

**Independent Auditors' Report  
To The Members of Saraswati Sugar Mills Limited**

**Report On the Financial Statements**

We have audited the accompanying Financial Statements of Saraswati Sugar Mills Limited ("the Company") which comprises the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 misstatements, whether due to fraud or error.

**Auditor's Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal 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, but not for the



purpose of expressing an opinion on whether the Company has in place an adequate internal controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and 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 financial statements.

### **Opinion**

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

### **Emphasis of Matter**

Without qualifying, we draw attention to note no. 39 of the financial statement stating that: Pursuant to schedule II of the Companies Act, 2013 depreciation expense for the Year is decreased by Rs. 440.71 lacs and for the assets whose revised useful lives have been expired on or before 31<sup>st</sup> March, 2014, the net book value of Rs.260.52Lacs (net of deferred tax of Rs. 116.50Lacs) has been adjusted from the retained earnings.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164(2) of the Act.



f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigation on its financial position in its financial statements- Refer Note 30.1 to the financial statements;
- ii) As there is not any material foreseeable losses, on long term contracts, therefore the Company has not made any provision, required under the applicable law or accounting standards;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: New Delhi

Date: 26.05.2015

**For S. S. KOTHARI MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 000756N



*Neeraj Bansal*

**Neeraj Bansal**  
Partner

Membership No. 95960

**ANNEXURE TO THE AUDIT REPORT TO THE SARASWATI SUGAR MILLS LIMITED**

Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on the financial statement of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Management has physically verified major fixed assets during the year. There were no major discrepancies noticed on such verification between the physical balances and fixed assets records.
- (ii) (a) The inventories, other than in transit, has been physically verified by the management during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The Company has not given any loan, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (b) Since there are no such loans, comments on repayment of the principal amount and interest thereon and overdue amount at the yearend are not required.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of a continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has complied with the directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder with regard to fixed deposits accepted from public.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.



- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, custom duty, wealth tax, excise duty, service tax, value added tax and cess, which have not been deposited on account of any dispute, are as follows: -

S. No	Name of the Statute	Nature of Dues	Year	Forum where the dispute is pending	Amount (Rs. In lacs)
1	Cane Purchase Tax Act	Cane Purchase Tax	1991-1996	Punjab & Haryana High Court, Chandigarh	32.98
2	Central Excise Act, 1944	Excise Duty	2006-07 2011-12 & 2013-14	Principal Commissioner, CX & ST, Panchkula	14.92
3	Central Excise Act, 1944	Excise Duty on Export Quota	2010-11 & 2012-13	Principal Commissioner, CX & ST, Panchkula	87.82

- (c) The company has transferred the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within time.
- (viii) The Company does not have any accumulated losses as at the close of the financial year. The Company has incurred cash losses during the financial year covered by our audit but not in the immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of its dues to banks. The Company has not taken any loans from financial institutions or debenture holders.
- (x) As per the information and explanations given to us and on the basis of our examination of the records, the Company has not given any guarantee for loans taken by others from banks or financial institutions.



- (xi) As per the information and explanations given to us and on the basis of our examination of the records, in our opinion, the term loans taken by the Company have been applied for the purpose for which they were obtained.
- (xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

**For S. S. KOTHARI MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 000756N



*Neeraj Bansal*

**Neeraj Bansal**  
Partner

Membership No. 095960

Place: New Delhi

Date: 26.05.2015

**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519  
Balance Sheet as at 31st March 2015

(Rs.in lacs)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	1	709.99	709.99
(b) Reserves and surplus	2	13,898.92	17,270.89
		<b>14,608.91</b>	17,980.88
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	3	4,337.00	2,085.06
(b) Deferred tax liabilities (Net)	4	-	981.69
(c) Other Long term liabilities	5	14.74	213.35
(d) Long-term provisions	6	406.15	389.79
		<b>4,757.89</b>	3,669.89
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	7	10,204.22	8,299.30
(b) Trade payables	8	14,821.03	7,205.25
(c) Other current liabilities	9	2,394.50	3,498.29
(d) Short-term provisions	10	61.85	113.62
		<b>27,481.60</b>	19,116.46
<b>Total</b>		<b>46,848.40</b>	40,767.23
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets	11		
(i) Tangible assets		11,483.80	11,501.75
(ii) Intangible assets		4.20	5.58
(iii) Capital work-in-progress		39.67	0.13
		<b>11,527.67</b>	11,507.46
(b) Non-current investments	12	305.35	305.35
(c) Deferred tax assets (Net)	4	543.60	-
(c) Long-term loans and advances	13	100.56	99.58
		<b>12,477.18</b>	11,912.39
<b>(2) Current Assets</b>			
(a) Current Investments	14	655.00	-
(b) Inventories	15	32,574.43	26,888.90
(c) Trade receivables	16	517.90	294.11
(d) Cash and Bank Balances	17	183.54	1,203.95
(e) Short-term loans and advances	18	436.56	452.64
(f) Other current assets	19	3.79	15.24
		<b>34,371.22</b>	28,854.84
<b>Total</b>		<b>46,848.40</b>	40,767.23


Notes on financial statements

1 to 42

The Notes referred to above form an integral part of the financial statements

As per our report of even date  
For S.S. KOTHARI MEHTA & CO.  
Chartered Accountants  
Firm Registration No. 000756N

  
Sr. Vice President (Finance)

  
CA Neeraj Bansal

Partner  
Membership No. 95960



For & on behalf of the Board of Directors

Place: Noida  
Date: 26.05.2015

  
Company Secretary

  
Director  
(DIN: 00074282)

  
Managing Director  
(DIN: 00052534)

**SARASWATI SUGAR MILLS LIMITED**  
**CIN: U01115HR2000PLC034519**  
**Statement of Profit & Loss for the Year ended 31st March 2015**

(Rs.in lacs)

Particulars	Note No.	Year Ended 31.03.2015	Six Months Period Ended 31.03.2014
I. Revenue from operations	20	38,521.60	22,199.40
II. Other income	21	578.84	508.97
<b>III. Total Revenue (I+II)</b>		<b>39,100.44</b>	<b>22,708.37</b>
IV. Expenses:			
a) Cost of raw materials consumed	22	41,098.03	34,010.99
b) Changes in inventories of finished goods & work in progress	23	(5,693.05)	(16,007.45)
c) Employee benefits expense	24	3,203.71	1,734.81
d) Finance costs	25	1,131.62	292.25
e) Depreciation and amortization expense	26	768.37	545.89
f) Other expenses	27	3,111.99	2,410.66
<b>IV. Total expenses</b>		<b>43,620.67</b>	<b>22,987.15</b>
<b>V. Profit / (Loss) before Tax (III-IV)</b>		<b>(4,520.23)</b>	<b>(278.78)</b>
VI. Tax expense:			
(a) Current tax	28	-	(221.35)
(b) Deferred tax	4	(1,408.79)	(38.02)
		(1,408.79)	(259.37)
<b>VII. Profit / (Loss) after Tax for the period (V-VI)</b>		<b>(3,111.44)</b>	<b>(19.41)</b>
<b>VIII. Basic /Diluted earning per share of Rs. 10 Each (Rs.)</b>	29	<b>(43.82)</b>	<b>(0.27)</b>


Notes on financial statements

1 to 42

The Notes referred to above form an integral part of the financial statements

As per our report of even date  
For S.S. KOTHARI MEHTA & CO.  
Chartered Accountants  
Firm Registration No. 000756N

  
Sr. Vice President (Finance)

  
**CA Neeraj Bansal**  
Partner  
Membership No. 95960



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

Place: Noida  
Date: 26.05.2015

  
Company Secretary

  
**Director**  
(DIN: 00074282)

  
**Managing Director**  
(DIN: 00052534)



**SARASWATI SUGAR MILLS LIMITED**  
**CIN: U01115HR2000PLC034519**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31.03.2015**

(Rs.In lacs)

Particulars	Year ended 31.03.2015	Six months period ended 31.03.2014
<b>A. Cash flow from Operating activities:</b>		
Net (loss)/profit before tax but after exceptional/extraordinary items	<b>(4,520.23)</b>	<b>(278.78)</b>
Adjustments for:		
Depreciation	768.37	545.89
Interest Expense	843.03	227.02
Interest/Dividend Income	(88.03)	(227.86)
(Profit)/Loss on Fixed Assets sold (Net)	(33.37)	(278.75)
(Profit)/Loss on Sale of Investment	(169.27)	(1.39)
(Profit)/Loss on Sale/Revaluation of store	6.12	0.38
Debts / Advances Written off	2.13	-
Liability no longer required written back	(8.65)	(0.66)
Provision for Gratuity	56.88	(12.14)
Provision for Leave Encashment	36.25	19.28
Pension Provision	235.49	129.14
Provision for Bonus	0.45	0.30
Any other non cash item		
<b>Operating profit before working capital changes</b>	<b>(2,870.82)</b>	<b>122.43</b>
<b>Adjustments for changes in working capital :</b>		
- (Increase)/Decrease in Trade Receivable	(225.92)	112.33
- (Increase)/Decrease in Other Receivables	60.51	330.71
- (Increase)/Decrease in Inventories	(5,691.64)	(16,081.73)
- Increase/(Decrease) in Trade and Other Payables	7,346.81	4,277.47
<b>Cash generated from operations</b>	<b>(1,381.06)</b>	<b>(11,238.78)</b>
- Taxes (Paid) / Received (Net of TDS)	(12.23)	(8.15)
<b>Net cash from operating activities</b>	<b>(1,393.29)</b>	<b>(11,246.93)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(1,261.48)	(252.13)
Proceeds from Sale of fixed assets	129.25	436.10
Proceeds from Sale of Investments	(485.73)	3,085.75
Interest/Dividend Received (Revenue)	99.48	226.38
<b>Net cash used in investing activities</b>	<b>(1,518.48)</b>	<b>3,496.10</b>
<b>C. Cash flow from Financing activities:</b>		
Proceeds/(Repayment) of Secured loans	5,451.87	8,188.85
Proceeds/(Repayment) of unsecured loans	(2,340.35)	(285.83)
Interest Paid	(1,220.16)	(203.97)
Dividend Paid	-	-
Corporate Dividend Tax Paid	-	-
<b>Net cash used in financing activities</b>	<b>1,891.36</b>	<b>7,699.05</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,020.41)</b>	<b>(51.78)</b>



**SARASWATI SUGAR MILLS LIMITED**  
**CIN: U01115HR2000PLC034519**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31.03.2015**

(Rs.in lacs)

Particulars	Year ended 31.03.2015	Six months period ended 31.03.2014
<b>Cash and cash equivalents as at 31.03.2014</b>	<b>1,203.95</b>	<b>1,255.73</b>
<b>Cash and cash equivalents as at 31.03.2015</b>	<b>183.54</b>	<b>1,203.95</b>
<b>Cash and cash equivalents comprise</b>		
Cash, cheques & drafts (in hand) and remittances in transit	108.68	110.70
Current accounts(dividend account)	-	-
Balance with Scheduled Banks	74.86	947.15
Fixed Deposits	-	146.10
	<b>183.54</b>	<b>1,203.95</b>

**Notes :**

- 1 The above Cash flow statement has been prepared under the indirect method setout in Accounting Standard (AS) - 3.
- 2 Figures in brackets indicate cash outgo.
- 3 Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

As per our report of even date.  
for S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Registration No. 000756N

*Neeraj Bansal*

CA. Neeraj Bansal  
Partner  
Membership No.095960



*Sanjay Mehta*  
Sr. Vice President (Finance)

For & on behalf of the Board of Directors

Place: Noida  
Dated : 26.05.2015

*Sanjay Mehta*  
Company Secretary

*Sanjay Mehta*  
Director  
(DIN: 00074282)

*Sanjay Mehta*  
Managing Director  
(DIN: 00052534)

**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519

**Notes on Financial Statements**

**Note 1 Share Capital**

Particulars	( Rs.in lacs)	
	As at 31.03.2015	As at 31.03.2014
<b>Authorized</b>		
71,00,000 (Previous year 71,00,000) equity shares of Rs.10/- each	710.00	710.00
<b>Issued, Subscribed and fully paid up</b>		
70,99,900 (Previous year 70,99,900) equity shares of Rs.10/- each fully paid up	<b>709.99</b>	709.99
<b>Total</b>	<b>709.99</b>	709.99

Notes :

**i) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each share holder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion of number of equity shares held by each equity share holder.

**ii) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting Year:**

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number of shares	( `In lacs)	Number of shares	( `In lacs)
Equity shares outstanding at the beginning of the Year	70,99,900	709.99	70,99,900	709.99
Add : issued during the Year	-	-	-	-
Less : shares bought back	-	-	-	-
<b>Equity shares outstanding at the close of the Year</b>	<b>70,99,900</b>	<b>709.99</b>	<b>70,99,900</b>	<b>709.99</b>

**iii) Shares held by holding company or ultimate holding company and shareholders holding more than 5% shares in the Company**

Class of Shares / Names of Shareholder:	As at 31.03.2015		As at 31.03.2014	
	No. of shares	% holding	No. of shares	% holding
Equity Shares with voting rights - Isgec Heavy Engineering Limited and its nominees (600 shares)	70,99,900	100%	70,99,900	100%



**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519

**Notes on Financial Statements**

**Note 2 Reserves and Surplus**

Particulars	(Rs.in lacs)	
	As at 31.03.2015	As at 31.03.2014
<b>(i) Securities Premium Account</b>		
Balance outstanding at the beginning of the year	6,300.00	6,300.00
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of year	6,300.00	6,300.00
<b>(ii) General Reserve</b>		
Balance outstanding at the beginning of the year	1,318.74	1,318.74
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of year	1,318.74	1,318.74
<b>(iii) Surplus in Statement of Profit &amp; Loss</b>		
Balance outstanding at the beginning of the year	9,652.15	9,671.56
Add: Additions during the year	(3,111.44)	(19.41)
Less: Depreciation (net of deferred taxes) (refer note 39)	(260.53)	-
Less: <u>Appropriations</u>		
Interim Dividend		
Proposed Dividend	-	
Dividend Tax		
Transfer to General Reserve		
Balance outstanding at the close of the year	6,280.18	9,652.15
<b>Total (i+ii+iii)</b>	<b>13,898.92</b>	<b>17,270.89</b>



**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519

Notes on Financial Statements

**Note 3 Long Term Borrowings**

(Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>(a) Secured Long Term Borrowings</b>		
- Term Loan Under SEFASU, 2014 Scheme Refer Note 3.1	3,549.00	-
<b>(b) Unsecured Long Term Borrowings</b>		
Deposits - Refer Note 3.2		
- Public	788.00	2,076.21
- Directors	-	8.85
<b>Total</b>	<b>4,337.00</b>	<b>2,085.06</b>

**Note 3.1 (a) : Terms of Repayment of Borrowings are as follows:**

(Rs.in lacs)

Title	Term Loan outstanding as on 31.03.15	Current maturity of Long Term Debts	Short term	Long term	Rate of Interest and Terms of Repayment
Term Loan Under SEFASU, 2014 Scheme	3,549.00	-	-	3,549.00	Interest @12% p.a, repayable in 12 equal quarterly instalments of Rs.295.75 Lac each starting from April, 16 after moratorium period of two years.
Sugar Development Fund Loan	(62.50)	(62.50)	-	-	

**Note 3.1 (b) :** Term Loan Under SEFASU, 2014 Scheme is secured by way of extension of first pari passu charge on fixed & current assets of the Company

**Note 3.2 : Details of Deposits**

(Rs.in lacs)

Deposits	Deposit outstanding as on 31.03.15	Current maturity	Short term	Long term	Period of Deposit : Rate of Interest (p.a.)	Term of repayment
Public	788.00 (3,060.33)	0.00 (982.83)	0.00 (1.29)	788.00 (2,076.21)	1 Year 8.00% 2 Year 8.50% *3 Year 10.00% *For Employees 10.25% for 3 years	Repayment on maturity date
Shareholders	-	-	-			
Directors	(8.85)	-	-	0.00 (8.85)		
<b>Total</b>	<b>788.00</b> (3,069.18)	<b>0.00</b> (982.83)	<b>0.00</b> (1.29)	<b>788.00</b> (2,085.06)		



**SARASWATI SUGAR MILLS LIMITED**  
**CIN: U01115HR2000PLC034519**

**Notes on Financial Statements**

**Note 4 Deferred Tax**

The Company estimates the deferred tax charge/(credit) for the year using the applicable tax rate based on the impact of timing difference between items in the financial statements and the estimated taxable income for the current year. The movement of provision for deferred tax is given below:-

(Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Opening Balance</b>		
-Depreciation	<b>(945.35)</b>	(980.02)
-Other Timing Differences	<b>(36.34)</b>	(39.69)
-Accumulated Tax Losses	-	-
<b>Total</b>	<b>(981.69)</b>	<b>(1,019.71)</b>
<b>Credit/(Charge) During the Year</b>	-	
-Depreciation	(31.58)	34.67
-Other Timing Differences	(4.93)	3.35
-Accumulated Tax Losses	1,445.30	-
<b>Total</b>	<b>1,408.79</b>	<b>38.02</b>
Carrying amount of the fixed asset recognised in the Op. Balance of retained earning (Refer Note 39)	<b>116.50</b>	-
<b>Closing Balance</b>		
-Depreciation	(976.93)	(945.35)
-Other Timing Differences	(41.27)	(36.34)
-Accumulated Tax Losses	1,445.30	-
-Adjustment in Opening Balance	116.50	-
<b>Total</b>	<b>543.60</b>	<b>(981.69)</b>



**SARASWATI SUGAR MILLS LIMITED**  
**CIN: U01115HR2000PLC034519**

**Notes on Financial Statements**

**Note 5 Other Long-term Liabilities**

(Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
(a) Interest accrued but not due on public deposits	14.74	213.35
<b>Total</b>	<b>14.74</b>	<b>213.35</b>



**SARASWATI SUGAR MILLS LIMITED**  
**CIN: U01115HR2000PLC034519**

**Notes on Financial Statements**

**Note 6 Long term provisions**

(Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>(a) Provision for Employees Benefits:</b>		
(i) Provision for Leave Encashment (Unfunded) (Refer Note 24.	<b>110.55</b>	100.59
(ii) Provision for Pension (Unfunded)	<b>295.60</b>	289.20
<b>Total</b>	<b>406.15</b>	389.79





**SARASWATI SUGAR MILLS LIMITED**  
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**Notes on Financial Statements**

**Note 7 Short term Borrowings**

(Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>i) Secured</b>		
(a) Loans repayable on demand		
- Cash credit - (Refer Note 7.1)	5,095.69	8,192.81
- Working Capital Demand Loan (WC DL) (Refer Note 7.1)	5,000.00	-
<b>ii) Unsecured</b>		
(a) Loans & Advances from related parties :		
- ISGEC Heavy Engineering Ltd. (Refer Note 7.2)	7.49	7.68
- ISGEC Exports Ltd. (Refer Note 7.2)	101.04	97.52
(b) Deposits:		
- Public	-	1.29
<b>Total</b>	<b>10,204.22</b>	<b>8,299.30</b>

**Note 7.1**

a) Secured by pledge of sugar and gunny bags in the mill and hypothecation of inventories and by a charge on book debts, and first charge on fixed assets of the Company.

b) Cash Credit is repayable on demand

c) WC DL is taken at interest rate of 10.50% p.a as sub limit under Cash Credit limit for a period of 90 days from the date of disbursement.

**Note 7.2**

ii) Terms of repayment of borrowings are as follows:

Particulars	Rate of Interest & Repayment time	As at 31.03.2015	As at 31.03.2014
Isgec Heavy Engineering Ltd	10.75% p.a (Repayable on demand)	7.49	7.68
Isgec Exports Ltd	6.00% p.a (Repayable on demand)	101.04	97.52



**SARASWATI SUGAR MILLS LIMITED**

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**Notes on Financial Statements**

**Note 8 Trade payables**

(Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>(a) To Micro &amp; Small Enterprises (Refer Note 8.1)</b>	-	-
<b>(b) To Other than Micro &amp; Small Enterprises</b>		
(i) To Store Suppliers	153.95	179.73
(ii) To Others (Including Cane Suppliers)	14,611.47	6,960.07
(iii) To Related Parties	55.61	65.45
<b>Total</b>	<b>14,821.03</b>	<b>7,205.25</b>

**Note 8.1 Trade Payables to Micro and Small Enterprises**

(Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
a) Amount remaining unpaid to any supplier		
Principal Amount	-	-
Interest due thereon	-	-
b) Interest paid under Micro, Small and Medium Enterprises (Development) Act, 2006	-	-
c) Interest due (other than (b) above)	-	-
d) Interest accrued and unpaid	-	-
e) Interest due and payable till actual payment	-	-



**SARASWATI SUGAR MILLS LIMITED**

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**Notes on Financial Statements**

**Note 9 Other Current Liabilities**

(Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
(a) Current maturities of long term debts		
(i) Sugar Development Fund	-	62.50
(ii) Public Deposits		
- Public	-	982.83
- Directors	-	
(b) Interest accrued but not due on borrowings	<b>39.86</b>	203.67
(c) Interest accrued and due on borrowings		-
(d) Unpaid matured deposits	-	57.11
(e) Interest accrued on unpaid matured deposits	-	14.71
(f) Creditors for Capital Expenditure:		
-Related Parties	<b>30.85</b>	2.22
-Others	<b>10.97</b>	-
(g) Statutory Remittances:		
- Statutory Dues		
- Excise Duty Payable	<b>1,263.38</b>	973.71
- Other statutory remittances (Contribution to PF, Vat , Service tax & TDS)	<b>100.59</b>	104.10
(h) Employee Benefits	<b>26.38</b>	17.68
(i) Security deposits received	<b>254.56</b>	287.57
(j) Advances received from customers	<b>273.93</b>	167.92
(k) Payable to Sugar Agents	<b>150.04</b>	392.92
(l) Other Liabilities	<b>243.94</b>	231.35
<b>Total</b>	<b>2,394.50</b>	<b>3,498.29</b>



**SARASWATI SUGAR MILLS LIMITED**  
**CIN: U01115HR2000PLC034519**

**Notes on Financial Statements**

**Note 10 Short term Provisions**

Particulars	(Rs.in lacs)	
	As at 31.03.2015	As at 31.03.2014
<b>(a) Provision for Employees Benefits:</b>		
(i) Provision for Leave Encashment (Unfunded) (Refer Note 24)	<b>8.90</b>	21.38
(ii) Provision for pension (Unfunded)	<b>25.75</b>	52.82
<b>(b) Provision for Income Tax</b>	<b>33.98</b>	48.02
Less: Prepaid Taxes	<b>6.78</b>	8.60
Net tax provision	<b>27.19</b>	39.42
<b>(c) Tax on Proposed Dividend</b>	-	-
<b>Total</b>	<b>61.85</b>	113.62



**SARASWATI SUGAR MILLS LIMITED**  
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**Notes on Financial Statements**

**Note 11 Fixed Assets**

(Rs.in lacs)

Particulars	Gross Block				Depreciation			Net Block			
	As at 1st April 2014	Additions/Transfers during the year	Deductions during the year	As at 31st March 2015	Upto 31st March 2014	During the year	Adjusted From Retained Earning	Adjustment on deduction	Upto 31st March 2015	Net Block as at 31st March 2015	Net Block as at 31st March 2014
<b>Tangible Assets</b>											
Free Hold Land	2,642.73	-	-	2,642.73	-	-	-	-	-	2,642.73	2,642.73
Buildings & Roads	1,541.41	10.39	-	1,551.80	805.79	100.63	87.81	-	994.23	557.57	735.62
Plant & Machinery	17,347.83	1,176.32	101.18	18,422.97	9,401.72	597.22	281.17	8.71	10,271.40	8,151.57	7,946.11
Furniture & Fixtures	66.05	3.39	0.19	69.25	53.12	4.77	1.45	0.11	59.23	10.02	12.93
Vehicles	507.71	12.25	3.55	516.41	386.60	40.62	0.01	0.53	426.70	89.71	121.11
Office Equipments	263.62	19.59	0.71	282.50	220.37	23.75	6.58	0.40	250.30	32.20	43.25
<b>Total (a)</b>	<b>22,369.35</b>	<b>1,221.94</b>	<b>105.63</b>	<b>23,485.66</b>	<b>10,867.60</b>	<b>766.99</b>	<b>377.02</b>	<b>9.75</b>	<b>12,001.86</b>	<b>11,483.80</b>	<b>11,501.75</b>
<b>Intangible Assets</b>											
Goodwill	342.10	-	-	342.10	342.10	-	-	0.00	342.10	0.00	0.00
Computer Software (acquired)	35.15	-	-	35.15	29.57	1.38	-	0.00	30.95	4.20	5.58
<b>Total (b)</b>	<b>377.25</b>	<b>0.00</b>	<b>0.00</b>	<b>377.25</b>	<b>371.67</b>	<b>1.38</b>	<b>-</b>	<b>0.00</b>	<b>373.05</b>	<b>4.20</b>	<b>5.58</b>
<b>Total (a) + (b)</b>	<b>22,746.60</b>	<b>1,221.94</b>	<b>105.63</b>	<b>23,862.91</b>	<b>11,239.27</b>	<b>768.37</b>	<b>377.02</b>	<b>9.75</b>	<b>12,374.91</b>	<b>11,488.00</b>	<b>11,507.33</b>
Capital Work in Progress	0.13	1,215.58	1,176.04	39.67	-	-	-	-	-	39.67	0.13
<b>Grand Total</b>	<b>22,746.73</b>	<b>2,437.52</b>	<b>1,281.67</b>	<b>23,902.58</b>	<b>11,239.27</b>	<b>768.37</b>	<b>377.02</b>	<b>9.75</b>	<b>12,374.91</b>	<b>11,527.67</b>	<b>11,507.46</b>
Previous year	22,652.24	1,131.40	1,036.91	22,746.73	10,693.67	545.89	-	0.29	11,239.27	11,507.46	

**Notes:**

- i) Cost of software includes purchase price, duties & taxes (other than refundable from tax authorities).
- ii) Opening balances of Gross block and accumulated depreciation have been regrouped/ reclassified/rearranged wherever considered necessary.
- iii) Borrowing cost capitalised during the period is nil.



**SARASWATI SUGAR MILLS LIMITED**

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**Notes on Financial Statements****Note 12 Non-Current Investments**

(Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>a) Non-Trade Investments (At Cost)</b>		
(i) Quoted - 2,65,000 (Previous year 2,65,000) Equity shares of Rs. 10 each of DCM Shriram Industries Limited	<b>304.75</b>	304.75
(ii) Unquoted - Post Office Saving Account (Extent of Investment)	<b>0.60</b>	0.60
<b>Total</b>	<b>305.35</b>	305.35
i) Aggregate Book Value of Quoted Investments:	<b>304.75</b>	304.75
Aggregate Market Value of Quoted Investments:	<b>195.84</b>	138.33
Aggregate Book Value of Unquoted Investments:	<b>0.60</b>	0.60
ii) Investment in Post Office Saving Account have been pledged as security with Cane Commissioner Haryana		



**SARASWATI SUGAR MILLS LIMITED**

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**Notes on Financial Statements****Note 13 Long-term Loans and Advances**

(Rs. in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>i) Secured, Considered Good</b>		
- Loans and Advances to employees (Refer Note 13.1)	<b>13.09</b>	15.18
<b>ii) Unsecured, considered good</b>		
- Security deposits		
-Others	<b>87.12</b>	81.12
-Related Parties		
- Income Tax on cumulative deposit scheme	<b>0.35</b>	3.28
<b>Total</b>	<b>100.56</b>	99.58

**Note 13.1** Loans to employees are secured by way of hypothication of vehicles.

**SARASWATI SUGAR MILLS LIMITED**  
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**Notes on Financial Statements**

**Note 14 Current Investments**

( Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>i) Non-Trade Investments (At cost)</b>		
Unquoted		
- Investment in Mutual Fund	655.00	-
<b>Total</b>	<b>655.00</b>	<b>-</b>
<b>Aggregate Value of Investments :</b>		
Unquoted	655.00	-

Particulars	Unit	As At 31-03-2015		As At 31-03-2014	
		No. of Units	Value (Rs. In Lacs)	No. of Units	Value (Rs. In Lacs)
SBI Ultra Short Term Debt Fund - Regular Plan - Growth	Units	36,591.32 (Nil)	655.00 (Nil)	Nil (Nil)	Nil (Nil)





**SARASWATI SUGAR MILLS LIMITED**  
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**Notes on Financial Statements**

**Note 15 Inventories**

( Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
(a) Stores & Spare parts	578.87	587.95
(b) Sugar Cane in transit	19.86	18.29
(c) Work-in-Progress: - Sugar	88.09	104.43
(d) Finished Stock: - Sugar	30,915.67	25,143.07
-Molasses	971.94	1,035.16
<b>Total</b>	<b>32,574.43</b>	<b>26,888.90</b>



**SARASWATI SUGAR MILLS LIMITED**  
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**Notes on Financial Statements**

**Note 16 Trade Receivables**

Particulars	( Rs.in lacs)	
	As at 31.03.2015	As at 31.03.2014
<b>i) Outstanding for a period exceeding six months from the date they are due for payment</b>		
- Unsecured, considered good	-	0.71
- Unsecured, considered doubtful	<b>79.23</b>	79.23
Less: Provision for Doubtful Debts	<b>(79.23)</b>	<b>(79.23)</b>
	-	0.71
<b>ii) Others</b>		
- Unsecured, considered good	<b>517.90</b>	293.40
<b>Total</b>	<b>517.90</b>	294.11



**SARASWATI SUGAR MILLS LIMITED**  
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**Notes on Financial Statements**

**Note 17 Cash and Bank Balances**

(Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>(a) Cash and Cash Equivalents</b>		
(i) Cash in hand	17.02	4.07
(ii) Cheques in hand	91.66	106.63
(iii) Bank balances with scheduled banks in Current and Cash Credit Accounts	74.86	947.15
	<b>183.54</b>	<b>1,057.85</b>
<b>(b) Other Bank Balances</b>		
(i) Deposits with original maturity upto twelve months	-	146.10
	-	146.10
<b>Total</b>	<b>183.54</b>	<b>1,203.95</b>



**SARASWATI SUGAR MILLS LIMITED**  
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**Notes on Financial Statements**

**Note 18 Short-term Loans and Advances**

Particulars	( Rs.in lacs)	
	As at 31.03.2015	As at 31.03.2014
<b>(a) Unsecured, considered good</b>		
(i) Loans and Advances		
- Employees	51.87	55.89
- Store Purchases	8.70	31.95
- Contractors	4.29	6.36
- Cane Suppliers	34.73	29.79
- Related Parties	25.00	23.00
(ii) Employees Group Gratuity-cum-LIC Scheme	180.96	135.55
(iii) Others		
- Prepaid Expenses	39.67	43.32
- Balances with Excise & Customs	91.34	124.50
- Income tax on cumulative deposits	-	2.28
<b>Total</b>	<b>436.56</b>	<b>452.64</b>



**SARASWATI SUGAR MILLS LIMITED**  
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**Notes on Financial Statements**

**Note 19 Other Current Assets**

(Rs.in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
(a) Interest accrued but not due	3.79	15.24
<b>Total</b>	<b>3.79</b>	<b>15.24</b>



**SARASWATI SUGAR MILLS LIMITED**

**CIN: U01115HR2000PLC034519**

**Notes on Financial Statements**

**Note 20 Revenue from Operations**

(Rs.in lacs)

Particulars	Year ended 31.03.2015	Six Months Period Ended 31.03.2014
<b>(a) Sale of Products:</b>		
- Sugar	34,803.71	19,688.10
- Molasses	3,608.60	2,482.05
	<b>38,412.31</b>	22,170.15
Less: Excise Duty recovered	<b>(1,563.60)</b>	(937.08)
	<b>36,848.71</b>	21,233.07
<b>(b) Sale of by-products</b>	<b>1,301.14</b>	846.70
<b>Total</b>	<b>38,149.85</b>	22,079.77
<b>(c) Other Operating Income :</b>		
- Sale of waste	240.61	94.94
- Insurance claims	-	10.56
- Miscellaneous receipts	38.55	13.78
- Lease & rent receipts	0.76	0.34
- Excess provision written back	91.83	0.01
<b>Total</b>	<b>371.75</b>	119.63
<b>Grand Total</b>	<b>38,521.60</b>	22,199.40



**SARASWATI SUGAR MILLS LIMITED**

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**Notes on Financial Statements****Note 21 Other Income**

( Rs.in lacs)

Particulars	Year ended 31.03.2015	Six Months Period Ended 31.03.2014
(a) Interest income	78.75	22.28
(b) Dividend income on investments - from Mutual Fund	-	205.58
- from Trade Investment	9.28	-
(c) Profit on sale of current investment	169.27	1.39
(d) Profit on sale/write off of assets	33.37	278.75
(e) Unclaimed balances written back	8.65	0.65
(f) Reimbursement of interest on Excise Duty	255.46	
(g) Rent receipt	0.66	0.32
(h) VAT refund	23.40	-
<b>Total</b>	<b>578.84</b>	<b>508.97</b>



SARASWATI SUGAR MILLS LIMITED  
CIN: U01115HR2000PLC034519

Notes on Financial Statements

Note 22 Raw Material Consumption

(Rs.in lacs)

Particulars	Year ended 31.03.2015	Six Months Period Ended 31.03.2014
(a) Cost of raw material consumed - Cane consumed	41,098.03	34,010.99
<b>Total</b>	<b>41,098.03</b>	<b>34,010.99</b>





**SARASWATI SUGAR MILLS LIMITED**  
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**Notes on Financial Statements**

**Note 23 Changes in inventories of finished goods & work in progress**

(Rs.in lacs)

Particulars	Year ended 31.03.2015	Six Months Period Ended 31.03.2014
Closing Stock: :		
Finished stock	<b>31,887.62</b>	26,178.23
Work-in-Progress	<b>88.09</b>	104.43
Total	<b>31,975.71</b>	26,282.66
Less: Opening Stock :		
Finished stock	<b>26,178.23</b>	10,252.52
Work-in-progress	<b>104.43</b>	22.69
Total	<b>26,282.66</b>	10,275.21
<b>Net(Increase)/Decrease in stock</b>	<b>(5,693.05)</b>	<b>(16,007.45)</b>



**SARASWATI SUGAR MILLS LIMITED**  
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**Notes on Financial Statements**

**Note 24 Employees Benefits Expenses**

Particulars	Year ended 31.03.2015	(Rs.in lacs)	
		Six Months Period Ended 31.03.2014	Remarks
(a) Salary Wages & Bonus	2,816.61	1,613.22	Expenses are not comparable as previous period was of 6 months only.
(b) Contribution to Provident Fund & other funds	246.18	90.58	
(c) Workmen & Staff welfare expenses	140.92	31.01	
<b>Total</b>	<b>3,203.71</b>	<b>1,734.81</b>	

**Note 24.1: Detail of Employee Benefit Expenses**

The disclosures required by Accounting Standard AS-15 "Employee Benefits" as notified by Central Government are as under:

**(a) Defined Contribution Plan**

The employer contribution to Provident Fund is Rs 100.22 lacs (Previous Year Rs.67.76 lacs). The fund is administered by Trust managed by the Group. Contribution to Regional Provident Fund Commissioner on account of Family Pension Scheme is Rs. 72.65 lacs (Previous Year Rs. 26.68 lacs). The contributions are charged to statement of profit & loss.

**(b) Defined Benefit Plan**

The liability for employee gratuity and leave encashment is determined on actuarial valuation using projected unit credit method. The obligations are as under:-

Particulars	Gratuity					Leave Encashment				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
<b>1. Change in Present Value of Obligation</b>										
Present value of obligation at the beginning of the period	1,148.07	1,120.72	1,055.40	947.17	853.52	121.97	130.91	125.36	116.29	108.17
Acquisition cost										
Interest cost	97.59	45.58	89.38	88.51	75.42	10.37	4.79	9.48	9.52	8.29
Current service cost	49.34	23.96	46.48	45.84	44.91	9.92	3.97	9.35	9.50	9.28
Benefits paid	(159.27)	(58.34)	(133.00)	(87.44)	(85.13)	(8.45)	(2.47)	(9.66)	(8.68)	(6.93)
Actuarial (gain)/loss on obligation	14.88	16.14	62.46	61.32	58.45	(14.36)	(15.22)	(3.62)	(1.27)	(2.52)
Present value of obligation at end of period	1,150.61	1,148.07	1,120.72	1,055.40	947.17	119.45	121.97	130.91	125.36	116.29
<b>2. Change in Fair Value of Plan Assets</b>										
Fair value of plan assets at the beginning of the period	1,283.61	1,127.20	1,054.88	950.47	813.54	N.A	N.A	N.A	N.A	N.A
Acquisition adjustment										
Expected return on plan assets	113.60	45.09	107.92	95.11	84.45	-	-	-	-	-
Contributions	99.36	113.85	106.35	105.28	145.83	-	-	-	-	-
Benefits paid	(159.27)	(58.34)	(133.00)	(87.44)	(85.13)	-	-	-	-	-
Actuarial gain/(loss) on plan assets	(5.74)	55.81	(8.94)	(8.54)	(8.22)	-	-	-	-	-
Fair value of plan assets at the end of the period	1,331.57	1,283.61	1,127.21	1,054.88	950.47	-	-	-	-	-
<b>3. Amount to be recognised In Balance Sheet</b>										
Present value of obligation as at end of the period	1,150.61	1,148.07	1,120.72	1,055.40	947.17	119.45	121.97	130.91	125.36	116.29
Fair value of plan assets as at the end of the period	1,331.57	1,283.61	1,127.20	1,054.88	950.47	-	-	-	-	-
Net Asset/(liability) recognised in Balance Sheet	180.96	135.55	6.48	(0.52)	3.30	(119.45)	(121.97)	(130.91)	(125.36)	(116.29)
<b>4. Expenses recognised in the statement of profit &amp; loss.</b>										
Current service cost	49.34	23.96	46.48	45.84	44.91	9.92	3.97	9.35	9.50	9.28
Interest cost	97.59	45.58	89.38	88.51	75.42	10.37	4.79	9.48	9.52	8.29
Expected return on plan assets	(113.60)	(45.09)	(107.92)	(95.11)	(84.45)	-	-	-	-	-
Net actuarial (gain)/loss recognised	20.62	(39.66)	71.40	69.86	66.67	(14.36)	(15.22)	(3.62)	(1.27)	(2.52)
Expenses recognised in the statement of Profit & Loss	53.95	(15.21)	99.35	109.10	102.55	5.93	(6.47)	15.21	17.75	15.05



**SARASWATI SUGAR MILLS LIMITED**  
**CIN: U01115HR2000PLC034519**

**Notes on Financial Statements**

**Note 25 Finance Cost**

(Rs.in lacs)

Particulars	Year ended 31.03.2015	Six Months Period Ended 31.03.2014
(a) Interest expenses on Borrowings		
From Bank	629.72	44.22
From Others	468.77	182.80
(b) Other borrowing cost	33.13	65.23
<b>Total</b>	<b>1,131.62</b>	<b>292.25</b>



**SARASWATI SUGAR MILLS LIMITED**  
**CIN: U01115HR2000PLC034519**

**Notes on Financial Statements**

**Note 26 Depreciation and Amortisation expenses**

(Rs.in lacs)

Particulars	Year ended 31.03.2015	Six Months Period Ended 31.03.2014
(a) Depreciation on tangible assets	766.99	544.71
(b) Amortisation of intangible assets	1.38	1.18
<b>Total</b>	<b>768.37</b>	<b>545.89</b>



**SARASWATI SUGAR MILLS LIMITED**

CIN: U01115HR2000PLC034519

**Notes on Financial Statements**

**Note 27 Other expenses**

Particulars	( Rs.in lacs)	
	Year ended 31.03.2015	Six Months Period Ended 31.03.2014
(a) Consumption of store & spare parts	942.52	679.02
(b) Chemical consumed	270.58	239.54
(c) Power & Fuel	240.53	79.21
(d) Rent	59.14	33.64
(e) Repairs to :		
- Machinery	306.22	187.38
- Building	195.66	84.91
- Others	25.30	10.23
(f) Insurance	63.72	26.66
(g) Rates & Taxes	9.16	4.02
(h) Miscellaneous Expenses		
- Packing, Forwarding & Transportation	242.24	165.88
- Office & Miscellaneous Expenses	364.60	226.44
- Commission to Selling Agents & Others	79.33	45.49
- Auditors Remuneration	3.50	3.50
- Excise duty difference on opening & closing stock of finished goods	289.66	620.55
- Legal expenses	8.51	2.65
- Loss on sale /write off stores	6.11	0.37
- Rebate & Discount	1.00	0.91
- Director Sitting & Other Expenses	1.08	0.26
- Donation	1.00	-
- Bad Debts Written Off	2.13	-
<b>Total</b>	<b>3,111.99</b>	<b>2,410.66</b>



**SARASWATI SUGAR MILLS LIMITED**  
**CIN: U01115HR2000PLC034519**

**Notes on Financial Statements**

**Note 28 Tax Expense**

( Rs.in lacs)

Particulars	Year ended 31.03.2015	Six Months Period Ended 31.03.2014
(a) Current Tax (including earlier years*)	-	(221.35)
<b>Total</b>	-	<b>(221.35)</b>

\* Provision for tax includes provision for earlier years required as a result of assessments & computation of taxable income.



**SARASWATI SUGAR MILLS LIMITED**  
**CIN: U01115HR2000PLC034519**

**Notes on Financial Statements**

**Note 29 Earning Per Share**

In accordance with Accounting Standard (AS - 20) on 'Earning Per Share', the following table reconciles the numerator and denominator used to calculate Basic and Diluted earning per Share:

Particulars	Year Ended 31.03.2015	Six Month Period Ended 31.03.2014
(a) Profit/(Loss) available to Equity Shareholders (Rs. In lacs)	<b>(3,111.44)</b>	(19.41)
(b) Weighted Average number of Equity Shares	<b>70,99,900</b>	70,99,900
(c) Nominal value of Equity Shares (in Rs.)	<b>10</b>	10
(d) Basic and Diluted Earnings Per Share [(a)/(b)] (in Rs.)	<b>(43.82)</b>	(0.27)



**SARASWATI SUGAR MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2015**

**Note: 30**

30.1 Contingent Liability and Commitments not provided for in respect of:

S. No.	Particular	Amount (Rs. In lacs)
1	Cenvat reversal	14.92 (9.42)
2	Additional excise duty on export quota	87.82 (Nil)
3	Cane suppliers	66.65 (49.66)
4	Local Area Development Tax (LADT)	190.39 (167)
5	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4.80 (378.60)

Figures of previous year are indicated in parentheses

- 30.2 The case challenging the Levy Sugar Price Fixation for the season 1980-81 to 1999-2000 was decided in favour of the Company. The Company requested the Central Government to refix the levy sugar prices as directed by the Court. The Central Government has since amended the Essential Commodities Act nullifying the Court Judgement. The Company has challenged the amendment as malafide in the hon'ble Delhi High Court. Similar challenge has been made in the hon'ble Supreme Court by another sugar factory. The hearing of the case before the hon'ble Supreme court is yet to take place. The case filed by us has been transferred to hon'ble Supreme Court.
- 30.3 The Company and other parties challenged the levy of Local Area Development Tax under The Haryana Local Area Development Tax Act, 2000 and the Haryana Entry of Goods Into The Local Areas Act, 2008 in the hon'ble High Court of Punjab & Haryana. The hon'ble High Court decided the matter in company's favour, hence no liability was accounted for. Subsequently the hon'ble Supreme Court passed an interim order, on the appeal of the State Government, and directed all the assesseees to file the returns under the Local Area Development Tax Act. The company has since filed the returns.

**Note: 31 Segment Reporting**

The Company has one reportable segment of sugar in accordance with the principles outlined in Accounting Standard AS-17 'Segment Reporting' notified by Central Government; hence segment information is not applicable.

**Note:32 Related party transactions**

(a) Description and name of related parties:

Description of relationship

Name

Holding Company

ISGEC Heavy Engineering Limited

Key Management Personnel

Mr. Aditya Puri (Managing Director)  
 Mr. S.K.Khorana (Executive Director & Company Secretary)

Relatives of Key Management Personnel

Mr. Ranjit Puri, (Chairman & Father)  
 Mrs. Nina Puri (Mother)  
 Mrs. Tanupriya Puri (Wife)





**SARASWATI SUGAR MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2015**

Entities over which Directors and their relatives can exercise significant influence

Yamuna Syndicate Ltd.  
 ISGEC Covema Ltd.  
 ISGEC Exports Ltd.

**(b) Details of transactions with related parties are:**

(Rs. in lacs)						
S.No.	Nature of Transaction	Holding Company	Entities over which key management personnel can exercise significant influence	Key Management Personnel	Relative of Key Management Personnel	Total
1	2	3	4	5	6	7
I	Purchase of Goods	8.96 (92.84)	239.58 (229.85)	3.17 (1.53)	2.61 (1.69)	254.32 (325.91)
II	Purchase of Capital Goods	880.22 (-)	- (-)	- (-)	- (-)	880.22 (-)
III	Commission paid	- (-)	2.44 (7.22)	- (-)	- (-)	2.44 (7.22)
IV	Services Received	3.66 (-)	20.20 (10.58)	- (-)	- (-)	23.86 (10.58)
V	Interest paid/Payable	175.66 (5.42)	5.40 (2.48)	- (-)	- (-)	181.06 (7.90)
VI	Amt. Receivable at year end	- (-)	25.00 (-)	- (-)	- (-)	25.00 (-)
VII	Amt. Payable as at year end	46.07 (19.03)	148.92 (153.34)	- (-)	- (-)	194.99 (172.37)

Previous year figures are indicated in parenthesis

**Note: 33 Managerial Remuneration:**

Particulars	(Rs in Lacs)	
	Year Ended 31.03.2015	Six Months Period Ended 31.03.2014
To the Managing Director	Nil	Nil
To Other Directors:		
As Sitting Fee	0.60	0.25
<b>Total Managerial Remuneration</b>	<b>0.60</b>	<b>0.25</b>

Note: Since no commission is paid to managerial personnel, computation of profits under section 198 of



**SARASWATI SUGAR MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2015**

the Companies Act, 2013 and section 349 of the Companies Act, 1956 is not to be furnished.

**Note: 34 Revenue expenditure on Research & Development:**

Particulars	(Rs in Lacs)	
	Year Ended 31.03.2015	Six Months Period Ended 31.03.2014
Salary	2.61	1.83
Contribution to Provident Fund	0.16	0.09
<b>Total</b>	<b>2.77</b>	<b>1.92</b>

**Note: 35 Value of imported/indigenous raw materials, spare parts components & stores consumed:**

	( Rs in Lacs)			
	Year Ended 31.03.2015	Six Months Period Ended 31.03.2014	Year Ended 31.03.2015	Six Months Period Ended 31.03.2014
<b>(A) Raw Material:</b>			%	%
Imported	Nil	Nil	Nil	Nil
Indigenous-Sugarcane	41098.03	34010.99	100	100

	( Rs in Lacs)			
	Year Ended 31.03.2015	Six Months Period Ended 31.03.2014	Year Ended 31.03.2015	Six Months Period Ended 31.03.2014
<b>(B) Spares parts, Components &amp; Stores:</b>			%	%
Imported	Nil	Nil	Nil	Nil
Indigenous	1257.28	937.32	100	100

**Note:36 Expenditure in foreign currency:**

Particulars	( Rs in Lacs)	
	Year Ended 31.03.2015	Six Months Period Ended 31.03.2014
Royalty	Nil	Nil
Know-how	Nil	Nil
Travelling & Other matters	Nil	Nil



**SARASWATI SUGAR MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2015**

**Note: 37 Value of imports on CIF basis :**

Particulars	(Rs. In Lacs)	
	Year Ended 31.03.2015	Six Months Period Ended 31.03.2014
Spare parts and components (In Rs.)	Nil	Nil
Capital goods	<b>12.85</b>	Nil
Others	Nil	Nil

**Note: 38 Information on Cost Audit :**

As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information are as under :-

Sl. No.	Particulars	Description	
(a)	Product covered for Cost Audit	Sugar	
(b)	Full Particulars of Cost Auditor	M/S Jugal K. Puri & Associates Cost Accountants, Plot No. 3, Sector-22, Gurgaon 122015, Haryana	
(c)	Filing of Cost Audit Report	Year ended 31.03.2015	Year ended 31-03-2014
	i) Date of filing of Cost Audit Report	Not yet due	27.09.2014
	ii) Due date of filing of Cost Audit Report	30-09-2015	30.09.2014

**Note: 39 Revisions of Useful Lives of Fixed Assets:**

The estimated useful lives of the fixed assets have been revised in accordance with Schedule II to the Companies Act 2013, with effect from 1st April, 2014. Pursuant to these changes in useful lives, the depreciation expense for the Year ended 31st March 2015 is decreased by Rs.440.71Lacs and for the assets whose revised useful lives have been expired on or before 31st March, 2014, the net book value of Rs.260.52Lacs (net of deferred tax of Rs. 116.50Lacs) has been adjusted from the retained earnings.



**SARASWATI SUGAR MILLS LIMITED**  
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**Note: 40 Additional Information**

- 40.1** Previous year figures have been re-grouped / re-casted wherever considered necessary to confirm to current year classification.
- 40.2** The Company has changed its Financial Year ending on 30th September to ending on 31st March. The current financial year figures are for twelve months period from 1st April, 2014 to 31st March, 2015 and previous year figures are for six months period from October 2013 to March 2014 therefore not comparable with those of the previous year.

**Note: 41 Overview**

Saraswati Sugar Mills was established in 1933 and is situated in Yamunanagar, Haryana. The business, which was part of Isgec Heavy Engineering Limited (formerly The Saraswati Industrial Syndicate Limited), was demerged in 2002 into a Wholly Owned Subsidiary Company of Isgec Heavy Engineering Limited and the Company was named as Saraswati Sugar Mills Limited.

Its existing capacity is 10,000 Tonnes of cane crushing per day. The factory has been certified for ISO 9001 for Quality Management System, ISO 14001 for Environment Management System, ISO 18001 for Safety and Health Management System and HACCP System by Lloyd's Registers of Quality Assurance. About 35,000 farmers from 670 villages supply sugarcane to the Sugar Mill.

**Note: 42 Significant Accounting Policies**

**i) Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, ongoing concern basis and in terms of the Accounting Standards issued vide Companies (Accounting Standard), Rules 2006, as prescribed under section 133 of the Companies Act 2013 read with rule 7 of Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 and earlier years financial statement were prepared as per relevant provisions of the Companies Act, 1956 (refer General circular 08/2014 dated 04/04/2014 of the Ministry of Corporate Affairs for applicability of relevant provisions/ schedules/ rules of the Companies Act, 1956 for the financial statements prepared for the financial year commenced earlier than 01.04.2014) and the provisions of the Companies Act, 2013 (to the extent applicable). The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles in India.

**ii) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities and commitments on the date of the financial statements and results of operations during the reporting period. Although these estimates are



**SARASWATI SUGAR MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2015**

based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known/materialised.

**iii) Tangible Assets**

- a) Tangible Fixed assets are stated at their cost less accumulated depreciation & accumulated impairment, if any
- b) The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to working condition for the intended use & is net of recoverable duties/tax credits.
- c) Cost in respect of assets acquired by virtue of slump sale agreement with ISGEC Heavy Engineering Ltd. (formerly The Saraswati Industrial Syndicate Ltd.) is same as acquisition price.
- d) Capital spares directly attributable to the assets are depreciated with the cost of the assets.

**iv) Intangible Assets**

Intangible Assets are recognised on the basis of recognition criteria as set out in Accounting Standard AS – 26 'Intangible Assets' .

Intangible assets are stated at cost of acquisition less accumulated amortisation & accumulated impairment losses, if any.

**v) Depreciation and Amortization**

- a) Depreciation is provided on fixed assets as per useful life prescribed in Schedule II of the Companies Act, 2013 as per written down value method except in respect of certain Plant & Machinery which are depreciated as per straight line method, on pro-rata basis for additions & deletions, however useful life of sugar rollers under the head of Plant & Machinery has been estimated three years based on the technical estimates, which is different from the life specified in Schedule II of the Companies Act, 2013. In earlier years depreciation was provided on fixed assets at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- b) Intangible Assets are amortized on straight-line method over the expected duration of benefits not exceeding ten years in accordance with Accounting standard AS-26 Intangible Assets.
- c) Assets costing less than Rs. 5,000/- are fully depreciated in the year of their acquisition.

**vi) Impairment of Assets:**

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine

- a) the provision for impairment loss, if any, required or
- b) the reversal, if any, required of impairment loss recognised in previous periods.



**SARASWATI SUGAR MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2015**

Impairment loss is recognised when the carrying amount of any asset exceeds its recoverable amount.

Recoverable amount is determined

- a) in the case of an individual asset, at the higher of the net selling price and the value in use.
- b) In the case of a cash generating unit (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.

**vii) Investments**

- a) Non-current investments are valued at cost. Provision is made when, in the opinion of the management, diminution in the value of investment is other than temporary in nature.
- b) Current investments which are expected to be liquidated within one year are valued at the lower of cost or net realisable value.

**viii) Inventories**

Inventories are valued at lower of cost or net realisable value (NRV). The basis of determining cost for different categories is as under:

Raw Materials,	: At cost inclusive of incidental expenses calculated on first in first out
Components, Stores &	basis. In case if material cost is below NRV the value is reduced to
Spares	NRV. In such cases replacement cost is the best estimate of NRV.
Work- in-Progress (Sugar)	: At cost inclusive of incidental expenses.
Finished stock (Sugar)	: At cost or net realisable value whichever is less.
Finished stock (Molasses)	: At average net realisable value

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**ix) Cash & Cash Equivalents**

Cash & Cash Equivalents comprise of cash at bank and cash-in-hand. The company consider all highly liquid investments which are subject to an insignificant risk of change in value within original maturity of three months or less from date of purchase to be cash equivalent.

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and fixed deposits with banks, excluding investment in mutual fund.



**SARASWATI SUGAR MILLS LIMITED**  
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2015

**x) Revenue Recognition**

- a) Revenue is recognised on despatch of goods from the factory when substantial risks & rewards of ownership are transferred to the buyer..
- b) Insurance Claims, premium on export entitlement, export incentives, escalation and claims on account of buffer stock etc. are accounted for as and when the amounts recoverable can be reasonably determined as being acceptable to the concerned authorities / parties.

**xi) Other Income**

- (a) Interest income is generally recognised on a time proportion basis by considering the outstanding amount and applicable rate.
- (b) Income from dividend is recognised when the right to receive is established.
- (c) Other Income like sale of Scrap, profit on sale/written off of assets etc. are recognized as and when right to receive income arises, and there is no uncertainty in realisation of the same.

**xii) Employee Benefits**

As per Accounting Standard AS 15 "Employee Benefits" the provision for employee benefits is charged on accrual basis as under:

**a) Provident Fund**

Contribution to provident fund is made as per defined contribution plan through a Trust managed by group and charged to statement of Profit & Loss. Interest payable to the members shall not be at a rate lower than the statutory rate.

**b) Gratuity & Leave encashment**

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit/obligation at the Balance Sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the Balance Sheet date by an independent Actuary using the projected unit credit method. Actuarial gains or losses are immediately recognised in the statement of profit & loss and not deferred. The Company operates a Gratuity Fund Trust which in turn has taken Group Gratuity cum Life Assurance Policy with Life Insurance Corporation of India for all the employees.

**c) Other short term benefits**

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.



**SARASWATI SUGAR MILLS LIMITED**  
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2015

**d) Pension**

Provision for liability on account of pension payable to employees covered under company's pension scheme is made on accrual basis.

**xiii) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

**xiv) Research and Development**

Research and Development expenditure not fulfilling the recognition criteria as set out in Accounting Standard (AS-26) 'Intangible Assets' is charged to the statement of profit and loss. Capital expenditure on R & D is shown as addition to fixed assets.

**xv) Taxation**

Tax Expense (Tax Saving) is the aggregate of current period tax and deferred tax charged (or credited) to the statement of profit and loss for the period in accordance with Accounting Standard-22 – "Accounting for Taxes on Income" notified by Central Government under the Companies (Accounting Standards) Rules, 2006 and measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

**a) Current Year Charge**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. The Company also provides for such disallowances made on completion of assessments pending appeals, as considered appropriate, depending on the merits of each case.

**b) Deferred Tax**

The Company provides for deferred tax using the liability method based on the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current income tax provision.

**xvi) Earning Per Share**

- (a) The Company report Basic and Diluted Earning per share in accordance with Accounting Standard AS-20, Earning per Share.
- (b) Basic earning per share is computed by dividing the Net profit for the period attributable to the equity shareholder by the weighted average number of equity share outstanding during the period.
- (c) Diluted earning per share is computed by dividing the net profit for the period, adjusted for





**SARASWATI SUGAR MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2015**

the effects of dilutive potential equity shares attributable to the equity shareholders by the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except when the results are anti-dilutive.

**xvii) Provisions, Contingent Liabilities and Contingent Assets**

**a) Provisions**

Provisions are recognised for liabilities that can be measured by using a substantial degree of estimation, if:

- (i) the Company has a present obligation as a result of a past event,
- (ii) a probable outflow of resources is expected to settle the obligation and
- (iii) the amount of the obligation can be reliably estimated.

**b) Contingent Liabilities**

Contingent Liabilities are disclosed in the case of

- i) Present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- ii) A possible obligation, unless the probability of outflow of resources is remote.

**c) Contingent Assets**

Contingent Assets are neither recognised nor disclosed.

- d) Provisions, Contingent liabilities and Contingent assets are reviewed at each Balance Sheet date.

As per our report of even date  
For **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 000756N

*Neeraj Bansal*

CA Neeraj Bansal

Partner  
Membership No. 95960



Place: Noida  
Date: 26.05.2015

*[Signature]*  
Company Secretary

*[Signature]*  
Sr. Vice President (Finance)

For & on behalf of the Board of  
Directors

*[Signature]*

Director

*[Signature]*  
Managing Director

(DIN: 00074282)

(DIN: 00052534)