

**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 31st March, 2016, 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. 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 31st March, 2016 and its loss 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 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 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. 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"



g. 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.

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



A handwritten signature in blue ink, appearing to read 'Neeraj Bansal'.

Neeraj Bansal
Partner

Membership No. 95960

Place: New Delhi

Date: 26.05.2016

ANNEXURE – “A” TO THE INDEPENDENT AUDITOR’S 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 record.
- (c) Based on management certified copies (as original are pledged with banks/financial institutions as security for securing the loans), the title deed of the immovable properties of the unit are in the name of the Company. The Company is in process of obtaining certificate from banks regarding the original title deed lying with them.
- (ii) (a) The inventories, other than in-transit, have 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. As explained to us, the discrepancies noticed on verification between the physical stocks and the 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 Companies Act, 2013.
- (b) There are no such loans, comments on repayment of the principal amount and interest thereon and overdue amount at the year-end are not required.
- (iv) As per the information and explanation given to us and on the basis of our examination of the records, the company does not have any loans, investments, guarantees and security under Section 185 and 186 of the Companies Act, 2013.
- (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, value added tax, service 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	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where the dispute is pending
1	Cane Purchase Tax Act	Cane Purchase Tax	32.98	1991-1996	Punjab & Haryana Court, Chandigarh
2	Central Excise Act, 1944	Excise Duty	14.92	2006-07, 2011-12 & 2013-14	Principal Commissioner, CX & ST, Panchkula
3	Central Excise Act, 1944	Excise Duty on Export Quota	87.82	2010-11 & 2012-13	Principal Commissioner, CX & ST, Panchkula

- (viii) 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.
- (ix) As per the information and explanation given to us and on the basis of our examination of the records, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purpose for which they were obtained.
- (x) 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 by the company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of such case by the management.

- (xi) As per the information and explanation given to us and on the basis of our examination of the records, Company has not paid or provided any managerial remuneration, hence provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable.
- (xii) The company is not Nidhi Company, therefore this clause is not applicable to the company.
- (xiii) As per the information and explanation given to us and on the basis of our examination of the records, the company has transacted with the related parties which are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements – Refer Note 32 to the financial statements.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) As per the information and explanations given to us and on the basis of our examination of the records, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore this clause is not applicable to the company.

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



Neeraj Bansal
Partner
Membership No. 095960

Place: New Delhi

Date: 28.05.2016

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SARASWATI SUGAR 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 Saraswati Sugar Mills Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the 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". 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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 based on Internal Financial Control document, 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 generally operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria, system & procedures established by the unit 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".

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



A handwritten signature in blue ink, appearing to read "Neeraj Bansal".

Neeraj Bansal
Partner
M. No. 95960

Place : New Delhi

Date : 26.05.2016

SARASWATI SUGAR MILLS LIMITED
CIN: U01115HR2000PLC034519
Balance Sheet as at 31st March 2016

(Rs.in lacs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	709.99	709.99
(b) Reserves and surplus	2	12,837.49	13,898.92
		13,547.48	14,608.91
(2) Non-current liabilities			
(a) Long-term borrowings	3	7,757.98	4,337.00
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	5	211.06	14.74
(d) Long-term provisions	6	311.06	406.15
		8,280.10	4,757.89
(3) Current liabilities			
(a) Short-term borrowings	7	22,815.50	10,204.22
(b) Trade payables	8	6,809.45	14,821.03
(c) Other current liabilities	9	6,115.98	2,394.50
(d) Short-term provisions	10	74.21	61.85
		35,815.14	27,481.60
Total		57,642.72	46,848.40
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	11	10,778.34	11,483.80
(ii) Intangible assets		2.82	4.20
(iii) Capital work-in-progress		-	39.67
		10,781.16	11,527.67
(b) Non-current investments	12	305.35	305.35
(c) Deferred tax assets (Net)	4	1,018.91	543.60
(c) Long-term loans and advances	13	123.75	100.56
		12,229.17	12,477.18
(2) Current Assets			
(a) Current Investments	14	-	655.00
(b) Inventories	15	44,667.18	32,574.43
(c) Trade receivables	16	21.64	517.90
(d) Cash and Bank Balances	17	91.65	183.54
(e) Short-term loans and advances	18	630.36	436.56
(f) Other current assets	19	2.72	3.79
		45,413.55	34,371.22
Total		57,642.72	46,848.40

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

CA Neeraj Bansal

Partner

Membership No. 95960



Pankaj Malik
Pankaj Malik

Sr. Vice President (Finance)

J.K. Chowdhery
J.K. Chowdhery

Sr. Vice President (Internal Audit)

For & on behalf of the Board of Directors

Tahir Hasan
Tahir Hasan

Director

(DIN: 00074282)

Aditya Puri
Aditya Puri

Managing Director

(DIN: 00052534)

Place: Noida

S.K. Khorana
S.K. Khorana

Company Secretary

(Member Ship No.1872)

Date:

26.05.2016

SARASWATI SUGAR MILLS LIMITED
CIN: U01115HR2000PLC034519
Statement of Profit & Loss for the Year ended 31st March 2016

(Rs.in lacs)

Particulars	Note No.	Year Ended 31.03.2016	Year Ended 31.03.2015
I. Revenue from operations	20	39,805.71	38,521.60
II. Other income	21	941.00	578.84
III. Total Revenue (I+II)		40,746.71	39,100.44
IV. Expenses:			
a) Cost of raw materials consumed	22	44,262.29	41,098.03
b) Changes in inventories of finished goods & work in progress	23	(12,152.31)	(5,693.05)
c) Employee benefits expense	24	2,941.14	3,203.71
d) Finance costs	25	1,958.99	1,131.62
e) Depreciation and amortization expense	26	660.83	768.37
f) Other expenses	27	4,612.51	3,111.99
IV. Total expenses		42,283.45	43,620.67
V. Profit / (Loss) before Tax (III-IV)		(1,536.74)	(4,520.23)
VI. Tax expense:			
(a) Current tax	28	-	-
(b) Deferred tax	4	(475.31)	(1,408.79)
		(475.31)	(1,408.79)
VII. Profit / (Loss) after Tax for the period (V-VI)		(1,061.43)	(3,111.44)
VIII. Basic /Diluted earning per share of Rs. 10 Each (Rs.)	29	(14.95)	(43.82)

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


CA Neeraj Bansal
Partner
Membership No. 95960




S.K. Khorana

Company Secretary
(Member Ship No.1872)


Place: Noida

Date:

26.05.2016


Pankaj Malik

Sr. Vice President (Finance)


J.K. Chowdhery

Sr. Vice President (Internal Audit)

For & on behalf of the Board of Directors


Tahir Hasan
Director
(DIN: 00074282)


Aditya Puri
Managing Director
(DIN: 00052534)

SARASWATI SUGAR MILLS LIMITED
CIN: U01115HR2000PLC034519
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31.03.2016

(Rs.in lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
A. Cash flow from Operating activities:		
Net (loss)/profit before tax but after exceptional/extraordinary items	(1,536.74)	(4,520.23)
Adjustments for:		
Depreciation	660.83	768.37
Interest Expense	1,472.30	843.03
Interest/Dividend Income	(8.63)	(88.03)
(Profit)/Loss on Fixed Assets sold (Net)	(5.16)	(33.37)
(Profit)/Loss on Sale of Investment	(332.92)	(169.27)
(Profit)/Loss on Sale/Revaluation of store	20.85	6.12
Debts / Advances Written off	2.66	2.14
Liability no longer required written back	(13.80)	(8.65)
Provision for Gratuity	(16.83)	56.89
Provision for Leave Encashment	39.94	36.25
Pension Provision	226.75	235.49
Provision for Bonus	0.52	0.45
Any other non cash Item		
Operating profit before working capital changes	509.77	(2,870.82)
Adjustments for changes in working capital :		
- (Increase)/Decrease in Trade Receivable	493.60	(225.92)
- (Increase)/Decrease in Other Receivables	(144.54)	60.51
- (Increase)/Decrease in Inventories	(12,113.59)	(5,691.64)
- Increase/(Decrease) in Trade and Other Payables	(6,618.97)	7,346.81
Cash generated from operations	(17,873.73)	(1,381.06)
- Taxes (Paid) / Received (Net of TDS)	6.71	(12.23)
Net cash from operating activities	(17,867.02)	(1,393.29)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(23.04)	(1,261.48)
Proceeds from Sale of fixed assets	113.86	129.25
Proceeds from Sale of Investments	987.93	(485.73)
Interest/Dividend Received (Revenue)	9.70	99.48
Net cash used in investing activities	1,088.45	(1,518.48)
C. Cash flow from Financing activities:		
Proceeds/(Repayment) of Secured loans	16,294.80	5,451.87
Proceeds/(Repayment) of unsecured loans	1,590.76	(2,340.35)
Interest Paid	(1,198.88)	(1,220.16)
Dividend Paid	-	-
Corporate Dividend Tax Paid	-	-
Net cash used in financing activities	16,686.68	1,891.36
Net Increase/(Decrease) in Cash & Cash Equivalents	(91.89)	(1,020.41)



SARASWATI SUGAR MILLS LIMITED
CIN: U01115HR2000PLC034519
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31.03.2016

(Rs.in lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Cash and cash equivalents at the beginning of the year	183.54	1,203.95
Cash and cash equivalents at the end of the year	91.65	183.54
Cash and cash equivalents comprise		
Cash, cheques & drafts (in hand) and remittances in transit	75.86	108.68
Current accounts(dividend account)	-	-
Balance with Scheduled Banks	15.79	74.86
Fixed Deposits	-	-
	91.65	183.54

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

CA. Neeraj Bansal
Partner
Membership No.095960




Pankaj Malik
Sr. Vice President (Finance)


J.K. Chowdhery
Sr. Vice President (Internal Audit)

For & on behalf of the Board of Directors

Place: Noida

Dated :

26.05.2016


S.K. Khorana
Company Secretary
(Member Ship No.1872)


Tahir Hasan
Director
(DIN: 00074282)


Aditya Puri
Managing Director
(DIN: 00052534)

SARASWATI SUGAR MILLS LIMITED
CIN: U01115HR2000PLC034519

Notes on Financial Statements

Note 1 Share Capital

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Authorized		
71,00,000 (Previous year 71,00,000) equity shares of Rs.10/- each	710.00	710.00
Issued, Subscribed and fully paid up		
70,99,900 (Previous year 70,99,900) equity shares of Rs.10/- each fully paid up	709.99	709.99
Total	709.99	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 if any proposed by the Board of Directors will be subject to 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 31.03.2016		As at 31.03.2015	
	Number of shares	(Rs.in lacs)	Number of shares	(Rs.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	-	-	-	-
Equity shares outstanding at the close of the Year	70,99,900	709.99	70,99,900	709.99

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 31.03.2016		As at 31.03.2015	
	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

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(i) Securities Premium Account		
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
(ii) General Reserve		
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
(iii) Surplus/(loss) in Statement of Profit & Loss		
Balance outstanding at the beginning of the year	6,280.18	9,652.15
Add: Additions during the year	(1,061.43)	(3,111.44)
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	5,218.75	6,280.18
Total (i+ii+iii)	12,837.49	13,898.92



SARASWATI SUGAR MILLS LIMITED
CIN: U01115HR2000PLC034519

Notes on Financial Statements

Note 3 Long Term Borrowings

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Secured Long Term Borrowings (Refer Note 3.1)		
- Term Loan Under SEFASU, 2014 Scheme	2,366.00	3,549.00
- Term Loan from Banks	2,904.69	-
(Under Scheme of Soft Loan to sugar mills to facilitate payment of cane dues, season 2014-15)		
Total of Secured Long Term Borrowings	5,270.69	3,549.00
(b) Unsecured Long Term Borrowings		
Deposits - Refer Note 3.2		
- Public	2,477.29	788.00
- Directors	10.00	-
Total of Un-secured Long Term Borrowings	2,487.29	788.00
Total	7,757.98	4,337.00

Note 3.1 (a) : Terms of Repayment of Borrowings are as follows: (Rs.in lacs)

Title	Term Loan outstanding as on 31.03.16	Current maturity of Long Term Debts	Long term	Rate of Interest and Term of Repayment
Term Loan Under "Scheme for Extending Financial Assistance to Sugar Undertakings(SEFASU- 2014)" (Refer note 3.1(b))	3,549.00 (3,549.00)	1,183.00 (-)	2,366.00 (3,549.00)	Rate of interest is 12% p.a. The loan is repayable in 12 equal quarterly installments, after moratorium period of 2 years. Installments of Rs.295.75 Lac each start from April, 2016 and end in January, 2019. The Government of India will give Interest subvention of actual rate of Interest upto 12% p.a during the tenure of the loan.
Loan From Banks ("Scheme of Soft Loan to sugar mills to facilitate payment of cane dues of the farmers for the sugar season 2014-15") Refer note 3.1 (c)	3,575.00 (-)	670.31 (-)	2,904.69 (-)	The rate of interest is 11.70% p.a. The loan is repayable in 16 equal quarterly installments, after moratorium period of one year. Installments of Rs.223.44 lacs are to be paid from August,2016 to May, 2020. The Government of India will give interest subvention upto 10% p.a for initial period of one year.
Total	7,124.00 (-)	1,853.31 (-)	5,270.69 (-)	

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 3.1 (c) Soft Loan from Banks is secured by way of pledge of Sugar stocks and Gunny bags on pari passu basis and 1st charge on fixed assets on pari passu basis.

Note 3.2 : Details of Deposits

(Rs.in lacs)

Deposits	Deposit outstanding as on 31.03.16	Current maturity	Short term	Long term	Period of Deposit : Rate of Interest (p.a.)	Term of repayment
Public	2,477.29 (788.00)	0.00 -	0.00 -	2,477.29 (788.00)	1 Year 8.00%	Repayment on maturity date
Shareholders	-	-	-	-	2 Year 8.50%	
Directors	10.00 -	-	-	10.00 -	*3 Year 10.00%	
Total	2,487.29 (788.00)	-	-	2,487.29 (788.00)	*For Employees 10.25% for 3 years	

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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 31.03.2016	As at 31.03.2015
Opening Balance		
-Depreciation	(976.93)	(945.35)
-Other Timing Differences	(41.27)	(36.34)
-Accumulated Tax Losses	1,445.30	-
-Adjustment in Opening Balance	116.50	-
Total	543.60	(981.69)
Credit/(Charge) During the Year		
-Depreciation	13.59	(31.58)
-Other Timing Differences	9.15	(4.93)
-Accumulated Tax Losses	452.57	1,445.30
Total	475.31	1,408.79
Carrying amount of the fixed asset recognised in the Op. Balance of retained earning (Refer Note No. 39)	-	116.50
Closing Balance		
-Depreciation	(963.34)	(976.93)
-Other Timing Differences	(32.12)	(41.27)
-Accumulated Tax Losses	1,897.87	1,445.30
-Adjustment in Opening Balance	116.50	116.50
Total	1,018.91	543.60



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Notes on Financial Statements

Note 5 Other Long-term Liabilities

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Interest accrued but not due on public deposits	211.06	14.74
Total	211.06	14.74



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Notes on Financial Statements

Note 6 Long term provisions

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Provision for Employees Benefits:		
(i) Provision for Leave Encashment (Unfunded) (Refer Note 24.1)	108.01	110.55
(ii) Provision for Pension (Unfunded)	203.05	295.60
Total	311.06	406.15

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Notes on Financial Statements

Note 7 Short term Borrowings

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
i) Secured		
(a) Loans repayable on demand		
- Cash credit - (Refer Note 7.1 (a), (b))	3,315.50	5,095.69
- Working Capital Demand Loan (WCDL) (Refer Note 7.1(c))	9,500.00	5,000.00
- Term Loan from Bank - (Refer Note 7.1(d))	10,000.00	
ii) Unsecured		
(a) Loans & Advances from Related Parties :		
- ISGEC Heavy Engineering Ltd. (Refer Note 7.2)	-	7.49
- ISGEC Exports Ltd. (Refer Note 7.2)	-	101.04
(b) Deposits:		
- Public	-	-
Total	22,815.50	10,204.22

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) WCDL is taken as sub limit under Cash Credit limit for a period of 90 days from the date of disbursement. WCDL of Rs.4500 Lac bears interest @10.50% p.a and balance of Rs.5000 Lac bears interest @10.25% p.a.

d) Soft loan was granted under the scheme of financial assistance declared by the Haryana Government for payment of cane price arrears season 2014-15. As per the scheme loan is interest free for six months and carries interest @8.50% p.a after six months. Soft loan will be repayable within 12 months from the date of disbursement i.e Rs.6400 Lac will be payable by June, 2016 and Rs.3600 Lac will be payable by July, 2016. Loan is secured by way of pledge of Sugar stocks and second charge on Fixed Assets having valuation of Rs.150 crore.

Note 7.2

ii) Terms of repayment of borrowings are as follows:

Particulars	Rate of Interest & Repayment time	As at 31.03.2016	As at 31.03.2015
Isgec Heavy Engineering Ltd	10.75% p.a (Repayable on demand)	-	7.49
Isgec Exports Ltd	6.00% p.a (Repayable on demand)	-	101.04



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Notes on Financial Statements

Note 8 Trade payables

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) To Micro & Small Enterprises (Refer Note 8.1)	-	-
(b) To Other than Micro & Small Enterprises		
(i) To Store Suppliers	127.99	153.95
(ii) To Others (Including Cane Suppliers)	6,587.13	14,611.47
(iii) To Related Parties	94.33	55.61
Total	6,809.45	14,821.03

Note 8.1 Trade Payables to Micro and Small Enterprises

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
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	-	-



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Notes on Financial Statements

Note 9 Other Current Liabilities

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Current maturities of long term debts*	1,853.31	-
(b) Interest accrued but not due on borrowings	116.96	39.86
(c) Interest accrued and due on borrowings	-	-
(d) Unpaid matured deposits	-	-
(e) Interest accrued on unpaid matured deposits	-	-
(f) Creditors for Capital Expenditure:		
-Related Parties	21.36	30.85
-Others	-	10.97
(g) Statutory Remittances:		
- Statutory Dues		
- Excise Duty on Closing Stock of Finished Goods	2,971.72	1,263.38
- Other statutory remittances (Contribution to PF, Vat , Service tax & TDS)	125.23	100.59
(h) Employee Benefits	13.47	26.38
(i) Security deposits received	242.26	254.56
(j) Advances received from customers	239.54	273.93
(k) Payable to Sugar Agents	165.18	150.04
(l) Other Liabilities	366.95	243.94
Total	6,115.98	2,394.50

*For detail of security for current maturities of long term debt please refer Note 3.1



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Notes on Financial Statements

Note 10 Short term Provisions

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Provision for Employees Benefits:		
(i) Provision for Leave Encashment (Unfunded) (Refer	16.27	8.90
(ii) Provision for pension (Unfunded)	24.04	25.75
(b) Provision for Income Tax	33.90	33.98
Less: Prepaid Taxes	-	6.78
Net tax provision	33.91	27.20
(c) Tax on Proposed Dividend	-	-
Total	74.21	61.85



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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 2015	Additions/Transfers during the year	Deductions during the year	As at 31st March 2016	Upto 31st March 2015	During the year	Adjusted From Retained Earning	Adjustment on deduction	Upto 31st March 2016	Net Block as at 31st March 2016	Net Block as at 31st March 2015
Tangible Assets											
Free Hold Land	2,642.73	-	-	2,642.73	-	-	-	-	-	2,642.73	2,642.73
Buildings & Roads	1,551.80	-	-	1,551.80	994.23	76.44	-	-	1,070.67	481.13	557.57
Plant & Machinery	18,422.97	49.21	112.88	18,359.30	10,271.40	535.03	-	5.89	10,800.54	7,558.76	8,151.57
Furniture & Fixtures	69.25	1.89	0.39	70.75	59.23	3.16	-	-	62.39	8.36	10.02
Vehicles	516.41	8.09	1.75	526.75	426.70	29.22	-	0.49	455.43	67.32	89.71
Office Equipments	282.50	3.52	0.11	285.91	250.30	15.60	-	0.02	265.88	20.03	32.20
Total (a)	23,485.66	62.71	115.13	23,433.24	12,001.86	659.45		6.40	12,654.91	10,778.34	11,483.80
Intangible Assets											
Goodwill	342.10	-	-	342.10	342.10	-	-	-	342.10	-	-
Computer Software (acquired)	35.15	-	-	35.15	30.95	1.38	-	-	32.33	2.82	4.20
Total (b)	377.25	0.00	0.00	377.25	373.05	1.38		-	374.43	2.82	4.20
Total (a) + (b)	23,862.91	62.71	115.13	23,810.49	12,374.91	660.83		6.40	13,029.34	10,781.16	11,488.00
Previous year	22,746.60	1,221.94	105.63	23,862.91	11,239.27	768.37	377.02	9.75	12,374.91	11,488.00	

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.



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

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
a) Non-Trade Investments (At Cost)		
(i) Quoted - 2,65,000 (Previous year 2,65,000) Equity shares of Rs. 10 each of DCM Shriram Industries Limited	304.75	304.75
(ii) Unquoted - Post Office Saving Account (Extent of Investment)	0.60	0.60
Total	305.35	305.35
i) Aggregate Book Value of Quoted Investments:	304.75	304.75
Aggregate Market Value of Quoted Investments:	322.50	195.84
Aggregate Book Value of Unquoted Investments:	0.60	0.60
ii) Investment in Post Office Saving Account have been pledged as security with Cane Commissioner Haryana		



SARASWATI SUGAR MILLS LIMITED**CIN: U01115HR2000PLC034519****Notes on Financial Statements****Note 13 Long-term Loans and Advances**

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
i) Secured, Considered Good		
- Loans and Advances to employees (Refer Note 13.1)	20.25	13.09
ii) Unsecured, considered good		
- Security deposits		
-Others	99.05	87.12
-Related Parties	-	-
- Income Tax on cummulative deposit scheme	4.45	0.35
Total	123.75	100.56

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

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Notes on Financial Statements

Note 14 Current Investments

(Rs.in lacs)

Particulars	As at	As at
	31.03.2016	31.03.2015
i) Non-Trade Investments (At cost)		
Unquoted		
- Investment in Mutual Fund	-	655.00
Total	-	655.00
Aggregate Value of Investments :		
Unquoted	-	655.00

Particulars	Unit	As At 31-03-2016		As At 31-03-2015	
		No. of Units	Value (Rs. In Lacs)	No. of Units	Value (Rs. In Lacs)
SBI Ultra Short Term Debt Fund - Regular Plan - Growth	Units	(Nil)	(Nil)	36,591.320	655.00
		(Nil)	(Nil)	(Nil)	(Nil)



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Notes on Financial Statements

Note 15 Inventories

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Stores & Spare parts	526.60	578.87
(b) Sugar Cane in transit	12.56	19.86
(c) Work-in-Progress: - Sugar	108.01	88.09
(d) Finished Stock: - Sugar	43,402.19	30,915.67
-Molasses	617.82	971.94
Total	44,667.18	32,574.43



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Notes on Financial Statements

Note 16 Trade Receivables

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
i) Outstanding for a period exceeding six months from the due date		
- Unsecured, considered good	-	-
- Unsecured, considered doubtful	79.23	79.23
Less: Provision for Doubtful Debts	(79.23)	(79.23)
	-	-
ii) Others		
- Unsecured, considered good	21.64	517.90
Total	21.64	517.90



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Notes on Financial Statements

Note 17 Cash and Bank Balances

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Cash and Cash Equivalentts		
(i) Cash in hand	2.49	17.02
(ii) Cheques in hand	73.37	91.66
(iii) Balances with Banks	15.79	74.86
	91.65	183.54
(b) Other Bank Balances		
(i) Deposits with original maturity upto twelve months	-	-
	-	-
Total	91.65	183.54



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Notes on Financial Statements

Note 18 Short-term Loans and Advances

Particulars	(Rs.in lacs)	
	As at 31.03.2016	As at 31.03.2015
(a) Unsecured, considered good		
(i) Loans and Advances		
- Employees	27.24	51.87
- Store Purchases	9.75	8.70
- Contractors	4.76	4.29
- Cane Suppliers	101.83	34.73
- Related Parties	-	25.00
(ii) Employees Group Gratuity-cum-LIC Scheme	253.41	180.96
(iii) Others		
- Prepaid Expenses	41.12	39.67
- Balances with Excise & Customs	58.68	91.34
- Cane Purchase Tax Recoverable	133.57	-
(b) Income Tax recoverable		
Advance & Recoverable Tax		
Less : Provision of Taxation		
- Income Tax recoverable	-	-
Total	630.36	436.56



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Notes on Financial Statements

Note 19 Other Current Assets

(Rs.in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Interest accrued but not due	2.72	3.79
Total	2.72	3.79



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Notes on Financial Statements**Note 20 Revenue from Operations**

(Rs.in lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(a) Sale of Products:		
- Sugar	37,300.36	34,803.71
- Molasses	2,953.44	3,608.60
	40,253.80	38,412.31
Less: Excise Duty recovered	(2,046.44)	(1,563.60)
	38,207.36	36,848.71
(b) Sale of by-products	1,458.47	1,301.14
Total	39,665.83	38,149.85
(c) Other Operating Income :		
- Sale of waste	86.22	240.61
- Insurance claims	0.88	-
- Miscellaneous receipts	36.31	38.55
- Lease & rent receipts	0.79	0.76
-Excess provision written back	15.68	91.83
Total	139.88	371.75
Grand Total	39,805.71	38,521.60



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

(Rs.in lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(a) Interest income	8.63	78.75
(b) Dividend income on investments		
- from Mutual Fund	-	-
- from Trade Investment	-	9.28
(c) Profit on sale of current investment	332.92	169.27
(d) Profit on sale/write off of assets	5.15	33.37
(e) Unclaimed balances written back	13.80	8.65
(f) Reimbursement of interest on Excise Duty Term Loan	408.89	255.46
(g) Reimbursement of interest on Soft Loans from Banks	37.44	-
(h) Rent receipt	0.60	0.66
(i) Bad Debts written off now realised	-	-
(j) VAT refund	-	23.40
(k) Refund Cane Purchase Tax	133.57	-
Total	941.00	578.84



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Notes on Financial Statements

Note 22 Raw Material Consumption

(Rs.in lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(a) Cost of raw material consumed		
- Cane consumed	44,262.29	41,098.03
Total	44,262.29	41,098.03



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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 31.03.2016	Year ended 31.03.2015
Closing Stock: :		
Finished stock	44,020.01	31,887.62
Work-in-Progress	108.01	88.09
Total	44,128.02	31,975.71
Less: Opening Stock :		
Finished stock	31,887.62	26,178.23
Work-in-progress	88.09	104.43
Total	31,975.71	26,282.66
Net(Increase)/Decrease in stock	(12,152.31)	(5,693.05)



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Notes on Financial Statements

Note 24 Employees Benefits Expenses

(Rs.in lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(a) Salary Wages & Bonus	2,654.30	2,816.61
(b) Contribution to Provident Fund & other funds	167.54	246.18
(c) Workmen & Staff welfare expenses	119.30	140.92
Total	2,941.14	3,203.71

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 84.36 lacs (Previous Year Rs.100.22 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. 83.23 lacs (Previous Year Rs. 72.65 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:-

(Rs.in lacs)

Particulars	Gratuity					Leave Encashment				
	2015-16	2014-15	2013-14	2012-13	2011-12	2015-16	2014-15	2013-14	2012-13	2011-12
1. Change in Present Value of Obligation										
Present value of obligation at the beginning 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
Acquisition cost	-	-	-	-	-	-	-	-	-	-
Interest cost	89.17	97.59	45.58	89.38	88.51	9.25	10.37	4.79	9.48	9.52
Current service cost	49.13	49.34	23.96	46.48	45.84	10.10	9.92	3.97	9.35	9.50
Benefits paid	(111.72)	(159.27)	(58.34)	(133.00)	(87.44)	(7.52)	(8.45)	(2.47)	(9.66)	(8.68)
Actuarial (gain)/loss on obligation	(20.02)	14.88	16.14	62.46	61.32	(7.00)	(14.36)	(15.22)	(3.62)	(1.27)
Present value of obligation at end of period	1,157.17	1,150.61	1,148.07	1,120.72	1,055.40	124.28	119.45	121.97	130.91	125.36
2. Change in Fair Value of Plan Assets										
Fair value of plan assets at the beginning of the period	1,331.57	1,283.61	1,127.20	1,054.88	950.47	N.A	N.A	N.A	N.A	N.A
Acquisition adjustment	-	-	-	-	-	-	-	-	-	-
Expected return on plan assets	106.52	113.60	45.09	107.92	95.11	-	-	-	-	-
Contributions	87.72	99.36	113.85	106.35	105.28	-	-	-	-	-
Benefits paid	(111.72)	(159.27)	(58.34)	(133.00)	(87.44)	-	-	-	-	-
Actuarial gain/(loss) on plan assets	(3.51)	(5.74)	55.81	(8.94)	(8.54)	-	-	-	-	-
Fair value of plan assets at the end of the period	1,410.58	1,331.57	1,283.61	1,127.21	1,054.88	-	-	-	-	-
3. Amount to be recognised in Balance Sheet										
Present value of obligation as at end of the period	1,157.16	1,150.61	1,148.07	1,120.72	1,055.40	124.28	119.45	121.97	130.91	125.36
Fair value of plan assets as at the end of the period	1,410.57	1,331.57	1,283.61	1,127.20	1,054.88	-	-	-	-	-
Net Asset/(liability) recognised in Balance Sheet	253.41	180.96	135.55	6.48	(0.52)	(124.28)	(119.45)	(121.97)	(130.91)	(125.36)
4. Expenses recognised in the statement of profit & loss.										
Current service cost	49.13	49.34	23.96	46.48	45.84	10.10	9.92	3.97	9.35	9.50
Interest cost	89.17	97.59	45.58	89.38	88.51	9.25	10.37	4.79	9.48	9.52
Expected return on plan assets	(106.52)	(113.60)	(45.09)	(107.92)	(95.11)	-	-	-	-	-
Net actuarial (gain)/loss recognised	(16.51)	20.62	(39.66)	71.40	69.86	(7.00)	(14.36)	(15.22)	(3.62)	(1.27)
Expenses recognised in the statement of Profit & Loss	15.27	53.95	(15.21)	99.35	109.30	12.35	5.93	(6.47)	15.21	17.75

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Notes on Financial Statements

Note 25 Finance Cost

(Rs.in lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(a) Interest expenses on Borrowings		
From Bank	1,667.02	629.72
From Others	251.61	468.77
(b) Other borrowing cost	40.36	33.13
Total	1,958.99	1,131.62



SARASWATI SUGAR MILLS LIMITED
CIN: U01115HR2000PLC034519

Notes on Financial Statements

Note 26 Depreciation and Amortisation expenses

(Rs.in lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(a) Depreciation on tangible assets	659.45	766.99
(b) Amortisation of intangible assets	1.38	1.38
Total	660.83	768.37



SARASWATI SUGAR MILLS LIMITED

CIN: U01115HR2000PLC034519

Notes on Financial Statements

Note 27 Other expenses

(Rs.in lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(a) Consumption of store & spare parts	1,006.14	942.52
(b) Chemical consumed	254.45	270.58
(c) Power & Fuel	228.67	240.53
(d) Rent	65.37	59.14
(e) Repairs to :		
- Machinery	227.01	306.22
- Building	122.19	195.66
- Others	20.67	25.30
(f) Insurance	72.05	63.72
(g) Rates & Taxes	12.22	9.16
(h) Miscellaneous Expenses		
- Packing, Forwarding & Transportation	269.86	242.24
- Office & Miscellaneous Expenses	495.17	364.60
- Commission to Selling Agents & Others	92.94	79.33
- Auditors Remuneration	3.50	3.50
- Excisie duty difference on opening & closing stock of finished goods	1,708.34	289.66
- Legal expenses	6.91	8.51
- Loss on Assets sold and/or written off	-	
- Loss on sale /write off stores	20.85	6.11
- Rebate & Discount	2.03	1.00
- Director Sitting & Other Expenses	0.56	1.08
- Donation	0.92	1.00
- Bad Debts Written Off	2.66	2.13
Total	4,612.51	3,111.99



SARASWATI SUGAR MILLS LIMITED
CIN: U01115HR2000PLC034519

Notes on Financial Statements

Note 28 Tax Expense

(Rs.in lacs)

Particulars	Year ended	Year ended
	31.03.2016	31.03.2015
(a) Current Tax (including earlier years)	-	-
Total	-	-



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 31.03.2016	Year Ended 31.03.2015
(a) Profit/(Loss) available to Equity Shareholders (Rs. In lacs)	(1,061.43)	(3,111.44)
(b) Weighted Average number of Equity Shares	70,99,900	70,99,900
(c) Nominal value of Equity Shares (in Rs.)	10	10
(d) Basic and Diluted Earnings Per Share [(a)/(b)] (in Rs.)	(14.95)	(43.82)



SARASWATI SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

Note: 30

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

S. No.	Particular	Amount (Rs. In lacs)
1	Cenvat reversal	26.71 (14.92)
2	Additional excise duty on export quota	87.82 (87.82)
3	Cane suppliers	77.63 (66.65)
4	Local Area Development Tax (LADT)	207.03 (190.39)
5	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil (4.80)

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 been since filing the return.

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:

<u>Description of relationship</u>	<u>Name</u>
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 of Mr.Aditya Puri, Managing Director) Mrs. Nina Puri (Mother of Mr. Aditya Puri, Managing Director) Mrs. Tanupriya Puri (Wife of Mr. Aditya Puri, Managing Director)
Entities over which Directors and their relatives can exercise significant influence	Yamuna Syndicate Ltd. ISGEC Covema Ltd. ISGEC Exports Ltd.



SARASWATI SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

(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	7.84 (8.96)	237.80 (239.58)	2.54 (3.17)	2.59 (2.61)	250.77 (254.32)
II	Purchase of Capital Goods	- (880.22)	- (-)	- (-)	- (-)	- (880.22)
III	Commission paid	- (-)	- (2.44)	- (-)	- (-)	- (2.44)
IV	Services Received	5.37 (3.66)	0.55 (20.20)	- (-)	- (-)	5.92 (23.86)
V	Interest paid/Payable	0.13 (175.66)	6.06 (5.40)	- (-)	- (-)	6.19 (181.06)
VI	Amt. Receivable at year end	- (-)	- (25.00)	- (-)	- (-)	- (25.00)
VII	Amt. Payable as at year end	23.67 (46.07)	91.82 (148.92)	- (-)	0.20 (-)	115.69 (194.99)

*Note: The Company paid the outstanding balance of cane growers payable against their purchase of pesticides from M/s Yamuna Syndicate Ltd.

Previous year figures are indicated in parenthesis

Note: 33 Managerial Remuneration:

(Rs in Lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
To the Managing Director	Nil	Nil
To Other Directors:		
As Sitting Fee	0.55	0.60
Total Managerial Remuneration	0.55	0.60

Note: Since no commission is paid to managerial personnel, computation of profits under section 198 of the Companies Act, 2013 is not to be furnished.



SARASWATI SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

Note: 34 Revenue expenditure on Research & Development:

(Rs in Lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Salary	2.95	2.61
Contribution to Provident Fund	0.17	0.16
Total	3.12	2.77

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

(Rs in Lacs)

	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2016	Year Ended 31.03.2015
(A) Raw Material:			%	%
Imported	Nil	Nil	Nil	Nil
Indigenous-Sugarcane	44,262.29	41098.03	100	100

	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2016	Year Ended 31.03.2015
(B) Spares parts, Components & Stores:			%	%
Imported	Nil	Nil	Nil	Nil
Indigenous	1286.96	1257.28	100	100

Note:36 Expenditure in foreign currency:

(Rs in Lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Royalty	Nil	Nil
Know-how	Nil	Nil
Travelling & Other matters	Nil	Nil

Note: 37 Value of imports on CIF basis :

(Rs. In Lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Spare parts and components (In Rs.)	Nil	Nil
Capital goods	Nil	12.85
Others	Nil	Nil



SARASWATI SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

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 31.03.2016	Year ended 31-03-2015
	i) Date of filing of Cost Audit Report	Not yet due	23.09.2015
	ii) Due date of filing of Cost Audit Report	23-09-2016	30.09.2015

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 was 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.

Note: 40 Additional Information

Previous year figures have been re-grouped / re-casted wherever considered necessary to confirm to current year classification.

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.



SARASWATI SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

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 amended, 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. 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 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.



SARASWATI SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

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.

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.



SARASWATI SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

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, Components, Stores & Spares	: At cost inclusive of incidental expenses calculated on first in first out basis. In case if material cost is below NRV the value is reduced to 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.

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.



SARASWATI SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

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.

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.



SARASWATI SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

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 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.

xvi) Earning Per Share

- (a) The Company report Basic and Diluted Earnings 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 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 the amount of the obligation can be reliably estimated.



SARASWATI SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

b) Contingent Liabilities

Contingent Liabilities are disclosed in the case of

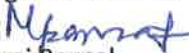
- i) Present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- ii) A possible obligation, unless the probability of outflow of resources is remote.

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


CA Neeraj Bansal
Partner
Membership No.95960




Pankaj Malik
Sr. Vice President (Finance)


J.K. Chowdhery
Sr. Vice President (Internal Audit)

Place: Noida  S.K. Khorana
Date: **Company Secretary**
(Member Ship No.1872)

26.05.2016

For & on behalf of the Board of Directors


Tahir Hasan
Director
(DIN:00074282)


Aditya Puri
Managing Director
(DIN: 000525340)