

BALANCE SHEET As at 30th September, 2009

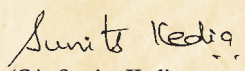
(Rupees in Lacs)

	Schedule	As at 30th September, 2009		As at 30th September, 2008	
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Share Capital	1	2567.55		2555.36	
b) Reserves & Surplus	2	114957.73	117525.28	98953.56	101508.92
2. Deposit against Convertible Warrants					
			-		920.00
3. Loan Funds					
a) Secured Loans	3	97202.88		125067.61	
b) Unsecured Loans	4	-	97202.88	10000.00	135067.61
4. Deferred Tax Liability					
(Refer Note No. 8 of Schedule - 23)			26163.47		24193.68
Total			240891.63		261690.21
II. APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	5				
b) Less: Depreciation & Amortisation		237449.99		237418.38	
c) Net Block		60440.17		49817.27	
d) Capital Work-in-Progress		177009.82		187601.11	
		665.62		705.49	
			177675.44		188306.60
2. Investments					
	6		12657.15		549.00
3. Deferred Tax Assets					
(Refer Note No. 8 of Schedule - 23)			5775.69		9934.33
4. Current Assets, Loans & Advances					
a) Inventories	7	34343.01		55639.07	
b) Sundry Debtors	8	1710.01		4899.23	
c) Cash and Bank Balances	9	3297.39		3512.67	
d) Other Current Assets	10	15.49		1.62	
e) Loans and Advances	11	31123.01		23608.25	
		70488.91		87660.84	
Less: Current Liabilities & Provisions					
a) Current Liabilities	12	15548.54		20305.55	
b) Provisions	13	10210.29		4633.11	
		25758.83		24938.66	
Net Current Assets					
			44730.08		62722.18
5. Miscellaneous Expenditure					
(To the extent not written off or adjusted)	14		53.27		178.10
Total			240891.63		261690.21
Significant Accounting Policies	22				
Notes on Accounts	23				

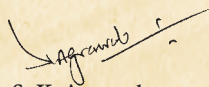
Schedules 1 to 14, 22 & 23 referred to above form an integral part of the Balance Sheet.

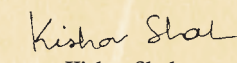
This is the Balance Sheet referred to in our report of even date.

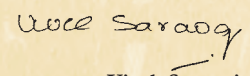
For **G. P. Agrawal & Co.**
Chartered Accountants


(CA. Sunita Kedia
Membership No. 60162)
Partner

7A, Kiran Shankar Ray Road,
Kolkata - 700 001.
25th November, 2009.


S. K. Agrawala
Secretary


Kishor Shah
Director cum
Chief Financial Officer


Vivek Saraogi
Managing Director

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rupees in Lacs)

	As at 30th September, 2009		As at 30th September, 2008	
1 SHARE CAPITAL				
Authorised				
40,00,00,000 Equity Shares of Re.1/- each	4000.00		4000.00	
25,00,000 Preference Shares of Rs.100/- each	2500.00		2500.00	
		6500.00		6500.00
Issued, Subscribed and Paid up				
25,67,55,060 (Previous year 25,55,36,310) Equity Shares of Re. 1/- each fully paid up (Refer Note No. 9 of Schedule - 23)		2567.55		2555.36
		2567.55		2555.36

(Rupees in Lacs)

	As at 30th September, 2009		As at 30th September, 2008	
2 RESERVES & SURPLUS				
Capital Reserves				
Balance as per last account	86.42		86.42	
Add : Forfeiture of Deposit against Convertible Warrants (Refer Note No. 10 of Schedule - 23)	920.00	1006.42	-	86.42
Capital Redemption Reserve				
Balance as per last account		2500.00		2500.00
Securities Premium				
Balance as per last account	48758.96		42050.56	
Add : On Preferential issue of Equity Shares	-		6708.40	
Add : On Exercise of Employees Stock Option	1052.85	49811.81	-	48758.96
Revaluation Reserve				
Balance as per last account		18.24		18.24
Employees Stock Option Adjustment Account				
Balance as per last account	196.18		32.72	
Add : Transfer from Profit & Loss Account on grant of Employees Stock Option / Revision in Exercise Price	1192.22		184.67	
	1388.40		217.39	
Less : Utilised/Transfer back to Profit & Loss Account	547.58		21.21	
Less : Deferred Employee Compensation Expenses (Refer Note No. 11 of Schedule - 23)	270.13	570.69	-	196.18
General Reserve				
Balance as per last account	45744.54		42772.19	
Add : Transfer from Profit & Loss Account	11000.00		3000.00	
	56744.54		45772.19	
Less : Adjustment as per transitional provisions of AS - 15	-	56744.54	27.65	45744.54
Profit and Loss Account				
Surplus as per Profit & Loss Account		4238.55		1599.68
Storage Fund For Molasses				
Balance as per last account	49.54		83.30	
Add : Transfer from Profit & Loss Account	17.94		30.35	
	67.48		113.65	
Less : Transfer back to Profit & Loss Account (Refer Note No. 12 (a) of Schedule - 23)	-	67.48	64.11	49.54
		114957.73		98953.56

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rupees in Lacs)

	As at 30th September, 2009	As at 30th September, 2008
3 SECURED LOANS		
A. TERM LOANS		
i. Rupee Loans		
a) State Bank of India (SBI)	633.84	1875.00
b) State Bank of India (SBI) (Interest Free)	11643.00	11643.00
c) Punjab National Bank (PNB) (Interest Free)	510.00	510.00
d) Government of India, Sugar Development Fund (SDF)	12355.86	7638.52
e) Government of India (GOI) (Interest Free)	80.25	120.38
ii. External Commercial Borrowings (ECB)		
a) State Bank of India (SBI)	17251.11	19560.87
b) UCO Bank (UCO)	4120.50	4120.50
c) ABN Amro Bank, NV (ABN)	8056.15	9083.44
d) CITI Bank (CITI)	4420.00	4420.00
e) BNP Paribas (BNP)	2327.50	4655.00
f) Standard Chartered Bank (SCB)	4372.00	4372.00
g) DBS Bank Ltd. (DBS)	6651.00	6651.00
h) Cooperative Centrale Raiffeisen- Boerenleenbank, B.A. (CCRB)	8928.16	8928.16
i) International Finance Corporation, Washington (IFC)	15853.51	18499.70
Total (A)	97202.88	102077.57
B. CASH CREDIT ACCOUNT		
a) State Bank of India (SBI)	–	21653.70
b) Punjab National Bank (PNB)	–	1336.34
Total (B)	–	22990.04
Total (A+B)	97202.88	125067.61
Summary of Secured Loans		
Loans from Banks	68913.26	98809.01
Loans from Others	28289.62	26258.60
	97202.88	125067.61
Interest Accrued & Due Included in Above		
Under loans from Banks	8.84	–

Notes :

- Rupee Term loan from SBI is secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and co-generation units at Akbarpur and also guaranteed by the Managing Director of the Company (due within a year Rs.633.84 lacs, Previous year Rs.1250.00 lacs).
- Interest Free Rupee Term Loan from SBI is secured by way of residual charge on immovable properties, both present and future, pertaining to Company's sugar units and by way of hypothecation of movable properties (excluding current assets and books debts), both present and future, pertaining to Company's sugar unit at Balrampur, ranking pari passu with PNB and by way of residual charge on movable properties (excluding current assets and book debts), pertaining to other sugar units of the Company and also guaranteed by the Managing Director of the Company (due within a year Rs.3880.00 lacs, Previous year Nil).
- Interest Free Rupee Term Loan from PNB is secured by way of residual charge on movable properties (excluding current assets and book debts), pertaining to Company's sugar unit at Balrampur, both present and future, ranking pari passu with SBI (due within a year Rs.154.00 lacs, Previous year Nil).
- Rupee Term Loans from SDF are secured by an exclusive second charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar unit at Tulsipur; sugar and cogeneration units at Balrampur, Haidergarh, Akbarpur, Mankapur, Kumbhi, Gularia and Rauzagaon (due within a year Rs.1010.55 lacs, Previous year Rs.852.89 lacs).
- Interest Free Rupee Term Loan from GOI is secured by way of equitable mortgage on immovable properties and hypothecation of movable properties, both present and future, pertaining to Company's sugar unit at Babhnan, subject to charge on current assets (including book debts) created in favour of SBI to secure the working capital limits and also guaranteed by some of the Directors and an erstwhile Director of the Company (due within a year Rs.40.13 lacs, Previous year Rs.40.13 lacs).

SCHEDULES FORMING PART OF THE ACCOUNTS

6. a) ECB from SBI amounting to Rs.3464.61 lacs is secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Akbarpur (due within a year Rs.2309.76 lacs, Previous year Rs.2309.76 lacs).
- b) ECB from SBI amounting to Rs.13786.50 lacs is secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia (due within a year Nil, Previous year Nil).
7. ECB from CCRB, BNP and UCO are secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia (due within a year Rs.2327.50 lacs, Previous year Rs.2327.50 lacs).
8. ECBs from ABN are secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Mankapur (due within a year Rs.1027.29 lacs, Previous year Rs.1027.29 lacs).
9. ECB from CITI is secured by way of first pari passu hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia (due within a year Nil, Previous year Nil).
10. ECB from SCB is secured by way of hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's cogeneration unit at Balrampur (due within a year Nil, Previous year Nil).
11. ECB from DBS is secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar unit at Balrampur (due within a year Nil, Previous year Nil).
12. a) ECB from IFC amounting to Rs.699.90 lacs is secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties and residual charge on current assets, both present and future, pertaining to Company's sugar and cogeneration units at Haidergarh, first equitable mortgage on immovable properties and hypothecation of movable properties and residual charge on current assets, both present and future, pertaining to Company's distillery and organic manure units at Babhnan and further guaranteed by some of the Directors and an erstwhile Director of the Company (due within a year Rs.699.90 lacs, Previous year Rs.1399.80 lacs).
- b) ECB from IFC amounting to Rs.15153.61 lacs is secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties and residual charge on current assets, both present and future, pertaining to Company's sugar and cogeneration units at Haidergarh and Rauzagaon and further guaranteed by some of the Directors and an erstwhile Director of the Company (due within a year Rs.2524.78 lacs, Previous year Rs.1261.54 lacs).
13. Cash Credit with SBI is secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of Balrampur sugar unit of the Company (excluding current assets of cogeneration & distillery units) on pari passu basis with PNB and hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of other sugar units of the Company (excluding current assets of cogeneration & distillery units) and further secured by way of 3rd charge on fixed assets of the sugar units of the Company and also guaranteed by the Managing Director of the Company.
14. Cash Credit with PNB is secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, pertaining to Company's sugar unit at Balrampur (excluding current assets of cogeneration & distillery units) ranking pari passu with SBI.
15. Aggregate amount of Term Loans payable within a year Rs.14607.75 lacs (Previous year Rs.10468.91 lacs).

(Rupees in Lacs)

		As at 30th September, 2009		As at 30th September, 2008	
4	UNSECURED LOANS				
Short Term Loan					
From a Bank					
		-			10000.00
			-		10000.00
Note: Aggregate amount of Loan payable within a year (Rs. in lacs)					
			-		10000.00

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rupees in Lacs)

5 FIXED ASSETS		GROSS BLOCK			DEPRECIATION & AMORTISATION			NET BLOCK			
Sl. No.	Particulars	As at 01.10.2008	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	Total As at 30.09.2009	Up to 30.09.2008	For the year	Deductions/ Adjustments during the year	Total Up to 30.09.2009	As at 30.09.2009	As at 30.09.2008
	Tangible Assets										
1	Land (Freehold)	7442.27	37.27	832.93	6646.61	-	-	-	-	6646.61	7442.27
2	Land (Lease hold)	404.34	1.20	(36.67)	442.21	19.63	3.87	-	23.50	418.71	384.71
3	Building & Office Premises	45779.25	149.13	(3.40)	45931.78	4862.90	993.57	0.41	5856.06	40075.72	40916.35
4	Railway Siding	11.13	-	-	11.13	6.67	0.41	-	7.08	4.05	4.46
5	Tube Well & Water Supply	445.90	14.45	(20.86)	481.21	59.97	7.03	(0.97)	67.97	413.24	385.93
6	Plant & Machinery	178633.14	788.51	94.19	179327.46	42469.53	9473.36	58.91	51883.98	127443.48	136163.61
7	Furniture & Other Office Equipments	2845.63	57.41	127.82	2775.22	1367.30	196.17	61.88	1501.59	1273.63	1478.33
8	Motor Vehicles	1852.14	82.73	105.08	1829.79	1030.61	118.82	52.02	1097.41	732.38	821.53
	Intangible Assets										
9	Computer Software (Acquired)	4.58	-	-	4.58	0.66	1.92	-	2.58	2.00	3.92
	Total	237418.38	1130.70	1099.09	237449.99	49817.27	10795.15	172.25	60440.17	177009.82	187601.11
	Previous Year Total	197031.69	40794.07	407.38	237418.38	38252.48	11755.84	191.05	49817.27		
10	Capital Work-in-Progress	705.49	482.94	522.81	665.62	-	-	-	-	665.62	705.49
	Capital Work-in-Progress (Previous Year)	33218.00	59.98	32572.49	705.49	-	-	-	-		
	Grand Total	238123.87	1613.64	1621.90	238115.61	49817.27	10795.15	172.25	60440.17	177675.44	188306.60
	Previous year Grand Total	230249.69	40854.05	32979.87	238123.87	38252.48	11755.84	191.05	49817.27		

(Rupees in Lacs)

Notes:	2008-09	2007-08
1) Depreciation for the year includes		
i) Depreciation for earlier years	17.71	32.52
ii) Depreciation Capitalised	0.77	35.34
2) Amount of borrowing cost capitalised	-	382.63

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rupees in Lacs)

	Face Value Per Share/Units	Number of Shares/Units	As at 30th September, 2009	Number of Shares/Units	As at 30th September, 2008
6 INVESTMENTS					
Long Term Investments (At Cost)					
A. Trade Investments :					
In Equity Shares of Companies :					
Subsidiary Companies:					
Quoted :					
Fully Paid Up Equity Shares in Indo Gulf Industries Ltd.	Rs.10	43,53,365	305.39 @	43,53,365	305.39 @
Partly Paid Up Equity Shares in Indo Gulf Industries Ltd. (Rs.5/- per Share paid up)	Rs.10	8,09,158	16.33 @	8,09,158	16.33 @
Unquoted, Fully Paid Up :					
Balrampur Overseas Pvt. Ltd.	HKD1	20,00,000	102.42	20,00,000	102.42
Other Companies :					
Unquoted, Fully Paid Up :					
Avantika Ganna Pvt. Ltd. (Sold during the year)	Rs.10	-	-	1,96,600	19.66
Asia Sugar Industries Pvt. Ltd. (Sold 7,50,000 shares during the year)	Rs.10	250,000	25.00	10,00,000	100.00
Balrampur Sugar Company Consumers Co-operative Society Ltd.	Rs.100	35	0.03	35	0.03
Co-operative Development Union Ltd.	Rs.10	110	0.01	110	0.01
Co-operative Stores Ltd.	Rs.10	1	- *	1	- *
B. Other than Trade :					
In Government Securities :					
(Deposited with Government Authorities)					
National Plan Certificates			-		0.04
Post Office National Saving Certificates			6.48		5.12
Unquoted, Fully Paid Up Equity Shares :					
Fortuna Services Ltd.	Re.1	48	- *	48	- *
Current Investments (Unquoted), Other than Trade (At lower of Cost and fair value)					
In Units of Mutual Funds (Acquired during the year)					
Birla Sun Life Savings Fund Inst. - Growth	Rs.10	2,350,620.70	400.04	-	-
SBI-SHF-Ultra Short Term Fund - Inst. Plan - Growth	Rs.10	100,768,491.08	11801.45	-	-
			12657.15		549.00
Aggregate Book Value of Quoted Investments @			321.72		321.72
Aggregate Book Value of Unquoted Investments			12335.43		227.28

@ Market Value not available.

* Shown as Nil due to rounding off.

Note: Refer Note No. 13 of Schedule - 23 for Current Investments purchased and redeemed/ switched over during the year.

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rupees in Lacs)

	As at 30th September, 2009		As at 30th September, 2008	
7 INVENTORIES (At lower of cost and net realisable value)				
Stores & Spare Parts		4185.94		5735.62
Loose Tools		348.37		370.38
Scrap		33.88		28.51
Raw Materials		8570.32		5.34
Molasses		696.40		961.69
Bagasse		210.55		342.21
Pressmud		1.21		4.28
Finished Goods				
Sugar	19222.45		47191.39	
Industrial Alcohol	733.11		806.94	
Organic Manure	50.15		48.47	
Banked Power	120.94	20126.65	56.35	48103.15
Work-in-Progress				
Sugar	132.89		67.84	
Molasses	4.72		2.69	
Organic Manure	5.60	143.21	13.60	84.13
Standing Crop		26.48		3.76
		34343.01		55639.07
Notes : Stock in transit included in				
i) Stock of Stores & Spare Parts (Rs. in lacs)		36.00		217.85
ii) Stock of Raw Materials (Rs. in lacs)		513.89		-

(Rupees in Lacs)

	As at 30th September, 2009		As at 30th September, 2008	
8 SUNDRY DEBTORS (Unsecured)				
Debts outstanding for a period exceeding six months				
Considered Good	405.39		281.15	
Considered Doubtful	83.30	488.69	83.30	364.45
Other Debts - Considered Good		1304.62		4618.08
		1793.31		4982.53
Less : Provision for Doubtful Debts		83.30		83.30
		1710.01		4899.23
Note: Sundry Debtors include Debts under litigation (Rs. in lacs)		45.59		47.44

(Rupees in Lacs)

	As at 30th September, 2009		As at 30th September, 2008	
9 CASH AND BANK BALANCES				
Cash and Cheques on hand (As certified)				
Cash on hand	127.90		240.65	
Cheques on hand	637.00	764.90	1780.24	2020.89
Bank Balances :				
With Scheduled Banks				
On Current Accounts	2212.13		1168.40	
On Fixed Deposit Accounts (Refer Note No. 12 of Schedule - 23)	130.14		136.86	
On Unclaimed Dividend Accounts	96.99	2439.26	95.76	1401.02
With Non-Scheduled Banks				
On Current Accounts (Refer Note No. 14 of Schedule - 23)		92.77		90.30
With Post Office *				
On Savings Bank Accounts		0.46		0.46
		3297.39		3512.67
* Maximum amount outstanding at any time during the year (Rs. in lacs)		0.46		0.46

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rupees in Lacs)

	As at 30th September, 2009		As at 30th September, 2008	
10 OTHER CURRENT ASSETS				
Interest Accrued on Investments & Fixed Deposits		15.49		1.62
		15.49		1.62

(Rupees in Lacs)

	As at 30th September, 2009		As at 30th September, 2008	
11 LOAN AND ADVANCES (Considered good except stated otherwise)				
Loans				
To a Subsidiary Company (Secured)		7500.00		7500.00
To Other Company (Unsecured)		2750.00		–
Advances (Unsecured)				
Advances recoverable in cash or in kind or for value to be received or pending adjustment				
Considered Good	10045.66		9373.75	
Considered Doubtful	232.99	10278.65	226.99	9600.74
Advance against Capital Assets		95.57		115.57
Advance Payment of Tax/Income Tax Refundable	9802.05		7425.77	
Less: Provision for Tax	9802.05	–	7425.77	–
MAT Credit Entitlement (Refer Note No. 15 of Schedule - 23)		5904.18		–
Balances with Excise Authorities etc.		4766.26		6559.35
Security Deposits		61.34		59.58
		31356.00		23835.24
Less: Provision for Doubtful Advances		232.99		226.99
		31123.01		23608.25
Notes:				
i) Maximum amount of loan outstanding during the year from Indo Gulf Industries Ltd., a Subsidiary Company (Rs. in lacs)		9950.00		10194.45
ii) Loans & Advances include Advances under litigation (Rs. in lacs)		21.78		23.07

(Rupees in Lacs)

	As at 30th September, 2009		As at 30th September, 2008	
12 CURRENT LIABILITIES				
Sundry Creditors				
Total outstanding dues of Micro and Small Enterprises (Refer Note No. 16 of Schedule - 23)		37.32		42.56
Total outstanding dues of creditors other than Micro and Small Enterprises	11943.98	11981.30	17579.80	17622.36
Advance from Customers		1046.64		–
Investor Education & Protection Fund				
Unclaimed Dividend *		96.99		95.76
Excess Price of Levy Sugar (Refer Note No. 17 of Schedule - 23)		43.15		43.15
Other Liabilities		354.46		301.75
Interest accrued but not due on loans		2026.00		2242.53
		15548.54		20305.55

* There is no amount due and outstanding to be credited to Investor Education & Protection Fund.

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rupees in Lacs)

	As at 30th September, 2009		As at 30th September, 2008	
13 PROVISIONS				
Provision for Tax	10684.35		10246.85	
Less: Advance Payment of Tax / Income Tax Refundable	9802.05	882.30	7425.77	2821.08
Proposed Dividend		7702.65		1277.68
Provision for Tax on Proposed Dividend		1309.07		217.14
Provision for Retirement Benefits of Employees		308.93		307.91
Provision for Contingencies (Refer Note No. 18 (a) of Schedule - 23)		7.34		9.30
		10210.29		4633.11

(Rupees in Lacs)

	As at 30th September, 2009		As at 30th September, 2008	
14 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
Share Issue Expenses	178.10		321.19	
Less : Written off during the year	124.83	53.27	143.09	178.10
		53.27		178.10

SCHEDULES FORMING PART OF THE ACCOUNTS

22 SIGNIFICANT ACCOUNTING POLICIES

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as prescribed by the Companies (Accounting Standard) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

2. Use of Estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates generally include future obligations under employee retirement benefit plans and income taxes.

3. Fixed Assets, Intangible Assets and Capital Work-in-Progress

- a) Fixed Assets are stated at their original cost (net of accumulated depreciation and impairments) adjusted by revaluation of Land, Building, Plant & Machinery, Railway Siding and Tube well of the Balrampur Unit as at 30th June, 1988 and Land, Building and Plant & Machinery of Tulsipur Unit as at 31st March, 1999. Cost, net of cenvat, includes acquisition price, import duties, other non-refundable taxes and levies, attributable expenses and pre operational expenses including finance charges, wherever applicable.
- b) Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.
- c) Expenditure during construction period: Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital Work-in-Progress". Capital Work-in-Progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

4. Depreciation and Amortisation

- a) Depreciation on Fixed Assets is provided on Straight Line method in accordance with the rates as specified in Schedule XIV to the Companies Act, 1956 (as amended) other than on Power Transmission lines and Mobile Phones. Power Transmission Lines are amortised/depreciated over a period of five years and Mobile Phones over a period of three years on straight line basis.
- b) Depreciation/amortisation on assets added, sold or discarded during the year has been provided on pro-rata basis.
- c) Lease hold land in the nature of perpetual lease are not amortised. Other lease hold land are amortised over the period of the lease.
- d) Computer Software (Acquired) are amortised over a period of five years. Amortisation is done on straight line basis.

5. Investments

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

6. Inventories

- a) Inventories (other than By-products, Scrap and Standing crop) are valued at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventory comprises of purchase price, cost of conversion and other cost incurred in bringing the Inventories to their respective present location and condition. The cost of Inventories is computed on weighted average basis.
- b) Assets identified and technically evaluated as obsolete and held for disposal are valued at their estimated net realisable value.
- c) By-products (Molasses & Bagasse), Scrap and Standing Crop are valued at net realisable value.
- d) Inter-unit transfer of By-products include the cost of transportation, duties, etc.

7. Share Issue Expenses

These are equally amortised over a period of five years.

SCHEDULES FORMING PART OF THE ACCOUNTS

22 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

8. Revenue Recognition

- a) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.
- b) Gross turnover includes excise duty but excludes sales tax / VAT.
- c) Dividend income is accounted for in the year it is declared.
- d) All other income are accounted for on accrual basis.

9. Expenses

All the expenses are accounted for on accrual basis.

10. Government Grants & Subsidies

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

11. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

Re-imburement expected in respect of expenditure to settle a provision is recognised only when it is virtually certain that the re-imburement will be received.

A Contingent Asset is not recognised in the Accounts.

12. Impairment of Assets

Impairment losses, if any, are recognised in accordance with the Accounting Standard notified under the Companies (Accounting Standard) Rules, 2006.

13. Foreign Currency Transactions

- a) Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
- b) Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rate.
- c) In case of items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference. The premium or discount on forward exchange contracts is amortised over the period of the respective contract.
- d) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognised in the Profit & Loss Account.
- e) Transactions covered by cross currency swap contracts are marked to market at the Balance Sheet date and the gain or loss is taken to Profit & Loss Account.

14. Borrowing Costs

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

15. Insurance Claims

Accounted for on settlement of claims.

16. Employee Benefits

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account for the year in which the related service is rendered.
- b) Long-term employee benefits are recognised as an expense in the Profit & Loss Account for the year in which the employees have rendered services. The expense is recognised at the present value of the amount payable as per actuarial valuations. Actuarial gains and losses in respect of such benefits are recognised in the Profit & Loss Account.

SCHEDULES FORMING PART OF THE ACCOUNTS

22 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

17. Employee Stock Option Scheme

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, the intrinsic value of the option (excess of market price of the share over the exercise price of the option) is treated as discount and accounted for as employee compensation cost over the vesting period.

18. Taxes on Income

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred Tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

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

23 NOTES ON ACCOUNTS

(Rupees in Lacs)

	As at 30th September, 2009	As at 30th September, 2008
1. a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	234.58	256.97
b) Advances paid against above	95.57	115.57
2. Contingent Liabilities not provided for in respect of:		
a) Calls in arrear of a Subsidiary Company in respect of partly paid up Equity Shares	181.90	181.90
b) Differential Cane Price for the Sugar Seasons 1978-79 and 1979-80 pending disposal of the Writs filed by the Company in Hon'ble Calcutta High Court	32.93	32.93
c) Differential Cane Price for the Sugar Season 2007-08 pending disposal of the Writ filed by the U.P. Sugar Mills Association of which the Company is a member, in Hon'ble Supreme Court of India	9076.97	9076.97
d) Claims for acquisition of 1.99 acres of land for the Chemical unit at Balrampur and compensation there against is under dispute as the matter is subjudice	Amount not ascertainable	Amount not ascertainable
e) Claims against the Company not acknowledged as debts :		
i) Excise Duty Demand - under appeal	262.90	228.94
ii) Sales Tax Demand - under appeal	5.12	18.79
iii) Others - under appeal/litigation	861.87	203.46
f) Bank Guarantees furnished (Bank Guarantees are provided under Contractual/Legal obligation)	2884.66	2096.53
g) Corporate Guarantee given to a Bank on behalf of a Subsidiary	3550.00	3550.00

3. The Company has accounted for Cane Price for the Sugar Season 2006-07 at State Advised Price of Rs.125/- per quintal. Subsequently, the Hon'ble Supreme Court vide its interim order dated 27th February, 2008 announced the price of Rs.118/- per quintal. Accordingly, subsequent payment of Cane dues remaining outstanding on the date of the Order were made by the Company @ Rs.118/- per quintal. Pending final decision of the Supreme Court, the impact of differential Cane Price has not been given in the Accounts.

4. There is a pari passu charge by way of hypothecation and equitable mortgage on the fixed assets of Kumbhi and Gularia units of the Company for an amount of Euro 4.50 million equivalent to Rs.2456.61 lacs (Previous year Rs.2456.61 lacs) in favour of BNP Paribas, India for securing various Swap Contracts entered into in connection with hedging in respect of External Commercial Borrowings availed by the Company.

5. During the year, the Company sold its Investment in Equity Shares of following Associate Companies :

Name of the Associate	No. of Shares sold
Avantika Ganna Private Limited	196600
Asia Sugar Industries Private Limited	750000

As a consequence of above, both ceased to be Associate of the Company.

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

6. a) Land, Building, Plant & Machinery, Railway Siding, Tubewell and Water Supply Machinery of Balrampur unit were revalued as at 30th June, 1988 on net replacement value as per the report of S.R. Batliboi Consultants Pvt. Ltd. and the cost of respective assets aggregating to Rs.1200.77 lacs was substituted by the revalued amount of Rs.1920.52 lacs and the resultant increase was credited to Revaluation Reserve.
- b) Land, Building and Plant & Machinery of Tulsipur unit were revalued as at 31st March, 1999 on net replacement value as per the report of Lodha & Co. and the cost of the respective assets aggregating to Rs.1023.85 lacs was substituted by the revalued amount of Rs.2944.93 lacs and the resultant increase was credited to Revaluation Reserve in the books of erstwhile Tulsipur Sugar Company Limited.
7. The Board of Directors of the Company in its meeting held on 27th July, 2009, has approved, subject to the approval of its Shareholders and the Board for Industrial & Financial Reconstruction (BIFR), revival proposal of its Subsidiary, Indo Gulf Industries Limited (IGIL) which is based on demerger of Sugar Unit of IGIL and merger of the said Sugar Unit with the Company. The draft Rehabilitation Scheme submitted by State Bank of India (Operating Agency) is under consideration of BIFR.

8. **Details of Deferred Tax Liability and Assets are as below:**

(Rupees in Lacs)

	2008-09	2007-08
a) Deferred Tax Liability :		
Depreciation	26163.47	24193.68
	26163.47	24193.68
b) Deferred Tax Assets :		
i) MAT Credit	—	3250.24
ii) Carried Forward Losses	128.11	3596.73
iii) Expenses allowable for tax purposes when paid	5647.58	3087.36
	5775.69	9934.33

Note :

Carried Forward Losses have been recognised as Deferred Tax Assets as per latest Income Tax Assessment Order / Return of Income filed by the Company.

9. **Details of Issued, Subscribed and Paid up Equity Share Capital of the Company:**

- a) 15,55,39,650 Equity Shares have been issued and allotted as fully paid up Bonus Shares by utilisation of Securities Premium, Capital Redemption Reserve and capitalisation of General Reserve.
- b) 2,37,55,600 Equity Shares have been issued to the members of erstwhile Babhnan Sugar Mills Limited pursuant to the Scheme of Amalgamation as fully paid up without payment received in cash.
- c) 21,15,400 Equity Shares have been issued to the members of erstwhile Tulsipur Sugar Company Limited pursuant to the Scheme of Amalgamation as fully paid up without payment received in cash.
- d) Out of 2,27,66,780 Equity Shares of Re.1/- each offered to the shareholders on Rights basis, issue of 17,270 (Previous year 17,270) Equity Shares has been kept in abeyance as per the direction of Court.
- e) 1,63,52,000 fully paid up Equity Shares of Re.1/- each were allotted in January, 2006 at a price of Rs.135/- per Share, ranking pari passu with the existing Equity Shares, each of which is represented by one Global Depository Receipt (GDR) issued @ US\$ 3.0577 each for an aggregate amount of US\$ 50 million.
10. The Company had issued 1,00,00,000 warrants convertible into equal number of Equity Shares of Re.1/- each at a premium of Rs.91/- per Share to the Promoter Group and received Rs.920.00 lacs being 10% of the value of the warrants during the year 2007-08. As per the terms of issue and allotment of warrants, Promoters/allottees had the option to get the warrants converted into Equity Shares within a period of 18 months from the date of allotment by payment of balance 90% of the issue price. The said period of 18 months expired and the Company did not receive the balance 90% of the issue price. Therefore, 10% of the issue price received initially was forfeited and transferred to Capital Reserve.
11. The Employee Stock Option Scheme (Scheme 2005) of the Company was formulated in the year 2005. Under the said Scheme, Options granted have vesting period of one year and exercise period of maximum eight years. During the year, Options covered by 1st, 2nd, 3rd and 4th Series and which remained outstanding were re-priced. The revised Exercise Price of Rs.45/- was approved by the Shareholders of the Company in the Extra-Ordinary General Meeting held on 25th May, 2009.

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

The details of Options granted, lapsed and exercised are as under:

Year of Issue	2005-06	2006-07	2007-08	2008-09	2008-09	Total
Series	1st	2nd	3rd	4th	5th	
Date of grant of Option	31/10/05	27/11/06	27/11/07	25/11/08	28/05/09	
Initial Exercise Price (Rs.)	74.60	104.10	72.20	74.20	45.00	
Revised Exercise Price (Rs.)	45.00	45.00	45.00	45.00	N.A.	
Market Price on the date of grant (Rs.)	81.10	87.65	90.75	35.40	82.35	
Excess of initial Exercise Price over Revised Exercise Price (Rs.)	29.60	59.10	27.20	29.20	N.A.	
Excess of Market Price over Revised Exercise Price (Rs.)	36.10	42.65	45.75	-	N.A.	
Number of Options granted upto 30.09.2008	622500	883000	995500	-	-	2501000
Number of Options exercised upto 30.09.2008	81650	-	-	-	-	81650
Number of Options lapsed upto 30.09.2008	151000	159000	74500	-	-	384500
Number of Options outstanding on 01.10.2008	389850	724000	921000	-	-	2034850
Number of Options granted during the year	-	-	-	1280000	1464500	2744500
Number of Options exercised during the year	278650	454600	485500	-	-	1218750
Number of Options lapsed during the year	11000	48000	64000	68000	18000	209000
Number of Options outstanding on 30.09.2009	100200	221400	371500	1212000	1446500	3351600
Number of Options outstanding on the date of Revised Exercise Price	379350	689000	879000	1234000	-	3181350

Note : Refer Director's Report for other disclosures.

12. a) Fixed Deposits with Scheduled Banks include an amount of Rs.84.55 lacs (Previous year Rs.61.05 lacs) specifically earmarked for construction of Molasses Storage Tank.
 - b) Fixed Deposits pledged with Excise authorities etc. Rs.45.01 lacs (Previous year Rs.45.01 lacs).
13. During the year, the following Current Investments in Liquid Schemes of Mutual Funds were purchased and switched / re-deemed :

Particulars of Investments	Purchased during the year		Switched/re-deemed during the year	
	No. of units	Amount (Rs. in Lacs)	No. of units	Amount (Rs. in Lacs)
Birla Sunlife Cash Plus Institutional - Growth	1643641.982	400.00	1643641.982	400.04
Birla Sunlife Cash Plus Institutional Premium - DDR	15970511.876	1600.17	15970511.876	1600.17
Birla Sunlife Savings Fund Institutional - Growth	9458919.651	1600.17	9458919.651	1606.81
HDFC Cash Management Fund - Savings Plan - DDR	56444953.703	6003.71	56444953.703	6003.71
HDFC Cash Management Fund - Savings Plan - Growth	26708993.935	5009.74	26708993.935	5010.99
HDFC Cash Management Fund - Treasury Advantage Plan Wholesale - Growth	15312096.882	3000.59	15312096.882	3009.74
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - DDR	29782062.510	3002.30	29782062.510	3002.30
ICICI Prudential Flexible Income Plan Premium - DDR	33127736.418	3502.76	33127736.418	3502.76
ICICI Prudential Flexible Income Plan Premium - Growth	27712326.513	4601.77	27712326.513	4606.78
ICICI Prudential Institutional Liquid Plan - Super Institutional - DDR	70040793.151	7004.43	70040793.151	7004.43
ICICI Prudential Institutional Liquid Plan - Super Institutional - Growth	34794115.400	4600.00	34794115.400	4601.77
Reliance Floating Rate Fund - DDR	9931781.520	1000.10	9931781.520	1000.10
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth	8245015.637	1800.00	8245015.637	1804.32
Reliance Liquidity Fund - DDR	90026056.080	9005.40	90026056.080	9005.40
Reliance Liquidity Fund - Growth	49735227.899	6723.55	49735227.899	6725.07
Reliance Money Manager Fund - Institutional Option - DDR	449862.880	4503.74	449862.880	4503.74
Reliance Money Manager Fund - Institutional Option - Growth	353890.195	4305.76	353890.195	4323.55
SBI Magnum Insta Cash Fund Cash Option	96990612.271	19400.00	96990612.271	19402.33
SBI-SHF- Ultra Short Term Fund Institutional Plan	82081428.915	8808.08	82081428.915	8810.86
TATA Floating Rate Short Term Institutional Plan - DDR	14980225.653	1500.30	14980225.653	1500.30
TATA Floating Rate Short Term Institutional Plan - Growth	15548361.324	2200.00	15548361.324	2200.25
TATA Treasury Manager SHIP - DDR	148617.775	1501.51	148617.775	1501.51
TATA Treasury Manager SHIP - Growth	364860.476	3701.77	364860.476	3706.81
Total		104775.85		104833.74

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

14. Balance with Non-Scheduled Banks on Current Accounts :

(Rupees in Lacs)

Name of the Bank	Closing Balance as at 30th September		Maximum amount outstanding at any time during the year ended 30th September	
	2009	2008	2009	2008
Aryavart Gramin Bank - Barabanki (Unit: Rauzagaon)	13.94	15.35	39.03	17.24
Aryavart Gramin Bank - Barabanki (Unit:Haidergarh)	0.14	-	50.98	91.78
Aryavart Gramin Bank - Fatehpur	0.49	1.55	11.86	14.01
Aryavart Gramin Bank - Haidergarh	0.17	0.37	0.17	18.69
Baroda Eastern U.P. Gramin Bank - Faizabad	20.24	19.73	30.95	20.13
Baroda Eastern U.P. Gramin Bank - Fatehpur	1.60	0.91	14.95	18.28
Baroda Eastern U.P. Gramin Bank - Raibareli	0.20	-	22.46	-
Baroda Sahkari Kshetriya Gramin Bank-Gan	0.11	-	5.46	-
Devi Patan Gramin Bank - Mankapur	0.28	-	50.81	-
District Co-Operative Bank - Barabanki (Unit: Haidergarh)	0.26	0.25	12.44	15.76
District Co-Operative Bank - Barabanki (Unit:Rauzagaon)	8.30	7.95	13.09	10.97
District Co-Operative Bank - Faizabad	1.86	1.71	2.02	1.82
District Co-Operative Bank - Faizabad (Unit:Akbarpur)	0.08	-	26.30	-
District Co-Operative Bank - Fatehpur (Unit:Haidergarh)	0.20	0.28	2.12	9.99
District Co-Operative Bank - Odraha	9.25	0.09	9.59	0.32
District Co-Operative Bank - Sultanpur	0.40	7.58	113.44	101.85
District Co-Operative Bank - Gola	0.43	0.11	0.50	238.91
District Co-Operative Bank- Khutar	0.10	-	0.14	-
District Co-Operative Bank- Nakha	0.23	0.14	0.41	0.33
District Co-Operative Bank -Neemgaon	0.10	0.41	0.22	47.65
District Co-Operative Bank- Sikardabad	0.08	0.11	0.08	0.20
District Co-Operative Bank-Amirnagar	0.59	-	0.73	0.16
District Co-Operative Bank-Fatehpur (Unit:Kumbhi)	0.38	0.68	0.53	0.81
District Co-Operative Bank-Mohammdipur	0.14	0.11	15.19	30.00
District Co-Operative Bank-Phardhan	-	0.07	0.25	0.28
District Co-Operative Bank-Pipariadhani	0.15	0.11	1.19	36.28
Kashi Gomti Sanyukt Graming Bank -Azamgarh	-	-	3.40	-
Kshetriya Gramin Bank - Akbarpur	0.04	0.27	80.29	38.54
Kshetriya Gramin Bank - Dostpur	0.39	0.98	0.92	5.48
Kshetriya Gramin Bank - Mijhaura	10.48	8.06	114.99	569.59
Kshetriya Gramin Bank - Semri	0.10	0.15	3.77	5.45
Lucknow Khetriya Gramin Bank - Jarwal Kasba	0.34	0.47	6.96	6.96
Purvanchal Gramin Bank - Babhnan	0.14	-	221.06	-
Purvanchal Gramin Bank - Basti	0.06	-	0.47	-
Purvanchal Gramin Bank - Faizabad	7.35	7.18	8.22	9.40
Serve U.P. Gramin Bank - Babhnan	0.14	-	225.42	-
Serve U.P. Gramin Bank - Mankapur	0.11	-	0.43	-
Serve U.P. Gramin Bank- Tulsipur	0.29	3.84	191.04	1167.70
Shahjahanpur Krishak Gramin Bank - Kurai	3.17	0.36	4.46	26.37
Urban Co-Operative Bank	0.10	-	8.63	-
Urban Co-Operative Bank - Mohammdi	0.18	-	12.68	-
Zila Sahkari Bank Ltd. - Parsurampur	0.90	0.94	0.94	22.98
Zila Sahkari Bank Ltd. - Babhnan	0.22	-	56.55	-
Zila Sahkari Bank Ltd. - Lucknow	8.61	7.17	9.29	8.22
Zila Sahkari Bank Ltd. - Sultanpur	0.43	3.37	22.48	4.09
Total	92.77	90.30		

Note : None of the Directors or their relatives have any interest in any of the Non- Scheduled Banks.

15. The Company has recognised Rs.5904.18 lacs as Minimum Alternate Tax (MAT) Credit Entitlement, the credit of which would be available based on the provisions of Section 115 JAA of the Income Tax, 1961. The Management, based on the future profitability projections and also profit earned during the year, is confident that there would be sufficient taxable profit in future which will enable the Company to utilise the above MAT Credit Entitlement.

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

16. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under: (Rupees in Lacs)

Sl. No.	Description	2008-09	2007-08
i)	The principal amount remaining overdue for payment to suppliers as at the end of accounting year *	3.43	–
ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	0.55	–
iii)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	–	–
iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	0.19	–
v)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year *	0.74	–
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises	–	–

* Included in the line item "Total outstanding dues of Micro and Small Enterprises" under Schedule-12.

17. Excess amount of Levy Sugar Price received to date for various Sugar Seasons as per Orders of the Hon'ble High Court Rs.43.15 lacs (Previous year Rs.43.15 lacs) has not been credited to the Profit & Loss Account as the matter is subjudice.

18. Disclosures in terms of Accounting Standard -29 on Provisions, Contingent Liabilities and Contingent Assets:

- a) Movement of Provision for Liabilities: (Rupees in Lacs)

Particulars	Duties & taxes	Others	Amount
Balance as at 1st October, 2008	8.27	1.03	9.30
Provided during the year	–	–	–
Amount used during the year	0.27	–	0.27
Reversed during the year	1.69	–	1.69
Balance as at 30th September, 2009	6.31	1.03	7.34
Timing of outflow/uncertainties		Outflow on settlement/crystallization	

- b) The Contingent Liabilities & Liabilities mentioned at Sl. No. 2 & 18 (a) respectively are dependent upon Court decision / out of Court settlement/disposal of appeals etc.

- c) No reimbursement is expected in the case of Contingent Liabilities & Liabilities shown respectively under Sl.No. 2 & 18(a) above and in view of this no asset has been recognised in this respect.

19. Details of Adjustment relating to earlier years (Net) :

(Rupees in Lacs)

	2008-09	2007-08
a) Expenses:		
i) Cost of Raw Materials Consumed	0.24	0.02
ii) Salaries, Wages, Bonus etc.	–	1.23
iii) Workmen & Staff Welfare Expenses	0.05	–
iv) Rent	0.40	–
v) Rates & Taxes	2.55	–
vi) Power & Fuel	–	0.82
vii) Repairs - Plant & Machinery	1.52	–
viii) Repairs - Others	0.54	0.06
ix) Miscellaneous Expenses	3.66	2.82
	8.96	4.95
b) Income:		
i) Miscellaneous Income	–	1.73
ii) Consumption of Stores & Spare Parts written back	–	6.51
iii) Workmen & Staff Welfare Expenses written back	–	0.11
	–	8.35
Adjustments relating to earlier years (Net) (a - b)	8.96	(3.40)

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

20. Earnings per Share - The numerators and denominators used to calculate Basic / Diluted Earnings per Share :

	2008-09	2007-08
a) Amount used as the numerator (Rs. in lacs)		
Profit after Tax	22650.59	9702.93
Total - (A)	22650.59	9702.93
b) Weighted average number of Equity Shares used as the denominator for		
Basic Earnings per Share - (B)	255623126	253595395
Add : Weighted average number of Equity Shares on account of Employees Stock Option Scheme	566096	190187
c) Weighted average number of Equity Shares used as the denominator for Diluted Earnings per Share - (C)	256189222	253785582
d) Nominal value of Equity Shares (Re.)	1.00	1.00
e) Basic Earnings per Share (Rs.) (A/B)	8.86	3.83
f) Diluted Earnings per Share (Rs.) (A/C)	8.84	3.82

21. Excise Duty & Cess on Stock :

The amount of Excise Duty & Cess on Stock shown in Schedule - 16 represents differential Excise Duty & Cess on Opening & Closing Stock of finished goods/by products.

22. Payment to Auditors:

(Rupees in Lacs)

Particulars	2008-09	2007-08
a) For Statutory Audit	15.00	15.00
b) For Limited Review & other Audits	10.00	9.49
c) For Certification Work	1.24	1.47
d) Reimbursement of Expenses	1.31	1.06
	27.55	27.02

The above amount excludes Service Tax and Education Cess thereon.

23. a) Details of Remuneration paid/payable to Directors :

(Rupees in Lacs)

Particulars	2008-09	2007-08
i) Salary	238.60	248.03
ii) Commission	230.00	230.00
iii) Contribution to Provident Fund, Gratuity and other Funds	58.15	50.20
iv) Perquisites (Including monetary value of perquisites Rs.5.39 lacs, Previous year Rs.4.80 lacs)	10.24	9.25
	536.99	537.48

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

b) Computation of Net Profit for the purpose of calculating Directors Remuneration :

(Rupees in Lacs)

	2008-09		2007-08	
Profit before Tax as per Profit & Loss Account		24960.75		12263.83
Add:				
i) Directors' Fees	5.90		6.50	
ii) Directors' Remuneration	531.60		532.68	
iii) Transfer to Storage Fund for Molasses	17.94		30.35	
iv) Loss on Sale/discard of Fixed Assets	683.30		92.51	
v) Loss on Sale of Current Investments	–		0.02	
vi) Depreciation as per Books of Account	10794.38		11720.50	
vii) Provision for Doubtful Debts / Advances	6.00	12039.12	310.30	12692.86
		36999.87		24956.69
Less :				
i) Depreciation as per Section 350 of the Companies Act*	10448.72		11366.85	
ii) Profit on Sale of Fixed Assets	35.09		5.36	
iii) Profit on Sale of Investments	99.67		–	
iv) Storage Fund for Molasses written back	–		64.11	
v) Brought forward loss	–	10583.48	3536.74	14973.06
Net Profit for the purpose of Directors' Remuneration		26416.39		9983.63
Eligible amount of Commission payable to Managing Director, Joint Managing Director and Director-cum-CFO @ 3% of Net Profit (1% to each)		792.49		299.50
Restricted as per terms of Agreements		210.00		210.00
Eligible amount of Commission payable to Non-Executive Directors @ 1% of Net Profit		264.16		99.84
Restricted, as per Shareholders approval		20.00		20.00

* The Company depreciates some of the fixed assets based on estimated useful life that are lower than those implicit in Schedule XIV to the Companies Act, 1956. Accordingly, the rate of depreciation used by the Company in respect of these fixed assets are higher than the rate prescribed under Schedule XIV.

24. Details of aggregate amount of loans outstanding which are guaranteed by the Managing Director / Joint Managing Director / Erstwhile Director:

(Rupees in Lacs)

Particulars	2008-09	2007-08
Loans from Banks (Including Non-Fund based limits Rs.2679.66 lacs, Previous year Rs.322.12 lacs)	14956.50	35493.82
Loans from Others	15933.76	18620.08
	30890.26	54113.90

Note : No Guarantee Commission is payable to the Guarantors.

25. The Company has been granted eligibility certificate dated 23rd February, 2007 under New Sugar Industry Promotion Policy, 2004 of the Government of Uttar Pradesh. Accordingly, incentives aggregating to Rs.3722.93 lacs (Previous year Rs.4281.53 lacs) allowable under the above policy have been accounted for.

The above policy has been terminated by the Government of Uttar Pradesh vide order dated 4th June, 2007 wherein the Government expressed its intention to introduce another policy. The Company has been legally advised that it continues to be eligible to receive the incentives under the above policy. Furthermore, the Company has filed Writ Petition against withdrawal of the aforesaid policy which has been admitted by the Lucknow Bench of the Hon'ble Allahabad High Court vide its Order dated 9th May, 2008, the hearing in respect of which is in progress.

26. Intangible Assets

- The unamortised amount of Share Issue Expenses Rs.53.27 lacs is to be amortised in the next 6 months.
- The unamortised amount of Computer Software (Acquired) Rs.1.79 lacs and Rs.0.21 lac are to be amortised equally in the next 3 years & three months and 3 years & seven months respectively.

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

27. Employee Benefits :

As per Accounting Standard - 15, the disclosure of Employee Benefits as defined in the Accounting Standard are as follows:

Defined Contribution Plan :

Employee benefits in the form of Provident Fund and Labour Welfare Fund are considered as defined contribution plan except that Provident fund in respect of certain employees is contributed to a fund set up by the Company which is treated as defined benefit plan since the Company has to meet the interest shortfall.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contributions plan, recognised as expense in the Profit & Loss Account are as under :

(Rupees in Lacs)

	2008-09	2007-08
Employer's Contribution to Provident Fund	242.72	244.65
Employer's Contribution to Labour Welfare Fund	0.01	0.01

Defined Benefit Plan:

Post employment and other long-term employee benefits in the forms of gratuity and leave encashment are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognised in the Balance Sheet represent the present value of the obligation as adjusted for unrecognised past service cost and as reduced by the fair value of plan assets.

Provident fund in respect of certain employees is contributed to a fund set up by the Company which is treated as a defined benefit plan since the Company has to meet the interest shortfall. The interest shortfall of Rs.6.54 lacs (Previous year Rs.24.61 lacs) at the year end is recognised as expense for the year.

Any asset resulting from this calculation is limited to the discounted value of any economic benefit available in the form of refunds from the plan or reduction in future contribution to the plan. The amount recognised in the Accounts in respect of Employees Benefits Schemes based on actuarial reports are as follows :

a) Details of funded post retirement plans are as follows :

(Rupees in Lacs)

	2008-09		2007-08	
	Gratuity	Provident Fund	Gratuity	Provident Fund
I. Components of Employer Expense :				
1 Current Service Cost	153.82	115.39	146.77	112.47
2 Past Service Cost	-	-	-	-
3 Interest Cost	108.38	151.58	115.06	129.27
4 Expected return on Plan Assets	112.44	151.38	103.28	121.66
5 Actuarial (Gain) /Loss	66.91	(18.27)	(26.85)	16.94
6 Expense recognised in Profit & Loss Account	216.67	97.32	131.70	137.02
II. Change in Present Value of Defined Benefit Obligation:				
1 Present value of Defined Benefit Obligation at the beginning of the year	1504.48	1805.60	1427.50	1520.87
2 Interest Cost	108.38	151.58	115.06	129.27
3 Past Service Cost	-	-	-	-
4 Current Service Cost	153.82	115.39	146.77	112.47
5 Employees Contribution	-	130.44	-	129.21
6 Benefits Paid	118.87	290.49	147.73	30.50
7 Actuarial (Gain) / Loss	43.75	(24.73)	(37.12)	(55.72)
8 Present value of Defined Benefit Obligation at the end of the year	1691.56	1887.79	1504.48	1805.60
III. Change in Fair Value of Plan Assets during the year:				
1 Plan Assets at the beginning of the year	1405.54	1780.99	1290.97	1520.81
2 Expected return on Plan Assets	112.44	151.38	103.28	121.66
3 Actual Company Contribution	225.95	245.83	169.28	241.68
4 Benefits paid	118.87	290.49	147.73	30.50
5 Actuarial Gain / (Loss)	(23.16)	(6.46)	(10.26)	(72.66)
6 Plan Assets at the end of the year	1601.90	1881.25	1405.54	1780.99

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

(Rupees in Lacs)

	2008-09		2007-08	
	Gratuity	Provident Fund	Gratuity	Provident Fund
IV. Net Asset/(Liability) recognised in the Balance Sheet as at year end :				
1 Present value of Defined Benefit Obligation	1691.56	1887.79	1504.48	1805.60
2 Fair value of Plan Assets	1601.90	1881.25	1405.54	1780.99
3 Funded Status [Surplus/(Deficit)]	(89.66)	(6.54)	(98.94)	(24.61)
4 Net Asset/(Liability) recognised in Balance Sheet	(89.66)	(6.54)	(98.94)	(24.61)
V. Actuarial Assumptions :				
1 Discount Rate (per annum) %	7.50	8.50	8.50	8.50
2 Expected return on Plan Assets (per annum) %	8.00	8.50	8.00	8.00
3 Salary increase %	5.00	5.00	6.00	6.00
4 Retirement/Superannuation Age (Year)	60.00	60.00	60.00	60.00
5 Mortality Rates	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
VI. Major Category of Plan Assets as a % of the Total Plan Assets as at year end :				
1 Administered by Insurance Companies	54%	–	47%	–
2 Public Financial Institutions / Public Sector Companies	21%	52%	23%	51%
3 Central / State Government Securities	23%	48%	28%	49%
4 Bank Deposits	1%	–	1%	–
5 Others (Cash & Cash Equivalents)	1%	–	1%	–
VII. Experience Adjustments :				
1 Defined Benefit Obligation	–	–	–	–
2 Plan Assets	–	–	–	–
3 Surplus /(Deficit)	–	–	–	–
4 Experience adjustments on Plan Liabilities	–	–	–	–
5 Experience adjustments on Plan Assets	–	–	–	–
VIII. Expected Employer's Contribution for the next year :				
Expected Employer's Contribution for the next year	248.50	122.31	186.21	119.22

IX. Basis used to determine the expected Rate of return on Plan Assets :

The basis used to determine overall expected Rate of return on Plan Assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the Capital and optimise returns within acceptable risk parameters, the Plan Assets are well diversified

b) Details of unfunded post retirement Defined Obligations are as follows:

(Rupees in Lacs)

	Leave Encashment (Unfunded)	
	2008-09	2007-08
I. Components of Employer Expense :		
1 Current Service Cost	11.47	13.39
2 Past Service Cost	–	–
3 Interest Cost	10.63	9.50
4 Expected return on Plan Assets	–	–
5 Acturial (Gain) / Loss	24.55	101.04
6 Expense recognised in Profit & Loss Account	46.65	123.93

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

(Rupees in Lacs)

	Leave Encashment (Unfunded)	
	2008-09	2007-08
II. Change in Present Value of Defined Benefit Obligation :		
1 Present value of Defined Benefit Obligation at the beginning of the year	156.86	190.70
2 Interest Cost	10.63	9.50
3 Past Service Cost	-	-
4 Current Service Cost	11.47	13.39
5 Benefits Paid	30.25	157.77
6 Actuarial (Gain) / Loss	24.55	101.04
7 Present value of Defined Benefit Obligation at the end of the year	173.26	156.86
III. Net Asset / (Liability) recognised in the Balance Sheet as at year end :		
1 Present value of Defined Benefit Obligation	173.26	156.86
2 Fair value of Plan Assets	-	-
3 Funded Status [Surplus/(Deficit)]	(173.26)	(156.86)
4 Net Asset / (Liability) recognised in Balance Sheet	(173.26)	(156.86)
IV. Actuarial Assumptions :		
1 Discount Rate (per annum) %	7.50	8.50
2 Expected return on Plan Assets (per annum) %	-	-
3 Salary increase %	5.00	6.00
4 Retirement/Superannuation Age (Year)	60.00	60.00
5 Mortality Rates	LICI 1994-1996	LICI 1994-1996
V. Experience Adjustments :		
1 Defined Benefit Obligation	-	-
2 Plan Assets	-	-
3 Surplus /(Deficit)	-	-
4 Experience adjustments on Plan Liabilities	-	-
5 Experience adjustments on Plan Assets	-	-
VI. Expected Employer's Contribution for the next year :		
Expected Employer's Contribution for the next year	190.60	-

c) Other disclosures :

i) Basis of estimates of Rate of escalation in salary :

The estimates of rate of escalation in salary, considered in Actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

ii) The Gratuity and Provident Fund Expenses have been recognised under "Contribution to Provident Fund, Gratuity and Other Funds" and Leave Encashment under "Salaries, Wages, Bonus etc." under Schedule - 18.

iii) The amount of the Present value of Obligations, fair value of Plan Assets, Surplus/Deficit in the plan and experience adjustment arising on Plan Liabilities and Plan Assets for the previous three annual periods are not available and therefore, not disclosed.

28. Segment information as per Accounting Standard - 17 on 'Segment Reporting' :

The Company has identified four primary business segments viz. Sugar, Distillery, Co-generation and Organic Manure. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure and internal business reporting system.

a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent assets and liabilities of respective segment. Investments, tax related assets/liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

c) Information about Primary Business Segments:

(Rupees in Lacs)

Particulars	Sugar	Distillery	Co-generation	Organic Manure	Unallocable	Total
Gross Sales	157834.13 (130611.08)	13541.67 (18750.25)	18255.21 (23688.10)	254.69 (143.78)	- (-)	189885.70 (173193.21)
Less : Inter Segment Sales	7002.18 (11634.97)	4.06 (14.09)	5777.49 (6293.74)	0.19 (0.20)	- (-)	12783.92 (17943.00)
External Sales	150831.95 (118976.11)	13537.61 (18736.16)	12477.72 (17394.36)	254.50 (143.58)	- (-)	177101.78 (155250.21)
Less : Excise Duty & Cess on External Sales	6642.52 (6910.05)	454.83 (1985.90)	- (-)	- (-)	- (-)	7097.35 (8895.95)
Net Sales	144189.43 (112066.06)	13082.78 (16750.26)	12477.72 (17394.36)	254.50 (143.58)	- (-)	170004.43 (146354.26)
Add : Allocable Other Income	374.33 (820.54)	33.77 (75.55)	82.48 (157.77)	1.75 (8.42)	- (-)	492.33 (1062.28)
Total Revenue	144563.76 (112886.60)	13116.55 (16825.81)	12560.20 (17552.13)	256.25 (152.00)	- (-)	170496.76 (147416.54)
Result						
Segment Result	24948.02 (6530.97)	4992.23 (6511.19)	8033.54 (10779.00)	(77.39) (- (197.30))	- (-)	37896.40 (23623.86)
Less:						
Unallocable Expenditure net of Unallocable Income					3251.06 (2394.92)	3251.06 (2394.92)
Interest & Other Financial Charges					9684.59 (8965.11)	9684.59 (8965.11)
Profit Before Tax						24960.75 (12263.83)
Tax						
Current Tax (Including Wealth Tax)						3449.00 (562.00)
Fringe Benefit Tax						28.00 (64.00)
Deferred Tax						6128.43 (1934.90)
MAT Credit Entitlement						(5904.18) (-)
Income Tax for earlier years written back						(1391.09) (-)
Profit After Tax						22650.59 (9702.93)
Other Information						
Segment Assets	157389.81 (188078.57)	16044.52 (17584.02)	55017.38 (59067.67)	1322.19 (1310.10)	36876.56 (20588.51)	266650.46 (286628.87)
Segment Liabilities	10423.22 (14672.68)	2208.20 (2677.74)	246.77 (410.27)	27.89 (24.33)	39016.21 (31347.32)	51922.29 (49132.34)
Capital Expenditure	732.64 (4762.70)	10.51 (204.72)	241.01 (3205.14)	19.82 (15.12)	86.85 (93.88)	1090.83 (8281.56)
Depreciation & Amortisation	6206.49 (7034.01)	825.50 (808.89)	3635.90 (3741.92)	69.19 (73.65)	57.30 (62.03)	10794.38 (11720.50)
Non cash expenses other than Depreciation & Amortisation	730.23 (298.77)	6.65 (1.58)	1.06 (88.96)	- (-)	1043.30 (172.77)	1781.24 (562.08)

Notes :

- Transactions between segments are primarily for materials which are transferred at market determined prices. Common costs are apportioned on a reasonable basis.
- Unallocable expenses are net of unallocable income Rs.130.19 lacs (Previous year Rs.350.35 lacs).
- Inter Segment Sales include Excise Duty & Cess Rs.586.72 lacs (Previous year Rs.1457.93 lacs).
- Figure in brackets pertain to previous year.

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

d) Information about Secondary Geographical Segments :

- The information about secondary segments has not been furnished as the export revenue is less than 10% of the total revenue of the Company.
- The Company has common fixed assets located in India for producing goods for domestic and overseas markets. Therefore, the value of fixed assets and additions thereto can not be allocated to the geographical segments. Hence, the total carrying amount of segment assets and cost incurred during the year to acquire segment assets has not been given in respect of secondary segments.

29. Related party disclosures as per Accounting Standard - 18 are given below:

a) Name of the related parties and description of relationship :

i) Subsidiaries :

(Control exists)

Indo Gulf Industries Ltd.
Balrampur Overseas Pvt. Ltd.

ii) Associates :

(Where the Company exercises significant influence)

Avantika Ganna Pvt. Ltd. (Till 20.12.2008)
Asia Sugar Industries Pvt. Ltd. (Till 02.07.2009)

iii) Key Managerial Personnel (KMP):

Mr. Vivek Saraogi - Managing Director
Mrs. Meenakshi Saraogi - Joint Managing Director
Mr. K.N. Ranasaria - Whole-time Director (upto 11.05.2009)
Mr. Kishor Shah - Director-cum-Chief Financial Officer
Mr. R.N. Mishra - Whole-time Director (upto 31.07.2008)
Dr. Arvind Krishna Saxena - Whole-time Director (from 01.08.2008)

iv) Relatives of Key Managerial Personnel :

Mr. Vivek Saraogi

- Mr. K.N.Saraogi (Father) - Chairman Emeritus
- Mrs. Meenakshi Saraogi (Mother)
- Mrs. Sumedha Saraogi (Wife)
- Mr. Karan Saraogi (Son)
- Miss Avantika Saraogi (Daughter)
- Mrs. Satyawati Saraogi (Grand-Mother)
- Mrs. Stuti Dhanuka (Sister)

Mrs. Meenakshi Saraogi

- Mr. K.N. Saraogi (Husband)
- Mr. Vivek Saraogi (Son)
- Mrs. Stuti Dhanuka (Daughter)
- Mrs. Sumedha Saraogi (Daughter-in-Law)
- Mr. Karan Saraogi (Grand-Son)
- Mrs. Satyawati Saraogi (Mother-in-Law)
- Miss Avantika Saraogi (Grand-Daughter)

v) Enterprises in which KMP and their relatives have substantial interest :

- Kamal Nayan & Co.
- Meenakshi Mercantiles Ltd.
- Udaipur Cotton Mills Co. Ltd.
- Kamal Nayan Saraogi (HUF)
- Vivek Saraogi (HUF)

b) Transactions with Related parties :

(Rupees in Lacs)

Nature of transaction / Name of the related party	Subsidiaries	Associates	Enterprises in which KMP and their relatives have substantial interest	Key Managerial Personnel (KMP)	Relatives of KMP	Total
i) Purchase of Raw Materials						
Kamal Nayan & Co.	-	-	-	-	-	-
	(-)	(-)	(0.67)	(-)	(-)	(0.67)
Indo Gulf Industries Ltd.	63.00	-	-	-	-	63.00
	(272.61)	(-)	(-)	(-)	(-)	(272.61)
ii) Purchase of Molasses						
Indo Gulf Industries Ltd.	108.51	-	-	-	-	108.51
	(-)	(-)	(-)	(-)	(-)	(-)

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

(Rupees in Lacs)

Nature of transaction / Name of the related party	Subsidiaries	Associates	Enterprises in which KMP and their relatives have substantial interest	Key Managerial Personnel (KMP)	Relatives of KMP	Total
iii) Purchase of Store & Other Materials						
Indo Gulf Industries Ltd.	7.95 (17.04)	– (–)	– (–)	– (–)	– (–)	7.95 (17.04)
iv) Purchase of Fixed Assets						
Indo Gulf Industries Ltd.	– (0.36)	– (–)	– (–)	– (–)	– (–)	– (0.36)
v) Sale of Raw Materials						
Indo Gulf Industries Ltd.	6.55 (10.29)	– (–)	– (–)	– (–)	– (–)	6.55 (10.29)
vi) Sale of Store & Other Materials						
Indo Gulf Industries Ltd.	9.18 (23.93)	– (–)	– (–)	– (–)	– (–)	9.18 (23.93)
vii) Sale of Fixed Assets						
Indo Gulf Industries Ltd.	– (6.00)	– (–)	– (–)	– (–)	– (–)	– (6.00)
viii) Reimbursement of Expenses						
Indo Gulf Industries Ltd.	14.83 (64.83)	– (–)	– (–)	– (–)	– (–)	14.83 (64.83)
ix) Recovery of Expenses						
Indo Gulf Industries Ltd.	16.09 (389.06)	– (–)	– (–)	– (–)	– (–)	16.09 (389.06)
x) Inter-Corporate Loan Given						
Indo Gulf Industries Ltd.	4182.34 (5240.23)	– (–)	– (–)	– (–)	– (–)	4182.34 (5240.23)
xi) Investments made during the year in						
Balrampur Overseas Pvt. Ltd.	– (102.42)	– (–)	– (–)	– (–)	– (–)	– (102.42)
Asia Sugar Industries Pvt. Ltd.	– (–)	– (100.00)	– (–)	– (–)	– (–)	– (100.00)
xii) Investments sold during the year to						
Meenakshi Mercantiles Ltd.	– (–)	– (–)	45.81 (–)	– (–)	– (–)	45.81 (–)
Udaipur Cotton Mills Co. Ltd.	– (–)	– (–)	15.63 (–)	– (–)	– (–)	15.63 (–)
xiii) Interest Income						
Indo Gulf Industries Ltd.	1002.07 (1036.82)	– (–)	– (–)	– (–)	– (–)	1002.07 (1036.82)
xiv) Receiving of Services						
Mrs. Meenakshi Saraogi	– (–)	– (–)	– (–)	215.92 (194.47)	– (–)	215.92 (194.47)
Mr. Vivek Saraogi	– (–)	– (–)	– (–)	198.25 (190.82)	– (–)	198.25 (190.82)
Mr. K.N.Ranasaria	– (–)	– (–)	– (–)	24.93 (33.30)	– (–)	24.93 (33.30)
Mr. Kishor Shah	– (–)	– (–)	– (–)	66.84 (64.91)	– (–)	66.84 (64.91)
Mr. R.N.Mishra	– (–)	– (–)	– (–)	– (6.52)	– (–)	– (6.52)
Dr. Arvind Krishna Saxena	– (–)	– (–)	– (–)	11.06 (1.55)	– (–)	11.06 (1.55)

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

(Rupees in Lacs)

Nature of transaction / Name of the related party	Subsidiaries	Associates	Enterprises in which KMP and their relatives have substantial interest	Key Managerial Personnel (KMP)	Relatives of KMP	Total
xv) Dividend Paid to Shareholders						
Mr. K.N.Saraogi	- (-)	- (-)	- (-)	- (-)	134.89 (-)	134.89 (-)
Mrs. Meenakshi Saraogi	- (-)	- (-)	- (-)	69.22 (-)	- (-)	69.22 (-)
Mr. Vivek Saraogi	- (-)	- (-)	- (-)	43.78 (-)	- (-)	43.78 (-)
Mr. K.N.Ranasaria	- (-)	- (-)	- (-)	0.96 (-)	- (-)	0.96 (-)
Mr. Kishor Shah	- (-)	- (-)	- (-)	0.03 (-)	- (-)	0.03 (-)
Mrs. Sumedha Saraogi	- (-)	- (-)	- (-)	- (-)	49.00 (-)	49.00 (-)
Mr. Karan Saraogi	- (-)	- (-)	- (-)	- (-)	19.73 (-)	19.73 (-)
Miss Avantika Saraogi	- (-)	- (-)	- (-)	- (-)	18.73 (-)	18.73 (-)
Mrs. Stuti Dhanuka	- (-)	- (-)	- (-)	- (-)	25.06 (-)	25.06 (-)
Meenakshi Mercantiles Ltd.	- (-)	- (-)	32.80 (-)	- (-)	- (-)	32.80 (-)
Udaipur Cotton Mills Co. Ltd.	- (-)	- (-)	37.38 (-)	- (-)	- (-)	37.38 (-)
Kamal Nayan Saraogi (HUF)	- (-)	- (-)	39.31 (-)	- (-)	- (-)	39.31 (-)
Vivek Saraogi (HUF)	- (-)	- (-)	0.85 (-)	- (-)	- (-)	0.85 (-)
xvi) Finance (Contribution towards Equity Shares and convertible Warrants in cash)						
Mr. K.N.Saraogi	- (-)	- (-)	- (-)	- (-)	- (2553.00)	- (2553.00)
Mrs. Meenakshi Saraogi	- (-)	- (-)	- (-)	- (883.20)	- (-)	- (883.20)
Mrs. Satyawati Saraogi	- (-)	- (-)	- (-)	- (-)	- (204.70)	- (204.70)
Mr. Karan Saraogi	- (-)	- (-)	- (-)	- (-)	- (350.70)	- (350.70)
Miss Avantika Saraogi	- (-)	- (-)	- (-)	- (-)	- (166.70)	- (166.70)
Meenakshi Mercantiles Ltd.	- (-)	- (-)	- (1438.33)	- (-)	- (-)	- (1438.33)
Udaipur Cotton Mills Co. Ltd.	- (-)	- (-)	- (2039.37)	- (-)	- (-)	- (2039.37)
xvii) Guarantees (By Key Managerial Personnel provided for loans obtained by the Company)						
Mr. Vivek Saraogi	- (-)	- (-)	- (-)	- (14643.00)	- (-)	- (14643.00)

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

(Rupees in Lacs)

Nature of transaction / Name of the related party	Subsidiaries	Associates	Enterprises in which KMP and their relatives have substantial interest	Key Managerial Personnel (KMP)	Relatives of KMP	Total
xviii) Corporate Guarantee (Provided by the Company for loans obtained by the Subsidiary)						
Indo Gulf Industries Ltd.	- (3550.00)	- (-)	- (-)	- (-)	- (-)	- (3550.00)
xix) Balance Outstanding						
a) Accounts payable						
Mrs. Meenakshi Saraogi	- (-)	- (-)	- (-)	90.00 (90.00)	- (-)	90.00 (90.00)
Mr. Vivek Saraogi	- (-)	- (-)	- (-)	90.00 (90.00)	- (-)	90.00 (90.00)
Mr. K.N.Ranasaria	- (-)	- (-)	- (-)	- (2.40)	- (-)	- (2.40)
Mr.Kishor Shah	- (-)	- (-)	- (-)	30.00 (30.00)	- (-)	30.00 (30.00)
b) Inter Corporate Loan receivable						
Indo Gulf Industries Ltd. @	7500.00 (7500.00)	- (-)	- (-)	- (-)	- (-)	7500.00 (7500.00)
c) Amount outstanding against Guarantees provided by						
Mr. K.N.Saraogi	- (-)	- (-)	- (-)	- (-)	15933.76 (18620.08)	15933.76 (18620.08)
Mrs. Meenakshi Saraogi	- (-)	- (-)	- (-)	15933.76 (18620.08)	- (-)	15933.76 (18620.08)
Mr. Vivek Saraogi	- (-)	- (-)	- (-)	30890.26 (54113.90)	- (-)	30890.26 (54113.90)
d) Amount outstanding against Corporate Guarantee (Provided by the Company for loans obtained by the subsidiary)						
Indo Gulf Industries Ltd.	1545.46 (2661.15)	- (-)	- (-)	- (-)	- (-)	1545.46 (2661.15)

@ Maximum amount outstanding during the year Rs.9950.00 lacs (Previous year Rs.10194.45 lacs).

- c) The transactions with related parties have been entered at an amount which are not materially different from that on normal commercial terms.
- d) No amount has been written back / written off during the year in respect of due to / from related parties.
- e) The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.
- f) Figure in brackets pertain to previous year.

30. Disclosure under clause 32 of the Listing Agreement:

There are no transactions (other than loan transactions with subsidiaries as given in para 29 (b) (xix) (b) above) which are required to be disclosed under Clause 32 of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed.

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

31. Additional information pursuant to the provisions of paragraphs 3, 4C & 4D of Part – II of Schedule VI to the Companies Act, 1956:

A. Quantitative Information :

i) Licensed Capacity		
Sugar	Not applicable	Not applicable
Distillery	320 KLPD	320 KLPD
Organic Manure	Not applicable	Not applicable
Co-Generation	Not applicable	Not applicable
ii) Installed Capacity (As certified by the Management)		
Sugar	73500 TCD	73500 TCD
Distillery	320 KLPD	320 KLPD
Organic Manure	58000 M.T.	58000 M.T.
Co-Generation	179.85 M.W.	179.85 M.W.

iii) Particulars of Goods Manufactured

Class of Goods	Unit	Production Quantity	Sales	
			Quantity	Amount (Rs. in Lacs)
a) Sugar	Qtls.	4414989 (8184902)	^ 6647059 (7419774)	148741.81 (117691.00)
b) Molasses	Qtls.	2373926 (3994250)	# 2578937 (4341993)	1909.14 (1176.54)
c) Industrial Alcohol	B.L.	48271967 (91088540)	* 50661405 (86941105)	13472.54 (18626.18)
d) Power	KW.	495754364 (790688367)	\$ 493166752 (787509312)	12477.72 (17393.55)
e) Organic Manure	M.T.	27129 (34192)	& 33714 (31006)	251.18 (147.81)
f) Bagasse	Qtls.	16293486 (26141213)	§ 16750723 (26851055)	130.01 (27.32)
g) Miscellaneous				119.38 (187.81)
Total				177101.78 (155250.21)

	Unit	2008-09 Quantity	2007-08 Quantity
^ Includes process/storage loss	Qtls.	5602	1619
# Includes auto combustion/storage loss	Qtls.	35261	77441
inter unit transfers taken at nil value	Qtls.	2119461	3787241
* Includes storage loss	B.L.	858693	796011
captive consumption taken at nil value	B.L.	10600	19400
\$ Includes captive consumption	KW.	47277104	85806632
transmission loss	KW.	4412083	6133077
inter unit transfers taken at nil value	KW.	83820025	122034382
& Includes process loss/ issued as sample	M.T.	707	7459
storage loss	Qtls.	20450	–
§ Includes captive consumption	Qtls.	5418556	9404195
inter unit transfers taken at nil value	Qtls.	10715140	17334577

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

iv) Class of Goods	Unit	Opening Stock		Closing Stock	
		Quantity	Amount (Rs. in Lacs)	Quantity	Amount (Rs. in Lacs)
a) Sugar	Qtls.	3161592 (2396464)	47191.39 (34421.68)	929522 (3161592)	19222.45 (47191.39)
b) Molasses	Qtls.	488736 (836479)	961.69 (893.36)	283725 (488736)	696.40 (961.69)
c) Industrial Alcohol	B.L.	6765762 (2618327)	806.94 (307.35)	4376324 (6765762)	733.11 (806.94)
d) Banked Power	KW.	4942175 (1763120)	56.35 (26.18)	7529787 (4942175)	120.94 (56.35)
e) Organic Manure	M.T.	14559 (11373)	48.47 (73.67)	7974 (14559)	50.15 (48.47)
f) Bagasse	Qtls.	1153646 (1863488)	342.21 (509.76)	696409 (1153646)	210.55 (342.21)
Total			49407.05 (36232.00)		21033.60 (49407.05)

B. Raw Materials Consumed

	Unit	Quantity	Amount (Rs. in lacs)
a) Sugar Cane	Qtls.	48322212 (80579371)	73720.18 (97459.68)
b) Molasses	Qtls.	* 2173982 (4014546)	1325.35 (1899.11)
c) Pressmud	M.T.	# 96292 (111414)	23.22 (31.10)
d) Bagasse	Qtls.	@ 11146117 (18013723)	1203.81 (1967.32)
e) Others			65.54 (59.06)
Total			76338.10 (101416.27)

	Unit	2008-09 Quantity	2007-08 Quantity
* Includes consumed out of inter unit transfers taken at nil value	Qtls.	2119461	3787241
# Includes consumed out of inter unit transfers taken at nil value.	M.T.	96292	111414
@ Includes consumed out of inter unit transfers taken at nil value.	Qtls.	10715140	17334577

C. Consumption Of Raw Materials

	Percentage	Amount (Rs. in lacs)
Imported	- (-)	- (-)
Indigenous	100.00 (100.00)	76338.10 (101416.27)
	100.00 (100.00)	76338.10 (101416.27)

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

D. Consumption of Stores & Spare Parts

	Percentage	Amount (Rs. in lacs)
Imported	0.41 (0.01)	12.90 (0.63)
Indigenous	99.59 (99.99)	3101.38 (6549.71)
	100.00 (100.00)	3114.28 (6550.34)

E. Expenditure in Foreign Currency

	Amount (Rs. in lacs)
On Professional & Consultancy Expenses	4.79 (4.20)
On Travelling	50.07 (34.56)
On Interest	2886.87 (3441.25)
On Others	9.72 (12.35)

F. Earnings in Foreign Exchange

	Amount (Rs. in lacs)
FOB Value of Exports	
Direct	768.75 (281.98)
Through Export House	– (1251.50)

G. Value of Import on C.I.F. Basis

	Amount (Rs. in lacs)
Raw Materials	8076.28 (–)
Capital Goods	– (738.17)

Note : Figure in brackets pertain to previous year.

32. Dividend remitted in foreign currency :

The Company has not remitted any amount in foreign currency on account of dividend. The particulars of dividend payable to non-resident shareholders are as under :

	2008-09	2007-08
i) Year to which Dividend relates	30/09/08	–
ii) Number of non-resident shareholders	1101	–
iii) Number of Ordinary Shares held by them	39351625	–
iv) Gross amount of Dividend (Rs. in Lacs)	196.76	–

SCHEDULES FORMING PART OF THE ACCOUNTS

23 NOTES ON ACCOUNTS (Contd...)

33. Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	L15421WB1975PLC030118							State Code :	2 1	
Balance Sheet Date	3	0	0	9	2	0	0	9		
	Date		Months		Year					

II. Capital Raised during the year (Amount Rs. in Thousands)

Public Issue						N	I	L	Right Issue							N	I	L
Bonus Issue							N	I	L	Employee Stock Options				5	4	8	4	4

III. Position of Mobilisation and Deployment (Amount Rs. in Thousands)

Total Liabilities	2	6	6	6	5	0	4	6	Total Assets	2	6	6	6	5	0	4	6	
Sources of Funds									Reserves and Surplus	1	1	4	9	5	7	7	3	
Paid up Capital			2	5	6	7	5	5	Unsecured Loans							N	I	L
Secured Loans		9	7	2	0	2	8	8	Investments		1	2	6	5	7	1	5	
Deferred Tax Liability		2	6	1	6	3	4	7	Net Current Assets		4	4	7	3	0	0	8	
Application of Funds									Misc. Expenditure					5	3	2	7	
Net Fixed Assets	1	7	7	6	7	5	4	4										
Deferred Tax Assets			5	7	7	5	6	9										

IV. Performance of the Company (Amount Rs. in Thousands)

Turnover (incl. Other Income)	1	7	0	6	2	6	9	5	Total Expenditure	1	4	5	6	6	6	2	0
Profit/(Loss) before Tax		2	4	9	6	0	7	5	Profit/(Loss) after Tax		2	2	6	5	0	5	9
Basic Earning Per Share					8	.	8	6	Dividend Rate (%)						3	0	0

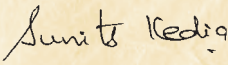
V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Product Description	SUGAR								
Item Code No. (ITC Code)	1	7	0	1	1	1	.	9	0
Product Description	INDUSTRIAL ALCOHOL								
Item Code No. (ITC Code)	2	2	0	7	2	0	.	0	0
Product Description	CO-GENERATION								
Item Code No. (ITC Code)				N	.	A	.		

34. Previous year's figures have been re-grouped / re-arranged wherever found necessary to make them comparable with those of the current year.

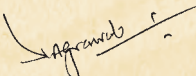
Signatories to all foregoing Schedules '1' to '23' forming part of the Accounts.

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

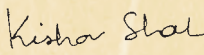

(CA. Sunita Kedia

Membership No. 60162)
Partner

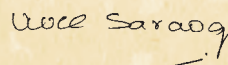
7A, Kiran Shankar Ray Road,
Kolkata - 700 001.
25th November, 2009.



S. K. Agrawala
Secretary



Kishor Shah
Director cum Chief Financial Officer



Vivek Saraogi
Managing Director