>V. Profit/(loss) before exceptional and extra ordinary items and tax ( III-IV)</b>			<b>27804.69</b>		<b>(7637.47)</b>
<b>VI. Exceptional items</b>	29		17310.41		□
<b>VII. Profit/(loss) before extraordinary items and tax (V-VI)</b>			<b>10494.28</b>		<b>(7637.47)</b>
<b>VIII. Extraordinary items</b>			□		□
<b>IX. Profit/(loss) before tax (VII-VIII)</b>			<b>10494.28</b>		<b>(7637.47)</b>
<b>X. Tax expense :</b>					
Current tax		2200.00		□	
Deferred tax write back		(1635.56)	564.44	(1842.86)	(1842.86)
<b>XI. Profit/ (loss) for the year (IX-X)</b>			<b>9929.84</b>		<b>(5794.61)</b>
<b>Profit/(loss) attributable to</b>					
Owners of the Company			9929.84		(5794.61)
Minority Interest			□		□
			<b>9929.84</b>		<b>(5794.61)</b>
<b>XII. Earnings per share (Nominal value per share ₹1/-)</b>					
[Refer Note No. 30(10)]					
- Basic (₹)			4.05		(2.37)
- Diluted (₹)			4.05		(2.37)
Number of shares used in computing Earnings per share					
- Basic			244922208		244899522
- Diluted			244985121		244987362
Basis of consolidation and significant accounting policies	1				
Other disclosures	30				
The accompanying notes 1 to 30 are an integral part of the consolidated financial statements.					

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

Sd/-

(CA. Sunita Kedia)

Partner

Membership No. 60162

Place of Signature: Kolkata

Date: 20th May, 2016

Sd/-

Nitin Bagaria

Company Secretary

Sd/-

Pramod Patwari

Chief Financial Officer

Sd/-

Dr. Arvind Krishna Saxena

Whole-time Director

DIN - 00846939

Sd/-

Vivek Saraogi

Managing Director

DIN - 00221419



## Consolidated Cash Flow Statement for the year ended 31st March, 2016

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before exceptional and extra ordinary items and tax		27804.69		(7637.47)
<i>Adjustments to reconcile profit before exceptional items and extra ordinary items and tax to net cash flow provided by operating activities :</i>				
Finance costs	7559.66		10209.23	
Depreciation and amortisation expense	11019.71		11591.99	
Impairment of tangible assets	148.79		□	
Loss on sale/discard of fixed assets	349.76		174.03	
Sundry debit balances/advances written off	238.28		75.76	
Transfer to storage fund for molasses	17.24		19.35	
Provision for doubtful debts, loans and advances	1.09		□	
Interest income	(349.50)		(358.02)	
Profit on sale of fixed assets	(25.06)		(128.63)	
Cane commission liability no longer payable written back	(2752.55)		□	
Unspent liabilities/balances written back	(305.45)		(342.60)	
Provision for doubtful debts/advances written back	(319.19)		(7.51)	
Bad debts written off	95.17		□	
Mark to market loss on derivatives	□		3.88	
Provision for mark to market loss on derivatives written back	(2.85)		□	
Investments written off	□		0.05	
Expense on employee stock option scheme	(9.01)		(5.83)	
Unrealised exchange rate fluctuation	□		76.92	
		15666.09		21308.62
<b>Operating profit before working capital changes</b>		<b>43470.78</b>		<b>13671.15</b>
<i>Adjustments to reconcile operating profit to cash flow provided by changes in working capital :</i>				
Decrease in trade payables	(28764.26)		(27590.73)	
Increase/(decrease) in other current liabilities	7288.01		(626.99)	
(Decrease)/increase in provision for employee benefits/wealth tax	(40.57)		66.15	
(Increase)/decrease in inventories	(19567.76)		42303.99	
Increase in trade receivables	(4002.02)		(9451.47)	
Increase in long-term and short-term loans and advances	(2341.52)		(883.09)	
Decrease/(increase) in other non-current and other current assets	21030.77		(23911.87)	
		(26397.35)		(20094.01)
Cash (used in) / generated from operations		<b>17073.43</b>		<b>(6422.86)</b>
Tax expense (excluding wealth tax)		(1987.95)		(1209.22)
<b>Cash flow before exceptional and extraordinary items</b>		<b>15085.48</b>		<b>(7632.08)</b>
Exceptional item - Voluntary retirement scheme		(409.84)		□
<b>Net cash (used in) / generated from operating activities (A)</b>		<b>14675.64</b>		<b>(7632.08)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Additions to fixed assets (including intangibles)	(15323.75)		(2697.13)	
Sale of fixed assets	105.49		199.30	
Purchase of national savings certificates	(0.05)		(2.54)	
Proceeds from maturity of national savings certificates	2.08		3.00	
Fixed deposits placed with banks	(108.56)		(414.62)	
Fixed deposits redeemed from banks	415.91		362.71	
Interest received on debentures/fixed deposits and NSC	247.38		246.82	
<b>Net cash used in investing activities (B)</b>		<b>(14661.50)</b>		<b>(2302.46)</b>

## Consolidated Cash Flow Statement (Contd...)

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of equity shares on exercise of employee stock option	15.08		33.95	
Proceeds from issue of preference share capital to Minority	250.00		□	
Capital subsidy	150.00		□	
Proceeds from long-term borrowings	26054.00		□	
Repayment of long-term borrowings	(7689.85)		(17900.03)	
Proceeds from issue of commercial paper (net)	(31453.73)		31453.73	
Proceeds/(repayment) of other short-term borrowings (net)	13658.97		92.30	
Interest expense	(7901.63)		(9848.60)	
Other borrowing costs	(82.93)		(54.39)	
<b>Net cash (used in)/generated from financing activities (C)</b>		<b>(7000.09)</b>		<b>3776.96</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>		<b>(6985.95)</b>		<b>(6157.58)</b>
Opening cash and cash equivalents		7703.97		13861.55
<b>Closing cash and cash equivalents (Refer Note No. 18)</b>		<b>718.02</b>		<b>7703.97</b>

## Notes:

- 1) The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statement.
- 2) Interest expense is inclusive of, and additions to fixed assets are exclusive of, interest capitalised ₹454.32 lacs (previous year Nil). Further other borrowing costs is inclusive of, and additions to fixed assets are exclusive of, other borrowing cost capitalised ₹42.55 lacs (previous year Nil).
- 3) Additions to fixed assets include movement of Capital work-in-progress during the year.
- 4) Proceeds/(repayment) of / from Commercial paper and other Short-term borrowings qualify for disclosure on net basis.
- 5) Cash and cash equivalents do not include any amount which is not available to the Company for its use.
- 6) Cash and cash equivalents as at the Balance Sheet date consists of:

(₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
a) Balance with banks on current accounts		626.40		7531.44
b) Cheques on hand		0.01		1.66
c) Cash on hand		91.61		170.87
		<b>718.02</b>		<b>7703.97</b>

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

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

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

Sd/-  
Nitin Bagaria  
Company Secretary

Sd/-  
Pramod Patwari  
Chief Financial Officer

Sd/-  
Dr. Arvind Krishna Saxena  
Whole-time Director  
DIN - 00846939

Sd/-  
Vivek Saraogi  
Managing Director  
DIN - 00221419

Place of Signature: Kolkata  
Date: 20th May, 2016

# Notes forming part of the consolidated financial statements

## Note No : 1 Basis of consolidation and significant accounting policies

### A. Principles of consolidation

The Consolidated Financial Statements relate to Balrampur Chini Mills Limited (‘The Company’) and its Subsidiary. The Company and its Subsidiary constitute the Group. The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Company and its Subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses thereon have been fully eliminated.
- The excess of cost to the Company of its Investments in the Subsidiary over its Share of Equity of the Subsidiary, at the date on which the investments are made, is recognised as ‘Goodwill’ being an asset in the Consolidated Financial Statements. The Goodwill so arising on consolidation of subsidiary is amortized in 5 years.
- The Minority Share in the loss up to the date of Investment in the Subsidiary has been adjusted with the Share of Majority and shown as Goodwill. Minority Share of losses subsequent to the date of Investment has also been adjusted with the Share of the Majority as such losses have exceeded the minority interest in the equity of the subsidiary.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented in the same manner as the Parent Company’s separate financial statements.
- Company considered in the consolidated financial statements :

Name of the Company	Country of Incorporation	Percentage of ownership interest as at		Financial Year ends on
		31.03.2016	31.03.2015	
<b>Subsidiary :</b>				
Indo Gulf Industries Ltd.	India	53.96%	53.96%	31st March

### B. Basis of preparation of consolidated financial statements

- The Consolidated Financial Statements of the Group are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India.

The Consolidated Financial Statements have been prepared on accrual basis and under the historical cost convention except for certain tangible fixed assets which are carried at revalued amounts.

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

The Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of the Subsidiary, on the audited financial statements in accordance with the requirements of Accounting Standard 21 ‘Consolidated Financial Statement’.

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 Group’s normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

# Notes forming part of the consolidated financial statements

Note No : 1 Basis of consolidation and significant accounting policies (Contd...)

## C. Significant accounting policies

### 1. Use of estimates

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

### 2. Fixed assets and capital work-in-progress

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

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

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

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

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

### 3. Depreciation and amortisation

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

Tangible fixed assets individually costing less than ₹5000/- are depreciated over the period of one year from the date the assets are available for use.

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

- b) Freehold land is not depreciated. Leasehold land are amortised over the period of the lease on straight line basis.
- c) Computer Software (Acquired) are amortised on straight line basis over estimated useful lives of five years.
- d) Depreciation/amortisation on assets added, sold or discarded during the year is provided on pro-rata basis.

### 4. Investments

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

Investments that are not readily realisable and are intended to be held for more than one year from the date, on which such investments are made, are classified as non-current investments. All other investments are classified as current investments.

# Notes forming part of the consolidated financial statements

## Note No : 1 Basis of consolidation and significant accounting policies (Contd...)

Short term highly liquid investments with an original maturity of three months or less which carry insignificant risk of changes in value are classified as cash and cash equivalents.

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

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

### 5. Inventories

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

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

The cost of Inventories is computed on weighted average basis.

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

### 6. Revenue recognition

- a) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.
- b) Gross turnover includes excise duty and excludes sales tax/VAT, trade discounts and rebates.
- c) Income from sale of Renewable Energy Certificates (RECs) is recognised on the delivery of the RECs to the customers' account.
- d) Dividend income is recognised when the Group's right to receive dividend is established.
- e) Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rate.
- f) Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.
- g) All other income are accounted for on accrual basis.

### 7. Expenses

All the expenses are accounted for on accrual basis.

### 8. Government grants

- a) Grants and subsidies from the Government are recognised when there is reasonable assurance that the Group would comply with the conditions attached with them and the grant/subsidy would be received.
- b) Government grants related to specific fixed assets are adjusted with the value of the fixed asset.

Government grants in the nature of promoter's contribution i.e., grants received with reference to the total investment or by way of contribution towards total capital outlay by the Group, are credited to Capital Reserve.

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

### 9. Provisions, contingent liabilities and contingent assets

A provision is recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable as a result of a past event, and the Group has a present legal obligation that can be estimated reliably, and

# Notes forming part of the consolidated financial statements

## Note No : 1 Basis of consolidation and significant accounting policies (Contd...)

it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by best estimate of the outflow of economic benefits required to settle the obligation at the Balance Sheet date.

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

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

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

### 10. Impairment of assets

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

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

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

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

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

### 11. Foreign currency transactions and translations

Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.

Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year-end are translated at the year-end rate.

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

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

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

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

### 12. Borrowing costs

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

### 13. Employee benefits

#### a) Short-term employee benefits

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.



# Notes forming part of the consolidated financial statements

## Note No : 1 Basis of consolidation and significant accounting policies (Contd...)

### b) *Post-employment benefits*

#### Defined contribution plan

Employee benefits in the form of Provident Fund, Employee State Insurance and Labour Welfare Fund are considered as defined contribution plan.

The Group contributions to defined contribution plans are recognised in the Statement of Profit and Loss for the year as they fall due. The Group has no further obligations under these plans beyond its periodic contributions.

#### Defined benefit plan

The Group provides for retirement benefits in the form of Gratuity which are in the nature of Defined Benefit Plans. Such benefits are provided for on the basis of an independent actuarial valuation done at the year-end using Projected Unit Credit Method. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions which are recognized in the Statement of Profit and Loss in the year in which they arise.

### c) *Other long term employee benefits*

The employees of the Group are also entitled for long-term benefits in the form of compensated absences as per policy of the Group. The Group's liability is actuarially determined (using Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognized in the statement of Profit and Loss in the year in which they arise.

### d) Expenditure on voluntary retirement scheme is charged to the Statement of Profit and Loss in the year in which it is incurred.

## 14. Employee stock option scheme

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

## 15. Taxes on income

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

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

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

The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by ICAI, 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.

# Notes forming part of the consolidated financial statements

## Note No : 1 Basis of consolidation and significant accounting policies (Contd...)

### 16. Derivative instruments

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

Derivative contracts outstanding at the Balance Sheet date for firm commitment or highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains, if any, are ignored in accordance with the announcement of ICAI on "Accounting of Derivatives" issued in March, 2008.

### 17. Segment reporting

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

- a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment transfers.

Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company's intermediate and final products and estimated realisable value in case of by-products.

- b) Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable".

### 18. Earnings per share

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

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

### 19. Cash flow statement

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

### 20. Cash and cash equivalents

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

### 21. Commercial papers

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

# Notes forming part of the consolidated financial statements

## Note No : 2 Share capital

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
<b>(a) Authorised</b>				
Equity shares of par value ₹1/- each	400000000	4000.00	400000000	4000.00
Preference shares of par value ₹100/- each	2500000	2500.00	2500000	2500.00
		<b>6500.00</b>		<b>6500.00</b>
<b>(b) Issued, subscribed and fully paid up</b>				
Equity shares of par value ₹1/- each	244949767	2449.50	244916267	2449.16
		<b>2449.50</b>		<b>2449.16</b>

Issue of 17270 (Previous year 17270) equity shares on Right basis has been kept in abeyance in view of pending dispute.

<b>(c) Reconciliation of number and amount of equity shares outstanding:</b>				
<b>At the beginning of the year</b>	244916267	2449.16	244840817	2448.41
Add: Shares issued on exercise of employee stock option [Refer Note No. 30(2)]	33500	0.34	75450	0.75
<b>At the end of the year</b>	<b>244949767</b>	<b>2449.50</b>	<b>244916267</b>	<b>2449.16</b>

- (d) The Company has only one class of equity shares. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.
- (e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) Shareholders holding more than 5 % of the equity shares in the Company :

Name of the shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares held	% of holding	No. of shares held	% of holding
Shri Vivek Saraogi	38082320	15.55	38082320	15.55
Smt. Meenakshi Saraogi	14244300	5.81	14244300	5.82
Life Insurance Corporation of India	14183234	5.79	19341962	7.90
Government Pension Fund Global	12299993	5.02	13057899	5.33

- (g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended on 31st March, 2016 □ 526894 equity shares (previous period of five years ended on 31st March, 2015 - 570942 equity shares).
- (h) The aggregate number of equity shares bought back in immediately preceding five years ended on 31st March, 2016 - 11960988 equity shares (previous period of five years ended on 31st March, 2015 - 15410135 equity shares).
- (i) The Company has reserved 158200 (Previous year 213200) equity shares of par value ₹1/- each for issue at a premium of ₹44/- each to eligible employees of the Company under Employee Stock Option Scheme. All these shares are vested and are exercisable at any point of time. Refer Note No. 30(2) for terms of Employee Stock Option Scheme.

# Notes forming part of the consolidated financial statements

Note No : 3 **Reserves and surplus** (₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>(a) Capital reserves</b>				
Balance as per last account	1156.24		1156.24	
Add: Capital subsidy	150.00	1306.24	□	1156.24
<b>(b) Capital redemption reserve</b>				
Balance as per last account		2654.10		2654.10
<b>(c) Securities premium reserve</b>				
Balance as per last account	51891.16		51835.51	
Add: On exercise of employee stock option	26.78	51917.94	55.65	51891.16
<b>(d) Revaluation reserve</b>				
Balance as per last account		18.24		18.24
<b>(e) Share options outstanding account</b>				
Balance as per last account	74.17		102.46	
Less: Options exercised	12.04		22.46	
Less: Options forfeited	9.01	53.12	5.83	74.17
<b>(f) General reserve</b>				
Balance as per last account	64974.04		68154.38	
Less: Deduction on account of depreciation *	□	64974.04	3180.34	64974.04
<b>(g) Storage fund for molasses</b>				
Balance as per last account	97.06		77.71	
Add: Created during the year	17.24	114.30	19.35	97.06
<b>(h) Surplus in the Statement of Profit and Loss</b>				
Balance as per last account	(10607.53)		(4812.92)	
Add: Profit/(Loss) for the year	9929.84		(5794.61)	
<b>Amount available for appropriation</b>	(677.69)		(10607.53)	
Less : Appropriations	□		□	
Balance as at the Balance Sheet date		(677.69)		(10607.53)
		<b>120360.29</b>		<b>110257.48</b>

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

## Notes:

- General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.
- The storage fund for molasses has been created to meet the cost of construction and repair of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974 and the said storage fund is represented by investment in the form of fixed deposits with banks amounting to ₹136.93 lacs (Previous year ₹114.28 lacs).

# Notes forming part of the consolidated financial statements

Note No : 4 Long - term borrowings

(₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>Term loans</b>				
<b>From banks</b>				
<b>Secured</b>				
<b>Rupee loans:</b>				
State Bank of India (SBI)	23949.10		17760.40	
Punjab National Bank (PNB)	8609.56		4921.38	
HDFC Bank Ltd. (HDFC)	8808.68	41367.34	3600.00	26281.78
<b>FCNR - B Loan:</b>				
State Bank of India (SBI)		7151.10		12239.60
<b>From entities other than banks</b>				
<b>Secured</b>				
<b>Rupee loans:</b>				
Government of India, Sugar Development Fund (SDF)		2133.61		4457.33
<b>Deferred payment liabilities</b>				
<b>Unsecured</b>				
Deferred sales tax loan		308.38		308.38
		<b>50960.43</b>		<b>43287.09</b>

## a) Nature of securities:

- Rupee Term Loan from SBI amounting to ₹17500.00 lacs under Scheme for Extending Financial Assistance to Sugar Undertakings, 2014, is secured by pari passu first charge, by way of hypothecation of all the movable fixed assets and pari passu first charge on immovable properties, both present and future, pertaining to all the sugar units of the Company except Khalilabad sugar unit.
- Rupee Term Loan from SBI amounting to ₹13638.00 lacs under the Soft Loan Scheme extended by Central Government, is secured by pari passu first charge on all the movable and immovable fixed assets of ten sugar units of the Company viz; Balrampur, Babhnai, Tulsipur, Haidergarh, Akbarpur, Mankapur, Rauzagaon, Kumbhi, Gularia and Maizapur.
- Rupee/FCNR-B Term Loan from SBI amounting to ₹12636.95 lacs is secured by first charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to Company's sugar and cogeneration units at Balrampur, Akbarpur and Mankapur and is further secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the sugar units of the Company. The hypothecation charge on the stocks as mentioned above ranks pari passu with PNB and HDFC for their Working capital loans.
- Rupee Term Loan from PNB amounting to ₹4921.38 lacs, under Scheme for Extending Financial Assistance to Sugar Undertakings, 2014, is secured by residual charge, by way of hypothecation of all the movable fixed assets, both present and future, pertaining to all the sugar units of the Company.
- Rupee Term Loan from PNB amounting to ₹3250.00 lacs is secured by pari passu first charge, by way of hypothecation on the fixed assets of Mankapur distillery unit of the Company.
- Rupee Term Loan from PNB amounting to ₹3116.00 lacs under the Soft Loan Scheme extended by Central Government, is secured by pari passu first charge on all the movable and immovable fixed assets of ten sugar units of the Company viz; Balrampur, Babhnai, Tulsipur, Haidergarh, Akbarpur, Mankapur, Rauzagaon, Kumbhi, Gularia and Maizapur.
- Rupee Term Loan from HDFC amounting to ₹2900.00 lacs is secured by pari passu first charge, by way of hypothecation of the movable fixed assets of Balrampur distillery unit of the Company.

# Notes forming part of the consolidated financial statements

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

- viii) Rupee Term Loan from HDFC amounting to ₹3600.00 lacs is secured by first charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to Company's distillery unit at Babhnan and by pari passu first charge, by way of movable fixed assets, both present and future, pertaining to Company's distillery unit at Mankapur.
- ix) Rupee Term Loan from HDFC amounting to ₹3150.00 lacs under the Soft Loan Scheme extended by Central Government, is secured by pari passu first charge on all the movable and immovable fixed assets of ten sugar units of the Company viz; Balrampur, Babhnan, Tulsipur, Haidergarh, Akbarpur, Mankapur, Rauzagaon, Kumbhi, Gularia and Maizapur.
- x) Rupee Term Loans from SDF are secured by an exclusive second charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, of the respective sugar and cogeneration units viz Kumbhi, Gularia and Rauzagaon . Rupee Term Loan from SDF amounting to ₹1800.00 lacs was secured by first charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future. The said amount has been fully repaid during the year.
- xi) ECB from International Finance Corporation, Washington (IFC) was secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties and residual charge on current assets, both present and future, pertaining to Company's sugar and cogeneration units at Haidergarh and Rauzagaon. As the amount outstanding as at 31st March, 2015 was payable entirely within one year, the same was included in the line item "Current maturities of long-term debt" under the head "Other current liabilities" as at 31st March, 2015.
- xii) Release of securities in respect of certain term loans fully repaid by the Company is in progress.

### b) Terms of repayment :

Name of the banks / entities	Rate of Interest	Amount outstanding as at 31.03.2016		Period of maturity w.r.t. the Balance Sheet date	Number of installments outstanding as at 31.03.2016	Amount of each installment (₹ in Lacs)
		Current (₹ in Lacs)	Non current (₹ in Lacs)			
Government of India, Sugar Development Fund	Bank Rate (□) 2% i.e. 4% p.a.*	□ (638.88)	□ (□)	□	□	□
		118.83 (237.66)	□ (118.83)	3 months 14 days	1	118.83
		171.49 (342.98)	□ (171.49)	5 months 18 days	1	171.49
		533.40 (□)	2133.61 (2667.01)	3 years 5 months 15 days	5	533.40
	Bank Rate#	□ (300.00)	□ (1500.00)	□	□	□
	Sub-total	823.72 (1519.52)	2133.61 (4457.33)			
State Bank of India	12% p.a. (Fixed)* /	5833.20 (□)	11666.80 (17500.00)	3 years	12	∞ 1458.30
	SBI Base Rate (+) 0.30% Δ, ##	1704.60 (□)	11933.40 (-)	4 years 3 months 1 day	16	~ 852.30
	SBI Base Rate (+) 2% □	5136.95 (2782.20)	7500.00 (12500.00)	2 years 6 months	5	^ 2500.00
	Sub-total	12674.75 (2782.20)	31100.20 (30000.00)			



# Notes forming part of the consolidated financial statements

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

## b) Terms of repayment :

Name of the banks / entities	Rate of Interest	Amount outstanding as at 31.03.2016		Period of maturity w.r.t. the Balance Sheet date	Number of installments outstanding as at 31.03.2016	Amount of each installment (₹ in Lacs)
		Current (₹ in Lacs)	Non current (₹ in Lacs)			
Punjab National Bank	12% p.a. (Fixed)* /	1687.33 (140.62)	3234.06 (4921.38)	3 years	35	140.61
	PNB Base Rate (+) 0.40%	406.25 (□)	2843.75 (□)	2 years 9 months	8	406.25
	PNB Base Rate (+) 1.00% ##	584.25 (□)	2531.75 (□)	4 years 3 months	16	194.75
	<b>Sub-total</b>	<b>2677.83</b> (140.62)	<b>8609.56</b> (4921.38)			
HDFC Bank Limited	HDFC Base Rate (+) 0.40% **	644.44 (□)	2255.56 (□)	2 years 7 months	9	322.22
	HDFC Base Rate (+) 0.90%	□ (□)	3600.00 (3600.00)	2 years 7 months 17 days	1	3600.00
	HDFC Base Rate (+) 0.70% □, ##	196.88 (□)	2953.12 (□)	4 years 5 months 11 days	16	196.88
	<b>Sub-total</b>	<b>841.32</b> (□)	<b>8808.68</b> (3600.00)			
International Finance Corporation, Washington	8.19% on Japanese yen (JPY)	□ (1747.52)	□ (□)	□	□	□
Deferred Sales Tax Loan	@	□ (□)	308.38 (308.38)	@	5	61.68
	<b>Grand Total</b>	<b>17017.62</b> (6189.86)	<b>50960.43</b> (43287.09)			

Figures in brackets pertain to previous year.

\* Bank rate as prevailing on the date of disbursement.

# Bank rate as applicable from time to time.

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

## Interest subvention from Government for the 1st year limited to 10.00%.

\*\* For the 1st year, applicable interest rate is 10.10% p.a. fixed.

Δ Subject to minimum of 10.00% p.a.

□ For the 1st year, applicable interest rate is 10.40% p.a. fixed.

□ During the year, part of the Rupee Term Loan from SBI was converted into FCNR-B (Term Loan) carrying interest rate of USD 6M Libor + 3.00%. The repayment terms as applicable to Rupee Term Loan are applicable to said FCNR-B (Term Loan).

∞ Except last four installments of ₹1458.40 lacs each.

~ Except last two instalments of ₹852.90 lacs.

^ Except first installment of ₹2636.95 lacs.

@ Pursuant to sanction of the Rehabilitation Scheme by the Hon'ble Board of Industrial and Financial Reconstruction (BIFR), the aforesaid loan is interest free and repayable in 5 yearly installments after the restart of the explosive unit.

# Notes forming part of the consolidated financial statements

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>Deferred tax liabilities</b>				
Depreciation		25721.44		25645.15
<b>Less: Deferred tax assets</b>				
Carried forward losses	149.81		181.06	
Expenses allowable for tax purposes when paid	4169.27		2539.63	
VRS expenses	113.47	4432.55	□	2720.69
		<b>21288.89</b>		<b>22924.46</b>

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

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

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Interest accrued but not due on borrowings		563.57		609.69
		<b>563.57</b>		<b>609.69</b>

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Provision for employee benefits - unavailed leave		259.31		265.79
		<b>259.31</b>		<b>265.79</b>

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>Loans repayable on demand</b>				
<b>Working capital loans</b>				
From banks				
Secured				
State Bank of India (SBI)	50800.49		52920.96	
Punjab National Bank (PNB)	22507.08		17500.04	
HDFC Bank Ltd. (HDFC)	11134.28	84441.85	12861.88	83282.88
Unsecured				
HDFC Bank Ltd. (HDFC)		15000.00		2500.00
<b>Other loans and advances</b>				
<b>Working capital loans</b>				
From banks				
Secured				
State Bank of India (SBI)				
Commercial paper		□		17500.00
Unsecured				
HDFC Bank Ltd. (HDFC)				
Commercial paper		□		15000.00
		<b>99441.85</b>		<b>118282.88</b>
<b>Summary of short-term borrowings</b>				
Secured borrowings		84441.85		100782.88
Unsecured borrowings		15000.00		17500.00
		<b>99441.85</b>		<b>118282.88</b>

# Notes forming part of the consolidated financial statements

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

### Nature of securities:

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

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

#### b) Working capital loans from PNB are secured / to be secured :

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

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

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

Note No : 9 Trade payables		(₹ in Lacs)	
Particulars	As at 31st March, 2016	As at 31st March, 2015	
Total outstanding dues of micro enterprises and small enterprises [Refer Note No. 30(3)]	34.84	46.11	
Total outstanding dues of creditors other than micro enterprises and small enterprises	41759.65	73570.64	
	<b>41794.49</b>	<b>73616.75</b>	

# Notes forming part of the consolidated financial statements

Note No : 10 **Other current liabilities** (₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Current maturities of long - term debt *		17017.62		6189.86
Interest accrued but not due on borrowings		688.65		717.37
Unpaid dividends @		90.01		100.64
<b>Other payables</b>				
Payable to suppliers of capital goods				
Total outstanding dues of micro enterprises and small enterprises [Refer Note No. 30(3)]	158.41		0.46	
Total outstanding dues of creditors other than micro enterprises and small enterprises	382.29		57.12	
	540.70		57.58	
Advance from customers and others	639.09		216.83	
Retention monies	934.24		254.62	
Security deposits	283.59		286.91	
Statutory liabilities #	13171.14		7144.42	
Book overdraft balances	101.87		134.59	
Forward contract payable	330.83		679.61	
Unpaid salaries and other payroll dues	2120.42		1653.50	
Accrued expenses	155.87		215.43	
Others	637.92	18915.67	669.34	11312.83
		<b>36711.95</b>		<b>18320.70</b>

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

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

# Include excise duty on closing stock (₹ in Lacs) 12084.61 6309.99

Note No : 11 **Short - term provisions** (₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Provision for employee benefits - unavailed leave		289.12		300.27
<b>Other provisions</b>				
Provision for mark to market loss on derivatives		1.03		3.88
Provision for tax	2289.66		□	
Less : Advance tax	2037.81	251.85	□	□
Provision for wealth tax	73.68		73.68	
Less : Advance wealth tax	65.81	7.87	42.87	30.81
Provision for contingencies [Refer Note No.30(4)]		50.39		50.39
		<b>600.26</b>		<b>385.35</b>

Note No : 12	Fixed assets															(₹ in Lacs)		
Particulars	Tangible assets											Intangible assets			Capital work-in-progress @	Grand total		
	Land (Free Hold)	Land (Lease Hold)	Buildings	Roads	Plant & equipments	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Installation and equipments	Pipelines	Total	Computer software (acquired)	Goodwill on consolidation	Total			
Gross block																		
Gross carrying amount as at 01.04.2015	6824.73	484.49	48687.25	2915.47	172602.49	1809.25	2093.55	502.35	1249.33	20359.97	11249.19	268778.07	467.90	1897.55	2365.45	756.30	271899.82	
Additions during the year	47.48	0	595.08	0	6671.91	80.57	153.59	22.42	111.63	206.40	0	7889.08	42.36	0	42.36	18770.46	26701.90	
Reclassification made during the year	0	0	0	0	13.22	0	0	0	0	0	(13.22)	0	0	0	0	0	0	
Disposals/deductions during the year	28.18	0	26.48	0	515.14	30.03	219.02	69.74	90.11	29.64	34.41	1042.75	0	0	0	10879.71	11922.46	
Gross carrying amount as at 31.03.2016	6844.03	484.49	49255.85	2915.47	178772.48	1859.79	2028.12	455.03	1270.85	20536.73	11201.56	275624.40	510.26	1897.55	2407.81	8647.05	286679.26	
Depreciation /amortisation/ impairment																		
Opening accumulated depreciation /amortization	0	53.75	14745.63	1,613.47	92346.49	1332.21	1214.88	392.35	978.06	12711.50	6047.51	131435.85	135.80	1897.55	2033.35	0	133469.20	
Depreciation /amortization for the year	0	6.40	1271.75	572.50	5014.66	135.57	149.24	26.18	97.80	2967.48	685.96	10927.54	93.74	0	93.74	0	11021.28	
Impairment during the year	0	0	148.79	0	0	0	0	0	0	0	0	148.79	0	0	0	0	148.79	
Reclassification made during the year	0	0	0	0	7.00	0	0	0	0	0	(7.00)	0	0	0	0	0	0	
Disposals/deductions during the year	0	0	18.21	0	241.64	27.55	145.53	65.37	85.86	18.88	9.52	612.56	0	0	0	0	612.56	
Closing accumulated depreciation /amortisation/ impairment	0	60.15	16147.96	2185.97	97126.51	1440.23	1218.59	353.16	990.00	15660.10	6716.95	141899.62	229.54	1897.55	2127.09	0	144026.71	
Net carrying amount as at 31.03.2016	6844.03	424.34	33107.89	729.50	81645.97	419.56	809.53	101.87	280.85	4876.63	4484.61	133724.78	280.72	0	280.72	8647.05	142652.55	

## Fixed assets - Previous year

Fixed assets - Previous year																(₹ in Lacs)	
Particulars	Tangible assets												Intangible assets			Capital work-in-progress @	Grand total
	Land (Free Hold)	Land (Lease Hold)	Buildings	Roads	Plant & equipments	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Installation and equipments	Pipelines	Total	Computer software (acquired)	Goodwill on consolidation	Total		
Gross block																	
Gross carrying amount as at 01.04.2014	6831.56	484.49	51525.40	0	203357.07	1767.64	2106.47	1581.06	0	0	0	267653.69	145.53	1897.55	2043.08	30.13	269726.90
Additions during the year	0	0	143.74	30.43	975.90	44.27	210.03	18.11	172.08	43.33	10.70	1648.59	322.37	0	322.37	1810.08	3781.04
Reclassification made during the year	0	0	(2885.04)	2885.04	(31559.15)	(1.61)	0	(1092.29)	1093.90	20320.66	11238.49	0	0	0	0	0	0
Disposals/deductions during the year	6.83	0	96.85	0	171.33	1.05	222.95	4.53	16.65	4.02	0	524.21	0	0	0	1083.91	1608.12
Gross carrying amount as at 31.03.2015	6824.73	484.49	48687.25	2,915.47	172602.49	1809.25	2093.55	502.35	1249.33	20359.97	11249.19	268778.07	467.90	1897.55	2365.45	756.30	271899.82
Depreciation /amortisation/ impairment																	
Opening accumulated depreciation /amortization	0	47.35	11447.53	0	100482.82	1071.93	1175.90	1058.38	0	0	0	115283.91	89.72	1897.55	1987.27	0	117271.18
Depreciation /amortization for the year	0	6.40	3719.72	1202.30	5692.24	261.83	166.56	178.52	151.87	4032.65	997.15	16409.24	46.08	0	46.08	0	16455.32
Reclassification made during the year	0	0	(411.17)	411.17	(13731.13)	(0.61)	0	(840.73)	841.34	8680.77	5050.36	0	0	0	0	0	0
Disposals/deductions during the year	0	0	10.45	0	97.44	0.94	127.58	3.82	15.15	1.92	0	257.30	0	0	0	0	257.30
Closing accumulated depreciation /amortisation	0	53.75	14745.63	1,613.47	92346.49	1332.21	1214.88	392.35	978.06	12711.50	6047.51	131435.85	135.80	1897.55	2033.35	0	133469.20
Net carrying amount as at 31.03.2015	6824.73	430.74	33941.62	1,302.00	80256.00	477.04	878.67	110.00	271.27	7648.47	5201.68	137342.22	332.10	0	332.10	756.30	138430.62

@ Refer Note No. 12A.

## Notes :

- 1) Land, Building, Plant & Machinery, Tubewell and Water supply machinery of Balrampur unit were revalued as at 30th June, 1988 on net replacement value as per the report of S. R. Batliboi Consultants Pvt. Ltd. and the cost of respective asset aggregating to ₹1200.77 lacs was substituted by the revalued amount of ₹1920.52 lacs and the resultant increase was credited to Revaluation reserve.
- 2) Land, Building and Plant & Machinery of Tulsipur unit were revalued as at 31st March, 1999 on net replacement value as per the report of Lodha & Co. and the cost of the respective asset aggregating to ₹1023.85 lacs was substituted by the revalued amount of ₹2944.93 lacs and the resultant increase was credited to Revaluation reserve in the books of erstwhile Tulsipur Sugar Company Ltd.
- 3) Lease deed for 50 acres of land (Out of total land of 705 acres) for Jhansi plant has not been executed. In respect of some other land, the registration formalities are under process.

# Notes forming part of the consolidated financial statements

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

(₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
4) Depreciation for the year includes:		
a) Depreciation capitalised	1.57	0
b) Depreciation adjusted with retained earnings [Refer Note No. 30(11)]	0	4863.33
5) Amount of finance cost capitalised	496.87	0

Note No : 12A **Capital work-in-progress**

(₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Plant and equipments / Civil work-in-progress</b>		
Additions during the year	18082.59	1810.08
(A)	<b>18082.59</b>	<b>1810.08</b>
<b>Preoperative expenses/ trial run expenses</b>		
Additions during the year		
Cost of material consumed @	235.17	0
<b>Employee costs</b>		
Salaries and wages	55.52	0
Contribution to provident and other funds	4.46	0
Staff welfare expense	0.53	60.51
<b>Finance costs</b>		
Interest	454.32	0
Other borrowing costs	42.55	496.87
<b>Depreciation</b>	1.57	0
<b>Other expenses</b>		
Consumption of stores and spare parts	2.27	0
Power and fuel	3.23	0
Insurance	3.63	0
Professional Expenses	1.47	
Rates and taxes	9.51	0
Miscellaneous expenses	14.25	34.36
(B)	<b>828.48</b>	<b>0</b>
<b>Income during trial run :</b>		
Inter division transfer to distillery		
Steam	87.95	0
Power	52.66	140.61
(C)	<b>140.61</b>	<b>0</b>
<b>Total additions during the year</b>	<b>D = (A+B-C)</b>	<b>18770.46</b>
<b>Balance brought forward</b>		
Plant and equipments/ Civil work-in-progress	(E)	756.30
<b>F = (D+E)</b>	<b>19526.76</b>	<b>1840.21</b>
Capitalised during the year	(G)	10879.71
<b>Capital work-in-progress at the end of the year</b>	<b>H = (F-G)</b>	<b>8647.05</b>

@ Includes ₹156.06 lacs being used during trial run of Incineration Project.



# Notes forming part of the consolidated financial statements

## Note No : 13 Non - current investments

Particulars	Face value	As at 31st March, 2016		As at 31st March, 2015	
		No. of Shares/ Debentures	₹ in Lacs	No. of Shares/ Debentures	₹ in Lacs
Long term					
Trade investments					
Unquoted (Valued at cost)					
(a) In equity shares of a company					
Fully paid up :					
Asia Sugar Industries Pvt. Ltd.	₹10	250000	12.43	250000	12.43
(b) In debentures of a company Δ					
Fully paid up :					
Visual Percept Solar Projects Pvt. Ltd.	₹100	4050000	4050.00	4050000	4050.00
<b>Total (A)</b>			<b>4062.43</b>		<b>4062.43</b>
Other investments					
Unquoted (Valued at cost)					
(a) In equity shares of companies/ co-operative Societies					
Fully paid up :					
Fortuna Services Ltd.	₹1	70287	0.70	70287	0.70
(b) In Post Office National Saving Certificates			9.10		11.13
(Deposited with Government authorities)					
<b>Total (B)</b>			<b>9.80</b>		<b>11.83</b>
<b>Total (A + B )</b>			<b>4072.23</b>		<b>4074.26</b>
Aggregate amount of unquoted investments			4072.23		4074.26

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

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Capital advances		1096.74		816.02
Security deposits		57.55		60.51
Other loans and advances				
Advances to suppliers and others				
Considered doubtful	8.11		231.04	
Less: Provision for doubtful advances	8.11		231.04	
	□		□	
Advance tax	6025.26		6075.45	
Less : Provision for taxation	4097.95		4081.95	
	1927.31		1993.50	
MAT credit entitlement	5642.00		5642.00	
Prepaid expenses	41.54		23.01	
Duties and taxes paid under protest	340.53	7951.38	371.09	8029.60
		<b>9105.67</b>		<b>8906.13</b>

# Notes forming part of the consolidated financial statements

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>Trade receivables</b>				
Considered doubtful	₹		95.17	
Less : Provision for doubtful debts	₹	₹	95.17	₹
<b>Fixed deposits with banks</b>				
Non current portion of original maturity period more than 12 months				
For Molasses storage fund (Earmarked)	48.18		28.40	
Pledged with excise authorities	35.02	83.20	45.02	73.42
<b>Interest accrued but not due</b>				
Fixed deposits with banks	8.36		6.70	
National saving certificates	3.59	11.95	4.06	10.76
Claims receivable		226.77		17030.19
Assets held for disposal		₹		37.58
		<b>321.92</b>		<b>17151.95</b>

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Raw materials	4530.13		3791.60	
Add : Goods-in-transit	3.65	4533.78	2.19	3793.79
Packing materials	118.07		356.70	
Add : Goods-in-transit	₹	118.07	13.19	369.89
Work-in-progress				
Sugar	1119.96		1942.25	
Molasses	101.37		214.62	
Organic manure	₹	1221.33	35.13	2192.00
Finished goods				
Sugar	165311.32		147017.15	
Industrial alcohol	2217.80		1732.61	
Banked power	113.42		88.52	
Organic manure	1.56		78.50	
	167644.10		148916.78	
Add : Goods-in-transit	168.81	167812.91	₹	148916.78
Stores and spares	4566.18		4675.27	
Add : Goods-in-transit	47.46	4613.64	94.92	4770.19
Loose tools		0.19		0.19
Crop/ Standing crop *		3.44		9.33
By-products *		8189.27		6872.70
		<b>186492.63</b>		<b>166924.87</b>

\* Valued at net realisable value.

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Outstanding for a period exceeding six months from due date		28.18		22.25
Others		19835.10		15839.01
		<b>19863.28</b>		<b>15861.26</b>

# Notes forming part of the consolidated financial statements

## Note No : 18 Cash and bank balances

(₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<b>Cash and cash equivalents</b>				
Balances with banks				
On current accounts	626.40		7531.44	
Cheques on hand	0.01		1.66	
Cash on hand	91.61	718.02	170.87	7703.97
<b>Other bank balances</b>				
<b>Earmarked balances</b>				
Fixed deposits for molasses storage fund				
Current portion of original maturity period more than 12 months	11.19		15.51	
Original maturity period up to 12 months	77.56		70.37	
	88.75		85.88	
Unpaid dividend accounts	90.01	178.76	100.64	186.52
<b>Fixed deposits pledged with excise authorities and bank</b>				
Current portion of original maturity period more than 12 months	10.00		30.00	
Original maturity period upto 12 months *	□	10.00	300.00	330.00
		<b>906.78</b>		<b>8220.49</b>
* Under lien with bank for swap contract (₹ in Lacs)		□		300.00

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

(₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Security deposits		13.97		17.04
<b>Other loans and advances</b>				
Intercompany deposits	920.00		920.00	
Advances to suppliers and others	1270.97		1225.45	
Cenvat, Vat and other taxes/duties	2477.38		520.15	
Prepaid expenses	431.43	5099.78	370.67	3036.27
		<b>5113.75</b>		<b>3053.31</b>

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

(₹ in Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Unamortised premium on forward contract		238.47		538.96
Unamortised interest on commercial paper		□		874.12
<b>Interest accrued but not due on</b>				
Inter corporate deposits	525.90		418.26	
Fixed deposits with banks	9.41		16.44	
Others	1.58	536.89	1.26	435.96
Claims receivable		5290.32		25919.63
Income tax Refundable		0.33		□
Others		85.72		7.79
		<b>6151.73</b>		<b>27776.46</b>

# Notes forming part of the consolidated financial statements

## Note No : 21 Revenue from operations

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>Sale of goods (Gross)</b>				
Sugar	227300.24		247370.52	
Industrial alcohol	29396.11		30737.18	
Power	25351.10		26130.31	
Organic manure	891.91		645.96	
Molasses	1301.20		1816.60	
Renewable energy certificates	2623.42		1983.70	
Others	543.50	287407.48	636.75	309321.02
<b>Other operating revenue</b>		□		□
<b>Revenue from operations (Gross)</b>		<b>287407.48</b>		<b>309321.02</b>
Less : Excise duty on sale of goods		11740.75		10623.23
<b>Revenue from operations (net)</b>		<b>275666.73</b>		<b>298697.79</b>

## Note No : 22 Other income

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>Interest income</b>				
Long term investments				
Debentures	202.50		202.50	
National saving certificates	0.85		1.06	
	203.35		203.56	
Inter corporate deposits	119.60		119.60	
Fixed deposits with banks	26.23		36.39	
Income tax refund	11.55		□	
Others	20.31	381.04	14.73	374.28
Net gain on sale of highly liquid investments (treated as cash equivalent)		331.95		132.27
<b>Other non-operating income</b>				
Provision for doubtful advances written back	224.02		7.51	
Less: Advances written off	223.60		□	
	0.42		7.51	
Insurance claims	87.35		174.50	
Profit on sale of fixed assets	25.06		128.63	
Cane commission liability no longer payable written back	2752.55		□	
Unspent liabilities/balances written back	305.45		342.60	
Refund of administrative charges on molasses	□		186.34	
Provision for mark to market loss on derivatives written back	2.85		□	
Recovery towards balances written off earlier	213.39		□	
Profit from farm accounts [Refer Note No.30(8)]	2.58		4.61	
Miscellaneous	356.05	3745.70	168.61	1012.80
		<b>4458.69</b>		<b>1519.35</b>

# Notes forming part of the consolidated financial statements

## Note No : 23 Cost of material consumed

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Sugar cane		209815.07		206252.98
Molasses		996.87		611.43
Bagasse		412.65		1337.41
Pressmud		29.61		37.71
Others		□		114.49
		<b>211254.20</b>		<b>208354.02</b>

## Note No : 24 Changes in inventories of finished goods, by-products and work-in-progress

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>Finished goods</b>				
<b>Opening stock</b>				
Sugar	147017.15		189841.07	
Industrial alcohol	1732.61		2627.16	
Banked power	88.52		79.60	
Organic manure	78.50	148916.78	72.23	192620.06
<b>Less : Closing stock</b>				
Sugar	165311.32		147017.15	
Industrial alcohol	2386.61		1732.61	
Banked power	113.42		88.52	
Organic manure	1.56	167812.91	78.50	148916.78
<b>Total (A)</b>		<b>(18896.13)</b>		<b>43703.28</b>
<b>By-products</b>				
<b>Opening stock</b>		6872.70		5078.20
<b>Less : Closing stock</b>		8189.27		6872.70
Less: Bagasse used during trial run of Incineration Project		156.06		□
<b>Total (B)</b>		<b>(1472.63)</b>		<b>(1794.50)</b>
<b>Work-in-progress</b>				
<b>Opening stock</b>				
Sugar	1942.25		2798.43	
Molasses	214.62		174.41	
Organic manure	35.13	2192.00	30.90	3003.74
<b>Less : Closing stock</b>				
Sugar	1119.96		1942.25	
Molasses	101.37		214.62	
Organic manure	□	1221.33	35.13	2192.00
<b>Total (C)</b>		<b>970.67</b>		<b>811.74</b>
<b>Total (A+B+C)</b>		<b>(19398.09)</b>		<b>42720.52</b>
Less : Excise duty on stock *		(5774.62)		79.12
		<b>(13623.47)</b>		<b>42641.40</b>

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

# Notes forming part of the consolidated financial statements

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

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Salaries and wages		13298.52		13047.67
Contribution to provident and other funds		1553.13		1678.23
Employee stock option expense		(9.01)		(5.83)
Staff welfare expense		300.20		309.83
		<b>15142.84</b>		<b>15029.90</b>

Note No : 26 **Finance costs** (₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Interest expense				
On long term borrowings	2153.55		2798.93	
On short term borrowings	5233.34		7317.09	
Others *	132.39	7519.28	38.82	10154.84
Other borrowing costs		40.38		54.39
		<b>7559.66</b>		<b>10209.23</b>
* Includes interest for late payment of statutory dues (₹ in Lacs)		0.02		1.63
* Includes interest for shortfall in payment of advance income-tax (₹ in Lacs)		89.66		□

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

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Depreciation and amortisation of tangible assets *	10925.97		11546.38	
Amortisation of intangible assets *	93.74	11019.71	45.61	11591.99
		<b>11019.71</b>		<b>11591.99</b>

\* Refer Note No.12



# Notes forming part of the consolidated financial statements

## Note No : 28 Other expenses

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Consumption of stores and spare parts		2263.04		2569.58
Packing materials		2543.56		3480.36
Power and fuel @		574.05		424.94
Rent		63.04		72.88
Repairs				
Buildings	246.03		308.30	
Machinery	3694.50		4002.46	
Others	185.52	4126.05	581.24	4892.00
Insurance		490.60		483.17
Rates and taxes (excluding taxes on income)		256.80		229.61
Payments to auditor				
As auditor for statutory audit	38.34		37.71	
For tax audit	10.05		10.00	
For other services (Limited reviews & certifications)	16.56		18.26	
For reimbursement of expenses	0.44	65.39	3.92	69.89
Cost audit fees		3.52		3.50
Net loss on foreign currency transactions and translations		116.95		176.38
Charity and donation		13.96		12.68
Corporate social responsibility expense [Refer Note No. 30(9)]		62.74		91.66
Directors' fees		20.25		14.40
Commission to non-whole time directors		20.60		0
Professional expenses [Refer Note No. 30(6)]		2799.50		290.42
Miscellaneous expenses		7012.75		6892.89
Impairment of tangible assets		148.79		0
Loss on sale/discard of fixed assets		349.76		174.03
Sundry debit balances/advances written off		14.68		75.76
Loss from dealing in commodity futures (Sugar)		0		46.80
Mark to market loss on derivatives		0		3.88
Payment towards balances written back earlier		3.43		1.78
Prior period expenses *		0		2.06
Investments written off		0		0.05
Provision for doubtful advances		1.09		0
Bad debts written off	95.17		0	
Less : Provision for bad and doubtful debts written back	95.17	0	0	0
Transfer to storage fund for molasses		17.24		19.35
		<b>20967.79</b>		<b>20028.07</b>
@ Includes steam and power generated during trial run of Incineration Project and used in Distillery (₹ in Lacs)		140.61		-
* Includes				
Cost of materials		0		0.73
Miscellaneous expenses		0		1.33
		0		<b>2.06</b>

## Note No : 29 Exceptional items

(₹ in Lacs)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Claims receivable written off [Refer Note No.30 (17)]		16900.57		0
Voluntary retirement scheme expense [Refer Note No.30 (19)]		409.84		0
		<b>17310.41</b>		<b>0</b>

# Notes forming part of the consolidated financial statements

Note No : 30 Other disclosures

## 1. Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>a) Contingent liabilities :</b>		
i) Claims against the Company not acknowledged as debts :		
a) Excise duty demand - under appeal	278.00	307.84
b) Sales tax demand - under appeal	11.30	11.10
c) Others - under appeal/litigation	705.46	884.64
	<b>994.76</b>	<b>1203.58</b>
ii) Claims for acquisition of 1.99 acres of land for the Distillery unit at Balrampur and compensation there against is under dispute as the matter is sub-judice	Amount not ascertainable	Amount not ascertainable

The amounts shown in (i) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants, as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.

(₹ in Lacs)

<b>b) Commitments :</b>		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	6030.62	2521.09
ii) Advance paid against above	1096.74	816.02

## 2. The Employee Stock Option Scheme (Scheme 2005) of the Company was formulated in the year 2005 and under the said Scheme, Options granted have vesting period of one year and exercise period of maximum eight years.

The maximum number of options granted till date stand at 5245500 and each option is equivalent to one equity share of par value of ₹1/- each of the Company.

In the year ended 30th September, 2009, Options covered by 1st, 2nd, 3rd and 4th Series which remained outstanding were re-priced and the revised Exercise Price of ₹45/- was approved by the Shareholders of the Company in the Extra-Ordinary General Meeting held on 25th May, 2009.

The Company uses intrinsic value method to account for the employee stock options granted to employees.

The details of Options granted, lapsed and exercised as at 31st March, 2016 are as under :

Year of Issue	2005-06	2006-07	2007-08	2008-09	2008-09	Total
Series	1st	2nd	3rd	4th	5th	
Date of grant of Option	31/10/05	27/11/06	27/11/07	25/11/08	28/05/09	
Initial Exercise Price (₹)	74.60	104.10	72.20	74.20	45.00	
Revised Exercise Price (₹)	45.00	45.00	45.00	45.00	N.A.	
Market Price on the date of grant (₹)	81.10	87.65	90.75	35.40	82.35	
Excess of initial Exercise Price over Revised Exercise Price (₹)	29.60	59.10	27.20	29.20	N.A.	
Excess of Market Price over Exercise Price/Revised Exercise Price (₹)	36.10	42.65	45.75	□	37.35	
Number of Options granted upto 31.03.2016	622500	883000	995500	1280000	1464500	5245500
Number of Options exercised upto 31.03.2015	448500	654500	823500	1173000	1201300	4300800
Number of Options lapsed upto 31.03.2015	174000	210000	139500	82500	125500	731500
Number of Options outstanding on 01.04.2015	□	18500	32500	24500	137700	213200
Number of Options exercised during the year	□	□	1000	1500	31000	33500
Number of Options lapsed during the year	□	18500	□	□	3000	21500
Number of Options outstanding/exercisable on 31.03.2016	□	□	31500	23000	103700	158200

Note : Refer Board Report for other disclosures.

# Notes forming part of the consolidated financial statements

Note No : 30 Other disclosures (Contd...)

3. Based on the information/documents available with the Company, information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 with respect to trade payables and payable to suppliers of capital goods are as follows:

As at 31st March, 2016 :

(₹ in Lacs)

Sl. No.	Description	Trade Payables	Payable to suppliers of capital goods	Total
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	31.56	158.41	189.97
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	1.69	0	1.69
c)	The amount of interest paid by the Company in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	8.68	0	8.68
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 Micro, Small and Medium Enterprises Development Act, 2006	1.59	0	1.59
e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year*	3.28	0	3.28
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0	0	0

\* Included in the line item "Total outstanding dues of micro enterprises and small enterprises" under Note No. 9 and 10.

As at 31st March, 2015 :

(₹ in Lacs)

Sl. No.	Description	Trade Payables	Payable to suppliers of capital goods	Total
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	37.43	0.46	37.89
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	4.52	0	4.52
c)	The amount of interest paid by the Company in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	2.80	0	2.80
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 Micro, Small and Medium Enterprises Development Act, 2006	4.16	0	4.16
e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year*	8.68	0	8.68
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0	0	0

\* Included in the line item "Total outstanding dues of micro enterprises and small enterprises" under Note No. 9 and 10.

# Notes forming part of the consolidated financial statements

Note No : 30 **Other disclosures (Contd...)**

## 4. Disclosures in terms of Accounting Standard - 29

### Movement for provision for contingencies:

(₹ in Lacs)

Particulars	Duties & taxes	Others	Total
<b>Balance as at 1st April, 2015</b>	49.76	0.63	50.39
Provided during the year	□	□	□
Used during the year	□	□	□
Reversed during the year	□	□	□
<b>Balance as at 31st March, 2016</b>	<b>49.76</b>	<b>0.63</b>	<b>50.39</b>
<b>Balance as at 1st April, 2014</b>	49.76	0.63	50.39
Provided during the year	□	□	□
Used during the year	□	□	□
Reversed during the year	□	□	□
<b>Balance as at 31st March, 2015</b>	<b>49.76</b>	<b>0.63</b>	<b>50.39</b>

Provisions for contingencies as referred to above represent provision towards various claims made/anticipated against the Company based on the Management's assessment.

It is not possible to estimate the timing/uncertainties relating to utilisation /reversal from the provision for contingencies. Future cash outflow in respect of the above is determinable only upon Court decision/out of Court settlement/disposal of appeals.

The Company does not expect any reimbursement in respect of above provisions.

## 5. Sugarcane Price Accounting

State Government of Uttar Pradesh vide its Press Release dated 18th January, 2016 announced certain financial assistances including ₹23.30 per quintal of cane for the sugar season 2015-16 linked to average selling price and recovery percentage of sugar and its by-products during the specified period which is to be recommended by the Committee constituted by the Government of Uttar Pradesh. However, in view of the prevalent sugar prices, the Company has not accounted for the said sugarcane subsidy of ₹23.30 per quintal of cane for the sugar season 2015-16.

The Cane Subsidy of ₹28.60 per quintal of cane paid by the Government of Uttar Pradesh for the sugar season 2014-15 aggregating to ₹1238.75 lacs (Previous year ₹20875.45 lacs ) has been accounted for by the Company and has been included under line item [Sugar cane] under Note No. 23 - [Cost of material consumed].

## 6. Export and Production Subsidy:

The Central Government vide its Notification No. 1(10)/2015-SP-I dated 18th September, 2015 announced Minimum Indicative Export Quota (MIEQ) under tradeable export scrip scheme in order to export surplus sugar inventory out of the country. Under the said scheme, the Company was allocated quota of 115642.40 MT for export of sugar in respect of its ten sugar units. Further, the Central Government vide its Notification No. 20(43)/2015-SP - I dated 2nd December, 2015 has announced a scheme for extending production subsidy @ ₹4.50 per quintal of actual cane crushed during sugar season 2015-16 or the proportionate cane crushed for the average sugar production of the Company's each unit in last three sugar seasons, whichever is lower.

As the Company has substantially complied with the eligibility criteria, the aforesaid subsidy @ ₹4.50 per quintal of cane crushed amounting to ₹3113.15 lacs has been accounted for during the year and adjusted with line item [Sugar cane] under Note No. 23 - [Cost of material consumed].

Further, the expenses incurred by the Company till 31st March, 2016 towards fulfilment of export obligation amounting to ₹2620.41 lacs has been included under line item [Professional expenses] under Note No. 28 - [Other expenses].

# Notes forming part of the consolidated financial statements

## Note No : 30 Other disclosures (Contd...)

7. The Company is eligible to receive various Government grants by way of reimbursement of cane price, production subsidy, society commission and interest subvention on certain term loans. Accordingly, the Company has recognised these Government grants in the following manner:

(₹ in Lacs)

Sl. No.	Particulars	Treatment in Accounts	2015-16	2014-15
a)	Cane price subsidy	Deducted from cost of material consumed	1238.75	25575.91
b)	Production subsidy	Deducted from cost of material consumed	3113.15	□
c)	Society commission	Deducted from cost of material consumed	2186.13	5301.96
d)	Interest on term loans	Deducted from interest expense on long term borrowings	3788.99	2887.44
			<b>10327.02</b>	<b>33765.31</b>

In addition to the above, the Company has received financial assistance of ₹150.00 lacs (Previous year: Nil) from the Hon<sup>ble</sup> Ministry of New and Renewable Energy during the year. The said amount has been received under Scheme to Support □Promotion of Grid Interactive Biomass Power and Bagasse Cogeneration in Sugar Mills□ notified through circular no. F. No. 13/10/2013 □ BM. The entire proceeds would be utilised for prepayment of term loan taken from bank. The said financial assistance has been credited to Capital Reserve.

During the year, society commission on cane for sugar season 2012-13 was reduced to ₹2.00 per quintal of cane by the State Government. Accordingly, the Company has written back a sum of ₹2752.55 lacs which was accounted for in the books of account in the relevant years. The said write back of liability has been disclosed under Note No. 22 - □Other Income□

## 8. Details of Profit from Farm Accounts :

(₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Income</b>		
Sales	40.89	39.80
Closing stock of crop/standing crop	3.44	9.33
	<b>44.33</b>	<b>49.13</b>
<b>Expenses</b>		
Opening stock of crop/standing crop	9.33	12.59
Cane seed purchases	3.61	1.39
Fertilisers and manures	4.79	5.95
Salaries and wages	12.46	11.54
Power and fuel	1.32	1.30
Irrigation and cultivation expenses	7.72	8.10
Repairs - others	1.85	1.90
Miscellaneous expenses	0.67	1.75
	<b>41.75</b>	<b>44.52</b>
<b>Profit from Farm Accounts</b>	<b>2.58</b>	<b>4.61</b>

# Notes forming part of the consolidated financial statements

Note No : 30 Other disclosures (Contd...)

## 9. Expenditure on Corporate Social Responsibility (CSR) Activities:

The various heads under which the CSR expenditure was incurred in cash during the year is detailed as follows:

(₹ in Lacs)

Sl. No.	Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR Activities	2015-16	2014-15
a)	Clause (i)	Promoting healthcare including preventive healthcare	6.49	18.80
b)	Clause (i)	Eradicating hunger, poverty and malnutrition and making available safe drinking water	1.62	1.58
c)	Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects	30.97	58.48
d)	Clause (iii)	Setting up homes & other facilities for orphans, senior citizens and for socially and economically backward groups	10.05	2.23
e)	Clause (iv)	Animal welfare	0.61	0.64
f)	Clause (vii)	Promoting rural sports & nationally recognised sports	11.53	9.83
g)	Clause (x)	Rural development projects	1.47	□
h)	Clause (xi)	Slum area development	□	0.10
i)		Expenditure on administrative overheads	□	□
			<b>62.74</b>	<b>91.66</b>

The aforesaid amounts were spent for purposes other than on construction/acquisition of any asset.

## 10. Earnings per Share - The numerators and denominators used to calculate Basic / Diluted Earnings per Share :

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a) Amount used as the numerator (₹ in lacs)		
Profit/(Loss) for the year - (A)	9929.84	(5794.61)
b) Weighted average number of Equity Shares outstanding used as denominator for computing Basic Earnings per Share - (B)	244922208	244899522
Add : Weighted average number of Equity Shares on account of Employee Stock Option Scheme	62913	87840
c) Weighted average number of Equity Shares outstanding used as denominator for computing Diluted Earnings per Share - (C)	244985121	244987362
d) Nominal value of Equity Shares (₹)	1.00	1.00
e) Basic Earnings per Share (₹) (A/B)	4.05	(2.37)
f) Diluted Earnings per Share (₹) (A/C)	4.05	(2.37)

11. Depreciation for the previous year was aligned to meet the requirements of Schedule -II to the Companies Act, 2013 and accordingly an amount of ₹3180.34 lacs (net of deferred tax benefit of ₹1682.99 lacs) in relation to the assets whose useful life has already exhausted was adjusted with Retained Earnings.



# Notes forming part of the consolidated financial statements

Note No : 30 Other disclosures (Contd...)

## 12. Employee Benefits :

As per Accounting Standard - 15 [Employee Benefits], the disclosures of Employee Benefits as defined in the Accounting Standard are as follows:

### Defined Contribution Plan :

Employee benefits in the form of Provident Fund, Employee State Insurance and Labour Welfare Fund are considered as defined contribution plan. However, upto 31st March, 2015, Provident fund in respect of certain employees was contributed to a fund set up by the Company which was treated as a defined benefit plan since the Company had to meet the interest shortfall.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognised as expense in the Statement of Profit and Loss are as under :

(₹ in Lacs)

Defined Contribution Plan	Year ended 31st March, 2016	Year ended 31st March, 2015
Employer's Contribution to Provident Fund	582.12	545.72
Employer's Contribution to Pension Scheme	556.01	484.46
Employer's Contribution to Labour Welfare Fund	0.01	0.01
Employer's Contribution to Employees' State Insurance Scheme	0.75	0.81

### Defined Benefit Plan:

On Company's request, in exercise of the powers conferred under section 17(4) of the Employees' Provident Fund & Miscellaneous Provisions Act, 1952, the Hon'ble Ministry of Labour and Employment, Government of India, has cancelled the exemption granted to the Company with effect from 1st April, 2014 vide its order dated 29th April, 2015. Accordingly, Employees Provident Fund set up by the Company ceases to exist. After cancellation, contribution to the provident fund of the related employees is being deposited with Government Provident Fund w.e.f. 1st April, 2015.

Long-term employee benefits in the form of gratuity and leave encashment are considered as defined benefit obligation. The present value of the obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognised in the Balance Sheet represent the present value of the obligation as adjusted for unrecognised past service cost and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to the discounted value of any economic benefit available in the form of refunds from the plan or reduction in future contribution to the plan. The amount recognised in the Accounts in respect of Employees Benefit Schemes based on actuarial reports are as follows :

### a) Details of funded post retirement plans are as follows :

(₹ in Lacs)

	Particulars	2015-16		2014-15	
		Gratuity	Provident Fund	Gratuity	Provident Fund
I.	Components of Employer Expense :				
1	Current Service Cost	264.00	□	273.62	273.54
2	Past Service Cost	□	□	□	□
3	Interest Cost	257.74	□	244.27	283.48
4	Expected return on Plan Assets	292.45	□	257.62	285.29
5	Actuarial (Gain) /Loss recognised in the year	47.91	□	138.59	(116.61)
6	Expense recognised in the Statement of Profit and Loss	277.20	□	398.86	155.12

# Notes forming part of the consolidated financial statements

Note No : 30 Other disclosures (Contd...)

a) Details of funded post retirement plans are as follows :

(₹ in Lacs)

	Particulars	2015-16		2014-15	
		Gratuity	Provident Fund	Gratuity	Provident Fund
<b>II.</b>	<b>Change in Present Value of Defined Benefit Obligation :</b>				
1	Present value of Defined Benefit Obligation at the beginning of the year	3655.66	□	3220.19	3332.38
2	Acquisition Adjustment	□	□	□	□
3	Interest Cost	257.74	□	244.27	283.48
4	Past Service Cost	□	□	□	□
5	Current Service Cost	264.00	□	273.62	128.59
6	Employees Contribution	□	□	□	144.95
7	Benefits Paid	867.90	□	333.59	458.75
8	Actuarial Gain / (Loss)	17.58	□	251.17	(127.77)
9	Present value of Defined Benefit Obligation at the end of the year	3327.08	□	3655.66	3302.88
<b>III.</b>	<b>Change in Fair Value of Plan Assets during the year :</b>				
1	Plan Assets at the beginning of the year	3655.66	□	3220.19	3209.12
2	Acquisition Adjustment	□	□	□	4.84
3	Expected return on Plan Assets	292.45	□	257.62	285.29
4	Contributions paid	277.20	□	398.86	273.54
5	Benefits paid	867.90	□	333.59	458.75
6	Actuarial Gain / (Loss)	(30.33)	□	112.58	(11.16)
7	Plan Assets at the end of the year	3327.08	□	3655.66	3302.88
<b>IV.</b>	<b>Net Asset / (Liability) recognised in the Balance Sheet as at the year end:</b>				
1	Present value of Defined Benefit Obligation	3327.08	□	3655.66	3302.88
2	Fair value of Plan Assets	3327.08	□	3655.66	3302.88
3	Funded Status [Surplus/(Deficit)]	□	□	□	□
4	Net Asset / (Liability) recognised in Balance Sheet	□	□	□	□
<b>V.</b>	<b>Actuarial Assumptions :</b>				
1	Discount Rate (per annum) %	8.00	□	8.00	8.75
2	Expected return on Plan Assets (per annum) %	8.00	□	8.00	8.89
3	Expected Rate of Salary increase %	5.50	□	5.50	5.50
4	Retirement/Superannuation Age (Year)	60	□	60	60
5	Mortality Rates	IALM 2006-08 Ultimate	□	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

# Notes forming part of the consolidated financial statements

Note No : 30 Other disclosures (Contd...)

a) Details of funded post retirement plans are as follows :

(₹ in Lacs)

	Particulars	2015-16		2014-15	
		Gratuity	Provident Fund	Gratuity	Provident Fund
<b>VI.</b>	<b>Major Category of Plan Assets as a % of the Total Plan Assets as at the year end :</b>				
1	Administered by Insurance Companies	100%	□	84%	□
2	Public Financial Institutions / Public Sector Companies bonds	□	□	6%	43%
3	Central / State Government Securities	□	□	9%	46%
4	Private sector bonds	□	□	□	11%
5	Others (Cash and Cash Equivalents)	□	□	1%	□
<b>VII.</b>	<b>Expected Employer's Contribution for the next year :</b>				
	Expected Employer's Contribution for the next year	305.00	□	475.00	141.45

**VIII. Basis used to determine the expected Rate of return on Plan Assets :**

The basis used to determine overall expected Rate of return on Plan Assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the Capital and optimise returns within acceptable risk parameters, the Plan Assets are well diversified.

**IX. The history of experience adjustments for funded post retirement plans are as follows :**

(₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
<b>Gratuity</b>					
Present value of Defined Benefit Obligation	3327.08	3655.66	3220.19	2789.78	2412.35
Fair value of Plan Assets	3327.08	3655.66	3220.19	2789.78	2412.35
(Deficit)/Surplus	□	□	□	□	□
Experience adjustments of Plan Assets Gain/(Loss)	(30.33)	112.58	(53.68)	103.10	(99.37)
Experience adjustments of Obligation (Gain)/Loss	17.58	251.17	114.06	191.45	2.36
<b>Provident Fund</b>					
Present value of Defined Benefit Obligation	□	3302.88	3332.38	2928.90	2526.57
Fair value of Plan Assets	□	3302.88	3209.12	2877.08	2525.77
(Deficit)/Surplus	□	□	(123.26)	(51.82)	(0.80)
Experience adjustments of Plan Assets Gain/(Loss)	□	(11.16)	13.04	11.84	(3.85)
Experience adjustments of Obligation (Gain)/Loss	□	(127.77)	68.58	47.74	(44.36)

# Notes forming part of the consolidated financial statements

Note No : 30 Other disclosures (Contd...)

b) Details of unfunded post retirement Defined Obligations are as follows:

(₹ in Lacs)

Particulars	Leave Encashment (Unfunded)	
	2015-16	2014-15
<b>I. Components of Employer Expense :</b>		
1 Current Service Cost	76.49	28.95
2 Past Service Cost	0	0
3 Interest Cost	21.10	19.58
4 Expected return on Plan Assets	0	0
5 Actuarial (Gain) /Loss recognised in the year	(39.34)	29.03
6 Expense recognised in the Statement of Profit and Loss	58.25	77.56
<b>II. Change in Present Value of Defined Benefit Obligation :</b>		
1 Present value of Defined Benefit Obligation at the beginning of the year	299.90	267.09
2 Interest Cost	21.10	19.58
3 Past Service Cost	0	0
4 Current Service Cost	76.49	28.95
5 Benefits Paid	72.20	44.75
6 Actuarial (Gain) / Loss	(39.35)	29.03
7 Present value of Defined Benefit Obligation at the end of the year	285.95	299.90
<b>III. Net Asset / (Liability) recognised in the Balance Sheet as at the year end:</b>		
1 Present value of Defined Benefit Obligation	285.95	299.90
2 Fair value of Plan Assets	0	0
3 Funded Status [Surplus/(Deficit)]	(285.95)	(299.90)
4 Net Asset / (Liability) recognised in Balance Sheet	(285.95)	(299.90)
<b>IV. Actuarial Assumptions :</b>		
1 Discount Rate (per annum) %	8.00	8.00
2 Expected return on Plan Assets (per annum) %	0	0
3 Expected Rate of Salary increase %	5.50	5.50
4 Retirement/Superannuation Age (Year)	60	60
5 Mortality Rates	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
<b>V. Expected Employer's Contribution for the next year :</b>		
Expected Employer's Contribution for the next year	60.00	55.00

c) Other disclosures :

i) Basis of estimates of Rate of escalation in salary :

The estimates of rate of escalation in salary, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

ii) The Gratuity and Provident Fund Expenses have been recognised under [Contribution to Provident and Other Funds] and Leave Encashment under [Salaries and Wages] under Note No.25 - [Employee benefits expense]

13. Segment information as per Accounting Standard - 17 on [Segment Reporting]:

The Company has identified three primary business segments viz. Sugar, Distillery and Co-generation. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure and internal business reporting system.

a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as [Unallocable]

# Notes forming part of the consolidated financial statements

## Note No : 30 Other disclosures (Contd...)

- b) Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as Unallocable
- c) Information about Primary Business Segments:

(₹ in Lacs)

Particulars	Sugar	Distillery	Co-generation	Others	Unallocable	Elimination	Total
<b>Revenue</b>							
<b>External Sales (Gross)</b>	<b>228990.17</b>	<b>29548.62</b>	<b>27976.78</b>	<b>891.91</b>			<b>287407.48</b>
	(249688.70)	(30872.36)	(28114.01)	(645.95)	(0)	(0)	(309321.02)
Less : Excise duty on external sales	<b>9241.67</b>	<b>2499.08</b>					<b>11740.75</b>
	(8250.05)	(2373.18)	(0)	(0)	(0)	(0)	(10623.23)
<b>External Sales (Net)</b>	<b>219748.50</b>	<b>27049.54</b>	<b>27976.78</b>	<b>891.91</b>			<b>275666.73</b>
	(241438.65)	(28499.18)	(28114.01)	(645.95)	(0)	(0)	(298697.79)
<b>Inter Segment Sales</b>	<b>24689.52</b>	<b>0.52</b>	<b>13177.18</b>			<b>(37867.22)</b>	
	(19181.22)	(1.84)	(9694.74)	(0)	(0)	(0)(28877.80)	(0)
<b>Total sales</b>	<b>244438.02</b>	<b>27050.06</b>	<b>41153.96</b>	<b>891.91</b>		<b>(37867.22)</b>	<b>275666.73</b>
	(260619.87)	(28501.02)	(37808.75)	(645.95)	(0)	(0)(28877.80)	(298697.79)
<b>Add : Allocable other income</b>	<b>3364.72</b>	<b>28.86</b>	<b>133.32</b>	<b>19.70</b>			<b>3546.60</b>
	(838.61)	(28.15)	(125.80)	(17.48)	(0)	(0)	(1010.04)
<b>Segment Revenue</b>	<b>247802.74</b>	<b>27078.92</b>	<b>41287.28</b>	<b>911.61</b>		<b>(37867.22)</b>	<b>279213.33</b>
	(261458.48)	(28529.17)	(37934.55)	(663.43)	(0)	(0)(28877.80)	(299707.83)
<b>Result</b>							
<b>Segment result</b>	<b>5442.33</b>	<b>13457.39</b>	<b>17908.38</b>	<b>273.22</b>			<b>37081.32</b>
	(-)(27853.81)	(14363.06)	(18398.77)	(24.18)	(0)	(0)	(4932.20)
<b>Less:</b>							
Unallocable expenditure net of unallocable income					<b>1716.97</b>		<b>1716.97</b>
					(2360.44)	(0)	(2360.44)
Finance costs					<b>7559.66</b>		<b>7559.66</b>
					(10209.23)	(0)	(10209.23)
<b>Profit /(Loss) before exceptional items and tax</b>							<b>27804.69</b>
							(0)(7637.47)
<b>Exceptional Items</b>							<b>17310.41</b>
							(0)
<b>Profit /(Loss) before tax</b>							<b>10494.28</b>
							(0)(7637.47)
<b>Tax</b>							
Current tax							<b>2200.00</b>
							(0)
Deferred tax write back							<b>(1635.56)</b>
							(0)(1842.86)
<b>Profit /(Loss) after tax</b>							<b>9929.84</b>
							(0)(5794.61)

# Notes forming part of the consolidated financial statements

Note No : 30 **Other disclosures (Contd...)**

## Other information

(₹ in Lacs)

Particulars	Sugar	Distillery	Co-generation	Others	Unallocable	Total
Segment assets	267404.20	20525.83	69911.00	1320.98	15518.53	374680.54
	(291667.52)	(23546.69)	(56758.46)	(1153.19)	(17273.49)	(390399.35)
Segment liabilities	57587.49	1387.03	1332.83	181.11	23712.39	84200.85
	(82996.37)	(776.08)	(516.69)	(200.39)	(25443.35)	(109932.88)
Capital expenditure	1721.01	3363.49	10479.26	0.08	258.35	15822.19
	(1048.07)	(995.33)	(120.22)	(10.42)	(523.09)	(2697.13)
Depreciation and amortisation	5979.70	892.99	3901.74	48.60	196.68	11019.71
	(6296.94)	(923.23)	(4117.20)	(91.76)	(162.86)	(11591.99)
Non cash expenses other than depreciation and amortisation	518.04	75.23	9.46	□	24.00	626.73
	(212.61)	(10.13)	(75.15)	(0.02)	(52.08)	(349.99)

## Notes :

- Transactions between segments are primarily for materials which are transferred at cost/market determined prices. Common costs are apportioned on a reasonable basis.
- Unallocable expenses are net of unallocable income ₹912.09 lacs (Previous year ₹509.31 lacs).
- Inter segment sale is net of excise duty ₹1146.24 lacs (Previous year ₹1129.13 lacs).
- Figures in brackets pertain to previous year.
- Information about Secondary Geographical Segments : There is no secondary segment.

## 14. 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):	1. Shri Vivek Saraogi - Managing Director 2. Smt. Meenakshi Saraogi - Joint Managing Director (upto 31.05.2015) 3. Shri Kishor Shah - Director cum Chief Financial Officer (upto 30.11.2015) 4. Dr. Arvind Krishna Saxena - Whole-time Director
ii) Relatives of Key Managerial Personnel :	
Shri Vivek Saraogi	Smt. Meenakshi Saraogi (Mother)
Smt. Meenakshi Saraogi	Shri Vivek Saraogi (Son)
iii) Enterprises over which KMP and their relatives have substantial interest / significant influence:	1. Balrampur Institute of Vocational Aid 2. Balrampur Foundation 3. Balrampur Trust



# Notes forming part of the consolidated financial statements

Note No : 30 Other disclosures (Contd...)

## b) Transactions with related parties :

(₹ in Lacs)

Nature of transaction / Name of the related party	Enterprises over which KMP and their relatives have substantial interest/ significant influence	Key Managerial Personnel (KMP)	Relatives of KMP	Total
<b>i) Receiving of Services</b>				
Smt. Meenakshi Saraogi	₹ 28.48 @	1.00		29.48
	(₹) (174.40)	(₹) (174.40)		
Shri Vivek Saraogi	₹ 172.14			172.14
	(₹) (169.05)	(₹) (169.05)		
Shri Kishor Shah	₹ 48.68 *			48.68
	(₹) (57.86)	(₹) (57.86)		
Dr. Arvind Krishna Saxena	₹ 21.86			21.86
	(₹) (20.09)	(₹) (20.09)		
<b>ii) Corporate Social Responsibility Expenditure</b>				
Balrampur Institute of Vocational Aid	21.50			21.50
	(45.00)	(₹) (45.00)		
Balrampur Foundation	23.00			23.00
	(18.54)	(₹) (18.54)		
Balrampur Trust				
	(1.01)	(₹) (1.01)		
<b>iii) Donation paid</b>				
Balrampur Foundation				
	(1.96)	(₹) (1.96)		
Balrampur Trust				
	(0.60)	(₹) (0.60)		
<b>iv) Employee Stock Option #</b>				
Shri Kishor Shah				
	(₹) (4.50)	(₹) (4.50)		

@ Excluding gratuity payment amounting to ₹245.19 lacs pursuant to settlement during the year which has been reimbursed by The Balrampur Sugar Co. Ltd. Employees Gratuity Fund.

\* Excluding gratuity payment amounting to ₹50.77 lacs pursuant to settlement during the year which has been reimbursed by The Balrampur Sugar Co. Ltd. Employees Gratuity Fund.

# Excluding monetary value of perquisites.

c) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

d) No amount has been written back/written off in respect of due to/from related parties.

e) Figures in brackets pertain to previous year.

## 15. Derivative Instruments

The Company has entered into derivative contracts to hedge the interest rate and currency risks. The details of derivative contracts entered for hedging purpose and outstanding as at the date of the Balance Sheet are as under:

(₹ in Lacs)

Particulars	Outstanding amount of exposure hedged	
	As at 31st March, 2016	As at 31st March, 2015
Swaps	₹	1747.52
Forward Contracts	7751.51	15965.68

# Notes forming part of the consolidated financial statements

## Note No : 30 Other disclosures (Contd...)

16. Based on the review made at the Balance Sheet date, MAT credit of ₹5642.00 lacs (previous year: ₹5642.00 lacs) recognised in earlier years is carried forward as the Management is confident that there will be sufficient taxable profit during the specified period to utilise the same.
17. Under the New Sugar Industry Promotion Policy, 2004 of the Government of Uttar Pradesh, the Company had accounted for recoverable incentives aggregating to ₹16900.57 lacs and had availed remissions in respect of Entry Tax on Sugar, Administrative Charges on Molasses, Trade Tax on Molasses and Cane Purchase Tax. The above policy was terminated by the Government of Uttar Pradesh vide order dated 4th June, 2007.

The Company's Writ Petition against withdrawal of the aforesaid policy which has been admitted by the Lucknow Bench of the Hon'ble Allahabad High Court vide its order dated 9th May, 2008 is still pending. As an interim measure, the Order permits limited protection from remission of taxes. Therefore, the Company continues to account for only remission of taxes, and accordingly, during the year, the Company has accounted for remission of taxes of ₹61.43 lacs (Previous year ₹56.58 lacs).

However, in view of the long pendency of the said writ petition, it might take years for the Hon'ble High Court to decide the case and the aggrieved party would certainly approach the Hon'ble Supreme Court and due to high pendency in the Hon'ble Supreme Court, it may take considerable time for the final decision in these cases. Even thereafter, the actual realization of the claims from the State may not be possible without repetitive intervention of the Apex Court.

Hence, the Company has written off the recoverable incentives aggregating to ₹16900.57 lacs (Previous year nil) during the year. The same has been shown as [Claims receivable written off] under Note No. 29 - [Exceptional Items].

In the assessment of Entry Tax on Sugar and Trade Tax on Molasses for the years 2008-09 to 2012-13, a sum of ₹3659.50 lacs and ₹883.59 lacs respectively aggregating to ₹4543.09 lacs has been determined by the assessing officer as the Company's liability for four of its units namely Akbarpur, Mankapur, Kumbhi and Gularia though these units are also eligible under the aforesaid incentive scheme. However, no demand has been raised on the Company by the assessing officer in view of limited protection from remission of taxes granted by Hon'ble High Court as aforesaid. Based on the same, the Company neither considers the aforesaid amount of ₹4543.09 lacs as a liability nor a contingent liability.

18. In view of inadequacy of profits, the Remuneration paid during the year and during the previous year to the Managing Director and Joint Managing Director is/was the minimum remuneration in accordance with terms and conditions approved by the shareholders. Necessary approval has been obtained from the Central Government in this regard.
19. Khalilabad Sugar unit, a unit of Company was incurring losses for the last several years and getting low recovery. Further, the Sugar Mill was old and expenses on wear and tear were abnormally high.

Since, even the most efficient and integrated plants were incurring losses, it was impossible for the said Sugar unit to survive in long term. Therefore, the Board of Directors of the Company in its meeting held on 27th May, 2015 discussed and decided to close the said sugar unit of the Company.

As a result of closure of the said unit, the Company announced voluntary retirement scheme (VRS scheme) for the employees of the said unit pursuant to which, the Company has paid compensation of ₹409.84 lacs (Previous year: nil) to those who availed the said VRS scheme.

20. The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 7th January, 2014 had permitted transfer of 20% equity shares of Indo Gulf Industries Ltd. (IGIL) held by the Company as well as induction of co-promoter /strategic investor in IGIL, under a Modified Draft Rehabilitation Scheme (MDRS) to be approved by the Hon'ble BIFR. However, the Hon'ble BIFR vide its order dated 4th August, 2014, reviewed its directions and directed the Operating Agency to submit its report after conducting due-diligence of co-promoter/ strategic investor and reserved its order for pronouncement.

The order in the subject matter was pronounced on 23rd January, 2015, whereby the concerned Bench observed that induction of co-promoter/strategic investor was not in transparent manner and was not in accordance with the Law. Aggrieved by the said order IGIL preferred an Appeal before the Hon'ble AAIFR which was disposed of by the Hon'ble AAIFR on 14th September, 2015 by setting aside the

# Notes forming part of the consolidated financial statements

## Note No : 30 Other disclosures (Contd...)

observation of the Hon'ble BIFR and remanding the matter back to the Hon'ble BIFR with a direction to consider the MDRS in accordance with law.

In the meantime, net-worth of IGIL turned positive to ₹12.15 lacs as per its Audited Balance Sheet as at 31st March, 2016. Accordingly, IGIL has filed an application with the Hon'ble BIFR on 29th April, 2016 for deregistration from the purview of the Sick Industrial Companies (Special Provisions) Act, 1985.

The Hon'ble BIFR passed an order on 6th May, 2016 wherein it directed the Operating Agency to file status reports (1) on the business of the strategic investor after evaluating the induction of strategic investor and conducting due diligence, (2) whether the induction of the strategic investor results in change of management of IGIL and (3) on the operation /function of IGIL after visiting the unit of IGIL.

### 21. Call Option Agreement

A Call Option Agreement dated 30th March, 2015 has been entered by the Company with Talma Chemical Industries Private Limited (Talma), a company having 100% interest in the Equity Share Capital of Visual Percept Solar Projects Private Limited (VSPPL) to acquire at a future date, 8914500 Equity Shares of ₹10/- each fully paid at a mutually agreed price of ₹25/- per Equity Share of ₹10/- each.

22. The Company has not incurred any cost in respect of RECs. The value of RECs remaining unsold and lying in inventory as at the balance sheet date has been considered as Nil in the accounts.

### 23. Details of Loan and investments covered under section 186(4) of the Companies Act, 2013:

The particulars of investments made are given under "Non-current investments" under Note No. 13.

The particulars of loan given are as under:

Particulars	As at 31st March, 2016	As at 31st March, 2015
Name of the Loanee	Auro Sugar Pvt. Ltd.	Auro Sugar Pvt. Ltd.
Amount of loan (₹ in Lacs) *	920.00	920.00
Rate of interest	13% p.a.	13% p.a.
Terms of repayment of loan	Repayable on demand	Repayable on demand
Purpose of utilization of loan by the Loanee	General corporate purpose	General corporate purpose

\* No amount has been given during the year/previous year.

### 24. Other notes in respect of the Subsidiary Company (Indo Gulf Industries Ltd.):

a) The Government of Uttar Pradesh has initiated recovery proceedings for recovery of Sales Tax dues related to Explosive Unit at Jhansi, pursuant to which the factory at Jhansi has been seized by the Government authorities. All the assets located at the said factory including records thereat remain seized till the year end. Out of the above assets, certain assets pertaining to the said unit have been auctioned by the Office of the Labour Commissioner, Jhansi, against which a sum of ₹8.03 lacs (previous year: ₹8.03 lacs) is lying with them. No adjustment in this respect has been carried out in these accounts.

b) During the year, the subsidiary Company has offered, issued and allotted 250000 fully paid up 0.001% Non Convertible, Non-Cumulative, Redeemable Preference shares of face value ₹100/- each aggregating to ₹250.00 lacs on private placement basis for cash, at par, as a result of which the net-worth of the Subsidiary Company has become positive.

As on 31st March, 2016, the said funds remain unutilised and are lying in bank in current accounts of the Subsidiary Company.

c) There has been no change during the year in the status of pending demands raised in earlier years which were uncertain and therefore required no provisions/disclosure. The said demand pertains to certain notices and orders received in earlier years from statutory authorities viz. Sales tax, Labour Commissioner etc.

d) Due to seizure of Subsidiary Company's explosive plant at Jhansi, the condition of the plant & machineries and other fixed assets thereat and the impairment loss, if any, in respect thereof could not be determined, pending which no provision for impairment, if any, could be made in these accounts.

# Notes forming part of the consolidated financial statements

Note No : 30 **Other disclosures (Contd...)**

## 25. Additional Information as required under Schedule III to the Companies Act, 2013:

As at 31st March, 2016 :

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)	
	As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated profit/(loss)	Amount (₹ in Lacs)
<b>Parent</b>				
Balrampur Chini Mills Ltd.	100.20	123060.17	100.12	9941.73
<b>Subsidiary - Indian</b>				
Indo Gulf Industries Ltd.	0.01	12.15	(0.12)	(11.89)
<b>Sub Total</b>	<b>100.21</b>	<b>123072.32</b>	<b>100.00</b>	<b>9929.84</b>
Inter Company Elimination and consolidation adjustments	(0.21)	(262.53)	□	□
<b>Grand Total</b>	<b>100.00</b>	<b>122809.79</b>	<b>100.00</b>	<b>9929.84</b>
Minority interest in subsidiary	0.20	250.00	□	□
Share of profit in associate	□	□	□	□

As at 31st March, 2015 :

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)	
	As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated profit/(loss)	Amount (₹ in Lacs)
<b>Parent</b>				
Balrampur Chini Mills Ltd.	100.21	112945.13	99.63	(5773.44)
<b>Subsidiary - Indian</b>				
Indo Gulf Industries Ltd.	(0.20)	(225.97)	(6.60)	382.39
<b>Sub Total</b>	<b>100.01</b>	<b>112719.16</b>	<b>93.03</b>	<b>(5391.05)</b>
Inter Company Elimination and consolidation adjustments	(0.01)	(12.52)	6.97	(403.56)
<b>Grand Total</b>	<b>100.00</b>	<b>112706.64</b>	<b>100.00</b>	<b>(5794.61)</b>
Minority interest in subsidiary	□	□	□	□
Share of profit in associate	□	□	□	□

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

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

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

Sd/-  
Nitin Bagaria  
Company Secretary

Sd/-  
Pramod Patwari  
Chief Financial Officer

Sd/-  
Dr. Arvind Krishna Saxena  
Whole-time Director  
DIN - 00846939

Sd/-  
Vivek Saraogi  
Managing Director  
DIN - 00221419

Place of Signature: Kolkata  
Date: 20th May, 2016

# Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as at 31st March, 2016:

## Part [A]: Subsidiaries

Sl. No.	Particulars	Detailed Information	
		As at 31st March, 2016	As at 31st March, 2015
1.	Name of the subsidiary *	Indo Gulf Industries Ltd.	Indo Gulf Industries Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	Not applicable
3.	Reporting currency	Indian Rupees (₹)	Indian Rupees (₹)
4.	Share capital (₹ in Lacs)	345.67	95.67
5.	Reserves and surplus (₹ in Lacs)	(333.52)	(321.64)
6.	Total assets (₹ in Lacs)	399.59	159.88
7.	Total liabilities (₹ in Lacs)	387.44	385.85
8.	Investments (₹ in Lacs)	Nil	Nil
9.	Turnover (₹ in Lacs)	3.30	Nil
10.	Profit before taxation (₹ in Lacs)	(11.89)	382.39
11.	Provision for taxation (₹ in Lacs)	Nil	Nil
12.	Profit after taxation (₹ in Lacs)	(11.89)	382.39
13.	Proposed dividend (₹ in Lacs)	Nil	Nil
14.	% of shareholding	53.96%	53.96%

\* There is/was no other subsidiary of the Company during the year/previous year.

## Notes:

(i)	Names of subsidiaries which are yet to commence operations	Not applicable	Not applicable
(ii)	Names of subsidiaries which have been liquidated or sold during the year	Not applicable	Not applicable

## Part [B]: Associates and Joint Ventures

The Company does not have an associate or a joint venture, hence, the requirements under this Part is not applicable to the Company and no information is required to be disclosed.

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

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

Sd/-  
Nitin Bagaria  
Company Secretary

Sd/-  
Pramod Patwari  
Chief Financial Officer

Sd/-  
Dr. Arvind Krishna Saxena  
Whole-time Director  
DIN - 00846939

Sd/-  
Vivek Saraogi  
Managing Director  
DIN - 00221419

Place of Signature: Kolkata

Date: 20th May, 2016

[illegible]





# Corporate Information

## Chairman Emeritus

Kamal Nayan Saraogi

## Board of Directors

Naresh Chandra (IAS Retd.),  
*Chairman- Independent Director*

Vivek Saraogi,  
*Managing Director*

Meenakshi Saraogi,  
*Non-Executive Director*

R. N. Das (IAS Retd.),  
*Independent Director*

D. K. Mittal (IAS Retd.),  
*Independent Director*

Krishnava Dutt,  
*Independent Director*

Novel S. Lavasa,  
*Independent Director*

Dr. Arvind Krishna Saxena,  
*Wholtime Director*

Sakti Prasad Ghosh,  
*Additional Director- Independent*

Sumit Mazumder,  
*Additional Director- Independent*

## Chief Financial Officer

Pramod Patwari

## Company Secretary

Nitin Bagaria

## Board Committees

### Audit Committee

R. N. Das, *Chairman*

Naresh Chandra

D. K. Mittal

Vivek Saraogi

Krishnava Dutt

Sakti Prasad Ghosh

### Nomination & Remuneration Committee

D. K. Mittal, *Chairman*

Naresh Chandra

R. N. Das

Novel S. Lavasa

## CSR Committee

Naresh Chandra, *Chairman*

D. K. Mittal

Vivek Saraogi

Novel S. Lavasa

## Stakeholders Relationship Committee

R. N. Das, *Chairman*

Krishnava Dutt

Vivek Saraogi

## Share Transfer Committee

Vivek Saraogi

Meenakshi Saraogi

R. N. Das

Sakti Prasad Ghosh

## Executive Committee

Vivek Saraogi

Dr. Arvind Krishna Saxena

Sakti Prasad Ghosh

## Solicitors and Advocates

Khaitan & Co LLP

1B, Old Post Office Street,

Kolkata 700 001

## Bankers

State Bank of India

HDFC Bank

Punjab National Bank

## Auditors

M/s G.P. Agrawal & Co.

Chartered Accountants

## Registrar and Share Transfer Agent

Karvy Computershare Pvt. Ltd.

1st Floor, 49, Jatin Das Road,

Kolkata 700029

Karvy Computershare Pvt. Ltd.

Karvy Selenium Tower B,

Plot No. 31-32, Gachibowli,

Financial District, Nanakramguda,

Hyderabad- 500032

## Registered Office

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

CIN: L15421WB1975PLC030118

## Sugar Factories

### Unit 1: Balrampur

(Including Distillery, Organic Manure and  
Co-generation units)

Dist: Balrampur, Uttar Pradesh

### Unit 2: Babhnan

(Including Distillery, Organic Manure  
and Co-generation units)

Dist: Gonda, Uttar Pradesh

### Unit 3: Tulsipur

Dist: Balrampur, Uttar Pradesh

### Unit 4: Haidergarh

(Including Co-generation unit)

Dist: Barabanki, Uttar Pradesh

### Unit 5: Akbarpur

(Including Co-generation unit)

Dist: Ambedkarnagar, Uttar Pradesh

### Unit 6: Rauzagaon

(Including Co-generation unit)

Dist: Faizabad, Uttar Pradesh

### Unit 7: Mankapur

(Including Distillery, Organic Manure  
and Co-generation units)

Dist: Gonda, Uttar Pradesh

### Unit 8: Kumbhi

(Including Co-generation unit)

Dist: Lakhimpur Kheri, Uttar Pradesh

### Unit 9: Gularia

(Including Co-generation unit)

Dist: Lakhimpur Kheri, Uttar Pradesh

### Unit 10: Maizapur

Dist: Gonda, Uttar Pradesh

## Website

[www.chini.com](http://www.chini.com)

## Forward-looking statement

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

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

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



**Balrampur Chini Mills Limited**

CIN: L15421WB1975PLC030118

**Registered Office:**

FMC Fortuna, 2nd Floor,  
234/3A AJC Bose Road,  
Kolkata 700020, India

**P:** (033) 22874749

**F:** (033) 22873083

**E:** [bcml@bcml.in](mailto:bcml@bcml.in)

**W:** [www.chini.com](http://www.chini.com)

## **Balrampur Chini Mills Limited**

CIN: L15421WB1975PLC030118

Registered Office: FMC Fortuna, 2nd Floor,

234/3A, A.J.C. Bose Road, Kolkata – 700 020,

Phone: (033) 22874749, Fax: (033) 22873083,

Email: bcml@bcml.in, Website: www.chini.com

## **NOTICE**



**NOTICE** is hereby given that the 40th Annual General Meeting of the Members of Balrampur Chini Mills Limited will be held on Friday, the 12th day of August, 2016 at 10.30 A.M. at 'Vidya Mandir', 1, Moira Street, Kolkata 700017 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a. the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2016 including the Audited Balance Sheet as at 31st March, 2016 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
  - b. the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2016 including the Audited Balance Sheet as at 31st March, 2016 and Statement of Profit & Loss for the year ended on that date and the Report of the Auditors thereon.
2. To appoint a director in place of Smt. Meenakshi Saraogi (DIN: 00361421) who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
3. To appoint the Statutory 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** pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. G.P. Agrawal & Co., Chartered Accountants (ICAI Firm Registration No.:302082E), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 41st Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, plus service tax, as applicable and reimbursement of out-of-pocket expenses.”

### **SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the



Company be and is hereby accorded to change the designation of Smt. Meenakshi Saraogi (DIN-00361421), from Joint Managing Director to Non-Executive Director of the Company with effect from 1st June, 2015 on such terms and conditions including remuneration as may be applicable from time to time to the Non-Executive Directors of the Company within the overall limits as prescribed under the Act.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard in order to implement and to give effect to the aforesaid resolution.”

5. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession to the resolution passed at the 39th Annual General Meeting of the Company and pursuant to the provisions of Sections 149(9), 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Articles of Association of the Company, the Non-Executive Directors of the Company be paid, in addition to the sitting fees for attending the meetings of the Board or Committees thereof, a Commission of an amount not exceeding the maximum limit of 1% of the Net Profits of the Company or Rs. 80,00,000/- (Rupees Eighty Lakhs) in aggregate, plus applicable taxes, whichever is lower, in any financial year, as specified in Section 197(1)(ii)(A) of the Act, with effect from the financial year commencing from 1st April, 2016.

**RESOLVED FURTHER THAT** the quantum of commission payable to each of the Non-Executive Directors for each year may be decided by the Board of Directors as it may deem fit, based on the recommendation of Nomination & Remuneration Committee, provided that the same is within the overall limits specified under the relevant provisions of the Act.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable to give effect to the aforesaid resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sakti Prasad Ghosh (DIN-00183802), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th November, 2015, in terms of Section 161(1) of the Act and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing (alongwith the requisite deposit) under Section 160 of the Act, proposing his candidature for

the office of director of the Company, be and is hereby appointed as an Independent Director of the Company upto 30th September, 2020.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable to give effect to the aforesaid resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sumit Mazumder (DIN-00116654), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 21st May, 2016, in terms of Section 161(1) of the Act and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing (alongwith the requisite deposit) under Section 160 of the Act, proposing his candidature for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company upto 30th April, 2021.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable to give effect to the aforesaid resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of M/s N. Radhakrishnan & Co., Cost Accountants (Firm Registration No.:000056), appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2017 at a remuneration of Rs. 3,50,000 plus service tax, as applicable and reimbursement of out-of-pocket expenses, be and is hereby ratified.

**RESOLVED FURTHER THAT** each of the Directors and the Company Secretary of the Company, be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to the aforesaid resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any





statutory modification(s) or re-enactment thereof for the time being in force), or any other applicable law, the Board of Directors of the Company, be and is hereby authorised to charge from such member (s), an amount as it may deem fit as an advance amount being equivalent to the estimated expenses for delivery of any document to the member(s) in a mode specified by such member(s) and to put such reasonable conditions from time to time as it may deem fit in its absolute discretion in this regard.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard in order to implement and to give effect to the aforesaid resolution.”

Place : Kolkata  
Date : 20th May, 2016

By order of the Board  
For **Balrampur Chini Mills Limited**

**Registered Office:**  
FMC Fortuna, 2nd Floor,  
234/3A, A. J.C. Bose Road, Kolkata-700020

Sd/-  
**Nitin Bagaria**  
Company Secretary

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**NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 40TH ANNUAL GENERAL MEETING (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy, in order to be effective, should be deposited, duly completed and signed, at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A proxy form is attached herewith.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

2. The proxy holder shall prove his / her identity at the time of attending the Meeting.
3. When a member appoints a proxy and both the member and proxy attend the meeting, the proxy stands automatically revoked.
4. Corporate members are required to send to the Company a certified copy of the Board Resolution (together with the respective specimen signatures), pursuant to Section 113 of the Companies Act, 2013 (as amended) (“the Act”), authorizing their representative to attend and vote on their behalf at the Meeting.
5. In case of joint members attending the meeting, only such joint holder who is higher in the order of

names will be entitled to vote.

6. A Statement pursuant to Section 102 of the Act and Secretarial Standard on General Meetings (SS-2), relating to the Special Business to be transacted at the Meeting is annexed hereto. Information on all the Directors proposed to be appointed / re-appointed at the Meeting as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are provided in the Annexure to this Notice.
7. The Register of Members and Share Transfer Books of the Company will remain closed from **(Saturday) 6th August, 2016 to (Friday) 12th August, 2016 (both days inclusive)**.
8. Members holding shares in electronic form may note that the Company or its Registrar and Share Transfer Agent (Karvy Computershare Private Limited, hereinafter referred to as "Karvy") can not act on any request received directly from the members holding shares in electronic form for any change in their address or bank particulars or bank mandates. Such changes are to be advised only to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address and / or bank mandates immediately to Karvy.
9. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956 (as amended) from time to time and/or relevant corresponding provisions of the Companies Act, 2013 (as amended) once notified, the due month for transferring the unclaimed final dividend for the financial year ended 30th September, 2009 to Investor Education and Protection Fund is 8th March, 2017. Shareholders, who have not yet encashed their final dividend warrants for the financial year ended 30th September, 2009 or any subsequent financial year(s) are requested to send their requests to Karvy immediately. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 12th August, 2015 (date of last Annual General Meeting) on the website of the Company ([www.chini.com](http://www.chini.com)), and also on the website of the Ministry of Corporate Affairs. No claim shall lie against the Company in respect of individual amount(s) so credited to the Investor Education and Protection Fund.
10. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website ([www.chini.com](http://www.chini.com)) under the section "Investor Corner".
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Karvy.
12. Since securities of the Company are traded compulsorily in dematerialized form as per SEBI mandate, members holding shares in physical form are requested to get their shares dematerialized at the earliest.
13. In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has engaged the services of Karvy Computershare Private Limited to provide remote e-voting facility to all the Members to enable them to cast their votes electronically in respect the business to be transacted at the Meeting. **The instructions for remote e-voting are annexed separately and forms part of this Notice.** Members who would have cast their vote by remote e-voting may attend the



Meeting, but shall not be able to vote at the Meeting. Such a member will also not be allowed to change or cast vote again. The facility of voting through electronic means ("Insta Poll") will also be available at the Meeting. Members attending the Meeting who would have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting. *(Members may note that in case of any technical failure or any other eventuality resulting into non-functionality of Insta Poll at the Meeting, the Members would be provided the facility for voting through Ballot Paper for casting their votes at the Meeting).* **The Members, whose names appear in the Register of Members / list of Beneficial Owners as on (Friday) 5th August, 2016, being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice.** A person who is not a member as on the cut-off date, (Friday) 5th August, 2016 should treat this Notice **for information purposes only.**

14. Electronic copy of the Notice of the Meeting, inter alia, indicating the process and manner of voting through electronic means along with Attendance Slip and Proxy Form and the Annual Report 2015-16 is being sent to all the Members (except those who have requested for a physical copy of the same) whose email addresses are registered with the Company's Registrar and Share Transfer Agent/Depository Participant(s). Physical copies of the Notice of the Meeting, inter alia, indicating the process and manner of voting through electronic means along with Attendance Slip and Proxy Form and the Annual Report 2015-16 is being sent (through a permitted mode) to all those members of the Company who have not registered their email addresses or have requested for a physical copy. *However, any member may request for a physical copy of the Notice of the Meeting, Attendance Slip, Proxy Form and the Annual Report 2015-16 which will be sent by the Company to the said member free of cost.* In keeping with the Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests its Members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars etc. from the Company electronically.
15. A route map and prominent landmark for easy location of the venue of the Meeting is enclosed with this Notice. Members may also note that the Notice of the Meeting along with the route map and the Annual Report 2015-16 will also be available on the website of the Company ([www.chini.com](http://www.chini.com)) for download.
16. **For convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by way of Attendance Slip, which is annexed to this Notice. Members are requested to bring their Attendance Slip, fill up and sign the same at the place provided and hand it over at the entrance of the venue of the Meeting.**
17. The Board of Directors has appointed CS Mohan Ram Goenka, Practicing Company Secretary (FCS No.: 4515/CP No.: 2551) of M/s. MR & Associates, Company Secretaries, failing him, CS Amber Ahmad, Practicing Company Secretary (ACS No.: 23152/CP No.: 8581), both of Kolkata as the Scrutinizer for scrutinizing the process of remote e-voting and e-voting (or poll as the case may be) at the Meeting venue in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-voting in presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a Consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the Results of remote e-voting and voting at the Meeting venue shall be declared by the Chairman or by any other director duly authorised in this regard. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website ([www.chini.com](http://www.chini.com)) and also be displayed on the Notice Board of the Company at its Registered Office and on the website of Karvy ([www.karvy.com](http://www.karvy.com)) immediately after the results are declared and simultaneously communicated to the Stock Exchanges.

18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act read with Rules made thereunder will be available for inspection by the Members at the Meeting.
19. Relevant documents referred to in this Notice/Explanatory Statement are open for inspection by the Members at the Meeting and such documents will also be available for inspection in physical or in electronic form at the Registered Office of the Company on all working days, except Saturdays, from 11:00 A.M. to 1:00 P.M. upto and including the date of the Meeting and also at the Meeting.

Place : Kolkata  
Date : 20th May, 2016

**Registered Office:**  
FMC Fortuna, 2nd Floor,  
234/3A, A.J.C. Bose Road, Kolkata-700020

By order of the Board  
For **Balrampur Chini Mills Limited**

Sd/-  
**Nitin Bagaria**  
Company Secretary



## **EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

As required under Section 102 of the Companies Act, 2013 (as amended) the following Explanatory Statement sets out all material facts relating to the Special Business set out from Item No. 4 to Item No. 9 of the accompanying Notice dated 20th May, 2016.

### **Item No. 4**

The Shareholders at the 38th Annual General Meeting of the Company, which was held on 7th August, 2014, re-appointed Smt. Meenakshi Saraogi as Joint Managing Director of the Company for a period of 3 (three) years, with effect from 1st April, 2014.

However, Smt. Saraogi relinquished her office as Joint Managing Director, owing to her indifferent health, with effect from the end of business hours on 31st May, 2015 and is continuing as a Non-Executive Director thereafter.

Accordingly, the terms and conditions (including remuneration) as applicable to the Non-Executive Directors of the Company are applicable to Smt. Saraogi. As a Non-Executive Director of the Company, she is entitled to receive sitting fees and commission within the limits prescribed under the Companies Act, 2013 (as amended), subject to such modifications as may be approved by the Shareholders / Board of Directors.

Since the appointment of Smt. Saraogi as Joint Managing Director was approved by the Shareholders, it is considered prudent to seek members consent for change of category and designation of Smt. Saraogi.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Smt. Saraogi as a Non-Executive Director. Accordingly, the Board recommends the resolution in relation to change of designation of Smt. Saraogi, for approval by the Members of the Company.

Brief resume of Smt. Meenakshi Saraogi, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors inter-se, etc., are provided as Annexure to this Notice.

Smt. Meenakshi Saraogi has no interest in the resolution set out at Item No. 4 of the Notice, apart from receiving remuneration and as member of the Company. Shri Vivek Saraogi, being son of Smt. Meenakshi Saraogi, is also deemed to be interested in the resolution.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the ordinary resolution as set out at Item No. 4 of this Notice for approval by the Shareholders.

### **Item No. 5**

The Shareholders at the 39th Annual General Meeting of the Company, which was held on 12th August, 2015, had approved the payment of commission to the Non-Executive Directors of the Company upto 1% of the net

profits of the Company in any financial year or Rs. 30,00,000/- (Rupees Thirty Lakhs only), whichever is lower, (over and above usual sitting fees) for 5 years commencing from 1st April, 2015.

The Non-Executive Directors of the Company contribute significantly to the growth of the Company by bringing professional expertise, rich and wide experience. It is therefore proposed to pay commission to the Non-Executive Directors of the Company, commensurate with their enhanced role and involvement, in any case not exceeding the limit of 1% of the net profits of the Company or Rs. 80,00,000/- (Rupees Eighty Lakhs only) in aggregate, along with the applicable taxes, whichever is lower, in any financial year, as specified in Section 197(1)(ii)(A) of the Companies Act, 2013 (as amended) ("the Act"), computed in the manner laid down in Section 198 of the Act. The quantum of commission payable to each of the Non-Executive Directors for each year may be decided by the Board as it may deem fit based on the recommendation of the Nomination & Remuneration Committee with effect from the financial year commencing from 1st April, 2016.

All Non-Executive Directors of the Company may be deemed interested in the resolution set out at Item No. 5 of this Notice to the extent of commission payable to them in accordance with the proposed resolution.

Shri Vivek Saraogi being son of Smt. Meenakshi Saraogi (Non-Executive Director) is also deemed to be interested in the resolution. Shri Vivek Saraogi and Smt. Meenakshi Saraogi have no other interest apart from receiving remuneration and as members of the Company.

Other relatives of Non-Executive Directors may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. None of the other Directors, KMP and their relatives is in any way, concerned or interested, financially or otherwise, in the proposed resolution. The Board of Directors recommends passing of the resolution as special resolution.

#### **Item No. 6**

Pursuant to Section 161 of the Companies Act, 2013 (as amended) ("the Act"), Shri Sakti Prasad Ghosh was appointed as an Additional (Non-Executive Independent) Director of the Company w.e.f. 4th November, 2015 to hold such office till the conclusion of the ensuing Annual General Meeting of the Company. A notice under Section 160 of the Act along with requisite deposit has been received by the Company from a member proposing the candidature of Shri Ghosh as a Director of the Company. In terms of Section 149 and other applicable provisions of the Act, Shri Ghosh being eligible, offers himself for appointment and is proposed to be appointed as an Independent Director for a period of five consecutive years, at the ensuing Annual General Meeting. Shri Ghosh, if appointed, will hold office for a term of 5 consecutive years ending on 30th September, 2020. In terms of Sections 149 and 152 of the Act, Shri Ghosh is not liable to retire by rotation. In the opinion of the Board, Shri Ghosh fulfills the conditions specified in the Act and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for his appointment as an Independent Director of the Company and is independent of the management.

Brief resume of Shri Sakti Prasad Ghosh, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors inter-se, etc., are provided as Annexure to this Notice.

Based on the recommendation received from the Nomination & Remuneration Committee and in view of his





skills, knowledge and experience, it is proposed to appoint Shri Ghosh as an Independent Director of the Company in terms of Section 149 read with Section 152 of the Act and Regulation 16 of the Listing Regulations. Shri Ghosh has given his consent to act as an Independent Director of the Company and has furnished necessary declarations to the Board of Directors that he meets the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16 of the Listing Regulations. Further as per the declarations received by the Company, Shri Ghosh is not disqualified under Section 164 of the Act. The directorships held by Shri Ghosh are within the limits prescribed under the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

Copy of the letter for appointment of Shri Ghosh as an Independent Director setting out the terms and conditions of appointment and a copy each of the resolutions passed by the Nomination & Remuneration Committee and the Board of Directors at their respective meetings, as referred to above, are available for inspection by the Members of the Company at the Registered Office of the Company on all working days (except Saturdays), between 10.00 A.M. and 1.00 P.M. upto and including the date of Annual General Meeting and also at the Meeting.

Keeping in view his vast expertise and knowledge, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Ghosh as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Ghosh as an Independent Director, for the approval by the Members of the Company. Except Shri Ghosh, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

#### **Item No. 7**

Pursuant to Section 161 of the Companies Act, 2013 (as amended) ("the Act"), Shri Sumit Mazumder was appointed as an Additional (Non-Executive Independent) Director of the Company w.e.f. 21st May, 2016 to hold such office till the conclusion of the ensuing Annual General Meeting of the Company. A notice under Section 160 of the Act along with requisite deposit has been received by the Company from a member proposing the candidature of Shri Mazumder as a Director of the Company. In terms of Section 149 and other applicable provisions of the Act, Shri Mazumder being eligible, offers himself for appointment and is proposed to be appointed as an Independent Director for a period of five consecutive years, at the ensuing Annual General Meeting. Shri Mazumder, if appointed, will hold office for a term of 5 consecutive years ending on 30th April, 2021. In terms of Sections 149 and 152 of the Act, Shri Mazumder is not liable to retire by rotation. In the opinion of the Board, Shri Mazumder fulfills the conditions specified in the Act and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for his appointment as an Independent Director of the Company and is independent of the management.

Brief resume of Shri Sumit Mazumder, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors inter-se, etc., are provided as Annexure to this Notice.

Based on the recommendation received from the Nomination & Remuneration Committee and in view of his skills, knowledge and experience, it is proposed to appoint Shri Mazumder as an Independent Director of the Company in terms of Section 149 read with Section 152 of the Act and Regulation 16 of the Listing Regulations. Shri Mazumder has given his consent to act as an Independent Director of the Company and has furnished necessary declarations to the Board of Directors that he meets the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16 of the Listing Regulations. Further as per the declarations received by the Company, Shri Mazumder is not disqualified under Section 164 of the Act. The directorships held by Shri Mazumder are within the limits prescribed under the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

Copy of the letter for appointment of Shri Mazumder as an Independent Director setting out the terms and conditions of appointment and a copy each of the resolutions passed by the Nomination & Remuneration Committee and the Board of Directors at their respective meetings, as referred to above, are available for inspection by the Members of the Company at the Registered Office of the Company on all working days (except Saturdays), between 10.00 A.M. and 1.00 P.M. upto and including the date of Annual General Meeting and also at the Meeting .

Keeping in view his vast expertise and knowledge, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Mazumder as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Mazumder as an Independent Director, for the approval by the Members of the Company. Except Shri Mazumder, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

#### **Item No. 8**

The Board, on recommendation of the Audit Committee, had approved the appointment of M/s N. Radhakrishnan & Co., Cost Accountants (Firm Registration No.: 000056) as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company relating to Sugar (including Industrial Alcohol) and Electricity for the financial year ending 31st March, 2017 at a remuneration of Rs. 3,50,000/- plus reimbursement of out of pocket expenses. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended), the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested, financially or otherwise, in the proposed resolution. The Board recommends the ordinary resolution as set out in Item No. 8 for approval by the Shareholders.

#### **Item No. 9**

As per the provisions of Section 20 of the Companies Act, 2013 (as amended), a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his



office or address or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its Annual General Meeting.

Accordingly, the Board recommends the ordinary resolution as set out in Item No. 9 of this Notice, for approval by the Shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives, except to the extent of their shareholding, if any, in the Company, is in any way, concerned or interested, financially or otherwise, in the said resolution.

Place: Kolkata  
Date: 20th May, 2016

By Order of the Board  
For **Balrampur Chini Mills Limited**

**Registered Office:**  
FMC Fortuna, 2nd Floor,  
234/3A, A.J.C. Bose Road, Kolkata-700020

Sd/-  
**Nitin Bagaria**  
Company Secretary

**APPOINTMENT OF REGISTRAR AND SHARE TRANSFER AGENT ("RTA")**

The Board of Directors of the Company has appointed Karvy Computershare Private Limited as its RTA with effect from 1st April, 2016.

Shareholders are, therefore, requested to send the documents / correspondence relating to the Company's securities and share transfer activity to the RTA at the following address:

**Karvy Computershare Private Limited**  
Karvy Selenium Tower B, Plot No. 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad-500032.  
Tel. No. 040-67161500  
Fax No. 040-23420814  
Toll Free No. 18003454001  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

### **Annexure to the Notice**

As per the requirements of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard - 2 as issued by the Institute of Company Secretaries of India, a statement containing the requisite details of the concerned Directors is given below:

<b>Name</b>	<b>Smt. Meenakshi Saraogi</b>	<b>Shri Sakti Prasad Ghosh</b>	<b>Shri Sumit Mazumder</b>
DIN	00361421	00183802	00116654
Date of Birth	5 <sup>th</sup> March, 1944	2 <sup>nd</sup> October, 1939	11 <sup>th</sup> February, 1948
Age	About 72 years	About 76 years	About 68 years
Profile	A graduate in Arts, Smt. Meenakshi Saraogi looked after the factory operations of the Company for more than 31 years and is the driving force behind the Company. She was awarded the Padma Shri for the year 1992 for her contribution to the Trade and Industry.	Shri Sakti Prasad Ghosh has enormous experience in the field of finance, investment, Regulatory affairs and Training owing to his long association with the Reserve Bank of India, spanning over four and half decades. He retired on superannuation as the Executive Director of National Housing Bank. He has also served as Senior Financial Analyst in NABARD and was associated with Asian Development Bank and CITI Bank post his superannuation.	Shri Sumit Mazumder, MBA by qualification, is the Managing Director of TIL Limited since 1995 and also the Chairman of Tractors India Private Limited. He was appointed as the President of CII (Confederation of Indian Industry) for 2015-16 and is associated with many other companies.
Qualification	Graduate in Arts	Masters in Commerce, CAIIB from Indian Institute of Bankers, Diploma in Industrial Finance from Indian Institute of Bankers and Diploma in Financial Management from Jamunalal Bajaj Institute of Management.	Graduate from St. Xavier's College, Kolkata and Masters in Business Administration from Sam Houston State University, Texas, USA. He also undertook the Advanced Management Program at Harvard Business School, Massachusetts, USA.
Experience and Expertise in specific functional area	Business Operations, Management and Administration of Sugar Company.	Finance, Investment, Regulatory affairs and Training.	Business Management and diverse experience being on the board of several companies.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	Re-appointment as Non-Executive Director, entitled to receive commission and sitting fees as per the provisions of the Companies Act, 2013.	Appointment w.e.f. 4th November, 2015 as per the terms and conditions of appointment as Non Executive Independent Directors, as displayed on the Company's website at the following weblink: <a href="http://www.chini.com/Terms_and_conditions_of_appointment_of_Non_Executive_Independent_Director.pdf">http://www.chini.com/Terms_and_conditions_of_appointment_of_Non_Executive_Independent_Director.pdf</a>	Appointment w.e.f. 21st May, 2016 as per the terms and conditions of appointment as Non-Executive Independent Directors, as displayed on the Company's website at the following weblink: <a href="http://www.chini.com/Terms_and_conditions_of_appointment_of_Non-Executive_Independent_Director.pdf">http://www.chini.com/Terms_and_conditions_of_appointment_of_Non-Executive_Independent_Director.pdf</a>

Name	Smt. Meenakshi Saraogi	Shri Sakti Prasad Ghosh	Shri Sumit Mazumder
Remuneration last drawn by such person, if applicable	Refer Annexure VI to the Board's Report	Refer Annexure VI to the Board's Report	Nil
Date of first appointment on the Board	6th March, 1981	4th November, 2015	21st May, 2016
Membership/Chairmanship of Committees of the Board of Directors of the Company	Refer Annexure VII to the Board's Report	Refer Annexure VII to the Board's Report	None
Other Directorships and Membership/Chairmanship of Committees of other Boards	None	<p><b>Listed Companies (excluding foreign companies)</b>            -Shristi Infrastructure Development Corporation Limited            (Chairman of Audit Committee and Share Transfer Committee. Member of Nomination &amp; Remuneration Committee and Stakeholders Relationship Committee)</p> <p><b>Unlisted Companies (excluding foreign companies)</b>            -Bengal Shristi Infrastructure Development Limited            (Chairman of Audit Committee and Nomination &amp; Remuneration Committee)</p> <p>-Bengal Ambuja Housing Development Limited            (Member of Audit Committee, Nomination &amp; Remuneration Committee and CSR Committee)</p> <p>-DBS Affordable Home Strategy Limited            -Shristi Housing Development Limited            (Member of Audit Committee and Nomination &amp; Remuneration Committee)</p> <p>-Home First Finance Company India Private Limited            (Member of Audit Committee)</p>	<p><b>Listed Companies (excluding foreign companies)</b>            -TIL Limited            (Chairman of CSR Committee. Member of Stakeholders Relationship Committee)</p> <p><b>Unlisted Companies (excluding foreign companies)</b>            -Paharpur Cooling Towers Limited            (Member of Audit Committee, Nomination &amp; Remuneration Committee and Selection Committee)            -Tractors India Private Limited            (Member of CSR Committee)            -West Bengal Industrial Development Corporation Limited            -Marbellous Trading Pvt. Limited            -Salgurn Merchants Pvt. Limited            -BP Commodities Pvt. Limited            -Ansuya Agencies Pvt. Limited            -Subhmangal Tracom Pvt. Limited            -The Bengal Club Limited</p>
Number of shares held in the Company	1,42,44,300 equity shares	Nil	Nil

Name	Smt. Meenakshi Saraogi	Shri Sakti Prasad Ghosh	Shri Sumit Mazumder
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mother of Shri Vivek Saraogi, Managing Director	None	None
Number of Meetings of the Board attended during the year	Refer Annexure VII to the Board's Report	Refer Annexure VII to the Board's Report	N. A.

Place: Kolkata  
Date: 20th May, 2016

**Registered Office:**  
FMC Fortuna, 2nd Floor,  
234/3A, A.J.C. Bose Road, Kolkata-700020

By Order of the Board  
For **Balrampur Chini Mills Limited**

Sd/-  
**Nitin Bagaria**  
Company Secretary



## Balrampur Chini Mills Limited

CIN: L15421WB1975PLC030118

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

Phone: (033) 22874749, Fax: (033) 22873083

Email: bcml@bcml.in, Website: www.chini.com



Folio No./ DP ID & Client ID :

SL :

Number of shares held :

Name & Address :

Dear Member,

### Sub: Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 (as amended) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the members facility of voting by electronic means through remote e-voting (i.e. voting electronically from a place other than the venue of the General Meeting) in respect of business to be transacted at the 40th Annual General Meeting (AGM) of the Company scheduled to be held on 12th August, 2016 (Friday) at 10.30 A.M. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating voting by electronic means and the business may be transacted through e-voting service provided by Karvy. The remote e-voting particulars are set out below:

E-Voting Event Number (EVEN)	User ID	Password

The remote e-voting facility is available during the following period:

Commencement of remote e-voting : 9th August, 2016 (Tuesday) at 10.00 A.M.

End of remote e-voting : 11th August, 2016 (Thursday) at 5.00 P.M.

The cut-off date for the purpose of remote e-voting and voting at the AGM is 5th August, 2016 (Friday). E-voting facility is available at the website – <https://evoting.karvy.com>. Please read the instructions printed overleaf before exercising remote e-voting. The Notice of the AGM dated 20th May, 2016 (“the Notice”) is enclosed herewith and can also be downloaded from the Karvy website – <https://evoting.karvy.com> and the Company website – [www.chini.com](http://www.chini.com)

Place : Kolkata

Date : 20th May, 2016

By order of the Board  
For **Balrampur Chini Mills Limited**

### Registered Office:

FMC Fortuna, 2nd Floor,  
234/3A, A.J.C. Bose Road, Kolkata-700020

Sd/-  
**Nitin Bagaria**  
Company Secretary

## INSTRUCTIONS FOR E-VOTING AND GENERAL INFORMATION

Shareholders are requested to read the instructions/ steps detailed below before exercising/ casting their vote:

The Company has entered into an arrangement with Karvy Computershare Private Limited (Karvy) for facilitating e-voting for AGM. The instructions for e-voting are as under:

1. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
2. Enter the login credentials (i.e. User ID & password) as mentioned overleaf or as mentioned in the email (in case you receive an email from Karvy on your registered email address):

User ID	Folio Number registered with the Company / DP ID – Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for login.
Password	Your Unique password is printed overleaf.
Captcha	Enter the Verification code for security reasons i.e., please enter the alphabets and numbers in the exact way as they are displayed.

3. After entering these details appropriately, click on “LOGIN”
4. You will now reach Password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with atleast one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the e- voting “EVEN”.
7. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/ AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR / AGAINST” taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option “ABSTAIN”. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
8. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
9. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
10. You may then cast your vote by selecting an appropriate option and click on “Submit”. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify.
11. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID: bcmlagm2016@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Balrampur Chini Mills Limited\_Annual General Meeting”.
12. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
13. In case of any query, you may refer Help & Frequently Asked Questions (FAQs) section of https://evoting.karvy.com (Karvy Website) or call Karvy on 040-67161500 & Toll Free No.1800 3454 001.

### General Information:

- i. Shareholders of the Company, as on the cut-off date, may cast their vote electronically. The voting rights of the shareholders shall be ONE VOTE PER EQUITY SHARE registered in the name of the shareholder **as on the cut-off date i.e. 5th August, 2016 (Friday)**.
- ii. Any person who becomes a member of the Company after the dispatch of the Notice of the AGM and holds shares as on the cut-off date may obtain Password by contacting Karvy Computershare Private Ltd.
- iii. The Remote E- voting period commences on **9th August, 2016 (Tuesday) at 10.00 A.M. and ends on 11th August, 2016 (Thursday) at 5.00 P.M.** During this period, Shareholders of the Company may cast their votes electronically. The E-voting module shall be disabled by Karvy for voting thereafter.
- iv. Shareholders who have not cast their votes electronically, may only cast their vote at the AGM.
- v. The Board of Directors has appointed CS Mohan Ram Goenka, Practicing Company Secretary (FCS No.: 4515/CP No.: 2551) of M/s. MR & Associates, Company Secretaries, failing him, CS Amber Ahmad, Practicing Company Secretary (ACS No.: 23152/CP No.: 8581), both of Kolkata as the Scrutinizer for scrutinizing the process of remote e-voting in a fair and transparent manner.
- vi. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the 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 shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any duly authorized Director and who shall declare the result of the voting forthwith. Resolution(s) shall be deemed to be passed on the date of AGM subject to receipt of requisite number of votes in favour of Resolution(s).
- vii. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website (www.chini.com) and also be displayed on the Notice Board of the Company at its Registered Office and on the website of Karvy (https://evoting.karvy.com/) immediately after the results are declared and simultaneously communicated to the Stock Exchanges.

**ATTENDANCE SLIP****Balrampur Chini Mills Limited**

CIN: L15421WB1975PLC030118

Registered Office: FMC Fortuna, 2nd Floor,

234/3A, A.J.C. Bose Road, Kolkata – 700 020,

Phone: (033) 22874749, Fax: (033) 22873083,

Email: bcml@bcml.in, Website: www.chini.com

Name of the Member / Proxy:

Address:

Email-Id:

Folio No. / Client ID:

DPID:

No(s). of Shares held:

I/ We hereby record my/our presence at the **40th Annual General Meeting** of the Company held on Friday, the 12th day of August, 2016 at 10.30 A.M. at 'Vidya Mandir', 1, Moira Street, Kolkata – 700017.

\_\_\_\_\_  
Signature of Member / Proxy

**NOTE: PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING & HANDOVER AT THE ENTRANCE DULY FILLED & SIGNED. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF ANNUAL REPORT TO THE MEETING. MEMBERS WHO HOLD SHARES IN DEMATERIALIZED FORM ARE REQUESTED TO FURNISH THEIR CLIENT ID AND DPID FOR EASY IDENTIFICATION OF ATTENDANCE AT THE MEETING. PROXIES ARE REQUESTED TO BRING THEIR IDENTITY PROOF FOR VERIFICATION AT THE ENTRANCE OF THE MEETING.**

(P.T.O)

**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]*

**Balrampur Chini Mills Limited**

CIN: L15421WB1975PLC030118

Registered Office: FMC Fortuna, 2nd Floor,

234/3A, A.J.C. Bose Road, Kolkata – 700 020,

Phone: (033) 22874749, Fax: (033) 22873083,

Email: bcml@bcml.in, Website: www.chini.com

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 above named company, hereby appoint

1. Name: ..... Address: .....

E-mail Id: ..... Signature: ....., or failing him;

2. Name: ..... Address: .....

E-mail Id: ..... Signature: ....., or failing him;

3. Name: ..... Address: .....

E-mail Id: ..... Signature: .....

(P.T.O)

**ROUTE MAP TO THE VENUE OF THE 40TH ANNUAL GENERAL MEETING OF THE COMPANY,  
TO BE HELD ON FRIDAY, THE 12TH DAY OF AUGUST, 2016**



**Prominent Landmark:** Rabindra Sadan Metro Station

**Venue of the Meeting:** 'Vidya Mandir', 1, Moira Street, Kolkata – 700017



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **40th Annual General Meeting** of the Company, to be held on Friday, the 12th day of August, 2016 at 10.30 A.M. at 'Vidya Mandir', 1 Moira Street, Kolkata – 700017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Ordinary Business:	For	Against
1.	Adoption of the Audited Financial Statements for the year ended 31st March, 2016 along with the Reports of the Board of Directors and the Auditors thereon.		
2.	Appointment of Smt. Meenakshi Saraogi, who retires by rotation.		
3.	Appointment of M/s G.P. Agrawal & Co., Chartered Accountants, as Statutory Auditors and fix their remuneration.		
<b>Special Business:</b>			
4.	Change in designation of Smt. Meenakshi Saraogi from Jt. Managing Director to Non-Executive Director.		
5.	Revision in payment of Commission to the Non-Executive Directors.		
6.	Appointment of Shri Sakti Prasad Ghosh as an Independent Director.		
7.	Appointment of Shri Sumit Mazumder as an Independent Director.		
8.	Ratification of remuneration payable to the Cost Auditors.		
9.	Charging of fee for delivery of documents in a mode specified by Member(s)		

Signed this.....day of....., 2016

**Signature of Shareholder**

**Signature of Proxy holder(s)**

Affix  
Revenue  
Stamp here

**Notes: 1. For the resolutions, explanatory statements and Notes, please refer the Notice of 40th Annual General Meeting.**

**2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**3. If you wish to vote for a Resolution, place a tick in the corresponding box under the column marked "For". If you wish to vote against a Resolution, place a tick in the corresponding box under the column marked "Against". If no direction is given, your Proxy may vote or abstain as he/ she thinks fit.**