



SIMBHAOLI SUGARS LIMITED

Our Company was originally incorporated as “Simbhaoli Spirits Limited” under the Companies Act, 1956 on 04th April, 2011 with Registrar of Companies, Uttar Pradesh and Uttarakhand and received the certificate of commencement of business on 05th September, 2011.

Registered Office: Simbhaoli, District Hapur, Uttar Pradesh - 245207

Telephone: +91 5731-226411/3117/8; **Facsimile:** +915731-223042/39

Corporate Office: A-112, Sector 63, Noida, Uttar Pradesh – 201307, Telephone: +91-120-4806666

Telephone: +91 120 2400780/+91-120-2402301; **Facsimile:** +91 120 2400474

Contact Person and Compliance Officer: Mr. Kamal Samtani, Company Secretary;

Telephone: +91 120 2400480; **Facsimile:** +91 120 2427166.

Email: kamal@simbhaolisugars.com **Website:** www.simbhaolisugars.com

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

OUR PROMOTERS: (1) Mr. Gurmit Singh Mann (2) Mr. Gurpal Singh (3) Ms. Gursimran Kaur Mann alongwith their relatives and controlled entities.

INFORMATION MEMORANDUM FOR LISTING OF 37479020 EQUITY SHARES OF RS. 10/- EACH ISSUED BY THE COMPANY PURSUANT TO THE SCHEME OF AMALGAMATION.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest in equity shares of Simbhaoli Sugars Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the shares of Simbhaoli Sugars Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

The securities have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the Section titled “Risk Factors” beginning on page 9 under the section ‘General Risks’ of this Information Memorandum.

ISSUER’S ABSOLUTE RESPONSIBILITY

Simbhaoli Sugars Limited, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to the Company which is material in the context of this Issue of Shares pursuant to the Scheme, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the inclusion or omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect.

LISTING

The Equity Shares are proposed to be listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE). The Company has submitted this Information Memorandum with NSE and BSE. This Information Memorandum will also be updated on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

REGISTRAR AND TRANSFER AGENT



MAS SERVICES LIMITED

T-34, IInd Floor

Okhla Industrial Area

Phase-II, New Delhi 110020

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Information Memorandum. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto, from time to time.

Company Related Terms

Term	Description
ESSL / Amalgamating company	Erstwhile Simbhaoli Sugars Limited, which pursuant to the scheme of amalgamation has been merged with Simbhaoli Spirits Limited, the amalgamated company.
“Our Company” / “the Company” / “Simbhaoli Sugars Limited” / “the Company” / “SSL” / “we” / “us” / “our” / “Amalgamated company”	Simbhaoli Sugars Limited, a public limited company incorporated under the Companies Act, 1913, with its registered office at Simbhaoli, District Hapur, Uttar Pradesh – 245207

Conventional and General Terms

Term	Description
AGM	Annual General Meeting
Articles / Articles of Association / AOA	Articles of Association of SSL
Applicable Laws	Any statute, notification, bye-laws, rules, regulations, guidelines, Common law, policy code, directives, ordinate, schemes notices, orders or instructions, laws enacted or issued or sanctioned by any appropriate authority in India including any modifications or re-enactment thereof for the time being in force.
Appointed Date	March 31, 2015 as approved by Hon’ble High Court of Judicature at Allahabad
AS	Accounting Standards, as issued by the Institute of Chartered Accountants of India.
Auditors	The Statutory Auditors of SSL
Board/Board of Directors	Board of Directors of SSL
BSE	BSE Limited
Capital or Share Capital	Share Capital of SSL
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer

CFO	Chief Financial Officer
CIT	Commissioner of Income Tax
Corporate Office	The corporate office of our Company, presently located at A-112, Sector-63, Noida - 201 307, Uttar Pradesh
Cumulative Redeemable Preference Shares/ “CRPS”	8% Cumulative Redeemable Preference Shares of our Company of face value of Rs. 100 each.
Act/Companies Act	The Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended
Companies Act, 2013	The Companies Act, 2013 and any Rules issued thereunder
Court / High Court	Hon’ble High Court of Allahabad, as applicable, and shall include the National Company Law Tribunal
CSR	Corporate Social Responsibility
DDT	Divided Distribution Tax
Designated Stock Exchange (‘DSE’)	National Stock Exchange of India Limited
Depositories Act	The Depositories Act, 1996 and amendments thereto
Director(s)	The director(s) of the Company, unless otherwise specified.
DP	Depository Participant
Effective Date	November 13, 2015 on filing of order with ROC
EGM	Extraordinary General Meeting
Eligible Shareholder(s)	Eligible holder(s) of equity Shares of ESSL as on the Record Date
Equity Share(s) or Share(s)	Fully paid up equity shares of SSL having a face value of rs. 10 each unless otherwise specified in the context thereof
ESI Act	Employee’s State Insurance Act, 1938
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FI	Financial Institutions
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI	Government of India
Government Authority	Applicable Central, State or local Government, Statutory, regulatory,

	departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any Court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Register of Companies, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India, or arbitration or arbitral body having jurisdiction, Court and other government and India in each case.
Group Companies	The details of Group Companies are provided at page no. 92
HR	Human Resource
HUF	Hindu Undivided Family
Indian GAAP	Generally accepted accounting principles in India
IT Act	The Income Tax Act, 1961 and amendments thereto
ITAT	Income tax Appellate Tribunal
JV	Joint Venture
KMP	Key Managerial Personnel
Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Memorandum/Memorandum of Association / MOA	Memorandum of Association of SSL
MAT	Minimum Alternate Tax
MoEF	Ministry of Environment and forest
Mn	Million
N.A	Non Applicable
NOCs	No Objection Certificates
NR	Non Resident
NRI(s)	Non Resident Indian(s)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
RBI	The Reserve Bank of India
Record Date	November 26,2015
Registrar and share Transfer Agent	MAS Services Limited
Registered Office	The registered office of our Company, presently located at Simbhaoli Sugars Limited, Simbhaoli, Distt. Hapur-245207 Uttar Pradesh

RoC	The Registrar of Companies
Scheme or Scheme of Amalgamation	Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 amongst Earstwhile Simbhaoli Sugars Limited and Simbhaoli Spirits Limited and their respective shareholders and creditors, sanctioned by the Hon'ble High Court of Judicature at Allahabad on September 09, 2015.
SCRA	Securities Contracts (Regulation) Act, 1956 and amendment thereto
SCRR	Securities Contracts Regulation (Rules), 1957
SEBI	Securities and Exchange Board of India
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments thereto
SEBI Takeover Regulations	The SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and amendments thereto
TAN	Tax Deduction Account Number
TIN	Tax Information Network
USD	United State Dollar
VAT	Value Added Tax
Wealth Tax Act	The Wealth Tax Act, 1957 and amendments thereto
w.e.f	With effect from

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder or such other applicable laws as amended from time to time.

Notwithstanding the foregoing, terms in sections titled “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*” and “*Financial Information*” on pages 299, 55 and 109, respectively, have the meanings given to such terms in these respective sections.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless indicated otherwise, the financial data and other financial information in this Information Memorandum is derived from our financial statements. The fiscal year of the Company commences on April 1 and ends on March 31 of each year. Accordingly, unless the context otherwise implies or requires, all references to a particular fiscal year are to the twelve month period ended March 31 of that year.

In this Information Memorandum, any discrepancies in any table between the total and the sums of amounts listed are due to rounding off. All references to “India” contained in this Information Memorandum are to the Republic of India. All references to “Rupees” or “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India.

For additional definitions, please refer to the section titled “Definitions and Abbreviations” beginning on page 3 of this Information Memorandum.

For more information on the results of operations and financial condition of the Company, see the section titled “*Financial Information*” beginning on page 109.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Information Memorandum has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Further, they also state that the information contained in the industry reports are of a general nature and do not address the circumstances of any particular individual or entity. Although the Company believes that the industry and market data used in this Information Memorandum is reliable, it has not been independently verified by us or any independent sources.

The information included in this information memorandum about various other companies is based on their respective annual reports and information made available by the respective companies.

Currency of Presentation

All references to “Rupees” or “Re.” or “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India.

FORWARD-LOOKING STATEMENTS

This Information Memorandum contains certain “forward-looking statements”. These forward looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “future”, “goal”, “plan”, “contemplate”, “propose” “seek to” “project”, “should”, “will”, “will continue”, “will pursue”, “will likely result” or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward-looking statements. All forward looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks and assumptions that could significantly and materially affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

1. our ability to successfully implement our strategy, our growth and expansion
2. competition from our existing as well as new competitors;
3. our ability to compete with and adapt to technological advances;
4. changes in domestic laws, regulations and taxes;
5. the performance of the financial markets in India and globally;
6. general economic, political and business conditions in the markets in which we operate and in the local, regional and national economies;
7. failure to maintain high level of customer satisfaction
8. the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices; and
9. terrorist attacks, civil disturbances, regional conflicts, accidents and natural disasters.

For further discussion of factors that could cause our actual results to differ, see sections titled “*Risk Factors*” beginning on page 9 of this Information Memorandum. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

We do not have any obligation to, and do not intend to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize.

SECTION II – RISK FACTORS

This is only a summary with Risk factors related to investment in shares of the company. The investors should read the following summary with the Risk Factors mentioned and the more detailed information about us and our financial statements included elsewhere in this Information Memorandum. Unless specified or quantified in the relevant risk factors below, we were not in a position to quantify the financial or other implication of any of the risks described in this section. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

RISKS RELATING TO THE COMPANY

Internal Risk Factors

- 1. Our Company, Subsidiaries, Promoter and certain Group Companies are involved in certain legal proceedings, which if determined against the above entities could have an adverse impact on the business and financial results of our Company.***

Our Company, promoters and some of our group companies are involved in certain legal proceedings which are pending at different levels of adjudication before various courts and tribunals. If any of the cases pending are decided or determined against us, our promoter or any of our group companies, such decision may have an adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapter titled “*Outstanding Litigation, Defaults and Material Developments*” beginning on Page 284 of this Information Memorandum.

- 2. Availability of sugarcane for our sugar mills is predominantly dependent upon the cultivation of sugarcane within our reserved cane area. Any shortfall in cultivation of sugarcane in the cane areas by the farmers may adversely impact the raw material supply to our mills thereby adversely impacting our production and results of operation.***

We do not own any land for the cultivation of sugarcane and we purchase all of our sugarcane from farmers, directly or through farmers’ cooperative societies. Under the State laws, we are bound by law to purchase sugarcane from farmers’ cooperative societies in areas reserved and assigned to us by the Cane Commissioner, together referred to as “Cane Area”. However, the farmers within our Cane Area have no obligation to cultivate sugarcane and may instead grow other more profitable crops. If the farmers within our Cane Area cultivate other crops, or otherwise limit their cultivation of sugarcane, we may have a shortage of raw material. Sugarcane grown within our Reserved Cane Area may be sold to manufacture of Gur & Khandsari and others instead of us. Any reduction in the supply of sugarcane may adversely affect our operations and financial condition.

- 3. Our business is dependent on the Sugar cane production during the sugar season***

Sugar industry is an agro based industry and its main raw material is sugarcane. In any year, if there is a shortfall in sugarcane production on account of adverse climatic conditions, the amount of sugar produced by the sugar mills is affected adversely. Apart from climatic conditions, the sugar cane crop may also be impacted by the occurrence of crop disease. Proper water management through irrigation during the formative stage of the cane is critical to the sucrose content and overall quality of the cane. In case the quality /quantity of cane is affected by any of the aforementioned conditions, we may not be able to optimally utilize our crushing capacity. This will directly affect our profitability.

4. *Adverse weather conditions, crop disease, pest attacks may adversely affect sugarcane crop yields and sugar recovery rates for any given harvest.*

Our sugar production depends on the volume and sucrose content of the sugarcane that is supplied to us. Crop yields and sucrose content depends primarily on the variety of sugarcane grown, the presence of any crop disease and weather conditions such as adequate rainfall and temperature, which vary. Adverse weather conditions have caused crop failures and reduced harvests and resulted in volatility in the sugar and Ethanol industries and consequently in our operating results. Flood, drought or frost can adversely affect the supply and pricing of the agricultural commodities that we sell and use in our business. There can be no assurance that future weather patterns, potential crop disease or the cultivation of certain sugarcane crop varieties will not reduce the amount of sugarcane or sugar that we can recover in any given harvest. Any reduction in the amount of sugar recovered could have a material adverse effect on our results of operations.

5. *High cost of raw material and inability to pass it to the consumer may put a pressure on the profit margins.*

Sugarcane costs constitute a major portion of our direct expenditure. As per the existing norms, we have to purchase sugarcane at State Advised Price (SAP). The regulated release mechanism—under which sugar quantity for open market sale is fixed by the government—has been abolished and control of mandatory supply of sugar in public distribution system (PDS) as levy sugar has also been rescinded from May, 2013. Sugar is subject to price fluctuations resulting from adverse weather conditions, natural disasters, domestic and foreign trade policies, shifts in supply and demand and other factors beyond our control. Sugar is sold in the open market at market determined prices. Thus, we have little control over the price at which we can sell the sugar produced. As a result, any prolonged decrease in sugar prices could have a material adverse effect on our Company and our results of operations.

6. *We may face competition from other established companies and future entrants into the industry.*

In the past few years, there has been an aggressive increase in capacities made by the existing sugar companies and the new entrants in the state of Uttar Pradesh. The supply of sugar in the market will further increase once these additional capacities start production. This additional supply of sugar in the market will affect the sugar price if it is not supported by proportionate increase in demand. Our profit margin may reduce in case of fall in future sugar prices and the same will have a direct impact on our share price.

Petition in the sugar, alcohol and power industries is based upon a number of considerations, including location, product quality, brands, product innovation, distribution capabilities and price. In the sugar industry in the past few years, there has been an aggressive increase in capacities made by the existing sugar companies and the new entrants in the state of Uttar Pradesh. The supply of sugar in the market will further increase once these additional capacities start production. This additional supply of sugar in the market will affect the sugar price if it is not supported by proportionate increase in demand. On the other hand, some of the competitors may be well established, substantially larger, more diversified and have greater financial, personnel and marketing resources and therefore have certain competitive advantages.

In addition to above, there are alternate sweeteners, especially artificial sweeteners such as saccharine

and high fructose corn syrup, which reduced the demand for sugar in India. A substantial decrease in sugar consumption, or the increased use of alternative or artificial sweeteners in India could have a material adverse effect on the operations.

7. *We are subject to restrictive covenants in certain long term debt facilities provided to us by our lenders*

We have taken long term and short term loans from Banks. As per the signed loan agreements with them, there are certain standard restrictions imposed on us regarding change in capital structure, payment of dividend out of reserves and other such matters. We are required to obtain their prior approval before initiating such changes.

Certain Significant Restrictive/Negative Covenants are:

The borrowings are subject us to certain restrictive covenants which require us to obtain the prior permission of such banks before undertaking certain activities such as alteration of our capital structure, payment of any dividend etc. Some of these restrictive covenants that which affect our shareholders' interest include:

1. Effect any change in the Company's capital structure; With regard to the term loans raised by the Company, there is a prohibition on disinvestments by promoters of their quota in the equity of the borrower Company, without seeking prior approval from the Banks.
2. Formulate any Scheme of Amalgamation or Reconstruction.
3. Undertake any new project, implement any scheme of expansion or acquire fixed assets except those indicated in the funds flow statement submitted to the Bank from time to time and approved by the Bank.
4. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies); normal trade credit or security deposits in the normal course of business or advances to employees can, however, be extended.
5. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, Company or otherwise or accept deposits apart from the arrangement indicated in the funds flow statements submitted to the Bank from time to time and approved by the Bank.
6. Undertake any guarantee obligation on behalf of any other Company (including group companies).
7. Declare dividends for any year out of the profits relating to that year or of the previous years. It is however necessary for the borrower to ensure first that provisions are made and that no repayment obligations remain unmet at the time of making the request for Bank's approval for the declaration of dividend.
8. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, Company, firm or persons. Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank. Enter into any contractual obligation of a long-term nature or affecting the Company financially to a significant extent.
9. Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc.
10. Undertake any trading activity other than the sale of products arising out of its own manufacturing operations,
11. Permit any transfer of the controlling interest or make any drastic change in the management set-up. Repay monies brought in by the promoters/ directors/ principal shareholders and their friends and relatives by way of deposits/ loans / advances. Further, the rate of interest, if any, payable on

such deposits/ loans/ advances should be lower than the rate of interest charged by the Bank on its term loan and payment of such interest will be subject to regular repayment of instalments under term loans granted/ deferred payment guarantees executed by the Bank or other repayment obligations, if any, due from the Company to the Bank.

12. All unsecured loans/ deposits raised by the Company for financing a project are always subordinate to the loans of the banks/ financial institutions and should be permitted to be repaid only with the prior approval of the all the banks and the financial institutions concerned.

8. *Our established brand name may be adversely affected by events beyond our control.*

We believe that our brand “Trust” is recognizable among the populace in India due to its long presence in the Indian market. However, there can be no assurance that this establish brand name will not be adversely affected in the future by events such as actions that are beyond our control, including customer complaints, developments in other businesses that use this brand or adverse publicity from any other source. Any damage to this brand name, if not immediately and sufficiently remedied, could have an adverse effect on our business, financial condition and results of operations.

9. *Our success depends largely on our senior management and our ability to attract and retain our key personnel. Any significant changes in the key managerial personnel, may affect the performance of our company.*

Our success is substantially dependent on the availability of skilled manpower for operations. Any loss or interruption of the services of the key senior personnel, or the inability to recruit sufficient qualified personnel, could adversely affect the business. In addition, sugar, alcohol and power production and marketing thereof processes depend upon highly skilled employees. The business requires considerable resources for recruiting and developing such individuals and encouraging such individuals to remain employed by it. There is an inherent risk related to skilled and specialized manpower. They gain experience working with the Company and need continuous motivation and supervision. There is a risk of specialized manpower leaving the jobs, joining competitors, sharing confidential information etc. There is also the risk of being under-utilized or put in areas where they are unfit.

10. *Sugar and alcohol industry is a highly regulated industry*

The sugar and alcohol industry is operated in regulated environment under the policies and regulations of central and state governments comprising of the fixation of raw material prices affecting the agricultural sector and related industries could adversely affect its operations and its profitability. Several aspects of the operations including the sourcing and pricing of raw material and sale of the products are regulated by the governments.

The Central Government fixes the Fair and Remuneration Price (FRP) annually based upon last year sugar yield and increase thereafter for every ten basis points increase in yield. The central government policies affecting the agricultural industry, such as environmental regulations, taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products, can influence industry profitability, the planting of certain crops as opposed to desired crops, the location and size of crop production, and the volume and types of imports and exports. In certain states, government fixes FRP under their respective cane legislations.

Changes in government policies in relation to sugar cane prices, sugar prices, alcohol, ethanol, imports and exports may affect its operations and profitability.

The mill will also adhere to applicable regulations governing ‘good manufacturing practices’ including testing, quality control, manufacturing and documentation requirements. The government policies have changed in the past and are subject to changes in the future.

The ethanol and power business are highly dependent on policies framed by the central and state governments. The various incentives and subsidies have been announced in this regard. The ethanol demand and price depend on government policy towards cleaner fuels. The power policy announced by the government from time to time is critical to the success or failure of the power business.

11. Interest rate exposure

The fluctuations in the exchange rate between the rupee and the US dollar have a material adverse effect on the valuations. Depreciation of rupee against foreign currencies may have an adverse impact on the Company’s financial viability. The exchange rate between rupee and the US dollar has changed substantially in the last two decades and could fluctuate in the future. In recent years, the rupee has depreciated against the US dollar. Financial derivatives are used by the Company for hedging purpose to limit the Company’s net exposure after internal netting of income against expense, and asset against liability in terms of timing, amount and currency type.

12. Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material effect on our business.

We maintain insurance policies in respect of our principal places of business, including our sugar mills, distilleries and vehicles. While we believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully or in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

13. Working Capital requirement is comparatively high in liquor companies

Indian liquor companies have weak financial profile with low margins, large working capital requirements, high gearing and low interest coverage indicators. Low margins are a manifestation of limited pricing flexibility and high overheads and advertising and promotion expenses. Working capital requirements are large because of high level of work in progress due to long processing period for fermentation and distillation.

14. Any loss or break down of operations at any of our manufacturing facilities may have a material effect on our business, financial conditions and results of operations

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. We are required to carry out planned shutdowns of our plants for maintenance, statutory inspections and testing. Although precautions are taken to minimize the risk of any significant operational issues at our manufacturing facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

15. If we fail to comply with environmental laws and regulations or face environmental litigation, our results of operation may be adversely affected

Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. If, as a result of compliance or non-compliance with any environmental regulations, our unit or the operations of such unit is suspended, we may need to incur costs in complying with regulations, appealing any decision closing our facilities, maintaining production at our existing facilities and continuing to pay labour and other costs which continue even if the facility is closed. As a result, our overall operating expenses may increase and our profits may decrease.

External Risk Factors

16. The sugar prices in India are impacted by the world sugar production and consumption. The global demand and production may affect the prices for Sugar.

The increase in production of Sugar in major sugar producing countries like Brazil, China, Thailand, Australia etc. has created surplus in the global sugar market and has resulted in lowering of the sugar prices in past few years. If such surplus phase characterized by a significant excess of global production over consumption continues, we cannot assure of higher realization prices of sugar being produced by us.

17. Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company

Since 1991, the Government of India has pursued policies of economic liberalization, including relaxing restrictions on the private sector. We cannot provide any assurance that the process of liberalization will be sustained in future. There could be a slowdown in the pace of economic development. The rate of economic liberalization could change specific laws and policies, foreign investment, currency exchange rates and other matters affecting investing in our securities could change as well. Any adverse change in Government policies relating to the Sugar Industry in general may have an impact on our profitability.

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the services provided by us. All our facilities are located in India and our officers and directors are residents in India. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

18. Impact of Regional or International hostilities, terrorist attack or other acts of violence of war

Regional or International hostilities, terrorist attack or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government Policy. Such incidents could also create a greater perception that investment in Indian Companies involves a higher degree of risk and could have an adverse impact on our business and on the market price of our company's equity shares.

19. Our Company is subject to risk arising from changes in interest rates and banking policy.

We are dependent on various banks for arranging our working capital requirements, etc. Accordingly, any change in the existing banking policy or increase in interest rates may have an adverse impact on our Company's profitability.

20. *Statutory taxes and other levies may affect our margin in the event of our inability to factor such expense in our selling prices.*

Any increase in taxes and / or levies, or the imposition of new taxes and / or levies in the future, could increase the cost of production / operating expenses. To the extent, our Company is not able to factor such increase in the selling price; it may have a material adverse impact on our business operations and financial conditions.

21. *A slowdown in economic growth in India could cause our business to suffer.*

Substantially all of our assets are located in India and substantial portion of our total income originated from India. Consequently, our performance and growth are dependent on the health of the Indian economy. Various factors, such as political or regulatory action, including adverse changes in liberalisation policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices, could adversely affect the Indian economy. Any slowdown in the Indian economy may adversely affect our business and financial performance and the price of our Equity Shares.

22. *If the rate of price inflation in India increases, our business and results of operations may be adversely affected.*

Due to the global economic downturn, India has experienced fluctuating wholesale price inflation, as compared to historical levels. An increase in inflation in India could cause a rise in the price of raw materials and wages, or any other expenses that we incur. If this trend continues, we may be unable to accurately estimate or control our costs of production and this could have an adverse effect on our business and results of operations.

23. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cashflows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.*

Our future ability to pay dividends will depend on the earnings, financial condition and capital requirements of our Company. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all. Our ability to pay dividends could also be restricted under certain financing arrangements that we may enter into. In addition, dividends that we have paid in the past may not be reflective of the dividends that we may pay in a future period. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements, financing arrangements, results of operations and financial condition.

24. *Impact of any disruption in supply of power, water or other basic infrastructure facilities*

Any disruption in supply of power, water or other basic infrastructure facilities could adversely affect the business and production process of our Company or subject it to excess cost, which in turn will have an adverse impact on our profitability.

25. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

External factors such as potential terrorist attacks, acts of war or geopolitical and social turmoil in many parts of the world could constrain our ability to do business, increase our costs and negatively affect our stock price. These geopolitical, social and economic conditions could result in increased

volatility in India and worldwide financial markets and economy, and such volatility could constrain our ability to do business, increase our costs and negatively affect our stock price.

26. Natural calamities could have a negative impact on the Indian economy and cause the business to suffer.

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. The extent and severity of these natural disasters has an impact on the Indian economy. Any negative impact of natural disasters on the Indian economy could adversely affect the business and the market price of the Equity Shares.

27. The market value of the Equity Shares may fluctuate due to the volatility of the securities markets. As such shareholders will bear the risk of fluctuation in the price of Equity Shares

The securities markets are volatile and stock exchanges have in the past, experienced substantial fluctuations in the prices of listed securities. The stock exchanges have experienced problems, which, if these were to continue or recur, could affect the market price and liquidity of the securities of Indian Companies, including the Equity Shares. The governing bodies of the various Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements.

28. The Company is operating in a highly regulated market. Policy decision by the Government may not be favorable and that may have an adverse effect over the revenues and profitability.

Sugar, being an essential commodity, is subject to various restrictions and regulations imposed by the State/Central Government such as the controls over fixation of cane price, distribution and sale of sugar both levy and free due to the release mechanism. As such the performance of the Company is at par with the industry, which depends upon policies and regulations issued by the Government, Semi-government and local authorities.

Section-III
SUMMARY OF INDUSTRY

Indian Sugar Industry Outlook

India is a major sugar producer in the world and is expected to be a sugar surplus country for the sixth consecutive Sugar Season (SS) in the year ending September, 2016. It is expected to be a net exporter in SS 2015-16 and Sugar imports, if any, will be negligible. The average sugar recovery rate for cane is also expected to improve during SS 2015-16. On the consumption side, strong domestic demand from soft drink manufacturers, confectioneries, hotels, bakeries and ice cream manufacturers will support a higher level of consumption. India's relatively strong economic growth, stable political situation, rising incomes, a young population and changing consumer consumption patterns are envisaged to be the key drivers encouraging higher sugar consumption.

However, Indian sugar prices are expected to remain weak due to surplus sugar stock in both domestic and global markets. The government's intervention is necessary in order to revive the Indian sugar industry which has been reeling under the twin impacts of high sugarcane prices and low sales realization on sugar leading to recurring losses being incurred by sugar mills and mounting cane arrears. Concrete measures are required including emphasis on increasing its ethanol blending programme along with providing flexibility for use of sugarcane as feed stocks for ethanol production, building compulsory buffer stocks, incentive exports through higher exports subsidy, restructuring debt of sugar manufacturers and implementation of recommendation of Rangarajan committee for linking prices of cane to actual realization of sugar and its allied products.

Indian Alcohol Industry Outlook

Indian-made Foreign Liquor (IMFL) consumption in India is expected to reach 3,140 million litres or 349 million cases by the year 2018-2019 representing a CAGR of 3.7%. During the same period, IMFL consumption value is expected to grow at 5.9%. The main factors driving alcohol consumption are the emergence of a wealthy middle class and ongoing urbanisation trends. Growth in per capita income is expected to drive discretionary income in turn boosting demand for lifestyle products including alcoholic beverages. Around 825 million people were in the drinking age in CY2014 and another 82 million are likely to be added by CY2019. Following these favourable demographics, demand for alcoholic beverages is set to rise, in particular in the premium category. Furthermore, India's per capita consumption is low by international standards but has grown at a quicker pace in recent years (last five year CAGR for IMFL is 7.4%). At 2.5 litres per capita per annum (pa), India's consumption is one of the lowest among the major economies (world average: 6.2 litres pa). Any increase in this consumption pattern can provide significant opportunities given the size of the Indian population.

According to industry analysts, consumers prefer premium brands and are prepared to pay more for these higher quality products. Additionally, innovative packaging, branding and marketing campaigns with the use of social media are targeted more towards the younger population and focused on branded products. New product launches and variants of existing core products are highly targeted to maximize market share and will require investment in brand building and R&D. The focus on premium brands will allow manufacturers to improve their operating margins.

OUR BUSINESS

ESSL was promoted by Sardar Raghbir Singh Sandhan walia in the year 1936 with the main object of carrying on business of production and sale of sugar and sugar related products. The first sugar mill of the ESSL was set up at Simbhaoli (District Hapur Uttar Pradesh) with a crushing capacity of 400 tcd in the year 1933. In the year 1936, it was converted into a private limited company. The Group further established a distillery at Simbhaoli in 1945 as a separate Company. The distillery was merged with the Company in the year 1992 by a Scheme of Amalgamation approved by Hon'ble High Court of Uttar Pradesh. Subsequently, the company set up a sugar factory namely Chilwaria Sugar Division in village Chilwaria in Dist. Bahraich, Uttar Pradesh in the year 1995-96 with a crushing capacity of 2500 tcd. In the year 1996-97, this unit was hived off as a separate company namely Chilwaria Sugars Limited (CSL) to facilitate investment of M/s Tate and Lyle (T&L), an multinational Company, who acquired the 50% shareholding in CSL along with the Company. In the year 1999, ESSL purchased shareholding of T&L in CSL, and consequently CSL became the wholly owned subsidiary of the ESSL. In the year 2002, CSL was merged back with the Company under the Scheme of Amalgamation and became a unit of the Company.

Subsequently, in the year 2011, the spirits unit of the ESSL was hived off as a separate wholly owned subsidiary namely Simbhaoli Spirits Limited (SSPL). Now, pursuant to the Scheme of Amalgamation ESSL got merged into its wholly owned subsidiary, SSPL and in terms of the Scheme, the name of the Company shall stand changed to Simbhaoli Sugars Limited.

GENERAL INFORMATION

Our Company was originally incorporated as "Simbhaoli Spirits Limited" on April 04, 2011 under the provisions of the Companies Act, 1956, with Registrar of Companies, Uttar Pradesh. The Company received the certificate for commencement of business on September 05, 2011.

Registered Office of the Company

Simbhaoli, District Hapur, Uttar Pradesh - 245207

Telephone: +91 5731-226411/3117/8

Facsimile: +91 5731-223042/39

Corporate Identity Number: U15122UP2011PLC044210

Company Registration Number: 044210

Corporate Office of the Company

Simbhaoli Sugars Limited

A-112, Sector 63, Noida,

Uttar Pradesh – 201307,

Telephone: +91-120-4806666

Facsimile: +91 120 2427166

Email: kamal@simbhaolisugars.com

Board of Directors of the Company:

The Board of Directors as on the date of filing the Information Memorandum:

S.No.	Name of the Director	Designation
1.	Mr. Gurmit Singh Mann	Promoter Director
2.	Ms. Gursimran Kaur Mann	Promoter Director
3.	Mr. Gурpal Singh	Promoter Director
4.	Mr. Sanjay Tapriya	Director
5.	Mr. Sachchida Nand Misra	Director
6.	Mr. Basant Kumar Goswami	Independent Director
7.	Mr. Samir Kumar Ganguli	Independent Director
8.	Mr. Samir Chandra Kumar	Independent Director
9.	Mr. Chander Krishan Mahajan	Independent Director
10.	Mr. Dalbir Singh Sidhu	Independent Director
11.	Mr. Sangeet Shukla	Nominee Director

Eligibility Criterion

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapter III & IV of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended does not become applicable. However, SEBI has vide its letter No. CFD/DIL-II/AKD/SD/OW/17960/2014 dated June 24, 2014 granted relaxation of clause (b) to sub-rule (2) of rule 19 thereof by making an application to SEBI under sub-rule (7) of rule 19 of the SCRR as per the SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013.

The Company is in full compliance of the above mentioned Circulars and has submitted its Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making the said Information Memorandum available to public through their websites viz. www.bseindia.com and www.nseindia.com. The Company has made the said Information Memorandum available on its website viz: www.simbhaolisugars.com. The Company will duly make the requisite publications, as mandated by the above mentioned Circulars.

Bankers to the Company:

1. State Bank of India
2. Punjab National Bank
3. ICICI Bank
4. Bank of Baroda
5. State Bank of Patiala
6. State Bank of Bikaner & Jaipur
7. Oriental Bank of Commerce
8. EXIM Bank
9. Union Bank of India

10. Industrial Development Bank of India
11. UCO Bank
12. Bank Of India
13. UP and District Co-Operative Banks

Registrar and Share Transfer Agent

MAS Services Limited

T-34, IInd Floor
Okhla Industrial Area
Phase-II
New Delhi 110020
Telephone: +91-11-2638 7281 82, 83
Facsimile: +91-11-2638 7384
E-mail: info@masserv.com

Statutory Auditors of the Company

MITTAL GUPTA & COMPANY

Chartered Accountants

Regd. Off : 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

Tel. No.: 011-2303234, Facsimile: 0512-2303235

E –mail: mgco@mgco.ca.com

Chief Operating Officer cum Whole Time Director:

Mr. Sachchida Nand Misra

Simbhaoli Sugars Limited

A-112, Sector 63, Noida,

Uttar Pradesh – 201307,

Telephone: +91-120-4806666

Facsimile: +91120 2427166

E-mail: snand.misra@simbhaolisugars.com

Chief Financial Officer:

Mr. Dayal Chand Popli

Simbhaoli Sugars Limited

A-112, Noida, Sector 6

Uttar Pradesh – 201307,

Telephone: +91-120-4806666

Facsimile: +91 120 120 2427166

E-mail: dayalpopli@simbhaolisugars.com

Company Secretary and Compliance officer

Mr. Kamal Samtani

Simbhaoli Sugars Limited

A-112, Sector 63, Noida,

Uttar Pradesh – 201307,

Telephone: +91-120-4806666

Facsimile: +91 120 2427166

E-mail: kamal@simbhaolisugars.com

CAPITAL STRUCTURE OF THE COMPANY

The Capital Structure of the Company-Pre scheme of Amalgamation:

Particulars	Aggregate Nominal Value (Rs.)
Authorized Capital	
33,000,000 Equity Shares of Rs10 each	33,00,00,000
Total	33,00,00,000
Issued, Subscribed and Paid-up	
31,800,000 Equity Shares of Rs10 each fully paid-up	31,80,00,000
Total	31,80,00,000

The Capital Structure of the Company-Post scheme of Amalgamation:

Particulars	Aggregate Nominal Value (Rs.)
Authorized Capital	
6,80,00,000 Equity Shares of Rs. 10 each	68,00,00,000
40,00,000 Preference Shares of Rs. 100 each	40,00,00,000
Total	108,00,00,000
Issued, Subscribed and Paid-up	
3,74,79,020 Equity Shares of Rs. 10 each fully paid-up	37,47,90,200
Total	37,47,90,200

Details of changes in Authorized Equity Share capital of the Company:

Date of change	Number of shares	Cumulative number of Equity Shares	Authorized share capital (in Rs.)	Face Value (in Rs.)	Details of Changes
Since Incorporation	50,000	50,000	5,00,000	10	Authorized Share Capital since incorporation
15.09.2012	1,79,50,000	1,80,00,000	18,00,00,000	10	Increased by 17950000 Equity Shares
26.03.2013	1,50,00,000	3,30,00,000	33,00,00,000	10	Increase by 15000000 Equity Shares
13.11.2015	3,50,00,000	6,80,00,000	68,00,00,000	10	Pursuant to the Scheme of Amalgamation of erstwhile Simbhaoli Sugars Limited and Simbhaoli Spirits Limited

Details of changes in Authorized Preference Share capital of the Company:

Date of change	Number of shares	Cumulative number of Preference Shares	Authorized share capital (in Rs.)	Face Value (in Rs.)	Details of Changes
13.11.2015	40,00,000	40,00,000	40,00,00,000	100	Pursuant to the Scheme of Amalgamation of erstwhile Simbhaoli Sugars Limited and Simbhaoli Spirits Limited

Equity Share Capital build up since the inception of the Company:

Date of allotment	No. of shares allotted	Cumulative number of shares	Face Value (in Rs)	Cumulative paid-up capital	Nature of allotment/remarks	Consideration
29.03.2011	50,000	50,000	10	5,00,000	Issued to the subscribers of MOA	Cash
29.09.2012	17000000	17050000	10	170500000	Further allotment	Pursuant to the Scheme of Amalgamation under order date 17.09.2012 passed by Hon'ble High Court of Judicature at Allahabad
26.03.2013	14750000	31750000	10	31800000	Further allotment	In consideration of acquisition of a portion of land.

Equity Share Capital build up Post Amalgamation:

Date of allotment	No. of shares allotted	Cumulative number of shares	Face Value (in Rs)	Cumulative paid-up capital	Nature of allotment/remarks	Consideration
27.11.2015	37479020	37479020	10	37479020	Pursuant to the Scheme of Amalgamation between Simbhaoli Spirits Limited and erstwhile Simbhaoli Sugars Limited	Other than cash

Capital Build up of promoters as on the date of filing this Information Memorandum:

As on the date of this information memorandum, the Promoters of the Company, collectively hold 1,82,15,790 Equity Shares, equivalent to 48.60% of the issued, subscribed and paid up share capital of the Company.

Name of the Promoter	Nature of issue	Date of allotment	Number of shares	Face value	Issue Price/ Consideration	Date when the shares were made fully paid up	% of the total pre and post issue capital	The Lock in period, if any	Number and percentage of pledged shares, if any
Dholadhar Investments Pvt. Ltd	Allotment pursuant to Scheme of Amalgamation	27.11.2015	7,712,114	10	Other than cash	N. A.	20.58	31,75,314 Equity Shares are locked-in for 3 years from the date of listing	N. A.
Pritam Singh Sandhu Associates P Ltd	Allotment pursuant to scheme of amalgamation	27.11.2015	2,077,735	10	Other than cash	N. A.	5.54	855467 Equity Shares are locked-in for 3 years from the date of listing	N. A.
Promoter Group Individuals									
Gurmit Singh Mann	Allotment pursuant to scheme of amalgamation	27.11.2015	3,726,154	10	Other than cash	N. A.	9.94	1534172 Equity Shares are locked-in for 3 years from the date of listing	N. A.
Gurpal Singh	Allotment pursuant to scheme of amalgamation	27.11.2015	2,402,770	10	Other than cash	N. A.	6.41	989294 Equity Shares are locked-in for 3 years from the date of listing	N. A.
Gursimran Kaur Mann	Allotment pursuant to scheme of	27.11.2015	1,136,672	10	Other than cash	N. A.	3.03	4,68,003 Equity Shares	N. A.

	amalgamation							are locked-in for 3 years from the date of listing	
Persons Acting in concert									
Govind Singh Sandhu	Allotment pursuant to scheme of amalgamation	27.11.2015	733,139	10	Other than cash	N. A.	1.96	3,01,856 Equity Shares are locked-in for 3 years from the date of listing	N. A.
Jai Inder Kaur	Allotment pursuant to scheme of amalgamation	27.11.2015	417,356	10	Other than cash	N.A.	1.11	171838 Equity Shares are locked-in for 3 years from the date of listing	N.A.
Angad Singh	Allotment pursuant to scheme of amalgamation	27.11.2015	9,850	10	Other than cash	N. A.	0.03	4,056 Equity Shares are locked-in for 3 years from the date of listing	N.A.

Details of lock-in of shares

In terms of the SEBI circular CIR/CFD/DIL/5/2013 dated February 04, 2013, equity shares held by the promoters of the unlisted issuer shall be listed pursuant to the Scheme of Amalgamation shall be locked in to the extent of 20% of post merger paid up capital of the unlisted issuer, for a period of three years from the date of listing of the shares of the unlisted issuer. Further, the balance of the entire pre-merger capital of the unlisted issuer shall also be locked-in for a period of three years from the date of listing of the shares of the unlisted issuer.

The Shares of Simbhaoli Sugars Limited, the amalgamating company, before the Scheme of Amalgamation became effective, has been cancelled and new equity shares of Simbhaoli Spirits Limited, the amalgamated company, have been issued to the shareholders of amalgamating company pursuant to the Scheme of Amalgamation. The shares of the promoters have been locked in to the extent of 20% of the post Scheme paid up capital for a period of three years from the date of listing of our Equity shares.

The details pertaining to lock in of promoters' shares is set out in the table given below:

Name of promoter	Number of shares locked in	Face Value (Rs.)	% of	
			Pre-scheme	Post scheme

			paid capital	up	paid capital	up
Dholadhar Investments Pvt. Ltd	3175314	10/-	-	-	8.478	
Pritam Singh Sandhu Associates P Ltd	855467	10/-	-	-	2.28	
Gurmit Singh Mann	1534172	10/-	-	-	4.09	
Gursimran Kaur Mann	468003	10/-	-	-	1.25	
Gurpal Singh	989294	10/-	-	-	2.64	
Govind Singh Sandhu	301856	10/-	-	-	0.81	
Jai Inder Kaur	171838	10/-	-	-	0.46	
Angad Singh	4056	10/-	-	-	0.01	

1. Our Promoters, directors and their immediate relatives have not purchased or sold any equity shares of Simbhaoli Sugars Limited within six months immediately preceding the date of filing of this Information Memorandum.
2. Our promoter, directors and their immediate relatives have not financed the purchase by any other person of our equity shares during the period of six months immediately preceding the date of filing of this Information Memorandum.
3. Our Company and our directors have not entered into any buy back, standby or similar arrangements to purchase equity shares of company from any person.

4. Shareholding Pattern of the Company pre-scheme:

The entire pre-scheme equity share capital consisting of 3,18,00,000 Equity Shares were held by the amalgamating company (i.e. erstwhile Simbhaoli Sugars Limited and its a nominees).

5. Shareholding pattern of Simbhaoli Sugars Limited post the allotment of the shares under the scheme as on November 27, 2015

Introductory Sub-Table (I)(A) – Statement shoing shareholding pattern as on 27.11.2015 Simbhaoli Sugars Limited			
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group	-	-	-
Held by public	-	-	-
Total - D	-	-	-
Outstanding convertible preference shares:-	No. of outstanding preference shares	As a % of total no. of outstanding convertible preference shares	As a % of total no. of shares of the company, assuming full conversion of the convertible preference shares
Held by promoter/promoter group	-	-	-
Held by public	-	-	-

Total - E	-	-	-
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group	-	-	-
Held by public	-	-	-
Total - F	-	-	-
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities (Grand Total (A+B+C)+ D+E+F)	3,74,79,020	N.A.	100.00

NAME OF THE COMPANY: SIMBHAOLISUGARS LIMITED								
(I)(A) STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 27.11.2015								
Category code (I)	Category of Shareholder (II)	Number of Shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	8	8425941	8425941	22.48	22.48	-	-
(b)	Central Government / State Government (s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	5	9789849	9789849	26.12	26.12	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-
(e-i)	Directors and their	-	-	-	-	-	-	-

	relatives							
	Sub Total(A)(1)	13	18215790	18215790	48.60	48.60	-	-
2	Foreign							
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other	-	-	-	-	-	-	-
	Directors and their relatives	-	-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	13	18215790	18215790	48.60	48.60	-	-
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	1	1755	-	0.00	0.00	-	-
(b)	Financial Institutions/ Banks	1	1170	1170	0.00	0.00		
(c)	Central Government / State Government (s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional	1	347183	347183	0.923	0.923	-	-

	Investors							
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Any Other	-	-	-	-	-	-	-
	Sub-Total (B)(1)	3	350108	348353	0.93	0.93	-	-
2	Non- institutions							
(a)	Bodies Corporate	316	10210926	7423942	27.24	27.24	-	-
(b)	Individuals				-	-		
I	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	14488	5837550	5216223	15.58	15.58	-	-
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	80	2364400	2364400	6.31	6.31		
(c)	Any Other	-	-	-	-	-	-	-
	NRI/OCB	86	219668	219668	0.60	0.60	-	-
	Clearing Members	56	280227	280227	0.75	0.75	-	-
	Trust & Foundations	2	351	351	0.00	0.00	-	-
	Sub-Total (B)(2)	15,028	18913122	15504811	50.40	50.40	-	-
(B)	Total Public Shareholdin g (B)= (B)(1)+(B)(2)	15,031	19263230	15853164	51.40	51.40	-	-
	TOTAL (A)+(B)	15,044	37479020	34068954	100.00	100.00	-	-
(C)	Shares held by Custodians and against				-	-		

	which Depository Receipts have been issued								
	GRAND TOTAL (A)+(B)+(C)	15,044	37479020	34068954	100.00	100.00	-	-	-

(I)(B) STATEMENT SHOWING SHAREHOLDING OF PERSONS BELONGING TO THE CATEGORY "PROMOTER AND PROMOTER GROUP"

Post Amalgamation											
S.N (I)	Name of the shareholder	Details of shares held		Shares pledged or otherwise encumbered			Details of Warrants		Details of Convertible Securities		Total Shares (Including Underlying Shares assuming full conversion of Warrants and Convertible Securities) As a % of Diluted Share Capital
		Number of Shares Held	As a % of grand total	Number	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a) (VII)	Number of Warrants held	As a % total number of warrants of the same class	Number of Convertible Securities Held	As a % total number of Convertible Securities of the same class	
1.	Dholadhar Investments Pvt. Ltd	7712114	20.58	-	-	-	-	-	-	-	20.58
2.	Pritam Singh Sandhu Associates P Ltd	2,077,735	5.54	-	-	-	-	-	-	-	5.54
3.	Gurmit Singh Mann	3726154	9.94	-	-	-	-	-	-	-	9.94
4.	Gurpal	-	-	-	-	-	-	-	-	-	-

	Singh										
5.	Gursimran Kaur Mann	1,136,672	3.03	-	-	-	-	-	-	-	3.03
6.	Govind Singh Sandhu	733,139	1.96	-	-	-	-	-	-	-	1.96
7.	Jai Inder Kaur	417,356	1.11	-	-	-	-	-	-	-	1.11
8.	Angad Singh	9,850	0.03	-	-	-	-	-	-	-	0.03
TOTAL		15813020	42.19	-	-	-	-	-	-	-	42.19

(D)(C)(I) STATEMENT SHOWING HOLDING OF SECURITIES (INCULDING SHARES,WARRANTS,CONVERTIBLE SECURITIES) OF PERSONS BELONGING TO THE CATEGORY "PUBLIC" AND HOLDING MORE THAN 1% OF THE TOTAL NUMBER OF SHARES"

Post Amalgamation								
Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of Warrants		Details of Convertible Securities		Total Shares (Including Underlying Shares assuming full conversion of Warrants and Convertible Securities) As a % of Diluted Share Capital
				Number of Warrants held	As a % total number of warrants of the same class	Number of Convertible Securities Held	As a % total number of Convertible Securities of the same class	
1	MONICA REALATORS & INVESTMENTS PRIVATE LIMITED	1404000	3.75	-	-	-	-	3.75
2	PEARL INNOVATIVE MARKETING PRIVATE LIMITED	930623	2.48	-	-	-	-	2.48

3	WANG INVESTMENT FINANCE PVT.LTD.	628605	1.68	-	-	-	-	1.68
4	U K PAINTS INDIA PVT LTD	1270825	3.39	-	-	-	-	3.39
5	SHRI VATSALA TRADERS PVT. LTD	925434	2.47	-	-	-	-	2.47
6	SHRI VATSALA TRADERS PVT LIMITED	1390000	3.71	-	-	-	-	3.71
7	PEARL INNOVATIVE MARKETING PVT LTD	1390000	3.71					3.71
TOTAL		7,939,487	21.18	-	-	-	-	21.18

(I)(C)(II) STATEMENT SHOWING HOLDING OF SECURITIES (INCLUDING SHARES,WARRANTS, CONVERTIBLE SECURITIES) OF PERSONS) (TOGETHER WITH PAC) BELONGING TO THE CATEGORY "PUBLIC" AND HOLDING MORE THAN 5% OF THE TOTAL NUMBER OF SHARES OF THE COMPANY								
Sr. No.	Name of the shareholder	Number of shares held	shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of Warrants		Details of Convertible Securities		Total Shares (Including Underlying Shares assuming full conversion of Warrants and Convertible Securities) As a % of Diluted Share Capital
				Number of Warrants held	As a % total number of warrants of the same class	Number of Convertible Securities Held	As a % total number of Convertible Securities of the same class	
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(I)(d)	Statement showing details of locked-in shares		
Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Dholadhar Investments Pvt. Ltd	31,75,314	8.47
2	Pritam Singh Sandhu Associates P Ltd	8,55,467	2.28
3	Gurmit Singh Mann	15,34,172	4.09
4	Gursimran Kaur Mann	4,68,003	1.25
5	Gurpal Singh	9,89,294	2.64
6	Govind Singh Sandhu	3,01,856	0.81
7	Jai Inder Kaur	1,71,838	0.46
8	Angad Singh	4,056	0.01
	TOTAL	75,00,000	20.01

(II)(A) STATEMENT SHOWING DETAILS OF DEPOSITORY RECEIPTS (DRS)

Post Amalgamation				
Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	N.A.	N.A.	N.A.	N.A.
TOTAL				

(II)(B) STATEMENT SHOWING DETAILS OF DEPOSITORY RECEIPTS (DRS), WHERE UNDERLYING SHARES HELD BY

'PROMOTER/PROMOTER GROUP' ARE IN EXCESS OF 1% OF THE TOTAL NUMBER OF SHARES

Post Amalgamation				
Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	N.A	N.A	N.A	N.A.
	Total			

There shall be only one denomination for the equity shares of the company, subject to applicable regulations and company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.

Object and Rationale of the Scheme

It has been realized by the Board of Directors of both the Amalgamating and the Amalgamated Company that the Companies undertake several commercial activities which are, directly or indirectly, dependent on each other. In order to ensure sustainable long term growth, financial strength, market share and benefits of operational synergies, it requires focused management attention, collaborative resources to meet competitive, regulatory environment and to mitigate the risk. With this objective in mind, it was proposed to amalgamate both the sugar and spirits businesses. Accordingly, the Scheme of Amalgamation provides for the amalgamation of erstwhile Simbhaoli Sugars Limited with Simbhaoli Spirits Limited pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956. The Amalgamation of the Amalgamating Company with the Amalgamated Company would result, inter-alia, in the following benefits to their respective members:

- a. Greater integration, financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
- b. Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost. Benefit of operational synergies to the combined entity in areas such as sourcing of materials, product planning and development and increased revenue generation through increased sales as well as optimization, cost efficiency and business logistics, which can be put to the best advantage of all stakeholders.
- c. Increased cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, productivity improvements, improved procurement of materials and resources, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.
- d. Greater efficiency in cash management of the amalgamated entity, and pooling of cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- e. Pooling of business debt under single entity and creating a single stream of cash flows.
- f. Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.
- g. Opportunities for creating strategic partnership and flexibility of fund raising capability for future growth and expansion and to create a business structure, which is geared to take advantage of possible growth opportunities.
- h. Better financial, business and operational prospects including but not limited to, efficient management of costs, better maintenance of the manufacturing of costs, better maintenance of the manufacturing/warehousing facilities and improved administrative control of the Amalgamated Company.

- i. That in addition to the benefits enumerated above, the proposed amalgamation will also provide the optimum utilization of raw materials, manpower and the combined entity will have a larger pool of combined land mass which can be utilized in furtherance of the objectives of the Company for its long term benefits. This will also provide the hedging of risks, avoiding duplicity of taxations and efforts and costs related to multiple entities will be avoided. Further, future growth, joint venture, product development and innovations is possible with a large and combined entity and there will be improvement in net worth of the combined entity, its borrowing capabilities, its financial ratios which will assist it to carry out its business in more meaningful manner.

SALIENT FEATURES OF THE SCHEME

The Hon'ble High Court of Judicature Allahabad pursuant to its order dated October 15, 2015 (“**Order**”) sanctioned the Scheme of Amalgamation between erstwhile Simbhaoli Sugars Limited and Simbhaoli Spirits Limited (“**Scheme**”). The Order was filed with the Registrar of Companies, Kanpur on November 13, 2015 and then the Scheme became effective with effect from April 1, 2015 being appointed date.

Operation of the scheme:

- a) the entire business and undertaking of Amalgamating Company has been transferred to and vested in the Amalgamated Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed;
- b) the Amalgamated Company shall, without any further application or deed, issue and allot equity shares to the members of Amalgamating Company whose name appear in the Register of Members as on the Record Date in proportion to their shareholding so as to result in the mirror image of the existing shareholding pattern, in the following manner:
 - (i) “117 (One Hundred and Seventeen) fully paid-up Equity Shares of INR 10 (Rupees Ten) at a premium of INR 62 (Rupees Sixty Two) each of Amalgamated Company shall be issued and allotted for every 100 (One Hundred) fully paid-up Equity Shares of INR 10(Ten) each held in Amalgamating Company”
 - (ii) “139 (One Hundred and Thirty Nine) fully paid-up Equity Shares of INR 10 (Rupees Ten) at a premium of INR 62 (Rupees Sixty Two) each of Amalgamated Company shall be issued and allotted for every 100 (One Hundred) fully paid-up Redeemable Preference Shares of 100 (One Hundred) each held in Amalgamating Company”

The scheme shall be in compliance with the applicable SEBI guidelines including particularly the recent circulars being CIR/CFD/DIL/5/2013 dated February 4, 2013 and circular CIR/CFD/DIL/8/2013 dated May 21, 2013 and other applicable provisions of applicable statutes.

SCHEME OF AMALGAMATION

PREAMBLE

(A) BACKGROUND AND DESCRIPTION OF COMPANIES

- (i) Simbhaoli Sugars Limited ('Simbhaoli Sugars' or 'Amalgamating Company'), a Company incorporated under the provisions of the Indian Companies Act, 1913 having its registered office at Simbhaoli Distt. Hapur, Uttar Pradesh - 245 207, India, is currently engaged in the business of Sugar, Ethanol, Distillery and Power generation.
- (ii) The Amalgamating Company's equity shares are listed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).
- (iii) Simbhaoli Spirits Limited ('Simbhaoli Spirits' or 'Amalgamated Company'), a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at Simbhaoli Distt. Hapur, Uttar Pradesh - 245 207, India, is a subsidiary of Simbhaoli Sugars and is engaged in the business of manufacturing, marketing and branding of Ethanol, Extra Neutral Alcohol, Rectified spirits, Potable Alcohol including Indian Made Foreign Liquor ('IMFL'), and other alcoholic and non alcoholic beverages and also processing of by-products for India as well as overseas markets.
- (iv) The Amalgamating Company presently holds 100% of the equity share capital of the Amalgamated Company.

(B) PARTS OF THE SCHEME:

The Scheme of Amalgamation is divided in the following parts:

- (i) **Part I** deals with Definitions, Interpretation and Share Capital
- (ii) **Part II** deals with the amalgamation of Amalgamating Company with the Amalgamated Company
- (iii) **Part III** deals with the General Terms and Conditions

PART I
DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme of Amalgamation (as defined hereunder), unless inconsistent with the subject or context, the under mentioned expressions shall have the following meaning:

- 1.1 “Act” or “The Act”** means the Companies Act, 1956 and includes any statutory re-enactments, modification or amendment thereto, from time to time and also mean and refer to corresponding sections of the Companies Act, 2013 as and when such corresponding sections are notified in the official gazette by the Central Government.
- 1.2 “Amalgamating Company” or “Simbhaoli Sugars” or “SSL”** means Simbhaoli Sugars Limited, a Company incorporated under the provisions of Indian Companies Act, 1913 having its Registered Office at Simbhaoli District Hapur, Uttar Pradesh - 245 207, India.
- 1.3 “Amalgamated Company” or “Simbhaoli Spirits” or “SISPL”** means Simbhaoli Spirits Limited, a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at Simbhaoli District Hapur, Uttar Pradesh - 245 207, India.
- 1.4 “Appointed Date”** means the date from which the provisions of this Scheme shall become operational viz. close of business hours on March 31st, 2014, or such other date as may be assented to and approved by the Board of Directors (in pursuance to Clause 17 of the Scheme) or approved by the High Court of Judicature at Allahabad or any other appropriate authority.
- 1.5 “Board of Directors”** in relation to Amalgamating Company and Amalgamated Company, as the case may be, unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.
- 1.6 “Court” or “High Court”** means the High Court of Judicature at Allahabad, as the case may be and shall include the National Company Law Tribunal (‘NCLT’), or any other body exercising the High Court’s functions, as the case may be.
- 1.7 “Effective Date” or “upon this Scheme becoming effective” or “upon coming into effect of this Scheme”** shall mean the date or the last of the dates on which the certified copy of the formal order of the High Court(s) sanctioning this Scheme, as defined hereunder, is filed with the relevant Registrar of Companies, by the Amalgamating Company and the Amalgamated Company, as required under the provisions of the Act and if certified copies are filed on different dates, the last of the dates.
- 1.8 “Encumbrance”** means:
- (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Law;
 - (ii) any proxy, power of attorney, voting trust agreement, interest or option in favour of any Person;
 - (iii) any adverse claim as to title, possession or use; or
 - (iv) any transfer restrictions.
- 1.9 “Law” or “Applicable Law”** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies,

directions, directives and orders of any government, statutory authority, tribunal, board, court or recognized stock exchange of India or any other country or jurisdiction as applicable.

1.10 **“Person”** shall include any individual, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being.

1.11 **“Record Date(s)”** means the date(s) to be fixed by the Board of Directors of the Amalgamated Company, after the Effective Date, with reference to which the eligibility of the equity shareholder(s) and/or preference shareholder(s) of the Amalgamating Company for the purposes of issue and allotment of shares of the Amalgamated Company, in terms of the Scheme, shall be determined.

1.12 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation as set out herein and approved by the Board of Directors of the Amalgamating Company and the Amalgamated Company, subject to such modifications as the Court may impose or the Amalgamating Company and the Amalgamated Company may prefer and the Court may approve.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. INTERPRETATION

- a) Wherever reference is made to the Hon’ble High Court in this Scheme, the reference would include, if appropriate to the National Company Law Tribunal or such other forum or authority, as may be vested with any powers of a High Court under the Act;
- b) References to statutory provisions shall be construed as references to the statutory provisions of India unless otherwise specified, and in any event to those provisions as respectively amended, superseded or re-enacted or as their application is modified by any other provisions (whether made before or after the date of this Agreement) from time to time;
- c) References to Clauses and Schedules are to Clauses of or the Schedules to this Scheme and references to sub-clauses are to sub-clauses of the Clause in which the reference appears;
- d) The headings and sub-headings are for information only and shall not affect the construction of this Scheme;
- e) The singular shall include the plural and vice versa; and reference to one gender shall include all genders;
- f) Any phrase introduced by the terms “including”, “include” or any similar expression shall be construed as illustrative and shall not limit the sense of words preceding those terms.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) pursuant to Clause 17 of the Scheme shall be operative from the Appointed Date but shall be effective from the Effective Date.

4. SHARE CAPITAL

- 4.1 The authorized and paid-up share capital of Amalgamating Company as on March 31, 2013 as per the last audited annual report, is as under:

Particulars	Rupees
Authorized Capital	
3,50,00,000 Equity Shares of Rs 10 each	35,00,00,000
40,00,000 Preference Shares of Rs 100 each	40,00,00,000
Total	75,00,00,000
Issued Capital	
2,84,33,435 Equity Shares of Rs 10 each	28,43,34,350
32,00,000 Preference Shares of Rs 100 each	32,00,00,000
Total	60,43,34,350
Subscribed and Paid-up Capital	
2,82,28,810 Equity Shares of Rs 10 each fully paid-up	28,22,88,100
32,00,000 Preference Shares of Rs 100 each	32,00,00,000
Add: 2,04,625 Forfeited Shares	13,00,000
Total	60,35,88,100

Post March 31, 2013 and till the approval of the Scheme by the Board there have been no changes to the Share Capital account.

- 4.2 The authorized and paid-up share capital of Amalgamated Company as on March 31, 2013, is as under:

Particulars	Rupees
Authorized Capital	
33,000,000 Equity Shares of Rs10 each	33,00,00,000
Total	33,00,00,000
Issued, Subscribed and Paid-up	
31,800,000 Equity Shares of Rs10 each fully paid-up	31,80,00,000
Total	31,80,00,000

As on the date of this Scheme being approved, Amalgamating Company holds 100% shares in Amalgamated Company.

Post March 31, 2013 and till the approval of the Scheme by the Board, there have been no additions/changes to the Share Capital account.

PART II

AMALGAMATION OF AMALGAMATING COMPANY WITH THE AMALGAMATED COMPANY

5. TRANSFER AND VESTING

5.1 With effect from the Appointed Date or such other date as may be fixed or approved by the High Court or NCLT or any other appropriate authority and upon the Scheme becoming effective, the entire business and undertaking of Amalgamating Company, shall pursuant to the sanction of this Scheme by the High Court and in accordance with the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company by virtue of and in the manner provided in this Scheme.

5.2 TRANSFER OF ASSETS

Upon the sanction of the Scheme by the High Court, and without prejudice to the generality of the preceding clause, upon the coming into effect of the Scheme and with effect from the Appointed Date:

- a. All immovable properties, assets and rights in the immovable properties of the Amalgamating Company, whether freehold or leasehold or otherwise and in terms of such permitted usage as mentioned therein and all documents of title, rights and easements in relation thereto shall pursuant to the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the High Court or any other appropriate authority sanctioning the Scheme and without any further act or deed shall stand transferred to and vested in and/or deemed to be transferred to and vested in the Amalgamated Company, as a going concern, subject to all the encumbrances, fixed and/or floating charges and/or rights given to the lenders of the other divisions of Amalgamating Company, if any, affecting the same or any part hereof and arising out of liabilities which shall also stand transferred to the Amalgamated Company. The Amalgamated Company shall be entitled to and exercise all rights and privileges attached thereto and shall be liable to pay ground rent, taxes and to fulfill obligations in relation to or applicable to such immovable properties. The Amalgamated Company shall under the provisions of Scheme be deemed to be authorized to execute such instruments, deeds and writing on behalf of the Amalgamating Company to implement or carry out all such formalities or compliances to give effect to the provisions of this Scheme. The Amalgamated Company will be required to replace the encumbrances, charge and/or rights on the immovable properties with equitable and corresponding encumbrance, charge and/or right over assets under the terms of loan covenants with lenders. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Amalgamated Company. Any inchoate title or possessory title of the Amalgamating Company shall be deemed to be the title of the Amalgamated Company.
- b. In respect of all the movable assets of the Amalgamating Company and the assets which are

otherwise capable of transfer by physical delivery or endorsement and delivery, including cash in hand, shall be so transferred to the Amalgamated Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Amalgamated Company to the end and intent that the property and benefit therein passes to the Amalgamated Company with effect from the Appointed Date.

- c. All assets, estates, rights, title, interest and authorities acquired by the Amalgamating Company prior to, or as on the Effective Date for business operations shall also stand transferred to, and vested in the Amalgamated Company upon the Scheme becoming effective.
- d. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme on the Appointed Date, all consents, permissions, licenses, approvals, certificates, clearances and authorities including the licenses required for production and distribution of sugar and other products of Amalgamating Company, and any other licenses, given by, issued to or executed in favour of the Amalgamating Company in relation to the business as on the Appointed Date, shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the rights and benefits under the same shall be available to the Amalgamated Company. Any registration fees, charges etc paid by the Amalgamating Company in relation to the aforementioned consents, permissions, licenses, approvals, certificates, clearances and authorities, shall deemed to have been paid by the Amalgamated Company.
- e. Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme on the Appointed Date, all consents, permissions, licenses, approvals, certificates, clearances and authorities in respect to or under the provision(s) of the Factories Act, Industrial Disputes Act, Industries (Development and Regulation) Act, Payment of Wages Act, Payment of Gratuity Act, Payment of Bonus Act, Industrial Employment Standing Orders Act, Employment Exchange Act, State Labour Welfare Fund Act, Motor Vehicle Act, Environment Protection Act & Pollution Control Act, Electricity Act, State Tax on Professions, Trades, Ceiling and Employment Act of the respective states, originally given by, issued to or executed in favour of the Amalgamating Company in relation to the business as on the Appointed Date shall stand transferred or deemed amended in favour of the Amalgamated Company as if the same were originally given by, issued or executed in favour of the Amalgamated Company, and the rights and benefits under the same shall be available to the Amalgamated Company.
- f. All the statutory licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status, no objection certificates and other benefits or privileges enjoyed or conferred upon or held or availed of by the Amalgamating Company and all rights and benefits that have accrued or which may accrue to the Amalgamating Company, whether before or after the Appointed Date, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in or be deemed to be transferred to and vested in and be available to the Amalgamated Company so as to become, as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Amalgamated Company and shall remain valid, effective and enforceable on the same terms and conditions. All brands, copyrights, trademarks, statutory licenses, or consents to carry on the operations and business of Amalgamating Company shall stand vested in or transferred to Amalgamated Company without any further act or deed and shall

be appropriately mutated by the Statutory Authorities concerned in favour of the Amalgamated Company. The benefit of all brands, copyrights, trademarks, statutory and regulatory permissions, environmental approvals and consents, sales tax registrations, excise registrations, service tax registrations or other licenses and consents shall vest in and become available to the Amalgamated Company.

5.3 TRANSFER OF LIABILITIES

- a. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities of Amalgamating Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Amalgamating Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the “Liabilities”), shall, pursuant to the sanction of this Scheme by the High Court and under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company, and the Amalgamated Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.
- b. All amounts due to Government of India and other authorities including under the Scheme of Sugar Development Fund etc, and all Bank related liabilities of the Amalgamating Company and comprising principle outstanding against loans, term loans, cash credit facilities, guarantees, non fund based limits etc and including all interest, charges, fee, penal/ compound interest etc. on such outstanding as on Appointed Date, will become the liabilities of Amalgamated Company and shall be at same footing as the liabilities towards the Banks of Amalgamated Company. The transfer of Bank related Liabilities to Amalgamated Company pursuant to this Scheme, will be on such terms and conditions as to be approved by the Banks collectively under the prevailing Corporate Debt Restructuring mechanism and shall be binding on all the banks /lenders to the Amalgamating Company/ Amalgamated Company as the case may be. The revised registration / satisfaction of charges in respect of the transferred bank liabilities will be deemed to be filed and effective on filing of the Scheme with the concerned Registrar of Companies.
- c. All other debts, liabilities, duties and obligations of the Amalgamating Company as on the Appointed Date, whether or not provided in the books of the Amalgamating Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Amalgamating Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Amalgamated Company by virtue of this Scheme.
- d. Where any such debts, loans raised, liabilities, duties and obligations (including contingent liabilities) of the Amalgamating Company as on the Appointed Date have been discharged or satisfied by the Amalgamating Company after the Appointed Date and prior to the Effective Date,

such discharge or satisfaction shall be deemed to be for and on account of the Amalgamated Company.

- e. All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Amalgamating Company in the ordinary course of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company and shall become the loans and liabilities, duties and obligations of the Amalgamated Company which shall meet, discharge and satisfy the same.
- f. Upon the Scheme becoming effective, all taxes payable by the Amalgamating Company under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as “Tax Laws”) shall be transferred to the account of the Amalgamated Company; similarly all credits for taxes including Minimum Alternate Tax, Tax deduction at source on income of Amalgamating Company, or obligation for deduction of tax at source on any payment made by or to be made by the Amalgamating Company shall be made or deemed to have been made and duly complied with by the Amalgamated Company if so made by Amalgamating Company. Similarly any advance tax payment by the specified due dates in the tax laws shall also be deemed to have been made by the Amalgamated Company if so made by the Amalgamating Company. Any refunds under the Tax Laws due to the Amalgamating Company consequent to the assessments made on the Amalgamating Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by Amalgamated Company.
- g. All taxes of any nature, duties, cesses or any other like payment or deductions made by Amalgamating Company to any statutory authorities such as Income Tax, Sales tax, service tax etc. or any tax deduction / collection at source, tax credits under Tax laws, relating to the period after the Appointed Date up to the Effective date shall be deemed to have been on account of or paid by the Amalgamated Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Amalgamated Company upon the passing of the orders on this Scheme by the High Court upon relevant proof and documents being provided to the said authorities.
- h. The income tax, if any, paid by Amalgamating Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of Amalgamated Company. Further, Amalgamated Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by Amalgamating Company for any year, if so necessitated or consequent to this Scheme notwithstanding that the time prescribed for such revision may have elapsed.

6. CONSIDERATION AND MODE OF DISCHARGE OF CONSIDERATION:

- 6.1 Upon coming into effect of the Scheme and in consideration for the amalgamation of Amalgamating Company with the Amalgamated Company, the Amalgamated Company shall, without any further application or deed, issue and allot equity shares of face value of INR 10 each to the members of Amalgamating Company whose name appear in the Register of Members as on

the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner:

- a. “117 (One Hundred and Seventeen) fully paid-up Equity Shares of INR 10 (Rupees Ten) at a premium of INR 62 (Rupees Sixty Two) each of Amalgamated Company shall be issued and allotted for every 100 (One Hundred) fully paid-up Equity Shares of INR 10(Ten) each held in Amalgamating Company”
 - b. “139 (One Hundred and Thirty Nine) fully paid-up Equity Shares of INR 10 (Rupees Ten) at a premium of INR 62 (Rupees Sixty Two) each of Amalgamated Company shall be issued and allotted for every 100 (One Hundred) fully paid-up Redeemable Preference Shares of 100 (One Hundred) each held in Amalgamating Company”
- 6.2 The Equity Shares to be issued to the members of the Amalgamating Company under Clause 6.1 shall be subject to the terms of the Memorandum and Articles of Association of the Amalgamated Company and shall rank pari-passu with the existing equity shares of Amalgamated Company in all respects including, but subject to the provisions of Section 205 of the Act, dividend (including interim dividend) for the financial year starting from the Appointed Date. The holders of the equity shares of the Amalgamated Company and Amalgamating Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members for the financial year upto the Appointed Date. It is clarified that the aforesaid provision in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any member of Amalgamated Company or Amalgamating Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Amalgamated Company and Amalgamating Company and subject to the approval of the shareholders of Amalgamated Company and Amalgamating Company.
- 6.3 Fractional entitlements, if any, arising pursuant to the applicability of the share exchange ratio as above shall be rounded off to the nearest higher integer.
- 6.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Amalgamating Company, the Board of Amalgamating Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Amalgamating or Amalgamated of equity shares in Amalgamating Company, after the effectiveness of this Scheme.
- 6.5 The equity shares to be issued by Amalgamated Company to the members of Amalgamating Company pursuant to Clause 6.1 of this Scheme, in respect of any shares in Amalgamating Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise, pending allotment or settlement of dispute, by order of Court or otherwise, be held in abeyance by Amalgamated Company.
- 6.6 The equity shares shall be issued in dematerialized form to those shareholders who hold shares of Amalgamating Company in dematerialized form, into the account in which Amalgamating Company shares are held or such other account as is intimated by the shareholders to Amalgamating Company and / or its Registrar before the Record Date. All those shareholders who hold shares of Amalgamating Company in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Amalgamating Company and /

- or its Registrar before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.
- 6.7 The Board of Directors of Amalgamated Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of Amalgamating Company pursuant to clause 6.1 of the Scheme.
- 6.8 The equity shares to be issued to the members of Amalgamating Company pursuant to clause 6.1 of this Scheme will be listed and/or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (read with the applicable regulations/circulars issued by the Securities and Exchange Board of India in relation to application under sub-rule(7) of rule 19 of the Securities Contract (Regulation) Rules, 1957) including any amendment or reconstitution thereof on all the Stock Exchanges on which shares of Amalgamating Company are listed on the Effective Date Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as maybe necessary in accordance with the applicable laws or regulations for Amalgamated Company with the formalities of the said Stock Exchanges. The equity shares of Amalgamated Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange(s). There shall be no change in the shareholding pattern or control in Amalgamated Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges.
- 6.9 Approval of this Scheme by the shareholders of Amalgamated Company shall be deemed to be the due compliance of the provisions of Section 81(1A) of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Amalgamated Company to the shareholders of Amalgamating Company, as provided in this Scheme.
- 6.10 Upon the Scheme becoming effective and upon the issue of shares by Amalgamated Company in accordance with Clause 6.1 above, the existing equity shares of Amalgamated Company held by Amalgamating Company, as on the Record Date shall, without any application or deed, stand cancelled without any payment.
- 6.11 The cancellation of the existing equity shares of Amalgamated Company as mentioned in Clause 6.10 above shall be effected as an integral part of this Scheme without having to follow the process under Sections 100 to 103 of the Act separately and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and hence the provisions of Section 101 of the Act will not be applicable. Further, Amalgamated Company shall not be required to add the words “and reduced” as a suffix to its name consequent upon such reduction.

7. COMBINATION OF AUTHORISED SHARE CAPITAL

- 7.1 Upon the Scheme coming into effect, the authorised share capital, including the equity share capital and the preference share capital, of the Amalgamating Company shall stand combined with the authorised share capital of the Amalgamated Company and accordingly the Memorandum of Association of the Amalgamated Company shall automatically stand amended and the words and figures in Clause V of the Memorandum of Association shall be substituted to read as follows:

“The Authorised Share Capital of the Company is Rupees 108,00,00,000/-(One Hundred and Eight Crores Only) divided into 68,000,000 (Six Crores and Eighty Lakhs) Equity Shares of Rs.10 each and 40,00,000. (Forty Lakhs) Preference Shares of Rs.100 each”

- 7.2 The filing fee and stamp duty already paid by the Amalgamating Company on its authorized share capital, which is being combined with the authorized share capital of the Amalgamated Company, shall be deemed to have been paid by the Amalgamated Company and accordingly, the Amalgamated Company shall not be required to pay any fee, additional fee, charges and/or stamp duty on the authorized share capital so increased. However, the Amalgamated Company shall file the amended copy of its Memorandum of Association and Articles of Association with the ROC within a period of 30 days from the Effective Date and the ROC shall take the same on record.
- 7.3 It is hereby clarified that the consent of the shareholders of the Amalgamated Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 16, Section 31, Section 94 or any other applicable provisions of the Act, would be required to be separately passed.
- 7.4 If required, the Amalgamated Company shall take necessary steps to increase its authorized share capital on or before the Effective Date so as to make it sufficient for allotment of shares, either equity or preference, to the shareholders of Amalgamating Company, in consideration of amalgamation after considering the combined authorized share capital of Amalgamated Company.

8. ACCOUNTING TREATMENT IN THE BOOKS OF AMALGAMATED COMPANY

Upon the Scheme becoming effective and with effect from the Appointed date, the amalgamation of the amalgamating and amalgamated company shall be accounted as per ‘The Purchase method’ prescribed under Accounting Standard 14- ‘Accounting for Amalgamation’ issued by the Institute of Chartered Accountants of India such that

- 8.1 The Amalgamated Company shall, record the assets and liabilities of Amalgamating Company, vested in it pursuant to this Scheme, at their respective fair values.
- 8.2 Amalgamated Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to Clause 6.1 of this Scheme. Further, Amalgamated Company shall credit to its Securities Premium Account, the aggregate premium on equity shares issued by it pursuant to Clause 6.1 of this Scheme.
- 8.3 Inter-company balances if any, will stand cancelled.
- 8.4 The investments of SSL in the equity share capital of SISPL shall stand cancelled. Such cancellation of the existing equity shares of SISPL shall be effected as an integral part of this Scheme without having to follow the process under Sections 100 to 103 of the Act separately and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and hence the provisions of Section 101 of the Act will not be applicable. Further, Amalgamated Company shall not be required to add the words “and reduced” as a suffix to its name consequent upon such reduction.

- 8.5 The difference, if any, between the value of net assets of the business transferred from the Amalgamating Company as recorded by the Amalgamated Company in terms of Clause 8.1 above, and the amount credited to Share capital and Securities Premium Account as per Clause 8.2, after adjustments pursuant to clause 8.3 and 8.4 above, shall be credited to the Capital Reserve Account or shall be debited to the Goodwill Account of Amalgamated Company, as the case may be.
- 8.6 On coming into effect of this Scheme and with effect from the Appointed date, the Goodwill, if any, arising pursuant to Clause 8.5 above, shall be amortized over such period as may be deemed appropriate by the Board of Directors of SISPL in accordance with the provisions of Accounting Standard -14 on 'Accounting for Amalgamation'.

9. LISTING AGREEMENT AND SEBI COMPLIANCES

- 9.1 Since the Amalgamating Company being a listed company, this Scheme is subject to the Compliances by the Amalgamating Company of all the requirements under the listing agreement and all statutory directives of the Securities Exchange Board of India ('SEBI') insofar as they relate to sanction and implementation of the Scheme.
- 9.2 The Amalgamating Company in compliance with the listing Agreement shall apply for the in-principle approval of the BSE and NSE where its shares are listed in terms of the clause 24(f) of the listing agreement at least 30 days prior to approaching the Court for sanction of the Scheme.
- 9.3 The Amalgamating Company shall also comply with the directives of SEBI contained in the Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013 as modified by its subsequent Circular No CIR/CFD/DIL/8 /2013 dated 21st May 2013, in pursuance of sub-rule(7) of rule 19 of the Securities Contract (Regulation) Rules, 1957) for relaxation from the enforcement of clause (b) to sub-rule (2) of rule 19 thereof.
- 9.4 As Para 5.16(a)(i) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013 read with Para 7 of SEBI Circular No CIR/CFD/DIL/8 /2013 dated 21st May 2013 is applicable to this Scheme, therefore it is provided in the Scheme that the Amalgamating Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders in relation to the said Resolution.

10. CHANGE OF NAME

With effect from the Effective Date, the name of the Amalgamated Company shall be changed to "Simbhaoli Sugars Limited" and shall be effected as an integral part of this Scheme without having to follow the process under Section 21 of the Act separately. Further, without any act or deed, the name of the Amalgamated Company wherever it occurs in its Memorandum and Articles of Association shall be substituted by "Simbhaoli Sugars Limited".

11. CHANGES IN THE OBJECT CLAUSE OF AMALGAMATED COMPANY

Upon this scheme becoming effective, Clause III (A), i.e., "main object" clause of the Memorandum of Association of the Amalgamated Company shall, without any further act, instrument or deed, stand altered, modified and amended as follows:

“

- a) To erect a factory or factories in a suitable place or places in India for the manufacture or refinement of sugar by up-to-date machinery or for the manufacture of Machinery or any parts thereof.
- b) In particular to take over the entire undertaking now known as The Simbhaoli Sugar Mills Co. commenced in anticipation of the formation of the Company and to carry into effect the agreement entered into therefore by the several subscribers to this memorandum of association.
- c) To add to the above any other business or machinery for utilizing the by-products or for manufacture of any other article as may be necessary, expedient or advantageous.
- d) To purchase acquire by mortgage, lease, on royalty basis, exchange or otherwise, any Mill or Factory, land, building, machinery or other property including patents, inventions, licenses, secret formulas or processes and rights of privileges which may be necessary or useful for the purpose of the Company's business and to construct, manage, improve, alter" extend, reconstruct any buildings, machinery or works for the purposes of the Company and to carry on agricultural operations for the cultivation of sugar-cane, or other crops or contribute, to subsidies or otherwise assist in any such operations as the Directors may think proper for the purposes of the Company.
- e) To purchase and sell sugar, sugar cane, raw sugar (gur) molasses, stock in trade, goods; and all other materials and, things necessary or expedient for, the above purpose and to sell any product of the Company's Mills, any spare machinery, mills, stores or stocks.
- f) To acquire and take over the whole or in partnership any part of the business, good will, trade mark, etc. and assets and liabilities of any person, firm, company or corporation, carrying on any business which this Company is authorised to carry on and to take charge of any factory for manufacture of sugar or any by product for the purpose of management, supervision or control.
- g) To invest in or upon, subscribe for, purchase or otherwise acquire shares, stocks, debentures, securities or other interest in any other firm, company or corporation doing business which this company is authorised to do, any of the same to hold, sell or otherwise dispose of, deal with as may seem expedient or to otherwise invest the money of the company.
- h) For the purposes of the Company to accept deposit for any period of time and pay interest thereon and issue; Fixed Deposit Receipts, Pronotes or other securities for the same and keep floating, cash credit or other accounts with or without interest and to lend or allow loan or overdraft thereon the depositors and charge interest thereon.
- i) To lend money to such other persons or Companies on such terms as may be thought fit and particulars to members' or other persons having dealings with the Company.
- j) To sell, let on royalty or hire, exchange or otherwise dispose of any property, whether movable or immovable of the Company or any part thereof in such manner and for cash or such consideration including shares, debentures or other securities of any other Company or Corporation as the Company may think fit.
- k) To do all or undertake all or any other such acts business or agency connected with the above objects as the Company may decide.
- l) To pay for any property, shares, rights or privileges acquired by the Company, either in cash or shares, or partly in one form and partly in another.

- m) To issue any shares' or securities which the Company has the power to issue, by way of securities and indemnity, to any person whom the Company has agreed or is bound to indemnify, or in satisfaction of any liability.
- n) To give to any person, firm or company subscribing or procuring subscriptions for the capital or rendering financial or other assistance to this Company or any other Company, or undertaking in which this Company is interested in addition to or in lieu of any other form of remuneration, the right to subscribe for and receive an allotment of any of the shares or other securities for the time being un-issued of this Company upon such terms as the Company may think expedient.
- o) To enter into partnership, union or other arrangement of a like nature with any person, firm or corporation engaged or interested in the carrying on or conduct of any business or enterprise which this Company is authorized to carry on or conduct or from which the Company would or might derive any benefit.
- p) To amalgamate with any other Company whose objects or any of them are similar to the objects of this Company or whose business is similar to the business or any part of the business of this Company, whether by sale or purchase (for shares or otherwise) of the undertakings and liabilities of this or any such other Company as aforesaid.
- q) To promote or form, or assist in the promotion or formation of any other Company or Companies with the same or any of the same subject as this Company or in which this Company is interested, or the establishment of which may seem profitable to the Company or likely to advance its interests, by providing whole or part of the capital thereof, or by taking or subscribing for the shares of such Company or Companies or by lending money thereunto upon debentures or otherwise.
- r) To enter into any arrangements with any government or authority, supreme, provincial, district, municipal or local or otherwise and to obtain from any such government or authority all properties, titles, rights, concessions, licenses, orders and privileges that may seem conducive to the Company's objects or any of them.
- s) To do and perform all such other acts and things as may be necessary for the attainment of the above objects or any of them or as may be considered by the Company beneficial to its interests and calculated to add to its income or profits or increase the value of its assets.
- t) To borrow or raise money on such terms and in such manner as the Company shall think fit, without security or on the security of land, buildings, bills of exchange, promissory notes, bonds, warrants, stocks, shares, debentures and , book debts of the Company and properties of every description both present and future or anyone or more of them.”

PART III
GENERAL TERMS AND CONDITIONS

12. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

- 12.1 The Amalgamating Company undertakes to preserve and carry on its business, with reasonable diligence and business prudence;
- 12.2 Amalgamating Company shall carry on and be deemed to have carried on all business and activities for and on account of, and in trust for the Amalgamated Company;
- 12.3 All the transactions, including but not limited to transactions of purchases/ sale of any asset/ properties by the Amalgamating Company, profits and cash accruing to or losses arising or incurred (including the effect of taxes if any thereon) by Amalgamating Company, shall for all purposes, be treated as the profits/ cash, taxes or losses, as the case may be, of Amalgamated Company;
- 12.4 All accretions and depletions to Amalgamating Company shall be for and on account of Amalgamated Company;
- 12.5 Any of the rights, powers, authorities, privileges, attached, related or pertaining to or exercised by Amalgamating Company shall be deemed to have been exercised by Amalgamating Company for and on behalf of, and in trust for and as an agent of Amalgamated Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to Amalgamating Company that have been undertaken or discharged by Amalgamated Company, shall be deemed to have been undertaken for and on behalf of and as an agent for Amalgamated Company;
- 12.6 In case any transaction of sale of assets (including the investments held by Amalgamating Company) takes place during the interregnum period, specifically on and from the Appointed Date upto the Effective Date, such asset shall be deemed to have been first recorded in the books of the Amalgamated Company in accordance with clause 12.1 above and thereafter sold by the Amalgamated Company itself;
- 12.7 As and from the Appointed Date and till the Effective Date, all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the Appointed Date, whether or not provided in the books of Amalgamating Company, and all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations relating thereto which arise or accrue to Amalgamating Company on or after the Appointed Date in accordance with this Scheme, shall be deemed to be the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of Amalgamated Company.

13. LEGAL PROCEEDINGS

- 13.1 With effect from the Appointed Date and up to and including the Effective Date. All legal and tax assessment proceedings / appeals of whatsoever nature by or against Amalgamating Company respectively pending and/or arising on or after the Appointed Date and relating to Amalgamating Company, shall be continued and / or enforced until the Effective Date as desired by the Amalgamated Company. As and from the Effective Date, the legal and tax proceedings / appeals shall be continued and enforced by and against the Amalgamated Company in the same manner and to the same extent as would and might have been continued and enforced by and

against the Amalgamating Company. Further, the said proceedings shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme.

- 13.1.1 The Amalgamated Company undertakes to have all legal or other proceedings initiated by or against Amalgamating Company, referred to in Clause 13.1 above transferred into their name respectively and to have the same continued, prosecuted and enforced by or against Amalgamated Company, to the exclusion of Amalgamating Company

14. CONTRACTS, DEEDS, ETC.

- 14.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature whether pertaining to immovable properties or otherwise to which the Amalgamating Company is a party or to the benefit of which Amalgamating Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, Amalgamated Company and may be enforced as fully and effectually as if, instead of Amalgamating Company, Amalgamated Company had been a party or beneficiary or obligee thereto or there under.
- 14.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favour of Amalgamating Company shall stand transferred to Amalgamated Company, as if the same were originally given by, issued to or executed in favour of Amalgamated Company, and Amalgamated Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to Amalgamated Company. The Amalgamated Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

15. STAFF, WORKMEN & EMPLOYEES

- 15.1 On the Scheme becoming effective, all staff, workmen and employees of Amalgamating Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of Amalgamated Company respectively with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Amalgamated Company and shall not be less favorable than those applicable to them with reference to Amalgamating Company, on the Effective Date.
- 15.2 Further, it is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund and pension and/ or superannuation fund or any other special fund or trusts created or existing for the benefit of the staff, workmen and other employees of Amalgamating Company, shall become the trusts /funds of Amalgamated Company, for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of Amalgamating Company, in relation to such fund or funds shall become those of Amalgamated Company. It is clarified that the services of the staff, workmen and employees of

Amalgamating Company, will be treated as having been continuous for the purpose of the said fund or funds. This Scheme shall enable the trustees of provident fund trusts, gratuity fund and pension and/or superannuation fund trusts to amend their respective trust deeds so as to be in conformity with the requirements of both the labour laws and the income tax laws, as applicable, consequent upon the vesting and transfer of employees to the Amalgamated Company as provided herein, on a continuity of employment basis and on same and/or similar terms and conditions of service.

16. APPLICATION TO COURT

Amalgamating Company and Amalgamated Company shall, with all reasonable dispatch, make applications/petitions under Sections 391-394 and other applicable provisions of the Act to the Court or NCLT or any other appropriate authority, for sanction of this Scheme under the provisions of Law.

17. MODIFICATION OR AMENDMENTS TO THE SCHEME

Amalgamating Company and Amalgamated Company, through their respective Board of Directors (which shall include any committee authorized by the Board in this regard) may assent from time to time on behalf of all persons concerned to any extension, modifications/ amendments to the Scheme (including modification in the Appointed Date) or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Amalgamating Company, and Amalgamated Company, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

18. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 18.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the Members and / or Creditors of the Amalgamating Company and Amalgamated Company as may be directed by the Court or any other competent authority, as may be applicable.
- 18.2 As Para 5.16(a)(i) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013 read with Para 7 of SEBI Circular No CIR/CFD/DIL/8 /2013 dated 21st May 2013 is applicable to this Scheme, therefore it is provided in the Scheme that the Amalgamating Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders in relation to the said Resolution
- 18.3 As Para 5.16(a)(i) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013 read with Para 7 of SEBI Circular No CIR/CFD/DIL/8 /2013 dated 21st May 2013 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

- 18.4 The Scheme being sanctioned by the Court or any other authority under Sections 391 to 394 of the Act and to the necessary Order under Section 394 of the said Act being obtained.
- 18.5 Certified copies of the Orders of the Court sanctioning the Scheme being filed with the respective Registrar of Companies by the Amalgamating Company and Amalgamated Company.
- 18.6 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

19. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in Clause 18 not being obtained and/ or the Scheme not being sanctioned by the High Court or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.

20. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Amalgamated Company.

21. DISOLUTION OF THE AMALGAMATING COMPANY

- 21.1. The Amalgamating and Amalgamated Company shall also take such other step, as may be necessary or expedient to give full and formal effect to the provisions of the Scheme.
- 21.2. The Amalgamating Company shall stand dissolved on the Effective Date in terms of this Scheme, without being wound-up.
- 21.3. Upon the Scheme taking effect and after dissolution of the Amalgamating Company, the Board of Directors of the Amalgamated Company is hereby authorized to take steps as may be necessary desirable or proper to resolve any questions, doubts, or difficulty whether by reason of any Order(s) of the Court(s) or any directive, Order or sanction of any authority or otherwise arising out of or under this Scheme or any matter therewith.

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**STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANIES AND ITS
SHAREHOLDERS**

To,
The Board of Directors
Simbhaoli Sugars Limited*
Kothi No. 1, Distillery Division Compound
Simbhaoli, Uttar Pradesh - 245207

Dear Sirs,

Sub: Note on possible tax benefits

We, Mittal Gupta & Company, the statutory auditors of the Company have been requested by the management of the Company having its registered office at the above mentioned address to certify the statement of tax benefits to the Company and its Shareholders under the provisions of the Income Tax Act, 1961, presently in force in India as of date in connection with the proposed listing of equity share of the Company.

Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Further, we have also incorporated the amendments brought out by the Finance (No. 2) Act, 2015 where applicable. We do not express any opinion or provide any assurance as to whether:

- (i) the Company or its Shareholders will continue to obtain these benefits in future; and
- (ii) the conditions prescribed for availing the benefits have been / would be met with;

Our views are based on the existing provisions of law and its interpretations, which are subject to change from time to time. We do not assume responsibility to up-date the views of such changes.

This report is intended solely for your information and for inclusion in the Information Memorandum in connection with the proposed listing of shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **MITTAL GUPTA & CO.**

Chartered Accountants
FRN: 01874C

(B. L. Gupta)
Partner
Membership No.: 073794

Place: New Delhi
Dated: December 3, 2015

*M/s Simbhaoli Spirits Limited known as M/s Simbhaoli Sugars Limited in pursuance to Scheme of Amalgamation, as sanctioned by the Hon'ble High Court of Judicature at Allahabad.

NOTE ON POSSIBLE TAX BENEFITS AVAILABLE TO SIMBHAOLI SPIRITS LIMITED AND TO ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 (the it Act)

SimbhaoliSpirits Limited is an Indian Company subject to tax in India. The Company is taxed on its profits. Profits are computed after allowing all reasonable business expenditure including depreciation. Considering the activities and the business of the Company, the following benefits may be available.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company.

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders.

III. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. Subject to compliance of certain conditions laid down in Section 32 of the IT Act, the Company will be entitled to a deduction for depreciation in respect of tangible assets and, intangible assets being in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under the Income-tax Rules, 1962.
2. Subject to compliance of certain conditions laid down in Section 32 AC of the IT Act, the Company will be entitled to a deduction of a sum equal to fifteen per cent of the actual cost of new plant or machinery (excluding the items specified in sub section 4 of section 32 AC) for the A.Y. 2016-17 and 2017-18 if the cost of new plant or machinery acquired and installed during the previous year exceeds twenty-five crores rupees.
3. The Company will be entitled for exemption under section 10(2A) of the I.T. Act for the share of profits received from the Indian partnership firm in which the company is a partner. As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
4. Under section 35 CCD, the company will be entitled to claim deduction to the extent of 150% of the expense done by the company towards Skill Development Project.
5. The company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares, under Section 35D(2)(c)(iv) of the IT Act, subject to the nature of expenses and the limit specified in Section 35D(3).
6. Under section 35DD of the IT Act, for any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger, the Company is eligible for deduction of an amount equal to one fifth of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.
7. The Company will be entitled to claim expenditure incurred in respect of voluntary retirement scheme under scheme 35DDA of the IT Act in five equal annual installments.
8. The Company will not be entitled for deduction in respect of any expenditure incurred on the activities relating to corporate social responsibility referred to in section 135 of the Companies Act, 2013 under the provisions of section 37(1) of the IT Act.

9. Under Section 71 of the IT Act, business loss suffered by the company during the year is allowed to be set-off against income from any other head. Balance loss, if any, could be carried forward under section 72 for eight years for claiming set-off against subsequent years' business income. If the accumulated loss suffered by a company comprises unabsorbed depreciation, then such unabsorbed depreciation shall be carried forward to subsequent years indefinitely.
10. Under section 72A of the IT Act, accumulated losses and unabsorbed depreciation of the amalgamating company will be deemed to be the accumulated losses and unabsorbed depreciation of the amalgamated company, subject to the fulfillment of the specified conditions. Therefore, the company being an industrial undertaking is entitled to set off and carry forward the accumulated losses and unabsorbed depreciation of the amalgamating company.
11. Where any tax is paid under section 115JB(1) of the IT Act (hereinafter referred to as Minimum Alternate Tax or "MAT"), for any assessment year commencing on the first day of April 2006, then section 115JAA (1A) provides that credit in respect of tax so paid shall be allowed to the Company in accordance with the Provisions of the IT Act. Tax Credit eligible to be carried forward will be the difference between the MAT paid and the tax computed as per the Normal provisions of the IT Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit is allowed.
12. Under section 115-O of the IT Act, the Company will be liable to pay Divided Distribution Tax (DDT) on the dividends declared, distributed the dividends so declared, distributed or paid by the domestic company shall be reduced by-
 - The dividends received from its Indian subsidiary provided such subsidiary has paid DDT on the same.
 - The dividend received from its Indian subsidiary provided such dividend is taxable under section 115BBD of the IT Act.

For the said purpose, a company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company.

For the purposes of determining the tax on distributed profits, net distributed profits shall be increased to such amount as would, after reduction of the tax on such increased amount to equal to the net distributed profits

Income from Distributed Profits

1. As per the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income-tax. As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
2. As per section 10(35) of the IT Act, the following income will be exempt in the hands of the Company.
 - a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
 - b. Income received in respect of units from the Administrator of the specified undertaking; or
 - c. Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of such units by the unit holder.

For this purpose (i) “Administrator”, means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a Company as referred to in Section 2(h) of the said Act.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

Capital Gains

1. Under Section 10(33) of the IT Act, any income arising from the transfer of a capital asset, being a unit of the unit Scheme, 1964 referred to in Schedule I to the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002) and where the transfer of such asset takes place on or after the 1st day of April 2002 is exempt.

As per provisions of Section 14A of the IT Act, Expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per Section 10(38) of the IT Act, capital gains arising to the Company on transfer of long term capital asset being an equity share in a company or a Unit of an equity oriented fund or a unit of business trust (except those which were acquired in consideration of a transfer referred to in clause xvii of section 47) will be exempt in the hands of the Company, provided such transaction is chargeable to securities transaction tax.

For this purpose, “Equity Oriented Fund” means a fund-

a. Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five % of the total proceeds of such funds; and

b. Which has been set up under a scheme of a mutual fund specified under Section 10(23D) of the IT Act.

The long term capital gains exempt under Section 10(38) would be liable to book profit tax under Section 115JB of the IT Act.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. As per section 47(vi) of the IT Act, any capital asset that will be transferred by the company to the amalgamating company is exempt from capital gain tax in the hands of amalgamating company.
4. Under the Second Proviso to Section 48 of the IT Act, long term capital gains of the Company arising on transfer of capital assets other than bonds and debentures (not being capital indexed bonds issued by Government) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged @ 20% (plus applicable surcharge and education cess) as per Section 112 of the IT Act. Alternatively, at the option of the company, in respect of long term capital gains from the sale of listed securities or units or Zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of

capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% (Plus applicable surcharge and education cess).

5. Under Section 54EC of the IT Act subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the IT Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if capital gains are invested in a “long term specified asset” within a period of six months after the date of such transfer. If only part of capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessed transfers or converts the long term specified asset into money within a period of three years from the dates of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

“Long term specified asset” for the purpose of making investment under Section 54EC of the IT Act, means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

- a) By the National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988 or;
- b) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the dates of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investments in the long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the EV should not exceed rs.50 Lac.

Provided further that the investments in the Long- term specified asset during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed fifty lacs rupees.

6. Under Section 111A of the IT Act, short term capital gains arising to the Company from the sale of a short term capital asset being an equity share or a unit of an equity oriented fund will be taxable at the rate of 15% (plus applicable surcharge and education cess) where such transaction is chargeable to securities transaction tax. Short Term Capital Gains arising from transfer of shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

For this Purpose, 'equity oriented' would have the same meaning as specified in section 10(38) above.

7. As per Section 70, short term capital loss suffered by the Company during the year is allowed to be set off against short-term as well as long-term capital gains of the said year. Balance Loss, if any could be carried forward under section 74 for eight years for claiming set-off against subsequent years' long term/short term capital gains.

Long-term loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

IV.GENERAL TAX BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 APRIL 2003) received from domestic company is exempt from income tax in the hands of shareholder.
2. As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
3. As per the Provisions of Section 10(38) of the IT Act, long term capital gains arising on sale of equity shares in the Company would be exempt from tax where the sale transaction has been subjected to securities transaction tax.
4. As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income
5. As per Provisions of **Sections 36(I)(xv)** of the IT Act, securities transaction tax paid in respect of the taxable securities Transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head ' Profit and gains of business or profession'.
6. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.As per section 47(vii), consideration by way of shares, received by the shareholders of the amalgamating company will be exempt in the hands of the shareholder of such company.
7. Under the Second Provision to Section 48 of the IT Act, long term capital gains of the Shareholder arising on the transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged @ 20% (plus applicable surcharge and education cess) as per Section 112 of the IT Act. Alternatively, at the option of the Shareholder, in respect of long term capital gains from the sale of listed securities or (which are not exempt u/s 10(38) of the IT Act) units or Zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% (Plus applicable surcharge and education cess).
8. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (Which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within six months from the date of such transfer in the bonds issued by:
 - a) By the National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988 or;
 - b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the dates of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or

conversion into money takes place. The investments in the long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the FV should not exceed rs.50 Lac.

The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

9. As per the Provisions of Section 54F of the IT Act subject to the conditions specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family (“HUF”) on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years the date of such transfer.
10. As per Section 70, short term capital loss suffered during the year is allowed to be set off against short-term as well as long-term capital gains of the said year. Balance Loss, if any could be carried forward under section 74 for eight years for claiming set-off against subsequent years’ long term/short term capital gains.

Long-term loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.

11. Where the resident shareholder is a corporate assessee, then, to the extent its business consists of Purchase and sale of shares of other companies, the provisions of Explanation of Section 73 may be attracted. In other words, the losses arising on the purchase and sale of such shares shall be allowed to be set off only against the profits arising on the sale of such shares. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.
12. As per the provisions of Section 111A of the IT Act, short term capital gains From the sale of an equity Share of the Company would be taxable at a rate of 15% (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

V. GENERAL TAX BENEFITS AVAILABLE TO NON-RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 APRIL 2003) received on the shares of any company is exempted from tax and is not subject to any deduction of tax at source.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2.As per the Provisions of Section 10(38) of the IT Act, long term capital gains arising on Transfer of equity shares in the Company would be exempt from tax provided the transaction is chargeable to securities transaction tax.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income

3. As per Provisions of Sections 36(I)(xv) of the IT Act, securities transaction tax paid in respect of the taxable securities Transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head ‘ Profit and gains of business or profession’.

Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

4. As per section 47(vii), consideration by way of shares, received by the shareholders of the amalgamating company will be exempt in the hands of the shareholder of such company.

5. Under Section 111A of the IT Act, short term capital gains arising from the sale of an equity Share , being a short term capital asset in the Company, would be taxable at a concessional rate of 15% (plus applicable surcharge and education cess) where such transaction is liable to securities transaction tax. short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

6. In term of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the Company acquired in convertible foreign exchange (as per exchange control regulations), Protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of Shares.

7. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (Which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within six months from the date of transfer and held for a period of three years, from the date of acquisition, in bonds issued by:

- a) National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988;
- b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money

takes place. The investments in the long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the FV should not exceed rs.50 Lac.

Provided further that the investment in the long-term specified asset during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed fifty lakh rupees.

The cost of the long-term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

8. As per the Provisions of Section 54F of the IT Act subject to the conditions specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family (“HUF”) on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years the date of such transfer.

9. As per Section 90(2) of the IT Act, Provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non-resident Indian would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-resident/ Non resident Indian subject to Tax Residency Certificate being furnished as per prescribed format.

10. As per provisions of Section 115E of the IT Act, Long Term Capital Gain arising to a Non-Resident Indian from transfer of specified foreign exchange assets is taxable at the rate of 10% (Plus applicable surcharge and cess).

Further, income from investment and long term capital gain assets (other than specified foreign exchange assets) arising to a Non-Resident Indian is taxable at the rate of 20% (Plus applicable surcharge and cess).

No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the IT Act. Further the benefit of first proviso to section 48 shall not be available.

11. As per provisions of Section 115F of the IT Act, Long Term Capital Gain arising to a Non-Resident Indian from transfer of a foreign exchange assets is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.

12. As per provisions of Section 115G of the IT Act, where the total income of a Non-Resident Indian consists only of investment income / Long term capital gain from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the Non-Resident Indian is not required to file a return of income.

13. As per provisions of Section 115H of the IT Act, where a person who is a Non-Resident Indian in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the IT Act for the Assessment year in which he/ she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A (Special provisions relating to certain incomes of non-residents) shall continue to apply to him/her in relation to investment income

derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

14. As per provisions of Section 115-I of the IT Act, a Non-Resident can opt not be governed by the provisions of Chapter XII-A (Special provisions relating to certain incomes of Non-residents) for any assessment year by furnishing return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the IT Act shall be applicable while determining the taxable income and tax liability arising thereon.

VI. GENERAL TAX BENEFITS AVAILABLE TO MUTUAL FUNDS

As per Section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Registered made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, Specify in this behalf.

VII. GENERAL TAX BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. As per the provisions of Section 10(34) of the IT Act, dividend income (referred to in Section 115-0 of the IT Act) would be exempt from tax in the hands of the shareholders of the Company and are not subjected to deduction of tax at source.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per the Provisions of Section 10(38) of the IT Act, long term capital gains arising on Transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income

3. As per Provisions of Sections 36(I)(xv) of the IT Act, securities transaction tax paid in respect of the taxable securities Transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head ' Profit and gains of business or profession '.

Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

4. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (Which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within six months from the date of transfer and held for a period of three years, from the date of acquisition, in bonds issued by:

- a) National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988;
- b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investments in the long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the FY should not exceed fifty lakh rupees.

Provided further that the investment in the long-term specified asset during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed fifty lakh rupees.

5. Where the foreign Institutional Investor is a corporate assessee, to the extent its business consists of purchase and sale of shares of other companies, provisions of Explanation to Section 73 may be attracted. In other words, the losses arising on the purchase and sale of such shares shall be allowed to be set off only against the profits arising on the sale of such shares. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits from the sale of such shares.

6. As per Section 90(2) of the IT Act, Provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII subject to furnishing of Tax Residency Certificate and Form No. 10F as applicable.

7. Under the provisions of Section 111A of the IT Act, Short-Term Capital Gain arising from transfer of Equity share in the Company would be taxable at a concessional rate of 15% (Plus applicable surcharge and education cess). Where such transaction which has been subjected to securities transaction tax.

8. As per provisions of Section 115AD of the IT Act, income (other than income by way of dividends referred to in Section 115-O of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency referred to Section 115AB of the IT Act) would be taxed at concessional rates, as follows:

<u>Nature of income</u>	<u>Rate of tax (%)</u>
Income in respect of securities	20
Interest referred to in section 194LD	5
Long term capital gains	10
Short term capital gains (other than short term capital gain referred to in Section 111 A)	30

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of Indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available.

GENERAL TAX BENEFITS AVAILABLE TO VANTURE CAPITAL COMPANIES / FUNDS

1.As per Section 10(23FB) of the IT Act, any income of a Venture Capital Company or Venture Capital Fund from investment in a Venture Capital undertaking would be exempted from income tax subject to the fulfillment of conditions specified.

2.Under Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the Fund/company (if non- resident) would prevail over the provisions of the IT Act to the extent the DTAA is more beneficial to the non-resident.

NEW AMENDMENTS UNDER THE IT ACT

The Government of India has recently made amendments in the existing income tax laws to incorporate provisions relating to General Anti-Avoidance Rules (GAAR). GAAR would be effective from assessment year commencing on 1st April 2018 or Thereafter.

Notes:

a.The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

b.The above statement of Possible Direct Tax Benefits sets out the possible tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

c. Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of the note.

d.This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professionals tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

e.In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, If any, between India and the country in which the non-resident has fiscal domicile.

The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance Act 2015.

This note has been prepared solely in connection with the proposed listing of Equity shares by the Company under the Securities and Exchange Board of India (“SEBI”) mechanism for Schemes of Arrangements.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Indian Sugar Industry

With an annual production capacity of almost 30 million metric tonne (MMT), the Indian sugar Industry (ISI) is the second largest producer of sugar in the world. It is also the second largest agro-based industry in the country after cotton. The sugar industry contributes significantly to socio economic development of the rural population. ISI remains highly regulated and is a source of livelihood for very large number number offarmers and their families; and provides direct employment to over 5 lakh skilled and semi-skilled labour in sugar mills and allied industries across the country. The annual turnover of the industry is estimated at Rs. 41,000 crore and it pays about Rs. 2500 crore per annum to the government in the form of taxes.

The country's sugar production has reached to 28.3 mmt (white value) in the current sugar season with sugar surplus of about 9.1 mmt by the end of the year. Sugar industry in India is going through unprecedented crisis due to the mismatch in the price of raw material i.e. sugarcane and the finished product. The wide gap between the high cost of sugarcane and low realization from sugar, have severely impacted the financial conditions of the sugar mills. The production has been consistently surpassing the domestic consumption and lower international prices are not providing enough opportunity for consistent exports.

(In mmt)

Particulars /Sugar Year	2013-14	2014-15 (P)	Change %
Opening Stock as on 1st Oct	9.3	7.5	(24.0)
Production during the Season	24.4	28.3	16.0
Imports	0.10	-	-
Total Availability	33.8	35.8	5.9
Consumption	24.1	25.6	5.8
Exports	2.2	1.1	-
Closing Stock as on 30th Sept	7.5	9.1	21.3
Stock as % of Off-taker	31.1	35.5	-

Source: ISMA

Sugar production in Maharashtra, the country's leading producer has reached at an all-time high of 10.51 mmt in the year 2014-15. The production in Uttar Pradesh and Karnataka is expected to reach at 7.1 mmt and 4.94 mmt respectively.

Due to weak international prices, export in the current sugar year has been limited. Government policies like increase in import duty of sugar from 25% to 40% and extension of incentive scheme for marketing and promotion services of raw sugar at revised rate of Rs. 4000/MT, did not help to regain export so far.

Price Trend

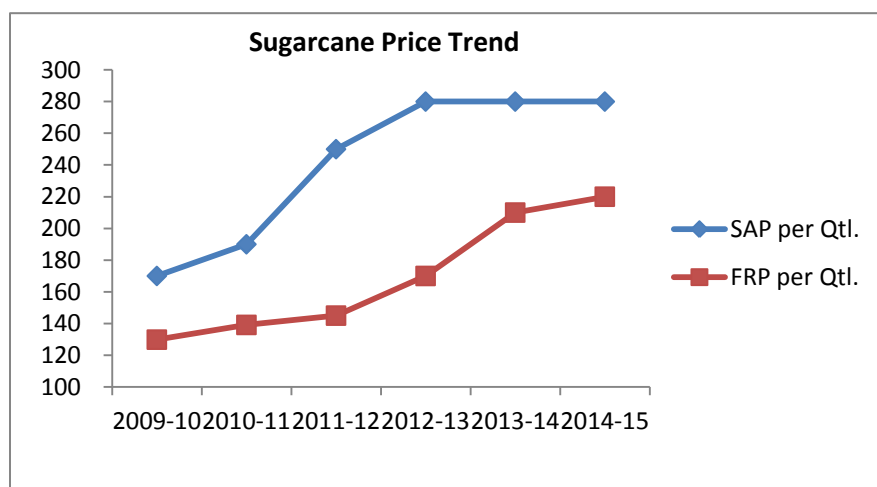
Surplus stock in domestic and global markets has depressed sugar prices, both in the global and domestic markets. One of the major reasons for the crisis in 2014-15 was the fall in global crude oil prices along with a decline in the Brazilian currency (Real). Lower crude price means Brazil's mills would divert less sugarcane for producing ethanol and the extra sugar resulting from this, combined with a weak Real, has brought down the international prices, making it further difficult for India to export. As a result, ex-factory sugar price has fallen to a low level.

With higher sugar production in the current season, against the consumption level of 25.6 mmt, carryover stocks at the beginning of 2015-16 season is 9.1 mmt, 3.1 million tones higher than the normal requirement of 6 mmt, which has worsened the condition of Indian sugar industry.

Sugarcane

The fair and remunerative price (FRP) of sugarcane for sugar season 2014-15 was fixed at Rs. 220 per quintal, linked to basic recovery at the rate of 9.5%, subject to premium of Rs.2.32 per qtl for every 0.1 percentage point increase in recovery above that level.

Major producers such as Uttar Pradesh, Tamilnadu, Haryana, Punjab and Uttarakhand continued with their sugarcane pricing policies as per the past practices of announcing SAPs, whereas states like Maharashtra and Karnataka are considering rationalization of their sugarcane pricing by linking it to the sugar prices. In the current year, sugar mills are finding it difficult to pay even the FRP and this mismatch between sugar and sugarcane prices has led to mounting arrears to be paid to sugarcane farmers.



Sugarcane is still more lucrative to farmers than other crops and despite the accumulating cane arrears, preliminary data are showing 0.2 percent increase in the cane acreage.

ISMA based on the satellite images proved in the later part of June 2015, has projected the total average of around 53.58 lac hectares in 2015-16 sugar season (SS) which is almost similar to that of last 2014-15

SS, when it was 53.23 lac hectares production of sugar can estimated at 341.43 mt, is lower by 1.36 mt than its production estimated as per 1st advance estimated for the previous year by Agriculture Ministry.

India's Sugarcane production and area under cultivation registered a common compounded annual growth rate (CAGR) of 3.70% and 2.03% respectively during the last 10 years ending 2013-2014. (Sugar Season refers to the period from October 01 to September 30). Although sugar can be extracted from any crop having sugar content, Sugarcane is preferred by the farmers as it is a durable crop backed by strong price support by the government of India (GOI) in terms of favourable prices for cane through the fair & Remunerative Price (FRP)/State advisory price (SAP) mechanism which has helped it to generate competitive returns as compared with paddy and cotton.

Government Policies

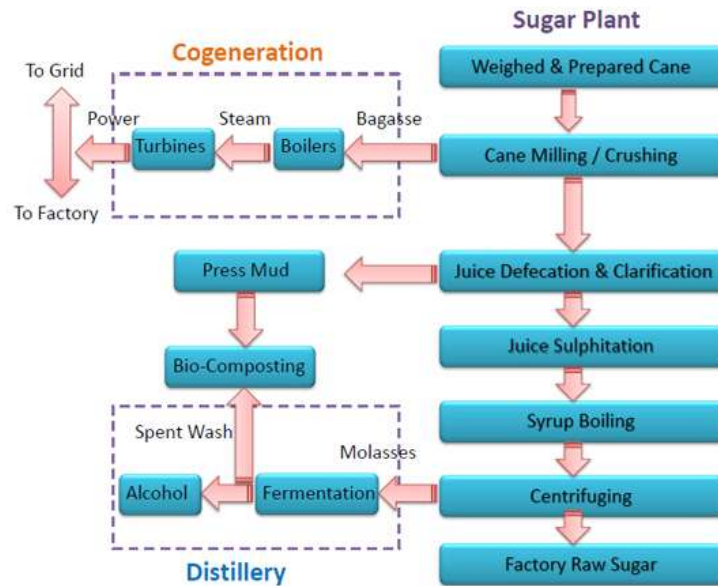
Policy related decisions taken recently under review are:

- (i) July 2014: With a view to increase production of Ethanol, Central Government is providing soft loans up to 40% of the project cost to the sugar mills from SDF for setting up ethanol projects.
- (ii) December 2014: The Cabinet Committee on Economic Affairs (CCEA), has given its approval to ratify the methodology adopted to recalculate the export incentive rate.
- (iii) January 2015: FRP of sugarcane for 2015-16 sugar season has been fixed at Rs. 230 per quintal, linked to basic recovery rate of 9.5% subject to premium of Rs.2.42 per qtl for every 0.1% increase in recovery above that level.
- (iv) (iv) February 2015: Continuation of the incentive scheme for marketing and promotion services of raw sugar production during current sugar season 2014-15 (Oct-Sept) for a qty upto 1.4 mmt at Rs.4000 per MT
- (v) April 2015:
 - Increase import duty from 25% to 40%.
 - Withdrawal of DFIA scheme for sugar.
 - Period of discharge of export obligation under Advance Authorization Scheme for sugar is reduced from 18 months to 6 months.
 - Removal of excise duty on ethanol produced from molasses (generated during sugar season 2015-16) for blending
- (vi) September 2015: **Minimum Indicative Export Quotas (MIEQ)** - Export quotas of 4 million tons of all grades of sugar (raw/plantation white/refined) have been prorated amongst sugar factories by taking into account their average production of three years – 2012-13 (A), 2013-14 (A) , 2014-15 (P) for Sugar season 2015-16 commencing from 1st October, 2015.
- (vii) November 2015: Direct subsidy to sugar cane growth. Govt. has decided to provide production subsidy of Rs. 4.5/ql of cane crushed to offset cane cost.

Operational aspects of Sugar Industry

¹India has been known as the original home of sugar and sugarcane. Indian mythology supports the above fact as it contains legends showing the origin of sugarcane. India is the second largest producer of sugarcane next to Brazil. Presently, about 4 million hectares of land is under sugarcane with an average yield of 70 tonnes per hectare.

⁴Sugar Process Flow Chart



¹India is the largest single producer of sugar including traditional cane sugar sweeteners, khandsari and Gur equivalent to 26 million tonnes raw value followed by Brazil in the second place at 18.5 million tonnes. Even in respect of white crystal sugar, India has ranked No.1 position in 7 out of last 10 years.

Traditional sweeteners Gur & Khandsari are consumed mostly by the rural population in India. In the early 1930's nearly 2/3rd of sugarcane production was utilised for production of alternate sweeteners, Gur & Khandsari. With better standard of living and higher incomes, the sweetener demand has shifted to white sugar. Currently, about 1/3rd sugarcane production is utilised by the Gur & Khandsari sectors. Being in the small scale sector, these two sectors are completely free from controls and taxes which are applicable to the sugar sector.

²Sugar Industry in India is the second largest agro-based industry in the country next to cotton textiles. The Indian Sugar Industry is playing a pivotal role in rural development, supporting over about 50 million sugarcane farmers, their dependents and a large mass of agricultural laborers involved in sugarcane cultivation, harvesting, machine manufacturing etc. of almost 597sugar mills and ancillary activities, constituting some 7.5% of the rural population. In addition, about 0.5 million skilled and semiskilled workers, mostly from the rural areas are engaged in the sugar industry. Thus, the sugar industry has been a focal point for socio-economic development in the rural areas by mobilizing rural resources, generating employment & higher income, besides giving a fillip to transport and communication facilities.

¹<http://www.sugarindustry.com/sugarindustry.htm>

²<http://www.indiansugar.com/Public/sugar.aspx>

Outlook

India will continue to be a major sugar producer in the world and is expected to be a sugar surplus country for the sixth consecutive SS. ISI is expected to be a net exporter in SS 2015-16 and Sugar imports, if any,

will be negligible. The average sugar recovery rate for cane is also expected to improve during SS 2015-16. On the consumption side, strong domestic demand for soft drink manufacturers, confectioneries, hotels, bakeries and ice cream manufacturers will support higher level of consumption. India's relatively strong economic growth, stable political situation, rising incomes, a young population and changing consumer consumption patterns are envisaged to be the key drivers encouraging higher sugar consumption.

However, Indian sugar prices are expected to remain weak due to surplus sugar stock in both domestic and global markets. The government's intervention is necessary in order to revive the ISI which has been reeling under the twin impacts of high sugarcane prices and low sales realization on sugar leading to recurring losses being incurred by sugar mills and mounting cane arrears. Concrete measures are required including emphasis on increasing its ethanol blending programme along with providing flexibility for use of sugarcane as feed stocks for ethanol production, building compulsory buffer stocks, incentive exports through higher exports subsidy, restructuring debt of sugar manufactures and implementation of recommendation of Rangarajan committee for linking prices of cane to actual realization of sugar and its allied products.

Source: <http://www.careratings.com/upload/NewsFiles/SplAnalysis/Indian%20Sugar%20Industry%20-%20An%20Update%20-%20June%202015.pdf>

Indian Alcohol Industry

EBP Programme was launched in 2003, which was extended to the entire country except NE States, J&K, A&N Islands and Eakshdweep, w.e.f, 1.11.2006. OMCs were directed to sell 5% ethanol blended petrol subject to commercial viability. A National Policy on Biofuels was also notified by the Government in 2009 with the objective to ensure that minimum level of biofuels is readily available to meet the demand at any given time. In order to give fillip to the EBP program, the Government, inter alia, decided in November 2012 that 5% Ethanol blending with Petrol should be implemented across the country;

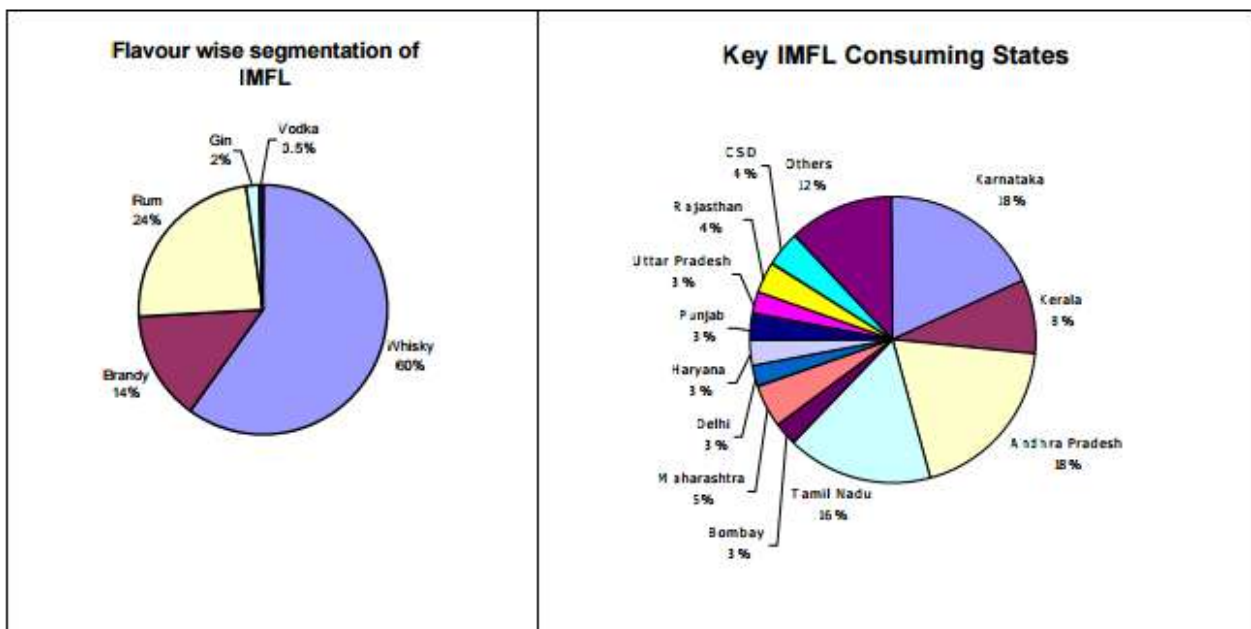
For the 2014-15 season, OMCs have come out with tenders for ethanol in July 2014, January 2015 and March 2015. OMCs have sought around 156 crore litres of ethanol from sugar mills in 2014-15. Of which manufacturers made an offer of 127.90 crore litres and 80.70 crore litres were finalised. However, only 12.90 crore litres were lifted till 5th April, 2015 which is 16% against the quantity accepted.

In December, 2014, Government replaced procurement of Ethanol based on a benchmark price decided by OMCs by a new mechanism of uniform price of Ethanol declared for each sugar year. The delivered price of Ethanol has been fixed in the range of Rs.48.50 per litre to Rs.49.50 per litre, depending upon the distance of sugar mill from the depot/installation of the OMCs.

To further, boost the ethanol production, government has made 10% blending mandatory starting from October, 2015. The government also removed the excise duty on ethanol supplied for blending from next sugar season. This would increase net realisation to mills by around Rs.5/litre of ethanol which should incentivise some mills to divert B-heavy molasses or cane juice into ethanol.

The Indian liquor industry comprises the Indian Manufactured Foreign Liquor (IMFL), foreign liquor bottled in India (BII), foreign liquor bottled in origin (BIO), country liquor, beer and wine segments. The estimated 80 million cases per annum IMFL segment primarily includes molasses-based whisky, rum, brandy, gin and vodka. This segment is dominated by whisky, which accounts for about 60% of its volumes, followed by rum at about 25%. The BII and BIO segments are very small in comparison. Put together, they are estimated to be less than one million cases per annum. The country liquor segment, estimated to be one-and-a-half to two times the size of the IMFL segment, is, however, characterised by fragmented capacities with a number of small players focused on the high consumption rural areas. The beer market is estimated to be about 70-75 million cases per annum while the wine segment, estimated at less than three million cases a year, is, again, small.

The Indian liquor market is concentrated in the southern part of the country, with this region accounting for about 60% of total IMFL sales and 45% of beer sales. Andhra Pradesh is the largest consumer of both while Karnataka and Maharashtra are the second-largest consumers of IMFL and beer respectively.



Source: Information from industry players

High level of risk on account of regulatory environment

Government regulations at every level have affected the Indian sugar and liquor industry, introducing structural rigidities. Apart from the high level of taxes and levies (that account for up to 65% of the consumer price) on alcohol production, regulations pertaining to licensing, creation or expansion of brewing/distilling and bottling capacities, manufacturing processes (grain-based or molasses-based), distribution and advertising impinge on the industry. Further, liquor being a state subject, every state has different regulations (including those on distribution) and tax rates for the industry apart from restrictions as well as levies on the inter-state movement of liquor.

These regulations have impacted the sugar industry on all fronts. The high level of regulatory referene along with taxes and levies on alcohol mean limited pricing flexibility. Consequently, players have low margin levels. Then, as a result of the restrictions on capacity expansions and inter-state movement of

liquor, large players have either acquired or entered into contract manufacturing and bottling agreements with local players in various states. This means fragmented capacities with high overheads and poor economies of scale, which has further impacted margins. Restrictions on advertising have seen the industry resort to surrogate advertising besides earmarking high budgets for promotional activities and point of purchase campaigns and offering discounts and commissions to retailers. Besides, in the past, when some states imposed prohibition, these markets virtually dried up overnight. The state governments face a dilemma when it comes to liquor policies. The Indian Constitution says that “the state shall endeavor to bring about prohibition of the consumption of intoxicating drinks”. But the liquor industry is one of the large contributors to state revenues, the loss of which can severely affect their cash flows.

Characteristics of the Indian liquor market

Molasses based Indian liquors are predominantly linked to the sugar business. The sugarcane, basic raw material in agro-based commodity, and production of molasses to add the regulatory risks as there are industry based restrictions.

Globally, large liquor multinationals enjoy high margins. For instance, the average net margins for the last three years of the largest global liquor players were above 10%. Although, these companies have other businesses (primarily food-related) as well, these margins can be taken to be representative of the alcoholic beverage business as this is the largest contributor to these companies' revenues and profits. The high margins are driven by the profits generated by the strong brands that these companies have either developed or acquired over a period of time. This is in stark contrast with the low margins of Indian liquor companies.

The key raw material for IMFL players is molasses, which is a by-product of sugar. Molasses is processed and distilled to produce rectified spirit (ethanol). Players with primary distillation facilities directly consume molasses while others purchase ethanol. Supply of molasses primarily depends on sugarcane production levels, which show cyclical nature since sugarcane itself is a cash crop with its production showing cyclical nature. This cyclical nature also imparts a commodity nature to molasses. As molasses demand arises only from ethanol demand, the demand-supply scenario for ethanol determines the raw material price for IMFL players. Ethanol is consumed by the liquor industry and to produce industrial alcohol, each segment accounting for roughly half the ethanol consumption.

Ethanol demand is expected to rise in future when the commercial blending of ethanol with petrol (for producing gasohol) takes off. In the long term, however, the supply is also expected to increase as more sugar manufacturers are expected to set up primary distilling facilities and as new sugar mills are expected to come up in the form of integrated plants with cogeneration and distilling facilities. Thus, while molasses/spirit prices are likely to increase after the commercial production of gasohol starts, they are likely to come down from the increased levels in the long term.

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risk and uncertainty. You should read the section “Risk factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our financial year ends on March 31 of each year, so all references to a particular FY are to the twelve months ended March 31 of that year except otherwise stated therein.

Overview

Established in the year 1933 by Sardar Raghbir Singh Sandhanwalia, Simbhaoli Sugars was amongst the first sugar plants to be set up in north India and has an eight-decade track record of producing top quality sugars. It is a technology company with a business mix that spans speciality sugars, quality liquor, technology consultancy, co-generated power, extra neutral alcohol (ENA), ethanol and bio-manure. As India's largest integrated sugar refinery, the Company has pioneered path-breaking innovations in sugar refining (Defeco Remelt Phosphotation and Ion Exchange technology), high value, niche products (specialty sugars) and clean energy (ethanol).

Simbhaoli Sugars today, have evolved into a professionally-run, technology-driven 1200 crore organisation. Three sugar complexes - Simbhaoli (western Uttar Pradesh), Chilwaria (eastern Uttar Pradesh) and Brijnathpur (western Uttar Pradesh) have an aggregate crushing capacity of 20,100 TCD.

The product portfolio of the company involves a mix of brands of the Company as state hereunder:

Bulk Sugars

A Product Range That Spans the Entire Sugar Value Chain

We have fully integrated three sugar refineries with the distillery, co-generation and bio-compost units. Most of the sugar we produce confines to EU grade. The result is energy conservation, optimal utilization of by-products, cost savings and most importantly, a product portfolio that includes specialty sugars, potable liquor, ethanol, power and organic manure.

We are the first company in North India to export EC-II grade refined sugar to the European market for direct consumption. Our major customers include almost all the major sugar trading houses. In India, ‘Trust’ sugar is being preferred by the likes of Coca Cola, Pepsi, Taj Hotels, Oberoi Hotels, Indian Railways, Nestle, Hamdard, Dabur, Café Coffee Day, Barista, Haldiram, Midas Foods, amongst others.

Quality Control Certifications

The sugar units of the Company are compliant with internationally recognized quality, environment and food safety standards and are ISO 9001, ISO 14001 and FSSC 22000 certified. Management systems are applied to develop a systematic work culture that emphasizes process ownership across all levels of the organization. The Chilwaria Distillery of the Company has also been accredited with the ISO 9001 and ISO 14001.

Specialty Sugars

The ‘Trust’ range of speciality sugars includes white crystal sugar, table sugar, icing sugar, breakfast sugar, sugar cubes (white and brown), Demerara sugar, Turbinado sugar, Muscovado sugar, candy sugar, and pharmaceutical-grade sugar. All white sugars have an ICUMSA rating of less than 30 I.U. Given our expertise in speciality sugars, our ‘Trust’ brand has found acceptance across market segments - beverages, confectionary, Indian sweets, candy, pharmaceuticals and hospitality.

Potable Spirits

We are strengthening our presence in the potable liquor market by building brands across category, quality and price points. Recently, we achieved a significant milestone by notching up sales of one and half million cases in a year. The portable spirits product of the Company includes the following range: Board's Verdict Premium Whisky, Hunters Matured Rare XX Rum, Xing Vodka, Xing Ultra Pure Vodka, Seven Knights Whisky, XXX Rum.

Distillery Operations

In the year 2013-14, the operations of the Simbhaoli distillery were suspended as the pollution control authorities have withdrawn their consent for the year 2014 on account of non-fulfillment of certain conditions of their consent. The Hon'ble National Green Tribunal (NGT), Principal Bench, New Delhi in its order had issued directions for mandatory compliance of certain conditions on effluent discharge system before re-start of the distillery operations. NGT has also imposed monetary penalty on the Company.

The Company has taken all the requisite steps and operations have been resumed on receipt of necessary consent from the Uttar Pradesh pollution Control Board (UPPCB) and other regulatory authorities.

In spite of the difficult situation being faced by the Company as part of sugar industry, with the strengthening of operations, improvements in efficiencies, re-start of the distillery plant, expansion of power business and the expected measures to be taken by the central/state governments for the sugar industry as a whole, financial results have been prepared by the Company on a going concern basis.

Instant Fruit Drink Mix

Trust Sipp is our first brand offering in the fast growing, instant natural fruit-drink mix market. Available in four flavours, Sipp is a 100% natural drink mix – without any preservatives or artificial colours. Trust Sipp, the recently launched instant natural fruit-drink mix is available in four refreshing flavors - Tender Coconut, Orange Delight, Tangy Lemon and Alphonso Mango. Presentation includes an attractive 500g family pack and 12g/19g single-serve sachets. 'Trust' Sipp is a natural thirst quencher with the goodness of vitamin C, A, E and B. Just add water, stir and top up with ice for pure, wholesome refreshment, glass after glass. It does not contain any preservatives or artificial colours and flavours.

Integrated Casetech Consultants (P) Ltd.

Over the years, Simbhaoli has garnered rich experience in designing building and operating sugar plants. Add to this, our R&D capabilities, technical skills and team of seasoned technocrats and a competency bandwidth are our strength.

To leverage these resources, Simbhaoli has established an associated company, Integrated Casetech Consultants (P) Ltd. - a technology vertical dedicated to providing 'concept-to-operating' consultancy to the sugar and related industry, the world over.

KEY REGULATIONS AND POLICIES

The sugar industry is one of the industries enumerated in entry 33 of the List in the Seventh Schedule to the Constitution of India and sugarcane is an article relatable to the sugar industry. Accordingly, both the Centre and the State are empowered to legislate on this subject, and such legislations would be applicable to our business.

I. Central Laws relating to the production, sale and purchase of sugar and sugarcane:

1. The Essential Commodities Act, 1955

The Essential Commodities Act, 1955 (the "Act") provides for the control of the production, supply, sales, storage, distribution etc. in certain commodities. The terms 'food stuff and 'food crop' have been identified as essential commodities under the Act. 'Sugarcane' being a 'food crop' and 'sugar' being 'food stuff' are covered under the class of essential commodities under the Act; Section 2 (e) of the Act defines 'sugar' as under:

- a) any form of sugar containing more than ninety per cent of sucrose, including, sugar candy;
- b) khandsari sugar or bura sugar or crushed sugar or any sugar in crystalline or powdered form; or
- c) sugar in process in vacuum-pan sugar factory or raw sugar produced therein;

Section 3 of the Act empowers the Central Government to issue directions to control production, supply, distribution etc. of the 'essential commodity' produced by the manufacturer or stock holders, and also makes specific provision with regard to the amount payable for the levy sugar sold by the producer.

The levy sugar price is to be fixed by the Central Government as per the provisions of Section 3 (3C) of the Act, having regard to:

- a) the minimum price, if any, fixed for sugarcane by the Central Government;
- b) the manufacturing cost of sugar;
- c) the duty or tax payable thereon;
- d) securing a reasonable return of the capital employed in the business of manufacturing sugar.

Further, Section 3 (3-c) of the Act provides for fixing different prices from time to time for different areas or factories or for different kinds of sugar.

The regulated release mechanism—under which sugar quantity for open market sale is fixed by the government—has been abolished and control of mandatory supply of sugar in public distribution system (PDS) as levy sugar has also been rescinded from May, 2013.

The Central Government has also been empowered to direct that no producer, importer or exporter shall sell or otherwise dispose of or deliver any kind of sugar or remove from the bonded godown of the factory in which it is produced, except under and in accordance with the directions issued by the Government. Further, all kinds of sugar including plantation white sugar, raw sugar

and refined sugar, whether indigenously produced or imported, fall within the scope of powers of the Central Government for directions in regard to, inter alia, stock, disposal or delivery.

2. Sugar (Control) Order, 1966

The Sugar Control Order authorizes the Central Government to regulate sales etc. of sugar produced or imported.

According to Clause 4 of the Sugar Control Order, no producer shall sell or agree to sell or otherwise dispose of or deliver or agree to deliver any kind of sugar or remove any kind of sugar from the bonded godowns of the factory in which it is produced except in accordance with the directions issued in writing by the Central Government.

Clause 5 of the Sugar Control Order empowers the Central Government to issue directions to producers or importers or recognized dealers regarding production, maintenance of stocks, storage, sale, grading, packing, marking, weighment, disposal, delivery and distribution of any kind of sugar.

Further, the Sugar Control Order provides for powers for attachment, seizure and sale of attached sugar, regulation of quality of sugar and other administrative powers.

3. Sugar (Packing and Marking) Order, 1970

The objective of this Order is to regulate the packing of sugar manufactured by a producer and marking on bags. The Order prescribes that each producer shall, at the time of such packing, mark the quality of sugar in terms of the Indian Sugar Standards.

4. Sugarcane (Control) Order, 1966

Under the aforesaid Order, the Central Government is empowered to fix the fair & remunerative price of sugarcane to be paid by producers of the sugar or their agents for sugarcane purchased by them having regard to certain factors as mentioned in Clause 3 of the said Order. Further, a different price may be fixed for different areas or different qualities or varieties of sugarcane.

Further, the Central Government or the State Government with the approval of the Central Government, may, subject to such conditions as specified in the Order, allow a suitable rebate in the price so fixed.

The said Order also contains various provisions for regulating the distribution and movement of sugarcane and restriction on setting up of two sugar factories within the radius of 15 km.

The Central Government is empowered to direct the producers of the sugarcane to pay additional price for sugarcane in addition to the fair & remunerative sugar prices fixed in accordance with the provisions of the second schedule to the said Order.

The Central Government is empowered to delegate certain powers conferred upon it by this Order subject to such restrictions, exceptions and conditions, if any, as the Central Government may think fit.

5. Sugar Development Fund Act, 1982 and Rules, 1983

These were enacted by the Central Government to set up a fund for financing the activities and development of the sugar industry. The Central Government provides loans to the sugar industry out of the funds available in the Sugar Development Fund, for the purpose of rehabilitation and modernization of the sugar plant and machinery based on the scheme approved by the financial institutions as also for sugarcane development.

Under Rule 19 of the Sugar Development Fund Rules, 1983 the Central Government has been empowered to decide about the maintenance of Buffer Stock and payment of subsidy thereon. The Central Government under this Act and Rules may also provide financial assistance, as it may consider fit and proper.

6. The Prevention of Food and Adulteration and the Packaging Commodities Acts are also applicable to us.

7. National Food Security Act, 2013

An act to provide for food and nutritional security in human life cycle approach, ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity and for matters connected therewith or incidental thereto.

8. The Warehousing (Development And Regulation) Act, 2007

An Act to make provisions for the development and regulation of warehouses, negotiability of warehouse receipts, establishment of a Warehousing Development and Regulatory Authority and for matters connected therewith or incidental thereto.

9. Food Safety And Standards Act, 2006

An Act to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto.

II. State Laws applicable in the State of Uttar Pradesh to the Sugar Industry:

1. The Uttar Pradesh Sugarcane (Regulation of Supply and Purchase) Act, 1953

This Act is applicable to the State of Uttar Pradesh and it seeks to regulate the supply and purchase of sugarcane for use in sugar factories located in the State.

Section 2 of this Act defines the following terms as follows:

- a) 'Cane Commissioner' means the Officer appointed to be Cane Commissioner under section 9 and includes an Additional Cane Commissioner under section 10.
- b) 'Crushing season' means the period beginning on the 1st October in any year and ending on the 15th of July in the next following year.

This Act prescribes that the Cane Commissioner shall, on application by the occupier of the factory, reserve or assigns any area for the purposes of supply of sugarcane to the factory in accordance with the provisions of Section 16 of the said Act.

Section 16 of the said Act contains provisions to regulate the purchases and supply of cane in the reserved and assigned areas.

The Hon'ble Supreme Court, vide a land mark judgment passed on May 05, 2004 in its 3:2 bench upheld the rights of Uttar Pradesh State Government to fix the State Advice Price (SAP) of Sugarcane, under Section 16 of the Act at levels higher than Statutory Minimum Price (SMP) prescribed by the Central Government under the Sugarcane (Control) Order 1966.

2. The Uttar Pradesh Sugarcane (Regulation of Supply and Purchase) Rules, 1954

These Rules have been framed in exercise of the powers conferred by Section 23 of Uttar Pradesh Sugarcane (Regulation of Supply and Purchase) Act, 1953 which prescribes the rules with particular regard to the reservation and assignment of sugarcane area, payment of the sugarcane price by sugar factory to the cane growers, commission on the purchase of cane payable by the factory to the Cane Growers Cooperative Society and Council to regulate the supply and purchase of sugarcane.

- 3. The Sugarcane Supply Act and the Sugarcane (Regulation of Supply and Purchase) Rules, 1954** also regulates the payment of cane price to suppliers of sugarcane. Further, they also provide for the payment of a cess to the government based on the quantity of sugarcane utilized by a factory.

4. The Uttar Pradesh Sugarcane Supply & Purchase Order, 1954

The Uttar Pradesh Sugarcane Supply and Purchase Order, 1954 has also been issued, which lays down further provisions regarding the estimation of sugarcane supply and assignment of areas to factories for supply of sugarcane. Its main object is regulations of sugarcane supply to factories. Under the provisions of this Order, the Cane Commissioner, on the basis of estimates received from producers, determines the quantity of cane that each factory is entitled to receive. Factories cannot purchase sugarcane in excess of such prescribed quantities.

This Order has been passed in exercise of powers conferred by Section 16 of the Uttar Pradesh Sugarcane (Regulation of Supply & Purchase) Act, 1953. This Order deals with the purchase of sugarcane by sugar factories as per the reservation order issued by the Cane Commissioner. Sugar factories will have to enter into an agreement with the Cane Growers' Co-operative Society in

Form 'C' pursuant to which the Cooperative Society agrees to sell the specified quantity of sugarcane to the sugar factory through its members under the reservation order.

5. The Uttar Pradesh Sheera Niyamtran Adhiniyam, 1964

This Act was enacted to provide in public interest for the control of storage, gradation and price of molasses produced by Sugar Factories in Uttar Pradesh and the regulation of supply and distribution thereof.

The term "molasses" has been defined under Section 2(d) of the Act as under-

"The heavy dark colored viscose liquid produced in the final stage of manufacturing of sugar by vacuum pan from sugarcane or gur, when the liquid as such or in any form or admixture contains sugar".

6. Uttar Pradesh Prevention of Food Adulteration Act, 1976

Under the Uttar Pradesh Prevention of Food Adulteration Act, 1976, a licence is required to be obtained from the Local Health Authority for the production and sale of sugar and molasses.

III. Licensing and De-licensing of Sugar Industries

The Industries (Development and Regulation) Act, 1951 was enacted to provide for the development and regulation of certain industries.

Section 11 of the Industries (Development and Regulation) Act, 1951 (the "IDRA") provides that "(1) No person or authority other than the Central Government, shall, after the commencement of this Act, establish any new industrial undertaking, except under and in accordance with a licence issued in that behalf by the Central Government. Provided that a Government other than the Central Government may, with the previous permission of the Central Government, establish a new industrial undertaking. (2) A licence or permission under sub-section may contain such conditions including, in particular, conditions as to the location of the undertaking and the minimum standards in respect of size to be provided therein as the Central Government may deem fit to impose in accordance with the rules, if any, made under section 30."

The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP") has, by issue of Press Note Number 12/1998 dated August 31, 1998, delicensed the sugar industry. Sugar industries, therefore, no longer come within the purview of compulsory licensing under the provisions of the IDRA. Entrepreneurs desirous of setting up sugar factories are only required to file an Industrial Entrepreneurs Memorandum ("IEM") in the prescribed form with the Secretariat of Industrial Assistance, Ministry of Commerce and Industry, Government of India ("SIA") as provided in Press Note dated August 2, 1991 issued by the SIA. To avoid unhealthy competition among sugar factories to procure sugarcane, the DIPP has provided that a minimum distance of 15 kilometres must be maintained between an existing sugar mill and a new mill.

Recently, the High Court of Allahabad has passed an order dated August 24, 2005 quashing the Government of India notifications that provided for the delicensing of the sugar industry by omitting the requirement to obtain a license under the IDRA for setting up new sugar mills or engaging in the substantial expansion of existing sugar mills. This order of the High Court of Allahabad has been challenged by Bajaj Hindusthan Limited in the Supreme Court. The Supreme Court has stayed the operation of the said judgement of the High Court of Allahabad vide its order dated September 19, 2005 till further orders. Upon application by our Company, it has been impleaded as a party to this Special Leave Petition. Union of India and the U. P. Government have also been made parties to this Special Leave Petition.

IV. Labour and Industrial Laws

Sugar factories must obtain a factories licence under the Factories Act, 1948.

Further, a wide variety of labour laws have also to be complied with. Apart from the generally applicable labour laws, including the Industrial Disputes Act, 1947, the Contract Labour (Regulation and Abolition) Act, 1970, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, there are also standing orders specifically applicable to the sugar industry.

These standing orders lay down rules governing terms of employment in sugar factories and provide, inter alia, for:

- (a) Notification of periods and hours of work, including holidays;
- (b) Notices relating to closure and re-opening of a factory or section of a factory;
- (c) Leave conditions and procedure for availing leave;
- (d) Situations where there may be temporary stoppage of work;
- (e) Employment of seasonal workmen;
- (f) Grounds for termination of employment;
- (g) Retirement of workmen;
- (h) Redressal mechanisms in case of grievances and disputes.

V. Land Laws

For setting up a sugar factory, permission for acquisition of land is required from local authorities in light of the provisions of local land ceiling laws. Further, it is necessary to apply for change of land use from agricultural to industrial, in the event the area identified for setting up of the factory is designated as an agricultural area.

VI. Environmental Laws

Prior to setting up a sugar factory, relevant environmental consents must be obtained under the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981.

VII. Supply and Purchase of Sugarcane

Uttar Pradesh Sugarcane (Regulation of Supply and Purchase) Act, 1953

The Uttar Pradesh Sugarcane (Regulation of Supply and Purchase) Act, 1953 (“Sugarcane Supply Act”) regulates the supply and purchase of sugarcane required for use in sugar factories. Under the provisions of this Act, the occupier of a sugar factory must submit to the Cane Commissioner an estimate of the quantity of cane required by the factory. The same is examined by the Cane Commissioner and the estimated quantities published.

The decision of the Cane Commissioner regarding the estimate of the quantities of sugarcane required by the factories and allocation of reserved/assigned areas may be appealed against to the State Government, who may revise the same. Further, the Cane Commissioner may also cancel any order reserving or assigning an area, or alter the boundaries of the area so reserved or assigned.

The Sugarcane Supply Act also provides that the State Government may provide for the manner in which the cane grown in the reserved or assigned area may be purchased by the factory concerned, and the circumstances in which the sugarcane grown by a cane grower shall not be purchased, except through a cane growers’ co-operative society.

VIII. Production and Sale of Sugar

1. Sugar (Regulation of Production) Act, 1961

The Sugar (Regulation of Production) Act, 1961 (“Sugar Act”) empowers the Central Government to fix the quantity of sugar, which may be produced, in a factory during any year. The Act was meant to provide for the regulation of production of sugar in the interests of general public and for the levy and collection of a special excise duty on sugar produced by a factory in excess of the quota fixed for the purpose.

IX. Taxes and Levies on Sugarcane and Sugar

1. Uttar Pradesh Sugarcane Cess Act, 1956

The Act was enacted “to amend and consolidate the law relating to imposition of cess on sugarcane intended for use and consumption in or sale to a factory and a Gur, Rab or Khandsari Sugar Manufacturing Unit.”

Under the provisions of the Uttar Pradesh Sugarcane Cess Act, 1956 (“Sugarcane Cess Act”), a cess is levied on the use, consumption and sale of sugarcane to a factory.

2. Uttar Pradesh Sugarcane (Purchase Tax) Act, 1961

The Act was enacted to “impose a tax on the purchase of sugarcane by factories and certain Gur, Rab or Khandsari Sugar Manufacturing Units and to regulate the manufacture of Gur or Rab by such Units.”

3. Sugar Cess Act, 1982

The Sugar Cess Act, 1982 (“Sugar Cess Act”) provides for the imposition of a cess on all sugar produced by any sugar factory in India.

X. Foreign Investment Regulations

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 provide that the investment cap for foreign direct investment in the sugar industry is 100%.

Spirits Industry:

I. Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986 was enacted as a general legislation to safeguard the environment from all sources of pollution by enabling coordination of the activities of the various regulatory agencies concerned, to enable creation of an authority with powers over such areas as environmental protection and regulation of discharge of environmental pollutants. The purpose of the Environmental (Protection) Act, 1986 is to act as an “umbrella” legislation designed to provide a framework for Central Government co-ordination of the activities of various central and State authorities established under previous laws, such as the Water Act and the Air Act, defined below. It includes water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

II. Consent for Operation of the Plant under the Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”) has been enacted to provide for the prevention, control and abatement of air pollution. The statute was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding Pollution Control Boards in the State.

III. Consent for Operation of the Plant under the Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”) was enacted in 1974 to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. The Water Act regulates the, (i) occupier (the owner and 123 management of the undertaking); (ii) outlet; (iii) pollution; and (iv) trade effluents. The Water Act requires that approvals be obtained from the corresponding State’s Pollution Control Boards.

IV. Water (Prevention and Control of Pollution) Cess Act, 1977

The Water Cess (Prevention and Control of Pollution) Act, 1977 (the “Water Cess Act”) provides for the levy and collection of cess on local authorities and industries based on the consumption of water by such local authorities and industries to enable implementation of the Water Act by regulatory agencies.

V. Hazardous Waste (Management & Handling) Rules, 1989

These rules regulate the disposal of hazardous wastes. The occupier generating hazardous wastes must apply to the State Pollution Control Board to obtain authorization for storing, collecting, treating and disposing of hazardous wastes. It shall be the duty of the occupier and operator of a facility to take adequate steps while handling hazardous wastes to contain contaminants and prevent accidents and limit their consequences on humans and the environment. These rules do not apply to waste water and exhaust gases regulated under the Water Act and the Air Act. Accidents occurring at a facility must be reported to the State Pollution Control Board.

VI. Environmental Impact Assessment Regulations under Notification Dated January 27, 1994

These regulations have been framed under the provisions of the Environmental (Protection) Act and provide that expansion or modernization of certain activities, including distilleries, shall not be undertaken in any part of India unless environmental clearance has been obtained from the central Government.

VII. Industrial (Development and Regulation) Act, 1951

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing with the exception of certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals, drugs and pharmaceuticals and those reserved for the small-scale sector.

VIII. Indian Boilers Act, 1923

The Indian Boilers Act, 1923 was enacted with the objective of ensuring the safety of public life and property by administering and enforcing the provisions of the Act with respect to steam boilers and steam pipes, which produce steam, which is used for re-distillation of alcohol and liquor. As per the provisions of the Act, the Chief Inspector of Boilers or an Inspector appointed under the Act periodically reviews the administration of the regulations by (a) approval of manufacturers, (b) inspection of designs relating to boilers and inspection of the manufacturing of boilers and boiler components, (c) approval of boiler repairers and boiler erectors, (d) authorization and inspection of boiler repairs and (e) certification of boiler operating engineers, boiler operators and welders.

IX. Approvals from Local Authorities

Planning approvals must be obtained from the relevant Local Panchayat(s) (outside the city limits) and the appropriate Metropolitan Development Authority (within the city limits) to set up a factory or a manufacturing or housing unit. Consents from the State Pollution Control Board(s), the relevant State Electricity Board(s) and the State Excise Authorities (Sales Tax) are required to be obtained before commencing construction of a factory or manufacturing operations.

X. Labour Legislations

1. The Factories Act, 1948

The Factories Act, 1948 (the “Factories Act”) was enacted primarily with the object of protecting workers from industrial and occupational hazards. The Factories Act defines a factory as any premises which employ ten or more workers in which a manufacturing process is carried on with the aid of power, and any premises employing at least 20 workers regardless of whether an electricity-aided manufacturing process is being carried on.

Under the Factories Act, an occupier of a factory is the person who has ultimate control over the affairs of the factory. In case of a company, any of the directors shall be the occupier and such director must ensure the health, safety, welfare, working hours, leave and other benefits of all workers. Under the statute, approval must be granted prior to establishment of a factory, an operating license must be granted thereafter and the factory must be registered by the Chief Inspector of Factories or the State Government. In case of contravention of any provision of the Factories Act or rules thereunder, the occupier and the manager of a factory may be subject to imprisonment or a fine or both.

2. The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 applies to any establishment (not including an establishment where work performed is of intermittent or seasonal nature) where 20 or more workmen are employed or were employed on any day of the preceding one year as contract laborers; and to every contractor or sub-contractor who employs or had employed 20 or more workmen on any day of the preceding one year, provided they were not employed in certain “core” activities. This legislation regulates the working conditions of contract laborers and provides that any employer of contract laborers must register his establishment with the appropriate authority of the particular State.

A principal employer and a contractor as defined under the Contract Labour (Regulation and Abolition) Act, 1970, must apply for a license and for registration of each establishment under the provisions of the Act.

3. The Employees’ State Insurance Act, 1948

The Employee’s State Insurance Act, 1948 is applicable to all factories including a factory belonging to the Government other than seasonal factories and any other establishment as the appropriate Government may determine. Employers of factories and establishments covered under the Employees’ State Insurance Act, 1948 are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the Employees’ State Insurance Act, 1948.

4. Employees’ Provident Funds and Miscellaneous Provisions Act, 1952

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund.

5. Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 applies to every factory and to every other establishment in which 20 or more persons are employed. An employee in a factory who has worked for at least 30 days in a year is eligible to be paid a bonus in accordance with the provisions of such law. Contravention of provision of the Payment of Bonus Act, 1965 is punishable by imprisonment up to six months or a fine up to Rs.1,000 or both.

6. Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972, an employee, on his death, or who becomes disabled due to accident or disease, or who, after having completed at least five continuous years of service in an establishment resigns or retires, is eligible to receive gratuity in accordance with the provisions of the law. To meet this liability, employers of all establishments to which the legislation applies are required to contribute towards gratuity.

7. Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (the "Wages Act") applies to persons employed in factories, industrial or other establishments where monthly wages are less than Rs.10,000. The Wages Act obliges employers to maintain registers and records as required under this Act and display the abstracts of the Wages Act and the rules thereunder.

8. The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and fix minimum wages. The Act lists Agricultural and Non Agricultural employment where a prescribed minimum rate of wages is to be paid to employees.

XI. Various Regulations Governing Shops and Establishments

There are several State regulations governing the employment of workers in shops and commercial establishments. These regulations provide for the opening and closing hours of shops and establishment and the provision of weekly holiday with wages. The officials of the Labour Department who are notified as inspectors under such regulations are generally competent to initiate prosecution proceedings against the employers who violate the provisions of such laws. These acts provide for the compounding of offences committed thereunder.

XII. Fiscal Legislations

1. Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of certain categories of services. Every person who is liable to pay this service tax must register himself with the appropriate authorities.

2. Central Excise

Excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 provides for the levy and collection of excise and prescribes procedures for clearances from a factory once the goods have been manufactured.

3. Value Added Tax

Value Added Tax (“VAT”) is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period.

VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Excise Tax Officer of the respective State.

4. Sales Tax

The tax on sale of moveable goods within India is governed by the provisions of the Central Sales Tax Act, 1956 or the relevant State law depending upon the movement of goods pursuant to the relevant sale. If the goods move between States pursuant to a sale arrangement, then the taxability of such sale is determined by the Central Sales Tax Act, 1956. On the other hand, the taxability of a sale of movable goods which does not contemplate movement of goods outside the State where the sale is taking place is determined as per the local sales tax/VAT legislation in place within such State.

XIII. State Laws Governing Entry Tax

Entry Tax provides for the levy and collection of tax on the entry of goods into a State for consumption, use or sale therein. It is levied at such rate as may be specified by the State Government and different rates may be specified for different goods. The tax leviable under this Act shall be paid by every dealer in scheduled goods or any other person who brings or causes to be brought into a local area such scheduled goods whether on his own account or on account of his principal or customer or takes delivery or is entitled to take delivery of such goods on such entry.

HISTORY OF OUR COMPANY

Brief History of our company

Our Company was originally incorporated as “Simbhaoli Spirits Limited” under the Companies Act, 1956 on 04th April, 2011 with Registrar of Companies, Uttar Pradesh and Uttarakhand and received the certificate of commencement of business on 05th September, 2011.

Details of the Scheme

The scheme of arrangement provides for the amalgamation of erstwhile Simbhaoli Sugars Limited (“the amalgamating company”) into Simbhaoli Spirits Limited (“the amalgamated company”) whereby all the immovable properties, assets, liabilities to the amalgamated company w.e.f. November 14, 2015.

Main Objects of our Company

- a) To purchase acquire by mortgage, lease, on royalty basis, exchange or otherwise, any Mill or Factory, land, building, machinery or other property including patents, inventions, licenses, secret formulas or processes and rights of privileges which may be necessary or useful for the purpose of the Company's business and to construct, manage, improve, alter, extend, reconstruct any buildings, machinery or works for the purposes of the Company and to carry on agricultural operations for the cultivation of sugar-cane, or other crops or contribute, to subsidies or otherwise assist in any such operations as the Directors may think proper for the purposes of the Company.
- b) To purchase and sell sugar, sugar cane, raw sugar (gur) molasses, stock in trade, goods; and all other materials and, things necessary or expedient for, the above purpose and to sell any product of the Company's Mills, any spare machinery, mills, stores or stocks.
- c) To carry on India or elsewhere the business to manufacture, produce, process, crush, extract, reclaim, convert, commercialize, control, compound, develop, distribute, derive, treat, grade, release, manipulate, prepare, promote, supply, import, export, buy, sell, turn to account and to act as agent, broker, concessionaries, consultant, collaborator, job worker, export house or otherwise to deal in all varieties, colors, dimensions, descriptions, characteristics of sugar including cane sugar, beet sugar, maple sugar, khandsari sugar, gur, rab, etc, in the form of powder, granules, cubes and lumps and its products, by-products such as bagassee board, paper pulp, residues, derivatives, formulations, substances and materials including glucose, sucrose, fructose, lactose, maltose, molasses, alcohol for drinking purposes or otherwise, spirits, ethanol and in connection therewith to acquire, construct and operate mills, factories, distilleries, refineries and other establishments.

Change in name of Our Company

There has been no change in the name of our company since incorporation. However, pursuant to the Scheme of **Amalgamation**, as approved by the Hon'ble High Court of Judicature at Allahabad, the name of the Company stands changed to “Simbhaoli Sugars Limited” from “Simbhaoli Spirits Limited”.

Change in the registered office of our company

There has been no change in the registered office of our Company since incorporation.

Other details of our company

Details regarding the description of our Company's activities, products, market, growth, technology, capacity/facility creation, location of manufacturing facilities, marketing and competition, please refer to the chapters titled "Our Business", "Our Management" and "Industry" beginning on pages 74, 96 and 17, respectively, of this Information Memorandum.

Injunction or Restraining order

Our company is not operating under any injunction or restraining order.

Our Shareholders

As on the date of this Information Memorandum, there are 15,044 shareholders in our company. For further details of our shareholding pattern, please refer to the chapter titled "capital structure" beginning on page no. 22 of this information memorandum.

Raising of capital form of equity or debt

Other than as disclosed under the chapter titled "Capital Structure" of this information memorandum, our company has not raised any capital in the form of equity. For details of outstanding debt as on the date, please refer to the chapter titled "Financial information" beginning on page 109 of this Information Memorandum.

Changes in activities of our company during the previous years

There has been no change in the activities of the company since its inception. However, pursuant to the Scheme of Amalgamation, the business of erstwhile Simbhaoli Sugars Limited, the amalgamating company has been included into the business portfolio of our Company.

Defaults or rescheduling of borrowings with Financial Institutions/Banks

The Company has been facing difficulties in making repayment of principal amounts due on bank loans and interest thereon, due to extreme liquidity crunch. The Hon'ble High Court has directed priority payment of the cane price over the bank dues, which has led to the security dilution for certain banks for the working capital financing. Meanwhile, the Company is taking all possible steps to restructure the bank's dues and realign its obligations with the revenues. A Restructuring Scheme has been proposed, which provides to dispose off some of the non-current assets and commitments from the promoters. The lenders under the leadership of the State Bank of India (SBI) have appointed PNB Investment Services Ltd, as Investment Advisors, who based on the Techno Economic Viability (TEV) study affirmed that the businesses of the Company are viable, and it is capable to pay its debts post restructuring exercise. The Company is also in the process of restructuring liabilities of the lenders under the farmers' tie-up arrangements. One of the lenders, who had assisted under the tie up arrangement, has moved to Debt Recovery Tribunal (DRT) against the Company.

The restructuring proposal has been sanctioned by State Bank of India and State Bank of Bikaner and Jaipur. It is in final stages with other lenders.

As part of the CDR guidelines, the meetings of the Independent Evaluation Committee (IEC) were also convened, comprising of senior representative of Institute of Valuers, Institute of Engineers, Institute of Company Secretaries and Institute of Management Accountants. The IEC has considered the proposal viable and their minutes of the meetings have been forwarded to SBI/ Other lenders.

In addition to the above restructuring proposal, the Company is in discussion with Agri Lenders for raising fresh term loan to pay off the liabilities under farmer financing.

The Company has not been able to meet its obligations towards the lenders for principal and interest, in terms with the respective letters of sanction/approvals. Discussions are underway with them for the realignment of the debt structure of the Company.

The Company has not accepted any public deposits and no deposits are unpaid in any previous year.

As there are delays in repayment of the loans, and the cane price arrears have mounted high, the Company's credit rating has been downgraded.

With the implementation of the Scheme, as may be approved by the CDR as aforesaid, the Company is hopeful to come out of the difficulties and would be able to restructure the liabilities in line with the growth of the Company.

Lock out or strikes

There have been no lock outs or strikes in our company since inception.

Holding Company

As on the date of this Information Memorandum, the Company does not have any holding company.

Subsidiary Companies

As on the date of submission of this Information Memorandum, following are the subsidiaries of our Company, the details of which are provided below:

- Simbhaoli Speciality Sugars Private Limited, Wholly owned subsidiary
- Integrated Casetech Consultants Private Limited, Subsidiary
- Simbhaoli Power Private Limited, Subsidiary
- Simbhaoli Global Commodities DMCC, Dubai, Wholly Owned Subsidiary.

Associate Company

As on the date of submission of this Information Memorandum, the following is the Associate Company of our Company, the details of which are provided below:

- Uniworld Sugars Private Limited

Joint Ventures in the Subsidiary Company/Associate Company

As on the date of submission of this Information Memorandum, the following are the Joint Venture in the Subsidiary Company/Associate Company:

- Simbhaoli Power Private Limited (SPL) is a 51% subsidiary, with a joint venture (JV) between Erstwhile Simbhaoli Sugars Limited, India with Sindicatum Captive Energy Singapore Pte Limited (SCES), Singapore.
- Uniworld Sugars Private Limited (USL) is a joint venture company between Erstwhile Simbhaoli Sugars Limited, India and ED & F Man Sugars Ltd., England (UK) having a 1,000 tpd (3,00,000 mt per annum) capacity sugar refinery near Kandla Port, Gujarat. The share capital has been subscribed equally by the Company and ED & F Man, along with their affiliates.

Insurance

We maintain insurance cover adequately for our assets to cover all normal risks associated with operations of our business and have obtained all risks policy.

We have taken money insurance policy for money in transit and money in safe which also extends to cover loss arising out of riot, strike and other perils for its corporate office. We have also taken and insurance policies for all the vehicles registered in the name of the Company. The Employee Employer Policy (EEP), workmen compensation policy has been among other insurance policy which is standard to our industry.

Human resources

The Company has a committed and motivated work force. It upholds the fundamental principles of human and workplace rights in all its businesses. A number of employees' participation and welfare programs have been carried on during the financial year 2014-15. Keeping the philosophy of continuous training and job improvements, the Company has imparted 570 man days of training other than on the job trainings to its employees during the year. The relation between the management and employees continued to remain cordial at all the locations. The manpower has also been rationalized with the transfer of employees to diversified businesses.

Our Promoters, Promoter Group and Group Companies:

Pursuant to the Scheme of Amalgamation, the holding company has been amalgamated with its wholly owned subsidiary and accordingly, the shareholders of the holding company as on record date i.e. November 26, 2015 is the shareholders of the Amalgamated Company. The key promoters of the Amalgamated Company comprises of:

1. Mr. Gurmit Singh Mann
2. Mr. Gурpal Singh
3. Ms. Gursimran Kaur Mann
4. Dholadhar Investments Private Limited
5. Pritam Singh Sandhu Associates Pvt Ltd

Mr. Gurmit Singh Mann

Mr. Mann has experience of over 48 years and was the Managing Director of the Company since 1972 and became Chairman & Managing Director of the Company in the year of 1989. In year, 2013, he became the executive chairman with the change in the management structure of the Company. He has exemplary knowledge on the sugar and alcohol products and has immense communication skills. He has been widely travelling in India as well as abroad and possesses good knowledge about the sugarcane rich geographical area. He has been the past President of the Indian Sugar Mills Association and past Chairman of the Indian Sugar & General Export Corporation Limited.

Mr. Gурpal Singh

Mr. Gурpal Singh is a graduate in economics and has over 25 years of experience in the management of the various functional areas of the Company. He has been engaged in the development of overall business relations, market forecasting, risk management and dealing with wide range of people. He has been sharing his experience with the management to take the qualitative and strategic decisions on the domestic and international markets for the betterment of the Company.

Ms. Gursimran Kaur Mann

Ms. Mann is the graduated in Economics and Political science from Bryn Mawr College, USA and has an MBA from London Business School. She has previously interned at Nestle India, Cargill Geneva, and ED&F Man Brazil. She joined Simbhaoli in 2005 and since then has played a key role in introducing international and trading operations at the Company. She currently heads Simbhaoli's finance marketing, trading, legal and sales operations along with the company's joint venture businesses. Ms. Mann has been the youngest member of the Indian Sugar Mills Association (ISMA) and serves on committees for all the major national commodity exchanges, the Indian Sugar Export Corporation (ISEC) and the Confederation of Indian Industry (CII).

Dholadhar Investments Private Limited

Dholadhar Investments Private Limited is an Investment Company promoted by Mr. Gurmit Singh Mann. Mr. Mann along with Ms. Gursimran Kaur Mann holds the control on this Company. It is a Non-Banking Financial having its registered office at Mann Filling Station, Kotwali Bazar, Tehsil Dharamshala, Kangra, and Himachal Pradesh. Its core business is to acquire, subscribe and hold shares, debentures, bonds, notes, obligations, and securities issued or guaranteed by any Company.

Pritam Singh Sandhu Associates Pvt Ltd

Pritam Singh Sandhu Associates Pvt Ltd is promoted by Mr. Gurpal Singh. The company is engaged in the business of Agriculture, plantation and investments. The registered office of the Company is at 12-A, Tilak Marg, New Delhi.

Group Companies:

Details of Subsidiary Companies:

1. Simbhaoli Speciality Sugars Private Limited

Simbhaoli Speciality Sugars Private Limited (SSSPL) incorporated in the year 1995 vide certificate of incorporation issued by the Registrar of Companies (ROC) under the name & style of 'Resham Packaging Private Limited'. The name has been changed to Simbhaoli Speciality Sugars Pvt. Limited vide certificate of incorporation dated vide certificate of incorporation dated October 22, 2014 issued by ROC, New Delhi. SSSPL is a wholly owned subsidiary of the Company and all the shares are held by Simbhaoli Sugars Limited.

Directors of SSSPL:

Mr Kamal Samtani and Ms Harmeet Kaur are the directors on the Board of SSSPL. They do not hold any shares in this Company.

Financial Information (Standalone)

Particulars	All Amount in Rs. Lacs		
	As on March 31,2015	As on March 31,2014	As on March 31,2013
Equity Capital	1.90	1.00	1.00
Sales and other Income	22.50	0.23	0.00
Profit/Loss after tax	(10.12)	(1.03)	(2.96)
Reserves (excluding revaluation reserves) and Surplus	89.07	10.10	11.13
Earnings per share (in Rs)	(53.28)	(10.28)	(29.61)
Diluted Earnings per share (in Rs)	(53.28)	(10.28)	(29.61)
Net Asset Value per share (in Rs)	478.82	110.99	121.26

2. Integrated Casetech Consultants Private Limited

Integrated Casetech Consultants Private Limited (ICCPL), a Company registered under the provisions of the Companies Act, 1956, was incorporated on 14th day of November, 2008 having CIN U74140DL2008PTC184876. ICCPL is engaged in the business of providing consultancy services in the fields of sugarcane, alcohol, sugar, energy and organizational structure etc. It is providing expert assistance in technical know-how to various domestic and international companies for setting up and maintenance of sugar plants and resultant increase in sugarcane recovery and production efficiency. With the active support of the Simbhaoli Sugars limited, its holding company, it has made its presence

noticeable and is receiving new business opportunities in India and overseas in the areas related to factory supervision, operations and maintenance and off-season maintenance of a sugar mills.

Directors of ICCPL:

Mr Gurmit Singh Mann, Mr. Gурpal Singh, Ms. Gursimran Kaur Mann and Mr. Samir Kumar Ganguli are the directors on the Board of ICCPL. They do not hold any shares in this Company. The Proceedings under case no. 147 of 2013 about the Board structure, apart from other other matters, are adjudication with Hon'ble CLB.

Financial Information (Standalone):

All Amount in Rs. Lacs			
Particulars	As on March 31,2015	As on March 31,2014	As on March 31,2013
Equity Capital	23.58	23.58	23.58
Sales and other Income	2,405.86	4,403.30	1,964.17
Profit/Loss after tax	53.57	140.07	226.04
Reserves (excluding revaluation reserves) and Surplus	700.36	647.21	507.14
Earnings per share (in Rs)	22.72	59.4	95
Diluted Earnings per share (in Rs)	22.72	59.4	95
Net Asset Value per share (in Rs)	307.01	284.47	225.07

3. Simbhaoli Power Private Limited

Simbhaoli Power Private Limited (SPPL), a Company incorporated under the provisions of the Companies Act, 1956, was incorporated on 21st day of June, 2011 having registered office at Kothi No. 1, Power Division Compound, Simbhaoli, Uttar Pradesh. The CIN of the Company is U40300UP2011PTC045360. SPPL is engaged in bagasse/bio-mass based power co-generation business situated at Simbhaoli and Chilwaria in the state of Uttar Pradesh. The Company cogenerated power in season and off season with bagasse as well as with usage of alternate fuels, target for expansion to 100 MW.

Directors of SPPL:

Mr. Gurmit Singh Mann, Mr. Gурpal Singh, Ms. Gursimran Kaur Mann, Mr. Sanjay Tapiya, Mr. Robert Eugene Driscoll, Mr. Francesco Giuseppe Michele Boardman, Mr. Devinder Raj Narang, Mr. Chintan Yogesh bhai Mehta, Mr. Amrendra Prasad Singh, Mr. Samir Chandra Kumar and Mr. Munish Nagrathare the directors on the Board of SPPL.

None of the Directors hold any shares in SPPL.

Financial Information (Standalone)

All Amount in Rs. Lacs			
Particulars	As on March 31,2015	As on March 31,2014	As on March 31,2013
Equity Capital	443.68	378.38	110.20
Sales and other Income	5,949.01	4082.16	1,826.52

Profit/Loss after tax	(615.32)	(1,935.85)	22.03
Reserves (excluding revaluation reserves) and Surplus	1,389.63	1,417.20	939.51
Earnings per share (in Rs)	(14.01)	(29.96)	9.63
Diluted Earnings per share (in Rs)	(14.01)	(29.96)	7.45
Net Asset Value per share (in Rs)	41.32	47.45	95.25

4. Simbhaoli Global Commodities DMCC

Simbhaoli Global Commodities DMCC has been engaged in various trading activities like buying and selling of white sugar including specialty sugar in domestic and international market both in bulk and consumer packs. All the shares 100% (AED 300) are held by the Company.

Directors of Simbhaoli Global Commodities DMCC:

Ms. Gursimran Kaur Mann and Mr Kamal Samtani are the directors on the Board of DMCC. They do not hold any shares in this Company.

Financial Information (Standalone)

Particulars	All Amount in Rs. Lacs		
	As on March 31,2015	As on March 31,2014	As on March 31,2013
Equity Capital	39.94	39.94	39.94
Sales and other Income	416.37	1.43	95.20
Profit/Loss after tax	(32.73)	(6.29)	(4.14)
Reserves (excluding revaluation reserves) and Surplus	(71.54)	(38.16)	(32.71)

Details of Associate Company:

1. Uniworld Sugars Private Limited

Uniworld Sugars Private Limited, (USPL) a Company incorporated under the provisions of the Companies Act, 1956, on 28th day of October, 2009 having registered office at Plot No. 112, Block A, Sector 63, Noida, Uttar Pradesh. The CIN of the Company is U15422UP2009PTC038540. USPL operates Kandla sugar refinery with a capacity of producing 1000 mt of White sugar per day. It is capable to produce all varieties of sugar, mainly fine grain white refined sugar to cater to the world market demand from Indian sugar industry. It has started export of the 'Tiger' refined sugar and has received appreciation for the quality consistency and delivery promptness from the international clients for one of the best Indian sugars.

Directors of USPL:

Mr. Gurmit Singh Mann, Mr. Gurpal Singh, Ms. Gursimran Kaur Mann, Mr. Sanjay Tapriya, Mr. Jascha Bob Raadtgever, Mr. Jonathan Hugh, Mr. Rahil Irfan Shaikh, Mr. Raees Lakhani and Mr. Anil Kumar Sharma are the directors USPL.

None of the Directors hold any shares in SPPL.

OUR MANAGEMENT

The Company's Board of Directors has firm belief in fairness, transparency and accountability and provides appropriate directions with regard to leadership, vision, strategy, policies, monitoring, supervision, accountability to shareholders and to achieve greater levels of performance on a sustained basis as well as adherence to the best practices of Corporate Governance. The Board also provides directions and exercises appropriate control to ensure that the Company fulfills stakeholders' aspirations and societal expectations.

Our Board consists of 11(Eleven) Directors of which 5 (five) being directors at the executive grade and 6(Six) being non-executive directors out of which 5(five) are independent directors. Our Chairman belongs to the promoters' category. The composition of the Board of Directors is governed under the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement (Regulation 17 to Regulation 27 of the proposed Listing Regulations).

Board of Directors as on date of this Information Memorandum:

Name along with DIN	Date of Appointment	Designation	Address	Age, Father's Name, Nationality, Occupation	Other Directorship
Mr. Gurmit Singh Mann DIN: 00066653	18/09/2012	Director	C-176, Defence Colony, New Delhi- 110024	Age:80 Father's Name: Sardar Gurprit Singh Mann Nationality: Indian Occupation:Industrialist	<ul style="list-style-type: none"> • Dholadhar Investments Private Limited • Dholadhar Developers Private Limited • Uniworld Sugars Private Limited • Integrated Casetech Consultants Private Limited • Simbhaoli Power Private Limited
Mr. Gurpal Singh DIN: 00064807	18/09/2012	Director	12, Tilak Marg, New Delhi-110001	Age: 55 Father's Name:Sardar Pritam Singh Sandhu Nationality: Indian Occupation:Industrialist	<ul style="list-style-type: none"> • Pritam Singh Sandhu Associates Private Limited • Integrated Casetech Consultants Private Limited • Uniworld Sugars Private Limited • Simbhaoli Power Private

					<ul style="list-style-type: none"> • Limited • Rajasansi Estates Private Limited • Rajasansi Technologies Private Limited
Ms. Gursimran Kaur Mann DIN: 00642094	18/09/2012	Director	C- 176, Defence Colony, New Delhi-110016	Age: 32 Father's Name: Mr. Gurmit Singh Mann Nationality: Indian Occupation: Industrialist	<ul style="list-style-type: none"> • Dholadhar Developers Private Limited • Dholadhar Investments Private Limited • Uniworld Sugars Private Limited • Integrated Casetech Consultants Private Limited • Simbhaoli Power Private Limited • Simbhaoli Global Commodities DMCC
Mr. Sanjay Tapriya DIN: 00064703	09/11/2015	Director	C-75, Surajmal Vihar, New Delhi-110092	Age: 54 Father's Name: Mr. Basheswar Dayal Tapriya Nationality: Indian Occupation: Service	<ul style="list-style-type: none"> • Arid Air Systems Private Limited • Esquire Financial Services Limited • R Kand DInvestment Pvt Ltd • Uniworld Sugars Private Limited • Simbhaoli Power Private Limited
Mr. Sachchida Nand Misra DIN: 06714324	09/11/2015	Director	WZ-401, HRC Professional Hub, ½ Vaibhav Khand, Indirapuram, Ghaziabad, UP –	Age: 57 Father's Name: Late Mr. Kedar Nath Misra Nationality: Indian	-

			201014	Occupation:Service	
Mr. Basant Kumar Goswami DIN: 00003782	09/11/2015	Non-executive Independent Director	F-4, Kailash Colony, New Delhi-110048	Age: 80 Father's Name: Late Mr. T.D. Goswami Nationality: Indian Occupation: Retired	<ul style="list-style-type: none"> • Jai Prakash Associates Limited • J P Infratech Limited • B & A Ltd • Jaypee Development Corporation Ltd. • L.H. Sugar Factories Limited • Jaypee Meghalaya Power Limited • Mata Securities (P) Ltd • Global Trust Capital Finance Pvt. Limited • New Kennilworth Hotels Pvt. Limited • Conservation Corporation of India Pvt. Ltd.
Mr. Samir Kumar Ganguli DIN: 00058198	11/08/2015	Non-executive Independent Director	B-37-B, Gangotri Enclave Alaknanda, New Delhi- 110009	Age: 77 Father's Name: LateMr. H L Ganguli Nationality: Indian Occupation: Retired	<ul style="list-style-type: none"> • Dee Development Engineers Limited • Malwa Power Pvt. Ltd. • Integrated Casetech Consultants Private Limited
Mr. Samir Chandra Kumar DIN: 00064453	12/02/2013	Non-executive Independent Director	A-5B/69, Paschim Vihar, New Delhi, 110063, Delhi, India	Age: 72 Father's Name: LateMr. K L Kumar Nationality: Indian Occupation: Retired	<ul style="list-style-type: none"> • DCM Shriram Industries Limited • Simbhaoli Power Pvt Ltd
Mr. Chandar	09/11/2015	Non-executive	47, Friends Colony,	Age: 72	<ul style="list-style-type: none"> • B L K Lifestyle

Krishan Mahajan DIN: 00039060		Independent Director	New Delhi-110055	Father's Name: Mr. Daya Krishan Mahajan Nationality: Indian Occupation: Retired	Limited • B L Kashyap and Sons Limited
Mr. Dalbir Singh Sidhu DIN: 07358619	03/12/2015	Non-executive Independent Director	C-141, Second Floor, Defence Colony, New Delhi - 110024	Age: 63 Father's Name: Brig. Uttam Singh Sidhu Nationality: Indian Occupation: Retired	
Mr. Sangeet Shukla DIN: 02844203	09/11/2015	Nominee Director	1203,12TH Floor,Brighton, Hari Om Nagar,Mulund(East), Mumbai, 400081, Maharashtra	Age: 64 Father's Name: Late Mr. Awadh Behari Shukla Nationality: Indian Occupation: Retired	• SBI-SG Global Securities Services Private Limited

Shareholding of Directors in the company as on the date of this Information Memorandum:

S No.	Name of the Director	No. of Shares held
1.	Mr. Gurmit Singh Mann	37,26,154
2.	Mr. Gурpal Singh	24,02,770
3.	Gursimran Kaur Mann	1136,672
4.	Mr. Sanjay Tapriya	2,422
5.	Mr.Sachchida Nand Misra	1,521
6.	Mr.Basant Kumar Goswami	Nil
7.	Mr.Samir Kumar Ganguli	585
8.	Mr.Samir Chandra Kumar	Nil
9.	Mr.Chander Krishan Mahajan	346
10.	Mr. Dalbir Singh Sidhu	963
11.	Mr.Sangeet Shukla	Nil

Brief profile of the Directors

Mr. Gurmit Singh Mann, Executive cum Promoter Director

Mr. Mann has experience of over 48 years and was the Managing Director of the Company since 1972 and became Chairman & Managing Director of the Company in the year of 1989. In year, 2013, he has become the executive chairman with the change in the management structure of the Company. He has exemplary knowledge on the sugar and alcohol products and has immense communication skills. He has been widely travelling in India as well as abroad and possesses good knowledge about the sugarcane rich

geographical area. He has been the past President of the Indian Sugar Mills Association and past Chairman of the Indian Sugar & General Export Corporation Limited.

Mr. Gurpal Singh, Executive cum Promoter Director

Mr. Gurpal Singh is a graduate in economics and has over 25 years of experience in the management of the various functional areas of the Company. He has been engaged in the development of overall business relations, market forecasting, risk management and dealing with wide range of people. He has been sharing his experience with the management to take the qualitative and strategic decisions on the domestic and international markets for the betterment of the Company.

Ms. Gursimran Kaur Mann, Executive cum Promoter Director

Ms. Mann is the graduated in Economics and Political science from Bryn Mawr College, USA and has an MBA from London Business School. She has previously interned at Nestle India, Cargill Geneva, and ED&F Man Brazil. She joined Simbhaoli in 2005 and played a key role in introducing international and trading operations at the Company. She currently heads Simbhaoli's finance, marketing, trading, legal and sales operations along with the company's joint venture businesses. Ms. Mann has been the youngest member of the Indian Sugar Mills Association (ISMA) and serves on committees for all the major national commodity exchanges, the Indian Sugar Export Corporation (ISEC) and the Confederation of Indian Industry (CII).

Mr. Sanjay Tapriya, Executive Director

Mr. Tapriya is a commerce graduate and the fellow members of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He holds an excellent academic record and has various merits and scholarships to his credit during the education in Graduation, Chartered Accountancy and Company Secretaryship. He joined as the Company Secretary in 1986 and thereafter inducted on the Board of the Company as functional Director-Finance (CFO) in 2003. During his association, a number of developments have taken place and their successful implementation has been the key factors for the growth of the Company.

Mr. Sachchida Nand Misra, Chief Operating Officer and Whole Time Director

Mr. Sachchida Nand Misra is a Science Graduate from Gorakhpur University, A.N.S.I. from National Sugar Institute, Kanpur. He worked in Simbhaoli Sugars Limited (SSL) for about 22 years. He is designated as the Chief Operative Officer and responsible for the operations of the business units, technical supervision, sugarcane management, implementation and achieving business plan and operational policies, meeting statutory compliances at all the manufacturing units of the Company.

Mr. Basant Kumar Goswami, Independent Director

Mr. Goswami is a senior retired IAS Officer, who joined Indian Administrative Service in the year 1960. He has held prestigious positions in various government/semi-government departments and has been awarded many times. Mr. Goswami has been director on the board and/or committees of various public and private limited companies in India. He has also been actively involved in various social, charitable and religious activities. He holds a Master's degree in English from the University of Punjab. He is the Chairman of Audit Committee, Nomination and Remuneration Committee and Business Reorganisation Committee of the Board of Directors of the Company

Mr. Samir Kumar Ganguli, Independent Director

Mr. Ganguli is an independent director on the Board of the Company. He is a commerce graduate and qualified chartered accountant, who has been in the profession for last 42 years. He retired as a managing partner from Ray & Ray, Chartered Accountants, a firm of repute and undertaken areas in the field of taxation, company law, audit, finance, accountancy, management etc. He is the Chairman of Stakeholder Relationship Committee of the Board of Directors of the Company.

Mr. Samir Chandra Kumar, Independent Director

Mr. Kumar is an independent director on the Board of Company. He is a Fellow member of the Institute of costs and work Accountants of India and Diploma in Mechanical Engineering. He has over 42 years of experience in commercial and development banking/project financing. He is also chairman of Corporate Social Responsibility Committee of the Company.

Mr. Chander Krishan Mahajan, Independent Director

Justice Mahajan (Retd) is an independent director on the Board of Company. He has practiced as Advocate in many High Courts and/or other Tribunals and then became permanent Judge of the Delhi High Court in July 1999. He demitted office on May 31, 2005. Post retirement, he was appointed as Chairperson/President of various Committees, and has also been appointed as Arbitrator in several matters.

Mr. Dalbir Singh Sidhu

Lieutenant General Dalbir Singh Sidhu S/o Brig. Uttam Singh Sidhu aged about 63 years has retired from Indian Army and has been presently serving as an administrative member of Chandigarh regional bench of Armed Forces Tribunal. During his tenure of service, He has been decorated with the Param-Vishisht Sewa Medal, Vishist Seva Medal (VSM) for his distinguished service, while commanding and Ati Vishisht Seva Medal (AVSM) for his distinguished service while commanding 33 Corps.

Mr. Sangeet Shukla, Nominee Director

Mr. Shukla is a nominee director on the Board of Company from the State Bank of India (SBI). He joined SBI in year 1974 as probationary officer. He had served SBI in various senior positions like Executive Vice Chairman & CEO, SBI Global Factors Ltd, Corporate Centre, Mumbai and Deputy Managing Director, Audit Process Restructuring, Corporate Centre, Mumbai. He retired from SBI as DMD on April 30, 2011.

Borrowing Powers of Board of Directors

The borrowing powers the Board are regulated by the Articles of Association of our Company, subject to provisions of the Companies Act, 2013. The Board of Directors of our Company has power to borrow up to 1600 crore (Rupees One Thousand Six Hundred Crore only) as per the members resolution passed in the AGM of our Company held on September 30, 2015.

Arrangements with major shareholders, customers, suppliers and others

There is no arrangement or understanding between our Company and major shareholders, customers, suppliers or others, pursuant to which of any of the Directors of our Company was selected as a Director or member of senior management of our Company.

Details of service contracts

Our Company has not entered into any service contracts with any of our Directors for providing benefits upon termination of employment except the retirement benefits, being payable in the normal course of the running the affairs of the Company.

Compensation of Whole Time Directors

Mr. Sachchida Nand Misra has been nominated as the Chief Operating Officer of the Company. He was drawing remuneration in aggregate upto Rs. 48 lacs per annum under the provisions of schedule V to the Companies Act, 2013 in Erstwhile Simbhaoli Sugars Limited and the same terms and conditions has been carried forward to the Amalgamated Company, which shall be reviewed by the Nomination and Remuneration Committee of the Board in the course time. subject to the approval of the members of the Company in the General meeting.

Non-Executive Director's Compensation:

No remuneration is being paid to the non-executive and independent directors. However, the Company pays sitting fees of Rs. 15,000 plus reimburses the travelling expenses incurred by the non-executive and independent directors for attending the meetings of the Board and Committees thereof.

Corporate Governance

The provisions of the Listing Agreements with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with clause 49 of the Listing Agreements, particularly, in relation to appointment of independent Directors on our Board and constitution of the Audit Committee, the Stakeholders' Relationship Committee and the Nomination and Remuneration Committee. The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of clause 49 of the Listing Agreements (or Regulation 17 to Regulation 27 of the proposed Listing Regulations).

In terms of clause 49 of the Listing Agreement (or Regulation 17 to Regulation 27 of the proposed Listing Regulations), our Company has constituted the following committees

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

Additionally, our Company has constituted the following committees:

- Corporate Social Responsibility Committee;
- Finance Committee;
- Securities Allotment Committee;
- Business Reorganisation Committee;
- Risk Management Committee;

Audit Committee

The Composition of the Audit Committee is as under:

<i>Name of Director</i>	<i>Designation in the Committee</i>	<i>Nature of Directorship</i>
Mr. Basant Kumar Goswami	Chairman	Non-executive Independent Director
Mr. Samir Kumar Ganguli	Member	Non-executive Independent Director
Mr. Samir Chandra Kumar	Member	Non-executive Independent Director
Mr. Sangeet Shukla	Member	Nominee Director

All the members of the Committee have sound knowledge in the fields of finance and accounts. The role and terms of reference of audit committee covers all the areas mentioned under Clause 49 of the listing agreement and Section 177 of the Companies Act, 2013 (hereinafter referred as the 'Act'). Further, the Committee oversees and monitors the financial reporting system within the Company, considers its quarterly, half-yearly and annual financial results, related party transactions, utilization of proceeds from the capital issues, status of indebtedness, financial restructuring plans, reviews of the internal audit plans, the report of internal auditors, legal compliance, internal control system, audit methodology, accounting policies and practices, compliance with applicable accounting standards, risk management, risk disclosure and submit its observations to the Board. The audit committee also advises the management on areas where greater internal control and internal audit focus are required to be strengthen, and review areas for audit and control purposes, cost control measures and statutory compliances in various functional areas.

Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee is as under:

<i>Name of Director</i>	<i>Designation in the Committee</i>	<i>Nature of Directorship</i>
Mr. Basant Kumar Goswami	Chairman	Non-executive Independent Director
Mr. Samir Kumar Ganguli	Member	Non-executive Independent Director
Mr. Samir Chandra Kumar	Member	Non-executive Independent Director
Mr. Gurmit Singh Mann	Member	Promoter Director

The Nomination and Remuneration Committee is in compliance with the Section 178 of the Companies Act, 2013 and rules and made thereunder read with Clause 49 under the Listing Agreement. The objective of this committee is to lay down a framework in relation to remuneration to the directors, KMP, senior management personnel and other employees. The Committee shall guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management; formulate the criteria for determining qualifications, positive attributes and independence of director/KMP/senior employees and recommend to the Board policies relating to the remuneration, role responsibilities and

other terms of Directors, key managerial personnel and other employees; recommend to the Board continuing evaluation process and suitable mechanism to ensure that; consider the grievance, if any, raised by such persons and take steps as considered necessary; suggest ways to harmonies working amongst the working directors; seek such reports and compliances as considered necessary and submit report to Board.

Stakeholders Relationship Committee

The composition of the Stakeholders Relationship Committee is as under:

<i>Name of Director</i>	<i>Designation in the Committee</i>	<i>Nature of Directorship</i>
Mr. Samir Kumar Ganguli	Chairman	Non-executive Independent Director
Mr. Samir Chandra Kumar	Member	Non-executive Independent Director
Mr. Sanjay Tapriya	Member	Director

The Stakeholders Relationship Committee is in compliance with the Section 178 of the Companies Act, 2013 and rules made thereunder read with Clause 49 under the Listing Agreement. The objective of this Committee is to perform all functions relating to the interests of security holders of the Company and related work as assigned by the Board, as may be required from time to time.

Other Committees

Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee comprises of:

<i>Name of Director</i>	<i>Designation in the Committee</i>	<i>Nature of Directorship</i>
Mr. Samir Chandra Kumar	Chairman	Non-executive Independent Director
Ms. Gursimran Kaur Mann	Member	Director
Mr. Sanjay Tapriya	Member	Director

The Corporate Social Responsibility Committee was constituted in accordance with the requirements laid down in Section 135 of the Companies Act, 2013 and the Rules framed there under, comprising of three directors. Mr. Samir Chandra Kumar acts as the Chairman of the Committee. The Committee deals with the formulation and recommendation to the Board, the plans for CSR activities, amount of expenditure to be incurred; and monitor the implementation of the CSR Policy and to take such necessary steps to strengthen the social awareness and improve the hygienic environment in the vicinity of the plants and provide help to the poor in mills command area.

Finance Committee

The Finance Committee comprises of:

<i>Name of Director</i>	<i>Designation in the Committee</i>	<i>Nature of Directorship</i>
Mr. Gurmit Singh Mann	Chairman	Director
Mr. Gurpal Singh	Member	Director
Ms. Gursimran Kaur Mann	Member	Director

Scope and terms of reference:

To implement the finance, banking, insurance, investment and treasury related decisions and change of authorized signatory structure with the various Banks for operations of all the accounts of the Company and review their compliance from time to time and includes any other activity as directed by the Board from time to time.

Business Reorganisation Committee

The Business Reorganisation Committee comprises of:

<i>Name of Director</i>	<i>Designation in the Committee</i>	<i>Nature of Directorship</i>
Mr. Basant Kumar Goswami	Chairman	Non-executive Independent Director
Mr. Samir Kumar Ganguli	Member	Non-executive Independent Director
Mr. Gurmit Singh Mann	Member	Promoter Director

Scope and terms of reference:

The Business Reorganisation Committee has been taking steps file the sanctioned Scheme with the stock exchanges, in connection with the compliance of Order passed by the Hon'ble High Court including the necessary application with the Registrar of Companies (ROC), Regional Director, SEBI, Stock Exchanges and such other statutory/regulatory authorities as may be required.

Risk Management Committee

The Risk Management Committee comprises of:

<i>Name of Director</i>	<i>Designation in the Committee</i>	<i>Nature of Directorship</i>
Ms. Gursimran Kaur Mann	Chairperson	Promoter Director
Mr. Gурpal Singh	Member	Promoter Director
Mr. Sachchida Nand Misra	Member	Director

The Committee is constituted to improve business performance and resulting better decision making and planning, promote more innovative less risk adverse venture benefit the organization and to provide a sound basis for integrated risk management and internal control.

Key Managerial Personnel

Apart from Mr. Sachchida Nand Misra, Chief Operating Officer the following are the other Key Managerial Personnel of the Company

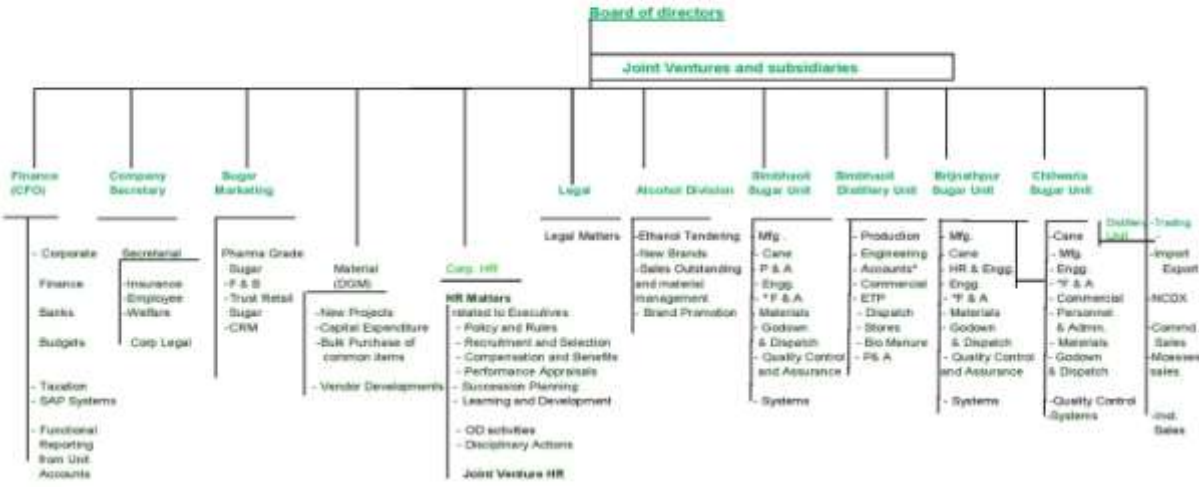
Mr. Dayal Chand Popli, Chief Financial Officer

Mr. Dayal Chand Popli is a commerce graduate and the fellow members of The Institute of Cost Accountants of India. He holds a good track record in the fields of accountancy, taxation, costing and other professional services. His last assignment was with 'Mawana Sugars Limited' as Corporate Accounts Head (Asstt. Vice President). He has over 25 years of experience in various accounts related areas. Previously, he has also worked in the Companies like Hero group, Nestle India, DCM Shriram Industries in accounts, costing and finance department.

Mr. Kamal Samtani, Company Secretary

Mr. Kamal Samtani is a Science graduate and fellow member of the Institute of Company Secretaries of India. He is also an associate member of the Insurance Institute of India in general insurance branch. He started his carrier as management trainee in LML Limited and then joined Lloyd group. He joined Simbhaoli Sugars in January 2005. He has undertaken various capital raising issues including Rights Issue, FCCBs, Convertible Warrants, Esops, Joint Venture, Hive-Off/Amalgamation and Corporate Legal Functions etc.

Our Organisational Structure



DIVIDEND POLICY

It is the objective of the Company to optimise shareholder returns. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders of the Company at their discretion, and will depend on a number of factors, including but not limited to the results of operations, cash flows, business requirements, capital expenditures and overall financial condition. The Company will also be subject to any covenants in the Credit facilities agreements.

The Company in General Meeting may declare a dividend to be paid to the Members according to their rights and interest in the profits and subject to the provisions of the Act and fix the time for payment.

On account of financial Constraints being faced by the sugar industry at present and accumulated losses in the last 3-4 years, the Company has not declared or paid any dividend. However, the management is hopeful for the better results in the current sugar season, where the prices of the sugar is moving upward and the dividend may be declared based on the profitability position at the appropriate time.

SECTION V- FINANCIAL INFORMATION

Auditors' Report

**CONSOLIDATED FINANCIALS OF
ERSTWHILE SIMBHAOLI SUGARS LIMITED**

**REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL
INFORMATION**

To
The Board of Directors
Simbhaoli Spirits Limited
Simbhaoli, Uttar Pradesh -245207

We have examined the attached Summary Consolidated Financial Information of **Erstwhile Simbhaoli Sugars Limited, since merged with Simbhaoli Spirits Ltd. w.e.f. appointed date of 1st April, 2015** (the 'Company'), which comprises of the Summary Consolidated Balance Sheet as at 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015 (Annexure I), the Summary Consolidated Statements of Profit and Loss for each of the period/year ended 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015 (Annexure II) and Summary Consolidated Cash Flow Statements for each of the period/year ended 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015(Annexure III) and a summary of significant accounting policies(Annexure IV) and other explanatory information and material notes (Annexure V), as approved by the Board of directors of the Simbhaoli Spirits Ltd. (SISPL), prepared in terms of our engagement agreed upon with you in accordance with our engagement letter dated November 9, 2015 in connection with the proposed listings of equity shares of the SISPL.

The above Summary Consolidated Financial Information have been extracted by the Management from the Audited Consolidated Financial Statement of the company for the period/year ended 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015. The figures included in the above Summary Financial Information have not been restated/adjusted for:

- (a) Giving effect of change in accounting policy, if any, retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods;
- (b) For the material amounts in the respective financial years to which they relate;
- (c) And for the auditors' qualification which require corrective adjustments in the respective reported financial statement.

The above Summary Financial Information do not contain all the disclosures required by the accounting principles generally accepted in India, including the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts), Rules 2014 [applied in the preparation of the audited financial statements of the company]. Reading the summary financial information, therefore, is not a substitute for the reading financial statements of the Company.

Audit of the consolidated financial statements for the period/year ended 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015 were conducted by previous auditor, Deloitte Haskins & Sells, Chartered Accountants and accordingly reliance has been placed on these financial statements for the purpose of the summary consolidated financial information of the Company .

Managements Responsibility for the Summary Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the

Companies Act, 2013 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. Furthermore, the Board of Directors is also responsible for the matter specified in the Securities Exchange Board of India ('SEBI') – (Issue of Capital and Disclosure Requirements) Regulation, 2009 ('SEBI Guidelines') issued by the SEBI under Section 11 of SEBI Act, 1992 and related classifications thereto.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Summary Consolidated Financial Information, prepared and approved by the Board of Director for the purpose of disclosure in the Information Memorandum for listing of shares, based on our procedures which were conducted in accordance with Standards on Auditing (SA 810), "Engagements to Reports on Summary Financial Statements" issued by the institute of Chartered Accountants of India and in terms of engagement agreed upon with the company in accordance with our engagement letter dated November 9,2015.

This report should not, in any way, be construed as a re-dating of any the previous audit reports issued by other firm of chartered accountants nor should this be construed as a new opinion on any of the consolidated financial statements referred to herein. Furthermore, the audit report is intended solely for use of the managements and for inclusion in the information memorandum in the connection with the listing of the equity share of the SISPL. Our report should not be used for any other purpose without consent in writing.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid summary consolidated financial information extracted from the audited consolidated financial statement of the company for the respective years are the fair summary of those audited financial statement, except for the financial information for the year ended 31st March 2012 which have been extracted from the regrouped and recasted figures reported for the comparative previous year in the audited consolidated financial statement for the year ended 31st March 2013 as per Revised Schedule VI to the Companies Act,1956 .

We further report that the *Qualifications and Emphasis of Matters*, as given by the previous auditors in their audit report on the consolidated financial statement of the company for the aforesaid years/periods are set out in the Annexure-VI. The other remarks/comments in the Companies (Auditor's Report) Order 2015 issued by the Central Government in terms of sub section 11 of section 143 of the Companies Act, 2013, on the consolidated financial statement of the company as at and for the year ended 31st March 2015 are set out in Annexure VII.

We have also examined the following other financial information of the Company set out in Annexure VIII to XVI prepared by the Management and approved by the Board of Directors of the Company for the period/year ended 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015 and found the same to be correct and extracted from the audited consolidated financial statement of the company for the respective years, as stated hereinabove:

- i) Consolidated statement of secured and unsecured long-term borrowings, included in Annexure VIII.
- ii) Consolidated statement of secured and unsecured short- term borrowings, included in Annexure IX.
- iii) Consolidated statement of non-current investment, included in Annexure X.
- iv) Consolidated statement of long-term loans and advances, included in Annexure XI.
- v) Consolidated statement of trade receivables, included in Annexure XII.
- vi) Consolidated statement of short-term loans and advances, included in Annexure XIII.
- vii) Consolidated statement of other income, included in Annexure XIV.
- viii) Consolidated statement of contingent liabilities, included in Annexure XV.
- ix) Consolidated statement of Related Parties Transaction, included in Annexure XVI.

For MITTAL GUPTA & CO.

Chartered Accountants

FRN: 01874C

(B. L. Gupta)

Partner

Membership No.: 073794

Place: New Delhi

Dated: December 3, 2015

ANNEXURE -I

Balance Sheet for the last Four (4) Financial Years 2014-15, 2013-14, 2012-13 and October 1, 2010 to March 31, 2012:

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012*
EQUITY AND LIABILITIES				
1.Shareholder's Funds				
Share Capital	6,035.88	6,035.88	6,035.88	2,770.13
Money received against share warrants	-	-	-	133.11
Reserves & Surplus	(77,072.08)	(54,471.79)	(36,555.03)	(14,343.69)
3. Minority interest	2,422.64	2,444.24	843.48	53.68
2.Non-Current Liabilities				
Long Term Borrowings	22,397.99	16,209.16	18,256.59	22,202.53
Deferred tax Liabilities	-	-	4.78	-
Other Long Term Liabilities	-	38.64	89.06	138.74
Long Term Provisions	359.04	296.61	225.80	157.91
3.Current Liabilities				
Short term borrowings	91,305.54	99,419.52	54,870.48	47,941.72
Trade payables	61,360.10	48,382.59	88,273.04	77,067.34
Other current Liabilities	29,797.35	19,551.38	13,753.90	11,709.85
Short term provisions	598.67	662.18	637.72	376.82
Total Equity &Liabilities	137,205.13	138,568.41	146,435.70	148,208.14
ASSETS				
1.Non-Current Assets				
Fixed Assets				
(a)Tangible Assets	64,138.44	49,195.21	51,736.96	53,434.50
(b)Intangible Assets	20.68	9.07	93.33	179.42
(c)Capital work in progress	2,535.77	12,987.32	5,432.77	1,856.20
Pre operative expenditure pending allocation	521.61	3,201.93	968.90	503.66

Goodwill on consolidation	1,699.00	1,600.00	1,600.00	-
Non-Current Investments	2.26	1.76	1.76	1,400.20
Deferred tax Assets	59.84	952.31	5.03	4,865.65
Long Term loans and advances	2,581.28	1,988.35	848.23	286.68
2.Current Assets				
Current investments	336.36	1.72	-	-
Inventories	41,160.07	47,650.10	56,411.15	54,992.39
Trade Receivables	7,963.96	7,346.60	8,945.45	9,530.01
Cash and cash equivalents	4,058.59	6,637.82	13,105.62	7,457.43
Short Term loans and advances	5,733.35	5,094.86	5,506.00	7,626.79
Other current assets	6,393.92	1,901.36	1,780.50	6,075.21
Total Assets	137,205.13	138,568.41	146,435.70	148,208.14

*Company's financial year was for a period of Eighteen months i.e. from 1.10.2010 to 31.03.2012.

Balance Sheet from Oct. 1, 2009 to September 30, 2010 as per the format of erstwhile Schedule VI of Companies Act, 1956:

All Amount in Rs Lacs	
PARTICULARS	As on 30.09.2010
SOURCES OF FUNDS	
Shareholders' funds	
Share capital	2,332.59
Employee stock options outstanding	43.39
Reserves and surplus	8,036.73
	10,412.71
Loan Funds:	
Secured loans	69,611.30
Unsecured loans	1,100.45
	70,711.75
TOTAL	81,124.46
APPLICATION OF FUNDS	
Fixed Assets	
Gross block	81,824.13
Less: Depreciation	24,887.02
Net block	56,937.11
Capital work in progress	1,757.45

	58,694.56
Pre-operative expenditure pending allocation	-
	58,694.56
Investments	0.05
Deferred tax assets (net)	7,040.49
Current assets, loans and advances	
Inventories	40,050.04
Sundry debtors	7,273.73
Cash and bank balances	13,947.19
Loans and advances	16,231.48
	<u>77,502.44</u>
Less: Current liabilities and provisions	
Current liabilities	66,918.87
Provisions	920.80
	67,839.67
Net current assets	9,662.77
Profit and loss account	5,726.59
TOTAL	81,124.46

ANNEXURE -II

Statement of Profit & Loss Account for the last Four (4) Financial Years 2014-15, 2013-14, 2012-13 and October 1, 2010 to March 31, 2012:

PARTICULARS	All Amount in Rs Lacs			
	For Year ended 31.03.2015	For Year ended 31.03.2014	For Year ended 31.03.2013	For Period ended 31.03.2012*
INCOME				
Revenue from operations	104,196.30	98,184.93	97,766.33	135,941.61
Other income	714.51	484.85	874.91	2,352.90
Total Income	104,910.81	98,669.78	98,641.24	138,294.51
EXPENSES				
cost of materials consumed	77,487.81	70,987.92	76,020.85	112,792.79
Purchase of stock in trade	1463.17	1,451.56	291.63	4,887.37
Changes in Inventories of finished goods Work in progress and stock in trade	8,885.48	4,125.42	3,200.78	(22,388.15)
Employee Benefit Expenses	6,209.90	6,410.53	5,676.12	7,378.34

Finance costs	14677.9	14,804.15	11,778.45	16,426.60
Depreciation and Amortization Expense	3535.96	4,144.38	4,093.76	6,207.23
Other Expenses	13,531.85	15,432.97	14,711.93	25,979.34
Total Expenses	125,792.07	117,356.93	115,773.52	151,283.52
Profit/ (Loss) before exceptional and extraordinary items & tax	(20,881.26)	(18,687.15)	(17,132.28)	(12,989.01)
Less: Exceptional Items	500	1,058.36	-	2,511.40
Profit/Loss before tax	(21,381.26)	(19,745.51)	(17,132.28)	(15,500.41)
Less: Tax relating to previous year	14.01	23.64	-	-
Less: Current Tax	70.41	105.13	316.14	476.38
Less: Deferred Tax charge/ (Benefit)	892.69	(952.06)	4,865.40	(4,572.01)
Less: Minority interest	(293.54)	(927.78)	46.09	33.26
Profit/Loss after Tax and Minority interest	(22,064.83)	(17,994.44)	(22,359.91)	(11,438.04)
Earning per equity share- Basic/ Diluted (Rs.)				
Basic/ Diluted before exceptional items	(77.48)	(61.05)	(79.84)	(37.69)
Basic/ Diluted after exceptional items	(79.25)	(64.80)	(79.84)	(44.26)

*Company's financial year was for a period of Eighteen months i.e. from 1.10.2010 to 31.03.2012.

Statement of Profit & Loss Account for the period from October 1, 2009 to September 30, 2010 as per the format of erstwhile Schedule VI of Companies Act, 1956:

All Amount in Rs Lacs	
PARTICULARS	For Year ended 30 th September 2010
INCOME	
Gross sales	149,206.21
Less: Excise duty	23,040.29
	126,165.92
Other income	6,388.78
	132,554.70
EXPENDITURE	
Manufacturing and other expenses	132,658.70
Profit/(loss) before interest, derivative loss, depreciation and tax	(104.00)
Interest expense	8,471.83
Derivative loss	30.86

Profit/(loss) before depreciation and tax	(8,606.69)
Depreciation	4,023.98
Profit/(loss) before transfer from revaluation reserve	(12,630.67)
Transfer from revaluation reserve	14.58
Profit/(loss) before tax	(12,616.09)
Current tax	-
Less: MAT credit entitlement	-
Deferred tax (benefit)/ charge	(5,133.43)
Fringe benefit tax	
Profit/(loss) after tax	(7,482.66)
Balance brought forward from the previous year	1,756.07
Exchange fluctuation adjustments	-
	(5,726.59)
Earnings per share (Rs.)	
Basic	(32.27)
Diluted	(32.27)

ANNEXURE -III

Cash Flow Statement for the last Five (5) Financial Years 2014-15, 2013-14, 2012-13; October 1, 2010 to March 31, 2012 and October 1, 2009 to September 30, 2010:

All Amount in Rs Lacs					
PARTICULARS	As on	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012*	30.09.2010
A. CASH FLOW FORM OPERATING ACTIVITIES					
Net Profit Before Tax & Exceptional Items	(20,881.26)	(18,687.15)	(17,132.28)	(12,989.01)	(12,616.09)
Adjustments for :					
Depreciation and amortization(net of revaluation reserve)	3,535.96	4,144.38	4,093.76	6,207.23	4,009.40
Unrealized foreign exchange fluctuation	-	-	19.72	46.00	(3.27)
Fixed Assets written off	37.32	-	-	-	
Finance Cost	14,677.90	14,804.15	11,778.45	16,426.60	8,471.83
Gain on buy back of FCCB	-	-	-	-	(138.51)
Profit on sale of non trade unquoted current investment	(22.64)	(1.72)	(75.60)	-	-

Deferred employee compensation expense	-	-	-	(3.96)	37.20
Miscellaneous expenditure written off	-	-	-	3.29	-
Non-compete fee	-	-	-	(1,000.00)	-
Loss/(Profit) on sale of fixed assets (net)	14.17	20.61	(0.69)	(69.08)	23.71
Interest income	(266.26)	(312.18)	(415.83)	(729.70)	(485.34)
Liability/provisions no longer required written back	-	-	(6.21)	13.41	-
Transfer from Capital-grant-in-aids'	(7.27)	(7.11)	(1.34)	(2.00)	(1.33)
Operating profit/(loss) before working capital changes	(2,912.08)	(39.02)	(1,740.02)	7,902.78	(702.40)
Adjustments for (increase)/decrease in operating assets:					
Trade receivables	(6,275.49)	4,257.28	(560.59)	1,336.80	(3,300.98)
Short term and long term loan and advances	(4,689.89)	541.74	3,527.18	(288.85)	-
Other Current Assets	(17,178.60)	14,872.36	3,479.98	(2,955.24)	-
Inventories	6,490.03	7,702.67	(1,418.75)	(14,952.56)	2,947.29
Adjustments for increase/(decrease) in operating liabilities:					
Trade payables	18,910.48	4,994.57	12,536.09	13,245.32	13,063.94
Other current liabilities	16,131.61	(14,783.06)	494.95	2,726.75	-
Short term and long term provisions	(23.24)	179.26	53.14	28.14	-
Cash generated from operations	10,452.82	17,725.80	16,371.98	7,043.14	12,007.85
Direct taxes (paid)/ refund	(392.00)	(365.01)	(486.08)	1,274.52	(1,280.45)
Net Cash flow from operating activities before exceptional items	10,060.82	17,360.79	15,885.90	8,317.66	10,727.40
Exceptional item	(500.00)	-	-	(2,511.40)	-
Net cash (used in) / from operating activities	9,560.82	17,360.79	15,885.90	5,806.26	10,727.40
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets	(5,988.76)	(10,913.68)	(6,079.02)	(2,554.14)	(3,808.04)
Sale of fixed assets	213.62	149.82	5.44	109.07	122.21
Investment made in government securities	(0.50)	-	-	-	-
Purchase of mutual funds	(1,895.00)	(250.00)	(1,500.00)	(1,700.00)	-
Margin money	-	-	-	-	(7,596.65)
Sale of mutual funds	1,583.00	250.00	2,975.61	300.36	-
Change in margin money	994.91	793.16	(1294.44)	9,636.44	-
Interest received	1,337.71	(889.91)	561.74	799.60	63.71

Capital grant in aid received	-	120.00	25.00	-	
Net cash flow from investing activities	(3,755.02)	(10,740.61)	(5,305.67)	6,591.33	(11,218.77)
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of equity shares/equity warrants	-	-	-	-	10.97
Proceeds from issue of equity shares to minority shareholders	320.00	2,256.04	2,545.18	2,275.79	-
Proceeds from long term borrowings	13,564.43	3,764.74	2,750.00	6,411.75	6,718.22
Repayment of long term borrowings	(4,737.85)	(5,280.14)	(6,522.03)	(17,140.33)	(7,784.84)
Changes in short term borrowing	(4,191.62)	(2,296.63)	5,636.02	16,049.42	10,737.89
Repayments of preference share capital	-	-	-	-	(216.00)
Share Application Money pending for allotment	106.68	146.21	-	-	-
Finance Cost	(12,452.35)	(10,862.22)	(10,635.05)	(16,661.58)	(8,256.17)
Dividend paid	-	(10.70)	(1.52)	(1.20)	(0.10)
Tax on dividend	-	(1.91)	-	-	-
Payment of FCCB premium	-	-	-	(318.71)	-
Foreign Currency Translation	(0.65)	-	-	-	-
Contribution toward charity reserve received	1.23	1.84	0.94	(5.29)	2.47
Net cash flow from financing activities	(7,390.13)	(12,282.77)	(6,226.46)	(9,390.15)	1,212.44
Net increase/decrease in cash and equivalents	(1,584.33)	(5,662.59)	4,353.77	3,007.44	721.07
Cash and cash equivalents opening balance	3,554.16	9,216.75	4,985.77	1,839.10	1,118.03
Add: Cash and bank balance taken over on acquisition of stake in subsidiaries/joint venture	-	-	-	139.23	-
Cash and bank balances(closing balance)	1,969.83	3,554.16	9,339.54	4,985.77	1,839.10

*Company's financial year was of Eighteen months starting from 1.10.2010 to 31.03.2012.

ANNEXURE -IV

A summary of significant Accounting Policies

FY 2014-15, FY 2013-14, FY 2012-13, Period from 1-10-2010 to 31-3-2012 and Period from 1-10-2009 to 30-09-2010

1. Basis of consolidation and significant accounting policies

The Consolidated financial statements of the Company and its subsidiaries and joint controlled entity (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts)

Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 2014, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 2(vii) below.

Principles of consolidation

A) The consolidated financial statements relate to Simbhaoli Sugars Limited ('the Company'), its subsidiaries and jointly controlled entity. The consolidated financial statements have been prepared on the following basis:

- the financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- the consolidated financial statements have been prepared using uniform accounting policies for -like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- the financial statements of the jointly controlled entity have been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line item in the Consolidated Financial Statements.
- the excess of cost to the Company of its investment in a subsidiary companies/ joint controlled entity over its share of equity of the subsidiary companies/ joint controlled entity, at the dates on which the investment in the subsidiary companies/ joint controlled entity is made, is recognized as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. Alternatively, where the share of equity in a subsidiary company/ joint venture as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and surplus', in the consolidated financial statements.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movement in their share in the equity, subsequent to the dates of investments as stated above.

B) The financial statement of the subsidiary companies/joint controlled entity is drawn up to the same reporting date as of the Company.

C) The subsidiaries considered in the consolidated financial statements are:

Name of Entity	Country of incorporation	% voting power held as at March 31, 2015	% voting power held as at March 31, 2014	% voting power held as at March	% voting power held as at March	% voting power held as at September 30, 2010

					31, 2013	31, 2012	
Simbhaoli Spirits Limited	India	100.00	100.00	99.99	99.99	-	
Simbhaoli Power Private Limited	India	51.00	51.00	51.00	100.00	-	
Integrated Casetech Consultants Private Limited	India	85.16	85.16	85.16	82.41	82.41	
Simbhaoli Global Commodities DMCC	Dubai-UAE	100.00	100.00	100.00	100.00	100.00	
Simbhaoli Speciality Sugars Private Limited	India	100.00	-	-	-	-	

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d entity considered in the consolidated financial statements is:

Name of Entity	Country of incorporation	% voting power held as at March 31, 2015	% voting power held as at March 31, 2014	% voting power held as at March 31, 2013	% voting power held as at March 31, 2012
Uniworld Sugars Private Limited	India	50.00	50.00	50.00	50.00

Use of Estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) and reported income and expenses during the year. Example of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, provision for income taxes and the useful lives of fixed assets. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

Fixed assets

Fixed assets [other than certain fixed assets of Simbhaoli Sugar Division where cost has been modified based on revaluation of assets / business valuation thereof as determined by the valuer] are valued at cost.

Cost is inclusive of freight, duties, taxes, other incidental expenses and in case of capital projects, financing cost relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date the assets are ready for their intended use.

(a) Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(b) Pre-operative expenditure pending allocation

Expenses directly related to construction activities or incidental thereto, are allocated to fixed assets at the time of completion of project.

Impairment

At each Balance Sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using an appropriate discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Investments

Long term investments are stated at cost as reduced by provision for diminution, other than temporary, in the value, if any. Current Investments are carried at cost or net realizable value whichever is lower.

Inventories

Inventories are valued at the lower of cost and net realizable value. The bases of determining cost for different categories of inventory are as follows:

Stores and spare parts	-	Monthly weighted average.
Raw materials	-	First in first out (FIFO)
Process stocks/finished goods	-	FIFO material cost plus appropriate share of labour and manufacturing overheads.
By products	-	At estimated realisable value
Stock in trade (traded goods for resale)	-	First in first out (FIFO)

Cash and cash equivalent

Cash comprises cash on hand and term / demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

State excise duty

The state excise duty payable on finished goods is accounted for on the clearance of goods from the factory premises or bonded warehouses. The amount of state excise duty payable on potable alcohol not cleared from the factory premises and bonded warehouses as at the year is not determinable as it varies according to the places to which the goods will be dispatched. However, non provision of this liability does not affect the profit/loss of the year.

Employee benefits

Group contribution paid/payable during the year to provident fund and superannuation fund is recognised in the Consolidated Statement of Profit and Loss. Provision for gratuity and compensated absences determined on an actuarial basis at the end of the year are charged to revenue each year.

Revenue recognition

Sales are recognized on transfer of significant risk and rewards of ownership of the goods to the buyer, which generally coincides with the dispatch of goods to customers. Sales includes excise duty but excludes sales tax and value added tax.

Revenue from power generation is recognised on accrual basis as per terms of Power Purchase Agreement with Uttar Pradesh Power Corporation Limited.

Management fees income is accrued as per contractual terms.

Other income

Interest income is recognized on a time proportion basis.

Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active / continuous development on the qualifying assets is interrupted.

Government grants and Export Incentives.

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received.

Government grants related to depreciable fixed assets are recognized in the Consolidated Statement of Profit and Loss over the useful life of the asset to which they relate.

Export benefits are accounted for in the year of exports based on eligibility and when there is no significant uncertainty in receiving the same.

Taxation

Provision for current taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability. (Refer note 19)

Securities issue expenses

Securities issue expenses (net of tax) are adjusted from the securities premium account as permissible under Section 52 of the Companies Act, 2013.

Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the Consolidated financial statements.

Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Depreciation/Amortisation

FY 2014-15

- A) In respect of fixed assets of Simbhaoli Sugar Division, where costs have been modified based on revaluation/business valuation, depreciation is provided on the straight line method at the rates specified in schedule II to the Companies Act, 2013.
- B) In respect of other assets, the depreciation is provided by applying the following method at the rates specified in Schedule II to the Companies Act, 2013 :

- Buildings (other than Chilwaria Sugar Division and Simbhaoli Spirits Limited)	-	Written down value method
- Buildings (Chilwaria Sugar Division and Simbhaoli Spirits Limited)	-	Straight line method
- Plant and machinery (other than electric installations, typewriters and office equipments)	-	Straight line method
- Railway siding/electric installations/ typewriters and office equipment/furniture and fixtures/ motor lorries and vehicles	-	Written down value method

except in the case Roads where the life of the assets has been assessed 10 years based on past history, technical evaluation and plant and machinery acquired by Simbhaoli Power Private Limited under Business Transfer Agreement, where life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset etc.

- C) Lease hold improvements has been depreciated/ amortised over the period of 30 years.
- D) Software is amortised over its economic useful life of 10 years on straight line method.
- E) Fixed assets costing up to Rs. 5,000 are fully depreciated in the year of acquisition on ground of materiality.
- F) In respect of buildings and other revalued assets, an amount equivalent to the additional charge for depreciation arising due to revaluation is transferred from the revaluation reserve to the balance in Consolidated Statement of Profit and Loss.

FY 2013-14, FY 2012-13, Period from 1-10-2010 to 31-3-2012 and Period from 1-10-2009 to 30-9-2010

- A) In respect of fixed assets of Simbhaoli Sugar Division, where costs have been modified based on revaluation/business valuation, depreciation is provided on the straight line method at the rates applicable to the balance useful life of the relevant assets as estimated by the valuer or at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, whichever is higher.

- B) In respect of other assets, the depreciation is provided by applying the following method at the rates specified in Schedule XIV to the Companies Act, 1956 :

- Buildings (other than Chilwaria Sugar Division and Simbhaoli Spirits Limited)	-	Written down value method
- Buildings (Chilwaria Sugar Division and Simbhaoli Spirits Limited)	-	Straight line method
- Plant and machinery (other than electric installations, typewriters and office equipments)	-	Straight line method
- Railway siding/electric installations/ typewriters and office equipment/furniture and fixtures/ motor lorries and vehicles	-	Written down value method

- C) Software is amortised on over its economic useful life of 10 years on straight line method.
- D) Fixed assets costing up to Rs. 5,000 are fully depreciated in the year of acquisition.
- E) In respect of buildings and other revalued assets, an amount equivalent to the additional charge for depreciation arising due to revaluation is transferred from the revaluation reserve to the Consolidated Statement of Profit and Loss.

Foreign Currency Transactions and Forward contracts

FY 2014-15 FY 2013-14, FY 2012-13 and Period from 1-10-2010 to 31-3-2012

- A. Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on the date of transaction.

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date and exchange difference are recognized as loss or gain in the Consolidated Statement of Profit & Loss.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of fixed assets are added to or subtracted from the cost of such fixed assets.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of the contract. Further, exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/expense for the year except that the exchange differences, including premium or discount on forward exchange contracts, arising till the fixed assets are ready for their intended use, relating to borrowed funds and liabilities in foreign currency for the acquisition of the fixed assets are adjusted to the cost of fixed assets.

- B In case of foreign subsidiary, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end whereas revenues and expenses reflected in the Consolidated Statement of Profit and Loss have been translated into Indian Rupees at monthly average exchange rate for the reporting period. The resultant translation exchange differences are accumulated in “Foreign currency translation reserve” to be recognised as income or expense in the period in which net investment in concerned foreign subsidiary is disposed off.

Period from 1-10-2009 to 30-9-2010

- A. Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on the date of transaction.

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of fixed assets are added to or subtracted from the cost of such fixed assets and the balance accumulated in ‘Foreign Currency Monetary Item Translation Difference Account’ and amortised over the balance term of the long term monetary item or 31st March, 2011 whichever is earlier (Refer note 12).

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of the contract. Further, exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/expense for the year except that the exchange differences, including premium or discount on forward exchange contracts, arising till the commissioning of fixed assets, relating to borrowed funds and liabilities in foreign currency for the acquisition of the fixed assets are adjusted to the cost of fixed assets.

- B. In case of foreign subsidiary, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end whereas revenues and expenses reflected in the profit and loss account have been translated into Indian Rupees at monthly average exchange rate for the reporting period. The resultant translation exchange differences are accumulated in “Foreign currency translation reserve” to be recognised as income or expense in the period in which net investment in concerned foreign subsidiary is disposed off.

ANNEXURE – V

Other Explanatory information and material Notes

FY 14-15

Note 5

The Company has facilitated agri loans from certain commercial banks to its sugarcane farmers under the management and collection agreements and provided Corporate Guarantee and post dated cheques as security. These loans were distributed to the farmers against the payment to be made to them against supply of sugarcane to the company in previous years and the Company facilitating the repayment of these loans along with interest to the banks. Accordingly these loan have been accounted for by the Company as its liabilities and are shown as “Short term

borrowings from banks". The Company is in discussions with the banks for raising long term loan(s) to retire these liabilities.

Note 15

As at March 31, 2015 outstanding export obligation against advance license scheme (ALS) is 11,616 metric tons (previous year 17,897 metric tons). The management is confident that the export obligation shall be fully met and possible loss expected in complying with such obligation has been accounted for in the Consolidated financial statements.

Note 16

A vessel carrying raw sugar purchased by the Company sank in July 2009 for which an insurance claim was repudiated against cargo insurers. Subsequent to completion of recovery proceedings against ship owner, the Company is continuing to pursue its ongoing legal proceedings against the Cargo insurers for balance claim amount of Rs. 768.96 lacs. However, as abundant caution, management has provided the amount in the Consolidated financial statement.

Note 17

(a) A Scheme of Amalgamation of the Company with Simbhaoli Spirits Limited (SISPL), the wholly owned subsidiary company (the Scheme), as approved by the Board of both the companies, was filed with the Hon'ble High Court of Judicature at Allahabad (the Court). With effect from the Appointed Date i.e. the close of the business hours on March 31, 2014 or such other date as may be fixed or approved by the Court, the entire business and undertaking of the Company, shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in SISPL, as a going concern without any further act and deed. The share holders and unsecured creditors of the Company have approved the Scheme on September 20, 2014. The Company and SISPL are in process to seek approval from their respective secured creditors. Pending sanction of the Scheme by the Court, no financial effect has been considered in these financial statements and further, based upon expert advice and pending necessary clarification from Board for Industrial and Financial Reconstruction (BIFR), no requisite steps as applicable to the sick companies have been initiated under the prevailing laws.

(b) The Government of Uttar Pradesh (U.P.) has announced subsidy on sugar cane purchases during the sugar season 2014-15 linked to the average selling price of sugar and its by-products during the period October 1, 2014 to May 31, 2015 to be finalised by a Committee to be constituted by the Government of U.P. Based on the prevailing and expected prices the Company is confident of realising the full subsidy of Rs. 28.60 per quintal aggregating to Rs. 5,742.63 lacs for the year. Pending final determination of the amount of subsidy and interest charge on delayed payments if any, the Company has on a conservative basis accounted for Rs. 4,738.67 lacs for the year in the Statement of Profit & Loss by adjustment of cost of materials consumed. Necessary adjustments would be made on final determination of the amount of subsidy.

(c) Over the last few years, the Company has been incurring cash losses due to which its net worth has been eroded and its current liabilities are significantly higher than its current assets.

The Uttar Pradesh based sugar companies have been facing financial difficulties on account of higher sugar cane prices, lower realization of sugar and high finance cost in last 3-4 years. In the previous years, the Company has implemented various initiatives which included business and financial restructuring of its business divisions into new SPVs and planned growth in operations and disinvestments of the shares in such SPVs, etc. for de-risking its businesses and improving its financial position. Also, the State and Central Government, recognizing the importance of the sugar industry are taking necessary steps as in the previous year to strengthen the sugar industry. In view of the above and also considering the Scheme as stated in Note 17 (a) above, these financial results have been prepared by the Company on a going concern basis.

Note 18

With effect from April 1, 2014, depreciation on the opening block of assets has been provided as per the useful life prescribed in Schedule II of the Companies Act, 2013 (the Act), except in case of certain plant and machinery items of Simbhaoli Power Private Limited, on which depreciation has been provided for on the basis of useful life determined by an independent valuer. Consequent thereto, depreciation charge for the year ended March 31, 2015 is lower by Rs. 929 lacs and depreciation amounting to Rs. 404.24 lacs (net of revaluation reserve of Rs. 124.52 lacs) has been adjusted from the opening balance of retained earnings. As regards additions during the year, depreciation has been charged as per the provisions of the Schedule II of the Act.

Note 21

(a) The Hon'ble National Green Tribunal, New Delhi (NGT) has vide its order dated October 16, 2014 (the Order), upheld the complaint alleging non-fulfillment of certain conditions on pollution and effluent discharge against the Company and its wholly owned subsidiary Simbhaoli Spirits Limited (SISPL) and imposed penalty of Rs. 500.00 lacs which has been shown as exceptional item as on March 31, 2015. NGT has laid down certain conditions for restarting the distillery operations of SISPL which has been closed since February 20, 2014. The Company has taken requisite steps in this regard and is confident that the operation will commence soon after taking requisite approval from the concerned authorities. In view of the above facts, management is confident of resuming the operation at distillery plant of SISPL.

FY 13-14

Note 5

The Company has facilitated agri loans from certain commercial banks to its sugarcane farmers under the management and collection agreements and provided Corporate Guarantee and PDCs as security. These loans were distributed to the farmers against the payment to be made to them against supply of sugarcane to the company in previous years and the Company facilitating the repayment of these loans along with interest to the banks. Now these loans became due for payment to the banks by the Company as its liability and accordingly these liabilities are shown as Short term borrowings from banks. The Company is in discussions with the banks for raising long term loan(s) to retire these liabilities.

Note 15

As at March 31, 2014 outstanding export obligation against advance license scheme (ALS) is 17,897 metric tonnes (previous year 22,517 metric tonnes). The management is confident that the

export obligation shall be fully met and possible loss expected in complying with such obligation has been accounted for in the financial statements.

Note 16

A vessel carrying 22,500 MT of raw sugar purchased by the Company sank in July 2009 for which an insurance claim for Rs. 4,780 lacs was filed with the insurance company. Following the repudiation of insurance claim by the Cargo insurers, in an arbitrary manner, the Company has initiated legal proceedings against the insurer in India and the vessel owner in London. During the previous year, the Company, in the London proceedings, has accepted and received a part compensation towards the cost of raw sugar. The Company is continuing to pursue the ongoing legal proceedings against the cargo insurer for the balance claim of Rs. 769 lacs. Based on expert advice, management is confident that the proceedings against the insurer would be settled in favour of the Company and no loss would arise in this regard.

Note 17

The SISPL has applied for renewal of its annual consent for the calendar year 2014 vide its application dated November 27, 2013 with the Uttar Pradesh Pollution Control Board (UPPCB). Earlier, in the matter of OA No. 299 of 2013 titled as Krishan Kant Singh & Anr. Vs. National Ganga River Basin Authority & Ors, pending before the Hon'ble National Green Tribunal, New Delhi (NGT) it was alleged that SISPL has not been complying with the pollution norms. In view of pendency of the aforesaid matter before the NGT, the UPPCB vide its letter dated February 17, 2014 withheld the annual consent application and directed for suspension of operation(s) of the distillery plant situated at Simbhaoli on stating the non-fulfillment of certain conditions on the pollution and effluent discharge.

In the last hearing, NGT vide its order dated April 22, 2014 has issued certain directions to ensure the pollution compliance and accordingly, the SISPL has submitted an action plan with the Central Pollution Control Board (CPCB) and UPPCB, stating that the SISPL has all the appropriate mechanism to control the effluent up to Zero Discharge level and has various effluent control equipment in place and further measures will be taken for improvements to comply with the conditions as stated in the order for running the plant at the optimum capacity. In view of the above facts and based on legal advice received from experts, Management is confident of obtaining a favourable order from the NGT and the consent order for air and water pollution clearances from the UPPCB, thereby resuming the operations at Simbhaoli distillery plant.

Note 18

(a) The Board of Directors of the Company in their meeting held on March 20, 2014 has approved the Scheme of Amalgamation between Simbhaoli Sugars Limited (Amalgamating Company) and Simbhaoli Spirits Limited, the wholly owned subsidiary company (Amalgamated Company) and their respective shareholders and creditors (the Scheme). The Scheme shall be beneficial to all the stake holders and shall provide greater integration amongst the affairs of the two companies, improve the financial strength, bring in efficiencies in operations and result in optimum utilization of resources, better administration, significant cost savings, rationalization of human resources, improved organizational capabilities and leadership and flexibility of fund raising for future growth and expansions.

As per clause 24 (f) of the Listing Agreement, the Company has filed the draft Scheme with the Stock Exchanges and Securities and Exchange Board of India (SEBI) to seek their consent to the proposed Scheme. With effect from the Appointed Date i.e. the close of the business

hours on March 31, 2014 or such other date as may be fixed or approved by the High Court and upon the Scheme becoming effective, the entire business and undertaking of Amalgamating Company, shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern without any further act and deed. The Amalgamated Company will be listed with the same stock exchanges as that of Amalgamating Company subject to the approval of the SEBI.

The Amalgamating Company shall be wound up without liquidation as per the scheme. Pending sanction of the scheme, no financial effect has been considered in these financial statements.

(b) The Indian sugar industry particularly in the state of Uttar Pradesh has been facing financial difficulties on account of higher sugar cane prices in prior years, lower realization of sugar and high finance cost. The Company continues to incur cash losses, which has resulted in its Net Worth being fully eroded and its current liabilities being significantly higher than its current assets. The State and Central Governments, having recognized the importance of the sugar industry had taken various steps to strengthen the industry, which includes no increase in cane price for 2013-14 sugar season, remission of society commission, purchase tax and entry tax in the state, subsidy on interest cost on specified loans and consideration of linking the sugarcane price with sugar realizations in ensuing sugar seasons. The Company had also initiated a number of measures which included business and financial restructuring of its business divisions into new SPVs and planned growth in operations and disinvestments of the shares in such SPVs etc. for de-risking its businesses and improving its financial position.

On the basis that the aforesaid Scheme of Amalgamation of the Company as stated in Note 18(a) above, will be successfully completed on approval of the Scheme from the Hon'ble Court of Judicature at Allahabad, these financial results have been prepared by the company on a going concern basis.

Note 20

During the year, shortage of finished goods in the sugar units of the Company amounting to Rs. 1,058.36 lacs have been detected based upon internal enquiries by the Management of the Company relating to certain irregularities by senior executives and the resultant loss has been written off in the books of account and included under the head 'Exceptional Items'. Following its internal policies in this regard, requisite legal actions including termination of employment of these executives for misappropriation of the Company's assets, financial irregularities and breach of fiduciary duties committed by them have been taken.

FY 12-13

NOTE 4

During the year the Company has taken further steps to implement the business restructuring exercise suggested by the SBI Capital Markets Limited and approved by Company's lenders and shareholders. Accordingly, the Company has transferred its existing power co-generation businesses situated at its sugar plants at Simbhaoli and Chilwaria, as an inseparable lot and as going concern on a slump sale basis for a consideration of Rs. 15,978.62 lacs to Simbhaoli Power Private Limited (SPL) {formerly known as Simbhaoli Power Limited}. Accordingly, the

Company and Sindicatum Captive Energy Singapore Pte Limited (SCES), a global developer and operator of clean energy projects have entered into a joint venture agreement and SCES has acquired 49% of the share capital of SPL. In addition, SPL will be implementing an expansion plan to enhance the aggregate power generation capacity at these locations from 52 MW to 90 MW with increase in days of operations beyond crushing season.

Pursuant to the Business Transfer Agreements (BTAs) dated January 25, 2013 executed between the Company and SPL, effective from January 26, 2013, the business Undertakings of Simbhaoli Cogen Division (SCD) and Chilwaria Cogen Division (CCD) including their all assets, liabilities, rights and obligations have been transferred to and vested in SPL for an aggregate consideration of Rs. 15,978.62 lacs.

a) The assets and liabilities transferred to and vested in SPL, are as under:-

	(Rs. lacs)
Assets	
Fixed assets	
Gross block	15,788.71
Less: Depreciation	5,272.09
Net block	10,516.62
Current assets, loans and advances	
Inventories	100.01
Other current assets	4.40
Total Assets	10,621.03
Liabilities	
Current liabilities and provisions	
Current liabilities	101.30
Provisions	10.11
Total liabilities	111.41
Net assets	10,509.62

b) The BTA consideration of Rs. 15,978.62 lacs is to be discharged in the manner laid down under the respective BTA:

- a. Allotment of 5,12,041 shares of Rs 10 each in SPL at a premium of Rs. 90 per share, aggregating Rs. 512.04 lacs.
 - b. Allotment of securities having an aggregate value of Rs. 7,592.86 lacs in tranches and in the manner agreed to by the SPL and the Company.
 - c. Payment of balance interest bearing liability of Rs. 7,873.72 lacs in cash on or before the date falling 48 (forty eight) months from the date of BTA, or on achieving the closings in terms of the Joint Venture Agreement with SCES, whichever is earlier.
- c) The resultant excess consideration of 5,469.00 lacs over the book values of Co-generation business transferred has been shown as “Profit on transfer of Cogeneration Undertaking” under the head exceptional item in the Statement of Profit and Loss in the standalone financial statements of the Simbhaoli Sugars Limited (the Holding Company).
- d) The Company has made requests to UPPCL for assigning of Power Purchase Agreement(s) (PPA) pertaining to both power divisions to SPL pursuant to the BTAs. Whilst the novation of the PPAs in favour of SPL is pending, in the view of the execution of the BTAs, revenue from sale of power for the period commencing from January 26, 2013 to March 31, 2013 has been considered in the financial statements of SPL.
- e) The Company has entered into finance lease arrangement with SPL for one of the equipment at its Simbhaoli Sugar Division. Gross investment in the lease at the inception of lease amounting to Rs. 2010.00 lacs has been considered as finance lease receivable against the written down value (WDV) of the equipment of Rs. 1772.41 lacs and consequently Rs. 237.59 lacs has been accounted as “Profit on transfer of assets” under the head exceptional item in the Statement of Profit and Loss in the standalone financial statements of the Simbhaoli Sugars Limited (the Holding Company).

However, in view of the consolidation procedures as enunciated in AS-21 “Consolidated Financial Statements”, there is no impact of above entries in the consolidated financial statements of the Group.

NOTE 6

The Company has facilitated agri loans from certain commercial banks to its sugarcane farmers under the management and collection agreements and provided Corporate Guarantee amounting to Rs. 300 crore to the banks. These loans were distributed to the farmers against the payment to be made to them against supply of sugarcane to the Company and facilitating the repayment of these loans along with interest to the banks.

NOTE 17

As at March 31, 2013 outstanding export obligation against advance license scheme (ALS) is 22,517 metric tonnes (previous period 2,891 metric tonnes). The management is confident that the export obligation shall be fully met and no loss is foreseen in complying with such obligation.

NOTE 18

A vessel carrying 22,500 MT of raw sugar purchased by the Company sank in July 2009 for which an insurance claim for Rs. 4,780 lacs was filed with the insurance company. Following the repudiation of insurance claim by Cargo insurers, in an arbitrary manner, the Company has

initiated legal proceedings against the insurer in India and vessel owner in London. During the year, the Company, in the London proceedings, has accepted and received a part compensation towards the cost of raw sugar. The Company is continuing to pursue the ongoing legal proceedings against the cargo insurer for balance claim amount of Rs. 769 lacs. Based on expert advice, management is confident that the proceedings against insurer would be settled in favour of the Company and no loss would arise in this regard.

NOTE 19

The Company's net worth has been substantially eroded, and the Company has made cash losses during the previous period ended March 31, 2012 and the current year ended March 31, 2013. During the last three years the Indian sugar industry had faced difficulties on account of lower realization of sugar, and higher sugar cane prices particularly sugar mills located in Uttar Pradesh. During the current sugar season also, the country had the large surplus of sugar in a decontrolled sugar sale scenario with unrestricted imports resulting in lower sugar realization, under recovery of cost of production and higher finance cost leading to operating/ cash loss and consequent further erosion of the Company's net worth. The State and Central Governments have initiated various steps to strengthen the sugar industry like decontrol of the free sale sugar release mechanism, doing away with the sale of 10% sugar production under the levy obligation at the unremunerative price and further steps are under consideration like linking the sugar cane price with sugar sale values, improving long term hedging mechanism of sugar and encouragement of further investment in sector by the State Government.

The Company has initiated/implemented a number of measures during the previous years and current year which included business and financial restructuring of its business divisions comprising of transfer of potable alcohol and power undertakings of the Company to separate SPVs, disinvestments of the shares in such SPVs, fresh capital infusion and Company's foray into sugar refining business in a joint venture with a global major etc. to de-risk its businesses and improving its financial position. The transfer of potable alcohol undertaking, formation of joint venture for sugar refining business and transfer of cogeneration business to SPL and induction of a JV partner therein, has been completed during 2012-13.

On the basis of successful completion of its aforesaid business and financial restructuring initiatives, the outcome of the steps being initiated by the State and Central Governments for the sugar industry, the Management of the Company is confident on the Company's ability to generate sufficient cash flows to meet its future obligations. Accordingly, these financial statements have been prepared by the Company on a going concern basis.

NOTE 21

The Scheme of **Amalgamation** (SOA) between the Company and Simbhaoli Spirits Limited (SISPL) under Section 391 to 394 of the Companies Act, 1956 was sanctioned by the Hon'ble High Court of Judicature at Allahabad vide its Order dated September 17, 2012. The SOA became effective on September 20, 2012, on filing of the certified copy of the Order of the High Court with the Registrar of Companies, Uttar Pradesh. Consequent thereto, the effect of SOA was given in the financial statements for the period ended March 31, 2012, accordingly:

- a) The undertaking of Simbhaoli Distillery Division (SDD) including all assets, land admeasuring 28.16 acres being the land required for alcohol business on which undertaking was located, liabilities, rights, obligations and brands of the Company, without any further act or deed has transferred to and vested in the SISPL as a going concern basis with effect from October 1, 2010, the appointed date.

- b) The assets and liabilities transferred to and vested in SISPL, given effect in the financial statements for the period ended March 31,2012, are as under:-

		(Rs. In lacs)
Assets		
Fixed assets		
Gross block (net of reconstruction and revaluation reserve Rs. 128.12 lacs)	:	6,230.88
Less: Depreciation	:	2,276.26
Net block	:	3,954.62
Capital work in progress	:	206.78
Current assets, loans and advances		
Inventories	:	1,271.94
Sundry debtors	:	2,842.27
Cash and bank balances	:	140.14
Loans and advances	:	901.80
Total assets	:	9,317.55
Liabilities		
Loan funds		
Secured loans	:	5,676.60
Current liabilities and provisions		
Current liabilities	:	1,808.58
Provisions	:	49.74
Total liabilities	:	7,534.92
Net assets	:	1,782.63

- c) SISPL has allotted 17,000,000 equity shares of the face value of Rs.10 at a premium of Rs. 70 each credited as fully paid-up to the Company. The resultant excess of consideration over the book values of SDD undertaking transferred, amounting to Rs. 11,817.37 lacs has been shown as “Profit on transfer of SDD Undertaking” in the Statement of Profit and Loss

for the period ended March 31, 2012 in the standalone financial statements of Simbhaoli Sugars Limited (the Holding Company).

- d) Subsequent to the scheme being sanctioned on September 17, 2012, the Company was in the process of taking approvals from the concerned authorities for transfer of various licenses in the name of SISPL. These licenses have been renewed in the name of SISPL w.e.f. April 1, 2013. In view of the same, the books of account of the Company for the year ended March 31, 2013 includes transactions of SISPL for the same period. Following exclusions in respect of the operations of the SISPL for the above mentioned period have been made for the purposes of these accounts, since the said business, during this period, was being run and managed in trust by the Company on behalf of SISPL.

Description	Year ended March 31, 2013	18 months ended March 31, 2012
Gross Sales	9,459.88	43,713.39
Less: Excise Duty	996.78	27,926.88
Net Sales	8,463.10	15,786.51
Other income	165.22	137.24
Manufacturing and other expenses	9168.45	14,806.96
Depreciation	424.38	457.82
Finance cost	545.56	975.03
Profit/(loss) before tax	(1,510.07)	(316.06)

- e) The Company has set-off deferred tax assets recognized in respect of brought forward business losses / unabsorbed depreciation aggregating Rs. 6,759.99 lacs against the Securities Premium Account amounting to Rs. 6,759.99 lacs appearing in the books of account as on October 1, 2010, the appointed date.
- f) Post hiving off, SISPL has chalked out its growth plans which include adding new products, increasing the capacities by adding the grain spirit plant and new bottling lines. At the same time, the Company has initiated discussions with strategic investors for disinvestment in SISPL as a part of its business restructuring exercise. Further, the use of said land was restricted for setting up an alcohol plant and workers quarters only. Hence, on recognizing these factors and on the specific request of SISPL, during the current year the Company has transferred the additional land admeasuring 56.67 acres contiguous to the alcohol undertaking of SISPL under a Deed of Transfer dated March 26, 2013 at a sales consideration of Rs. 11,800 lacs. The sales consideration for the aforesaid land has been determined on the basis of the report of an independent valuer after taking into account government notified rates/prevaling market rates, proximity of location to National Capital

Region (NCR) availability of infrastructure, potential and permitted use of land for alcohol business and the value of the earlier piece of land of 28.16 acres (refer (a) above) transferred under the Scheme. SISPL has allotted 1,47,50,000 fully paid equity shares of Rs 10 each, at a premium of Rs 70 per share, aggregating Rs 11,800 lacs towards discharge of the said consideration. Resultant excess of consideration over the cost of land transferred amounting to Rs. 11,676.86 lacs is recognized as exceptional item in the Statement of Profit and Loss for the year ended March 31,2013 in the standalone financial statements of the Simbhaoli Sugars Limited (the Holding Company).

However, in view of the consolidation procedures as enunciated in AS-21 “Consolidated Financial Statements”, there is no impact of above entries except note 21(e) in the consolidated financial statements of the Group.

Period from 1-10-2010 to 31-3-2012

NOTE 2

The Scheme of **Amalgamation** (SOA) under Section 391 to 394 of the Companies Act, 1956, has been sanctioned by the Hon’ble High Court of Allahabad vide its Order dated September 17, 2012. The SOA became effective on September 20, 2012, on filing of the certified copy of the Order of the High Court with the Registrar of Companies, Uttar Pradesh and Uttarakhand and consequent thereto:

- a) the undertaking of Simbhaoli Distillery Division (SDD) including all assets, liabilities, rights, obligations and brands has been transferred to and vested in Simbhaoli Spirits Limited (SISPL), a subsidiary company, as a going concern on a slump sale basis for a consideration of Rs. 13,600 lacs with effect from October 1, 2010, the appointed date. The net assets aggregating Rs.1,782 63 lacs transferred to and vested in SISPL and the resultant profit thereon Rs.11,817.37 lacs given effect to in the standalone financial statements of the Simbhaoli Sugars Limited (the Holding Company). SISPL would allot 17,000,000 equity shares of the face value of Rs.10/- at a premium of Rs. 70/- each credited as fully paid-up to the Company. However, in view of the consolidation procedures as enunciated in AS-21 “Consolidated Financial Statements”, there is no impact of these entries in the consolidated financial statements of the Group.
- b) Pursuant to the SOA, the Company has set-off deferred tax assets recognized in respect of brought forward business losses / unabsorbed depreciation aggregating Rs. 6,759.99 lacs against the Securities Premium Account amounting to Rs. 6,759.99 lacs appearing in the books of account as on October 1, 2010, the appointed date.
- c) The profit and loss account of the Group for the 18 months period ended March 31, 2012 includes transactions of SDD for the period from October 1, 2010 to April 4, 2011 i.e. the date of incorporation of SISPL, since the said business, during this period, was being run and managed in trust by the Company on behalf of SISPL is indicated below:

		(Rs. Lacs)
Gross Sales		16,918.80
Less: Excise Duty		11,271.72
Net Sales		5,647.08
Other income		26.53

Manufacturing and other	5,237.91
Depreciation	151.86
Interest expense	330.21
Profit/(loss) before tax	(46.37)

NOTE 14

As at March 31, 2012 outstanding export obligation of the Company against advance license scheme (ALS) is 2,891 metric tonnes (previous year 40,800 metric tonnes). The management is confident that the export obligation shall be fully met and no loss is foreseen in complying with such obligation.

NOTE 15

A vessel carrying 22,500 MT of raw sugar purchased by the Company sank in July 2009 for which an insurance claim for Rs. 4,780 lacs was filed with the insurance Company. Following the repudiation of insurance claim by Cargo insurers, in an arbitrary manner, the Company has initiated legal proceedings against the insurer in India and vessel owner in London. Subsequent to the period end, the Company, in the London proceedings, has accepted and received a compensation of USD 98 lacs (Rs.5,515 lacs) towards the cost of raw sugar, interest loss and legal costs. The Company is continuing to pursue the ongoing legal proceedings against the cargo insurer for balance Rs. 769 lacs. Based on expert advice, management is confident that the proceedings against insurer would be settled in favour of the Company and no loss would arise in this regard.

NOTE 16

The Company's net worth has been substantially eroded and the Company has made cash losses during the eighteen months period ended March 31, 2012. During the last two years the Indian sugar industry had faced difficulties on account of lower realization of sugar and higher sugar cane prices particularly in respect of sugar mills located in Uttar Pradesh. During the current season also, the country had the large surplus of sugar resulting in lower sugar realization, under recovery of cost of production and higher finance cost leading to operating/ cash loss and consequent substantial erosion of the Company's net worth. The Company has initiated a number of measures which includes business and financial restructuring comprising of transfer of potable alcohol and power undertakings of the Company to separate SPVs, disinvestments of the shares in such SPVs, fresh capital infusion and Company's foray into sugar refining business in joint venture with a global major etc. to de-risk its businesses and improving its financial position. The transfer of potable alcohol undertaking and formation of joint venture for sugar refining business has been completed. The State and Central Governments have initiated various steps to strengthen the sugar industry like opening sugar exports under OGL and working towards decontrol of the sector. The Management of the Company is confident about the successful completion of its aforesaid business and financial restructuring initiatives, the outcome of the steps being initiated by the State and Central Governments for the sugar industry and the Company's ability to generate sufficient cash flows to meet its future obligations. Accordingly, these financial statements have been prepared by the Company on a going concern basis.

NOTE 17

Relying upon the future projections prepared based upon the restructuring plans under implementation and taken on record by the Board of Directors, deferred tax assets (net) of the

Company amounting to Rs. 4,747.83 lacs as at March 31, 2012 relating to unabsorbed depreciation and carry forward business losses has been recognized as, the Management of the Company believes that there is a virtual certainty that sufficient future taxable income will be available against which such assets would be realized.

Period from 1-10-2009 to 30-9-2010

Note 12

In the previous year, pursuant to the Notification dated March 31, 2009 issued by The Ministry of Corporate Affairs, amending Accounting Standard (AS) 11 – ‘Effects of Changes in Foreign Exchange Rates’, the Company had chosen to exercise the option under paragraph 46 inserted in the standard by the notification. Accordingly with retrospective effect from 1st October 2007 onwards exchange differences on all long term monetary items to the extent such items were used for financing fixed assets were added to/subtracted from the cost of those fixed assets and depreciated over the balance useful life of the assets. During the year, the Company has deducted from fixed assets Rs. 501.28 lacs (previous year added Rs. 466.27 lacs) being the exchange differences on long term monetary items relatable to the acquisition of fixed assets. As a result of such change, net loss before tax and after tax is higher by Rs. 501.28 lacs and Rs. 334.77 lacs respectively (previous year profit before tax and after tax lower by 129.63 lacs).

Note 13

On the basis of future projections taken on record by the Board of Directors of the Company after considering the recent improvements in sugar prices and margins, the sugar inventory available with the Company for disposal, changing government policies, as well as the additional capacities set up in the previous years for production of sugar, power and ethanol resulting in de-risking of the business operations and given the cyclicity of sugar industry and other steps being taken, the management is confident that there is a virtual certainty that sufficient future taxable income will be available against which deferred tax asset (net) of Rs. 7,040.49 lacs will be realized in the future.

Note 14

On July 23, 2009 a vessel carrying 22,500 MT of raw sugar purchased by the Company sank near South Africa in relation to which an insurance claim for Rs. 4,780.00 lacs has been filed with the insurance Company. The Company has also simultaneously obtained undertaking from the London Steamship Owners’ Mutual Insurance Association Limited, London, the P&I club of vessel owner to compensate the loss suffered by the Company to the extent of USD 14.5 million, in case arbitration proceedings will be decided in favour of the Company. The arbitration proceedings have been progressing as per schedule

The Insurance Company vide letter dated July 30, 2010 has repudiated the aforesaid insurance claim. The Company has initiated legal proceedings against this decision. The management, based on the facts of the case and opinion received from the legal experts, is confident that the insurance claim would be settled in favour of the Company and no loss would arise on settlement thereof.

Note 15

The Company has accounted for cane purchases for sugar season 2007-08 at Rs. 110 per quintal, the rate at which it has made payment to the cane growers as per the interim order of the Hon’ble

Supreme Court, against the State Advised Price of Rs. 125 per quintal fixed by the Uttar Pradesh State Government. Necessary adjustments will be made in accordance with subsequent orders of the Hon'ble court in the matter.

Note 17

During the earlier years, the Company, without payment of customs duty, had purchased imported raw sugar aggregating 1,32,013 metric tonnes for Rs 15,225.71 lacs for conversion into white sugar. In terms of the advance license(s) granted for this purpose by the office of Director General of Foreign Trade and subsequent extensions therein, the Company is required to complete the export of white sugar aggregating 1,06,325 metric tonnes by March 31, 2011 and 19402 metric tones by February 17, 2012. As at September 30, 2010 outstanding export obligation is 40,800 metric tonnes. The management is confident that the export obligation shall be fully met and no loss is foreseen in complying with such obligation.

ANNEXURE - VI

Certain emphasis of matters and qualification in the independent Auditor's Report for the year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and September 30, 2010 are as follows:

FY 2014-15

Emphasis of Matters

1. Note 17 to the consolidated financial statements which indicates that the Holding Company has accumulated losses and its net worth has been fully eroded, the Holding Company has incurred a net cash loss during the current and previous year(s) and, the Holding Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in the said Note, indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, the financial statements of the Holding Company have been prepared on a going concern basis for the reasons stated in the said Note.
2. Note 17 (b) to the consolidated financial statements which sets out the position regarding sugarcane subsidy aggregating Rs. 4,738.67 lacs accounted by the Holding Company in these consolidated financial statements. As indicated in this note, necessary adjustments to subsidy so accounted for would be made on final determination.

Our opinion is not qualified in respect of these matters.

FY 2013-14

Emphasis of Matter

1. Note 18 to the financial statements regarding the Company continuing to incur cash losses, which has resulted in its net worth being fully eroded and its current liabilities being significantly higher than its current assets. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.
2. Note 16 to the financial statements which sets out the position regarding repudiation by the insurance company of the Company's insurance claim amounting to Rs. 769 lacs on account of

sinking of ship carrying raw sugar purchased by the Company in July 2009. Based on the expert advice, management is confident that the proceedings against the insurer would be settled in favour of the Company and no loss would arise in this regard.

Our opinion is not qualified in respect of these matters.

FY 2012-13

- 1 Note 19 of the consolidated financial statements regarding the Company net worth being substantially eroded and preparation of the financial statements of the Company on a going concern basis for the reasons stated therein.
- 2 Note 18 of the consolidated financial statements which set out the positions regarding repudiation by the insurance company of the balance amount of Rs. 769 lacs of the Company insurance claim relating to the sinking of a ship carrying raw sugar purchased by the Company in July 2009. Based on the expert advice, management is confident that the proceedings against the insurer would be settled in favour of the Company and no loss would arise in this regard.

Period from 1-10-2010 To 31-3-2012

- 1 Without qualifying our opinion, we draw attention to :
 - i) Note 15 of schedule 17 which sets out the position regarding repudiation by the insurance company of the Company insurance claim amounting to Rs. 769 lac on accounts of sinking of ship carrying raw sugar purchased by the Company. Pending completion of legal proceedings in the matter, the effect thereof in these accounts cannot be determined at this stage.
 - ii) Note 16 of schedule 17 regarding the Company's net worth being substantially eroded (fully eroded after giving effect to our qualification in paragraph 5 below) and the Company making cash losses during the eighteen months period ended march 31,2012. However, the financial statements of the Company have been prepared by the Management of the Company on a going concern basis for the reasons stated in the said Note. The ability of the Company to continue as a going concern is dependent upon the successful completion of its business and financial restructuring initiatives, the outcomes of the steps being initiated by the State and Central Governments for the sugar industry and the Company ability to generate sufficient cash flows to meet its future obligations.
- 2 Attention is invited to note 17 of schedule 17 wherein it is stated that deffered tax assest (net) amounting to Rs. 4747.83 lacs has been recognized on the basis of future projections prepared based upon the restructuring plains under implementation and taken on record by the Board of Directories and the Management of the Comapany that there is a virtual certainty that sufficient future taxable income will be available against which such assests would be realized. However in our opinion, recognition of deferred tax assests based on future projections is not in accordance with the principle for recognition of deferred tax assests relating to unabsorbed depreciation and carry forward business losses stated in Accounting standard 22 "Accounting for Taxes on Income", which requires virtual certainty supported by convincing evidence to be established for recognition of deferred tax assest on such items. Had such deferred tax assets not been recognized, the profit after tax would have been lower and the debit balance in the profit and loss

account would have been higher by Rs. 4747.83 lacs and the deferred tax assets would have been lower by a similar amount.

The matter referred to in paragraph 5 above, to the extent covered here above was also subject matter for qualification in our audit report on the financial statements for the year ended September 30, 2010.

Period from 1-10-2009 to 30-9-2010

- 1 Without qualifying our opinion, we draw attention to:
 - i) Note 14 of schedule 17 which sets out the position regarding repudiation by the insurance company of the Company's insurance claim amounting to Rs. 4780 lacs on account of sinking of ship carrying raw sugar purchased by the Company. Pending completion of legal proceedings in the matter, the effect thereof in these accounts cannot be determined at this stage.
 - ii) Note 15 of schedule 17 relating to accounting for cane purchase liability for the sugar season 2007-2008 at Rs. 110 per quintal instead of State Advised Price of Rs.125 per quintal fixed by the Uttar Pradesh State Government. Pending completion of legal proceedings in the matter, the effect thereof in these accounts cannot be determined at this stage.

- 2 As indicated in note 20 of schedule 17, the Company's management is confident that given the cyclicity of sugar industry, steps taken by the management and after considering the future projections taken on record by the Board of directors, sufficient future taxable income will be available against which deferred tax asset (net) of Rs. 7040.49 lacs will be realized in the future. Accordingly, the Company has recognized such deferred tax credit in these accounts. However in our opinion, recognition of such deferred tax credit is not in line with the virtual certainty requirement of Accounting standard 22 "Accounting for Taxes on Income". Had such deferred tax credit not been recognized, loss after tax and debit balances in profit and loss account would have been higher by Rs. 7040.49 lacs and deferred tax asset would have been lower by the same amount.

ANNEXURE - VII

Certain qualifications in the annexure to Auditor's Report (Companies (Auditor's Report) Order, 2003 as amended, as issued by the Central Government of India in term of sub section (4A) of section 227 of the Act) of the Financial Statement for the year ended March 31, 2015, are as follow:

FY 2014-15

- (i) The consolidated accumulated losses of the Group and its jointly controlled entity at the end of the financial year are not less than fifty percent of consolidated net worth and the Group and its jointly controlled entity have incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ii) In our opinion and the opinion of the other auditor and according to the *information and explanations given to us and the other auditor, Holding Company, one subsidiary company, viz., Simbhaoli Spirits Limited and a jointly controlled entity incorporated in India has delayed repayment of dues to banks and financial institutions in respect of term loans, working capital demand loans and interest liabilities.

The following are the details of the delays:

Lenders	Amount (including interest) (Rs. Lacs)	Period of delays
Banks and financial institutions	1,487.55	01-30 days
	943.04	31-60 days
	1,072.60	61-90 days
	701.10	Above 90 days
	34,591.86	Not yet paid

One of the Subsidiaries, viz. Simbhaoli Power Private Limited and a Joint venture entity incorporated in India has not defaulted in the repayment of dues to debenture holders. The Holding Company and three subsidiary companies, viz., Simbhaoli Spirits Limited, Simbhaoli Speciality Sugar Private Limited and Integrated Casetech Consultants Private Limited, have not issued any debentures.

Notes to the Financial Statements

Annexure VIII- Long Term Borrowings*

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Secured				
Term loans				
(a)From banks	8,165.30	7,337.83	12,449.98	17,300.94
(b)From others	970.67	2,090.27	3,306.61	4,901.59
Unsecured				
Term loans				
(a)From Directors	-	-	-	-
(b)From banks	6,242.90	-	-	-
(c)Compulsorily Convertible debentures	3,261.06	2,781.06	-	-
(d)0% Foreign Currency Convertible Bonds	-	-	-	-
Total	18,639.93	12,209.16	15,756.59	-
Share of Joint Venture	3,758.06	4,000.00	2,500.00	-
Total	22,397.99	16,209.16	18,256.59	22,202.53

Annexure IX-Short Term Borrowings *:

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Secured				
Loans repayable on demand from banks	41,062.66	47,758.41	47,733.37	47,840.26
Loans repayable on demand from others	-	-	1,630.35	-
Total	41,062.66	47,758.41	49,363.72	47,840.26
Unsecured				
Loans repayable on demand from banks				
(a)Book overdraft	146.44	2,610.81	997.18	76.46
(b)Other than book overdraft	47,171.02	47,673.66	-	-
From directors	676.57	1,200.61	1,835.61	25.00
From shareholders	67.77	-	-	-
From others	-	-	2,610.11	-
Total	48,061.80	51,485.08	5,442.90	101.46
Share of joint venture	2,181.08	176.03	63.86	-
Grand Total	91,305.54	99,419.52	54,870.48	47,941.72

Secured and unsecured loan as at September 30, 2010 as per the format of erstwhile Schedule VI of Companies Act, 1956:

Secured Loans*

All Amount in Rs Lacs	
PARTICULARS	As at September 2010
Banks	
Cash credit	33,433.29
Term loans	27,538.57
Others	
Term loans	8,639.44
	69,611.30

Unsecured Loans*

All Amount in Rs Lacs	
PARTICULARS	As at September 2010
From Directors	256.00
Other Loans and advances from	844.45
	1100.45

***Detail of year-wise Long term Borrowing and Short Term Borrowing are as under :**

FY 2014-15

(A) Secured Loan

a.	Short term borrowings – Loan repayable on demand from banks:	
1.	Cash Credit facilities* from Commercial Banks of each business division of Simbhaoli Sugars Limited (SSL) (other than co-operative banks referred to herein-below) are secured by way of first pari passu charge created by hypothecation of all current assets, both present and future, of the business division of the company. These facilities are collaterally secured by way of third pari passu charge on the entire fixed assets of the company.	
2.	Cash Credit facilities of Simbhaoli Spirits Limited (SISPL) are secured by way of exclusive first charge on the current assets, both present and future, of the SISPL. These facilities are additionally secured by way of second pari passu charge on the fixed assets of SISPL. They are also secured by Personal Guarantees of Mr. Gurmit Singh Mann and Mr. Gurpal Singh, Promoter Directors of SISPL.	
3.	Cash Credit facilities of Integrated Casetech Consultants (ICCPL) are secured against fixed deposits with bank.	
4.	Cash credit facilities from Co-operative Bank of each business division of SSL are secured by pledge of sugar stocks of the respective division of the company.	
5.	Loan repayable on demand of Uniworld Sugars Private Limited (USPL) is secured against fixed deposit held for collateral under Term Loan shown under Long Term Borrowings.	
b.	Long term borrowings from banks:	
	Nature of security	Terms of repayment
1.	Term loans from banks of Rs. 7,955.04 lacs* of SSL (previous year Rs. 11,385.84 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.	<ul style="list-style-type: none"> - Rs. 6,793.62 lacs repayable in FY 2015-16 - Rs. 1,161.42 lacs repayable in FY 2016-17
2.	Term loans from banks of Rs. 975.46 lacs* (previous year Rs. 1,538.66 lacs) of SISPL are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of SISPL.	<ul style="list-style-type: none"> - Rs. 975.46 lacs repayable in FY 2015-16

3.	<p>Term loan of Rs. 4,750.00 lacs* (previous year Rs. 5,000.00 lacs) of Uniworld Sugars Private Limited (USPL) are secured by way of</p> <ul style="list-style-type: none"> - First pari passu charge created on all movable and immovable properties, both present and future, of USPL. - An irrevocable and unconditional guarantee(s) from Mr. Gurmit Singh Mann and Mr. Gurpal Singh, the Indian Promoters of USPL. - Pledge of 100% shareholding held by Simbhaoli Sugars Limited in USPL on pari passu basis. - Pledge of 100% shareholding held by Integrated Casetech Consultants Private Limited in USPL on pari passu basis. - Fixed Deposit of Rs 1,000.00 lacs with IDBI Bank with IDBI's lien noted thereon on pari passu basis. 	<ul style="list-style-type: none"> - Rs. 1,000.00 lacs repayable in FY 2015-16 - Rs. 1,000.00 lacs repayable in FY 2016-17 - Rs. 1,000.00 lacs repayable in FY 2017-18 - Rs. 1,000.00 lacs repayable in FY 2018-19 - Rs. 750.00 lacs repayable in FY 2019-20
4.	<p>Term loan of Rs. 7,000.00 lacs (previous year Rs. 863 lacs) of Simbhaoli Power Private Limited (SPPL) from a Cooperative Bank is secured by way of :</p> <ul style="list-style-type: none"> - First charge on all the present and future fixed assets and current assets of SPPL. - Assignment of leasehold rights over land, taken on lease by the Company situated at Simbhaoli and Chilwaria, where its power plants are located, in favour of the bank. - Pledge of 100% shareholding held by SSL in the SPPL. - First Charge on receivables from UPPCL by way of escrow account Mechanism. - [Due within one year Rs. Nil (previous year Rs. Nil)] 	<ul style="list-style-type: none"> - Rs. 1,000 lacs repayable in FY 2016-17 - Rs. 1,000 lacs repayable in FY 2017-18 - Rs. 1,000 lacs repayable in FY 2018-19 - Rs. 1,000 lacs repayable in FY 2019-20 - Rs. 1,000 lacs repayable in FY 2020-21 - Rs. 1,000 lacs repayable in FY 2021-22 - Rs. 1,000 lacs repayable in FY 2022-23
	Nature of security	Terms of repayment
5.	<p>Car loan of Rs. 5.37 lacs (previous year Rs. 6.98 lacs) of SPPL from bank secured by way of hypothecation of the specific vehicle. [Due within one year Rs. 1.50 lacs (previous year Rs.1.28 lacs)]</p>	<ul style="list-style-type: none"> - Rs. 1.49 lacs repayable in FY 2015-16 - Rs. 1.67 lacs repayable in FY 2016-17 - Rs. 1.85 lacs repayable in FY 2017-18 - Rs. 0.36 lacs repayable in FY 2018-19
6.	<p>Car loan of Rs. 9.77 lacs (previous year Rs.Nil) of USPL from bank secured by way of hypothecation of the specific vehicle. [Due within one year Rs. 1.72 lacs (previous year Rs.Nil)]</p>	5 years with 60 monthly installments.

* Includes overdue as on March 31, 2015 as follows:

Particulars	As at March 31, 2015			As at March 31, 2014		
	Interest	Principal Repayment	Due for days	Interest	Principal Repayment	Due for days
Due on Cash Credit facilities from commercial	356.24	-	0-90	-	-	-

bank						
Due on term loans from banks	328.35	1950.24	0-90	432.37	461.50	0-90
	62.76	380.01	91-150	-	-	91-150
	52.21	533.75	Above 150	-	-	Above 150
Total	799.56	2864.00		432.37	461.50	

c.	Long term borrowings from others:	
1.	Term loans of Rs. 3,057.48 lacs # (previous year Rs. 3,557.80 lacs) from Sugar Development Fund (SDF) is secured by way of second exclusive charge created on all movable and immovable assets (save and except book debts), both present and future, including equitable mortgage on the land of the respective business division of SSL.	- Rs. 2,086.81 lacs repayable in FY 2015-16 - Rs. 583.01 lacs repayable in FY 2016-17 - Rs. 387.66 lacs repayable in FY 2017-18
2.	Term loans of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) from Sugar Technology Mission (STM) is secured by exclusive first charge to be created on sugarcane juice purification project at Simbhaoli Sugar Division by way of hypothecation in favour of Technology Information Forecasting and Assessment Council (TIFAC) of respective business division of SSL.	

Includes overdue as on March 31, 2015 as follows:

(Rs. lacs)

Particulars	As at March 31, 2015			As at March 31, 2014		
	Interest	Principal Repayment	Due for days	Interest	Principal Repayment	Due for days
Due on term loan from others	86.57	382.28	0-90	74.90	374.32	0-90
	74.09	372.07	91-150	-	-	91-150
	52.66	303.06	Above 151	-	-	Above 151
Total	213.32	1,057.41		74.90	374.32	

In addition to the above, the credit facilities with banks of SSL (i.e. Working Capital and Term Loans including WCTL) excluding SDF loans, Cash Credit from Co-operative banks and loan from STM are additionally secured by following securities:

- First pari passu charge on pledge of 22.50 lacs equity shares of the Company held by promoters.
- Pledge of 86.96 lacs equity shares of Simbhaoli Spirits Limited held by the Company.

All credit facilities of SSL other than SDF Loans, Sugar Technology Mission Loan and Vehicle Loans

are guaranteed by Mr. Gurmit Singh Mann, Chairman and Mr. Gурpal Singh, Managing Director of the Company.

(C) Unsecured loan

a.	Long term borrowings from banks:	
	Nature of security	Terms of repayment
1.	Term loan (unsecured) of Rs. 6,242.90 lacs (previous year Rs. Nil) is secured by way of mortgage of residential property of Promoter Directors. Personal guarantee of Mr. Gurmit Singh Mann, Chairman and Mr. Gурpal Singh, Managing Director of the Company.	<ul style="list-style-type: none"> - Rs. 2,080.97 lacs repayable in FY 2016-17 - Rs. 2,080.97 lacs repayable in FY 2017-18 - Rs. 2,080.96 lacs repayable in FY 2018-19

b. Short term borrowings from bank other than book overdraft includes overdue as follows:						
	As at March 31, 2015			As at March 31, 2014		
Particulars	Interest	Principal repayment	Due for days	Interest	Principal repayment	Due for days
Due from bank other than overdraft	2,922.49	16,628.11	0-365	-	11,615.67	0-365
	-	10,054.16	Above 365	-	-	Above 365
	2,922.49	26,682.27		-	11,615.67	

FY 13-14

SECURED LOANS

A.	Short term working capital borrowings from banks:
1.a	Cash Credit facilities of each business division of Simbhaoli Sugars Limited (SSL) (other than co-operative banks referred to herein-below) are secured by way of first pari passu charge on the current assets, both present and future, of the business division of the company. These facilities are collaterally secured by way of third pari passu charge on the entire fixed assets of the company.
1.b	Cash Credit facilities of Simbhaoli Spirits Limited (SISPL) are secured by way of exclusive first charge on the current assets, both present and future, of the SISPL. These facilities are additionally secured by way of second pari passu charge on the fixed assets of SISPL. They are also secured by Personal Guarantees of Mr. Gurmit Singh Mann and Mr. Gурpal Singh, Promoter Directors of SISPL.
1.c	Cash Credit facilities of Integrated Casetech Consultants (ICCPL) are secured against fixed deposits with bank.
2.a	Cash credit facilities from Co-operative Bank of each business division of SSL are secured by pledge of sugar stocks of the respective division of the company.

2.b	Loan repayable on demand of Uniworld Sugars Private Limited (USPL) is secured against fixed deposit held for collateral under Term Loan shown under Long Term Borrowings.	
B.	Long term loans from banks:	
	Nature of security	Terms of repayment
1.a	Term loans from banks of Rs. 11,385.84 lacs* of SSL (previous year Rs. 14,707.05 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.	<ul style="list-style-type: none"> - Rs. 5,652.66 lacs repayable in FY 2014-15 - Rs. 4,455.75 lacs repayable in FY 2015-16 - Rs. 1,277.43 lacs repayable in FY 2016-17
1.b	Term Loan of Rs. Nil (previous year Rs. 2.29 lacs) is secured by way of hypothecation of specific vehicles acquired under the scheme.	
1.c	Term loans from banks of Rs. 1,538.66 lacs* (previous year Rs. 2181.07 lacs) of SISPL are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of SISPL.	<ul style="list-style-type: none"> - Rs. 802.71 lacs repayable in FY 2014-15 - Rs. 735.95 lacs repayable in FY 2015-16
2.	<p>Term loan of Rs. 5,000.00 lacs* (previous year Rs. 2,750.00 lacs) of Uniworld Sugars Private Limited (USPL) are secured by way of</p> <ul style="list-style-type: none"> - First pari passu charge created on all movable and immovable properties, both present and future, of USPL. - An irrevocable and unconditional guarantee(s) from Mr. Gurmit Singh Mann and Mr. Gural Singh, the Indian Promoters of USPL. - Pledge of 100% shareholding held by Simbhaoli Sugars Limited in the Company on pari passu basis. - Pledge of 100% shareholding held by Integrated Casotech Consultants Private Limited in the Company on pari passu basis. - Fixed Deposit of Rs 1,000.00 lacs with IDBI Bank with IDBI's lien noted thereon on pari passu basis. 	<ul style="list-style-type: none"> - Rs. 1,000.00 lacs repayable in FY 2014-15 - Rs. 1,000.00 lacs repayable in FY 2015-16 - Rs. 1,000.00 lacs repayable in FY 2016-17 - Rs. 1,000.00 lacs repayable in FY 2017-18 - Rs. 1,000.00 lacs repayable in FY 2018-19
3.	<p>Term loan of Rs. 863.00 lacs (previous year Rs. Nil) of Simbhaoli Power Private Limited (SPPL) from a Cooperative Bank is secured by way of :</p> <ul style="list-style-type: none"> - First charge on all the present and future fixed assets and current assets of SPPL. - Assignment of leasehold rights over land, taken on lease by the Company situated at Simbhaoli and Chilwaria, where its power plants are located, in favour of the bank. - Pledge of 100% shareholding held by SSL in the SPPL. - First Charge on receivables from UPPCL by way of escrow account Mechanism. - [Due within one year Rs. Nil (previous year Rs. Nil)] 	<ul style="list-style-type: none"> - Rs. 123.28 lacs repayable in FY 2016-17 - Rs. 123.28 lacs repayable in FY 2017-18 - Rs. 123.28 lacs repayable in FY 2018-19 - Rs. 123.28 lacs repayable in FY 2019-20 - Rs. 123.28 lacs repayable in FY 2020-21 - Rs. 123.28 lacs repayable in FY 2021-22 - Rs. 123.32 lacs repayable in FY 2022-23
4.	Car loan of Rs. 6.98 lacs (previous year Rs. Nil) of SPPL from bank secured by way of hypothecation of the specific vehicle. [Due within one year Rs. 1.28 lacs (previous year Rs. Nil)]	5 years with 60 monthly installments

* Includes overdue as on March 31, 2014 as follows :

(Rs. lacs)

Particulars	As at March 31, 2014			As at March 31, 2013		
	Principal Repayment	Interest	Due for the month	Principal Repayment	Interest	Due for the month
Due on term loans from banks	12.05	13.66	January-14			-
	116.98	83.08	February-14			-
	332.47	335.63	March-14			
Total	461.50	432.37		-	-	

C.	Long term loans from others	
1.	Term loans of Rs. 3,557.80 lacs # (previous year Rs. 4,821.62 lacs) from Sugar Development Fund (SDF) is secured by way of second exclusive charge created on all movable and immovable assets (save and except book debts), both present and future, including equitable mortgage on the land of the respective business division of the Company.	<ul style="list-style-type: none"> - Rs. 1,567.53 lacs repayable in FY 2014-15 - Rs. 1,019.60 lacs repayable in FY 2015-16 - Rs. 583.01 lacs repayable in FY 2016-17 - Rs. 387.66 lacs repayable in FY 2017-18
2.	Term loans of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) from Sugar Technology Mission (STM) is secured by exclusive first charge to be created on sugarcane juice purification project at Simbhaoli Sugar Division by way of hypothecation in favour of Technology Information Forecasting and Assessment Council (TIFAC).	
D.	Short term loans from others	
1.	External Commercial Borrowings of Rs. Nil (previous year Rs. 1,630.35 lacs) of SPPL from Sindicatum Captive Energy Singapore PTE Limited (SCES) was secured by way of a first pari-passu charge on bank account No.00071131004403 opened with Oriental Bank of Commerce.	

Includes overdue as on March 31, 2014 as follows:

(Rs. lacs)

Particulars	As at March 31, 2014			As at March 31, 2013		
	Principal Repayment	Interest	Due for the month	Principal Repayment	Interest	Due for the month
Due on term loan from others	37.50	2.42	February-14	-	-	-
	336.82	72.48	March-14	-	-	-
Total	374.32	74.90		-	-	-

In addition to the above, the credit facilities with banks of SSL (i.e. Working Capital and Term Loans including WCTL) excluding SDF loans, Cash Credit from Co-operative banks and loan from STM are additionally secured by following securities:

- c. First pari passu charge on pledge of 22.50 lacs equity shares of the Company held by promoters.
- d. Pledge of 86.96 lacs equity shares of Simbhaoli Spirits Limited held by the Company.

All credit facilities of SSL other than SDF Loans, Sugar Technology Mission Loan and Vehicle Loans are guaranteed by Mr. Gurmit Singh Mann, Chairman and Mr. Gural Singh, Managing Director of the Company.

FY 12-13

A. Short term working capital borrowings from banks:		
1.a.	Cash Credit facilities of each business division of Simbhaoli Sugars Limited (SSL) (other than co-operative banks referred to in 2 below) are secured by way of first pari passu charge created by hypothecation of all current assets, both present and future, of the concerned business division of the Company. These facilities are collaterally secured by way of third pari passu charge on the entire fixed assets of the Company.	
1.b	Cash Credit facilities for Simbhaoli Spirits Limited (SISPL) are secured by way of exclusive first charge on the current assets, both present and future, of the SISPL. These facilities are collaterally secured by way of second pari passu charge on the fixed assets of SISPL. They are also secured by personal guarantees of Mr. Gurmit Singh Mann and Mr. Gural Singh, Promoter Directors of the Company.	
2.	Cash credit facilities from co-operative banks of each business division of the Company is secured by pledge of sugar stocks of the respective business division of the Company.	
B. Long term loans from banks:		
	Nature of security	Terms of repayment
1.a	Term loans from banks of Rs. 9,707.05 lacs (previous period Rs. 10,947.10 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.	<ul style="list-style-type: none"> - Rs. 3481.46 lacs repayable in FY 2013-14 - Rs. 4033.46 lacs repayable in FY 2014-15 - Rs. 2192.13 lacs repayable in FY 2015-16
1.b	Term loans from banks of Rs. 2,181.07 lacs (previous period Rs. 2,547.06 lacs) of SISPL are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the SISPL.	<ul style="list-style-type: none"> - Rs. 715.72 lacs repayable in FY 2013-14 - Rs. 725.98 lacs repayable in FY 2014-15 - Rs. 739.37 lacs repayable in FY 2015-16
1.c	<ul style="list-style-type: none"> - Term Loan of Rs. 2,750 lacs (previous period nil) of Uniworld Sugars Private Limited (USPL) are secured by way of : - First pari passu charge created on all movable and immovable properties, both present and future, of USPL. - An irrevocable and unconditional guarantee(s) from Mr. Gurmit Singh Mann and Mr. Gural Singh, the Indian Promoters of USPL. - Pledge of 100% shareholding held by Simbhaoli Sugars Limited in USPL on pari passu basis. - Fixed Deposit of Rs 100,000,000 with IDBI Bank with IDBI's lien noted 	<ul style="list-style-type: none"> - Rs. 250 lacs repayable in FY 2013-14 - Rs. 1000 lacs repayable in FY 2014-15 - Rs. 1000 lacs repayable in FY 2015-16 - Rs. 500 lacs repayable in FY 2016-17

	thereon on pari passu basis	
2.	Term loans (ECB) of Rs.Nil (previous period Rs. 3,532.03 lacs) from a bank are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company. This loan was further secured by way of collateral security on the personal assets of the promoters of the Company and pledge of fixed deposit of Rs. Nil (previous period Rs.2,604.58 lacs) of the Company.	-
3.	Working Capital Term loans (WCTL) of Rs. 5,000 lacs (previous period Rs. 5,000 lacs) from banks are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.	- Rs. 240.95 lacs repayable in FY 2013-14 - Rs. 1,223.05 lacs repayable in FY 2014-15 - Rs. 2,240.75 lacs repayable in FY 2015-16 - Rs. 1,295.25 lacs repayable in FY 2016-17
4.	Term Loan of Rs. 2.29 lacs (previous period Rs. 9.13 lacs) are secured by way of hypothecation of specific vehicles acquired under the scheme.	- Rs. 2.29 lacs repayable in FY 2013-14
C.	Long term loans from others	
1.	Term loans of Rs. 4,821.62 lacs (previous period Rs. 6,226 lacs) from Sugar Development Fund (SDF) is secured by way of second exclusive charge created on all movable and immovable assets (save and except book debts), both present and future, including equitable mortgage on the land of the respective business division of the Company.	- Rs. 1615.01 lacs repayable in FY 2013-14 - Rs. 1193.21 lacs repayable in FY 2014-15 - Rs. 1019.60 lacs repayable in FY 2015-16 - Rs. 583.01 lacs repayable in FY 2016-17 - Rs. 410.78 lacs repayable in FY 2017-18
2.	Term loans of Rs. 100.00 lacs (previous period Rs. 100.00 lacs) from Sugar Technology Mission (STM) is secured by exclusive first charge to be created on sugarcane juice purification project at Simbhaoli Sugar Division by way of hypothecation in favour of Technology Information Forecasting and Assessment Council (TIFAC).	
D.	Short term loans from others	
1.	External Commercial borrowings of Rs. 1,630.35 lacs (previous period Rs. Nil) from Sindicatum Captive Energy Singapore Pte Ltd. is secured by way of first pari passu charge on bank account No. 00071131004403 opened with Oriental Bank of Commerce.	- Repayable in one installment on or before March 6, 2016 or can be converted into shares or compulsory convertible debentures of Simbhaoli Power Private Limited.

SECURED LOANS

In addition to the above, the credit facilities with banks of SSL (i.e. Working Capital and Term Loans including WCTL) excluding SDF loans, Cash Credit from UPCB, Car Loans and loan from STM are additionally secured by following securities:

- e. First pari passu charge on pledge of 22.50 lacs equity shares of the company held by promoters.

f. Pledge of 86,95,500 equity shares of Simbhaoli Spirits Limited held by the company.

All credit facilities of SSL other than SDF Loan, Sugar Technology Mission Loan and Vehicle Loans are guaranteed by Chairman & Managing Director and Dy. Managing Director of the Company.

Period from 1-10-10 to 31-3-2012

- 1 (i) Cash credit facilities from banks of each business division (other than co-operative banks referred to in 1(ii) below) and Simbhaoli Spirits Limited (SISPL) are secured by way of first pari passu charge created by hypothecation of all current assets, both present and future, of the concerned business division of the Company and SISPL respectively. These facilities are further secured by way of third pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company and SISPL.
- (ii) Cash credit facilities from co-operative banks of each business division is secured by pledge of sugar stocks of the respective business division of the Company.
- 2 (i) Term loans of Rs. 10,314.31 lacs (previous year Rs. 17,608.89 lacs) from banks are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.
- (ii) Term loans of Rs. 2,547.06 lacs (previous year Rs. Nil) from banks are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of SISPL.
- 3 Term loans of Rs. 5,632.80 lacs (previous year Rs. 1,250.00 lacs) from banks are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company. These loans are further secured by pledge of 22.50 lacs equity shares of the Company, owned by key promoters.
- 4 Term loans of Rs. Nil (previous year Rs. 2,213.80 lacs) from banks are secured by way of residual pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.
- 5 Term loans of Rs. 3,532.03 lacs (previous year Rs. 6,435.87 lacs) from a bank are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company. This loan is further secured by way of collateral security on the personal assets of the promoters of the Company and pledge of fixed deposit of Rs. 2,660.91 lacs (previous year Rs.2,604.58 lacs) of the Company.
- 6 Term loans of Rs. 6,226.94 lacs (previous year Rs. 8,539.44 lacs) from Sugar Development Fund (SDF) is secured by way of second exclusive charge created on all movable and immovable assets (save and except book debts), both present and future, including equitable mortgage on the land of the respective business division of the Company.
- 7 Term loans of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) from Sugar Technology Mission (STM) is secured by exclusive first charge to be created on sugarcane juice purification project at Simbhaoli Sugar Division by way of hypothecation in favour of Technology Information Forecasting and Assessment Council (TIFAC).
- 8 Term loans of Rs. 9.13 lacs (previous year Rs. 30.01 lacs) from banks are secured by way of hypothecation of specific vehicles acquired under the scheme.
- 9 Term loans repayable within a year Rs. 4,817.74 lacs (previous year Rs. 6,735.32 lacs) by the Company and Rs. 670.96 lacs (previous year Rs. Nil) by SISPL.

All the credit facilities other than SDF loan of Rs. 6,226.94 lacs (previous year Rs. 8,539.44 lacs), Sugar technology mission loan of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) and vehicle loan of Rs. 9.13 lacs (previous year Rs. 30.01 lacs) are guaranteed by Chairman & Managing Director and Deputy Managing Director of the Company.

All existing charges on the assets transferred to Simbhaoli Spirits Limited pursuant to the Scheme of **Amalgamation** (as explained in note 2 of schedule 17) held by the lenders of the Company shall be vacated. The necessary modifications of the charges of the Company and creations of charges in the name of SISPL are pending execution.

Period from 1-10-2009 to 30-9-2010

- 1 (i) Cash credit facilities from banks of each business division (other than co-operative banks referred to in 1(ii) below) are secured by way of first pari passu charge created by hypothecation of all current assets, both present and future, of the concerned business division of the Company. These facilities are further secured by way of third pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.
- (ii) Cash credit facilities from co-operative banks of each business division is secured by pledge of sugar stocks of the respective business division of the Company.
- 2 Term loans of Rs. 17,608.89 lacs (previous year Rs. 21,623.23 lacs) from banks and term loans of Rs. Nil (previous year Rs. 471.39 lacs) from others are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.
- 3 Term loans of Rs. 1,250.00 lacs (previous year Rs. 592.76 lacs) from banks are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company. These loans are further secured by pledge of 22.50 lacs equity shares of the Company, owned by key promoters.
- 4 Term loans of Rs. 2,213.80 lacs (previous year Rs. 3,073.06 lacs) from banks are secured by way of residual pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.
- 5 Term loans of Rs. 6,435.87 lacs (previous year Rs. 6,325.00 lacs) from a bank are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company. This loan is further secured by way of collateral security on the personal assets of the promoters of the Company.
- 6 Term loans of Rs. 8,539.44 lacs (previous year Rs. 5,022.98 lacs) from Sugar Development Fund (SDF) is secured by way of second exclusive charge created on all movable and immovable assets (save and except book debts), both present and future, including equitable mortgage on the land of the respective business division of the Company.
- 7 Term loans of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) from Sugar Technology Mission (STM) is secured by exclusive first charge to be created on sugarcane juice purification project at Simbhaoli Sugar Division by way of hypothecation in favour of Technology Information Forecasting and Assessment Council (TIFAC).
- 8 Term loans of Rs. 30.01 lacs (previous year Rs. 27.49 lacs) from banks and term loan of Rs. Nil (previous year Rs. 3.84 lacs) from others are secured by way of hypothecation of specific vehicles acquired under the scheme.
- 9 Term loans repayable within a year Rs. 6,735.32 lacs (previous year Rs. 4,228.00 lacs).

All the credit facilities other than SDF loan of Rs. 8,539.44 lacs (previous year Rs. 5,022.98 lacs), Sugar technology mission loan of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) and vehicle loan of Rs. 30.01 lacs (previous year Rs. 31.33 lacs) are guaranteed by Chairman & Managing Director and Deputy Managing Director of the Company.

Annexure X-Non- Current Investment:

All Amount in Rs. Lacs					
PARTICULARS	As on	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	30.09.2010
Trade Investment					
Unquoted					
One share of Rs. 20 fully paid up in Simbhaoli Co-operative Cane Development Union Limited (Rs. 20)	*	*	*	*	*
Government securities					
6-Years Post Office National Savings Certificate	2.11	1.61	1.61	0.05	0.05
Others					
Casetech employee share plan trust	0.15	0.15	0.15	0.15	
Share of Joint venture	0	0	0	1400.00	0
Aggregate book value	2.26	1.76	1.76	1400.20	0.05

Annexure XI Long term Loans and Advances

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
(Unsecured considered good unless otherwise stated)				
Capital advances	714.88	403.02	-	-
Security deposit	82.83	111.98	137.38	22.83
Others loans and advances	287.06	274.15	287.38	263.68
Tax Payments (Net)	1,436.93	1,128.31	-	-
Share of joint venture	59.58	70.89	423.47	0.17
Total	2,581.28	1,988.35	848.23	286.68

Annexure XII- Trade Receivables

All Amount in Rs. Lacs					
PARTICULARS	As on	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	30.09.2010
Outstanding for a period exceeding six months					

from due date for payment					
Unsecured					
(a)considered good	1,275.01	1,301.66	1,337.92	1,140.70	706.83
(b)Considered doubtful	429.78	196.68	104.01	52.89	293.53
Less: Provision for doubtful receivables	429.78	196.68	104.01	52.89	293.53
Other debts					
Unsecured					
(a)considered good	6,688.95	6,044.94	7,607.53	8,389.31	6566.90
Total	7,963.96	7,346.60	8,945.45	9,530.01	7273.73

Annexure XIII- Short term Loans and Advances (Considered good unless otherwise stated)

PARTICULARS	All Amounts in Rs. Lacs			
	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Advances recoverable in cash or in kind or for value to be received				
(a)Considered good	3,144.83	2123.14	1,992.73	4,930.10
(b)Considered doubtful	388.22	248.45	188.36	24.72
	3533.05	2371.59	2,181.09	4,954.82
Less: Provision for doubtful advances	388.22	248.45	188.36	24.72
	3144.83	2123.14	1,992.73	4,930.10
Loans and advances to employees	87.15	80.82	49.37	29.76
Security deposits				
(a)considered good	201.02	292.17	263.09	158.91
(b)Considered bad	81.36	7.36	7.36	-
Security deposits	282.38	299.53	270.45	158.91
Less : Provision for doubtful security	81.36	7.36	7.36	-
	201.02	292.17	263.09	158.91
Balances with customs, excise etc.	1662.94	1760.25	1,738.02	1,949.82
Tax Payments			929.50	520.62
Share of joint venture	637.41	838.48	533.29	37.58
Total	5733.35	5094.86	5,506.00	7,626.79

Loans and advances as at September 30, 2010 as per the format of erstwhile Schedule VI of Companies Act, 1956:

Loans and advances

All Amount in Rs Lacs	
PARTICULARS	As at September 2010
Considered good	11811.44
Considered doubtful	12.05
Less: Provision for doubtful advances	12.05
Balances with excise authorities on current accounts	2228.66
Advance payment of income-tax	1813.13
MAT credit entitlement	378.25
	16,231.48

Annexure XIV- Other Income

All Amount in Rs. Lacs				
PARTICULARS	For period ended	For period ended	For period ended	For period ended
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Interest on:				
(a)Bank deposits	149.10	312.18	415.83	561.09
(b)Income Tax refund	4.91	-	-	91.11
(c)Others	45.60	-	-	77.50
Transfer from 'Capital grant-in-aid				
Rent	8.49	5.32	8.59	7.05
Profit on sale of fixed assets	0.23	-	103.74	69.08
Profit on sale of non trade current investments	-	-	-	0.36
Liability/provisions no longer required written back	161.96	-	-	152.37
Foreign exchange fluctuation	-	17.98	108.96	-
Gain on buy back of FCCB				
Export incentives				
Miscellaneous	252.36	142.37	162.18	1,394.34
Share of Joint Venture	91.86	7.00	75.61	-
Total	714.51	484.85	874.91	2,352.90

Other income for the year ended September 30, 2010 as per the format of erstwhile Schedule VI of Companies Act, 1956:

PARTICULARS	For period ended
	30.09.2010
Interest on bank deposits	485.34
Transfer from 'Capital grant-in-aid	1.33
Rent	4.34
Profit on sale of fixed assets	3.64
Liability/provisions no longer required written back	152.37
Foreign exchange fluctuation	2210.17
Gain on buy back of FCCB	138.51
Export incentives	287.50
Miscellaneous	3105.58
Total	6388.78

Annexure XV- Contingent Liabilities

(Rs.Lac)

Description	FY 2014-15	FY 2013-14	FY 2012-13	Period 1-10-10 to 31-03-12	Period 1-10-09 to 30-9-10
Sales Tax/Trade Tax Act	9.77	14.40	65.19	12.60	12.60
Sales Excise Act	-	17.34	17.34	17.34	17.34
Central Excise Act	423.86	437.10	520.17	515.53	239.96
Income Tax		-	-	316.73	316.73
Finance Act,1994	83.06	83.06	-	-	-
Others	478.17	525.61	496.05	446.00	120.67
Total	994.86	1077.51	1098.75	1308.20	707.30

Annexure XVI- Related Party Transaction

1. Related Party disclosure under Accounting Standard 18

A. Name of related party and nature of related party relationship.

Key Management Personnel: Mr.G.M.S.Mann, Mr.Gurpal Singh, Dr.G.S.C.Rao (ceased to be key management personnel w.e.f. September 11, 2013), Mr. Sanjay Tapiya, Ms. Gursimran Kaur Mann and Mr. S.N. Misra (w.e.f. October 8, 2013).

Relatives of Key management personnel:

Mrs. G.R.Lakshmi (wife of Dr.G.S.C.Rao, ceased to be key management personnel w.e.f. September 11, 2013), Mrs. Mamta Tapriya (wife of Mr. Sanjay Tapriya), Mr. B.D.Tapriya (father of Mr. Sanjay Tapriya), Mr. Govind Singh Sandhu (brother of Mr. Gurpal Singh) and Mr. Angad Singh (son of Mr. Gurpal Singh).

Enterprise over which key management personnel exercise significant influence:

- Dholadhar Investments Private Limited (enterprise over which Mr. G.M.S. Mann and Ms. Gursimran Kaur Mann exercise significant influence).
- Pritam Singh Sandhu Associates Private Limited (enterprise over which Mr. Gurpal Singh exercises significant influence).

Joint Venture Entity: Uniworld Sugars Private Limited (USPL)

Co-venturer: ED & F Man Holdings BV (ED& F Man) and

Sindicatum Captive Energy Singapore Pte Limited (SCES), Co-venturer in a subsidiary.

B. Transactions with the Related Parties

FY 2014-15

B) Transactions with the above parties:

Description	Joint venture/Co-venturer		Key management personnel		Relatives of key management personnel		Enterprise over which key management personnel exercise significant influence	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Rent expense	-	-	-	-	46.28	41.65	-	-
Mrs. G.R. Lakshmi	-	-	-	-	-	6.18	-	-
Mrs. Mamta Tapriya	-	-	-	-	5.45	9.41	-	-
Mr. Govind Singh Sandhu	-	-	-	-	32.57	26.06	-	-
Mrs. Usha Misra	-	-	-	-	8.26	-	-	-
Rent Income	1.80	-	-	-	-	-	-	-
USPL	1.80	-	-	-	-	-	-	-
Salary/stipend	-	-	-	-	-	6.96	-	-
Mr. Angad Singh	-	-	-	-	-	6.96	-	-
Allotment of Equity Shares	320.00	1,314.04	-	-	-	-	-	-

SCES	320.00	1,314.04	-	-	-	-	-	-
Allotment of Debentures	480.00	2,781.06	-	-	-	-	-	-
SCES	480.00	2,781.06	-	-	-	-	-	-
Managerial Remuneration	-	-	196.58	203.14	-	-	-	-
Mr. G.M.S. Mann	-	-	48.00	49.35	-	-	-	-
Mr. Gurpal Singh	-	-	48.00	51.13	-	-	-	-
Dr. G.S.C.Rao	-	-	-	22.65	-	-	-	-
Mr. Sanjay Tapriya	-	-	34.44	43.60	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	24.09	23.66	-	-	-	-
Mr. S.N.Misra	-	-	42.05	12.75	-	-	-	-
Loan taken	-	-	106.30	-	-	-	65.00	-
Mr. G.M.S. Mann	-	-	106.30	-	-	-	-	-
Dholadhar Investments Private Limited	-	-	-	-	-	-	65.00	-
Loans repaid	-	-	632.00	635.00	-	-	-	-
Mr. G.M.S. Mann	-	-	632.00	635.00	-	-	-	-
Loans given	-	73.50	-	-	-	-	-	-
USPL	-	73.50	-	-	-	-	-	-
Interest paid	497.93	275.32	1.84	-	-	-	3.28	-
Mr. G.M.S. Mann	-	-	1.84	-	-	-	-	-
Dholadhar Investments Private Limited	-	-	-	-	-	-	3.28	-
SCES	497.93	275.32	-	-	-	-	-	-
Expenses recovered	8.01	19.41	-	-	-	-	-	-
USPL	-	-	-	-	-	-	-	-

	8.01	19.41	-	-	-	-	-	-
ED & F Man	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	0.80	-	-	-	-
Dr. G.S.C.Rao	-	-	-	0.40	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	0.40	-	-	-	-
Advances given	25.67	380.49	-	-	-	-	-	-
ED & F Man	25.67	380.49	-	-	-	-	-	-
Purchase of goods/ finished goods	14,484.77	658.61	-	-	-	-	-	-
ED & F Man	911.94	658.61	-	-	-	-	-	-
ED & F Man Commodities	13,572.83	-	-	-	-	-	-	-
Payment/advance received	54.95	175.68	-	-	-	-	-	-
USPL	54.95	101.64	-	-	-	-	-	-
ED & F Man	-	74.04	-	-	-	-	-	-
Management fees charged	214.20	50.00	-	-	-	-	-	-
USPL	214.20	50.00	-	-	-	-	-	-
Purchase of stores/ assets	-	1.76	-	-	-	-	-	-
USPL	-	1.76	-	-	-	-	-	-
Income from sale of service	-	76.88	-	-	-	-	-	-
USPL	-	76.88	-	-	-	-	-	-
Sale of stores/ assets	-	0.15	-	-	-	-	-	-
USPL	-	0.15	-	-	-	-	-	-
Management fees paid	401.62	244.98	-	-	-	-	-	-
SCES	125.06	244.98	-	-	-	-	-	-

ED& F Man Sugar Ltd.	62.36	-	-	-	-	-	-	-
USPL	214.20	-	-	-	-	-	-	-
Balance outstanding at the year end								
Trade payables	268.98	226.65	60.59	43.92	38.12	24.55	-	-
Mr. G.M.S. Mann	-	-	8.88	11.55	-	-	-	-
Mr. Guralpal Singh	-	-	19.31	10.49	-	-	-	-
Dr. G.S.C.Rao	-	-	9.94	9.94	-	-	-	-
Mr. Sanjay Tapriya	-	-	5.88	2.99	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	8.74	8.95	-	-	-	-
Mr. S.N.Misra	-	-	7.84	-	-	-	-	-
Mr. Angad Singh	-	-	-	-	1.32	1.33	-	-
Mr. B.D. Tapriya	-	-	-	-	-	-	-	-
ED & F Man	-	-	-	-	-	-	-	-
Mrs Mamta Tapriya	-	-	-	-	3.16	1.99	-	-
Mr. Govind Singh Sandhu	-	-	-	-	26.35	15.67	-	-
Mrs. Usha Misra	-	-	-	-	1.73	-	-	-
Mrs. G.R. Lakshmi	-	-	-	-	5.56	5.56	-	-
SCES	268.98	226.65	-	-	-	-	-	-
Other Current liabilities	633.57	214.12	-	-	-	-	-	-
SCES	633.57	214.12	-	-	-	-	-	-
Short term borrowings	-	-	676.57	1,200.61	-	-	67.95	-
Mr. G.M.S. Mann	-	-	657.45	1,181.49	-	-	-	-
Mr. Guralpal Singh	-	-	19.12	19.12	-	-	-	-
Dholadhar Investments Private Limited	-	-	-	-	-	-	67.95	-

Loans and advance	65.90	78.53	-	-	-	-	-	-
USPL	40.23	78.53	-	-	-	-	-	-
ED & F Man	25.67	-	-	-	-	-	-	-
Trade Receivables	125.18	170.20	-	-	-	-	-	-
ED & F Man	125.18	170.20	-	-	-	-	-	-
Guarantee given on behalf of Group by Mr. G M S Mann & Mr. Gurpal Singh	-	-	91,501.62	1,00,664.25	-	-	-	-

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B) Transactions with the above parties:

Description	Joint venture/Co-venturer		Key management personnel		Relatives of key management personnel		Enterprise over which key management personnel exercise significant influence	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
<u>Rent</u>	-	-	-	-	41.65	74.36	-	-
Mrs. G.R. Lakshmi	-	-	-	-	6.18	24.72	-	-
Mrs. Mamta Tapriya	-	-	-	-	9.41	23.58	-	-
Mr. Govind Singh Sandhu	-	-	-	-	26.06	26.06	-	-
<u>Salary/stipend</u>	-	-	-	-	6.96	8.01	-	-
Mr. Angad Singh	-	-	-	-	6.96	8.01	-	-
<u>Allotment of Equity Shares</u>	-	-	-	6.58	-	-	-	-
Mr. Gurpal Singh	-	-	-	6.58	-	-	-	-
<u>Allotment of Preference shares</u>	-	-	-	-	-	-	-	1,200.

								00
Dholadhar Investment Private Limited	-	-	-	-	-	-	-	800.00
Pritam Singh Sandhu Associates	-	-	-	-	-	-	-	400.00
<u>Allotment of Debentures</u>	2,781.06	-	-	-	-	-	-	-
SCES	2,781.06	-	-	-	-	-	-	-
<u>Professional Charges</u>	-	-	-	-	-	0.32	-	-
Mr. B.D. Tapriya	-	-	-	-	-	0.32	-	-
<u>Managerial Remuneration</u>	-	-	203.14	266.36	-	-	-	-
Mr. G.M.S. Mann	-	-	49.35	53.40	-	-	-	-
Mr. Gurpal Singh	-	-	51.13	52.75	-	-	-	-
Dr. G.S.C.Rao	-	-	22.65	71.47	-	-	-	-
Mr. Sanjay Tapriya	-	-	43.60	64.72	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	23.66	24.02	-	-	-	-
Mr. S.N.Misra	-	-	12.75	-	-	-	-	-
<u>Loan taken</u>	-	1,642.50	-	1,816.15	-	-	-	-
Mr. G.M.S. Mann	-	-	-	1,813.76	-	-	-	-
Mr. Gurpal Singh	-	-	-	2.39	-	-	-	-
SCES	-	1,642.50	-	-	-	-	-	-
<u>Loans repaid</u>	-	-	635.00	5.54	-	-	-	-
Mr. G.M.S. Mann	-	-	635.00	3.27	-	-	-	-
Mr. Gurpal Singh	-	-	-	2.27	-	-	-	-
<u>Loans given</u>	73.50	-	-	-	-	-	-	-
USPL	73.50	-	-	-	-	-	-	-
<u>Interest paid</u>	275.32	4.59	-	3.50	-	-	-	-
Mr. G.M.S. Mann	-	-	-	0.84	-	-	-	-
Mr. Gurpal Singh	-	-	-	2.66	-	-	-	-
SCES	-	4.59	-	-	-	-	-	-

Expenses recovered	275.32							
	19.41	160.61	-	-	-	-	-	-
USPL	19.41	32.88	-	-	-	-	-	-
ED & F Man	-	127.73	-	-	-	-	-	-
Dividend paid			0.80	0.62				
Dr. G.S.C.Rao			0.40	0.32				
Mr. Sanjay Tapriya			0.40	0.30				
Advances given	380.49	1,189.01	-	-	-	-	-	-
USPL	-	1,123.32	-	-	-	-	-	-
ED & F Man	380.49	65.69	-	-	-	-	-	-
Purchase of goods/ finished goods	658.61	6,568.08	-	-	-	-	-	-
ED & F Man	658.61	6,568.08	-	-	-	-	-	-
Payment/advance received	175.68	1,031.14	-	-	-	-	-	-
USPL	101.64	852.86	-	-	-	-	-	-
ED & F Man	74.04	178.28	-	-	-	-	-	-
Other Income	50.00	15.00	-	-	-	-	-	-
USPL	50.00	15.00	-	-	-	-	-	-
Purchase of stores/ assets	1.76	-	-	-	-	-	-	-
USPL	1.76							
Income from sale of service	76.88	130.92	-	-	-	-	-	-
USPL	76.88	130.92	-	-	-	-	-	-
Sale of stores/ assets	0.15	-	-	-	-	-	-	-
USPL	0.15	-	-	-	-	-	-	-
Management fees paid	244.98	-	-	-	-	-	-	-
SCES	244.98							
Balance outstanding							-	-
Short-term borrowings	-	1,630.35	-	-	-	-	-	-
SCES		1,630.35	-	-	-	-	-	-

	-			-	-	-	-	-
Trade payables	-	1,660.92	43.92	30.55	2.83	2.93	-	-
Mr. G.M.S. Mann	-	-	11.55	5.82	-	-	-	-
Mr. Gурpal Singh	-	-	10.49	8.33	-	-	-	-
Dr. G.S.C.Rao	-	-	9.94	10.09	-	-	-	-
Mr. Sanjay Tapriya	-	-	2.99	2.59	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	8.95	3.72	-	-	-	-
Mr. Angad Singh	-	-	-	-	1.33	2.88	-	-
Mr. B.D. Tapriya	-	-	-	-	-	0.05	-	-
ED & F Man	-	1,660.92	-	-	-	-	-	-
Mrs Mamta Tapriya	-	-	-	-	1.50	-	-	-
Other Current liabilities	-	4.59	-	-	-	-	-	-
SCES	-	4.59	-	-	-	-	-	-
Unsecured loan	-	127.73	1,200.61	1,835.61	-	-	-	-
Mr. G.M.S. Mann	-	-	1,181.49	1,816.49	-	-	-	-
Mr. Gурpal Singh	-	-	19.12	19.12	-	-	-	-
ED & F Man	-	127.73	-	-	-	-	-	-
Loans and advance	78.53	141.05	-	-	-	-	-	-
USPL	78.53	141.05	-	-	-	-	-	-
<u>Trade Receivable</u>	170.20	-	-	-	-	-	-	-
ED & F Man	170.20	-	-	-	-	-	-	-
Guarantee given on behalf of Group by Mr. G M S Mann & Mr. Gурpal Singh	-	-	1,00,664.25	65,516.95	-	-	-	-

FY 12-13

Description	Joint venture/Co-venturer	Key management personnel	Relatives of key management personnel	Enterprise over which key management personnel exercise significant
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							influence	
	Current year	Previous period	Current year	Previous period	Current year	Previous period	Current year	Previous period
<u>Rent</u>	-	-	-	-	74.36	94.82	-	-
Mrs. G.R. Lakshmi	-	-	-	-	24.72	29.40	-	-
Mrs. Mamta Tapriya	-	-	-	-	23.58	27.42	-	-
Mr. Govind Singh Sandhu	-	-	-	-	26.06	38.00	-	-
<u>Salary/stipend</u>	-	-	-	-	8.01	5.49	-	-
Mr. Angad Singh	-	-	-	-	8.01	5.49	-	-
<u>Allotment of Equity Shares</u>	-	-	6.58	620.36	-	-	-	-
Mr. G.M.S. Mann	-	-	-	617.55	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	2.81	-	-	-	-
Mr. Gurpal Singh	-	-	6.58	-	-	-	-	-
<u>Allotment of Preference shares</u>	-	-	-	-	-	-	1,200.00	-
Dholadhar Investment Private - Limited	-	-	-	-	-	-	800.00	-
Pritam Singh Sandhu Associates	-	-	-	-	-	-	400.00	-
<u>Allotment of Share Warrants</u>	-	-	-	133.11	-	-	-	-
Mr. Gurpal Singh	-	-	-	75.61	-	-	-	-
Dr. G.S.C.Rao	-	-	-	28.75	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	28.75	-	-	-	-

<u>Professional Charges</u>	-	-	-	-	0.32	0.31	-	-
Mr. B.D. Tapriya	-	-	-	-	0.32	0.31	-	-
<u>Managerial Remuneration</u>	-	-	266.36	341.36	-	-	-	-
Mr. G.M.S. Mann	-	-	53.40	79.02	-	-	-	-
Mr. Gurpal Singh	-	-	52.75	77.94	-	-	-	-
Dr. G.S.C.Rao	-	-	71.47	82.29	-	-	-	-
Mr. Sanjay Tapriya	-	-	64.72	81.36	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	24.02	20.75	-	-	-	-
<u>Loan taken</u>	-	-	1,816.15	-	-	-	-	-
Mr. G.M.S. Mann	-	-	1,813.76	-	-	-	-	-
Mr. Gurpal Singh	-	-	2.39	-	-	-	-	-
SCES	1,642.50	-						
<u>Loans repaid</u>	-	-	5.54	231.00	-	-	-	-
Mr. G.M.S. Mann	-	-	3.27	125.00	-	-	-	-
Mr. Gurpal Singh	-	-	2.27	76.00	-	-	-	-
Dr. G.S.C.Rao	-	-	-	13.00	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	17.00	-	-	-	-
<u>Interest paid</u>	-	-	3.50	33.30	-	-	-	-
Mr. G.M.S. Mann	-	-	0.84	17.36	-	-	-	-
Mr. Gurpal Singh	-	-	2.66	12.53	-	-	-	-
Dr. G.S.C.Rao	-	-	-	1.62	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	1.79	-	-	-	-
SCES								

	4.59	-						
Expenses recovered	160.61	341.92	-	-	-	-	-	5.22
USPL	32.88	341.92	-	-	-	-	-	5.22
ED & F Man	127.73	-	-	-	-	-	-	-
Interest Income	-	34.17	-	-	-	-	-	4.58
USPL	-	34.17	-	-	-	-	-	4.58
Dividend Paid	-	-	0.62	0.48	-	-	-	-
Dr. G.S.C.Rao	-	-	0.32	0.24	-	-	-	-
Mr. Sanjay Tapriya			0.30	0.24				
Incentive Paid	-	-	-	2.00	-	-	-	-
Dr. G.S.C.Rao	-	-	-	1.00	-	-	-	-
Mr. Sanjay Tapriya			-	1.00				
Advances given	1,189.01	-	-	-	-	-	-	0.61
USPL	1,123.32	-	-	-	-	-	-	0.61
ED & F Man	65.69	-	-	-	-	-	-	-
Purchase of goods/ finished goods	6,568.08	2,627.93	-	-	-	-	-	-
ED & F Man	6,568.08	2,627.93	-	-	-	-	-	-
Payment/advance received	1,031.14	-	-	-	-	-	-	-
USPL	852.86	-	-	-	-	-	-	-
ED & F Man	178.28	-	-	-	-	-	-	-
Other Income	15.00	1,344.95	-	-	-	-	-	-
USPL	15.00	1,344.95	-	-	-	-	-	-
Balance outstanding								-
Trade payables	1,660.92	287.56	30.55	18.28	2.94	0.37	-	-
Mr. G.M.S.	-	-	5.82	2.40	-	-	-	-

Mann									
Mr. Gurpal Singh	-	-	8.33	13.20	-	-	-	-	-
Dr. G.S.C.Rao	-	-	10.09	1.20	-	-	-	-	-
Mr. Sanjay Tapriya	-	-	2.59	0.09	-	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	3.72	1.39	-	-	-	-	-
Mr. Angad Singh	-	-	-	-	2.88	0.26	-	-	-
Mr. B.D. Tapriya	-	-	-	-	0.05	0.11	-	-	-
ED & F Man	1,660.92	287.56	-	-	-	-	-	-	-
Unsecured loan	127.73	-	1,835.61	25.00	-	-	-	-	-
Mr. G.M.S. Mann	-	-	1,816.49	6.00	-	-	-	-	-
Mr. Gurpal Singh	-	-	19.12	19.00	-	-	-	-	-
ED & F Man	127.73	-	-	-	-	-	-	-	-
Loans and advance	141.05	0.05	-	-	-	-	-	-	311.40
USPL	141.05	0.05	-	-	-	-	-	-	311.40
Guarantee given on behalf of Company by Mr. G M S Mann & Mr. Gurpal Singh	-	-	65,516.95	76,374.27	-	-	-	-	-

Period from 1-10-2010 to 31-3-2012

Description	Subsidiaries		Joint ventures		Key management personnel		Relatives of key management personnel		Enterprise over which key management personnel exercise significant influence	
	Current period	Previous year	Current period	Previous year	Current period	Previous year	Current period	Previous year	Current period	Previous year
Rent		-		-	-	-	<u>94.82</u>	<u>54.61</u>	-	-

Mrs. G.R. Lakshmi	-			-	-	29.40	16.50	-	-
Mrs. Mamta Tapriya	-			-	-	27.42	16.39	-	-
Mr. Govind Singh Sandhu	-			-	-	38.00	21.72	-	-
<u>Salary/stipend</u>	-		-	-	-	0.42	1.35	-	-
Ms. Gursimran Kaur Mann	-			-	-	-	-	-	-
Mr. Angad Singh	-			-	-	0.42	1.35	-	-
<u>Allotment of Share Warrants, Equity Shares</u>	-		-						
				750.66	-	-	-	-	-
Mr. G.M.S. Mann	-		-	617.55		-	-	-	-
Mr. Gurpal Singh	-			75.61	-	-	-	-	-
Dr. G.S.C.Rao	-			28.75	-	-	-	-	-
Mr. Sanjay Tapriya	-			28.75	-	-	-	-	-
<u>Professional Charges</u>	-		-	-	-	0.31	0.23	-	-
Mr. B.D. Tapriya	-			-	-	0.31	0.23	-	-
<u>Managerial Remuneration \$</u>	-		-			341.36	205.95	-	-
Mr. G.M.S. Mann	-			79.02	51.47	-	-	-	-
Mr. Gurpal Singh	-			77.94	47.77	-	-	-	-
Dr. G.S.C.Rao	-			82.29	53.74	-	-	-	-
Mr. Sanjay Tapriya	-			81.36	52.97	-	-	-	-
Ms. Gursimran Kaur Mann	-			20.75	-	-	-	-	-
<u>Loan taken</u>	-		-						
				-	320.00	-	-	-	-
Mr. G.M.S. Mann	-			-	191.00	-	-	-	-
Mr. Gurpal Singh	-			-	95.00	-	-	-	-
Dr. G.S.C.Rao	-			-	17.00	-	-	-	-

Mr. Sanjay Tapriya		-			-	17.00	-	-	-	-
Loans repaid		-		-	231.00	64.00	-	-	-	-
Mr. G.M.S. Mann		-			125.00	60.00	-	-	-	-
Mr. Gurpal Singh		-			76.00	-				
Dr. G.S.C.Rao		-			13.00	4.00	-	-	-	-
Mr. Sanjay Tapriya		-			17.00	-	-	-	-	-
Interest paid		-			33.30					
Mr. G.M.S. Mann		-			17.36					
Mr. Gurpal Singh		-			12.53					
Dr. G.S.C.Rao		-			1.62					
Mr. Sanjay Tapriya		-			1.79					
Sale of finished goods		-			-	-	-	-	-	-
DMCC	1,685.63	-								
Simbhaoli Spirit Limited	2,466.50	-								
Expenses recovered		-			-	-	-	-	-	5.20
Casetech	24.60	-								
DMCC	0.15	0.31								
Power	29.83	-								
Spirit	4.08	-								
USPL	683.83	-						10.44		5.20
Interest Income		-			-	-	-	-	-	21.20
USPL	68.34	-						9.16		21.20
Advances given		-			-	-	-	-	-	285.00
Casetech	351.13	-								
USPL	60.14	-						1.22		285.00
Simbhaoli Spirit Limited	5,575.46	-								

EDF & MAN		-	640.45						
Purchase of goods/ finished goods		-							
EDF & MAN		-	2,627.93						
Payment/advance received		-			-	-	-	-	-
Casetech	298.68	-							
DMCC	1,390.93	-							
USPL	2.00	-							
EDF & MAN		-	101.90						
Simbhaoli Spirit Limited	7,094.15	-							
Other Income		-			-	-	-	-	-
USPL	2,689.80	-							
Shares allotted to Company		-			-	-	-	-	-
Casetech	17.80	-							
Power	5.00	-							
Spirit	5.00	-							
USPL		-	3,440.00						
Sale of SDD undertaking pursuant of Scheme of Amalgamation		-							
Simbhaoli Spirit Limited	13,600.00	-							
Dividend received		-							
Casetech	5.34	-							
Purchase of stores/ assets		-							
Casetech	56.25	-							
Simbhaoli Spirit Limited	65.07	-							

Sale of stores/ assets		-							
USPL	775.80	-							
Simbhaoli Spirit Limited	0.17	-							
Management fees charged		-							
Casetech	196.56	-							
Simbhaoli Spirit Limited	72.00	-							
Operation and Mangement fee paid		-							
Casetech	210.98	-							
Balance outstanding		-		-	18.28	269.32	0.11	0.11	-
Creditors		-		-	-	-	-	-	-
Mr. G.M.S. Mann		-			2.40	130.53	-	-	-
Mr. Gurpal Singh		-			13.20	99.55	-	-	-
Dr. G.S.C.Rao		-			1.20	20.66	-	-	-
Mr. Sanjay Tapriya		-			0.09	18.58	-	-	-
Ms. Gursimran Kaur Mann		-			1.39	-			
Mr. Angad Singh		-			-	-	0.11	0.11	-
EDF & MAN		-	287.56						
Loans and advance	62.15	-			-	-	-	-	311.40
Casetech	33.26	-							
Power	28.89	-							
USPL		-	0.11						
Debtors	2,074.43	6.08							
DMCC	315.61	6.08							
Spirit	1,758.82	-							

Period from 1-10-2009 to 30-9-2010

Description	Subsidiary 'Simbhaoli Global Commodities DMCC'		Key management personnel		Relatives of key management personnel		Enterprise over which key management personnel exercise significant influence	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
<u>Rent</u>			-	-	<u>54.61</u>	<u>40.81</u>		
Mrs. G.R. Lakshmi					16.50	10.2		
Mrs. Mamta Tapriya					16.39	8.88		
Mr. Govind Singh Sandhu					21.72	21.73		
<u>Salary/stipend</u>					<u>1.35</u>	<u>5.62</u>		
Ms. Gursimran Kaur Mann						5.52		
Mr. Angad Singh					1.35	0.1		
<u>Allotment of Share Warrants, Equity Shares</u>			-	-	-	<u>0.5</u>	-	<u>614.25</u>
Mr. Sanjay Tapriya								
Dr. G.S.C.Rao								
Ms. Gursimran Kaur Mann						0.5		
Pritam Singh Sandhu Associates Pvt. Ltd								459.54
Dholadhar Investment Pvt. Ltd.								154.71
<u>Purchase of fixed assets</u>								
Dholadhar Investments Pvt Ltd								
<u>Professional Charges</u>					<u>0.23</u>	<u>0.22</u>		
Mr. B.D. Tapriya					0.23	0.22		
<u>Managerial Remuneration Rs</u>			<u>204.76</u>	-				
Mr. G.M.S. Mann			50.27					
Mr. Gurpal Singh			47.77					
Dr. G.S.C.Rao			53.74					
Mr. Sanjay Tapriya			52.98					
<u>Interest paid on Loans (including fixed deposits)</u>								
Mr. G.M.S. Mann								
Mr. Sanjay Tapriya								
<u>Loans Taken</u>			<u>320.00</u>					

Mr.Gurmit Singh Mann			191.00					
Mr.Gurpal Singh			95.00					
Dr.G.S.C.Rao			17.00					
Mr.Sanjay Tapriya			17.00					
<u>Loans repaid</u>			<u>64.00</u>					
Mr.Gurmit Singh Mann			60.00					
Dr.G.S.C.Rao			4.00					
Sale of finished goods								
Expenses recovered								
Interest Income								
Advances given and received back								
Other Income								
Shares allotted to Company								
Balance outstanding at the year end								
Guarantee Given on behalf of Company by Mr. G.M.S.Mann & Mr. Gurpal Singh								

**STANDALONE FINANCIALS OF
ERSTWHILE SIMBHAOLI SUGARS LIMITED**

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL INFORMATION

To
The Board of Directors
Simbhaoli Spirits Limited
Simbhaoli, Uttar Pradesh -245207

We have examined the attached Summary Standalone Financial Information of **Erstwhile Simbhaoli Sugars Limited, since merged with Simbhaoli Spirits Ltd. w.e.f. appointed date of 1st April, 2015** (the 'Company'), which comprises of the Summary Standalone Balance Sheet as at 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015 (Annexure I), the Summary Standalone Statements of Profit and Loss for each of the period/year ended 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015 (Annexure II) and Summary Standalone Cash Flow Statements for each of the period/year ended 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015(Annexure III) and a summary of significant accounting policies(Annexure IV) and other explanatory information and material notes (Annexure V), as approved by the Board of directors of the Simbhaoli Spirits Ltd. (SISPL), prepared in terms of our engagement agreed upon with you in accordance with our engagement letter dated November 9, 2015 in connection with the proposed listings of equity shares of the SISPL.

The above Summary Standalone Financial Information have been extracted by the Management from the Audited Standalone Financial Statement of the company for the period/year ended 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015. The figures included in the above Summary Financial Information have not been restated/adjusted for:

- a) Giving effect of change in accounting policy, if any, retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods;
- b) For the material amounts in the respective financial years to which they relate;
- c) And for the auditors' qualification which require corrective adjustments in the respective reported financial statement.

The above Summary Financial Information do not contain all the disclosures required by the accounting principles generally accepted in India, including the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts), Rules 2014 [applied in the preparation of the audited financial statements of the company]. Reading the summary financial information, therefore, is not a substitute for the reading financial statements of the Company.

Audit of the financial statements for the period/year ended 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015 were conducted by previous auditor, Deloitte Haskins & Sells, Chartered Accountants and accordingly reliance has been placed on these financial statements for the purpose of the summary standalone financial information of the Company .

Managements Responsibility for the Summary Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 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. Furthermore, the Board of Directors is also responsible for the matter specified in the Securities Exchange Board of India ('SEBI') – (Issue of Capital and Disclosure Requirements) Regulation, 2009 ('SEBI Guidelines') issued by the SEBI under Section 11 of SEBI Act, 1992 and related classifications thereto.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Summary Financial Information, prepared and approved by the Board of Director for the purpose of disclosure in the Information Memorandum for listing of shares, based on our procedures which were conducted in accordance with Standards on Auditing (SA 810), "Engagements to Reports on Summary Financial Statements" issued by the institute of Chartered Accountants of India and in terms of engagement agreed upon with the company in accordance with our engagement letter dated November 9, 2015.

This report should not, in any way, be construed as a re-dating of any the previous audit reports issued by other firm of chartered accountants nor should this be construed as a new opinion on any of the standalone financial statements referred to herein. Furthermore, the audit report is intended solely for use of the managements and for inclusion in the information memorandum in the connection with the listing of the equity share of the SISPL. Our report should not be used for any other purpose without consent in writing.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid summary financial information extracted from the audited standalone financial statement of the company for the respective years are the fair summary of those audited financial statements, except for the financial information for the year ended 31st March 2012 which have been extracted from the regrouped and recasted figures reported for the comparative previous year in the audited standalone financial statement for the year ended 31st March 2013 as per Revised Schedule VI to the Companies Act,1956 .

We further report that the *Qualifications and Emphasis of Matters*, as given by the previous auditors in their audit report on the standalone financial statement of the company for the aforesaid period/year are set out in the Annexure-VI . The other remarks/comments in the Companies (Auditor's Report) Order 2003, issued by the Central Government in terms of sub section 4A of section 227 of the Companies Act, 1956, on the standalone financial statement of the company as at and for the period/year ended 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and other remarks/comments in the Companies (Auditor's Report) Order 2015 issued by the Central Government in terms of sub section 11 of section 143 of the Companies Act, 2013, on the standalone financial statement of the company as at and for the year ended 31st March 2015 are set out in Annexure VII .

We have also examined the following other financial information of the Company set out in Annexure VIII to XVI prepared by the Management and approved by the Board of Directors of the Company for the period/year ended 30 September 2010, 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015 and found the same to be correct and extracted from the audited standalone financial statement of the company for the respective years, as stated hereinabove:

- i) Standalone statement of secured and unsecured long-term borrowings, included in Annexure VIII.
- ii) Standalone statement of secured and unsecured short- term borrowings, included in Annexure IX.
- iii) Standalone statement of non-current investment, included in Annexure X.
- iv) Standalone statement of long-term loans and advances, included in AnnexureXI.
- v) Standalone statement of trade receivables, included in Annexure XII.
- vi) Standalone statement of short-term loans and advances, included in Annexure XIII.
- vii) Standalone statement of other income, included in Annexure XIV.
- viii) Standalone statement of contingent liabilities, included in Annexure XV.
- ix) Standalone statement of related parties transaction, included in Annexure XVI.

For MITTAL GUPTA & CO.

Chartered Accountants

FRN: 01874C

(B. L. Gupta)

Partner

Membership No.: 073794

Place: New Delhi

Dated: December 3, 2015

ANNEXURE -I

Balance Sheet for the last Four (4) Financial Years 2014-15, 2013-14, 2012-13 and October 1, 2010 to March 31, 2012:

All Amount in Rs Lacs				
EQUITY AND LIABILITIES	As on 31 March,2015	As on 31 March,2014	As on 31 March,2013	As on 31 March,2012*
Shareholders' funds				
Share capital	6,035.88	6,035.88	6,035.88	2,770.13
Money received against share warrants	-	-	-	133.11
Employee stock options outstanding	-	-	-	
Reserves and surplus	(38,652.43)	(22,382.28)	(5,235.86)	(1,448.34)
	(32,616.55)	(16,346.40)	800.02	1,454.90
Share application money pending allotment	-	-	-	
Non-current liabilities				-
Long-term borrowings	8,374.99	7,823.45	14,291.24	20,326.47
Deferred tax liabilities (net)	-	-	-	
Other long-term liabilities	-	38.64	89.06	138.74
Long-term provisions	220.60	191.98	175.69	131.10
	8,595.59	8,054.07	14,555.99	20,596.31
Current liabilities				-
Short-term borrowings	87,220.01	96,620.79	50,637.36	45,389.10
Trade payables	58,243.42	45,358.20	86,815.53	75,558.89
Other current liabilities	18,655.36	15,277.45	11,199.65	10,400.36
Short-term provisions	59.40	54.20	24.79	15.74
	164,178.19	157,310.64	148,677.33	131,364.09
Total	140,157.23	149,018.31	164,033.34	153,415.30
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	31,455.63	33,574.91	34,926.94	49,397.89
Intangible assets	88.17	92.37	130.86	173.67
Capital work-in-progress	338.09	300.20	920.42	997.56
	31,881.89	33,967.48	35,978.22	50,569.12
Non-current investments	38,619.40	37,489.81	32,995.28	3,512.79
Deferred tax assets (net)	-	-	-	4,747.83

Long-term loans and advances	1,621.98	1,035.10	568.99	284.42
Other non-current assets	704.53	1,081.41	3,640.96	13,600.00
	72,827.80	73,573.80	73183.45	72,714.16
Current assets			-	
Inventories	35,389.42	45,659.34	54,416.08	52,896.04
Trade receivables	8,426.94	6,499.50	7,403.43	7,479.04
Cash and cash equivalents	1,571.26	3,431.44	8,333.74	6,744.85
Short-term loans and advances	6,715.84	4,546.10	4,428.98	7,515.41
Other current assets	15,225.97	15,308.13	16,267.66	6,065.79
	67,329.43	75,444.51	90849.89	80,701.13
Total	140,157.23	149,018.31	164,033.34	153,415.29

*Company's financial year was for a period of Eighteen months i.e. from 1.10.2010 to 31.03.2012.

Balance Sheet from October 1, 2009 to September 30, 2010 as per the format of erstwhile Schedule VI of Companies Act, 1956:

All Amount in Rs Lacs	
PARTICULARS	As on 30.09.2010
SOURCES OF FUNDS	
Shareholders' funds	
Share capital	2,332.59
Equity warrants	-
Employee stock options outstanding	43.39
Reserves and surplus	8,041.24
	10,417.22
Loan funds	
Secured loans	69,611.30
Unsecured loans	1,100.45
	70,711.75
TOTAL	81,128.97
APPLICATION OF FUNDS	
Fixed assets	
Gross block	81,824.13
Less: Depreciation	24,887.02
Net block	56,937.11
Capital work in progress	1,757.45

	58,694.56
Pre-operative expenditure pending allocation	-
	58,694.56
Investments	39.99
Deferred tax assets (net)	7,040.49
Current assets, loans and advances	
Inventories	40,050.04
Sundry debtors	7,273.73
Cash and bank balances	13,924.37
Loans and advances	16,215.23
	77,463.37
Less: Current liabilities and provisions	
Current liabilities	66,918.83
Provisions	920.8
	67,839.63
Net current assets	9,623.74
Profit and loss account	5,730.19
TOTAL	81,128.97

ANNEXURE -II

Statement of Profit & Loss Account for the last Four (4) Financial Years 2014-15, 2013-14, 2012-13 and October 1, 2010 to March 31, 2012:

All Amount in Rs. Lacs				
Particulars	For Year ended 31 March,2015	For Year ended 31 March,2014	For Year ended 31 March,2013	For Period ended 31 March,2012*
Revenue from operations				
Sale of products	88,374.97	86,381.51	91,186.61	123,583.33
Less: Excise duty	3,231.69	3,171.85	2,762.39	3,630.11
	85,143.28	83,209.66	88,424.22	119,953.22
Other operating revenues	482.49	368.27	69.69	1,338.82
Revenue from operations	85,625.77	83,577.93	88,493.91	121,292.04
Other income	2,830.57	2,812.10	1,704.41	3,792.57
Total Revenue	88,456.34	86,390.03	90,198.32	125,084.61

Expenses				
Cost of materials consumed	65,041.07	68,676.27	73,685.97	108,534.06
Purchases of stock-in-trade	1,335.50	19.08	58.73	4,744.93
Changes in inventories of finished goods, work-in-progress and stock-in-trade	10,164.87	3,908.27	2,848.64	(21,802.07)
Employee benefits expense	4,213.37	4,677.23	4,352.26	5,900.10
Finance costs	12,480.65	14,180.82	11,197.82	15,414.54
Depreciation and amortization expense	2,221.04	2,795.40	3,591.40	5,744.45
Other expenses	8,969.52	8,274.51	10,947.88	18,388.88
Total Expenses	104,426.02	102,531.58	106,682.70	136,924.89
Profit/(loss) before exceptional items and tax	(15,969.68)	(16,141.55)	(16,484.38)	(11,840.28)
Exceptional items (Net)	-	(1,058.36)	17,486.49	9,305.97
Profit/(loss) before extraordinary and tax	(15,969.68)	(17,199.91)	1,002.11	(2,534.31)
Extraordinary items:	-	-	-	-
Profit/(loss) before tax	(15,969.68)	(17,199.91)	1,002.11	(2,534.31)
Tax expense:-				
Tax relating to previous year	-	23.34	-	-
MAT Credit	-	-	-	-
Current tax (MAT charged off)	-	-	200.50	378.25
Deferred tax charge/ (benefit)	-	-	4,747.83	(4,454.85)
Profit/(loss) after tax	(15,969.68)	(17,223.25)	(3,946.22)	1,542.29
Earnings per equity share-basic/diluted (Rs.)				
Basic	(57.64)	(58.32)	(75.81)	(18.36)
Diluted	(57.64)	(62.07)	(14.10)	5.97

*Company's financial year was for a period of Eighteen months i.e. from 1.10.2010 to 31.03.2012.

Statement of Profit & Loss Account for the period i.e. from October 1, 2009 to September 30, 2010 as per the format of erstwhile Schedule VI of Companies Act, 1956:

All Amount in Rs. Lacs	
Particulars	Year Ended 30.09.2010
INCOME	
Sale of products	

Gross sales	149,206.21
Less: Excise duty	23,040.29
	126,165.92
Other income	6,344.95
	132,510.87
EXPENDITURE	
Manufacturing and other expenses	132,632.53
Profit/(loss) before interest, depreciation and tax	(121.66)
Interest	8,471.83
Profit/(loss) before depreciation and tax	(8,593.49)
Depreciation/ amortization	4,023.98
Profit/(loss) before transfer from revaluation reserve	(12,617.47)
Transfer from revaluation reserve	14.58
Profit/(loss) before tax and exceptional item	(12,602.89)
Exceptional items (Net)	-
Profit/(loss) before tax	(12,602.89)
Less: MAT credit entitlement	
Deferred tax (benefit)/ charge	(5,133.43)
Profit/(loss) after tax	(7,469.46)
Balance brought forward from the previous year	1,739.27
Deducted from general reserve	-
	(5,730.19)
Balance carried to balance sheet	
Appropriations	
Proposed dividend:	
On Preference shares	-
Corporate dividend tax on preference shares dividend	-
On Equity shares	-
Corporate dividend tax on equity shares dividend	-
General reserve	-
Balance carried to balance sheet	-
Earnings per share (Rs.)	
Basic/ Diluted before exceptional item	(32.21)
Basic/ Diluted after exceptional item	(32.21)

ANNEXURE -III

Cash Flow Statement for the last Five (5) Financial Years 2014-15, 2013-14, 2012-13; October 1, 2010 to March 31, 2012 and October 1, 2009 to September 30, 2010:

All Amount in Rs. Lacs					
Particulars	As on 31st March 2015	As on 31st March 2014	As on 31st March 2013	As on 31st March 2012	As on 30thSeptemb er 2010
CASH FLOW FROM OPERATING ACTIVITIES :					
Net profit/(loss) before tax and exceptional items	(15,969.68)	(16,141.55)	(16,484.38)	(11,840.28)	(12,602.89)
Adjustments for:					
Depreciation and amortization (net of revaluation reserve)	2,221.04	2,795.40	3,591.40	5,744.45	4,009.40
Dividend income from subsidiary Company	-	(10.04)	(7.12)	(5.34)	-
Finance costs	12,480.65	14,180.82	11,197.82	15,414.54	8,471.83
Gain on buy back of FCCB	-	-	-	-	(138.51)
Deferred employee compensation expense	-	-	-	(3.96)	37.20
Non-compete fee	-	-	-	(2,000.00)	-
Loss/(profit) on sale of fixed assets (net)	9.91	20.61	(0.69)	(100.53)	(3.64)
Loss on sale of fixed assets	-	-	-	-	27.35
Profit on sale of current non trade investments	-	-	-	(0.36)	-
Interest income	(1,904.63)	(2,034.20)	(1,094.89)	(734.36)	(485.34)
Liability/provisions no longer required written back		-	-	-	-
Transfer from Capital-grant-in-aids	(7.27)	(7.11)	(1.34)	(2.00)	(1.33)
Operating profit/(loss) before working capital changes	(3,169.98)	(1,196.07)	(2,799.20)	6,476.12	(685.93)
Adjustments for (increase)/decrease in operating assets:					
Trade receivables	(1,927.44)	903.93	75.61	(205.31)	(3,322.02)
Short term and long term loans and advances	(2,233.14)	(336.83)	2,942.41	(580.34)	-
Other current and noncurrent assets	(4,166.00)	6.90	3,480.68	(2,928.21)	-
Inventories	10,269.92	7,698.35	(1,620.05)	(14,117.94)	2,947.29

Adjustments for increase/(decrease) in operating liabilities:					
Trade payables	12,885.22	6,125.91	11,256.65	15,306.85	13,064.75
Other current liabilities	743.01	(866.25)	389.19	241.47	-
Short term and long term provisions	33.82	45.70	43.53	(50.32)	-
Cash (used)/generated from operations	12,435.41	12,381.64	13,768.82	4,142.31	12,004.09
Direct taxes (paid)/refund	(251.23)	(223.07)	(341.05)	1,374.58	(1,280.45)
Net cash flow from operating activities before exceptional items	12,184.18	12,158.57	13,427.77	5,516.89	10,723.64
Differential cane price 2007-08	-	-	-	(2,511.40)	-
Net cash (used) / from operating activities	12,184.18	12,158.57	13,427.77	3,005.49	10,723.64
CASH FLOW FROM INVESTING ACTIVITIES :					
Purchase of fixed assets	(595.86)	(1,027.18)	(1,292.52)	(2,216.94)	(3,808.04)
Sale of fixed assets	210.25	146.70	5.44	106.79	122.21
Investment made in subsidiaries	(190.00)	-	(20.10)	(27.80)	-
Investment made in government securities	(0.50)	-	-	-	-
Investment made in joint venture	(486.66)	(232.29)	(350.35)	(770.96)	-
Purchase of Mutual fund	-	-	-	(300.00)	-
Sale of Mutual Funds	-	-	-	300.36	-
Finance lease received	505.98	481.86	-	-	-
Consideration received from sale of power undertaking	2,191.52	-	-	-	-
Margin money	1,728.24	56.63	(511.63)	10,180.87	(7,596.65)
Dividend income from subsidiary Company	-	10.04	7.12	5.34	-
Interest received	2,999.50	754.92	1,263.78	816.15	63.71
Capital grant in aid received	-	120.00	25.00	-	-
Net cash used in investing activities	6,362.47	310.68	873.26	8,093.81	(11,218.77)
CASH FLOW FROM FINANCING ACTIVITIES :					
Proceeds from issue of equity shares/equity warrants	-	-	226.84	2,263.49	10.97
Proceeds from long term borrowings	6,242.90	-	-	6,000.00	6,718.22
Repayment of long term borrowings	(3,931.12)	(4,637.74)	(6,233.93)	(15,959.26)	(7,784.84)

Changes in short term borrowings	(9,400.78)	(1,599.57)	5,248.26	15436.36	10737.89
Payment of preference share capital	-	-	-	-	(216.00)
Interest paid	(11,590.82)	(11,070.50)	(10,719.36)	(15374.34)	(8256.17)
Dividend paid	-	(8.95)	-	(0.06)	(0.10)
Payment of FCCB premium	-	-	-	(318.71)	-
Contribution toward charity reserve received	1.23	1.84	0.94	(5.29)	2.47
Net cash from financing activities	(18,678.59)	(17,314.92)	(11,477.25)	(7957.81)	1212.44
Net increase/(decrease) in cash and cash equivalents	(131.94)	(4,845.67)	1,077.25	3141.49	717.31
Cash and cash equivalents (opening balance)					
Cash and bank balances	1,049.21	5,894.88	4,817.63	1816.28	1098.97
Cash and bank balances transferred pursuant to scheme of Amalgamation	-	-	-	(140.14)	-
Cash and cash equivalents (closing balance) (D+E)	917.27	1,049.21	5894.88	4817.63	1816.28

ANNEXURE -IV

A summary of significant Accounting Policies

FY 2014-15, FY 2013-14, FY 2012-13, Period from 1-10-2010 to 31-3-2012 and Period from 1-10-2009 to 30-09-2010

i) **Accounting convention**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 2014, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 2(vi) below.

ii) **Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Example of such estimates include provisions for doubtful debts, future

obligations under employee retirement benefit plans, provision for income taxes and the useful lives of fixed assets. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

iii) **Fixed assets**

Fixed assets [other than certain fixed assets of Simbhaoli Sugar Division where cost has been modified based on revaluation of assets / business valuation thereof as determined by the valuer] are valued at cost.

Cost is inclusive of freight, duties, taxes, other incidental expenses and, in case of capital projects, financing cost relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date the assets are ready for their intended use.

iv) **Capital work-in-progress**

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

v) **Impairment**

At each Balance Sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using an appropriate discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

vi) **Leases**

Where the Company as a lessor leased assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

vii) **Investments**

Long term investments are stated at cost as reduced by provision for diminution, other than temporary, in the value, if any.

viii) **Inventories**

Inventories are valued at the lower of cost and net realizable value. The bases of determining cost for different categories of inventory are as follows:

Stores and spare parts	-	Monthly weighted average.
Raw materials	-	First in first out (FIFO)
Process stocks/finished goods	-	FIFO material cost plus appropriate share of labour and manufacturing overheads.
Stock in trade	-	First in first out (FIFO)
By products	-	At estimated realizable value

ix) **Cash and cash equivalents**

Cash comprises of cash on hand and term / demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

x) **State excise duty**

The state excise duty payable on finished goods is accounted for on the clearance of goods from the factory premises or bonded warehouses. The amount of state excise duty payable on alcohol not cleared from the factory premises and bonded warehouses as at the year end is not determinable as it varies according to the places to which the goods will be dispatched. However, non provision of this liability does not affect the profit/loss of the year.

xi) **Employee benefits**

Company's contribution paid/payable during the year to provident fund and superannuation fund is recognised in the Statement of Profit and Loss. Provision for gratuity and compensated absences determined on an actuarial basis at the end of the year are charged to revenue each year.

xii) **Revenue recognition**

Sales are recognized on transfer of significant risk and rewards of ownership of the goods to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Management fee income is accrued as per contractual terms.

xiii) **Other income**

Interest income is recognized on a time proportion basis.

xiv) **Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active / continuous development on the qualifying assets is interrupted.

xv) **Government grants and Export incentives**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received.

Government grants related to depreciable fixed assets are recognized in the Statement of Profit and Loss over the useful life of the asset to which they relate.

Export benefits are accounted for in the year of exports based on eligibility and when there is no significant uncertainty in receiving the same.

xvi) **Taxation**

Provision for current taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability. (Refer note 17)

xvii) **Securities issue expenses**

Securities issue expenses (net of tax) are adjusted from the securities premium account as permissible under Section 52 of the Companies Act, 2013.

xviii) **Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

xix) **Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

xx) **Depreciation/Amortisation**

FY 2014-15

A) In respect of fixed assets of Simbhaoli Sugar Division, where costs have been modified based on revaluation/business valuation, depreciation is provided on the straight line method at the rates specified in schedule II to the Companies Act, 2013.

B) In respect of other assets, the depreciation is provided by applying the following method at the rates specified in Schedule II to the Companies Act, 2013 :

- Buildings (other than Chilwaria Sugar Division and Simbhaoli Spirits Limited)	-	Written down value method
- Buildings (Chilwaria Sugar Division and Simbhaoli Spirits Limited)	-	Straight line method
- Plant and machinery (other than electric installations, typewriters and office equipments)	-	Straight line method
- Railway siding/electric installations/ typewriters and office equipment/furniture and fixtures/ motor lorries and vehicles	-	Written down value method

except in the case Roads where the life of the assets has been assessed 10 years based on past history, technical evaluation and plant and machinery acquired by Simbhaoli Power Private Limited under Business Transfer Agreement, where life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset etc.

C) Lease hold improvements has been depreciated/ amortised over the period of 30 years.

D) Software is amortised over its economic useful life of 10 years on straight line method.

- E) Fixed assets costing up to Rs. 5,000 are fully depreciated in the year of acquisition on ground of materiality.
- F) In respect of buildings and other revalued assets, an amount equivalent to the additional charge for depreciation arising due to revaluation is transferred from the revaluation reserve to the balance in Consolidated Statement of Profit and Loss.

FY 2013-14, FY 2012-13, Period from 1-10-2010 to 31-3-2012 and Period from 1-10-2009 and 30-9-2010

- A) In respect of fixed assets of Simbhaoli Sugar Division, where costs have been modified based on revaluation/business valuation, depreciation is provided on the straight line method at the rates applicable to the balance useful life of the relevant assets as estimated by the valuer or at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, whichever is higher.
- B) In respect of other assets, the depreciation is provided by applying the following method at the rates specified in Schedule XIV to the Companies Act, 1956 :

- Buildings (other than Chilwaria Sugar Division and Simbhaoli Spirits Limited)	-	Written down value method
- Buildings (Chilwaria Sugar Division and Simbhaoli Spirits Limited)	-	Straight line method
- Plant and machinery (other than electric installations, typewriters and office equipments)	-	Straight line method
- Railway siding/electric installations/ typewriters and office equipment/furniture and fixtures/ motor lorries and vehicles	-	Written down value method

- C) Software is amortised on over its economic useful life of 10 years on straight line method.
- D) Fixed assets costing up to Rs. 5,000 are fully depreciated in the year of acquisition.
- E) In respect of buildings and other revalued assets, an amount equivalent to the additional charge for depreciation arising due to revaluation is transferred from the revaluation reserve to the Consolidated Statement of Profit and Loss.

xxi) **Foreign Currency Transactions and Forward contracts**

FY 2014-15 FY 2013-14, FY 2012-13 and Period 1-10-2010 to 31-3-2012

A. Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on the date of transaction.

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date and exchange difference are recognized as loss or gain in the Consolidated Statement of Profit & Loss.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of fixed assets are added to or subtracted from the cost of such fixed assets.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of the contract. Further, exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/ expense for the year except that the exchange differences, including premium or discount on forward exchange contracts, arising till the fixed assets are ready for their intended use, relating to borrowed funds and liabilities in foreign currency for the acquisition of the fixed assets are adjusted to the cost of fixed assets.

B. In case of foreign subsidiary, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end whereas revenues and expenses reflected in the Consolidated Statement of Profit and Loss have been translated into Indian Rupees at monthly average exchange rate for the reporting period. The resultant translation exchange differences are accumulated in “Foreign currency translation reserve” to be recognised as income or expense in the period in which net investment in concerned foreign subsidiary is disposed off.

Period from 1-10-2009 to 30-9-2010

A) Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on the date of transaction.

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of fixed assets are added to or subtracted from the cost of such fixed assets and the balance accumulated in ‘Foreign Currency Monetary Item Translation Difference Account’ and amortised over the balance term of the long term monetary item or 31st March, 2011 whichever is earlier (Refer note 12).

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of the contract. Further, exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/ expense for the year except that the exchange differences, including premium or discount on forward exchange contracts, arising till the commissioning of fixed assets, relating to borrowed funds and liabilities in foreign currency for the acquisition of the fixed assets are adjusted to the cost of fixed assets.

In case of foreign subsidiary, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end whereas revenues and expenses reflected in the profit and loss account have been translated into Indian Rupees at monthly average exchange rate for the reporting period. The resultant translation exchange differences are accumulated in “Foreign currency translation reserve” to be recognised as income or expense in the period in which net investment in concerned foreign subsidiary is disposed off.

ANNEXURE – V

Other Explanatory information and material Notes

FY 14-15

Note 4

In the year 2013, pursuant to the Business Transfer Agreements (BTA) dated January 25, 2013 and subsequent amendments thereto, executed between the Company and Simbhaoli Power Private Limited (SPPL), the Company had transferred the Power Cogeneration divisions at Simbhaoli and Chilwaria with all properties, assets, liabilities, rights and obligations which have vested in the Company for an aggregate consideration receivable of Rs. 15,978.62 lacs. At the year end, the BTA consideration outstanding of Rs. 8,180.15 lacs (previous year Rs. 11,204.33 lacs) is to be discharged in the following manner as laid down under the BTA :

- i) Allotment of securities having an aggregate value of Rs. 2,497.96 lacs (previous year Rs. 3,330.61 lacs) in tranches and in the manner agreed to by the SPPL and the Company.
- ii) Payment of balance interest bearing liability of Rs. 5,682.19 lacs (previous year Rs. 7,873.72 lacs) in cash on or before the date falling 48 (forty eight) months from the date of BTA, or on achieving the closing in terms of the Joint Venture Agreement with Syndicatum Captive Energy Pte Limited, whichever is earlier.

The outstanding consideration payable has been disclosed under other current assets and other non-current assets.

Note 7

The Company has facilitated agri loans from certain commercial banks to its sugarcane farmers under the management and collection agreements and provided Corporate Guarantee and post dated cheques as security. These loans were distributed to the farmers against the payment to be made to them against supply of sugarcane to the Company in previous years and the Company facilitating the repayment of these loans along with interest to the banks. Accordingly these loans have been accounted for by the Company as its liability and are shown as “Short term borrowings from banks” as loans repayable on demand. The Company is in discussions with the banks for raising long term loan(s) to retire these liabilities.

Note 13

As at March 31, 2015 outstanding export obligation against advance license scheme (ALS) is 11,616 metric tons (previous year 17,897 metric tons). The management is confident that the export obligation shall be fully met and possible loss expected in complying with such obligation has been accounted for in the financial statements.

Note 14

A vessel carrying raw sugar purchased by the Company sank in July 2009 for which an insurance claim was repudiated against cargo insurers. Subsequent to completion of recovery proceedings against ship owner, the Company is continuing to pursue its ongoing legal proceedings against the Cargo insurers for balance claim amount of Rs. 768.96 lacs. However, as abundant caution,

management has provided the amount in the financial statement.

Note 16

With effect from April 1, 2014, depreciation on the opening block of assets has been provided as per the useful life prescribed in Schedule II of the Companies Act 2013. Consequent thereto, depreciation charge for the year is lower by Rs. 510.56 lacs and depreciation amounting to Rs.169.91 lacs (net of revaluation reserve of Rs. 124.52 lacs) has been adjusted from the opening balance of retained earnings. As regards additions during the year, depreciation has been charged as per the Schedule II of the Act.

Note 20

- (a) A Scheme of Amalgamation of the Company with Simbhaoli Spirits Limited (SISPL), the wholly owned subsidiary company (the Scheme), as approved by the Board of both the companies, was filed with the Hon'ble High Court of Judicature at Allahabad (the Court). With effect from the Appointed Date i.e. the close of the business hours on March 31, 2014 or such other date as may be fixed or approved by the Court, the entire business and undertaking of the Company, shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in SISPL, as a going concern without any further act and deed. The share holders and unsecured creditors of the Company have approved the Scheme on September 20, 2014. The Company and SISPL are in process to seek approval from their respective secured creditors. Pending sanction of the Scheme by the Court, no financial effect has been considered in these financial statements and further, based upon expert advice and pending necessary clarification from Board for Industrial and Financial Reconstruction (BIFR), no requisite steps as applicable to the sick companies have been initiated under the prevailing laws.
- (b) The Government of Uttar Pradesh (U.P.) has announced subsidy on sugar cane purchases during the sugar season 2014-15 linked to the average selling price of sugar and its by-products during the period October 1, 2014 to May 31, 2015 to be finalised by a Committee to be constituted by the Government of U.P. Based on the prevailing and expected prices the Company is confident of realising the full subsidy of Rs. 28.60 per quintal aggregating to Rs. 5,742.63 lacs for the year. Pending final determination of the amount of subsidy and interest charge on delayed payments if any, the Company has on a conservative basis accounted for Rs. 4,738.67 lacs for the year in the Statement of Profit & Loss by adjustment of cost of materials consumed. Necessary adjustments would be made on final determination of the amount of subsidy.
- (c) Over the last few years, the Company has been incurring cash losses due to which its net worth has been eroded and its current liabilities are significantly higher than its current assets. The Uttar Pradesh based sugar companies have been facing financial difficulties on account of higher sugar cane prices, lower realization of sugar and high finance cost in last 3-4 years. In the previous years, the Company has implemented various initiatives which included business and financial restructuring of its business divisions into new SPVs and planned growth in operations and disinvestments of the shares in such SPVs, etc. for de-risking its businesses and improving its financial position. Also, the State and Central Government, recognizing the importance of the sugar industry are taking necessary steps as in the previous year to strengthen the sugar industry. In view of the above and also

considering the Scheme as stated in Note 20 (a) above, these financial results have been prepared by the Company on a going concern basis.

FY 13-14

Note 4

In the previous year, pursuant to the Business Transfer Agreements (BTA) dated January 25, 2013 and subsequent amendments thereto, executed between the Company and Simbhaoli Power Private Limited (SPPL), the Company had transferred the Power Cogeneration divisions at Simbhaoli and Chilwaria with all properties, assets, liabilities, rights and obligations which have vested in the Company for an aggregate consideration of Rs. 15,978.62 lacs. At the year end, the BTA consideration outstanding of Rs.11,204.33 lacs (previous year Rs. 15,466.58 lacs) is to be discharged in the following manner as laid down under the BTA :

- i) Allotment of securities having an aggregate value of Rs. 3,330.61 lacs (previous year 8,104.90 lacs) in tranches and in the manner agreed to by the SPPL and the Company.
- ii) Payment of balance interest bearing liability of Rs. 7,873.72 lacs (previous year 7,873.72 lacs) in cash on or before the date falling 48 (forty eight) months from the date of BTA, or on achieving the closing in terms of the Joint Venture Agreement, whichever is earlier.

The outstanding consideration payable has been disclosed under other current assets and other non-current assets.

Note 7

The Company has facilitated agri loans from certain commercial banks to its sugarcane farmers under the management and collection agreements and provided Corporate Guarantee and PDCs as security. These loans were distributed to the farmers against the payment to be made to them against supply of sugarcane to the company in previous years and the Company facilitating the repayment of these loans along with interest to the banks. Now these loans became due for payment to the banks by the Company as its liability and accordingly these liabilities are shown as "Short term borrowings from banks". The Company is in discussions with the banks for raising long term loan(s) to retire these liabilities.

Note 22

As at March 31, 2014 outstanding export obligation against advance license scheme (ALS) is 17,897 metric tonnes (previous year 22,517 metric tonnes). The management is confident that the export obligation shall be fully met and possible loss expected in complying with such obligation has been accounted for in the financial statements.

Note 23

A vessel carrying 22,500 MT of raw sugar purchased by the Company sank in July 2009 for which an insurance claim for Rs. 4,780 lacs was filed with the insurance company. Following the repudiation of insurance claim by the Cargo insurers, in an arbitrary manner, the Company has initiated legal proceedings against the insurer in India and the vessel owner in London. During the previous year, the Company, in the London proceedings, has accepted and received a part compensation towards the cost of raw sugar. The Company is continuing to pursue the ongoing legal proceedings against the cargo insurer for the balance claim of Rs. 769 lacs. Based on expert

advice, management is confident that the proceedings against the insurer would be settled in favour of the Company and no loss would arise in this regard.

Note 24

During the year, shortage of finished goods in the sugar units of the Company amounting to Rs. 1,058.36 lacs have been detected based upon internal enquiries by the Management of the Company relating to certain irregularities by senior executives and the resultant loss has been written off in the books of account and included under the head 'Exceptional Items'. Following its internal policies in this regard, requisite legal actions including termination of employment of these executives for misappropriation of the Company's assets, financial irregularities and breach of fiduciary duties committed by them have been taken.

Note 27

(a) The Board of Directors of the Company in their meeting held on March 20, 2014 has approved the Scheme of Amalgamation between Simbhaoli Sugars Limited (Amalgamating Company) and Simbhaoli Spirits Limited, the wholly owned subsidiary company (Amalgamated Company) and their respective shareholders and creditors (the Scheme). The Scheme shall be beneficial to all the stake holders and shall provide greater integration amongst the affairs of the two companies, improve the financial strength, bring in efficiencies in operations and result in optimum utilization of resources, better administration, significant cost savings, rationalization of human resources, improved organizational capabilities and leadership and flexibility of fund raising for future growth and expansions.

As per clause 24 (f) of the Listing Agreement, the Company has filed the draft Scheme with the Stock Exchanges and Securities and Exchange Board of India (SEBI) to seek their consent to the proposed Scheme. With effect from the Appointed Date i.e the close of the business hours on March 31, 2014 or such other date as may be fixed or approved by the High Court and upon the Scheme becoming effective, the entire business and undertaking of Amalgamating Company, shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern without any further act and deed. The Amalgamated Company will be listed with the same stock exchanges as that of Amalgamating Company subject to the approval of the SEBI.

The Amalgamating Company shall be wound up without liquidation as per the scheme. Pending sanction of the scheme, no financial effect has been considered in these financial statements.

(d) The Indian sugar industry particularly in the state of Uttar Pradesh has been facing financial difficulties on account of higher sugar cane prices in prior years, lower realization of sugar and high finance cost. The Company continues to incur cash losses, which has resulted in its Net Worth being fully eroded and its current liabilities being significantly higher than its current assets. The State and Central Governments, having recognized the importance of the sugar industry had taken various steps to strengthen the industry, which includes no increase in cane price for 2013-14 sugar season, remission of society commission, purchase tax and entry tax in the state, subsidy on interest cost on specified loans and consideration of linking the sugarcane price with sugar realizations in ensuing sugar seasons. The Company had also initiated a number of measures which included business and financial restructuring of its business divisions into new SPVs and planned growth in operations and disinvestments of the shares in such SPVs etc. for de-risking its businesses and improving its financial position.

On the basis that the aforesaid Scheme of Amalgamation of the company as stated in Note (a) above, will be successfully completed on approval of the Scheme from the Hon'ble Court of Judicature at Allahabad, these financial results have been prepared by the company on going concern basis.

FY 12-13

NOTE 4

During the year, the Company has taken further steps to implement the business restructuring exercise suggested by the SBI Capital Markets Limited and approved by Company's lenders and shareholders. Accordingly, the Company has transferred its existing power co-generation businesses situated at its sugar plants at Simbhaoli and Chilwaria, as an inseparable lot and as a going concern on a slump sale basis for a consideration of Rs. 15,978.62 lacs to Simbhaoli Power Private Limited (SPL) {formerly known as Simbhaoli Power Limited}. Further, the Company and Sindicatum Captive Energy Singapore Pte Limited (SCES), a global developer and operator of clean energy projects have entered into a joint venture agreement and SCES has acquired 49% of the share capital of SPL. In addition, SPL will be implementing an expansion plan to enhance the aggregate power generation capacity at these locations from 52 MW to 90 MW with increase in days of operations beyond crushing season.

Pursuant to the Business Transfer Agreements (BTAs) dated January 25, 2013 executed between the Company and SPL, effective from January 26, 2013, the Business Undertakings of Simbhaoli Cogen Division (SCD) and Chilwaria Cogen Division (CCD) including all their assets, liabilities, rights and obligations have been transferred to and vested in SPL for an aggregate consideration of Rs. 15978.62.

- a) The assets and liabilities transferred to and vested in SPL, given effect to in these accounts are as under:-

	(Rs. lacs)
Assets	
Fixed assets	
Gross block	15,788.71
Less: Depreciation	5,272.09
Net block	10,516.62
Current assets, loans and advances	
Inventories	100.01
Other current assets	4.40
Total Assets	10,621.03
Liabilities	
Current liabilities and provisions	
Current liabilities	101.30
Provisions	10.11
Total liabilities	111.41
Net assets	10,509.62

- b) The aggregate consideration of Rs. 15,978.62 lacs is to be discharged in the manner laid down under the respective BTAs:
- a. Allotment of 5,12,041 shares of Rs 10 each in SPL at a premium of Rs. 90 per share, aggregating Rs. 512.04 lacs.
 - b. Allotment of the securities having an aggregate value of Rs. 7,592.86 lacs in tranches and in the manner agreed to by the SPL and the Company.
 - c. Payment of balance interest bearing liability of Rs. 7,873.72 lacs in cash on or before the date falling 48 (forty eight) months from the date of the BTAs, or on achieving the closings in terms of the Joint Venture Agreement with SCES, whichever is earlier.
- The outstanding consideration receivable has been disclosed under Non Current Assets Rs. 2227.68 lacs and Other Current Assets Rs. 13,911.75 lacs including interest receivable of Rs. 672.85 lacs on balance consideration respectively.
- c) The resultant excess Rs. 5,469.00 lacs of consideration over the book values of Co-generation business transferred, amounting to has been shown as “Profit on transfer of Power Undertakings” under the head exceptional item in the Statement of Profit and Loss.

- d) The Company has made requests to UPPCL for assigning of Power Purchase Agreement(s) (PPA) pertaining to both power divisions to SPL pursuant to the BTAs. Whilst the novation of the PPAs in favour of SPL is pending, in view of the execution of the BTAs, revenue from sale of power for the period commencing from January 26, 2013 to March 31, 2013 has been considered in the financial statements of SPL.
- e) The Company has entered into finance lease arrangement with SPL for one of the equipments at its Simbhaoli Sugar Division. Gross investment in the lease at the inception of lease amounting to Rs. 2,010.00 lacs has been considered as finance lease receivable against the written down value (WDV) of the equipment of Rs. 1,772.41 lacs and consequently Rs. 237.58 lacs has been accounted as “Profit on transfer of assets” under the head exceptional item in the Statement of Profit and Loss.
- Reconciliation of future minimum lease payments and gross investment in the lease and present value of minimum lease payments are as follows:

	(Rs. Lacs)
Future minimum lease payments	
Not later than one year	203.00
Later than one year and not later than five years	1,609.77
	1,812.77
Less: Unearned finance income	305.28
Present value of minimum lease payments receivable	
Not later than one year	94.22
Later than one year and not later than five years	1,413.27

Note 23

As at March 31, 2013 outstanding export obligation against advance license scheme (ALS) is 22,517 metric tonnes (previous period 2,891 metric tonnes). The management is confident that the export obligation shall be fully met and no loss is foreseen in complying with such obligation.

Note 24

A vessel carrying 22,500 MT of raw sugar purchased by the Company sank in July 2009 for which an insurance claim for Rs. 4,780 lacs was filed with the insurance company. Following the repudiation of insurance claim by the Cargo insurers, in an arbitrary manner, the Company has initiated legal proceedings against the insurer in India and the vessel owner in London. During the current year, the Company, in the London proceedings, has accepted and received a part compensation towards the cost of raw sugar. The Company is continuing to pursue the ongoing legal proceedings against the cargo insurer for the balance claim of Rs. 769 lacs. Based on expert advice, management is confident that the proceedings against the insurer would be settled in favour of the Company and no loss would arise in this regard.

Note 25

The Company's net worth has been substantially eroded, and the Company has made cash losses during the previous period ended March 31, 2012 and the current year ended March 31, 2013. During the last three years the Indian sugar industry had faced difficulties on account of lower realization of sugar, and higher sugar cane prices particularly sugar mills located in Uttar Pradesh. During the current sugar season also, the country had the large surplus of sugar in a decontrolled sugar sale scenario with unrestricted imports resulting in lower sugar realization, under recovery of cost of production and higher finance cost leading to operating/ cash loss and consequent further erosion of the Company's net worth. The State and Central Governments have initiated various steps to strengthen the sugar industry like decontrol of the free sale sugar release mechanism, doing away with the sale of 10% sugar production under the levy obligation at the un-remunerative price and further steps are under consideration like linking the sugar cane price with sugar sale values, improving long term hedging mechanism of sugar and encouragement of further investment in sector by the State Government.

The Company has implemented a number of measures during the previous years and current year which included business and financial restructuring of its business divisions comprising of transfer of potable alcohol and power undertakings of the Company to separate SPVs, disinvestments of the shares in such SPVs, fresh capital infusion and Company's foray into sugar refining business in a joint venture with a global major etc. to de-risk its businesses and improving its financial position. The transfer of potable alcohol undertaking, formation of joint venture for sugar refining business and transfer of cogeneration business to SPL and induction of a JV partner therein, has been completed during 2012-13.

On the basis of successful completion of its aforesaid business and financial restructuring initiatives, the outcome of the steps being initiated by the State and Central Governments for the sugar industry, the Management of the Company is confident on the Company's ability to generate sufficient cash flows to meet its future obligations. Accordingly, these financial statements have been prepared by the Company on a going concern basis.

Note 27

The Scheme of Amalgamation(SOA) between the Company and Simbhaoli Spirits Limited (SISPL) under Section 391 to 394 of the Companies Act, 1956 was sanctioned by the Hon'ble High Court of Judicature at Allahabad vide its Order dated September 17, 2012. The SOA became effective on September 20, 2012, on filing of the certified copy of the Order of the High Court with the Registrar of Companies, Uttar Pradesh. Consequent thereto, the effect of SOA was given in the financial statements for the period ended March 31, 2012, accordingly:

- a) The undertaking of Simbhaoli Distillery Division (SDD) including all assets, land admeasuring 28.16 acres being the land required for alcohol business on which the undertaking was located, liabilities, rights, obligations and brands of the Company, without any further act or deed have been transferred to and vested in SISPL as a going concern with effect from October 1, 2010, the Appointed date.
- b) The assets and liabilities transferred to and vested in SISPL, given effect to the financial statements for the period ended March 31, 2012 are as under:-

(Rs. in lacs)

Assets		
Fixed assets		
Gross block (net of reconstruction and revaluation reserve Rs. 128.12 lacs)	:	6,230.88
Less: Depreciation	:	2,276.26
Net block	:	3,954.62
Capital work in progress	:	206.78
Current assets, loans and advances		
Inventories	:	1,271.94
Sundry debtors	:	2,842.27
Cash and bank balances	:	140.14
Loans and advances	:	901.80
Total assets	:	9,317.55
Liabilities		
Loan funds		
Secured loans	:	5,676.60
Current liabilities and provisions		
Current liabilities	:	1,808.58
Provisions	:	49.74
Total liabilities	:	7,534.92
Net assets	:	1,782.63

- c) SISPL has allotted -17,000,000 equity shares of the face value of Rs.10 at a premium of Rs. 70 each credited as fully paid-up to the Company. The resultant excess of consideration over the book values of SDD undertaking transferred, amounting to Rs. 11,817.37 lacs has been shown as “Profit on transfer of SDD Undertaking” in the Statement of Profit and Loss for the period ended March 31, 2012.
- d) Subsequent to the scheme being sanctioned on September 17, 2012, the Company was in the process of taking approvals from the concerned authorities for transfer of various licenses in the name of SISPL. These licenses have been renewed in the name of SISPL w.e.f. April 1, 2013. In view of the same, the books of account of the Company for the year ended March 31, 2013 includes transactions of SISPL for the same period. Following exclusions in respect of the operations of the SISPL for the above mentioned period have been made for

the purposes of these accounts, since the said business, during this period, was being run and managed in trust by the Company on behalf of SISPL.

Rs. in lacs)

Description	Year ended March 31, 2013	18 months ended March 31, 2012
Gross Sales	9,459.88	43,713.39
Less: Excise Duty	996.78	27,926.88
Net Sales	8,463.10	15,786.51
Other income	165.22	137.24
Manufacturing and other expenses	9,168.45	14,806.96
Depreciation	424.38	457.82
Finance cost	545.56	975.03
Profit/(loss) before tax	(1,510.07)	(316.06)

- e) The Company has set-off deferred tax assets recognized in respect of brought forward business losses / unabsorbed depreciation aggregating Rs. 6,759.99 lacs against the Securities Premium Account amounting to Rs. 6,759.99 lacs appearing in the books of account as on October 1, 2010, the appointed date.
- f) Post hiving off, SISPL has chalked out its growth plans which include adding new products, increasing the capacities by adding the grain spirit plant and new bottling lines. At the same time, the Company has initiated discussions with strategic investors for disinvestment in SISPL as a part of its business restructuring exercise. Further, the use of said land was restricted for setting up an alcohol plant and workers quarters only. Hence, on recognizing these factors and on the specific request of SISPL, during the current year, the Company has transferred the additional land admeasuring 56.67 acres contiguous to the alcohol undertaking of SISPL under a Deed of Transfer dated March 26, 2013 at a sales consideration of Rs. 11,800 lacs. The sales consideration for the aforesaid land has been determined on the basis of the report of an independent valuer after taking into account government notified rates/prevaling market rates, proximity of location to National Capital Region (NCR) availability of infrastructure, potential and permitted use of land for alcohol business and the value of the earlier piece of land of 28.16 acres (refer (a) above) transferred under the Scheme. SISPL has allotted 1,47,50,000 fully paid equity shares of Rs 10 each, at a premium of Rs 70 per share, aggregating Rs 11,800 lacs towards discharge of the said consideration. The resultant excess of consideration over the cost of land transferred amounting to Rs. 11,676.86 lacs has been recognized in the Statement of Profit and Loss for the year ended March 31, 2013 and has been disclosed as "Profit on sale of Land to Simbhaoli Spirits Limited" under the head exceptional item in the Statement of Profit and Loss.

Period from 1-10-2010 to 31-3-2012

NOTE 2

The Scheme of Amalgamation (SOA) under Section 391 to 394 of the Companies Act, 1956, has been sanctioned by the Hon'ble High Court of Allahabad vide its Order dated September 17, 2012. The SOA became effective on September 20, 2012, on filing of the certified copy of the Order of the High Court with the Registrar of Companies, Uttar Pradesh and Uttarakhand and consequent thereto:

- a) The undertaking of Simbhaoli Distillery Division (SDD) including all assets, liabilities, rights, obligations and brands has been transferred to and vested in Simbhaoli Spirits Limited (SISPL), a subsidiary company, incorporated on April 4, 2011 as a going concern on a slump sale basis for a consideration of Rs. 13,600 lacs with effect from October 1, 2010, the appointed date.
- b) The assets and liabilities transferred to and vested in SISPL, given effect to in these accounts areas under:-

		(Rs. lacs)
Assets		
Fixed assets		
Gross block (net of reconstruction and revaluation reserve of Rs. 128.12 lacs)	:	6,230.88
Less: Depreciation	:	2,276.26
Net block	:	3,954.62
Capital work in progress	:	206.78
Current assets, loans and advances		
Inventories	:	1,271.74
Sundry debtors	:	2,842.27
Cash and bank balances	:	140.14
Loans and advances	:	901.80
Total assets	:	9,317.55
Liabilities		
Loan funds		
Secured loans	:	5,676.60
Current liabilities and provisions		
Current liabilities	:	1,808.58
Provisions	:	49.74
Total liabilities	:	7,534.92
Net assets	:	1,782.63

SISPL would allot 17,000,000 equity shares of the face value of Rs.10 at a premium of Rs. 70 each credited as fully paid-up to the Company. Pending allotment of such shares, the consideration receivable

has been disclosed in “Other Current Assets”. The resultant excess of consideration over the book values of SDD undertaking transferred, amounting to Rs. 11,817.37 lacs has been shown as “Profit on transfer of SDD Undertaking” in the profit and loss account.

- c) The profit and loss account of the Company for the 18 months period ended March 31, 2012 includes transactions of SDD for the same period. Following exclusions in respect of the operations of the SDD for the above mentioned period have been made for the purposes of these accounts, since the said business, during this period, was being run and managed in trust by the Company on behalf of SISPL.

		(Rs. Lacs)
Gross Sales		43,713.39
Less: Excise Duty		27,926.88
Net Sales		15,786.51
Other income		137.24
Manufacturing and other expenses		14,806.96
Depreciation		457.82
Interest expense		975.03
Profit/(loss) before tax		(316.06)

- d) The Company has set-off deferred tax assets recognized in respect of brought forward business losses / unabsorbed depreciation aggregating Rs. 6,759.99 lacs against the Securities Premium Account amounting to Rs. 6,759.99 lacs appearing in the books of account as on October 1, 2010, the appointed date.

NOTE 22

As at March 31, 2012 outstanding export obligation against advance license scheme (ALS) is 2,891 metric tonnes (previous year 40,800 metric tonnes). The management is confident that the export obligation shall be fully met and no loss is foreseen in complying with such obligation.

NOTE 23

A vessel carrying 22,500 MT of raw sugar purchased by the Company sank in July 2009 for which an insurance claim for Rs. 4,780 lacs was filed with the insurance Company. Following the repudiation of insurance claim by Cargo insurers, in an arbitrary manner, the Company has initiated legal proceedings against the insurer in India and vessel owner in London. Subsequent to the period end, the Company, in the London proceedings, has accepted and received a compensation of USD 98 lacs (Rs.5,515 lacs) towards the cost of raw sugar, interest loss and legal costs. The Company is continuing to pursue the ongoing legal proceedings against the cargo insurer for balance Rs. 769 lacs. Based on expert advice, management is confident that the proceedings against insurer would be settled in favour of the Company and no loss would arise in this regard.

NOTE 24

The Company's net worth has been substantially eroded and the Company has made cash losses during the eighteen months period ended March 31, 2012. During the last two years the Indian sugar industry had faced difficulties on account of lower realization of sugar and higher sugar cane prices particularly in respect of sugar mills located in Uttar Pradesh. During the current season also, the country had the large surplus of sugar resulting in lower sugar realization, under recovery of cost of production and higher finance cost leading to operating/ cash loss and consequent substantial erosion of the Company's net worth. The Company has initiated a number of measures which includes business and financial restructuring comprising of transfer of potable alcohol and power undertakings of the Company to separate SPVs, disinvestments of the shares in such SPVs, fresh capital infusion and Company's foray into sugar refining business in joint venture with a global major etc. to de-risk its businesses and improving its financial position. The transfer of potable alcohol undertaking and formation of joint venture for sugar refining business has been completed. The State and Central Governments have initiated various steps to strengthen the sugar industry like opening sugar exports under OGL and working towards decontrol of the sector. The Management of the Company is confident about the successful completion of its aforesaid business and financial restructuring initiatives, the outcome of the steps being initiated by the State and Central Governments for the sugar industry and the Company's ability to generate sufficient cash flows to meet its future obligations. Accordingly, these financial statements have been prepared by the Company on a going concern basis.

NOTE 25

Relying upon the future projections prepared based upon the restructuring plans under implementation and taken on record by the Board of Directors, deferred tax assets (net) amounting to Rs. 4,747.83 lacs as at March 31, 2012 relating to unabsorbed depreciation and carry forward business losses has been recognized as, the Management of the Company believes that there is a virtual certainty that sufficient future taxable income will be available against which such assets would be realized.

Period from 1-10-2009 to 30-9-2010

Note 19

In the previous year, pursuant to the Notification dated March 31, 2009 issued by The Ministry of Corporate Affairs, amending Accounting Standard (AS) 11 – 'Effects of Changes in Foreign Exchange Rates', the Company had chosen to exercise the option under paragraph 46 inserted in the standard by the notification. Accordingly with retrospective effect from 1st October 2007 onwards exchange differences on all long term monetary items to the extent such items were used for financing fixed assets were added to/subtracted from the cost of those fixed assets and depreciated over the balance useful life of the assets. During the year, the Company has deducted from fixed assets Rs. 501.28 lacs (previous year added Rs. 466.27 lacs) being the exchange differences on long term monetary items relating to the acquisition of fixed assets. As a result of such change, net loss before tax and after tax is higher by Rs. 501.28 lacs and Rs. 334.77 lacs respectively (previous year profit before tax and after tax lower by 129.63 lacs).

Note 20

On the basis of future projections taken on record by the Board of Directors of the Company after considering the recent improvements in sugar prices and margins, the sugar inventory available with the Company for disposal, changing government policies, as well as the additional capacities set up in the previous years for production of sugar, power and ethanol resulting in de-risking of the business operations and given the cyclicity of sugar industry and other steps being taken, the management is confident that there is a virtual certainty that sufficient future taxable income will be available against which deferred tax asset (net) of Rs. 7,040.49 lacs will be realized in the future.

Note 21

On July 23, 2009 a vessel carrying 22,500 MT of raw sugar purchased by the Company sank near South Africa in relation to which an insurance claim for Rs. 4,780.00 lacs has been filed with the insurance Company. The Company has also simultaneously obtained undertaking from the London Steamship Owners' Mutual Insurance Association Limited, London, the P&I club of vessel owner to compensate the loss suffered by the Company to the extent of USD 14.5 million, in case arbitration proceedings will be decided in favour of the Company. The arbitration proceedings have been progressing as per schedule.

The Insurance Company vide letter dated July 30, 2010 has repudiated the aforesaid insurance claim. The Company has initiated legal proceedings against this decision. The management, based on the facts of the case and opinion received from the legal experts, is confident that the insurance claim would be settled in favour of the Company and no loss would arise on settlement thereof.

Note 22

The Company has accounted for cane purchases for sugar season 2007-08 at Rs. 110 per quintal, the rate at which it has made payment to the cane growers as per the interim order of the Hon'ble Supreme Court, against the State Advised Price of Rs. 125 per quintal fixed by the Uttar Pradesh State Government. Necessary adjustments will be made in accordance with subsequent orders of the Hon'ble Court in the matter.

Note 24

During the earlier years, the Company, without payment of customs duty, had purchased imported raw sugar aggregating 1,32,013 metric tonnes for Rs 18,225.71 lacs for conversion into white sugar. In terms of the advance license(s) granted for this purpose by the office of Director General of Foreign Trade and subsequent extensions therein, the Company is required to complete the export of white sugar aggregating 1,06,325 metric tonnes by March 31, 2011 and 19,402 metric tones by February 17, 2012. As at September 30, 2010 outstanding export obligation is 40,800 metric tonnes. The management is confident that the export obligation shall be fully met and no loss is foreseen in complying with such obligation.

ANNEXURE -VI

Certain emphasis of matters and qualification in the independent Auditor's Report for the year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and September 30, 2010 are as follows:

FY 2014-15

Emphasis of Matter

1. Note 20 in the financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 20, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.
2. Note 4 to the financial statements relating to sale of power co-generation divisions of the Company in an earlier year and the balance interest bearing consideration of Rs. 8,180.15 lacs outstanding as on March 31, 2015, which would be discharged in the manner laid down under the Business Transfer Agreements (BTAs). Out of this, consideration amounting to Rs. 5,682.19 lacs is to be discharged in cash on or before the date falling forty eight months from the date of the BTAs or on achieving the closing in terms of the Joint Venture Agreement with Sindicatum Captive Energy Pte Limited, whichever is earlier.
3. Which sets out the position regarding sugarcane subsidy aggregating Rs. 4,738.67 lacs accounted by the Company in these financial statements. As indicated in this note, necessary adjustments to subsidy so accounted for would be made on settlement and receipt thereof from the State Government.

Our opinion is not qualified in respect of these matters.

FY 2013-14

Emphasis of Matter

1. Note 27 to the financial statements regarding the Company continuing to incur cash losses, which has resulted in its net worth being fully eroded and its current liabilities being significantly higher than its current assets. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.
2. Note 23 to the financial statements which sets out the position regarding repudiation by the insurance company of the Company's insurance claim amounting to Rs. 769 lacs on account of sinking of ship carrying raw sugar purchased by the Company in July 2009. Based on the expert advice, management is confident that the proceedings against the insurer would be settled in favour of the Company and no loss would arise in this regard.
3. Note 4 to the financial statements relating to sale of co-generation divisions of the Company and the balance interest bearing consideration of Rs. 11,204.33 lacs as on March 31, 2014, which would be discharged in the manner laid down under the Business Transfer Agreements (BTAs). Further, a part of the consideration amounting to Rs. 7,873.72 lacs will be discharged in cash on or before the date falling forty eight months from the date of the BTAs or on achieving the

closing in terms of the Joint Venture Agreement with Sindicatum Captive Energy Pte Limited, whichever is earlier.

Our opinion is not qualified in respect of these matters.

FY 2012-13

Emphasis of Matter

1. Note 4 which explains in detail the exceptional item relating to sale of co-generation divisions of the Company for an aggregate consideration of Rs. 15978.62 lacs which would be discharged in the manner laid down under the Business Transfer Agreement (BTAs). Further, as indicated in Note lacs which is interest bearing will be discharged in cash on or before the date falling 48 months from the date of the BTAs or on achieving the closing in terms of the Joint venture Agreement with Sindicatum Captive Energy Pte Limited whichever is earlier.
2. Note 25 regarding the Company's net worth being substantially eroded and preparation of the financial statements of the company on a going concern basis for the reasons stated therein.
3. Note 24 which sets out the position regarding repudiation by the insurance company of the balance amount of Rs. 769 lacs of the Company insurance claim relating to the sinking of a ship carrying raw sugar purchased by the Company in July 2009. Based on the expert advice, management is confident that the proceedings against the insurer would be settled in favour of the Company and no loss would arise in this regard.

Period from 1-10-2010 to 31-3-2012

- 1 Without qualifying our opinion, we draw attention to:
 - i) Note 23 of schedule 18 which sets out the position regarding repudiation by the insurance company of the Company's insurance claim amounting to Rs. 769 lacs on account of sinking of ship carrying raw sugar purchased by the Company. Pending completion of legal proceedings in the matter, the effect thereof in these accounts cannot be determined at this stage.
 - ii) Note 24 of schedule 18 regarding the Company's net worth being substantially eroded (fully eroded after giving effect to our qualification in paragraph 5(e) below) and the Company making cash losses during the eighteen months period ended march 31,2012. However, the financial statements of the Company have been prepared by the Management of the Company on a going concern basis for the reasons stated in the said Note. The ability of the Company to continue as a going concern is dependent upon the successful completion of its business and financial restructuring initiatives, the outcomes of the steps being initiated by the State and Central Governments for the sugar industry and the Company ability to generate sufficient cash flows to meet its future obligations.

- 2 We report as follows:

Attention is invited to note 25 of schedule 18 wherein it is stated that deferred tax asset (net) amounting to Rs. 4747.83 lacs has been recognized on the basis of future projections prepared based upon the restructuring plans under implementation and taken on record by the Board of Directors and the Management of the Company that there is a virtual certainty that sufficient future taxable income will be available against which such assets would be realized. However in our opinion, recognition of deferred tax assets based on future projections is not in accordance with the principle for recognition of deferred tax assets relating to unabsorbed depreciation and carry forward business losses stated in Accounting standard 22 "Accounting for Taxes on Income", which requires virtual certainty supported by convincing evidence to be established for recognition of deferred tax asset on such items. Had such deferred tax asset not been recognized, the profit after tax would have been

lower and the debit balance in the profit and loss account would have been higher by Rs. 4747.83 lacs and the deferred tax assets would have been lower by a similar amount.

The matter referred to in paragraph (e) above, to the extent covered here above was also subject matter for qualification in our audit report on the financial statements for the year ended September 30, 2010.

Period from 1-10-2009 to 30-9-2010

1. Without qualifying our opinion, we draw attention to:
 - i) Note 21 of schedule 17 which sets out the position regarding repudiation by the insurance company of the Company's insurance claim amounting to Rs. 4780 lacs on account of sinking of ship carrying raw sugar purchased by the Company. Pending completion of legal proceedings in the matter, the effect thereof in these accounts cannot be determined at this stage.
 - ii) Note 22 of schedule 17 relating to accounting for cane purchase liability for the sugar season 2007-2008 at Rs. 110 per quintal instead of State Advised Price of Rs.125 per quintal fixed by the Uttar Pradesh State Government. Pending completion of legal proceedings in the matter, the effect thereof in these accounts cannot be determined at this stage.
2. As indicated in note 20 of schedule 17, the Company's management is confident that given the cyclicity of sugar industry, steps taken by the management and after considering the future projections taken on record by the Board of directors, sufficient future taxable income will be available against which deferred tax asset (net) of Rs. 7040.49 lacs will be realized in the future. Accordingly, the Company has recognized such deferred tax credit in these accounts. However in our opinion, recognition of such deferred tax credit is not in line with the virtual certainty requirement of Accounting standard 22 "Accounting for Taxes on Income". Had such deferred tax credit not been recognized, loss after tax and debit balances in profit and loss account would have been higher by Rs. 7040.49 lacs and deferred tax asset would have been lower by the same amount.

ANNEXURE VII

Certain qualifications in the annexure to Auditor's Report (Companies (Auditor's Report) Order, 2003 as amended, as issued by the Central Government of India in term of sub section (4A) of section 227 of the Act) of the Financial Statement for the year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and Sept. 30, 2010 are as follow:

FY 2014-15

- (i) According to the information and explanations given to us, the Company has, during the year, granted interest free unsecured loans aggregating Rs 1,515.46 lacs to a wholly owned subsidiary covered in the register maintained under section 189 of the Act. At the year end, the outstanding loan granted to a wholly owned subsidiary aggregates to Rs 2,394.81 lacs. In respect of such loans:
 - (a) According to the information and explanations given to us, the above loan is repayable on demand and has not been recalled during the year.
 - (b) According to the information and explanations given to us, there is no overdue amount remaining outstanding as at the year end.
- (ii) The accumulated losses of the Company at the end of the current year are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

- (iii) On the basis of our audit procedures and as per the information and explanations given by the management, the Company has delayed repayment of dues to banks and financial institutions in respect of term loans, working capital demand loans and interest liabilities.

The following are the details of the delays:

Lenders	Amount (including interest) (Rs. Lacs)	Period of delays
Banks and financial institutions	1,399.15	01-30 days
	848.30	31-60 days
	649.29	61-90 days
	551.02	Above 90 days
	34,102.57	Not yet paid

The Company has not issued any debentures during the year.

- (iv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loan taken by others from banks is not, *prima facie*, prejudicial to the interests of the Company.

FY 2013-14

- (i) In respect of its inventory:
- During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
 - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification, other than the shortage of finished goods in the sugar units of the Company amounting to Rs. 1,058.36 lacs arising from alleged irregularities by certain senior executives which have been detected by the Management of the Company, which has been properly dealt with in the books of account and included under the head 'Exceptional Items'.
- (ii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- The Company has granted interest free unsecured loan of Rs. 398.01 lacs to three companies during the year. The maximum amount involved during the year was Rs. 1,177.09 lacs (three companies) and the year end balance was Rs. 1,036.43 lacs (three companies).

- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
- (c) The receipts of principal amounts and interest have been as per stipulations.
- (d) As per the information and explanations given to us and records of the Company, there are no overdue amounts in respect of the above loan, including interest thereon.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company had taken interest free unsecured loans from two Directors. The maximum amount involved during the year was Rs. 1,835.61 lacs (two Directors) and the year end balance was Rs. 1,200.61 lacs (two Directors).
 - (b) The terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The payments of the principal amounts in respect of such loans are as per stipulations.
- (iii) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to Section 301 that need to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction (excluding loans reported under paragraph (iii) above) is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time other than in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment if the transactions have been carried out at prices having regard to the prevailing market prices at the relevant time.
- (iv) On the basis of our audit procedures and as per the information and explanations given by the management, the Company has delayed repayment of dues to banks and financial institutions in respect of term loans, working capital demand loans and interest liabilities.

The following are the details of the delays:

Lenders	Amount (including interest) (Rs. lacs)	Period of delays
Banks	3,288.98	01-30 days
	1,529.86	31-60 days
	557.99	61-90 days
	43.79	Not yet paid

The Company has not issued debentures during the year.

- (v) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that fund raised on short term basis aggregating approximately Rs. 74,645.94 lacs have been used for long-term investments/ financing long-term losses.

FY 2012-13

(i) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has granted unsecured loan of Rs. 1225.70 lacs to two companies during the year. The maximum amount involved during the year was Rs. 1,433.14 lacs (two companies) and the year end balance was Rs. 1,039.61 lacs (two companies).
- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
- (c) The receipts of principal amounts and interest have been as per stipulations.
- (d) As per the information and explanations given to us and records of the Company, there are no overdue amounts in respect of the above loan, including interest thereon.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) During the year the Company has received unsecured loan aggregating Rs. 1813 lacs from one Director. The maximum amount involved during the year was Rs. 1,838.12 lacs (two Directors) and the year end balance was Rs. 1,835.61 lacs (two Directors).
- (b) The terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
- (c) The payments of the principal amounts in respect of such loans are as per stipulations.

(ii) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

- (a) The particulars of contracts or arrangements referred to Section 301 that need to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction (excluding loans reported under paragraph (iii) above) is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time other than in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment if the transactions have been carried out at prices having regard to the prevailing market prices at the relevant time.

(iii) The accumulated losses of the Company at the end of the current year are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial years.

(iv) During the year, after considering the effect of reschedulement of repayment terms of borrowings from certain banks, approved by the Corporate Debt Restructuring Empowered Group, the details of defaults in repayments of dues are as under:

Lenders	Amount (including interest)	Period of delays
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	(Rs. lacs)	
Banks	650.65	01-30 days

The Company has not issued debentures during the year.

- (v) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that fund raised on short term basis aggregating approximately Rs. 47,348.64 lacs have been used to finance fixed assets/long term losses.
- (vi) During the previous period, the Company has issued 25,00,000 warrants, carrying an entitlement to subscribe to 1 equity share of Rs.10 each at a premium of Rs. 36 per shares, on preferential basis in accordance with the Securities and Exchange Board of India(Issue of Capital and Disclosure Requirement) Regulation, 2009(as amended) to the parties covered in the register maintained under Section 301 of the Act. During the year , the Company has issued 6,57,500 equity shares (pursuant to the terms of these warrants) and 32,00,000 preference shares on a preferential basis to the parties covered in the register maintained under Section 301 of the Companies Act, 1956. The price at which, these equity shares have been issued is pursuant to the terms of the warrants and these preference shares have been issued at par value, which in our opinion, is not prima facie prejudicial to the interests of the Company.

Period from 1-10-2010 to 31-3-2012

- (i) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- The Company has granted unsecured loan of Rs. 61.36 lacs to a company during the period. The maximum amount involved during the period was Rs. 428.59 lacs and the period end balance was Rs. 0.11 lacs.
 - The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - The receipts of principal amounts and interest have been as per stipulations.
 - As per the information and explanations given to us and records of the Company, there are no overdue amounts in respect of the above loan, including interest thereon.
- (ii) In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- During the year the Company has received unsecured loan from four Directors. The maximum amount involved during the period was Rs. 256 lacs and the period end balance was Rs.25 lacs.
 - The terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - The payments of the principal amounts in respect of such loans are as per stipulations

- (iii) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to Section 301 that need to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction (excluding loans reported under paragraph (iii) above) is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time other than in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment if the transactions have been carried out at prices having regard to the prevailing market prices at the relevant time.
- (iv) The accumulated losses of the Company at the end of the current year are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (v) On the basis of our audit procedures and as per the information and explanations given by the management, the Company has delayed repayment of dues to banks and financial institutions in respect of term loans, working capital demand loans and interest liabilities.

The following are the details of the delays:

Lenders	Amount (including interest) (Rs. lacs)	Period of delays
Banks	1,394.71	01-30 days
	296.53	31-60 days
	29.40	61-90 days

The Company has not issued debentures during the year.

- (vi) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that fund raised on short term basis aggregating approximately Rs. 47,348.64 lacs have been used to finance fixed assets/long term losses.
- (vii) During the previous period, the Company has issued 25,00,000 warrants, carrying an entitlement to subscribe to 1 equity share of Rs.10 each at a premium of Rs. 36 per shares, on preferential basis in accordance with the Securities and Exchange Board of India(Issue of Capital and Disclosure Requirement) Regulation, 2009(as amended) to the parties covered in the register maintained under Section 301 of the Act. During the year, the Company has issued 13,42,500 equity shares (pursuant to the terms of these warrants) on a preferential basis to the parties covered in the register maintained under Section 301 of the Companies Act, 1956. The price at which, these equity shares have been issued is pursuant to the terms of the warrants and these preference shares have been issued at par value, which in our opinion, is not *prima facie* prejudicial to the interests of the Company.

Period from 1-10-2009 to 30-9-2010

- (i) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has granted unsecured loan of Rs. 285 lacs to a party during the year. The maximum amount involved during the year and the year end balance was Rs.285 lacs.
- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
- (c) The receipts of principal amounts and interest have been as per stipulations.
- (d) As per the information and explanations given to us and records of the Company, there are no overdue amounts in respect of the above loan, including interest thereon.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) During the year the Company has taken interest free unsecured loan from four Directors. The maximum amount involved during the year was Rs.320 lacs and the year end balance was Rs.256 lacs.
 - (b) The terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The payments of the principal amounts in respect of such loans are as per stipulations.
- (ii) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to Section 301 that need to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction (excluding loans reported under paragraph (iii) above) is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time other than in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment if the transactions have been carried out at prices having regard to the prevailing market prices at the relevant time.
- (iii) The accumulated losses of the Company at the end of the current year are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (iv) In our opinion and according to information and explanations given to us, during the year, there are minor delays in repayment of dues to banks and financial institutions. The Company has not issued debentures during the year.
- (v) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that fund raised on short term basis aggregating approximately Rs. 20,208 lacs have been used to finance fixed assets/long term losses.

Notes to the Financial Statements

Annexure – VIII Long Term Borrowings*

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As At	As At
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Secured				
Term loans				
(a)From banks	1,161.42	5,733.18	10,984.63	15,424.88
(b)From others	970.67	2,090.27	3,306.61	4,901.59
	2,132.09	7,823.45	14,291.24	20,326.47
Unsecured				
Term loans				
(b)From banks	6,242.90	-	-	-
Total	8,374.99	7,823.45	14,291.24	20,326.47

Annexure – IX Short Term Borrowings*

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Secured				
Loans repayable on demand from banks	39,158.21	45,225.71	45,197.95	45,364.10
Total	39,158.21	45,225.71	45,197.95	45,364.10
Unsecured				
Loans repayable on demand from banks				
(a)Book overdraft	146.44	2,610.81	993.69	-
(b)Other than book overdraft	47,171.02	47,583.66	-	-
From directors	676.57	1,200.61	1,835.61	25.00
From shareholders	67.77	-	-	-
From others	-	-	2,610.11	-
Total	48,061.80	51,395.08	5,439.41	25.00
Grand Total	87,220.01	96,620.79	50,637.36	45,389.10

Secured and unsecured loan as at September 30, 2010 as per the format of erstwhile Schedule VI of Companies Act, 1956:

Secured Loans*

All Amount in Rs Lacs	
PARTICULARS	As at September 2010
Banks	
Cash credit	33,433.29
Term loans	27,538.57
Others	
Term loans	8,639.44
	69,611.30

Unsecured Loans*

All Amount in Rs Lacs	
PARTICULARS	As at September 2010
From Directors	256.00
Other Loans and advances from	844.45
	1100.45

***Detail of year-wise Long term Borrowing and Short Term Borrowing are as under:**

FY 2014-15

(A) Secured loan

a.	Short term borrowings – Loan repayable on demand from banks:	
1.	Cash Credit facilities * from Commercial Banks of each business division are secured by way of first pari passu charge created by hypothecation of all current assets, both present and future, of the concerned business division of the company. These facilities are collaterally secured by way of third pari passu charge on the entire fixed assets of the Company.	
2.	Cash credit facilities from Co-operative Banks of each business division are secured by pledge of sugar stocks of the respective business divisions of the Company.	
b.	Long term borrowings from banks:	
	Nature of security	Terms of repayment
1.	Term loans from banks of Rs. 7,955.04 lacs *(previous year Rs. 11,385.84 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.	<ul style="list-style-type: none"> - Rs. 6,793.62 lacs repayable in FY 2015-16 - Rs. 1,161.42 lacs repayable in FY 2016-17

* Includes overdue as on March 31, 2015 as follows:

(Rs. lacs)

Particulars	As at March 31, 2015			As at March 31, 2014		
	Interest	Principal repayment	Due for days	Interest	Principal repayment	Due for days
Due on Cash Credit facilities from commercial banks	356.24	-	0-90	-	-	0-90
Due on term loans from banks	267.25	1,588.85	0-90	141.64	388.19	0-90
	62.76	380.01	91-150			91-150
	52.21	533.75	Above 150			Above 150
Total	738.46	2,502.61		141.64	388.19	

c. Long term borrowings from others:	
Nature of security	Terms of repayment
1. Term loans of Rs. 3,057.48 lacs # (previous year Rs. 3,557.80 lacs) from Sugar Development Fund (SDF) is secured by way of second exclusive charge created on all movable and immovable assets (save and except book debts), both present and future, including equitable mortgage on the land of the respective business division of the Company.	- Rs.2,086.81 lacs repayable in FY 2015-16 - Rs.583.01 lacs repayable in FY 2016-17 - Rs.387.66 lacs repayable in FY 2017-18
2. Term loans of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) from Sugar Technology Mission (STM) is secured by exclusive first charge to be created on sugarcane juice purification project at Simbhaoli Sugar Division by way of hypothecation in favour of Technology Information Forecasting and Assessment Council (TIFAC).	

includes overdue as on March 31, 2015 as follows:

(Rs. lacs)

Particulars	As at March 31, 2015			As at March 31, 2014		
	Interest	Principal repayment	Due for days	Interest	Principal repayment	Due for days
Due on term loans	86.57	382.28	0-90	74.90	374.32	0-90
	74.10	372.07	91-150	-	-	91-150

from Others	52.66	303.06	Above 150			Above 150
Total	213.33	1,043.41		74.90	374.32	

In addition to the above, the credit facilities with banks (i.e. Working Capital and Term Loans including WCTL) excluding SDF loans, Cash Credit from Co-operative banks and loan from STM are additionally secured by following securities:

g. First pari passu charge on pledge of 22.50 lacs equity shares of the Company held by promoters.

h. Pledge of 86,95,500 equity shares of Simbhaoli Spirits Limited held by the Company.

All credit facilities other than SDF Loans, Sugar Technology Mission Loan are guaranteed by Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Managing Director of the Company.

(B) Unsecured loan

a. Long term borrowings from banks:		
	Nature of security	Terms of repayment
1.	Term Loan (unsecured) of Rs. 6,242.90 lacs (previous year NIL) is secured by way of mortgage of residential property of Promoter Directors. Personal guarantee of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Managing Director of the Company.	<ul style="list-style-type: none"> - Rs. 2,080.97 lacs repayable in FY 2016-17 - Rs. 2,080.97 lacs repayable in FY 2017-18 - Rs. 2,080.96 lacs repayable in FY 2018-19

b. Short term borrowings from bank other than book overdraft includes overdue as follows:						
Particulars	As at March 31, 2015			As at March 31, 2014		
	Interest	Principal repayment	Due for days	Interest	Principal repayment	Due for days
Due on from bank other than overdraft	2,922.49	16,628.11	0-365	-	11,651.67	0-365
	-	10,054.16	Above 365	-	-	Above 365
Total	2,922.49	26,682.27		-	11,651.67	

FY 13-14
Secured loan

a. Short term borrowings – Loan repayable on demand from banks:		
1.	Cash Credit facilities of each business division are secured by way of first pari passu charge created by hypothecation of all current assets, both present and future, of the concerned business division of the company. These facilities are collaterally secured by way of third pari passu charge on the entire fixed assets of the Company.	
2.	Cash credit facilities from co-operative banks of each business division are secured by pledge of sugar stocks of the respective business divisions of the Company.	
b. Long term loans from banks:		
	Nature of security	Terms of repayment
1.	Term loans from banks of Rs. 11,385.84 lacs *(previous year Rs. 14,707.05 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.	<ul style="list-style-type: none"> - Rs. 5,652.66 lacs repayable in FY 2014-15 - Rs. 4,455.75 lacs repayable in FY 2015-16 - Rs. 1,277.43 lacs repayable in FY 2016-17
2.	Term Loan of Rs. Nil (previous year Rs. 2.29 lacs) are secured by way of hypothecation of specific vehicles acquired under the scheme.	

* Includes overdue as on March 31, 2014 as follows:

(Rs. lacs)

Particulars	As at March 31, 2014			As at March 31, 2013		
	Interest	Principal repayment	Due for the month	Interest	Principal repayment	Due for the month
Due on term loans from banks	13.66	-	January-14	-		-
	24.91	90.81	February-14	-		-
	103.07	297.38	March-14			
Total	141.64	388.19		-	-	

c. Long term loans from others:	
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1.	Term loans of Rs. 3,557.80 lacs # (previous year Rs. 4,821.62 lacs) from Sugar Development Fund (SDF) is secured by way of second exclusive charge created on all movable and immovable assets (save and except book debts), both present and future, including equitable mortgage on the land of the respective business division of the Company.	<ul style="list-style-type: none"> - Rs. 1,567.53 lacs repayable in FY 2014-15 - Rs. 1,019.60 lacs repayable in FY 2015-16 - Rs. 583.01 lacs repayable in FY 2016-17 - Rs. 387.66 lacs repayable in FY 2017-18
2.	Term loans of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) from Sugar Technology Mission (STM) is secured by exclusive first charge to be created on sugarcane juice purification project at Simbhaoli Sugar Division by way of hypothecation in favour of Technology Information Forecasting and Assessment Council (TIFAC).	

Includes overdue as on March 31, 2014 as follows:

(Rs. lacs)

Particulars	As at March 31, 2014			As at March 31, 2013		
	Interest	Principal repayment	Due for the month	Interest	Principal repayment	Due for the month
Due on term loans from Others	-	-	January-14	-		-
	2.42	37.50	February-14	-		-
	72.48	336.82	March-14			
Total	74.90	374.32		-	-	

In addition to the above, the credit facilities with banks (i.e. Working Capital and Term Loans including WCTL) excluding SDF loans, Cash Credit from Co-operative banks and loan from STM are additionally secured by following securities:

- a. First pari passu charge on pledge of 22.50 lacs equity shares of the Company held by promoters.
- b. Pledge of 86,95,500 equity shares of Simbhaoli Spirits Limited held by the Company.

All credit facilities other than SDF Loans, Sugar Technology Mission Loan and Vehicle Loans are guaranteed by Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Managing Director of the Company.

FY 12-13

Secured loan

a.	Short term working capital borrowings from banks:
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1.	Cash Credit facilities of each business division are secured by way of first pari passu charge created by hypothecation of all current assets, both present and future, of the concerned business division of the company. These facilities are collaterally secured by way of third pari passu charge on the entire fixed assets of the Company.										
2.	Cash credit facilities from co-operative banks of each business division are secured by pledge of sugar stocks of the respective business divisions of the Company.										
b. Long term loans from banks:											
	<table border="1"> <thead> <tr> <th>Nature of security</th> <th>Terms of repayment</th> </tr> </thead> <tbody> <tr> <td>1. Term loans from banks of Rs. 9,707.05 lacs (previous period Rs. 10,947.10 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.</td> <td> <ul style="list-style-type: none"> - Rs. 3,481.46 lacs repayable in FY 2013-14 - Rs. 4,033.46 lacs repayable in FY 2014-15 - Rs. 2,192.13 lacs repayable in FY 2015-16 </td> </tr> <tr> <td>2. Term loans (ECB) of Rs. Nil (previous period Rs. 3,532.03 lacs) from a bank are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company. This loan was further secured by way of collateral security on the personal assets of the promoters of the Company and pledge of fixed deposit of Rs. Nil lacs (previous period Rs.2,604.58 lacs) of the Company.</td> <td></td> </tr> <tr> <td>3. Working Capital Term loans (WCTL) of Rs. 5,000 lacs from banks (previous period Rs. 5,000 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.</td> <td> <ul style="list-style-type: none"> - Rs. 240.95 lacs repayable in FY 2013-14 - Rs. 1,223.05 lacs repayable in FY 2014-15 - Rs. 2,240.75 lacs repayable in FY 2015-16 - Rs. 1,295.25 lacs repayable in FY 2016-17 </td> </tr> <tr> <td>4. Term Loan of Rs. 2.29 lacs (previous period Rs. 9.13 lacs) are secured by way of hypothecation of specific vehicles acquired under the scheme.</td> <td> <ul style="list-style-type: none"> - Rs. 2.29 lacs repayable in FY 2013-14 </td> </tr> </tbody> </table>	Nature of security	Terms of repayment	1. Term loans from banks of Rs. 9,707.05 lacs (previous period Rs. 10,947.10 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.	<ul style="list-style-type: none"> - Rs. 3,481.46 lacs repayable in FY 2013-14 - Rs. 4,033.46 lacs repayable in FY 2014-15 - Rs. 2,192.13 lacs repayable in FY 2015-16 	2. Term loans (ECB) of Rs. Nil (previous period Rs. 3,532.03 lacs) from a bank are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company. This loan was further secured by way of collateral security on the personal assets of the promoters of the Company and pledge of fixed deposit of Rs. Nil lacs (previous period Rs.2,604.58 lacs) of the Company.		3. Working Capital Term loans (WCTL) of Rs. 5,000 lacs from banks (previous period Rs. 5,000 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.	<ul style="list-style-type: none"> - Rs. 240.95 lacs repayable in FY 2013-14 - Rs. 1,223.05 lacs repayable in FY 2014-15 - Rs. 2,240.75 lacs repayable in FY 2015-16 - Rs. 1,295.25 lacs repayable in FY 2016-17 	4. Term Loan of Rs. 2.29 lacs (previous period Rs. 9.13 lacs) are secured by way of hypothecation of specific vehicles acquired under the scheme.	<ul style="list-style-type: none"> - Rs. 2.29 lacs repayable in FY 2013-14
Nature of security	Terms of repayment										
1. Term loans from banks of Rs. 9,707.05 lacs (previous period Rs. 10,947.10 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.	<ul style="list-style-type: none"> - Rs. 3,481.46 lacs repayable in FY 2013-14 - Rs. 4,033.46 lacs repayable in FY 2014-15 - Rs. 2,192.13 lacs repayable in FY 2015-16 										
2. Term loans (ECB) of Rs. Nil (previous period Rs. 3,532.03 lacs) from a bank are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company. This loan was further secured by way of collateral security on the personal assets of the promoters of the Company and pledge of fixed deposit of Rs. Nil lacs (previous period Rs.2,604.58 lacs) of the Company.											
3. Working Capital Term loans (WCTL) of Rs. 5,000 lacs from banks (previous period Rs. 5,000 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.	<ul style="list-style-type: none"> - Rs. 240.95 lacs repayable in FY 2013-14 - Rs. 1,223.05 lacs repayable in FY 2014-15 - Rs. 2,240.75 lacs repayable in FY 2015-16 - Rs. 1,295.25 lacs repayable in FY 2016-17 										
4. Term Loan of Rs. 2.29 lacs (previous period Rs. 9.13 lacs) are secured by way of hypothecation of specific vehicles acquired under the scheme.	<ul style="list-style-type: none"> - Rs. 2.29 lacs repayable in FY 2013-14 										

c. Long term loans from others:			
1.	<table border="1"> <tbody> <tr> <td>Term loans of Rs. 4,821.62 lacs (previous period Rs. 6,226.94 lacs) from Sugar Development Fund (SDF) is secured by way of second exclusive charge created on all movable and immovable assets (save and except book debts), both present and future, including equitable mortgage on the land of the respective business division of the Company.</td> <td> <ul style="list-style-type: none"> - Rs. 1,615.01 lacs repayable in FY 2013-14 - Rs. 1,193.21 lacs repayable in FY 2014-15 - Rs. 1,019.60 lacs repayable in FY 2015-16 - Rs. 583.01 lacs repayable in FY 2016-17 - Rs. 410.78 lacs repayable in FY 2017-18 </td> </tr> </tbody> </table>	Term loans of Rs. 4,821.62 lacs (previous period Rs. 6,226.94 lacs) from Sugar Development Fund (SDF) is secured by way of second exclusive charge created on all movable and immovable assets (save and except book debts), both present and future, including equitable mortgage on the land of the respective business division of the Company.	<ul style="list-style-type: none"> - Rs. 1,615.01 lacs repayable in FY 2013-14 - Rs. 1,193.21 lacs repayable in FY 2014-15 - Rs. 1,019.60 lacs repayable in FY 2015-16 - Rs. 583.01 lacs repayable in FY 2016-17 - Rs. 410.78 lacs repayable in FY 2017-18
Term loans of Rs. 4,821.62 lacs (previous period Rs. 6,226.94 lacs) from Sugar Development Fund (SDF) is secured by way of second exclusive charge created on all movable and immovable assets (save and except book debts), both present and future, including equitable mortgage on the land of the respective business division of the Company.	<ul style="list-style-type: none"> - Rs. 1,615.01 lacs repayable in FY 2013-14 - Rs. 1,193.21 lacs repayable in FY 2014-15 - Rs. 1,019.60 lacs repayable in FY 2015-16 - Rs. 583.01 lacs repayable in FY 2016-17 - Rs. 410.78 lacs repayable in FY 2017-18 		

2.	Term loans of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) from Sugar Technology Mission (STM) is secured by exclusive first charge to be created on sugarcane juice purification project at Simbhaoli Sugar Division by way of hypothecation in favour of Technology Information Forecasting and Assessment Council (TIFAC).	
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In addition to the above, the credit facilities with banks (i.e. Working Capital and Term Loans including WCTL) excluding SDF loans, Cash Credit from Co-operative banks, Car Loans and loan from STM are additionally secured by following securities:

- a. First pari passu charge on pledge of 22.50 lacs equity shares of the company held by promoters.
- b. Pledge of 86,95,500 equity shares of Simbhaoli Spirits Limited held by the Company.

All credit facilities other than SDF Loans, Sugar Technology Mission Loan and Vehicle Loans are guaranteed by Chairman & Managing Director and Deputy Managing Director of the Company.

Period from 1-10-10 to 31-3-12

- 1 (i) Cash credit facilities from banks of each business division (other than co-operative banks referred to in 1(ii) below) are secured by way of first pari passu charge created by hypothecation of all current assets, both present and future, of the concerned business division of the Company. These facilities are further secured by way of third pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.
- (ii) A cash credit facility from co-operative banks of each business division is secured by pledge of sugar stocks of the respective business division of the Company.
- 2 Term loans of Rs. 10,314.31 lacs (previous year Rs. 17,608.89 lacs) from banks are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.
- 3 Term loans of Rs. 5,632.80 lacs (previous year Rs. 1,250.00 lacs) from banks are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company. These loans are further secured by pledge of 22.50 lacs equity shares of the Company, owned by key promoters.
- 4 Term loans of Rs. Nil (previous year Rs. 2,213.80 lacs) from banks are secured by way of residual pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.
- 5 Term loans of Rs. 3,532.03 lacs (previous year Rs. 6,435.87 lacs) from a bank are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company. This loan is further secured by way of collateral security on the personal assets of the promoters of the Company and pledge of fixed deposit of Rs. 2,660.91 lacs (previous year Rs. 2,604.58 lacs) of the Company.
- 6 Term loans of Rs. 6,226.94 lacs (previous year Rs. 8,539.44 lacs) from Sugar Development Fund (SDF) is secured by way of second exclusive charge created on all movable and immovable assets (save and except book debts), both present and future, including equitable mortgage on the land of the respective business division of the Company.
- 7 Term loans of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) from Sugar Technology Mission (STM) is secured by exclusive first charge to be created on sugarcane juice purification project at Simbhaoli Sugar

Division by way of hypothecation in favour of Technology Information Forecasting and Assessment Council (TIFAC).

- 8 Term loans of Rs. 9.13 lacs (previous year Rs. 30.01 lacs) from banks are secured by way of hypothecation of specific vehicles acquired under the scheme.
- 9 Term loans repayable within a year Rs. 4,817.74 lacs (previous year Rs. 6,735.32 lacs).

All the credit facilities other than SDF loan of Rs. 6,226.94 lacs (previous year Rs. 8,539.44 lacs), Sugar technology mission loan of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) and vehicle loan of Rs. 9.13 lacs (previous year Rs. 30.01 lacs) are guaranteed by Chairman & Managing Director and Deputy Managing Director of the Company.

All existing charges on the assets transferred to Simbhaoli Spirits Limited pursuant to the Scheme of Amalgamation (as explained in note 2 of schedule 18) held by the lenders of the Company shall be vacated. The necessary modifications of the charges are pending execution.

Period from 1-10-2009 to 30-9-2010

Notes:

- 1 (i) Cash credit facilities from banks of each business division (other than co-operative banks referred to in 1(ii) below) are secured by way of first pari passu charge created by hypothecation of all current assets, both present and future, of the concerned business division of the Company. These facilities are further secured by way of third pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.
(ii) A cash credit facility from co-operative banks of each business division is secured by pledge of sugar stocks of the respective business division of the Company.
- 2 Term loans of Rs. 17,608.89 lacs (previous year Rs. 21,623.23 lacs) from banks and term loans of Rs. Nil (previous year Rs. 471.39 lacs) from others are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.
- 3 Term loans of Rs. 1,250.00 lacs (previous year Rs. 592.76 lacs) from banks are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company. These loans are further secured by pledge of 22.50 lacs equity shares of the Company, owned by key promoters.
- 4 Term loans of Rs. 2,213.80 lacs (previous year Rs. 3,073.06 lacs) from banks are secured by way of residual pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.
- 5 Term loans of Rs. 6,435.87 lacs (previous year Rs. 6,325.00 lacs) from a bank are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company. This loan is further secured by way of collateral security on the personal assets of the promoters of the Company.
- 6 Term loans of Rs. 8,539.44 lacs (previous year Rs. 5,022.98 lacs) from Sugar Development Fund (SDF) is secured by way of second exclusive charge created on all movable and immovable assets (save and except book debts), both present and future, including equitable mortgage on the land of the respective business division of the Company.
- 7 Term loans of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) from Sugar Technology Mission (STM) is secured by exclusive first charge to be created on sugarcane juice purification project at Simbhaoli Sugar Division by way of hypothecation in favour of Technology Information Forecasting and Assessment Council (TIFAC).
- 8 Term loans of Rs. 30.01 lacs (previous year Rs. 27.49 lacs) from banks and term loan of Rs. Nil (previous year Rs. 3.84 lacs) from others are secured by way of hypothecation of specific vehicles acquired under the

scheme.

9 Term loans repayable within a year Rs. 6,735.32 lacs (previous year Rs. 4,228.00 lacs).

All the credit facilities other than SDF loan of Rs. 8,539.44 lacs (previous year Rs. 5,022.98 lacs), Sugar technology mission loan of Rs. 100.00 lacs (previous year Rs. 100.00 lacs) and vehicle loan of Rs. 30.01 lacs (previous year Rs. 31.33 lacs) are guaranteed by Chairman & Managing Director and Deputy Managing Director of the Company.

Annexure –X Non- Current Investment

All Amount in Rs. Lacs					
PARTICULARS	As on	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	30.09.2010
(Valued at cost unless there is permanent diminution in value thereof)					
Trade Investment					
Unquoted					
One share of Rs. 20 fully paid up in Simbhaoli Co-operative Cane Development Union Limited (*Rs. 20)	*	*	*	*	*
Government securities					
6-Years Post Office National Savings Certificate	2.11	1.61	1.61	0.05	0.05
Investment in subsidiaries					
Investments in equity instruments -Unquoted					
200,800 (Previous year Sept.10 : Nil, Previous year March 12 : 1,78,000, Previous year March 13 : 2,00,800, Previous year March 14 : 2,00,800) equity shares of Rs.10 each fully paid up of Integrated Casetech Consultants Private Limited	37.90	37.90	37.90	17.80	0
300 (Previous year Sept.10 : 300, Previous year March 12 : 300, Previous year March 13 : 300, Previous year March 14 : 300) equity shares of AED 1000 each fully paid up of Simbhaoli Global Commodities DMCC	39.94	39.94	39.94	39.94	39.94
31,800,000 (Previous year Sept.10 : Nil, Previous year March 12 : 50,000, Previous year March 13 : 3,18,00,000, Previous year March 14 : 3,18,00,000) equity shares of Rs.10 each fully paid up of Simbhaoli Spirits Limited	25,405.00	25,405.00	25,405.00	5.00	0

2,262,766 (Previous year Sept.10 : Nil, Previous year March 12 : 50,000, Previous year March 13 : 5,62,031, Previous year March 14 : 19,29,705) equity shares of Rs.10 each fully paid up of Simbhaoli Power Private Limited	2,217.78	1,884.71	517.04	5.00	0
19,000 (Previous year Sept.10 : Nil, Previous year March 12 : Nil, Previous year March 13 : Nil, Previous year March 14 : Nil) equity shares of Rs. 10 each of Simbhaoli Speciality Sugar Private Limited (formerly known as Resham Packaging Private Limited)	190.00	-	-	-	0
Investments in Debentures					
3,394,165 (Previous year Sept.10 : Nil, Previous year March 12 : Nil, Previous year March 13 : Nil, Previous year March 14 :28,94,573) Debentures of Rs. 100 each of Simbhaoli Power Private Limited	3,394.17	2,894.57	-	-	0
Investment in joint venture					
Investments in equity instruments -Unquoted					
27,653,770 (Previous year Sept.10 : Nil, Previous year March 12 :1,72,50,000 , Previous year March 13 : 2,69,93,950, Previous year March 14 :2,74,56,690) equity shares of Rs. 10 each fully paid up of Uniworld Sugars Private Limited	7,332.50	7,226.08	6,993.79	3,445.00	0
	38,619.40	37,489.81	32,995.28	3,512.79	39.99
Aggregate book value – unquoted	38,619.40	37,489.81	32,995.28	3,512.79	39.99

Annexure – XI Loans and advances

PARTICULARS	All Amount in Rs. Lacs			
	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
(Unsecured considered good unless otherwise stated)				
Capital advances	85.25	193.24	-	-
Security deposit	72.10	21.60	21.61	20.60
Loans and advances to related parties	380.24	-	260.00	-

Others loans and advances	287.05	274.15	287.38	263.82
Tax Payments (Net)	797.34	546.11	-	-
Total	1,621.98	1,035.10	568.99	284.42

Annexure – XII Trade Receivables

All Amount in Rs. Lacs					
PARTICULARS	As on	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	30.09.2010
Outstanding for a period exceeding six months from due date for payment					
Unsecured					
(a) considered good	3,476.23	2,632.51	1,295.95	589.22	706.83
(b) Considered doubtful	86.86	110.70	87.89	52.89	293.53
Less: Provision for doubtful receivables	86.86	110.70	87.89	52.89	293.53
Other debts					
Unsecured					
(a) considered good	4,950.71	3,866.99	6,107.48	6,889.82	6566.90
Total	8,426.94	6,499.50	7,403.43	7,479.04	7273.73

Annexure – XIII Short Term Loans and Advances

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Advances recoverable in cash or in kind or for value to be received				
(a) Considered good	2,523.17	1,580.73	1,391.17	4,105.43
(b) Considered doubtful	267.57	147.33	95.33	4.72
	2,790.74	1,728.06	1,486.50	4,110.15
Less: Provision for doubtful advances	267.57	147.33	95.33	4.72
	2,523.17	1,580.73	1,391.17	4,105.43
Loans and advances to related parties	2,545.72	1,150.98	1,077.55	1,378.17
Loans and advances to employees	44.82	40.67	19.49	23.68
Security deposits	127.64	200.21	162.34	158.91
Balances with customs, excise etc.	1,474.49	1,573.51	1,478.73	1,690.07
Tax payments (Net)	-	-	299.70	159.15
Total	6,715.84	4,546.10	4,428.98	7,515.41

Loans and advances as at September 30, 2010 as per the format of erstwhile Schedule VI of Companies Act, 1956:

Loans and advances

All Amount in Rs Lacs	
PARTICULARS	As at September 2010
Considered good	11795.19
Considered doubtful	12.05
Less: Provision for doubtful advances	12.05
Balances with excise authorities on current accounts	2228.66
Advance payment of income-tax	1813.13
MAT credit entitlement	378.25
	16,215.23

Annexure – XIV Other Income

All Amount in Rs. Lacs				
PARTICULARS	For the period ended	For the period ended	For the period ended	For the period ended
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Interest on:				
(a)Bank deposits	56.18	199.62	328.83	565.75
(b)Income Tax refund	4.91	-	-	91.11
(c)Others	1,843.54	1,834.58	766.06	77.50
Rent	21.09	5.32	8.59	7.05
Profit on sale of fixed assets	-	-	0.69	100.53
Profit on sale of non trade current investments	-	-	-	0.36
Dividend from subsidiary company on long term trade investment	-	10.04	7.12	5.34
Liabilities/provisions no longer required written back	71.97	-	-	-
Foreign exchange fluctuation	7.48	26.57	117.07	-
Gain on buy back of FCCB				
Export incentives				
Miscellaneous	825.40	735.97	476.05	2,944.93
Total	2,830.57	2,812.10	1,704.41	3,792.57

Other income for the year ended September 30, 2010 as per the format of erstwhile Schedule VI of Companies Act, 1956:

PARTICULARS	For the period ended
	30.09.2010
Interest on bank deposits	485.34
Rent	4.34
Transfer from 'Capital grant-in-aid	1.33
Profit on sale of fixed assets	3.64
Liabilities/provisions no longer required written back	152.37
Foreign exchange fluctuation	2210.17
Gain on buy back of FCCB	138.51
Export incentives	287.50
Miscellaneous	3061.75
Total	6344.95

ANNEXURE-XV

Contingent Liabilities

(Rs.Lac)

Description	FY 2014-15	FY 2013-14	FY 2012-13	Period 1-10-10 to 31-03-12	Period 1-10-09 to 30-9-10
Sales Tax/Trade Tax Act	3.61	3.61	3.61	10.43	12.60
State Excise Act	-	17.34	17.34	17.34	17.34
Central Excise Act	423.86	437.10	520.16	515.53	239.96
Income Tax	-	-	-	316.73	316.73
Finance Act,1994	83.06	83.06	-	-	-
Others	476.67	524.11	494.55	444.50	120.67
Total	987.20	1065.22	1035.66	1304.53	707.30

ANNEXURE-XVI

Related Party Transaction

A. Name of related party and nature of related party relationship.

Subsidiaries:

- Simbhaoli Global Commodities DMCC (DMCC).
- Integrated Casetech Consultants Private Limited (ICCPL).

- Simbhaoli Power Private Limited (SPPL).
- Simbhaoli Spirits Limited (SISPL).
- Simbhaoli Speciality Sugars Private Limited (SSSPL) (formerly known as Resham Packaging Private Limited).

Joint Venture Entity: Uniworld Sugars Private Limited (USPL).

Co-venturer: ED & F Man Asia Holdings Pte Ltd. (ED & F Man)

Key Management Personnel: Mr.G.M.S.Mann, Mr.Gurpal Singh, Dr.G.S.C.Rao (ceased to be key management personnel w.e.f. September 11, 2013), Mr. Sanjay Tapriya, Ms. Gursimran Kaur Mann and Mr. S.N. Misra (w.e.f. October 8, 2013).

Relatives of Key management personnel:

Mrs. G.R.Lakshmi (wife of Dr.G.S.C.Rao, ceased to be key management personnel w.e.f. September 11, 2013), Mrs. Mamta Tapriya (wife of Mr. Sanjay Tapriya), Mr. B.D.Tapriya (father of Mr. Sanjay Tapriya), Mr. Govind Singh Sandhu (brother of Mr. Gurpal Singh), Mrs. Usha Misra and Mr. Angad Singh (son of Mr. Gurpal Singh).

Enterprise over which key management personnel exercise significant influence:

- Dholadhar Investments Private Limited (enterprise over which Mr.G.M.S.Mann and Ms. Gursimran Kaur Mann exercise significant influence).
- Pritam Singh Sandhu Associates Private Limited (enterprise over which Mr. Gurpal Singh exercises significant influence).

B. Transactions with the Related Parties:

FY 2014-15

Description	Subsidiaries		Joint venture/Co-venturer		Key management personnel		Relatives of key management personnel		Enterprise over which key management personnel exercise significant influence	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Rent Paid	22.50	-	-	-	-	-	41.91	38.95	-	-
Mrs. G.R. Lakshmi	-	-	-	-	-	-	-	6.18	-	-
Mrs. Mamta Tapriya	-	-	-	-	-	-	1.08	6.71	-	-
Mr. Govind Singh Sandhu	-	-	-	-	-	-	32.57	26.06	-	-
Mrs. Usha Misra	-	-	-	-	-	-	8.26	-	-	-

SSSPL	22.50	-	-	-	-	-	-	-	-	-
Rent Income	10.80	-	3.60	-	-	-	-	-	-	-
USPL	-	-	3.60	-	-	-	-	-	-	-
ICCPL	10.80	-	-	-	-	-	-	-	-	-
Salary/stipend	-	-	-	-	-	-	-	6.96	-	-
Mr. Angad Singh	-	-	-	-	-	-	-	6.96	-	-
Managerial Remuneration	-	-	-	-	171.26	184.69	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	48.00	49.35	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	33.00	39.88	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	-	22.65	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	24.12	36.40	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	-	-	24.09	23.66	-	-	-	-
Mr. S.N.Misra	-	-	-	-	42.05	12.75	-	-	-	-
Loans taken	-	-	-	-	106.30	-	-	-	65.00	-
Mr. G.M.S. Mann	-	-	-	-	106.30	-	-	-	-	-
Dholadhar Investments Private Limited	-	-	-	-	-	-	-	-	65.00	-
Loans repaid	-	-	-	-	632.00	635.00	-	-	-	-
Mr.	-	-	-	-	-	-	-	-	-	-

G.M.S. Mann		-	-	-	632.00	635.00	-	-	-	-
Expenses paid	244.54	257.41	-	-	-	-	-	-	-	-
SPPL	227.73	257.41	-	-	-	-	-	-	-	-
SISPL	16.68	-	-	-	-	-	-	-	-	-
ICCPL	0.13	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	1.84	-	-	-	3.28	-
Mr. G.M.S. Mann	-	-	-	-	1.84	-	-	-	-	-
Dholadhar Investments Private Limited	-	-	-	-	-	-	-	-	3.28	-
Sale of finished goods	1,887.23	1,999.92	-	-	-	-	-	-	-	-
DMCC	405.80	-	-	-	-	-	-	-	-	-
SISPL	515.73	1,518.33	-	-	-	-	-	-	-	-
SPPL	965.70	481.59	-	-	-	-	-	-	-	-
Expenses recovered	207.39	520.87	16.02	38.81	-	-	-	-	-	-
ICCPL	65.39	138.83	-	-	-	-	-	-	-	-
DMCC	0.17	0.37	-	-	-	-	-	-	-	-
SPPL	97.07	51.00	-	-	-	-	-	-	-	-
SISPL	20.58	330.67	-	-	-	-	-	-	-	-
USPL	-	-	16.02	38.81	-	-	-	-	-	-
SSSPL	24.18	-	-	-	-	-	-	-	-	-
Interest Income	1,797.93	1,834.58	-	-	-	-	-	-	-	-
SPPL	1,797.93	1,834.58	-	-	-	-	-	-	-	-

Loan given	1,515.46	485.66	-	147.00	-	-	-	-	-	-
ICCPL	-	50.00	-	-	-	-	-	-	-	-
USPL	-	-	-	147.00	-	-	-	-	-	-
SISPL	1,515.46	201.01	-	-	-	-	-	-	-	-
SPPL	-	234.65	-	-	-	-	-	-	-	-
Advances given	-	-	25.67	380.49	-	-	-	-	-	-
ED & F Man	-	-	25.67	380.49	-	-	-	-	-	-
Purchase of goods/ finished goods	-	-	911.94	658.61	-	-	-	-	-	-
ED & F Man	-	-	911.94	658.61	-	-	-	-	-	-
Loan received back	47.95	255.68	-	203.28	-	-	-	-	-	-
ICCPL	47.95	2.05	-	-	-	-	-	-	-	-
USPL	-	-	109.89	203.28	-	-	-	-	-	-
SISPL	-	253.63	-	-	-	-	-	-	-	-
Payment/Advance made	-	-	-	74.04	-	-	-	-	-	-
ED & F Man	-	-	-	74.04	-	-	-	-	-	-
Investments made in	1,022.65	4,262.25	106.42	232.29	-	-	-	-	-	-
SPPL	832.65	4,262.25	-	-	-	-	-	-	-	-
USPL	-	-	106.42	232.29	-	-	-	-	-	-
SSSPL	190.00	-	-	-	-	-	-	-	-	-
Share Application Money paid	-	-	380.24	-	-	-	-	-	-	-
USPL	-	-	380.24	-	-	-	-	-	-	-

Dividend received	-	10.04	-	-	-	-	-	-	-	-
ICCPL	-	10.04	-	-	-	-	-	-	-	-
Cane development expense	90.29	90.16	-	-	-	-	-	-	-	-
SISPL	90.29	90.16	-	-	-	-	-	-	-	-
Purchase of stores/ assets	-	-	-	3.51	-	-	-	-	-	-
USPL	-	-	-	3.51	-	-	-	-	-	-
Sale of stores	-	-	-	0.31	-	-	-	-	-	-
USPL	-	-	-	0.31	-	-	-	-	-	-
Management fees charged	465.88	786.81	428.40	100.00	-	-	-	-	-	-
ICCPL	-	6.30	-	-	-	-	-	-	-	-
SISPL	-	48.00	-	-	-	-	-	-	-	-
SPPL	465.88	732.51	-	-	-	-	-	-	-	-
USPL	-	-	428.40	100.00	-	-	-	-	-	-
Operation and job work charges paid	461.90	444.74	-	-	-	-	-	-	-	-
ICCPL	159.00	175.50	-	-	-	-	-	-	-	-
SPPL	302.90	269.24	-	-	-	-	-	-	-	-
Other income	39.91	-	-	-	-	-	-	-	-	-
SISPL	39.91	-	-	-	-	-	-	-	-	-
Balance outstanding at the end of the year										
Other current assets	9,559.80	13,897.65	-	-	-	-	-	-	-	-

SPPL	9,559.80	13,897.65	-	-	-	-	-	-	-	-
Other non-current assets	704.53	1,081.41	-	-	-	-	-	-	-	-
SPPL	704.53	1,081.41	-	-	-	-	-	-	-	-
Trade payables	-	-	-	-	46.89	41.81	35.37	23.05	-	-
Mr. G.M.S. Mann	-	-	-	-	8.88	11.55	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	7.14	10.49	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	9.94	9.94	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	4.35	0.88	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	-	-	8.74	8.95	-	-	-	-
Mr. S.N.Misra	-	-	-	-	7.84	-	-	-	-	-
Mrs. Mamta Tapriya	-	-	-	-	-	-	0.41	0.49	-	-
Mr. Govind Singh Sandhu	-	-	-	-	-	-	26.35	15.67	-	-
Mrs. Usha Misra	-	-	-	-	-	-	1.73	-	-	-
Mr. Angad Singh	-	-	-	-	-	-	1.32	1.33	-	-
Mrs. G.R. Lakshmi	-	-	-	-	-	-	5.56	5.56	-	-
Short-term borrowings	-	-	-	-	676.57	1,200.61	-	-	67.77	-
Mr. G.M.S. Mann	-	-	-	-	657.45	1,181.49	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	19.12	19.12	-	-	-	-

Dholadhar Investments Private Limited	-	-	-	-	-	-	-	-	67.77	-
Short Term Loans and advances	2,465.16	1,041.09	106.13	109.89	-	-	-	-	-	-
DMCC	6.99	6.82	-	-	-	-	-	-	-	-
ICCPL	63.36	154.92	-	-	-	-	-	-	-	-
USPL	-	-	80.46	109.89	-	-	-	-	-	-
SISPL	2,394.81	879.35	-	-	-	-	-	-	-	-
ED & F Man	-	-	25.67	-	-	-	-	-	-	-
Long Term Loans and advances	-	-	380.24	-	-	-	-	-	-	-
USPL	-	-	380.24	-	-	-	-	-	-	-
Trade Receivable	4,286.19	3,317.17	125.18	170.20	-	-	-	-	-	-
DMCC	124.68	-	-	-	-	-	-	-	-	-
SISPL	3,200.14	2,697.62	-	-	-	-	-	-	-	-
SPPL	955.62	619.55	-	-	-	-	-	-	-	-
SSSPL	5.75	-	-	-	-	-	-	-	-	-
ED & F Man	-	-	125.18	170.20	-	-	-	-	-	-
Guarantee given on behalf of Company by Mr. G M S Mann & Mr. Gurpal Singh for loan taken from banks	-	-	-	-	53,356.15	56,611.55	-	-	-	-
Pledge of Investments (no. of shares)	1,06,25,555	1,06,25,555	2,76,53,770	2,74,56,690	-	-	-	-	-	-

SPPL	19,29,655	19,29,655	-	-	-	-	-	-	-	-
SISPL	86,95,900	86,95,900	-	-	-	-	-	-	-	-
USPL	-	-	2,76,53,770	2,74,56,690	-	-	-	-	-	-

FY 2013-14

Description	Subsidiaries		Joint venture/Co-venturer		Key management personnel		Relatives of key management personnel		Enterprise over which key management personnel exercise significant influence	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
<u>Rent</u>	-	-	-	-	-	-	38.95	74.36	-	-
Mrs. G.R. Lakshmi	-	-	-	-	-	-	6.18	24.72	-	-
Mrs. Mamta Tapriya	-	-	-	-	-	-	6.71	23.58	-	-
Mr. Govind Singh Sandhu	-	-	-	-	-	-	26.06	26.06	-	-
<u>Salary/stipend</u>	-	-	-	-	-	-	6.96	8.01	-	-
Mr. Angad Singh	-	-	-	-	-	-	6.96	8.01	-	-
<u>Allotment of Equity Shares</u>	-	-	-	-	-	6.58	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	-	6.58	-	-	-	-
<u>Allotment of Preference shares</u>	-	-	-	-	-	-	-	-	-	1,200.00
Dholadhar Investment Private Limited	-	-	-	-	-	-	-	-	-	800.00
Pritam Singh Sandhu Associates	-	-	-	-	-	-	-	-	-	400.00

<u>Professional Charges</u>	-	-	-	-	-	-	-	0.32	-	-
Mr. B.D. Tapriya	-	-	-	-	-	-	-	0.32	-	-
<u>Managerial Remuneration</u>	-	-	-	-	184.69	266.36	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	49.35	53.40	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	39.88	52.75	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	22.65	71.47	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	36.40	64.72	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	-	-	23.66	24.02	-	-	-	-
Mr. S.N.Misra	-	-	-	-	12.75	-	-	-	-	-
<u>Loan taken</u>	-	-	-	-	-	1,816.15	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	-	1,813.76	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	-	2.39	-	-	-	-
<u>Loans repaid</u>	-	-	-	-	635.00	5.54	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	635.00	3.27	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	-	2.27	-	-	-	-
<u>Expenses paid</u>	257.41	-	-	-	-	-	-	-	-	-
SPPL	257.41	-	-	-	-	-	-	-	-	-
<u>Interest paid</u>	-	-	-	-	-	3.50	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	-	0.84	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	-	2.66	-	-	-	-
Sale of finished goods	1,999.92	2,581.27	-	-	-	-	-	-	-	-
DMCC	-	11.83	-	-	-	-	-	-	-	-
SISPL	1,518.33	2,298.23	-	-	-	-	-	-	-	-
SPPL	-	-	-	-	-	-	-	-	-	-

	481.59	271.21	-	-	-	-	-	-	-	-
Expenses recovered	520.87	32.06	38.81	65.77	-	-	-	-	-	-
ICCPL	138.83	31.84	-	-	-	-	-	-	-	-
DMCC	0.37	0.22	-	-	-	-	-	-	-	-
SPPL	51.00	-	-	-	-	-	-	-	-	-
SISPL	330.67	-	-	-	-	-	-	-	-	-
USPL	-	-	38.81	65.77	-	-	-	-	-	-
Interest Income	1,834.58	766.06	-	-	-	-	-	-	-	-
SPPL	1,834.58	766.06	-	-	-	-	-	-	-	-
Loan given	485.66	1,214.34	147.00	2,246.64	-	-	-	-	-	-
ICCPL	50.00	34.10	-	-	-	-	-	-	-	-
USPL	-	-	147.00	2,246.64	-	-	-	-	-	-
SISPL	201.01	1,017.51	-	-	-	-	-	-	-	-
SPPL	234.65	162.73	-	-	-	-	-	-	-	-
Advances given	-	-	380.49	65.69	-	-	-	-	-	-
ED& F Man	-	-	380.49	65.69	-	-	-	-	-	-
Purchase of goods/ finished goods	-	-	658.61	6,568.08	-	-	-	-	-	-
ED& F Man	-	-	658.61	6,568.08	-	-	-	-	-	-
SISPL	-	-	-	-	-	-	-	-	-	-
Loan received back	255.68	25.84	203.28	1,705.72	-	-	-	-	-	-
ICCPL	2.05	25.84	-	-	-	-	-	-	-	-
USPL	-	-	203.28	1,705.72	-	-	-	-	-	-
SISPL	253.63	-	-	-	-	-	-	-	-	-

Payment/Advance made	-	-	74.04	178.28	-	-	-	-	-	-
ED& F Man	-	-	74.04	178.28	-	-	-	-	-	-
Investments made in	4,262.25	25,931.84	232.29	348.79	-	-	-	-	-	-
ICCPL	-	19.80	-	-	-	-	-	-	-	-
SPPL	4,262.25	512.04	-	-	-	-	-	-	-	-
SISPL	-	25,400.00	-	-	-	-	-	-	-	-
USPL	-	-	232.29	348.79	-	-	-	-	-	-
Investments in USPL purchased from:	-	-	-	-	-	-	-	-	-	1,200.00
Dholadhar Investment Private Limited	-	-	-	-	-	-	-	-	-	800.00
Pritam Singh Sandhu Associates	-	-	-	-	-	-	-	-	-	400.00
Sales consideration in lieu of business transfer agreement	-	15,978.62	-	-	-	-	-	-	-	-
SPL	-	15,978.62	-	-	-	-	-	-	-	-
Dividend received	10.04	7.12	-	-	-	-	-	-	-	-
ICCPL	10.04	7.12	-	-	-	-	-	-	-	-
Purchase of stores/assets	90.16	38.23	3.51	-	-	-	-	-	-	-
SISPL	90.16	38.23	-	-	-	-	-	-	-	-
USPL	-	-	3.51	-	-	-	-	-	-	-
Sale of stores/assets	-	22,316.62	0.31	-	-	-	-	-	-	-

USPL	-	-	0.31	-	-	-	-	-	-	-
SISPL	-	11,800.00	-	-	-	-	-	-	-	-
SPPL	-	10,516.62	-	-	-	-	-	-	-	-
Leasing arrangements	-	2,010.00	-	-	-	-	-	-	-	-
SPL	-	2,010.00	-	-	-	-	-	-	-	-
Management fees charged	786.81	301.22	100.00	30.00	-	-	-	-	-	-
ICCPL	6.30	154.12	-	-	-	-	-	-	-	-
SISPL	48.00	48.00	-	-	-	-	-	-	-	-
SPPL	732.51	99.10	-	-	-	-	-	-	-	-
USPL	-	-	100.00	30.00	-	-	-	-	-	-
Operation and job work charges paid	444.74	320.72	-	-	-	-	-	-	-	-
ICCPL	175.50	202.89	-	-	-	-	-	-	-	-
SPL	269.24	117.83	-	-	-	-	-	-	-	-
Balance outstanding										
Current Assets	13,897.65	14,522.72	-	-	-	-	-	-	-	-
SPPL	13,897.65	14,522.72	-	-	-	-	-	-	-	-
Non-Current Assets	1,081.41	3,640.96	-	-	-	-	-	-	-	-
SPPL	1,081.41	3,640.96	-	-	-	-	-	-	-	-
Trade payables	-	-	-	1,660.92	41.81	30.55	1.33	2.94	-	-
Mr. G.M.S. Mann	-	-	-	-	11.55	5.82	-	-	-	-

Mr. Gurpal Singh	-	-	-	-	10.49	8.33	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	9.94	10.09	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	0.88	2.59	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	-	-	8.95	3.72	-	-	-	-
Mr. Angad Singh	-	-	-	-	-	-	1.33	2.88	-	-
Mr. B.D. Tapriya	-	-	-	-	-	-	-	0.05	-	-
ED& F Man	-	-	-	1,660. 92	-	-	-	-	-	-
Unsecured loans	-	-	-	-	1,200.6 1	1,835.6 1	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	1,181.4 9	1,816.4 9	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	19.12	19.12	-	-	-	-
Loans and advances	1,041.0 9	17,194.8 8	109.89	282.10	-	-	-	-	-	-
DMCC	6.82	-	-	-	-	-	-	-	-	-
ICCPL	154.92	37.94	-	-	-	-	-	-	-	-
SPPL	-	16,139.4 3	-	-	-	-	-	-	-	-
USPL	-	-	109.89	282.10	-	-	-	-	-	-
SISPL	879.35	1,017.51	-	-	-	-	-	-	-	-
<u>Trade Receivable</u>	3,317.1 7	2,520.47	170.20	-	-	-	-	-	-	-
DMCC	-	57.98	-	-	-	-	-	-	-	-
SISPL	2,697.6 2	2,029.57	-	-	-	-	-	-	-	-
SPPL	619.55	432.91	-	-	-	-	-	-	-	-
ED& F										

Man	-	-	170.20	-	-	-	-	-	-	-
Guarantee given on behalf of Company by Mr. G M S Mann & Mr. Gurpal Singh for loan taken from banks					56,611.55	60,016.95				

Pledge of Investments (no. of shares)	19,29,655	2,74,56,690								
SPPL	19,29,655									
USPL			2,74,56,690							

FY 12-13

Description	Subsidiaries		Joint venture/Co-venturer		Key management personnel		Relatives of key management personnel		Enterprise over which key management personnel exercise significant influence	
	Current year	Previous period	Current year	Previous period	Current year	Previous period	Current year	Previous period	Current year	Previous period
Rent	-	-	-	-	-	-	74.36	94.82	-	-
Mrs. G.R. Lakshmi	-	-	-	-	-	-	24.72	29.40	-	-
Mrs. Mamta Tapriya	-	-	-	-	-	-	23.58	27.42	-	-
Mr. Govind Singh Sandhu	-	-	-	-	-	-	26.06	38.00	-	-
Salary/stipend	-	-	-	-	-	-	8.01	0.42	-	-
Mr. Angad Singh	-	-	-	-	-	-	8.01	0.42	-	-
Allotment of Equity Shares	-	-	-	-	6.58	620.36	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	-	617.55	-	-	-	-

Mr. Sanjay Tapriya	-	-	-	-	-	2.81	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	6.58	-	-	-	-	-
Allotment of Preference shares	-	-	-	-	-	-	-	-	1,200.00	-
Dholadhar Investment Private Limited	-	-	-	-	-	-	-	-	800.00	-
Pritam Singh Sandhu Associates	-	-	-	-	-	-	-	-	400.00	-
Allotment of Share Warrants	-	-	-	-	-	133.11	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	-	75.61	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	-	28.75	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	-	28.75	-	-	-	-
Professional Charges	-	-	-	-	-	-	0.32	0.31	-	-
Mr. B.D. Tapriya	-	-	-	-	-	-	0.32	0.31	-	-
Managerial Remuneration	-	-	-	-	266.36	341.36	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	53.40	79.02	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	52.75	77.94	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	71.47	82.29	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	64.72	81.36	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	-	-	24.02	20.75	-	-	-	-
Loan taken	-	-	-	-	1,816.15	-	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	1,813.76	-	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	2.39	-	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	-	-	-	-	-	-
Mr. Sanjay	-	-	-	-	-	-	-	-	-	-

Tapriya	-	-	-	-					-	
Loans repaid					5.54	231.00				
Mr. G.M.S. Mann	-	-	-	-	3.27	125.00	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	2.27	76.00				
Dr. G.S.C.Rao	-	-	-	-	-	13.00	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	-	17.00	-	-	-	-
Interest paid					3.50	33.30				
Mr. G.M.S. Mann	-	-	-	-	0.84	17.36	-	-		
Mr. Gurpal Singh	-	-	-	-	2.66	12.53	-	-		
Dr. G.S.C.Rao	-	-	-	-	-	1.62	-	-		
Mr. Sanjay Tapriya	-	-	-	-	-	1.79	-	-		
Sale of finished goods	2,581.27	4,152.13								
DMCC	11.83	1,685.63	-	-	-	-	-	-	-	-
SISPL	2,298.23	2,466.50	-	-	-	-	-	-	-	-
SPL	271.21	-	-	-	-	-	-	-	-	-
Expenses recovered	32.06	742.50	65.77							10.44
ICCPL	31.84	24.60	-	-	-	-	-	-	-	-
DMCC	0.22	0.15	-	-	-	-	-	-	-	-
SPL	-	29.83	-	-	-	-	-	-	-	-
SISPL	-	4.08	-	-	-	-	-	-	-	-
USPL	-	683.84	65.77	-	-	-	-	-	-	10.44
Interest Income	766.06	68.34								9.16
USPL	-	68.34	-	-	-	-	-	-	-	9.16
SPL	766.06	-	-	-	-	-	-	-	-	-
Advances given	1,214.34	5,986.73	2,312.33							1.22
ICCPL	34.10	351.13	-	-	-	-	-	-	-	-
USPL	-	60.14	2,246.64	-	-	-	-	-	-	1.22

SISPL	1,017.51	5,575.46	-	-	-	-	-	-	-	-
ED & F Man	-	-	65.69	-	-	-	-	-	-	-
SPL	162.73	-	-	-	-	-	-	-	-	-
Purchase of goods/ finished goods	-	-	6,568.08	2,627.93	-	-	-	-	-	-
ED & F Man	-	-	6,568.08	2,627.93	-	-	-	-	-	-
Payment/adv ance received	25.84	8,785.76	1,884.00	-	-	-	-	-	-	-
ICCPL	25.84	298.68	-	-	-	-	-	-	-	-
DMCC	-	1,390.93	-	-	-	-	-	-	-	-
USPL	-	2.00	1,705.72	-	-	-	-	-	-	-
SISPL	-	7,094.15	-	-	-	-	-	-	-	-
ED & F Man	-	-	178.28	-	-	-	-	-	-	-
Other Income	-	2,689.80	30.00	-	-	-	-	-	-	-
USPL	-	2,689.80	30.00	-	-	-	-	-	-	-
SPL	-	-	-	-	-	-	-	-	-	-
Investments made in	25,931.84	27.80	348.79	3,445.00	-	-	-	-	-	-
ICCPL	19.80	17.80	-	-	-	-	-	-	-	-
SPL	512.04	5.00	-	-	-	-	-	-	-	-
SISPL	25,400.00	5.00	-	-	-	-	-	-	-	-
USPL	-	-	348.79	3,445.00	-	-	-	-	-	-
Investments made in USPL from:	-	-	-	-	-	-	-	-	1,200.00	-
Dholadh ar Investment Private Limited	-	-	-	-	-	-	-	-	800.00	-
Pritam Singh Sandhu	-	-	-	-	-	-	-	-	400.00	-

Associates										
Sale of SDD undertaking pursuant to Scheme of Amalgamation		13,600.00								
SISPL	-	13,600.00	-	-	-	-	-	-	-	-
Sales consideration in lieu of business transfer agreement	15,978.62	-	-	-	-	-	-	-	-	-
SPL	15,978.62	-	-	-	-	-	-	-	-	-
Dividend received	7.12	5.34	-	-	-	-	-	-	-	-
ICCPL	7.12	5.34	-	-	-	-	-	-	-	-
Purchase of stores/ assets	38.23	121.32	-	-	-	-	-	-	-	-
ICCPL	-	56.25	-	-	-	-	-	-	-	-
SISPL	38.23	65.07	-	-	-	-	-	-	-	-
Sale of stores/ assets	22,316.62	775.97	-	-	-	-	-	-	-	-
USPL	-	775.80	-	-	-	-	-	-	-	-
SISPL	11,800.00	0.17	-	-	-	-	-	-	-	-
SPL	10,516.62	-	-	-	-	-	-	-	-	-
Leasing arrangements	2,010.00	-	-	-	-	-	-	-	-	-
SPL	2,010.00	-	-	-	-	-	-	-	-	-
Management fees charged	301.22	268.56	-	-	-	-	-	-	-	-
ICCPL	154.12	196.56	-	-	-	-	-	-	-	-
SISPL	48.00	72.00	-	-	-	-	-	-	-	-
SPL	99.10	-	-	-	-	-	-	-	-	-

Operation and job work charges	320.72	210.98	-	-	-	-	-	-	-	-
ICCPL	202.89	210.98	-	-	-	-	-	-	-	-
SPL	117.83	-	-	-	-	-	-	-	-	-
Balance outstanding									-	-
Creditors	-	-	1,660.92	287.56	30.55	18.28	2.94	0.22	-	-
Mr. G.M.S. Mann	-	-	-	-	5.82	2.40	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	8.33	13.20	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	10.09	1.20	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	2.59	0.09	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	-	-	3.72	1.39	-	-	-	-
Mr. Angad Singh	-	-	-	-	-	-	2.88	0.11	-	-
Mr. B.D. Tapriya	-	-	-	-	-	-	0.05	0.11	-	-
ED & F Man	-	-	1,660.92	287.56	-	-	-	-	-	-
Unsecured loan	-	-	-	-	1,835.61	25.00	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	1,816.49	6.00	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	19.12	19.00	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	-	-	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	-	-	-	-	-	-
Loans and advance	17,194.88	72.46	282.10	0.11	-	-	-	-	-	-
DMCC	-	6.23	-	-	-	-	-	-	-	-
ICCPL	37.94	33.26	-	-	-	-	-	-	-	-
SPL	16,139.43	28.89	-	-	-	-	-	-	-	-
USPL					-	-	-	-	-	-

	-	-	282.10	0.11					-	-
SISPL	1,017.51	4.08	-	-	-	-	-	-	-	-
Finance lease receivable	2,024.25	-	-	-	-	-	-	-	-	-
SPL	2,024.25	-	-	-	-	-	-	-	-	-
Debtors	2,520.47	2,064.12	-	-	-	-	-	-	-	-
DMCC	57.98	309.38	-	-	-	-	-	-	-	-
SISPL	2,029.57	1,754.74	-	-	-	-	-	-	-	-
SPL	432.91	-	-	-	-	-	-	-	-	-
Guarantee given on behalf of Company by Mr. G M S Mann & Mr. Gurpal Singh	-	-	-	-	60,016.95	65,018.01	-	-	-	-

Period from 1-10-2010 to 31-3-2012

Description	Subsidiaries		Joint venture/Co-venturer		Key management personnel		Relatives of key management personnel		Enterprise over which key management personnel exercise significant influence	
	Current period	Previous year	Current period	Previous year	Current period	Previous year	Current period	Previous year	Current period	Previous year
Rent	-	-	-	-	-	-	94.82	54.61	-	-
Mrs. G.R. Lakshmi	-	-	-	-	-	-	29.40	16.50	-	-
Mrs. Mamta Tapriya	-	-	-	-	-	-	27.42	16.39	-	-
Mr. Govind Singh Sandhu	-	-	-	-	-	-	38.00	21.72	-	-
Salary/stipend	-	-	-	-	-	-	0.42	1.35	-	-
Mr. Angad Singh	-	-	-	-	-	-	0.42	1.35	-	-
Allotment of Equity Shares	-	-	-	-	620.36	-	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	617.55	-	-	-	-	-

Mr. Sanjay Tapriya				2.81	-	-	-	-	-
Allotment of Share Warrants	=	=	=	133.11	-	-	-	-	-
Mr. Gurpal Singh	-	-	-	75.61	-	-	-	-	-
Dr. G.S.C.Rao	-	-	-	28.75	-	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	28.75	-	-	-	-	-
Professional Charges	=	=	=	-	-	0.31	0.23	-	-
Mr. B.D. Tapriya	-	-	-	-	-	0.31	0.23	-	-
Managerial Remuneration \$	=	=	=	341.36	205.95	-	-	-	-
Mr. G.M.S. Mann	-	-	-	79.02	51.47	-	-	-	-
Mr. Gurpal Singh	-	-	-	77.94	47.77	-	-	-	-
Dr. G.S.C.Rao	-	-	-	82.29	53.74	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	81.36	52.97	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	-	20.75	-	-	-	-	-
Loan taken	=	=	=	-	320.00	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	191.00	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	95.00	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	17.00	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	17.00	-	-	-	-
Loans repaid	=	=	=	231.00	64.00	-	-	-	-
Mr. G.M.S. Mann	-	-	-	125.00	60.00	-	-	-	-
Mr. Gurpal Singh	-	-	-	76.00	-	-	-	-	-
Dr. G.S.C.Rao	-	-	-	13.00	4.00	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	17.00	-	-	-	-	-
Interest paid	=	=	=	33.30	-	-	-	-	-
Mr. G.M.S.	-	-	-	-	-	-	-	-	-

Mann	-	-	-	-	17.36	-	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	12.53	-	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	1.62	-	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	1.79	-	-	-	-	-
Sale of finished goods	<u>4,152.13</u>	=	=	-	-	-	-	-	-	-
DMCC	1,685.63	-	-	-	-	-	-	-	-	-
SISPL	2,466.50	-	-	-	-	-	-	-	-	-
Expenses recovered	<u>742.50</u>	<u>0.31</u>	=	-	-	-	-	-	<u>10.44</u>	<u>5.20</u>
ICCPL	24.60	-	-	-	-	-	-	-	-	-
DMCC	0.15	0.31	-	-	-	-	-	-	-	-
SPL	29.83	-	-	-	-	-	-	-	-	-
SISPL	4.08	-	-	-	-	-	-	-	-	-
USPL	683.84	-	-	-	-	-	-	-	10.44	5.20
Interest Income	<u>68.34</u>	=	=	-	-	-	-	-	<u>9.16</u>	<u>21.20</u>
USPL	68.34	-	-	-	-	-	-	-	9.16	21.20
Advances given	<u>5,986.73</u>	=	=	-	-	-	-	-	<u>1.22</u>	<u>285.00</u>
ICCPL	351.13	-	-	-	-	-	-	-	-	-
USPL	60.14	-	-	-	-	-	-	-	1.22	285.00
SISPL	5,575.46	-	-	-	-	-	-	-	-	-
Purchase of goods/ finished goods	=	=	<u>2,627.93</u>	-	-	=	-	-	-	-
ED & F Man	-	-	2,627.93	-	-	-	-	-	-	-
Payment/advance received	<u>8,785.76</u>	=	=	-	-	-	-	-	-	-
ICCPL	298.68	-	-	-	-	-	-	-	-	-
DMCC	1,390.93	-	-	-	-	-	-	-	-	-
USPL	2.00	-	-	-	-	-	-	-	-	-
SISPL	-	-	-	-	-	-	-	-	-	-

	7,094.15	-	-							
Other Income	<u>2,689.80</u>	=	=	-	-	-	-	-	-	-
USPL	2,689.80	-	-	-	-	-	-	-	-	-
Investments made in	<u>27.80</u>	=	<u>3,445.00</u>	-	-	-	-	-	-	-
ICCPL	17.80	-	-	-	-	-	-	-	-	-
SPL	5.00	-	-	-	-	-	-	-	-	-
SISPL	5.00	-	-	-	-	-	-	-	-	-
USPL	-	-	3,445.00	-	-	-	-	-	-	-
Sale of SDD undertaking pursuant to Scheme of Amalgamation	<u>13,600.00</u>	=	=	-	-	-	-	-	-	-
SISPL	13,600.00	-	-	-	-	-	-	-	-	-
Dividend received	<u>5.34</u>	=	=	-	-	-	-	-	-	-
ICCPL	5.34	-	-	-	-	-	-	-	-	-
Purchase of stores/ assets	<u>121.32</u>	=	=	-	-	-	-	-	-	-
ICCPL	56.25	-	-	-	-	-	-	-	-	-
SISPL	65.07	-	-	-	-	-	-	-	-	-
Sale of stores/ assets	<u>775.97</u>	=	=	-	-	-	-	-	-	-
USPL	775.80	-	-	-	-	-	-	-	-	-
SISPL	0.17	-	-	-	-	-	-	-	-	-
Management fees charged	<u>268.56</u>	=	=	-	-	-	-	-	-	-
ICCPL	196.56	-	-	-	-	-	-	-	-	-
SISPL	72.00	-	-	-	-	-	-	-	-	-
Operation and Mangement fee paid	<u>210.98</u>	=	=	-	-	-	-	-	-	-
ICCPL	210.98	-	-	-	-	-	-	-	-	-
Balance outstanding		-	-	-	-	-	-	-	-	-

Creditors	=	=	<u>287.56</u>	-	<u>18.28</u>	<u>13.79</u>	<u>0.11</u>	<u>0.11</u>	-	-
Mr. G.M.S. Mann	-	-	-	-	2.40	-	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	13.20	4.55	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	1.20	7.66	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	0.09	1.58	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	-	-	1.39	-	-	-	-	-
Mr. Angad Singh	-	-	-	-	-	-	0.11	0.11	-	-
ED & F Man	-	-	287.56	-	-	-	-	-	-	-
Unsecured loan	-	-	-	-	<u>25.00</u>	<u>256.00</u>	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	6.00	131.00	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	19.00	95.00	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	-	13.00	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	-	17.00	-	-	-	-
Loans and advance	<u>72.46</u>	<u>6.08</u>	<u>0.11</u>	-	-	-	-	-	-	<u>311.40</u>
DMCC	6.23	6.08	-	-	-	-	-	-	-	-
ICCPL	33.26	-	-	-	-	-	-	-	-	-
SPL	28.89	-	-	-	-	-	-	-	-	-
USPL	-	-	0.11	-	-	-	-	-	-	311.40
SISPL	4.08	-	-	-	-	-	-	-	-	-
Debtors	<u>2,064.12</u>	=	=	-	-	-	-	-	-	-
DMCC	309.38	-	-	-	-	-	-	-	-	-
SISPL	1,754.74	-	-	-	-	-	-	-	-	-
Guarantee given on behalf of Company by Mr. G M S Mann & Mr. Gurpal Singh	-	-	-	-	65,018.01	60,941.86	-	-	-	-

Period from 1-10-2009 to 30-9-2010

Description	Subsidiary 'Simbhaoli Global Commodities DMCC'		Key management personnel		Relatives of key management personnel		Enterprise over which key management personnel exercise significant influence	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
<u>Rent</u>			-	-	<u>54.61</u>	<u>40.81</u>		
Mrs. G.R. Lakshmi					16.50	10.2		
Mrs. Mamta Tapriya					16.39	8.88		
Mr. Govind Singh Sandhu					21.72	21.73		
<u>Salary/stipend</u>					<u>1.35</u>	<u>5.62</u>		
Ms. Gursimran Kaur Mann						5.52		
Mr. Angad Singh					1.35	0.1		
<u>Allotment of Share Warrants, Equity Shares</u>			-	-	-	<u>0.5</u>	-	<u>614.25</u>
Mr. Sanjay Tapriya								
Dr. G.S.C.Rao								
Ms. Gursimran Kaur Mann						0.5		
Pritam Singh Sandhu Associates Pvt. Ltd								459.54
Dholadhar Investment Pvt. Ltd.								154.71
<u>Purchase of fixed assets</u>								
Dholadhar Investments Pvt Ltd								
<u>Professional Charges</u>					<u>0.23</u>	<u>0.22</u>		
Mr. B.D. Tapriya					0.23	0.22		
<u>Managerial Remuneration Rs</u>			<u>204.76</u>	-				
Mr. G.M.S. Mann			50.27					
Mr. Gurpal Singh			47.77					
Dr. G.S.C.Rao			53.74					
Mr. Sanjay Tapriya			52.98					
<u>Interest paid on Loans (including fixed deposits)</u>								
Mr. G.M.S. Mann								

Mr. Sanjay Tapriya								
Loans Taken			<u>320.00</u>					
Mr.Gurmit Singh Mann			191.00					
Mr.Gurpal Singh			95.00					
Dr.G.S.C.Rao			17.00					
Mr.Sanjay Tapriya			17.00					
Loans repaid			<u>64.00</u>					
Mr.Gurmit Singh Mann			60.00					
Dr.G.S.C.Rao			4.00					
Sale of finished goods								
Expenses recovered								
Interest Income								
Advances given and received back								
Other Income								
Shares allotted to Company								
Balance outstanding at the year end								
Guarantee Given on behalf of Company by Mr. G.M.S.Mann & Mr. Gurpal Singh								

**STANDALONE FINANCIALS OF
SIMBHAOLI SPIRITS LIMITED**

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL INFORMATION

To
The Board of Directors
Simbhaoli Spirits Limited
Simbhaoli, Uttar Pradesh -245207

We have examined the attached Summary Standalone Financial Information of **Simbhaoli Spirits Limited**, (the 'Company'), which comprises of the Summary Standalone Balance Sheet as at 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015 (Annexure I), the Summary Standalone Statements of Profit and Loss for each of the year ended 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015 (Annexure II) and Summary Standalone Cash Flow Statements for each of the year ended 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015(Annexure III) and a summary of significant accounting policies(Annexure IV) and other explanatory information and material notes (Annexure V), as approved by the Board of Directors of the Company, prepared in terms of our engagement agreed upon with you in accordance with our engagement letter dated November 9, 2015 in connection with the proposed listings of equity shares of the Company.

The above Summary Standalone Financial Information have been extracted by the Management from the Audited Standalone Financial Statement of the company for the year ended 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015. The figures included in the above Summary Financial Information have not been restated/ adjusted for:

- a) Giving effect of change in accounting policy, if any, retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods;
- b) For the material amounts in the respective financial years to which they relate;

The above Summary Financial Information do not contain all the disclosures required by the accounting principles generally accepted in India, including the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts), Rules 2014 [applied in the preparation of the audited financial statements of the company]. Reading the summary financial information, therefore, is not a substitute for the reading financial statements of the Company.

Audit of the financial statements for the year ended 31st March 2012 was conducted by previous auditor, S.N. Garg & Co., Chartered Accountants and for the year ended 31st March 2013, 31st March 2014 and 31st March 2015 were conducted by previous auditor, Deloitte Haskins & Sells, Chartered Accountants. Accordingly reliance has been placed on these financial statements for the purpose of the summary standalone financial information of the Company.

Managements Responsibility for the Summary Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 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. Furthermore, the Board of Directors is also responsible for the matter specified in

the Securities Exchange Board of India ('SEBI') – (Issue of Capital and Disclosure Requirements) Regulation, 2009 ('SEBI Guidelines') issued by the SEBI under Section 11 of SEBI Act, 1992 and related classifications thereto.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Summary Financial Information, prepared and approved by the Board of Director for the purpose of disclosure in the Information Memorandum for listing of shares, based on our procedures which were conducted in accordance with Standards on Auditing (SA 810), "Engagements to Reports on Summary Financial Statements" issued by the institute of Chartered Accountants of India and in terms of engagement agreed upon with the company in accordance with our engagement letter dated November 9, 2015.

This report should not, in any way, be construed as a re-dating of any the previous audit reports issued by other firms of chartered accountants nor should this be construed as a new opinion on any of the standalone financial statements referred to herein. Furthermore, the audit report is intended solely for use of the managements and for inclusion in the information memorandum in the connection with the listing of the equity share of the company. Our report should not be used for any other purpose without consent in writing.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid summary financial information extracted from the audited standalone financial statement of the company for the respective years are the fair summary of those audited financial statement, except for the financial information for the year ended 31st March 2012 which have been extracted from the regrouped and recasted figures reported for the comparative previous year in the audited standalone financial statement for the year ended 31st March 2013 as per Revised Schedule VI to the Companies Act, 1956.

We further report that the other remarks/comments in the Companies (Auditor's Report) Order 2003, issued by the Central Government in terms of sub section 4A of section 227 of the Companies Act, 1956, on the standalone financial statement of the company as at and for the year ended 31st March 2012, 31st March 2013, 31st March 2014 and other remarks/comments in the Companies (Auditor's Report) Order 2015 issued by the Central Government in terms of sub section 11 of section 143 of the Companies Act, 2013, on the standalone financial statement of the company as at and for the year ended 31st March 2015 are set out in Annexure VI .

We have also examined the following other financial information of the Company set out in Annexure VII to XIV prepared by the Management and approved by the Board of Directors of the Company for the financial years ended 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015 and found the same to be correct and extracted from the audited standalone financial statement of the company for the respective years, as stated hereinabove:

- i) Standalone statement of secured and unsecured long-term borrowings, included in Annexure VII.
- ii) Standalone statement of secured and unsecured short- term borrowings, included in Annexure VIII.
- iii) Standalone statement of long-term loans and advances, included in Annexure IX.
- iv) Standalone statement of trade receivables, included in Annexure X.
- v) Standalone statement of short-term loans and advances, included in Annexure XI.

- vi) Standalone statement of other income, included in Annexure XII.
- vii) Standalone statement of contingent liabilities, included in Annexure XIII.
- viii) Standalone statement of related parties transaction, included in Annexure XIV.

For MITTAL GUPTA & CO.

Chartered Accountants

FRN: 01874C

(B. L. Gupta)

Partner

Membership No.: 073794

Place: New Delhi

Dated: December 3, 2015

ANNEXURE - I

Balance Sheet for the last Four (4) Financial Years 2014-15, 2013-14, 2012-13 and 2011-12

All Amount in Rs. Lacs				
Particulars	As on 31 March,2015	As on 31 March,2014	As on 31 March,2013	As on 31 March,2012
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	3,180.00	3,180.00	3,180.00	5.00
Reserves and surplus	15,720.69	18,730.21	20229.26	(368.91)
	18,900.69	21,910.21	23,409.26	(363.91)
Share Application money				13,600.00
Non- current liabilities				
Long-term borrowings	-	735.95	1,465.35	1,873.03
Long-term provisions	27.00	52.23	25.30	26.79
	27.00	788.18	1,490.65	1,899.82
Current liabilities				
Short-term borrowings	4,270.28	3,412.05	3,435.75	3,710.60
Trade payables	4,338.85	3,913.96	3,398.12	1,954.68
Other current liabilities	1,679.49	1,133.04	1,060.85	818.24
Short-term provisions	7.08	11.96	8.51	8.51
	10,295.70	8,471.01	7,903.23	6,492.03
Total	29,223.39	31,169.40	32,803.14	21,627.94
ASSETS				
Non- current assets				
Fixed assets				
Tangible assets	25,856.38	26,887.35	27,299.60	15,174.24
Intangible assets	245.90	290.61	335.32	380.03
Capital work-in-progress	165.54	100.26	100.26	540.64
	26,267.82	27,278.22	27,735.18	16094.91
Deferred tax assets (net)				116.76
Long -term loans and advances	34.91	58.00	104.54	119.34
	26,302.73	27,336.22	27839.72	16331.01
Current assets				
Inventories	1,070.87	1,057.17	1,855.35	2,096.37
Trade receivables	956.88	1,923.03	2,065.46	2,277.79

Cash and cash equivalents	228.48	170.85	197.90	149.23
Short-term loans and advances	606.48	639.51	808.88	743.50
Other current assets	57.95	42.62	35.83	30.04
	2,920.66	3,833.18	4,963.42	5,296.93
Total	29,223.39	31,169.40	32803.14	21627.94

ANNEXURE - II

Statement of Profit & Loss Account for the last Four (4) Financial Years 2014-15, 2013-14, 2012-13 and 2011-12

All Amount in Rs. Lacs				
Particulars	For Year ended 31 March,2015	For Year ended 31 March,2014	For Year ended 31 March,2013	For Year ended 31 March,2012
Revenue from operations				
Sale of products	1,014.38	33,117.96	9,459.88	26,794.58
Less: Excise duty	72.32	23,814.47	996.78	16,655.16
	942.06	9,303.49	8,463.10	10,139.42
Other operating revenues	34.01	22.77	85.24	50.06
Revenue from operations	976.07	9,326.26	8,548.34	10,189.49
Other Income	84.01	138.08	79.98	72.38
Total Revenue	1,060.08	9,464.34	8,628.32	10261.86
Expenses:				
Cost of materials consumed	165.28	3,667.51	4,244.01	4,111.67
Purchase of stock in trade	-	23.15	21.03	-
Change in inventories of finished goods, work-in-progress and stock in trade	123.57	364.64	371.03	(529.77)
Employee benefit expenses	427.12	629.82	652.22	568.71
Finance costs	470.41	579.12	545.56	661.47
Depreciation and amortization expense	551.79	456.96	424.38	422.35
Other expenses	1,308.45	5,242.19	3,880.16	5,466.73
Total expenses	3,046.62	10,963.39	10,138.39	10,701.16
Profit /(Loss)before exceptional items and tax	(1,986.54)	(1,499.05)	(1,510.07)	(439.30)
Exceptional items				
-Penalty levied	500.00	-	-	-
Profit /(Loss) after exceptional items and before tax	(2,486.54)	(1,499.05)	(1,510.07)	(439.30)

Tax Expense:				
Current tax	-	-	-	-
Deferred tax charge/(benefit)	-	-	116.76	(135.12)
Profit/(loss) for the year	(2,486.54)	(1,499.05)	(1,626.83)	(304.18)
Earning per equity share each- Basic / Diluted (Rs.)				
Basic/Diluted	(7.82)	(4.71)	(18.36)	(608.35)

ANNEXURE - III

Cash Flow Statement for the last Four (4) Financial Years 2014-15, 2013-14, 2012-13 and 2011-12

All Amount in Rs. Lacs				
Particulars	As on 31 March,201 5	As on 31 March,201 4	As on 31 March,201 3	As on 31 March,201 2
A.CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit/(loss) before tax and exceptional items	(1,986.54)	(1,499.05)	(1,510.07)	(439.30)
Adjustments for:				
Depreciation and amortization	551.79	456.96	424.38	422.35
Loss on sale of fixed assets	4.49	-	-	
Finance cost	470.41	579.12	545.56	661.47
Profit on Sale of Fixed Assets	-	-	-	(1.26)
Interest income	(12.11)	(15.99)	(15.03)	(7.59)
Operating profit/(loss) before working capital changes	(971.96)	(478.96)	(555.16)	635.67
Adjustments for (increase) / decrease in operating assets in :				
Trade receivables	966.15	142.43	212.33	24.11
Short term and long term loan and advances	81.18	215.91	(50.25)	55.52
Other current assets	(10.26)	(4.90)	(0.70)	(14.50)
Inventories	(13.70)	798.18	241.02	(232.68)
Adjustments for increase / (decrease) in operating liabilities in :				
Trade payables	424.89	515.84	1,443.44	232.32
Other current liabilities	319.19	(29.18)	133.79	(174.64)
Short term and long term provisions	(30.10)	30.38	(1.49)	(1.15)
	765.39	1,189.70	1422.99	524.65
Cash flow from exceptional items	(500.00)	-	-	
Cash generated from operations	265.39	1,189.70	1,422.99	524.65
Direct taxes (paid)/refund	2.80	-	(0.33)	(2.95)
Net cash flow from operating activities	268.19	1,189.70	1,422.66	521.70
B.CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets	(86.20)	-	(208.73)	(408.98)
Proceeds from sale of fixed assets	2.23	-	-	2.28
Margin money	58.76	(27.01)	(27.05)	25.74

Interest received	7.04	14.10	9.95	8.22
Net cash used in investing activities	(18.17)	(12.91)	(225.83)	(372.74)
C.CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from issue of equity shares	-	-	-	5.00
Repayment of long term borrowings	(563.20)	(642.41)	(362.96)	(596.09)
Changes in short term borrowings	858.23	(23.70)	(274.85)	625.25
Finance cost	(428.66)	(564.74)	(537.40)	(661.47)
Net cash used in financing activities	(133.63)	(1,230.85)	(1,175.21)	(627.31)
D.Net increase / (decrease) in Cash and cash equivalents	116.39	(54.06)	21.62	(478.35)
E. Cash and cash equivalents at the beginning of the year	5.05	59.11	37.49	515.84
Cash and bank balances transferred pursuant to scheme of Amalgamation	-	-	-	-
F. Cash and cash equivalents at the end of the year(D+E)	121.44	5.05	59.11	37.49

ANNEXURE – IV

A summary of significant Accounting Policies

FY 2014-15, FY 2013-14, FY 12-13 and Period from 4-4-2011 to 31-3-2012

(i) **Basis of accounting**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 22.

(ii) **Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(iii) **Inventories**

Inventories are valued at the lower of cost and moving weighted average price and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. The basis of determining cost of various categories of inventories are as follows:-

- 1) Raw materials:- First-in-first out method (FIFO)
- 2) Stores and spare parts :- Monthly weighted average
- 3) Process stocks/finished goods :- FIFO material cost plus appropriate share of labour and manufacturing overheads.

(iv) **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(v) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(vii) **Revenue recognition**

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Interest income is recognised on a time proportionate basis taking into account the amount invested and rate applicable.

(viii) **State excise duty**

The state excise duty payable on finished goods is accounted for on the clearance of goods from the factory premises or bonded warehouses. The amount of state excise duty payable on potable alcohol not cleared from the factory premises and bonded warehouses as at the year end is not determinable as it varies according to the places to which the goods will be dispatched. However, non –provision of this liability does not affect the profit/loss of the year.

(ix) **Fixed assets (Tangible / Intangible)**

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(x) **Foreign currency transactions**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the Balance Sheet date.

Non-monetary items denominated in foreign currencies are carried at cost. Any income or expense on account of exchange differences either on settlement or on translation of transactions are charged to the Statement of Profit and Loss.

(xi) **Employee benefits**

Employee benefits include compensated absences (leave encashment and sick leave) and contribution to provident fund, superannuation fund, gratuity fund.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date and actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

(xii) **Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(xiii) **Earnings per share**

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(xiv) **Income taxes**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty supported by a convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

(xv) **Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired: (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

(xvi) **Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

(xvi) **Depreciation and amortisation**
FY 2014-15

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Goodwill is amortised over a period of 10 years.

FY 2013-14, FY 2012-13 and Period from 4-04-2011 to 31-3-2012

- i) In respect of fixed assets other than vehicles, depreciation is provided on the straight line method at the rates applicable to the balance useful life of the relevant assets as estimated by the valuer or at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, whichever is higher.
- ii) In respect of vehicles, the depreciation is provided on written down value method at the rates specified in Schedule XIV to the Companies Act, 1956:
- iii) Fixed assets costing up to Rs. 5,000 are fully depreciated in the period of acquisition.
- iv) Goodwill is amortized over a period of 10 Years

ANNEXURE – V

Other Explanatory information and material notes

FY 2014-15

Note 5

The Board of Directors of the Company in their meeting dated March 20, 2015 has approved the Scheme of Amalgamation of Simbhaoli Sugars Limited (Amalgamating Company), the holding company with Simbhaoli Spirits Limited (Amalgamated Company) and their respective shareholders and creditors (the Scheme). The Appointed date of giving effect to the provision of the Scheme has been proposed as the close of the business hours on March 31, 2015. In this regard, as per clause 24 (f) of the Listing Agreement, the Amalgamating Company has filed the draft Scheme with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited to seek their consent to the proposed Scheme. Thereafter, application(s) will be filed with the Hon'ble High Court of judicature at Allahabad or any other appropriate authority, for sanctioning the Scheme under the provisions of Section 391- 394 of the Companies Act, 1956 or relevant provisions of the Companies Act, 2013 as may become applicable.

With effect from the Appointed Date or such other date as may be fixed or approved by the Hon'ble High Court or any other appropriate authority and upon the Scheme becoming effective, the entire business and undertaking of Amalgamating Company, shall be and stand transferred to and vested in and/or deemed to be transferred to and vested in the Amalgamated Company, as a going concern without any further act and deed. Accordingly, the Financial Statements of the Amalgamating Company as on March 31, 2015, will be re-casted, if required in the manner as provided in the Scheme and/ or directed by Hon'ble High Court or any other appropriate authority. The Amalgamating Company shall wound up without liquidation as per the Scheme. Pending sanction of the scheme, no financial effect has been considered in these financial statements.

Note 11

The Company has applied for renewal of its annual consent for the calendar year 2014 vide its application dated

November 27, 2013 with the Uttar Pradesh Pollution Control Board (UPPCB). Earlier, in the matter of OA No. 299 of 2013 titled as Krishan Kant Singh & Anr. Vs. National Ganga River Basin Authority & Ors, pending before the Hon'ble National Green Tribunal, New Delhi (NGT) it was alleged that the Company has not been complying with the pollution norms.

In view of pendency of the aforesaid matter before the NGT, the UPPCB vide its letter dated February 17, 2014 withheld the annual consent application and directed for suspension of operation(s) of the distillery plant situated at Simbhaoli on stating the non-fulfillment of certain conditions on the pollution and effluent discharge.

In the last hearing, NGT vide its order dated April 22, 2014 has issued certain directions to ensure the pollution compliance and accordingly, the Company has submitted an action plan with the Central Pollution Control Board (CPCB) and UPPCB, stating that the Company has all the appropriate mechanism to control the effluent up to Zero Discharge level and has various effluent control equipment in place and further measures will be taken for improvements to comply with the conditions as stated in the order for running the plant at the optimum capacity.

In view of the above facts and based on legal advise received from experts, the Company's Management is confident of obtaining a favourable order from the NGT and the consent order for air and water pollution clearances from the UPPCB, thereby resuming the operations at Simbhaoli distillery plant.

FY 2013-14

Note 4

The Board of Directors of the Company in their meeting dated March 20, 2014 has approved the Scheme of Amalgamation of Simbhaoli Sugars Limited (Amalgamating Company), the holding company with Simbhaoli Spirits Limited (Amalgamated Company) and their respective shareholders and creditors (the Scheme). The Appointed date of giving effect to the provision of the Scheme has been proposed as the close of the business hours on March 31, 2014. In this regard, as per clause 24 (f) of the Listing Agreement, the Amalgamating Company has filed the draft Scheme with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited to seek their consent to the proposed Scheme. Thereafter, application(s) will be filed with the Hon'ble High Court of judicature at Allahabad or any other appropriate authority, for sanctioning the Scheme under the provisions of Section 391- 394 of the Companies Act, 1956 or relevant provisions of the Companies Act, 2013 as may become applicable.

With effect from the Appointed Date or such other date as may be fixed or approved by the Hon'ble High Court or any other appropriate authority and upon the Scheme becoming effective, the entire business and undertaking of Amalgamating Company, shall be and stand transferred to and vested in and/or deemed to be transferred to and vested in the Amalgamated Company, as a going concern without any further act and deed. Accordingly, the Financial Statements of the Amalgamating Company as on March 31, 2014, will be re-casted, if required in the manner as provided in the Scheme and/ or directed by Hon'ble High Court or any other appropriate authority. The Amalgamating Company shall wound up without liquidation as per the Scheme.

Pending sanction of the scheme, no financial effect has been considered in these financial statements.

Note 12

The Company has applied for renewal of its annual consent for the calendar year 2014 vide its application dated November 27, 2013 with the Uttar Pradesh Pollution Control Board (UPPCB). Earlier, in the matter of OA No. 299 of 2013 titled as Krishan Kant Singh & Anr. Vs. National Ganga River Basin Authority & Ors, pending before the Hon'ble National Green Tribunal, New Delhi (NGT) it was alleged that the Company has not been complying with the pollution norms.

In view of pendency of the aforesaid matter before the NGT, the UPPCB vide its letter dated February 17, 2014 withheld the annual consent application and directed for suspension of operation(s) of the distillery plant situated at Simbhaoli on stating the non-fulfillment of certain conditions on the pollution and effluent discharge.

In the last hearing, NGT vide its order dated April 22, 2014 has issued certain directions to ensure the pollution compliance and accordingly, the Company has submitted an action plan with the Central Pollution Control Board (CPCB) and UPPCB, stating that the Company has all the appropriate mechanism to control the effluent up to Zero Discharge level and has various effluent control equipment in place and further measures will be taken for improvements to comply with the conditions as stated in the order for running the plant at the optimum capacity.

In view of the above facts and based on legal advise received from experts, the Company's Management is confident of obtaining a favourable order from the NGT and the consent order for air and water pollution clearances from the UPPCB, thereby resuming the operations at Simbhaoli distillery plant.

FY 2012-13

Note 4

- (a) During the previous period ended March 31, 2012, pursuant to the order dated September 17, 2012 passed by Hon'ble High Court of judicature at Allahabad under Section 391 to 394 of the Companies Act, 1956 sanctioning the Scheme of Amalgamation between the Company and Simbhaoli Sugars Limited (SSL), the business of Simbhaoli Distillery Division Alcohol Undertaking of SSL, without any further act or deed has transferred to and vested in the Company as a going concern basis with effect from October 1, 2010. Under the scheme, the land admeasuring 28.16 acres (1,14,183 sq meter) being the land required for alcohol business out of the land of 84.83 acres situated at Simbhaoli along-with all rights, entitlements, easements and other conveniences attached thereto has been transferred to and vested in the Company on slump sale basis.

Consequent to the effectuation of the said scheme, the Company has allotted equity shares of the face value of Rs.10 each at a premium of Rs.70 each aggregating 1,70,00,000 equity shares amounting to Rs.13,600 lacs as fully paid up to Simbhaoli Sugars Limited on September 29, 2012.

- (b) During the year the SSL has transferred the remaining land of 56.67 acres to the Company under a Memorandum of Transfer dated March 26, 2013 considering the covenants of allotment of aforesaid land for the alcohol business and considering the business needs of the Company, its future growth plans, proposed divestment, at a consideration of Rs. 11,800 lacs, determined and mutually agreed based upon the report of an expert valuer. The consideration has been paid to SSL in the form of 1,47,50,000 fully paid equity shares of Rs 10 each, at a premium of Rs 70 per share of the Company aggregating Rs 11,800 lacs.
- (c) As the scheme got approved on September 17, 2012 and after that SSL was in the process of taking approvals from the concerned authorities for transfer of various licenses in the name of the Company. These licenses have been renewed in the name of the Company w.e.f, April 1, 2013. In view of the same the said business, during the period October 1, 2010 to March 31, 2013, was being run and managed in trust by the Company on behalf of SISPL.

Period from 4-04-2011 to 31-3-2012

Note 24

(a) Pursuant to the Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 of Simbhaoli Sugars Limited, the holding Company, approved by the High Court of Allahabad vide order dated September 4, 2012, which became effective on September 20, 2012, on filing of the certified copy of the Order of the High Court, Allahabad with the Registrar of Companies, Uttar Pradesh & Uttaranchal, the Simbhaoli Alcohol undertaking (SDD) of undivided Simbhaoli Sugars Ltd with all properties, assets both moveable and immovable and liabilities including contingent liabilities have been transferred to and vested in the company, with effect from October 1, 2010.

(b) (i) As a result of the above the following Net assets of the SDD ALCOHOL Undertaking as at the transfer date i.e. October 1, 2010 have been transferred:

Assets		01.10.2010
Fixed Assets		
-	Gross block	15,951.06
	Capital work in progress	206.78
	Total Fixed Assets	16,157.84
Current assets, loans and advances		
-	Inventories	1,261.75
-	Sundry debtors	2,733.83
-	Cash and bank balances	140.14
-	Loans and advances	841.36
	Total assets	21,134.92
Liabilities		
Loan funds		
-	Secured	5,676.60
Current liabilities and provisions		
-	Current liabilities	1,808.58
-	Provisions	49.74
	Total liabilities	7,534.92
	Net Assets	13,600.00

(b) (ii) The transactions including income and expenses for the period 01.10.2010 to 04.04.2011 resulting in a loss of Rs.46.37 lacs in respect of the aforesaid Undertakings, when the Undertakings were being run and managed in trust by undivided Simbhaoli Sugars Ltd.] have also been incorporated in these accounts as detailed below:

Income		
Sales		16918.80
	Less: Excise duty	11271.72

Net Sales		5647.08
Other income		
Interest received on loans, deposits	3.14	
Miscellaneous	23.39	26.53
Total		5673.61
Expenditure		
Manufacturing and other expenses		
Raw material consumed	2077.83	
Stores, spares and components	1725.23	
Power and fuel	189.49	
Repairs		
- Buildings	67.23	
- Plant and machinery	3.29	
- Others	2.00	
Salaries, wages, bonus, etc.	256.55	
Provident and other funds	24.61	
Welfare	8.22	
Rent	1.00	
Insurance	18.67	
Rates and taxes	176.21	
Increase/(decrease) in excise duty on stocks	17.27	
Travelling expense	26.99	
Marketing and selling expenses	268.18	
Export expenses	9.28	
Commission to selling agents	165.97	
Miscellaneous	60.82	5098.84
Movement of finished goods and process stocks		
Closing stocks		
- Work-in-progress	51.09	
- Finished goods	283.12	
	481.45	
Less: Stocks taken over under the Scheme as on -----		
- Work-in-progress	26.37	
- Finished goods	398.78	
	425.15	90.94
		5189.78
Profit before interest, exchange fluctuation, derivative loss, Depreciation and tax		483.83
Interest		330.21
Exchange fluctuation and derivatives loss		(5.08)
Depreciation		205.07
Profit/(loss) before tax		(46.37)
Provision for taxation		
- Deferred tax		18.36
Profit/(loss) after tax		(64.73)

- (b) (ii) Consequent to the effectuation of the said scheme, the Company has allotted equity shares of the face value of Rs.10 (Rupees Ten) at a premium of Rs.70/- (Rupees seventy) each aggregating 1,70,00,000 equity shares amounting to Rs.1,36,00,00,000 as fully paid up on September 20, 2012 to Simbhaoli Sugars Limited.

ANNEXURE –VI

Certain qualifications in the annexure to Auditor’s Report (Companies (Auditor’s Report) Order, 2003 as amended, as issued by the Central Government of India in term of sub section (4A) of section 227 of the Act) of the Financial Statement for the year ended March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 are as follow:

FY 2014-15

- (i) In respect of its inventory:
- (a) As explained to us, the inventories (other than lying with third parties) were physically verified during the year by the management at reasonable interval. Out of inventories lying with the third parties aggregating Rs. 289 lacs as at year end, confirmations have been received incase of inventories aggregating Rs. 139 lacs.
- (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 read with our comments in (a) above, were 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 has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (ii) On the basis of our audit procedures and as per the information and explanations given by the Management, the Company has delayed repayment of dues to banks in respect of term loans.

The following are the details of the delays:

Lenders	Amount (Rs. lacs) (including interest)	Period of delays
Banks	88.44	01-30 days
	94.74	31-60 days
	173.31	61-90 days
	150.08	More than 90 days
	325.69	Not Paid

The Company has not taken any loans from financial institutions and has not issued debentures during the year.

FY 2013-14

- (i) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) During the year the Company has received interest free unsecured loan aggregating Rs. 201.01 lacs from one company. The maximum amount involved during the year was Rs. 931.97 lacs (one company) and the year end balance was Rs. 879.35 lacs (one company).

- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The payments of principal amounts and interest in respect of such loans are as per stipulations.
- ii) On the basis of our audit procedures and as per the information and explanations given by the Management, the Company has delayed repayment of dues to banks in respect of term loans.

The following are the details of the delays:

Lenders	Amount (Rs. lacs) (including interest)	Period of delays
Banks	294.33	01-30 days
	330.38	31-60 days
	254.59	61-90 days

The Company has not taken any loans from financial institutions and has not issued debentures during the year.

FY 2012-13

- i) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) During the year the Company has received interest free unsecured loan aggregating Rs. 613.14 lacs from one company. The maximum amount involved during the year was Rs. 1,225.90 lacs (one company) and the year end balance was Rs. 1017.51 lacs (one company).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The payments of principal amounts and interest in respect of such loans are as per stipulations.
- ii) On the basis of our audit procedures and as per the information and explanations given by the Management, the Company has delayed repayment of dues to banks in respect of term loans.

The following are the details of the delays:

Lenders	Amount (Rs. lacs) (including interest)	Period of delays
Banks	63.79	01-30 days
	3.73	31-60 days

The Company has not taken any loans from financial institutions and has not issued debentures during the year.

Period from 4-04-2011 to 31-3-2012

- i) The Accumulated losses of the Company at the end of the current year are not less than fifty percent of its net worth and the company has incurred cash losses in the current year.

ANNEXURE – VII Long Term Borrowings*

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Secured				
Term loans				
From banks	-	735.95	1,465.35	1,873.03

ANNEXURE VIII - Short Term Borrowings*

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Secured				
Loans repayable on demand from banks	1,875.47	2,532.70	2,500.29	2,476.16
Total	1,875.47	2,532.70	2,500.29	2,476.16
Unsecured				
Loans repayable on demand from				
(a) Holding Company	2,394.81	879.35	931.97	1,225.90
(b) Bank Overdraft	-	-	3.49	8.54
Total	2,394.81	879.35	935.45	1,234.44
Grand Total	4,270.28	3,412.05	3,435.75	3,710.60

***Detail of year-wise Long term Borrowing and Short Term Borrowing are as under**

FY 2014-15

1. Term loans from banks of Rs. 975.46 lacs (Rs. 1,538.66 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.
2. Cash Credit facilities are secured by way of first exclusive charge on the current assets, both present and future of the Company. These facilities are collaterally secured by way of second paripassu charge on the entire fixed assets of the Company. They are also guaranteed by personal guarantees of Shri Gurmit Singh Mann and Shri Gurpal Singh, Promoter Directors of the Company.

FY 2013-14**Secured loans**

a.	Short term working capital borrowings:	
1.	Cash Credit facilities are secured by way of first exclusive charge on the current assets, both present and future of the Company. These facilities are collaterally secured by way of secondparipassu charge on the entire fixed assets of the Company. They are also guaranteed by personal guarantees of Shri Gurmit Singh Mann and Shri Gurpal Singh, Promoter Directors of the Company.	
b.	Long term loans from banks:	
	Nature of security	Terms of repayment
1.	Term loans from banks of Rs. 1538.66 lacs* (previous periodRs. 2181.07lacs) are secured by way of first paripassu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.	- Rs. 725.98 lacs repayable in FY 2014-15 - Rs. 739.37 lacs repayable in FY 2015-16

* Includes Rs.73.31 lacs (Previous year Rs. Nil) overdue as on March 31, 2014.

FY 2012-13**SECURED LOANS**

a.	Short term working capital borrowings State Bank of India:	
1.	Cash Credit facilities are secured by way of first exclusive charge on the current assets, both present and future of the Company. These facilities are collaterally secured by way of second pari passu charge on the entire fixed assets of the company. They are also guaranteed by personal guarantees of Shri Gurmit Singh Mann and Shri Gurpal Singh, Promoter Directors of the company.	
b.	Long term loans from banks:	
	Nature of security	Terms of repayment
1.	Term loans from banks of Rs. 2181.07 lacs (previous period Rs. 2544.03 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.	- Rs. 715.72 lacs repayable in FY 2013-14 - Rs. 725.98 lacs repayable in FY 2014-15 - Rs. 739.37 lacs repayable in FY 2015-16

PERIOD FROM 4-04-2011 TO 31-3-2012

SECURED LOANS

a.	Short term working capital borrowings State Bank of India:	
1.	Cash Credit facilities are secured by way of first exclusive charge on the current assets, both present and future of the Company. These facilities are collaterally secured by way of second pari passu charge on the entire fixed assets of the company. They are also guaranteed by personal guarantees of Shri Gurmit Singh Mann and Shri Gурpal Singh, Promoter Directors of the company.	
b.	Long term loans from banks:	
	Nature of security	Terms of repayment
1.	Term loans from banks of Rs. 2544.03 lacs (previous period Rs. Nil) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of the Company.	- Rs. 2544.03 lacs repayable in 48 equal monthly installments.

ANNEXURE – IX Loans and advances

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
(Unsecured considered good unless otherwise stated)				
Capital advances	27.86	-	-	-
Security deposit	7.05	58.00	104.54	119.34
Total	34.91	58.00	104.54	119.34

ANNEXURE – X Trade Receivables

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Outstanding for a period exceeding six months from due date for payment				
Unsecured				
(a)considered good	721.43	772.43	810.06	754.52
(b)Considered doubtful	295.22	74.63	16.12	-
Less: Provision for doubtful receivables	295.22	74.63	16.12	-
Other debts				
Unsecured				
(a)considered good	235.45	1,150.60	1,255.40	1,523.27
Total	956.88	1,923.03	2,065.46	2,277.79

ANNEXURE – XI Short Term Loans and Advances

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Advances recoverable in cash or in kind or for value to be received				
(a) Considered good	314.46	301.94	404.06	344.32
(b) Considered doubtful	101.12	101.12	93.02	-
	415.58	403.06	497.08	344.32
Less: Provision for doubtful advances	101.12	101.12	93.02	-
	314.46	301.94	404.06	344.32
Security Deposit				
(a) Considered good	55.16	89.07	100.75	77.02
(b) Considered doubtful	81.36	7.36	7.35	-
	136.52	96.43	108.10	77.02
Less: Provision for doubtful deposits	81.36	7.36	7.36	-
	55.16	89.07	100.75	77.02
Loans and advances to employees	14.58	14.22	19.12	18.48
Prepaid expenses	33.36	44.27	46.03	64.12
Balances with government authorities	188.45	186.74	235.65	236.62
Tax payments (Net)	0.47	3.27	3.27	2.94
Total	606.48	639.51	808.88	743.50

ANNEXURE – XII Other Income

All Amount in Rs. Lacs				
PARTICULARS	As on	As on	As on	As on
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Interest on:				
Bank deposits	12.11	15.99	15.03	7.59
Profit on sale of fixed assets	-	-	-	1.26
Foreign exchange fluctuation (Net)	1.41	40.30	32.22	11.73
Liabilities no longer required written back	48.75	14.78	0	0
Miscellaneous	21.74	67.01	32.73	51.80
Total	84.01	138.08	79.98	72.38

ANNEXURE – XIII Contingent Liabilities

(Rs.Lac)

Description	FY 2014-15	FY 2013-14	FY 2012-13	Period 1-10-10 to 31-03-12
Sales Tax/Trade Tax Act	8.33	10.80	61.58	61.58

Claim against the company not acknowledge as debts	1.50	1.50	1.50	1.50
Total	9.83	12.29	63.08	63.08

ANNEXURE – XIV Related Party Transaction

A. Name of related party and nature of related party relationship

Holding Company	Simbhaoli Sugars Limited (SSL)
Key management Personnel	Mr. S.K Sinha with effect from April 1, 2013. Mr. R.K Singh(from September 18,2012 to July 31, 2013) Mr. Gurpal Singh Whole Time Director w.e.f. July 1, 2014 Mr. Angad Singh (son of Mr. Gurpal Singh)
Fellow Subsidiary	Integrated Casetech Consultants Private Limited (ICCPL)

B. Transactions with the above parties:

FY 2014-15

Rs. in lacs

Description	Holding Company		Fellow Subsidiary		Key Managerial Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchases:								
Purchase of raw materials	490.28	1661.39	-	-	-	-	1661.39	1661.39
Reimbursement of Expenses	102.66	460.62	-	-	-	-	460.62	460.62
Sales:								
Sale	90.29	90.16	-	-	-	-	90.16	90.16
Salary/Stipend	-	-						
Mr.Angad Singh			-	-	-	-	-	-
Managerial Remuneration								
Mr.R.K.Singh					6.18	6.18	6.18	6.18
Mr.S.K.Sinha					35.20	35.20	35.20	35.20
Mr. Gurpal Singh					11.25	11.25	11.25	11.25
Other:								
Reimbursement of Expenses								
- paid to SSL	20.58	48.00	-	-	-	-	48.00	48.00
-received from ICCPL	-	-	0.31	-	-	-	11.76	11.76
-received from USPL	-	-	4.39	-	-	-	-	-
Employee given on deputation								
- SSL	16.68	-						
- ICCPL			6.26	11.76				
Loan taken	1515.46	201.01	-	-	-	-	201.01	201.01

Loan repaid	-	253.63	-	-	-	-	253.63	253.63
Purchase of Land	-	-	-	-	-	-	-	-
Balance as at end of year:								
Trade Payable:	3200.14	2,697.62	-	-	-	-	2,697.61	2,697.61
Unsecured Loan	2394.81	879.35	-	-	-	-	879.35	879.35
Loans and advances	-	-	9.20	9.20	-	-	9.20	9.20
Pledge of Investment by SSL (No. of Shares)	8659900	8659900						

FY 2013-14

Rs. in lacs

Description	Holding Company		Fellow Subsidiary		Key Managerial Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchases:								
Purchase of raw materials	1661.39	1890.27	-	-	*-	-	1661.39	1890.27
Reimbursement of Expenses	460.62	408.14	-	-	-	-	460.62	408.14
Sales:								
Sale	90.16	38.05	-	-	-	-	90.16	38.05
Salary/Stipend	-	-						
Mr. Angad Singh			-	-	-	2.98	-	2.98
Managerial Remuneration								
Mr. R.K. Singh					6.18	10.70	6.18	10.70
Mr. S.K. Sinha					35.20	-	35.20	-
Mr. Gurpal Singh					11.25	-	11.25	-
Other:								
Reimbursement of Expenses								
- paid to SSL	48.00	48.00	-	-	-	-	48.00	48.00
-received from ICCPL	-	-	11.76	13.44	-	-	11.76	13.44
Loan taken	201.01	613.14	-	-	-	-	201.01	613.14
Loan repaid	253.63	180.40	-	-	-	-	253.63	180.40
Purchase of Land	-	11800.00	-	-	-	-	-	11800.00
Balance as at end of year:								
Trade Payable:	2,697.62	2,106.94	-	-	-	-	2,697.61	2,106.94
Unsecured Loan	879.35	931.97	-	-	-	-	879.35	931.97
Loans and advances	-	-	9.20	2.30	-	-	9.20	2.30

B. Transactions with the above parties:

(Rs. lacs)

Description	Holding Company		Fellow Subsidiary		Key Managerial Personnel		Total	
	Current Year	Previous Period	Current Year	Previous Period	Current Year	Previous Period	Current Year	Previous Period
Purchases:								
Purchase of raw material	1890.27	1211.85	-	-	-	-	1890.27	1211.85
Purchase of Power & Fuel	408.14	85.26	-	-	-	-	408.14	85.26
Purchase of Packing Material	-	11.57	-	-	-	-	-	11.57
Sales:								
Sale of Bio-manure	38.05	70.37	-	-	-	-	38.05	70.37
Salary/Stipend	-	-						
Mr.Angad Singh			-	-	2.98	5.20	-	-
Managerial Remuneration								
Mr.R.K.Singh					19.70	13.75	-	-
Other:								
Reimbursement of Expenses								
- paid to SSL	48.00	48.00	-	-	-	-	48.00	48.00
-received from ICCPL	-	-	13.44	-	-	-	13.44	-
Loan taken	613.14	1225.90	-	-	-	-	-	-
Loan repaid	180.40	-	-	-	-	-	-	-
Purchase of Land	11800.00	-	-	-	-	-	-	-
Balance as at end of year/ period:								
Trade Payable:	2,106.94	532.91	-	-	-	-	2,106.94	532.91
Unsecured Loan	931.97	1225.90	-	-	-	-	931.97	1225.90
Loans and advances	-	-	2.30	-	-	-	2.30	-

PERIOD FROM 4-04-2011 TO 31-3-2012

B. Transactions with the above parties:

(Rs. lacs)

Description	Holding “Simbhaoli Sugars Ltd.”		Key management personnel	
	Current Year	Previous year	Current Year	Previous year
Purchases:				
Purchase of raw material	1,211.85	-	-	-
Purchase of Bagasse and Power	85.26	-	-	-
Purchase of ENA	144.04			
Purchase of Store Items:		-		-
- Pressmud	19.40	-	-	-
- Drums	11.57			
Sales:				
Sale of Bio-manure	70.37			
Reimbursement of Head Office Expenses	48.00			
Amount payable	17.59	-	-	-

\$ Refer note 14

SECTION VI- LEGAL AND OTHER INFORMATION

Outstanding Litigation And Material Developments

1. Legal Cases Instituted by & against the Company having Substantial Interest on the Business:

S No.	Details of Case
1.	<p>a) Criminal Case No, 2124/2006 instituted in January 2006 between Kailash & others v/s Simbhaoli Sugar Mills Limited</p> <p>b) Criminal Case No. 2126/2006 instituted in January 2006 between Mukesh & others v/s Simbhaoli Sugar Mills Limited</p> <p>c) Criminal Case No. 439/2007 instituted in October 2007 between Mohammad Aqil & others v/s Simbhaoli Sugar Mills Limited</p> <p>d) Criminal Case No. 333/2007 instituted in March 2007 between Mr. Hariom & others v/s Simbhaoli Sugar Mills Limited</p> <p>e) Criminal Case No. 2138/2006 instituted in January 2006 between Mr. Hridesh & Others v/s Simbhaoli sugar Mills Limited</p> <p>These five cases were instituted before Judicial Magistrate Hapur, regarding land dispute in Brijnathpur, summoning against company officers under section 406/417/420/ 506/120B of IPC</p> <p>In Counter the Company moved to Allahabad High Court</p> <p>a) Criminal Case no. 216/2008 instituted in January 22, 2008 between BSD and Others V/s State & Kailash and Others</p> <p>b) Criminal Case no. 8425/2008 for Rs. NIL instituted in January 22, 2008 between SSD V/s State and Others</p> <p>c) Criminal Case no. 8325/2008 for Rs. NIL instituted in January 22, 2008 between SSD V/s State and Others</p> <p>d) Criminal Case no. 217/2008 for Rs. NIL instituted in January 22, 2008 between BSD & Others V/s State, Hariom and Others</p> <p>e) Criminal Case no. 215/2008 for Rs. NIL instituted in January 22, 2008 between BSD and Others V/s State and Mr. Hridesh and Other</p> <p>The Hon'ble High Court granted Stay on 24/01/2008. Interim order passed for not to take any coercive action.</p>
2.	<p>FIR under section 420/406/of IPC &3/7 Essential Commodities Act, 1955. For under-weighment of sugarcane at Cane purchase center in Baghpat District, Police filed Charge-sheet and a Criminal Case No. 1084/2011 instituted in 2011 between State of U P V/S Mr. Gurmit Singh Mann & Others before ACJM Baghpat</p> <p>Against charge sheet in FIR filed by PS Baleni (Baghpat) u/s 265,264,120B IPC &3/7 of EC Act the aggrieved Company moved to Allahabad High Court <i>vide</i> Criminal Case no. W.P 35506/11 instituted in October 20, 2011 between Mr. Gurmit Singh Mann and Others V/s State. The Hon'ble High Court granted stay on 23.03.2012 and stay is in continuation.</p>
3.	<p>On a Complaint by Food Inspector U/s 7/16 Prevention of Food Adulteration Act, 1954 a Criminal Suit no.3317/2007 was instituted in November 2007 between State V/s Simbhaoli Sugars Limited Unit-Chilwaria &Others before ACJM Bahraich. The matter is pending before the court for further proceeding.</p>
4.	<p>An FIR was lodged under Section 3/7 Essential Commodities Act., Related to cane matter. Criminal Suit no. 1154/2013 was instituted in December 2013 between Rajesh Kumar & Arun Kumar Singh & Others before DM Office. Matter is pending for Final Report.</p>
5.	<p>Mr. Ram Bharat, Complainant, filed an application U/S 156(3) Cr.P.C that Sugar Mill has taken C.C.A. Loan from Bank of India Bahraich in complainant account without his consent. On his complaint a Criminal Suit no.1507/XII/2015 for Rs.3.21 Laacs was instituted in July 2015 before CJM Bahraich between Ram Bharat V/S 1. Mr. Gurmit Singh Mann 2. Mr. A.K.Singh 3.Mr. K.N.Singh 4.Mr. P.B.Singh 5.Mr. Rajesh Singh 6.Mr. GSC Rao 7.Manager Bank Of India. The matter is pending before the court for further proceedings of hearing and law shall take its own course after both parties complete their arguments and procedures.</p>
6.	<p>Cases pending before the SDM Garh for Phuldera drain effluents :</p>

	<p>a) A Notice under Section 133 Cr.P.C regarding discharge of polluted effluents in Phuldera drain. A Suit No. 9/2010 was instituted before SDM Garh in August 2010 between State v/s Simbhaoli Distillery Division,</p> <p>The case is at the stage of evidence.</p> <p>b) A Notice under Section 133 of Cr.P.C regarding discharge of polluted effluents in Phuldera drain. A Suit No. 11/2010 instituted before SDM Garh in October 2010 between State v/s Simbhaoli Distillery Division</p> <p>The case is at the stage of evidence.</p> <p>c) A Notice under Section 133 of Cr.P.C regarding discharge of polluted effluents in Phuldera drain. A Suit No. 1/2011 instituted before SDM Garh in January 2011 between State v/s SDD</p> <p>The case is at the stage of evidence.</p>
7.	<p>Mr.Zakir Hussain filed a civil suit against State govt. arraying Company as party in the suit for illegally occupying land involving of Khasra no. 407 comprising .0019 Htr. land of LMC (Land Management Committee)and flowing the waste water of the mills. A Civil Suit No. 69/2015 was instituted before CJ Junior Division Hapurin 2015, between Zakir Hussain v/s State of U P</p> <p>The Company has filed the Written statement</p>
8.	<p>Notice has been issued for illegal use & occupation of non-agriculture land that is chak-road water channel etc. A Suit no 38/2014 under Revenue matter instituted in 2014 before Tehsildar Hapur between Land Management Committee V/s Parminder Singh G.M. Brijnathpur Sugar Division.</p>
9.	<p>Case no 265/2009 under Central Excise Appeal for Rs. 1.83 Lacs instituted on 21/08/2009 between Commissioner Central Excise, Allahabad V/s Chilwaria Sugar Ltd Chilwaria Bahraich before High Court Allahabad. The matter is listing regularly for hearing.</p> <p>Whereas in the case: Central Excise Matter demand Central Excise Duty on sale of scrap.</p>
10.	<p>Case no.A-642/2015 under Appeal for Rs. 4.17 lacs instituted before C.D.R.C. Lucknow in March 2015 between Simbhaoli Sugars Ltd Unit-Chilwaria V/s Jagat Pal Singh & Others</p> <p>An Appeal was filed against order dated 03.03.2015 passed by District Consumer Forum Shrawasti in cane seed matter. The Company has taken stay order under Sugarcane Act, 1934 after depositing 50% of total amount in District Forum.</p>
11.	<p>Case no. 63/07 instituted before Additional District Judge, (IX), Ghaziabad, in 2007 between State, LMC and Others v/s SSL</p> <p>The Company filed declaratory suit for title of Lagoon land comprising of area 28 bigha, in the Court of Civil Judge Garhmukteshwar, the Court passed order dated 16.4.2007 and declared the land in the name of company. The State filed appeal against the order.</p>
12.	<p>The Company terminated services of excess Substitute workers, he challenged his termination and demanded status and services according to rules of seasonal worker. Case no. 74/09 instituted before Labour Court Ghaziabad in 2009 between Krishan Gopal v/s SSD. The matter is pending before the labour court for further proceedings and law shall take its own course after both parties complete their replies, evidences, arguments and procedures.</p>
13.	<p>Case no. 831/2010 for Rs. 52 lacs instituted in 2010 between UPPCL v/s Electricity Ombudsman and SSL before High Court Lucknow,</p> <p>The matter was earlier before Electricity Consumer Forum as case No. 06/2008 for MCG adjustment on 28/05/2011 from 01/04/2005 to 30/11/2004 @ 6% interest from order date in favour of SSL. The Department appealed before UP Electricity Regulatory commission, Lucknow against Electricity Forum order</p> <p>Case no. 86/2009 Rs. 52 lac was instituted in July 24, 2009 between UPPCL v/s Electricity Ombudsman and SSL before UP Electricity Regulatory commission, Lucknow. Appeal was also decided in favour of Company to the compliance of last order with the interest increased from 6% to 16@ from the order date. Department challenge this order before Honble high court in Case no. 831/2010 UPPCL v/s Electricity Ombudsman and SSL. Matter is dismissed in default of department.</p>
14.	<p>The relative of deceased has filed claim for claiming the compensation under Employee Compensation Act alleging Pankaj Singh died during the course of employment at khochdra sugar-godown of company.</p> <p>A Case no. 177/10 for Rs. 5.30 lacs instituted before Commissioner ECA(ALC) Meerut in 2010 between Dhanpati Devi v/s Simbhaoli Sugar Division. The proceedings are in progress before Competent Authority.</p>
15.	<p>A Case against Sunehra mineral sugar for Misbranding under the Food Safety and Standards Act, 2006. A Case no. 12/2013</p>

	before ADM Bhopal. was instituted in 2013 between State of M.P v/s Simbhaoli Sugars Limited . Two items namely Sunehra Mineral Sugar pack and ITC Sunfeast biscuit were picked by Food Safety Officer.
16.	<p>The New India Insurance Company has challenged by way of Appeal before High Court. Appeal no 198/99 for Rs. 1.44 lac instituted before High court, Allahabad in 1999 between The New India Insurance v/s Simbhaoli Sugar</p> <p>Against order dated 19.03.1999 passed by ADJ 7th Meerut in the case of loss of 24,056 quintals molasses covered under the insurance policy, against loss company filed suit for claim Rs.1,44,336/- before civil court, civil court passed order in favour of company and allowed the claim of 1,20,000/- with 6% interest per annum.</p>
17.	<p>The Cases by the 2 employees on SSL</p> <ol style="list-style-type: none"> a) Mr. I S Bhatia an ex-employee of the Company has filed a recovery suit a Case no. 259/2014 for Rs. 16.02 lacs instituted before Civil judge (SD) Hapur in 2014 between I.S. Bhatia v/s Simbhaoli Sugars Limited for pending service dues of Rs. 16,02,305/- those which were hold by management due to financial loss caused to company by fraud and embezzlement. b) Case no. PGA 7/14 for Rs. 6.92 lacs + 20% interest instituted before Assistant Labour Commissioner Ghaziabad in 2014 between Mr. I.S.Bhatia v/s Simbhaoli Sugars Limited. Mr. Bhatia demanded for Gratuity in accordance with payment of Gratuity Act but the Company dishonoured the claim as Mr. Bhatia has caused financial loss to company by fraud and embezzlement and the Gratuity Claim will be released in accordance with payment of Gratuity Act. c) Mr. Jitender Jain an ex-employee of the Company has filed a recovery suit a Case no. 187/14 for Rs. 5.87 lacs instituted before Civil judge (SD) Hapur in 2014 between Jitender Jain v/s SSL for pending service dues of Rs. 5,86,936/- those which were hold by management due to financial loss caused to company by fraud and embezzlement. Matter before Civil Judge and Issues are to be framed. d) Case no. PGA 48/13 for Rs. 1.80 lacs + 20% interest instituted before ALC Ghaziabad in 2013 between Jitender Jain v/s SSL. Mr. Jain demanded for Gratuity but the Company has not allowed the claim as Mr. Jain has caused financial loss to company by fraud and embezzlement and the Gratuity Claim will be released in accordance with payment of Gratuity Act. e) Mr. N. K Tyagi an ex-employee of the Company has filed Case no. PGA15/14 for Rs. 3.69 lacs + 20% interest instituted before ALC Ghaziabad in 2013 between N.K.Tyagi v/s Simbhaoli Sugars Limited Mr. Tyagi demanded for Gratuity but the Company has not allowed the claim as Mr. Tyagi has caused financial loss to company by fraud and embezzlement and the Gratuity Claim will be released in accordance with payment of Gratuity Act. f) Mr. Wilson an ex-employee of the Company has filed a Case no. PGA 8/14 for Rs. 2.83 lacs + 20% interest before Assistant Labour Commissioner Ghaziabad instituted in 2014 between Wilson v/s Simbhaoli Sugars Limited. Mr. Wilson demanded for Gratuity but the Company has not allowed the claim as Mr. Wilson has caused financial loss to company by fraud and embezzlement and the Gratuity Claim will be released in accordance with payment of Gratuity Act. g) Mr. A.k Srivastava an ex-employee of the Company has filed a Case no. PGA 19/14 for Rs. 5.54 lacs + 20% interest before Assistant Labour Commissioner Ghaziabad instituted in 2014 between Mr. A.K. Srivastava v/s SSL. Mr. Srivastava demanded for Gratuity but the Company has not allowed the claim as Mr. Srivastava has caused financial loss to company by fraud and embezzlement and the Gratuity Claim will be released in accordance with payment of Gratuity Act. h) Mr. GSC Rao an ex-employee of the Company has filed a Civil Case no. 1328/2015 a recovery suit for Rs. 1,44,64,244/- claiming his service dues has been instituted before High Court, Delhi in May 2011 between DR. G.S.C. RAO Vs. M/S Simbhaoli Sugars Limited & ORS, Written statement and reply to the pending applications has been filed by the Company. i) Case no. PGA 24/14 for Rs. 6.92 lacs + 20% interest before ALC Ghaziabad instituted in 2014 between Mr. G.S.C.Rao v/s SSL. Where Mr. Rao demanded for Gratuity but the Company has not allowed the claim as Mr. Rao has caused financial loss to company by fraud and embezzlement and the Gratuity Claim will be released in accordance with payment of Gratuity Act. j) Mr. Sudhir Saini an ex-employee of the Company has filed a Case no. PGA 36/14 for Rs. 6.92 lacs + 20% interest before Assistant Labour Commissioner Ghaziabad instituted in 2014 between Sudhir Saini v/s SSL. Mr. G.S.C.Rao v/s SSL. Mr. Saini demanded for Gratuity but the Company has not allowed the claim as Mr. Saini has caused financial loss to company by fraud and embezzlement and the Gratuity Claim will be released in accordance with payment of Gratuity Act.
18.	<p>Civil Case no. 1172/2011 for Rs. 170 lacs instituted on May 11, 2011 between TIFAC V/s The Simbhaoli Sugar Mills Limited before High Court, Delhi,</p> <p>Whereas in the case: Recovery suit for Rs 1.70 crore along with interest filed by TIFAC for recovery of loan amount given for</p>

	setting up of membrane filtration for best quality juice availability. The facility was being set up between M/s Chemical System. W.S. filed by the company. Matter is at the stage of Evidence.
19.	<p>The Cases with Competition Commission of India</p> <p>a) Case no. 21/2013 instituted in April 2013 between Indian Glycols Ltd V/s ISMA and Others before Competition Commission of India, Delhi. The case is pertaining to collusion and cartelization in ethanol pricing with other Sugar Mills for supply to oil companies. The investigation report submitted by D G and has indicted us as accused. Our objection to be filed along with supplementary reply and application for cross examination of Informants. The CCI has not yet informed us about extension of date.</p> <p>b) Case no. 29/2013 instituted before Competition Commission of India, New Delhi in April 2013 between Ester India Chemicals Ltd V/s Bajaj Hindustan Ltd & Others. The case is pertaining to ethanol pricing for supply to oil companies. The investigation report submitted by D G. Our objection to be filed along with ethanol manufacturing companies. The Competition Commission of India has not yet informed us about extension of date.</p> <p>c) Case no. 15/2014 instituted before Competition Commission of India, Delhi in November 2013 between Dwarikesh sugar ltd. v/s Wave Ind. Limited. The case is pertaining to Molasses pricing for Purchase from other sources.</p>
20.	<p>OBC has filed a Case no. 26/2014 instituted before Debt Recovery Tribunal Lucknow in 2014 between OBC v/s Simbhaoli Sugars Limited</p> <p>As the Company availed farmer financing under tie up arrangement from OBC during January to March 2012 for Rs. 150 Crore. The amount is due for repayment to them. In order to keep the credit facility alive as per the Limitation Act, the Bank had to resort to submission of Application No. 26 of 2015 dated 21.01.2015 with the Debt Recovery Tribunal (DRT), U.P., Lucknow. The issues covered in the Application are enumerated hereunder:</p> <ol style="list-style-type: none"> Recovery Certificate for Rs. 112.94 Crore together with interest @ 10.25% p.a. alongwith cost etc. Recovery out of the personal, movable and immovable assets of SSL. Restricting SSL from transfer of fixed/ current assets or other properties till disposal of the application Submit security in cash or Bank guarantee or any other mode, covering the amount involved. The liability is unsecured in nature. <p>The matter has been adjourned till January 5, 2016 and reply is to be filed on this hearing.</p>
21.	<p>The Company has issued certain cheques to UCO Bank at the time of procurement of Loans, in the sugar season 2014-15 the Company has witnessed liquidity crunch, the Bank has proceeded with the Legal remedies to ensure its repayment.</p> <ol style="list-style-type: none"> UCO Bank has filed a Case no. 5556/2015 for Rs. 128.37 Crore before CJM Court Hapur instituted in June 2015 between UCO Bank v/s SSL. The UCO Bank has filed complaint case before CJM Court Hapur against issuance of Cheque for Rs.128.37 crores, the said cheque were bounced due to insufficient funds in Company accounts. The summons were issued for Company Officials and Directors. Case no. 5557/2015 for Rs. 32.60 Crore before CJM court Hapur instituted in June 20, 2015 between UCO Bank v/s SSL. The UCO Bank has filed complaint case before CJM Court Hapur against issuance of Cheque for Rs.32.60 crores, the said cheque were bounced due to insufficient funds in Company accounts. The summons were issued for Company Officials and Directors. <p>The Company is in discussion with the Bank authorities and the cases will be settled amicably.</p>
22.	<p>Civil Case no. PILNo.67617/2015 for Cane Price instituted in 2015 between R K M S v/s Union of India before Allahabad High Court. This PIL was filed by pseudo social activist Mr.VM Singh. The PIL filed was for remaining cane dues of 2013-14 which our company has already cleared, meanwhile a affidavit to effect that cane dues of 2014-15 are yet to be paid by sugar mills was filed and our company till date has cleared 55% of cane dues, the court is strict on the matter as larger interest of cane growers is involved. The petition is filed against State, Some companies have filed impleadment application to put their constraints and reasons for delay. The matter is regularly being heard. We are yet to clear the total cane price for season 2014-15. The matter is being watched cautiously on each date.</p>
23.	<p>Civil Case no. 9333/2015 for Pledge sugar stock instituted in February 12, 2015 between UPGB v/s State of U P before Allahabad High Court</p> <p>Whereas in the case: U.P. Cooperative Bank filed a suit regarding sale of pledged sugar stock. The pledged stock was sold through the orders of Collector & DM, Hapur who utilized his authoritative powers despite clear orders of Hon'ble HC to open a separate account of banks for pledged sugar sale. The DM took this step for making cane price to cane growers. The UPGB has filed contempt application against State. We have filed Impleadment application to put our stand before Hon'ble HC as stocks were sold on the directions of DM, Hapur.</p>

24.	<p>Case no. 36/2015 of Rs. 3.02 Crore before Allahabad High Court instituted in May 2015 between M/s Faith Mercantile Pvt. Ltd. v/s M/s Simbhaoli Sugars Limited</p> <p>M/s Faith Mercantile Pvt. Limited filed a winding up petition for recovery Rs.3,01,96,896.27/- along with interest for supplied goods. The Winding up petition is filed by N.K.Chugh for the sum of material supplied by his firm at company locations. Company has replied legal notice disputing claim as the director of Faith Mercantile i.e. Mr. Chugh along with ex-employees was involved in fraud cases of embezzlement through theft of sugar worth Rs. 9 Crores .The company has filed counter affidavit.</p>
25.	<p>Civil Case no. 46945/2014 Rs. 20 Crores before Allahabad High Court instituted in 2014 between Punjab National Bank v/s Simbhaoli Sugars Ltd. Chilwaria</p> <p>The Punjab National Bank has filed a Writ Petition against Simbhaoli Sugars Limited & State Authorities regarding sale of pledged sugar which was unlawfully sold despite the directions of High Court By Collector & DM, Bahraich for release of cane dues. The Collector had adjusted 10% collection charges against Recovery Certificate which PNB Challenged recovery certificate and stay on sale of pledged stocks.</p>
26.	<p>Special Leave to Appeal(Civil)No.6540 of 2015 has been filed by The Ganga Nagar Sugar Mills Limited against Simbhaoli Industries(P) Ltd apart from Swaroop Vegetable Product Industries Limited, The Upper Doab Sugar Mills Limited, Shamli and State of U.P. In Supreme Court of India for refund of Export duty after their First Appeal was dismissed by the Allahabad High Court on 10.11.2014 as the matter was barred by limitation.</p>
27.	<p>Mr. C.P Singh a consumer filed a Complaint against the Company before State Consumer Forum, where Mr. Singh claimed that he had physical loss by consumption of IMFL manufactured by the Company. Consumer forum allowed his application.</p> <p>Aggrieved by the Order the Company filed Suit No. A/2013/60/13 instituted in 2013 between Simbhaoli Distillery v/s C.P. Singh, Appeal filed in state forum for quashing the order dated 12.12.12 passed by Consumer forum Firozabad. The case is fixed for filing written arguments.</p>
28.	<p>Criminal Case No. 715/2012 for Rs. 6 lacs instituted in March 2012, between State of U P v/s Rawat Singh Mann before ACJM Hapur,</p> <p>Shri Parmod Kumar Cane Manager lodged FIR against Shri Rawat Singh u/s 406, 420, & 506, with whom agreement was entered for supply of 3,000 Quintals of Sugarcane against which an advance of Rs. 6 lacs has been paid to the party. He took advance fraudulently and failed to supply the sugar cane. Non Bailable Warrant (NBW) was issued against Shri. Rawat Singh</p>
29.	<p>Civil Suit No. 506/2010 for Rs. 0.50 lacs with counter claim 4.71 lacs instituted in August 2010, between Simbhaoli Sugars Ltd. Unit Brijnathpur v/s Kunal Safe Industries. before Additional C J (SD) Hapur</p> <p>The Company that time with the name of Simbhaoli Sugar Mills Limited has filed civil suit against the defendant for realization of Rs. 50,000.00 which has been paid in excess to his bills, Pending along with interest @24% along with cost. The defendant has taken counter claim of Rs. 471156.00. Matter in court, steps as per legal proceedings have been initiated to recover/settle the matter At the stage of Evidence.</p>
30.	<p>Case no.5775/2011 under Miscellaneous Petition for Rs. 1.60 Cr. instituted in 21/09/2011 between Simbhaoli Sugars Limited Unit-Ghaziabad & CS V/S State of UP through Principal Secretary Institutional Finance & Others before High Court Lucknow</p> <p>The Company that time with the name of Simbhaoli Sugar Mill Ltd. and its subsidiary company Chilwaria Sugar Ltd. were amalgamated as per the scheme and allegation of depositing less stamp fees(Stamp recovery issue).Hon'ble High Court granted stay in favour of Company.</p>
31.	<p>Case no. 1179/2013 under Miscellaneous Petition for Rs. 36.03 lacs instituted on 20/02/ 2013 between Simbhaoli Sugars Limited Unit-Chilwaria V/S Ombudsman & Others before High Court, Lucknow.</p> <p>Company petition challenging the order of Electricity Ombudsman against the company demanding Rs. 36.03 lacs Disputes of Electricity Bill raised by UPPCL from year 1999 to 2002. 2014 pending before High Court, Lucknow Bench</p>
32.	<p>Case no.1095/2014 under Miscellaneous Petition for Rs. 2.78 lacs instituted on 19/02/2014 between Simbhaoli sugars Ltd Unit-Chilwria V/s Union of India through Secretary Ministry .of Finance & Others before High Court Lucknow.</p> <p>The Company filed a Writ Petition for seeking stay order related to 2% molasses wastes order of government of India Ministry of Finance (department of Revenue) against company</p>
33.	<p>Case no. 31511/06 instituted in 2006 between SSML V/s Additional Labour Commissioner, Ghaziabad before High Court,</p>

	<p>Allahabad,</p> <p>The Company granted retirement to workman after he reached superannuation according to his date of birth mentioned in service record. There was no document as proof of his date of birth in record .Worker claimed illegal retirement of his service. ALC Ghaziabad passed order dated 06.05.2006.in favour of Ex-employee Rifakat Ali. Company filed appeal before High court and obtained interim stay order.</p>
34.	<p>Case no. 153/09 for Rs. 3.10 lacs instituted in 2009 between S.S.L v/s L.R. Marketing before C J Court, Hapur,</p> <p>The Company has filed Recovery suit for recovery of its remaining dues of Rs. 3,09,914/- against the delivery of sugar.</p>
35.	<p>Case no. 555/10 for Rs. 2.56 lacs instituted in 2010 between SSD v/s Mr. Hitender Kumar Tokarshi before C.J (J.D) Hapur,</p> <p>The recovery suit filed by company against Mr. Hitendra Kumar Tokarshi for remaining dues of Rs. 2.56 lacs towards sale of sugar.</p>
36.	<p>Criminal Cases Against ex-employees :</p> <p>a) Case no. 225/13 for Rs. 10 crore instituted in 2013 between State v/s Mr. G.S.C.Rao & Ors. before ACJM Hapur</p> <p>The Company filed a Case against an ex-employee for misappropriation of Rs. 10 crores by illegal sale of sugar through forged bills/ without bills from Brijathpur Sugar Division. Charge sheet submitted against Mr. GSC Rao & 4 another before Hapur court.</p> <p>b) Case no. 305/13 for Rs. 3.5 crore instituted in 2013 between State v/s I.S.Bhatia Plaintiff before ACJ Garh</p> <p>The Company filed the Case against an ex-employee for misappropriation of Rs. 3.5 crore by illegal sale of bagasse from Simbhaoli Sugar Division. Charge sheet against 3 accused and Mr. GSC Rao managed and struck off his name from charge sheet, application filed before I.G .Meerut under 173(8) for reinvestigation.</p> <p>c) Case no. 28/14 for Rs. 8 lac instituted in 2013 between State v/s I.S.Bhatia before ACJ Garh</p> <p>The Company filed a case against an ex-employee Mr. I.S Bhatia sold Company car Innova through Mr. Dinesh Sharma (Manager-Admin) and utilized its sale consideration of 8 lac in purchase of one personal Fortuner car in the name of his wife Criminal case against cheating by sell of company car . FIR lodged against Mr. I.S Bhatia.</p>
37.	<p>Case no. 420/14 for Rs. 75 lac instituted in 2014 between State v/s N.K.Tyagi before Police Station Daurala, Meerut</p> <p>The Company filed a Case against ex-employees N.K.Tyagi and GSC Rao Case for misappropriation of approx., Rs. 75 lac through Bahudahsiya Sammiti, where the ex-unit head Mr. N.K.Tyagi and Mr. GSC Rao received Rs. 42 lac from Company on approval by Mr. GSC Rao and booked credit by forged documents and subsequently they misappropriated the funds by way of supply the seed/ insecticide etc and received cane price of Rs. 11 lac related to company farm which was taken on lease. FIR lodged.</p>
38.	<p>Case no. 325/15 for Rs. 3.5 crore instituted in 2015 between State v/s Nand Kishore before DJ Hapur</p> <p>The Company filed a case against Mr. N.K. Chugh who filed application to file FIR against management by alleging misappropriation of his dues which incurred by him towards purchase of Gas Engine for Brijnathpur Sugar Division application Revision against dismissal order under 156(3)</p>
39.	<p>Civil Case no. 7611/2008 relates to Incentive policy for sugar mills declared by U.P. Govt. for calculation of exemption, reimbursements, purchase tax, transportation, administrative charges and subsidy for 5 years instituted in August 26, 2008 between Simbhaoli Sugars Limited V/s State and Others (Incentive Policy-2004 matter) before Lucknow High Court</p> <p>The Company invested as per policy declared by state and had started production and was further investing but the state illegally withdrew the policy leaving the company in ambiguity and uncertainty. The eligibility certificate was rejected by the state despite intervention og Hon'ble HC stating that policy stands withdrawn ,which was not a valid reason as investment was put at the behest of assurance of benefits by the state. The case is having regular hearing and now the bench is again likely to be formed to reach conclusion of the case. All major sugar manufacturers are involved who invested as per policy and were left in between.</p>
40.	<p>Case No.24004/2015 instituted by company against state government to claim subsidy of Rs.6/- per quintal of total cane crushed by company. The company was failed to clear entire cane dues on stipulated date fixed by state. The company through present writ has explained justification for release of cane dues and its entitlement for subsidy.</p>
41.	<p>Civil Miscellaneous Writ Petition No. 571 of 2013 Under Article 226 of the Constitution of India by M/s Simbhaoli Sugars Limited v/s State of U P. Writ Petition is filed challenging the legality and validity of the notice dated 27.04.2013 to stop to transfer molasses to sugar unit to distillery unit without payment of Administrative Charges after change of the name of</p>

	<p>Simbhaoli distillery to Simbhaoli Sprites. But as per order passed by Honble High Court Allahabad on 17.03.2011 as regard imposition of tax as per provisions of the Constitution of India, the State legislation is only empowered to imposed on sale or purchase of goods not on transfer of goods. Stay granted to M/s Simbhaoli Sugars Limited direction to co. to maintained account with regard to the quantity and weight of molasses transferred to sugar unit to distillery. Counter filed by state and rejoinder to be filed. Matter pending for listing.</p>
42.	<p>Civil Case no. WP 4317/08 instituted on May 17, 2008 between SSL distillery V/s State of UP before Lucknow High Court, (For Simbhaoli Distillery)</p> <p>Whereas in the case: Pertaining to the power of state govt to levy excise duty on ENA and other industrial alcohol. Challenged new rate of transit wastage imposed by notification dated 15.11.2007. Interim order passed. Referred to larger bench.</p>
43.	<p>Civil Case no. WP 11028/2008 Rs. 12.19 lac instituted in December 5, 2008 between SSL distillery V/s State of UP before Lucknow High Court, (For Simbhaoli Distillery)</p> <p>The Company filed a suit Challenging demand of Rs. 12.19 lac towards transit wastage of IMFL. Interim order passed. The case is referred to a larger bench</p>
44.	<p>Suit No. 1089 of 2001for Rs. 9,25,508/- instituted in November 6, 2001</p> <p>between SSML V/s State before High court Allahabad,</p> <p>The Companyfiled a case for Transit Wastage Duty for the period 1979 to 1980 &1998 to 1999 was demanded on the pretext that less duty was deposited and company paid that as per schedule and thereafter again demand was raised stating that the transit wastage duty was not deposited timely hence penal interest is liable to be paid for Rs.9,25,508/- .Company challenged the said demand in High Court, Allahabad, Hon'ble High Court was pleased to grant stay in favour of company.</p>
45.	<p>The Company (Simbhaoli Spirits Limited) has filed following cases against the C& F Agents for cheque bouncing under Negotiable Instrument Act, 1881:</p> <ol style="list-style-type: none"> Suit No. 1076/05for Rs. 6.17 lacs instituted in August 12, 2002 between SSL v/s Digvijay Singh before A.C.J.M. Najibabad, The Company has filed a Case against Mr. Singh as he was the agent of C&F agent of the Company and he sold country liquor to retailers and gave cheque of Rs. 61,6588/- the cheques were bounced and couldn't be realised, consequently Company filed Case under 138 Negotiable Instrument Act, 1881 regarding bounce of cheque. As per jurisdictional direction order of Supreme Court, case transferred/filed at Najibabad court (Bijnor, U.P.) on 11.05.15 Suit No. 1077/05 for Rs. 4.81 lacs instituted in August 12, 2002 between SSL v/s Digvijay Singh before A.C.J.M. HAPUR, The Company has filed a Case against Mr. Singh as he was the agent of C&F and he sold country liquor to retailers and gave cheque of Rs. 4,81,457/- which were bounced couldn't be realised, consequently Company filed Case under section 138 Negotiable Instrument Act, 1881 regarding cheque bounce. NBW has been issued by the court. Accused abscond. Suit No. 1106/05 for Rs. 5.00 lacs instituted in April 26, 2003 between Simbhaoli Sugars Limited v/s Gunjan Gupta before A.C.J.M. HAPUR, The Company has filed a Case against Mr. Gupta as he was the agent of C&F and he sold country liquor to retailers and gave cheque of Rs. 5,00,000/- the said cheque was bounced and company couldn't received amount constraint Company filed Case under section 138 of Negotiable Instrument Act, 1881 for cheque bounce. NBW issued but accused not appear. Suit No. 1477/06 for Rs. 2.75 lacs instituted in June 9, 2006 between SSL v/s Sapan Kumar before A.C.J.M ii-Saharanpur, The Company has filed a Case against Mr. Kumar as he was the agent of C&F and he sold country liquor to retailers and gave cheque of Rs. 2,75,000/- the said cheque could'nt realized, constraint Company filed Case under section 138 of Negotiable Instrument Act, 1881 for cheque bounce. Stay vacated from high court fixed for appearance of opposite party, notice under 82 Cr.P.C.has been issued. As per order of Supreme Court case filed at Saharanpur court. fixed for appearance of accused Suit No. 7433/14 for Rs. 5 lacs instituted in May 24, 2006 between Simbhaoli Sugars Limited v/s Raj Kumar Jaiswal before A.C.J.M. Lucknow, The Company has filed a Case against Mr. Jaiswal as he was the agent of C&F and he sold country liquor to retailers and gave cheque of Rs.500,000/-, the said cheque bounced due to insufficient funds and company couldn't received amount, constraint Company filed Case under 138 of Negotiable Instrument Act, 1881 for cheque bounce. Case return by Hapur court as per Judgment of Supreme court, we have filed before Lucknow Court. NBW issued for appearance of accused

2. Miscellaneous Cases Instituted by & against the Company not having Substantial Interest on the Business:

Sno.	Details of Cases
1.	<p>Cases by Employees before labour authorities:</p> <p>a) Case no. 181/05 instituted in 2005 between Substitute Workers v/s SSLD before Industrial Tribunal, Meerut. The Company terminated services of excess 138 Substitute workers. They all challenged their termination dated 21.3.2004 and demanded status and services according to rules of seasonal worker.</p> <p>b) Case no. 179/05 instituted in 2005 between Naresh Kumar v/s SSD before Industrial Tribunal, Meerut. The Company transferred worker. Naresh Kumar from Simbhaoli to Chilwaria Unit on the similar terms and conditions of employment. Worker challenged and demanded cancellation of transfer and employment at Simbhaoli w.e.f. 06.10.04.</p> <p>c) Case no. 11/06 instituted in 2006 between Ashok Kumar v/s SSD before Industrial Tribunal, Meerut. 25.02.03, The Company transferred worker Ashok Kumar from Simbhaoli to Chilwaria unit on similar terms and conditions of employment, Worker challenged and demanded cancellation of his transfer and employment at Simbhaoli.</p> <p>d) Case No. 77/2015 under payment of wages act for Rs. 0.65 lacs instituted in 2015 between Risipal Singh v/s Simbhaoli Sugars ltd BSD before Asst. Labour Commissioner Ghaziabad Whereas in the case: Claim for wages for the period 1/12/2013 to 31/04/2014 by the weighment Clerk working through contractor.</p> <p>e) Case No. 79/2015 under payment of wages act for Rs. 0.65 lacs instituted in 2015 between Mukesh Kumar v/s Simbhaoli Sugars ltd before Asst. Labour Commissioner Ghaziabad Whereas in the case: Claim for wages for the period 1/12/2013 to 31/04/2014 by the weighment Clerk working through contractor.</p> <p>f) Case no. 22/2002 for Rs. 0.28 lac instituted on 03/05/ 2002 between Jadish Pd. Singh V/S Occupier & others before Labour Court Faizabad. The complainant worker has put allegation that the management has forcibly got resignation and there for he demands six month salary.</p> <p>g) Case no.11/2008 for Rs. Nil instituted in 30/08/2008 between Rajesh Kumar Tiwari V/S GM Chilwaria Sugar before Labour Court Faizabad. The complainant worker has put allegation that the management had drop his duty without any notice.</p> <p>h) Case no.13/2008 for Rs. 0.59 lac instituted in 27/09/2008 between Pujaria Panday V/S GM Chilwaria Sugar before Labour Court Faizabad</p> <p>The complainant worker has filed the Case for recovery of Retaining allowance, Medical allowance and Bonus on (06.03.1999 to 30.10.1999).</p> <p>i) Case no.9/2012 for Rs.Nil instituted in 29/02/2012 between Jadish Yadav V/S GM Chilwaria sugar before Labour Court Faizabad</p> <p>The complainant worker has putt allegations against the management that management has not taken him on duty.</p> <p>j) Case no. 619/01 instituted in 2001 between R.K.Gill v/s Simbhaoli Sugars Limited before Labour Court Ghaziabad</p> <p>The complainant worker RK Gill was dismissed on 25.11.99 after domestic enquiry for acts of misconduct.</p> <p>k) Case no. 267/05 instituted in 2005 between Virendar Singh v/s SSD before Labour Court Ghaziabad,</p> <p>The complainant worker has challenged alleged termination of service w.e.f. 22.12.02 as illegal and has claimed reinstatement with full back wages.</p> <p>l) Case no. 13/11 instituted in 2011 between Surendra Singh v/s SSD before Labour Court Ghaziabad,</p> <p>The name struck off an account of absence from date.26.04.06</p> <p>m) Case no. PWA 31/12 for Rs. 0.72 lac instituted in 2012 between Sajid Khan v/s SSD before Labour Office Ghaziabad,</p> <p>The complainant worker filed a case for retaining allowance amount of season 2009-10 &2010-11 and bonus of oct 09 to sep 10.</p> <p>n) Case no. 46/2013 instituted in 2013 between Sajid Khan v/s SSD before Labour court Ghaziabad. The worker has challenged his termination from the date of 9.12.11 before the court to be valid or not</p> <p>o) Case no. 43/2013 for Rs. 0.72 lac instituted in 2013 between Sajid Khan v/s SSD before Labour court Ghaziabad. The complainant worker challenged his Termination from the date of 24.11.10 is valid or not.</p> <p>p) Case no. PWA. 01/13 for Rs. 1.57 lac instituted in 2013 between Naresh Babu v/s SSD before Labour Office, Hapur. The worker was dismissed on dated 30.06.12 after holding domestic enquiry for acts of misconduct. Claims suspension allowance for Rs.1,57,281/-</p>

	<p>q) Case no. PWA 08/13 for Rs. 0.29 lac instituted in 2013 between Naresh Babu v/s SSD before Labour Office, Hapur, 12.12.13, For suspension allowance @75% for the subsequent months July 2013 to oct 2013 of Rs. 28596/- .</p> <p>r) Case no. 128/14 instituted in 2014 between Rajesh Jain VS BSD before Labour court, Ghaziabad. The worker challenged his termination and demand for service with back wages.</p> <p>s) Suit No. 187/06 instituted in 2006 between Rajiv Kumar Sharma v/s SSD before Labour Court Ghaziabad,</p> <p>The worker challenged his dismissal order dated 13.05.05 which was issued after domestic inquiry for acts of misconduct. Claim is also for reinstatement with back wages. Evidence of company (P.S.Chauhan) as an investigation officer</p> <p>t) Suit No. 35/09 instituted in August 31, 2009 between Devender Kumar v/s SSD before Labour Labour court Ghaziabad, The worker has challenged his termination and has demanded reinstatement with back wages whereas Company never dismissed the service of worker and he is continued absence from work. Fixed for cross examination of worker.</p> <p>u) Suit No. 76/09 instituted in August 11, 2009 between Bhupender Singh v/s SDD before Labour court Ghaziabad, The worker has challenged his dismissal order which was issued after domestic inquiry for acts of misconduct. Claim also involve for reinstatement with back wages. Fixed for Evidence of claimant.</p> <p>v) Suit No. 5/2011 instituted in August 17, 2011, between Brijesh Chauhan v/s SSL before Labour Court Ghaziabad. Mr. Brijesh Chauhan was an officer and has challenged his termination and demand for reinstatement and back wages. Fixed for evidence of Brijesh.</p>
2.	<p>Suit No. 116/2013 under Revenue matter instituted in 2012 between Rafiq v/s Maganlal & others before Tehsildar Hapur</p> <p>Whereas in the case: The land was purchased from Maganlal, who had earlier purchased the same land from Zafir Ahamed. After mutation one Rafik Ahamed challenged the mutation of Maganlal on the pretext that Zafir Ahmed sold the land in excess to his share to Maganlal. SDO admitted the appeal and rejected the order dated 9/4/2006 regarding mutation of Maganlal. Being aggrieved with this decision of appellate court, Maganlal filed revision before Commissioner Meerut which has been decided in favor of Maganlal. Against the order of comm.in revision the Rafiq Ahamed filed the appeal before Board of revenue.</p>
3.	<p>Land cases:</p> <p>a) Civil Suit no43/1999 for Rs. Nil instituted in 20/01/1999 between Nanhu V/S GM Chilwaria Sugar before CJ VII Bahraich. The Complaint Case was filed against Company by complainant that drain is passing through his land.</p> <p>b) Civil Suit no.44/1999 for Rs. Nil instituted in 20/01/1999 between Nanbachhi V/S GM Chilwaria Sugar before CJ VII Bahraich. The Complaint was filed against the complainant that drain is going on Gaon Sabha land. Stay application allowed against Co.</p> <p>c) Civil Suit no.1016/2006 for Rs. Nil instituted on 01/12/2006 between Nanak Chand V/S GM Chilwaria Sugar before CJ (JD) Bahraich. The Case was filed against Company. Complained by complainant that drain is going on his land.</p> <p>d) Civil Suit no.1025/2006 for Rs. Nil instituted on 02/12/2006 between Dukharan & Others V/S GM Chilwaria Sugar before CJ VII Bahraich. The Case was filed against Company. Complaint by complainant that drain is going on his land.</p>
4.	<p>Civil Suit no. 01/70/2014 for Rs. Nil instituted in 10/03/2014 between Nanbachhi V/S GM Chilwaria Sugar</p> <p>Before CJ VII Bahraich. The complainant filed contempt application. Fixed for Objection file.</p>
5.	<p>Civil Suit no.6/74/07 for Rs. Nil instituted in 20/07/2007</p> <p>Between Dukharan & Others V/S GM Chilwaria Sugar</p> <p>Before CJ kaisarganj</p> <p>Whereas in the case: Case related drain matter. Case decided on 18.05.2001 in absence of complainant. Restoration application given by complainant.</p>
6.	<p>Civil Suit no.605/2007 for Rs. Nil instituted in 23/07/2007</p> <p>Between Pawan Kumar & others V/S UP Power Co. & Others</p> <p>Before CJ VI Bahraich</p> <p>Whereas in the case: Complainant in its complaint has stated that electricity Line is passing over on his boundry wall.</p>
7.	<p>Case no. _186/2013 for Rs.0.24 lacs instituted in 20/10/2013</p> <p>Between Hanuman Prasad Shukla V/S GM SSL Unit Chilwaria & Others</p>

	<p>Before Dist. Consumer Forum</p> <p>Whereas in the case: Cane Seed Matter. Case filed by Farmer for his Cane seed payment. Which was supplied to Other farmer through Co.</p>
8.	<p>Criminal Suit no.359/2015 for Rs. Nil instituted on 24/02/2015</p> <p>Between State V/S J.S.Malik & Others</p> <p>Before CJM Bahraich</p> <p>Whereas in the case: Hanuman Prasad father of Late Laxminarayan blamed that his son was killed in factory premises.So FIR lodged U/S 302.506 IPC FR Submitted.</p>
9.	<p>Case no.52/2015 for Rs.1.79 lacs. instituted on 21/09/2015</p> <p>Between Ayodhya Prasad V/S I. GM Simbhaoli Sugars Lt. Unit Chilwaria. MD Simbhaoli Sugars & Others</p> <p>Before Dist. Consumer Forum</p> <p>Whereas in the case: Complainant Saying that cane personnel of the company assuring to purchasing cane of cane seed but not taken by factory, factory has closed &cane has dried in the field.</p>
10.	<p>Second Appeal 548/14 instituted in 2014</p> <p>Between Gurcharan Lal v/s Simbhaoli Sugars Ltd</p> <p>Before High Court Allahabad</p> <p>Whereas in the case: 20.05.2014, Against the order dated 18.02.14 passed by ADJ Hapur in favour of Company for eviction of Shop. Encroacher has filed Appeal before HC.</p>
11.	<p>Case no. 1347/13 for Rs. 0.51 lac instituted in 2013</p> <p>Between Sachin v/s Simbhaoli Sugar</p> <p>Before D.M Hapur</p> <p>Whereas in the case: Cane grower filed application before SDM for pending payment of cane dues of amount 51125/-. SDM Garh passed order dated 30.8.14 against the company. Appeal filed against the order dated 30.8.14 before D.M Hapur.</p>
12.	<p>Shop eviction from Company premises cases:</p> <ol style="list-style-type: none"> Case no. 24/2015 instituted on 17/03/2015 between Mangat ram v/s SSD before ADJ Ghaziabad. 24.03.15, Against the order of JSCC passed in case of shop eviction. Case no. 25/2015 instituted on 17/03/2015 between Ramesh Singh Vipin v/s SSD before ADJ Ghaziabad. 25.03.15, Against the order of JSCC passed in case of shop eviction. Case no. 26/2015 instituted on 17/03/2015 between Pravesh Singh v/s SSD before ADJ Ghaziabad. Whereas in the case: 205.03.15, Against the order of JSCC passed in case of shop eviction. Case no. _____instituted in 2015 between Ranveer Singh v/s SSD before ADJ Ghaziabad. Whereas in the case: 30.03.15, Against the order of JSCC passed in case of shop eviction.
13.	<p>Case no. 151/2010 instituted in 2010between W & M v/s SSLbefore Patiala house, Delhi (For Distillery Som-Fertilizers). A Notice was issued against the Company for non-compliance of Weight and Measure norms. i.e as per notice the Maximum Retail Price (MRP) and Weight of the fertilizer were not mentioned.</p>
14.	<p>Suit No. 1723/10 for Rs. NIL instituted in April 6, 2010, between Brijesh Chauhan v/s S.K. Sinha & Others</p> <p>before ACJM 5th court Meerut,</p> <p>Whereas in the case: Ex -Employee was terminated with immediate effect, he alleged that company cheated him and violated the terms of employment letter and caused him financial loss due to un matured service benefits by illegal termination, Summon issued in criminal complaint case against senior officers of company. Stay from High court.</p> <p>The Company filed an Appeal before High Court</p> <p>Suit No. 42231/2012 instituted in December 2012, between Shiv Kumar Sinha v/s State before High Court, Allahabad</p> <p>Whereas in the case: Challenged the summoning order passed by ACJM (Meerut) in criminal matter filed by ex-employee Brijesh</p>

	Chauhan. Stay by the court. Counter filed and rejoinder to be filed
15.	Suit No. 368/12 instituted in August 4, 2012, between S.B.I Vs Brijesh & Simbhaoli sugars Ltd before C.J(S.D) Hapur, D.K. Sexena. Whereas in the case: Recovery of loan amount of Rs. 142290/- from Brijesh Chauhan that he had taken as loan on the basis of guarantee given by company. Written Statement has been filed on behalf of Company fixed for issues. Suit is against Brijesh Chauhan the Company is a party for giving guarantee for the wages part would be given to employee as full and final.
16.	Suit No. 59/2014 for Rs. 40.12 lacs instituted in April 7, 2014, between U.V.Rathi v/s Simbhaoli Distillery before D.J. Hapur, Whereas in the case: Case was filed by opposite party claiming that company terminated C&L agency without compliance of agreement executed between him and Co. Arbitration Authority passed order in favour of party Filed execution for execute award dated 4.01.14. Fixed for filing objection of Company. Suit No. 178/2014 for Rs. 20.79 lacs instituted in April 3, 2014, between Simbhaoli Distillery v/s U.V. Rathi before D.J. Hapur. Whereas in the case: Case was filed by opposite party claiming that the company terminated his C&F agency without compliance of agreement executed with him. Arbitration Authority passed order in favour of party. Appeal filed by company against award dated 4.1.14 passed by arbitrator in arbitration. For Final Arguments
17.	The matter is the Food Safety Officer in Indore issued a Notice to SSL to represent its explanation before then ADM Indore on violation regarding printing font on Packaged Commodity not permitted under FSSAI Act, The Co. has filed its statement.. instituted in 2014 between State of M.P v/s Simbhaoli Sugar before ADM Indore Whereas in the case: Alleged that on the label of SIPP, MRP not declared in capital letters hence Misbranded. (FSS Act)
18.	Suit No. Conciliation Proceedings 34/15 instituted in August 7, 2015, between before ALC Ghaziabad, Whereas in the case: Worker challenged his termination, whereas worker is still on roll of company but he is continuing on long absence from work. Reply to be filed on next date.
19.	Suit No. 604/2013 for Rs. 12 Crore instituted MAY 28, 2013 Between SSL (unit-BSD) v/s state of U.P Whereas in the Case: Challenging demand of refund of CENVAT of approx. Rs 12 Crore under Central excise. Stay obtained. Counter to be filed by State.
20.	Civil Suit No. 233/2009 for Rs. 0.64 Lacs instituted in May 2009, between Simbhaoli Sugars Ltd. Unit Brijnathpur v/s Lakshendar before Add. C J (SD) Hapur Whereas in the case: The Company has filed suit for realization for Rs. 63,600.00 being notice pay from Mr. Lakshendar who has resigned from the service of company in compliance to his contract of service. Written statement filed. Matter is at the stage of evidence and steps shall be taken to recover the notice pay.
21.	Case no.285/2006 under Appeal for Rs. 0.11 lacs instituted in 20/02/2006 between Chilwria Sugars& Others V/S Jagpal Singh & Others before C.D.R.C. Lucknow Whereas in the case: Appeal filed against order dated 04.01.2006 passed by Consumer Forum Bahaich. Stay order in favour of Co. It's related to purchasing of cane seeds.
22.	Case no._2039/2008 under Appeal for Rs. 0.77 lacs instituted on 27/11/2008 between Chilwaria Sugar Mill V/S Lalji& Others before C.D.R.C. Lucknow Whereas in the case: Appeal filed against order dated 05.03.2008 passed by Consumer Forum Gonda .Stay order in favour of Co. The case is non payment of Hundi issued by Weighment Clerk.
23.	Criminal Suit no.2047/2005 for Rs. Nil instituted on 18/09/2005 Between State V/S Surender Shukla Before CJM Bahaich Whereas in the case: Accident by Co. Vehicle so FIR lodged U/S 279,337,338,427 IPC.
24.	Civil Suit no.488/2008 for Rs.3.24 lacs instituted on 15/10/2008 Between Simbhaoli Sugars Limited Unit-Chilwaria V/S R.K. Goshwami Before CJ(SD) Bahaich Whereas in the case: Suit file by Co. for recovery from Contractor.
25.	Criminal Suit no.872/2011 for Rs. Nil instituted on 14/12/2011 Between State V/S Vijay Pal Pandey Before ACJM Barabaki

	Whereas in the case: Accident by Co. Vehicle so FIR lodged U/S 279, 337, 338, 427, 304 A IPC.
26.	Case no. 22316 / 2004 for Rs. 32.50 lac instituted in June 7, 2004 Between Simbhaoli Sugars Mills Limited V/s Collector, Ghaziabad Before High Court, Suresh Chand Varma Whereas in the case: 07.06.2004, Land Management Committee(LMC) Buksar filed case under 122-B of UP ZA related to 28 bighas lagoon land of Simbhaoli Sugars that was allotted in 1933 to mill by Govt. Tehsildar Garhmukteshwar imposed fine of Rs 32.50 lac as on July 2003 and also instructed company to evict from the land. Company approached High court and Interim stay order passed in favour of company on 09.06.04
27.	Case no. 72/08instituted in 2008 between Simbhaoli Sugars Ltd v/s Bhupender and Others before Civil Judge (JD) Garh Mukteshwar, Whereas in the case: 30.05.2008, Case filed by company to Remove khokhas(Kiosks) and temporary shops from road adjoining to boundary wall of company.
28.	Case no. OS 160/12 instituted in 2012 between Simbhaoli Sugars Ltd v/s Parmal and others before C.J Garh. Whereas in the case: 1.10.2012, Opposite party started construction and opened the gate toward mill property. Company filed case for permanent injunction against construction on the land in cane yard, Status quo during the pendency of case.
29.	Case no. 06/2014 instituted in 2014 between Simbhaoli v/s Trilochan before JSCC Ghaziabad. Whereas in the case: 1.03.14, For eviction of shop situated near mandi gate.
30.	Criminal Case no. 83/14 instituted in 2014 between Police Station-Simbhaoli before C.J Garh. Whereas in the case: 21.4.14, Against the theft of 88 sugar bags forms the Godown of Company.
31.	Execution no 1/14 instituted in 2014 between Simbhaoli Sugar v/s Gurcharnlal before C.J Garh. Whereas in the case: 02.07.14, Execution filed for compliance of order dated 18.02.14 passed by ADJ Hapur in shop eviction case
32.	Civil Case no. 252/2014Rs. 7.67 lacs instituted in February 28, 2013between SSL V/s Super Tech Crane Bell before Saket Delhi (For Chilwaria unit) Whereas in the case: Dues on supplier of Chilwaria. Recovery suit for Rs 7.67 lac.
33.	Various Excise matters are being carried out in the routine course of business which do not have any substantial impact on the business affairs of the Company.

3. Legal Cases Instituted by & against the Group Companies:

S.No.	Details of Case
1. (ICCPL)	Civil Case no. WP 6970/2015 Rs. NIL instituted in 2015 between ICCPL v/s State of U P before Lucknow High Court, (For ICCPL) Whereas in the case: WP filed against U.P Sugar Corporation, State, and Global Sugar for manipulating the tender process despite Global Sugar technical disqualification and even after this financial bid was opened to cause benefit to Global which was against the prerequisite conditions sought through tender form issued by Sugar Corporation and tender was awarded to Global unlawfully.
2.	A Company Petition no. _____ has been filed by outgoing directors u/s 397 & 398 read with sections 111, 108, 402, 403 & 406 of the Companies Act, 1956 challenging their removal from ICCPL Board before the Hon'ble Company Law Board (CLB). CLB passed an interim order against which the Company has been contesting the matter and approached Hon'ble Delhi High Court to quash the aforesaid orders under the provisions of Section 10F of the Companies Act, 1956. the Hon'ble High Court passed an order granting relief to the Company and directed the CLB to consider this matter on merit.
3.	Civil Case no. 515/2015 instituted in July 16, 2015between Dr. G S C v/s Rajesh Agarwal (ICCPL) before GautamBudh Nagar (For ICCPL) Whereas in the case: Dr.Rao after failing in the tender bid offered from HAFED for Asandh Sugar Mill has filed "SUIT FOR DECLARATION PERMANENT AND MANDATORY INJUNCTION" meaning thereby has sought stay from District court at

	Noida to restrain and stop Casetech officers, Directors, Employees and Agents from circulating or publishing any defamatory or any scandalous communication relating to Global Canesugar (Dr. Rao Firm) which may cause unlawful obstruction/hindrance in his business. The copy of suit is attached. We are engaging competent advocate at Noida to defend and file suitable and fit legal reply giving the details of pending cases against Global Cane sugar.
4.	The Company initiated legal proceedings for injunction and recovery in civil suit no CS (OS) No. 2593/2013 with the Hon'ble Delhi High Court against Case Enco and others for setting up the parallel entities, and the Court has granted Interim relief vide order dated Dec 19, 2013. The Court further directed to change the name of corporate entity and dissolve the partnership firm and made the order absolute. The matter is pending for further proceedings.
5.	Civil Case no. 1179/2013 for Rs. 20.88 lacs instituted in 2013 between Integrated Casetech. v/s Samit Shah before High Court, Delhi. Whereas in the case: A Purchased order sent to Mahaveer enterprisers to supply of goods and 25% of advance paid to them but neither they supply goods nor returned our advance then our company send them demand notice but they did not reply of our notice after that our Co. filed a recovery suit for Rs 20,87500/- against them.

CASES UNDET IT Act

S.no.	Assesment Year	Financial Year	Amount	Description	Pending Cases
1	2012-2013	2011-2012	2,279,187	Disallowed u/s 41(1): The assessing officer has added the credit balance of the supplier pending more than 3 years under section 41(1), the company have filled the appeal with CIT (a) and matter is pending for hearing with CIT(A).	Pending with CIT(A)
			658896	Disallowed Bad Debt : The Amount of Bad debts claimed as business expenses not allowed by the A.O., The company prefers appeal and , is pending for hearing with CIT (A)	
2	2011-2012	2010-2011	469741	Disallowed u/s 41(1) : The assessing officer has added the credit balance of the supplier pending more than 3 years under section 41(1), the company have filled the appeal with CIT (a) and matter is pending for hearing with CIT(A).	Pending with CIT(A)
			1342763	Disallowed Bad Debt : The Amount of Bad debts claimed as business expenses not allowed by the A.O., The company prefers appeal and , is pending for hearing with CIT (A)	
3	2010-2011	2009-2010	409,578	Disallowed u/s 41(1) : The Assessing officer did not Allowed Rs. 4,09,578/- u/s 36(2) r.w.s 36(1)(vii) being value written of as it was non-recoverable advances and dues from suppliers and contractors of the Company. The Company is in appeal with ITAT for disposal of the same.	Pending with ITAT-CIT(A) not
			472,858	Disallowed Bad Debt : The Assessing Officer did not allowed the addition of a creditor of Rs. 4,72,858 u/s 41(1) of the Act on grounds of Limitation as the creditor was of more than 3 years. The Company is in appeal before competent authority.	admitted
			262,552	Charity Reserve : The Assessing Officer included the Rs. 2,62,552 of Dharmada receipts as revenue receipts of the Company and the money received was used for the specific purpose only. The Company is in appeal before competent authority.	
5	2008-2009	2007-2008	10,75,12,301	Forex Derivation : The Income Tax Commissioner (Appeals) has not allowed the Rs. 1,07,51,230/- being the loss in respect of forex derivatives contracts entered into by the Company to hedge against the foreign currency fluctuation risk related to the business transaction of the Company. The Company is in appeal before ITAT.	Pending with ITAT
6	2007-2008	2006-2007	5275943	Payment of Steal not verified : The matter was decided in company's favour. However, The department prefers to appeal against the order of CIT(A)-XII, New delhi against order No 115/13-14 dated 05/02/2014.	Appeal by CIT(A) TO ITAT

			126604608	Addition for payment to supplier : The matter was decided in company's favour. However, The department prefers to appeal against the order of CIT(A)-XII, New delhi against order No 115/13-14 dated 05/02/2014.	
7	2006-2007	2005-2006	5,33,23,000	Unexplained Payment UPDA: The additon of was made by the assessing officer on the basis of Document found from the internal enquiry. The company has taken up query and the matter is pending for final decision.	Pending with ITAT
8	2005-2006	2004-2005	284287001	Unexplained Payment UPDA: The additon of was made by the assessing officer on the basis of Document found from the internal enquiry. The company has taken up query and the matter is pending for final decision.	Pending with ITAT
			173796	Charity Reserve: The Assessing Officer included the Rs. 2,62,552 of Dharmada receipts as revenue receipts of the Company and the money received was used for the specific purpose only. The Company is in appeal before competent authority.	
9	2004-2005	2003-2004	44967400	Unexplained Payment UPDA: The additon of was made by the assessing officer on the basis of Document found from the internal enquiry. The company has taken up query and the matter is pending for final decision.	Pending with ITAT
			143278	Charity Reserve : The Assessing Officer included the Rs. 2,62,552 of Dharmada receipts as revenue receipts of the Company and the money received was used for the specific purpose only. The Company is in appeal before competent authority.	
10	2003-2004	2002-2003	21636000	Unexplained Payment UPDA: The additon of was made by the assessing officer on the basis of Document found from the internal enquiry. The company has taken up query and the matter is pending for final decision.	Pending with ITAT

In addition to the given cases there are certain other Income Tax proceedings on one of the promoter which have been taken up in ordinary course of business.

GOVERNMENT APPROVALS AND LICENSES

INTELLECTUAL PROPERTY & TRADEMARKS REGISTRATION

STATUS OF TRADE MARK APPLICATIONS FILED FOR M/s SIMBHAOLI SUGARS LTD. AS ON 26.09.2013									
S.N O.	TRADE MARK	APPLICA TION NO.	DATE OF FILIN G	ORD ER PASS ED	ORDE R RECEI VED DATE	REGISTR ATION CERTIFIC ATE NO.	REGISTR ATION CERTIFIC ATE DATE	RENE WAL DUE	STATUS
1	PUB 99	1205150	10.06.03	Y	11.09.03	439942	10.10.05	10.06.2013	REGISTERED BUT NOT RENEWED
2	CLUB - 10	1205151	10.06.03	ABA	11.09.03				OPPOSED/Replied
3	UTOPIA	1205152	10.06.2003	Y	11.09.03	580552	09.11.06	10.06.2013	REGISTERED BUT NOT RENEWED
4	TOP SHOT	1216570	23.07.03	ABR	18.08.03	676787	21.02.2008	23.07.2013	REGISTERED
5	ROYAL SIGNET	1216571	23.07.03	Y	18.08.03				OPPOSED/NOT REPLIED
6	GRAND NATIONAL	1216573	23.07.03	ABA	18.08.03	630944	30.03.07	23.07.2013	REGISTERED BUT NOT RENEWED
7	DILDAR(HINDI)	1310399	22.09.04	Y	22.12.04	460605	10.11.05	22.09.2014	REGISTERED
8	SIMBHAOLI XXX RUM	1310400	22.09.04	Y	22.12.04	460600	10.11.05	22.09.2014	REGISTERED
9	GORKI	1469379	13.07.06	ABA	03.12.08	1035779	18.02.12	13.07.2016	REGISTERED
10	DILKHUSH (COUNTRY WINE)	1469380	13.07.06	ABA		1040238	05.03.12	13.07.2016	REGISTERED
11	ICE BLUE TANGO	1469381	13.07.06	ABA	20.01.09				OPPOSED(NOT SERVED)
12	NIMUDA	1469813	14.07.06	ABA	03.12.08	1040988	07.03.12	14.07.2016	REGISTERED
13	SEVEN KNIGHTS	1529452	09.02.07			957476	03.03.11	09.02.2017	REGISTERED
14	HIGH BIRDS	1608837	08.10.07	15846	19.02.09	866220	30.03.10	08.10.2017	REGISTERED
15	OLD TRIBUTE	1608838	08.10.07	10986	12.11.08				OPPOSED/ OPPOSITION SERVED ON US BUT NOT REPLIED AS INSTRUCTED BY YOU
16	HUNTER'S RUM	1621834	19.11.07						OPPOSED(NOT SERVED)
17	XING VODKA (Label)	1766622	22.12.08			1215106	16.06.15	22.12.2018	REGISTERED
18	OLD TRIBUTE	1813380	01.05.09						OPPOSED(NOT SERVED)
19	KNIGHT RACER	1832454	24.06.09			1237486	06.10.15	01.09.2018	REGISTERED CERTIFICATE AWAITED
20	VERDICT	1961155	06.05.10			1004710	18.04.11	06.05.2020	REGISTERED

SECTION VII- OTHER INFORMATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

<i>Article Number</i>	<i>Name</i>	<i>Contents</i>
4	Capital and shares	<p><i>The Authorised Share Capital of the Company shall be such amount and be divided into such number of shares as may from time to time, be provided in clause V of the Memorandum of Association of the Company as altered from time to time with power to the Board to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions as may be, thought fit and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.</i></p> <p><i>If and whenever the capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, affected, extended, abrogated or surrendered as provided by the said Act or by Articles of Association or by the terms of issue, but not further or otherwise.</i></p>
Shares and Certificates		
13	Numbering of Shares	<i>The Shares in the capital shall be numbered progressively according to their several classes.</i>
14	Shares at the disposal of the Board	<i>Subject to the provisions of the Act and these Articles, the shares in the Share Capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board, and it may issue, allot or otherwise dispose of the same or any one of them to such persons on such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 54 of the Act) and at such times as they may from time to time think fit and proper and with the sanction of the Company, in General Meeting (if required, to give to any person the option to call for or be allotted shares of any class of the Company either at par or at premium or during such time and for such consideration and such option being exercisable at such times as the Board think fit and may allot and issue shares in the capital of the Company in lieu of services rendered to the Company or in the conduct of its business; and any shares, which may be so allotted, may be issued and allotted as fully paid up shares and if so issued shall be deemed to be fully paid up shares.</i>
16	Premium received on issue of shares	<ol style="list-style-type: none"> <i>1. Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premium on those Shares shall be transferred to an account to be called "the securities premium account", and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this clause, apply as if the securities premium account were paid-up share capital of the Company.</i> <i>2. The securities premium account may be applied by the Company for the purposes permissible under the provisions of the Act.</i>
18	Acceptance of Shares	<i>An application signed by or on behalf of an applicant for Shares in the Share Capital of the Company followed by an allotment of Shares therein, shall be an acceptance of Shares within the meaning of these Articles subject to the compliance of the provisions of Section 39 for allotment of securities and Section 40 regarding Securities to be dealt within stock exchange of the Act so far as applicable.</i>
21	Installments on Shares	<i>If, by the conditions of allotment of any Shares, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when, due, be paid to the Company by the person, who, for the time being and from time to time, shall be the holder of the Shares and includes his legal representative.</i>
22	Liability of Members	<i>Every member, or his executors or administrators or other representative, shall pay to the Company the portion of the capital represented by his share or shares, which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner, as the Board shall, from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.</i>

23	Liability of Joint holders	<i>If any Share stands in the names of two or more persons, all the joint-holders of the Share shall be severally as well as jointly liable for the payment of all deposits, installments, and calls due in respect of such Shares, and for all incidents thereof according to the Company's regulations; but the persons first named in the Register shall, as regards service of notice, and all other matters connected with the Company, except the transfer of the share and any other matter under the provisions of the Act or herein otherwise provided, be deemed to be the sole holder thereof.</i>
24	Registered holder	<i>Save as herein or by laws otherwise expressly provided subject to the provisions of Section 89 of the Act, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof, and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognize any benami trusts whatsoever or equitable, contingent, future, partial or other claim to or interest in such Share on the part of any other person whether or not it shall have express or implied notice thereof; the Board shall, however be at liberty, at its sole discretion, to register any share in the joint names of any two or more persons, and the survivor or survivors of them.</i>
25	Certificates of shares	<i>Subject to any statutory or other requirement having the force of law governing the issue and signatures to and sealing of certificate to shares and applicable to this Company for the time being in force the certificate of title to shares and the duplicate thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by two Directors authorized by the Board and the Company Secretary or some other person appointed by the Board for the purpose. Further, a Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of a rubber stamp, provided that a Director or the Company Secretary authorized by the Board shall be responsible for the safe custody of the statutory of blank certificates and such machine, equipment or other materials used for the purpose.</i>
26	Member's right to Certificates	<ol style="list-style-type: none"> 1. <i>Every member shall be entitled without payment, to the certificate for all the Shares of each class or denomination registered in his name, or if the Board, so approve, upon paying such fees as the Board may from time to time determine, to several certificates, each for one or of such Shares and the Company shall issue such certificate within the time prescribed under the Act.</i> 2. <i>Every certificate of Shares shall have its distinctive number and be issued under the Seal of the Company and shall specify the number and denoting number of the Shares in respect of which it is issued and the amount paid thereon and shall be in such form as the Board shall prescribe or approve provided that in respect of Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and the delivery of a certificate for the Shares to one of several joint-holders shall be deemed to be sufficient delivery to all.</i> 3. <i>The provisions of aforesaid Articles shall mutatis mutandis apply to all Securities including debentures of the Company.</i>
	Issue of Certificate	<i>The Company, shall within two months after the allotment of any of its Shares, and six months after the allotment of any Debentures or Debenture-stock or Securities, and within one month after the application for the registration of the transfer of any Shares, Debentures or Debenture-stock or Securities have completed and have ready for delivery the certificates of all shares, the debentures and the certification of all debenture-stock allotted or transferred, unless the conditions of issue of the Shares, Debentures of Debenture-stock or Securities otherwise provide. The expression "transfer" for the purpose of this Article means a transfer duly stamped, dated and otherwise valid, and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.</i>
28	New certificate	<p><i>If any certificate be worn out, defaced, destroyed or lost or if there be no further space on the back thereof for endorsement of transfer, then upon production thereof to the Board, the members, may request the same to be cancelled, and issue of new certificate(s) in lieu thereof. If any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board and on such indemnity as the Board deem adequate being given, a new certificate in lieu thereof shall be issued on such fees as the Board think fit but not exceeding the maximum fees prescribed in the Act or Rules.</i></p> <p><i>The Board may waive payment of any fee generally or in any particular case except where any contractual obligation is existing.</i></p>
29	Endorsement on	<i>Every endorsement upon the certificate of Shares in favour of any transferee thereof shall be signed by such person for the time being authorized by the Board in that behalf.</i>

	<i>certificate</i>	
CALLS		
19	Call to be a debt payable by the directors	<i>The money, if any, which the Directors shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposits, calls or otherwise in respect of any Shares allotted by them, shall, immediately on the inscription of the name in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottees thereof, and shall be paid by them accordingly.</i>
20	Calls on Shares	<i>Where any calls for further Share Capital are made on Shares, such calls shall be made on a uniform basis on all Shares, falling under the same class.</i> <i>Explanation: - For the purpose of this provision, the Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.</i>
30	Calls on share	<i>Subject to the provisions of Section 49 of the Act, the Board may, from time to time, by means of resolution passed at its meetings make such calls as it may think fit upon the Members in respect of moneys unpaid on the Shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each Member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board. A call may be made payable by installments.</i>
31	Call to date from resolution	<i>A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and may be made payable by Members on a subsequent date to be specified by the Board.</i>
32	Notice of call	<i>A call shall be made by giving a fourteen day's notice, otherwise than on allotment, by the Company in the manner hereinafter provided for the giving of notices specifying the time and place of payment, and the person to whom such call shall be paid. Provided that before the time for payment of such call, the Board may by notice given in the manner hereinafter provided revoke the same. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who, the Board may deem fairly entitled to such extension; but no Member shall be entitled to any such extension, except as a matter of grace and favour.</i>
33	Provisions applicable to installments	<i>If under the terms of issue of Shares or otherwise any amount is payable at any fixed time or by installments at fixed times, whether on account of the Share Capital or by way of premium, every such amount or installments shall be payable as if it were a call made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installments accordingly.</i>
34	When interest on calls payables	<i>If the sum payable in respect of any call or such other amount or installments be not paid on or before the day appointed for payment thereof or any extension thereof as aforesaid, the holder for the time being of the Shares, in respect of which the call shall have been made, or such amount or installment shall be due, shall pay interest for the same, from the day appointed for the payment thereof to the time of actual payment at such rate not exceeding Banks' lending rate, as shall from time to time be fixed by the Board. Nothing in this Article shall however, be deemed to make it compulsory on the Board to demand or recover any such interest, and the payment of such interest, wholly or in part, may be waived by the Board, if it think fit so to do.</i>
35	Money due to Members	<i>Any money due from the Company to a Member may, without the consent and notwithstanding the objection of such Member, be applied by the Company in or towards the payment of any money due from him to the Company for calls or otherwise.</i>

36	Part payment on account to calls	<i>Neither a judgement nor a decree in favour of the Company for calls of other moneys due in respect of Shares nor any part-payment or satisfaction thereunder nor the receipt by the Company of a portion of any money, which shall from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the forfeiture of such Shares as hereinafter provided.</i>
37	Proof on trial on of suit on money on shares	<i>On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives to recover any moneys claimed to be due to the Company for any call or other sum in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, or one of the holders, on and subsequent to the date at which the money sought to be recovered is alleged to have become due, on the Shares in respect of which such money is sought to be recovered, and that the amount claimed is not entered as paid in the books of the Company or the Register of Members and that the resolution making the call is recorded in the minute book, and that notice of such call was given to the Member or his legal representatives sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call, not that a quorum of Directors was present at the meeting of the Board at which such call was made, nor that the meeting at which such call was made convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debts, and the same shall be recovered by the Company against the Member or his representatives from whom the same is sought to be recovered unless it shall be proved, on behalf of such Member or his representatives against the Company that the name of such Member was improperly inserted in the register, or that the money sought to be recovered has actually been paid.</i>
38	Payment of unpaid Share Capital in advance	<i>The Board may, if they think fit, subject to the provisions of Section 50 of the Act receive from any Member willing to advance the same, either in money or money's worth the whole, or any part of the amount remaining unpaid on the Shares held by him beyond the sum actually called up and upon the moneys so paid or satisfied in advance, or so much thereof, as from time to time and at any time thereafter exceeds the amount of the calls then made upon and due respect of the Shares on account of which such advances have been made, the Company may pay or allow interest at such rate as the Member paying such advance and the Board agree upon; provided always that if at any time after the payment of any such money, the rate of interest so agreed to be paid to any such member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such Member so much of money as shall then exceed the amount of the calls made upon such Shares, unless there be an express agreement to the contrary; and after such repayment such Member shall be liable to pay, as no such advance had been made, provided also that if at any time after the payment of any money so paid in advance, the Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the Member to the Company for installments or calls, or any other manner, the Member making such advance shall be entitled (as between himself and the other Members) to receive back from the Company, the full balance of such moneys including interest thereon, rightly due to him by the Company in priority to any payment to Members on account of capital.</i>
39	No right to vote	<i>The Member making such advance shall not, however, be entitled to any voting rights in respect of the moneys so advanced by him until the same would, but for such payment, become presently payable.</i>
41	Term of Notice	<i>The notice shall specify a day (not earlier than the expiration of fourteen days from the date of the notice) and a place or places on or before and at which the money due as aforesaid is to be paid. The notice may also state that in the event of the non-payment of such money at or before the time and the place appointed, the Shares in respect of which the same owed will be liable to be forfeited.</i>
50	Company's lien on shares	<i>The Company shall have a first and paramount lien upon all the Shares not being fully paid-up Shares, registered in the name of each member (whether solely or jointly with another or others) and upon the proceeds of sale thereof, for all moneys from time to time due or payable by him to the Company for calls made and all amounts or installments as provided by Article 35 payable in respect of such shares and no equitable interest in any Shares shall be created except upon the footing and condition that Article 25 hereof is to have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares. Unless otherwise agreed, the registration of a transfer of Shares shall operate as a waiver of the Company's lien, if any, on such Shares. The Board may at any time declare any Shares to be exempt, wholly or partially from the provisions of this Article.</i>

51	Lien enforced by sale	<i>For the purpose of enforcing such lien, the Board may sell, the Shares subject thereto in such manner as it may think fit and transfer the same to the name of the purchaser, without any consent and notwithstanding any opposition on the part of the indebted Member or any other person or persons interested therein and a complete title to the Shares, which shall be sold and transferred shall be acquired by the purchaser, by virtue of such sale and transfer, against such indebted Member and all persons claiming with or under him whether he may be indebted to the Company in point of fact or not. But no such sale shall be made until notice in writing stating the amount due or specifying the liability of engagement and demanding payment or fulfillment or discharge thereof and of the intention to sell in default shall have been served upon such member or his heirs, executors, administrators, representatives or persons and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for seven days after such notice.</i>
52	Application of Sale proceeds	<i>The net proceeds of any such sale after payment of the costs of such sale, shall be applied in or towards the satisfaction of such debts liabilities or engagements and the residue, if any, paid to such or any of his executors, administrators, representatives or assigns or any of the persons, if any, entitled by transmission to the Shares sold.</i>
FORFEITURE OF SHARES		
42	Forfeiture of Shares	<i>If the requirements of any such notice as prescribed in Article no. 42 are not complied with, every or any share in respect of which the notice is given may, at any time thereafter before payment of all calls or amounts or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture.</i>
43	Notice of Entry in Register of Members	<i>When any Shares shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture or to any of his legal representatives, or to any of the persons entitled to the Share by transmission and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members. The provisions of this Article are, however, directory only and no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.</i>
44	Reissue of forfeited Shares	<ol style="list-style-type: none"> 1. Any Shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same, either to the original holder thereof or to any other persons, and either by public auction or by private sale and upon such terms and in such manner as the Board may think fit subject to the compliance of the provisions of Applicable laws. 2. In the meantime, and until any Shares so forfeited shall be sold, re-allotted or otherwise dealt with as aforesaid, the forfeiture thereof may at the discretion and by a resolution of the Board, be remitted or annulled as a matter of grace and favour but not as of right, upon such terms and conditions as it think fit.
46	Effect of forfeiture	<i>The forfeiture of Share shall involve the extinction of all interest in and of all claims and demands against the Company of the member in respect of the Shares and all other rights of the Member incident to the Shares except only such of those rights as by these Article are expressly saved.</i>
47	Surrender of Shares	<i>The Board may, subject to the provisions of the Act, accept a surrender of the Shares from or by any Member desirous of surrendering those on such terms as think fit.</i>
48	Certificate of Forfeiture	<i>A certificate in writing, under signature of the Directors, Company Secretary or any other person who may be authorized by the Board, for this purpose that the call, amount or installment in respect of Shares was made or was due or the interest in respect of a call, amount or installment was or the expenses were payable, as the case may be, the notice thereof as aforesaid was given and default in payment was made and that the forfeiture of the Shares was made by a resolution of the Board to the effect, shall be conclusive evidence of the facts stated therein as against all persons entitled to or interested in such Share.</i>
49	Title for the forfeited Shares	<i>The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposition thereof and the person to whom such Shares is sold, re-allotted or disposed of may be registered as the holder of the Shares and shall not be bound to see to the application of the consideration, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.</i>

53	Transfer of Forfeited Shares	<i>Upon any sale after forfeiture or upon any sale for enforcing a lien, in purported exercise of the powers hereinbefore given, the Company may authorize person(s) to execute an instrument of transfer of the Shares sold.</i>
54	Validity of sale of such Shares	<i>Upon any such sale after forfeiture or for enforcing a lien in purported exercise of powers, the Board shall cause the purchaser's name to be entered in the Register in respect of the Shares sold and shall issue to the purchaser a certificate as specified in Article 50 hereof in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.</i>
TRANSFER AND TRANSMISSION OF SHARES		
15	Shares transferable	<ol style="list-style-type: none"> 1. <i>The Shares or other interest of any Member in the Company shall be movable property transferable in the manner as provided in these Articles.</i> 2. <i>Each share in the Company having a share capital shall be distinguished by its appropriate number.</i> 3. <i>A certificate under the Seal of the Company specifying any shares held by any Member shall be prima facie, evidence of the title of the Member to such Shares.</i>
17	Transfer of Shares	<i>If and whenever as the result of issue of new Shares or any consolidation or subdivision of Shares, any Shares become held by members in fractions the Board shall subject to the provisions of the Act and these Articles and to the directions of the Company in general meeting, if any, sell those Shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such Shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may authorize any person to transfer the Shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the Shares be effected by any irregularity or invalidity in the proceedings in reference to the sale.</i>
55	Register of Transfers	<i>The Company shall keep a book called the 'Register of Transfers' and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of the Shares in the Share Capital of the Company.</i>
56	Instrument of Transfer	<i>No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer, which shall be in the form specified in the Act, shall be duly stamped, dated and shall be executed by or on behalf of the transferor and the transferee and in the case of the Shares held by two or more holders or to be transferred to the joint names of two or more transferees, by all such joint-holders or by all such joint transferees, as the case may be, several executors or administrators of a deceased member proposing to transfer the Shares registered in the name of such deceased Member shall all sign the instrument of transfer in respect of the Shares as if they were the joint-holders of the Shares. The instrument of transfer shall specify the name, address and occupation, if any, of the transferee.</i>
57	Death of one or more joint holders	<i>In the case of the death of any one or more of the persons named in the Register as the joint-holders of the Shares, the survivor(s) shall be the only persons recognized by the Company as having any title to or interest in such Shares, but nothing herein contained shall be taken to release the estate of the deceased joint-holder from any liability on the Shares held by him jointly with any other person.</i>

58	Title of Shares of deceased member	<p><i>On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the Shares.</i></p> <p><i>Provided that where there is no, nominee, the executors or administrators of a deceased Member not being one of several joint-holders shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such deceased Member, and the Company shall not be bound to recognize such executors or administrators, unless they shall have first obtained probate or letters of administration or other legal representation, as the case may be, provided nevertheless, the Board, in its absolute discretion think fit, may dispense with the production of Probate or Letters of Administration or such other legal representation, upon such terms as to indemnity or otherwise as it may deem fit and under these Articles, register the name of any person who claims to be absolutely entitled to the Shares standing in the name of the deceased member as a member in respect of such Shares.</i></p>
59	Registrations of Person entitled to Shares otherwise than by transfer	<p><i>Subject to the provisions of the last preceding Article, any person to whom the right to any Shares has been transmitted in consequence of the death or insolvency of any Member or otherwise by operation of law may, with the consent of the Board (which it shall not be under any obligation to give) and upon his producing such evidence that he sustains the character in respect of which he proposes to act under the Article and of his title as the Board think sufficient be registered as a Member in respect of such shares.</i></p> <p><i>This clause is hereinafter referred to as the 'Transmission Clause'. A transfer of the Share or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a Member at the time of effecting the transmission.</i></p>
60	Evidence of transmission	<p><i>Every transmission of a Share shall be verified in such a manner as the Board may require and the Company may refuse to register any such transmission until the same be so verified or unless an indemnity be given to the Company with regard to such registration which the Board at its discretion shall consider sufficient; provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity and the Board shall have the same right to refuse to register a person entitled by transmission to any Shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.</i></p>
61	Rights of such persons	<p><i>A person entitled to any Shares by transmission may, until the Board otherwise determine as provided in Article 129, receive and give discharge for any dividends, bonuses or other moneys payable in respect of the Shares, but he shall not be entitled to vote at any meetings of the Company and to any of the rights and privileges as a Member, unless and until he shall have become a member in respect of the Shares.</i></p>
62	Application for transfer	<ol style="list-style-type: none"> <i>1. An application for the registration of a transfer of Shares or other interest of a Member in the Company may be made either by the transferor or the transferee. Where such application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the delivery of the notice.</i> <i>2. It shall not be lawful for the Company to register a transfer of any Shares unless the proper instrument of transfer duly stamped, dated and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name and address and occupation of the transferee has been delivered to the Company along with the scrip and if no such scrip is in existence, along with the letter of allotment of the Shares. Where the proper instrument of transfer is not received by the Company within a period of two months from the date on which the instrument is dated, the Board may at its sole discretion be entitled to seek such documentation including indemnities as it may deem fit, from both the transferor and transferee, or from the person who has lodged the same for transfer, and the Board may at its sole discretion be entitled to give effect to the transfer on receipt of such documentation and indemnities save where an order of a competent court is produced, the Board shall then give effect to the transfer.</i> <i>3. If the Company refuses to register the transfer of any Shares, the Company shall within one month from the date on which the instrument of transfer is lodged with the Company send to the transferee and the transferor notice of the refusal as provided in these Articles.</i> <i>4. Nothing contained herein shall prejudice any power of the Company to register any person as Shareholder to whom the right to any Share has been transmitted by operation of law.</i> <i>5. Nothing contained herein shall prejudice any power of the Company to refuse to register the transfer of</i>

		<i>any Share under the provisions of the Applicable Laws.</i>
63	Decline to register transfer	<p>1. <i>The Board may, at its absolute discretion, decline to register or acknowledge any transfer or transmission of Shares in any case in which the Company has a lien upon the Shares or any of them or in the case of Shares not fully paid-up whilst any moneys called or payable at a fixed time in respect of the Shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Board or where transfer is prohibited by operation of law or order to court or any other authority. Nothing in Section 56 of the Act shall prejudice this power to refuse to register the transfer of or the transmission by operation of law of the right to, any Shares or interest of a Member in or debentures of the Company. The registration of a transfer shall be conclusive evidence of the approval by the Board, but so far only as regards the Shares in respect of which the transfer is so registered and not further or otherwise and not so as to debar the Board to refuse registration of any further Shares applied for. If the Board refuses to register the transfer or transmission of any Shares notice of the refusal shall be given within two months from the date on which the instrument of transfer on intimation of transmission was delivered to the Company, the transferee and the transferor or to the person giving intimation of the transmission, as the case may be.</i></p> <p>2. <i>The transferor shall be deemed to remain the holder of the Shares until the name of the transferee shall be entered in the Register of Members.</i></p>
64	Registered transfer to remain with Company	<i>Every instrument of transfer which has been registered shall remain in the custody of the Company. If the transfer relates to share or all the shares comprised in the certificate, such certificate or a new certificate in lieu thereof shall, after the registration of the transfer, be delivered to the transferee and if the transfer relates only to a part of the Shares comprised in the certificate, the same shall, on registration of the transfer be retained by the Board and cancelled and new certificates will be issued to the transferor and the transferee in respect of the Shares respectively, held by them.</i>
65	Closure of Register of Members and Share Transfers	<i>The Board shall have power after giving seven days' notice by advertisement as required under the provisions of Section 91 of the Act to close the share Transfer Books and Register of Members of such period or periods of time in every year as it may deem expedient, but not exceeding forty five (45) days in any year and not exceeding thirty (30) days at any one time.</i>
66	Not liable for disregard of any notice prohibiting registration of a transfer	<i>The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made, by an apparent legal owner thereof (as shown or appearing in the Register of Members), to the prejudice of any person or persons having or claiming any equitable right, title or interest to or in the same Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company; and the Company shall not be bound or required to regard or attend or give effect to any notice, which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board may so think fit.</i>
67	Transfer of Debentures	<i>The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission of Debentures and other Securities issued by the Company.</i>
MEETING OF MEMBERS		
78	Annual General Meeting	<i>The Company shall, in addition to any other meetings, which are hereinafter referred to as "Extraordinary General Meeting", hold a General Meeting, which shall be styled as "Annual General Meeting" at the intervals and in accordance with the provisions of the Act.</i>

82	Notice for calling general meetings	<p>1. A General Meeting of the Members of the Company may be called by giving at least clear twenty one day's notice in writing and sent to the Members through electronic mode or any other permitted mode, but a General Meeting may be called after giving shorter notice, if consent is given in writing or by electronic mode by not less than ninety five percent of the Members entitled to vote at such meeting as specified in the Act.</p> <p><i>Provided that where the Members of the Company are entitled to vote only on some resolution or resolutions to be moved at meeting and not on others, those Members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the later.</i></p> <p>2. Notice of every General Meeting of the Company shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted thereat.</p> <p>3. Such notice shall be given -</p> <ol style="list-style-type: none"> i. to every Member of the Company, legal representative of any deceased Member or the assignee of an insolvent Member; ii. to the auditor or auditors of the Company; iii. to the secretarial auditors of the Company; iv. to every Director of the Company; and v. to every trustee for the debenture holder of any debentures issued by the Company, if any. <p>4. The accidental omission to give notice to or the non-receipt of notice by, any Member or other person to whom it should be given, shall not invalidate the proceedings at the meeting.</p> <p>5. In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy or where that is allowed one or more proxies, to attend and vote instead of himself and that a proxy need not be a Member of the Company.</p> <p>6. Where any items of business to be transacted at the meeting are deemed to be special as provided in these Articles there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business namely:</p> <ol style="list-style-type: none"> a. The nature of concern or interest, financial or otherwise, if any of the following persons, in respect of each item of: <ol style="list-style-type: none"> i. every Director and the Manager; if any ii. every other Key Managerial Personnel; and iii. relatives of the persons mentioned in sub-clause (i) and (ii). b. Any other information and facts that may enable members to understand the meaning, scope and implementation of the items of business and to take decision thereon. <p>7. Where any item of business consists of the according of approval to any document by the meetings the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>
	Presence at the General meeting	<ol style="list-style-type: none"> 1. All the Directors of the Company shall strive to attend all the General Meetings of the Company. The chairman will provide necessary explanation to the Members in case of absence of any Director to attend any meeting. 2. The chairman of the committees constituted by the Board under the Act or their authorized representative shall also be present at the General Meeting.
83	Business to be transacted at the Meeting	<p><i>In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to (i) the consideration of the Financial Statements, including the consolidated financial statements, if applicable, and the Reports of the Board of Directors and Auditors thereon, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, and (iv) the appointment/ratification of and the fixing of the remuneration of the statutory auditors. In the case of any other meeting all business shall be deemed special.</i></p>
85	Certificate conclusive for calling the Meeting	<p><i>In respect of any General Meeting of the Company, the report of scrutinizer along with the result declared by the Chairman of Board or any other person authorized by the Chairman shall be the conclusive & prima facie evidence of that fact that the General Meeting was called, convened and held in accordance with the provisions of the Act.</i></p>

87	Presence of Quorum	<p><i>No business shall be transacted at any General Meeting, unless the requisite quorum is present at the time when the meeting proceeds to business and the provisions contained herein are applicable:</i></p> <ol style="list-style-type: none"> 1. <i>The quorum for a General Meeting shall be the presence in person of such number of Members as specified in Section 103 of the Act. Subject to these Articles when more than one of the joint-holders of a share is present, only one of them shall be counted for ascertaining the quorum. Several executors or administrators of a deceased person in whose sole name Shares stand shall for the purpose of this clause be deemed joint holders thereof.</i> 2. <i>If, within half an hour from the time appointed for holding the meeting, a quorum of Members is not present, the meeting if convened by or upon such requisition of Members as per these Articles shall be dissolved, but in any other case, it shall stand adjourned pursuant to the provisions of sub-section (2) of section 103 of the Act and necessary notice shall be given to the Members in the manner provided therein.</i> 3. <i>If at such adjourned meeting, a quorum of Members is not present within half an hour from the time appointed for holding the meeting, the Members present, whatever their number, not being less than two, shall be a quorum and may transact the business and decide upon all matters, which could properly have been disposed of at the meeting from which the adjournment took place, if a quorum had been present thereat.</i>
88	Chairman at the General Meeting	<p><i>The Chairman of the Board (whether Member or not), shall, if present and willing, be entitled to take the chair at every General Meeting, whether Annual or Extra-ordinary and the provisions contained herein are applicable :</i></p> <ol style="list-style-type: none"> 1. <i>if there be no such Chairman or in case of his being present or being unwilling or failing to take the chair within fifteen minutes of the time appointed for holding such meeting, the Members present shall choose another Director (whether Member or not), as chairman and if all the Directors present decline to take the chair or if there be no Director present, then the Members present shall choose one of the Members to be the Chairman of the meeting.</i> 2. <i>If a poll is demanded, it shall be taken forthwith in accordance with the provisions of sub-section (2) of section 104 of the Act. The chairman elected on a show of hands shall exercise all the powers of the chairman for the purpose of such poll. If some other person is elected Chairman as a result of such poll, he shall be the chairman for the rest of the meeting.</i> 3. <i>No business shall be transacted at any General Meeting, except the election of Chairman, whilst the chair is vacant.</i> 4. <i>Chairman may, with the consent of a majority of the Members personally present at any meeting, adjourn such meeting from time to time and from place to place in the city, town or village where the registered office of the Company be situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. A resolution passed at an adjourned meeting of theMembers of the Company shall be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date. Further, whenever any meeting is adjourned for thirty days or more, notice of such adjourned meeting shall be given as in the case of an original meeting.</i>
VOTE OF MEMBERS		
89	Result of voting	<p><i>At any General Meeting, a resolution put to vote of the meeting shall, unless a poll is demanded under Section 109 of the Act, or the voting is carried out through e-voting under the provisions of Section 108 of the Act, be decided on the show of hands and the provisions contained herein are applicable:</i></p> <ol style="list-style-type: none"> 1. <i>Such voting in a General Meeting or by postal ballot shall also include electronic voting in a General Meeting or Postal Ballot as permitted by Applicable laws from time to time.</i> 2. <i>A declaration by the chairman in pursuance of clause (1) hereof that on the show of hands, a resolution has or has not been carried or has or has not been carried either unanimously or by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number of proportion of the votes cast in favour of or against such resolution.</i>
	Casting vote	<p><i>In case of an equality of votes the chairman of any General Meeting shall, both on the show of hands and at a poll, if any, held pursuant to a demand made at such meeting, have a second or casting vote,</i></p>

96	Vote of person of unsound mind	<i>A Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on the show of hands or at a poll by his committee or other legal guardian and not otherwise, and any such committee or guardian may, on a poll, vote by proxy.</i>
97	Votes in respect of Securities under dispute	<i>Notwithstanding anything contained in these Articles, where the title to any Securities is under dispute before any Court and no injunction subsists (or direction made) as to the exercise of voting rights or other rights of a Member including the rights attached to such Securities, the Board shall be entitled to suspend any such right aforesaid.</i>
99	Numbers of votes differently	<p><i>Subject and without prejudice to any special privileges or restrictions or conditions for the time being attached to or affecting the preference or other special classes of shares, if any, issued by and for the time being forming part of the Share Capital of the Company, and the provisions contained herein are applicable:</i></p> <ol style="list-style-type: none"> <i>1. every Member, entitled to vote under the provisions of these presents and not disqualified by the provisions of these Articles shall on the show of hands have one vote and upon a poll every member, present in person or proxy or agent duly authorized by a power-of-attorney or representative duly authorized and not disqualified as aforesaid, shall have voting rights in proportion to his share of the paid-up equity Share Capital of the Company, subject however to any limits as prescribed under the Applicable Laws. But no Member shall have voting rights in respect of any moneys paid in advance.</i> <i>2. No Member not personally present shall be entitled to vote on a show of hands, unless such member is a Body Corporate present by proxy or by a representative duly authorized under Section 113 of the Act in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.</i> <i>3. A Member may exercise his vote, in respect of items of business to be transacted for which notice is issued, by electronic means in accordance with Section 108, and shall vote only once.</i>
100	Rights to use votes differently	<i>On a poll taken at a meeting of the Company, a Member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses. A Member or his proxy who votes shall be deemed to have used all his votes unless he expressly gives written notice to the contrary at the time he casts any votes.</i>
101	Instrument of proxy to be in writing	<i>Any Member entitled to attend and vote at a General Meeting of the Members of the Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll. A person shall (a) not act as proxy for more than 50 Members and holding in aggregate not more than 10% of the total ShareCapital of the Company; (b) not act as proxy for more than one Member, if that Member holds more than 10% of the total Share Capital of the Company.</i>
102	Proxy may demand poll	<i>The instrument appointing a proxy shall be in writing and shall be signed by the appointer or his attorney duly authorized in writing. If the appointer is a Body Corporate, such instrument shall be under its seal or be signed by an officer or an attorney duly authorized by it, or by the persons authorized to act as the representative of such Company. Any instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in the demand for a poll on behalf of the appointer, where a poll has not been ordered to be carried out electronically.</i>
103	Instrument of proxy to be deposited at the Registered office	<p><i>No instrument of proxy shall be treated as valid and no person shall be allowed to vote or act as proxy at any meeting under an instrument of proxy, unless such instrument of proxy and power-of-attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall have been deposited at the registered office of the Company at least forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the persons named in such instrument proposes to vote.</i></p> <p><i>An instrument appointing an attorney permanently or for a certain period once registered with the Company need not be again registered before each successive meeting and shall be in force until the same shall be revoked. Notwithstanding that a power-of-attorney or other authority has been registered in the records of the Company, it may by notice in writing addressed to the Member or to attorney at least seven days before the date of a meeting require him to produce the original power-of-attorney or authority and unless the same is thereupon deposited with the Company, the attorney shall not be entitled to vote at such meeting unless the</i></p>

		<i>Board in its absolute discretion excuse such non-production and deposit.</i>
105	Form of proxy	<i>The instrument appointing a proxy whether for a specified meeting or otherwise shall be in the prescribed form.</i>
106	Vote of proxy how far valid	<p><i>A vote given in pursuance to an instrument of proxy shall be valid:</i></p> <ol style="list-style-type: none"> <i>1. Notwithstanding the previous death of the principal or the revocation of the proxy or any power-of-attorney under which such proxy was signed or the transfer of the Shares in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the vote is given.</i> <i>2. In case of e-voting, a Member shall be deemed to have exercised his voting rights by himself, even if any other person had voted using the login credentials of that Member.</i>
DIRECTORS		
119	Appointment of Directors	<ol style="list-style-type: none"> <i>1. The number of Directors on the Board of the Company shall not be less than three and not more than fifteen Directors. The Company shall have the power to increase the number of Directors beyond 15 after passing a Special Resolution.</i> <i>2. Where any financial corporation(s)/institution(s) and/or bank(s) owned or controlled by the Central Government or by the Reserve Bank of India or any other Person make or provide long term secured loans to the Company or give guarantees in connection with the grant of a long term secured loan to the Company, any such body or Persons shall be entitled to appoint a Director or Directors on the Board of the Company, if that be agreed to as a condition of the grant of the aforesaid loan. A Director appointed under this Article is herein referred as "Nominee Director" and shall not be liable to retire by rotation subject to the provision to have minimum number of rotational Directors. The Directors so appointed shall have the same powers and privileges as other Directors of the Company. The said Directors shall hold office at the pleasure of any such corporation/institution or Government or Persons which shall have full power to remove any of the Directors appointed by it and to appoint any other persons in place of such Directors.</i> <i>3. The Board may allow nomination of Director(s) by certain Investors of securities issued by the Company, who shall be known as "Investor Director". The Directors so appointed shall have the same powers and privileges as other Directors of the Company. The said Directors shall hold office at the pleasure of investor, which has nominated and to appoint any other persons in place of such Director.</i> <i>4. No Director of the Company be required to hold any qualification shares.</i>
120	Sitting Fee & Reimbursement of Expenses	<p><i>A Director may receive remuneration by way of fee not exceeding such amount as may be permissible under the provisions of the Act read with Rules made thereunder for attending each meetings of the Board or Committee thereof; or of any other purpose whatsoever as may be decided by the Board.</i></p> <p><i>The Board of Directors may allow and pay to any Director the compensation for his travelling and other expenses incurred in connection with the business of the Company including attendance at meetings of the Shareholders, Board or Committee thereof.</i></p> <p><i>In case of Nominee Director or Investor Director, the fees and expenses for attending the meeting of the Board or a Committee thereof, if desired by such Financial Institutions or State or Central Government or investor or any other Person, may be reimbursed to such Financial Institutions or State or Central Government or Investor or any other Person.</i></p>
121	Remuneration to Directors	<p><i>The remuneration payable, whether by way of monthly amount, commission etc, to the directors, including any Managing or Whole-Time Director or Manager, if any, shall be determined in accordance with and subject to the provisions of the Act by way of a resolution, as prescribed under the provisions of the Act, passed by the Board or a committee thereof constituted for this purpose, if any, subject to the consent of the Members of the Company in the General Meeting. Subject to the provisions of the Act, If any director, being willing shall be called upon to perform extra services, or to make any special exertion for any of the purposes of the Company, the Board shall, subject to the consent of the Members of the Company in the General Meeting, remunerate such Director or where there is more than one such Director, all or such of them together either by a fixed sum or by a percentage of profits or in any other manner as may be determined by the Board and such remuneration may be either in addition to or in substitution for the remuneration above provided.</i></p> <p><i>Remuneration may be paid to any Director including Managing or Whole Time Director or Manager for</i></p>

		<p>services rendered by any such Director or Manager in other capacity provided:</p> <p>(a) the services rendered are of a professional nature; and</p> <p>(b) in the opinion of the Nomination and Remuneration Committee, if the company is covered under sub-section (1) of Section 178, or the Board of Directors in other cases, the Director possesses the requisite qualification for the practice of the profession.</p> <p>A Director except managing or Whole Time Director may receive remuneration by way of * fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, subject to the maximum amount prescribed under the Act or the Rules.</p>
129	Additional Directors	<i>The Board shall have power at any time and from time to time, to appoint any person other than a person, who fails to get appointed as a Director in a general meeting, as an additional director at any time. Each such Additional Director shall hold office only up to the date of the next Annual General Meeting, or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company as a Director at that meeting, subject to the provisions of the Act.</i>
130	Casual vacancies	<ol style="list-style-type: none"> 1. <i>If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board.</i> 2. <i>Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it has not been vacated as aforesaid.</i>
131	Alternate Directors	<ol style="list-style-type: none"> 1. <i>The Board of Directors may appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India.</i> 2. <i>No person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an Independent Director.</i> 3. <i>An Alternate Director shall be entitled to the notice of meetings of the Directors, and to attend and vote thereat accordingly.</i> 4. <i>An Alternate Director shall vacate office, if and when the Original Director returns to India.</i> 5. <i>If the term of office of the Original Director is determined before he so returns to India as aforesaid any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.</i> 6. <i>An Alternate Director may be removed by the Board and which may appoint another Alternate Director in his place.</i>
132	Directors may act notwithstanding vacancy	<i>The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below three, the continuing Directors may act for the purpose of increasing the number of Directors to the said number, or of summoning a General Meeting of the Company, but for no other purpose.</i>
145	Validity of acts of Directors	<i>All acts, done by any meeting of the Board or by a committee of Directors or by a person acting as a Director, shall be valid, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in the Act or in these Articles. Provided that this Article shall not give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.</i>
156	Directors and other officers not responsible or acts of others	<i>No Director of the Company, Manager, Company Secretary, Trustee, Auditors and other officer or servant of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or servant or for joining in any receipts or other act for the sake of conformity merely or for any loss or expenses happening to the Company through the insufficiency or deficiency in point of titles or value of any property acquired by the order of the Directors for and on behalf of the Company or mortgaged to the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation to or with whom any moneys, securities or effects of the Company shall be entrusted</i>

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		<i>or deposited or for any loss occasioned by any error of judgement, omission default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution or performance of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.</i>
ROTATION OF DIRECTOR		
124	Directors Retire by Rotation	<p>1. Subject to the provisions of Section 152 of the Act & these Articles, all the Directors of the Company unless otherwise provided at their appointment either by way of the resolution or under the terms and conditions of agreement entered with them shall:</p> <ol style="list-style-type: none"> i. be persons whose period of office is liable to determination by retirement of Directors by rotation; and ii. save as otherwise expressly provided in the Act; be appointed by the Company in General Meeting. <p><i>Explanation:- for the purposes of this Article "Directors" shall not include Independent, Nominee and Investor Directors appointed on the Board of the Company.</i></p> <p>2. Subject to the provisions of Section 152 of the Act, at every Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.</p> <p>3. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.</p> <p>4. A retiring Director shall be eligible for re-election in the following manner:</p> <ol style="list-style-type: none"> (i). At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto. (ii). If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a holiday, at the same time and place. (iii). If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :- <ol style="list-style-type: none"> a. at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost; b. the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed; c. he is not qualified or is disqualified for appointment; d. a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the Act; or e. section 162 of the Act is applicable to the case.
125	Removal of Directors	<i>The Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. A Director so removed shall not be re-appointed as a Director by the Board. Nothing in this clause shall apply to Directors, who are appointed by the Company under Section 163 of the Act. Further, any representation submitted or any oral statement made by the Director being removed under section 169 shall not in any manner malign or be derogatory to the interest of the Company or any of its existing or past Directors.</i>
126	Notice of candidature	<p>A person who is not a retiring Director shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting, deposited at the Registered Office of the Company a notice in writing under his hand signifying his candidature for the office of Directors or as the case may be, the intention of such Member to propose him as a candidate for the office, along with deposit of Rupees one lakh or such other amount as may be prescribed in the Act or the relevant Rules.</p> <p><i>The amount so deposited shall be refunded to such person or, as the case may be, to the Member, if the person proposed gets elected as a Director or gets more than 25% of total valid votes.</i></p>

133	Resignation of Directors	<i>Subject to the provisions of Section 168 of the Act, a Director may, subject to terms and conditions of his appointment, at any time resign from his office upon giving notice in writing to the Company of his intention so to do, and thereupon his office shall be vacated.</i>
MANAGING DIRECTOR/ WHOLE- TIME DIRECTOR		
153	Appointment of Managing Director/ Whole Time Director/ Manager	<p><i>Subject to the provisions of Section 196, 197, and 203 of the Act, the Board may from time to time by virtue of the provisions contained in these articles, execution of an agreement, containing the terms, conditions, duties and responsibilities, with the Company and resolution passed by the Members of the Company in the General Meeting, appoint one or more of the Directors on the Board to be the Managing Director, Joint Managing Director, Deputy Managing Director, Whole-time Director, Manager of the Company, appointed as aforesaid, by whatever name called, either for a fixed term or without any limitation as to the period for which he or she will hold such office, but in any case not exceeding five years at a time and Board may from time to time with the approval of the Members remove or dismiss him or her from that office and appoint another in his or her place.</i></p> <p><i>A Managing or Whole Time Director, appointed as aforesaid, by whatever name called, subject to the provisions of the Act shall, while he continues to hold that office be subject to retirement by rotation in general unless otherwise decided by the Board at the time of appointment under the provisions contained in these Articles.</i></p>
154	Power and duties of Managing Director(s) /Whole Time Director(s)	<i>The Board may, from time entrust to and upon a Managing Director or Whole Time Director as appointed under these Articles, for the time being, such of the powers exercisable under these Articles by the Board as it may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it think expedient, and it may also confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers, unless and until otherwise determined as a Managing Director may exercise all the powers exercisable by the Directors, save such powers as by the Act or by these Articles shall be exercisable by the Board itself in the bonafide interest of the Company.</i>
PROCEEDINGS OF THE BOARD OF DIRECTORS		
134	Meeting of Directors	<p><i>The Board shall meet at least once in every calendar quarter, with a maximum interval of one hundred and twenty days between any two consecutive Meetings of the Board, so that at least four Meetings are held in each Calendar year. The Board may meet together for the conduct of business, adjourn and otherwise regulate their meeting and proceedings, as it may think fit.</i></p> <p><i>The Chairman may, at any time, summon a meeting of the Board. In case any Director wish to summon a meeting of the Board then, written request shall be submitted to the Chairman or the Company secretary of the Company for forwarding the same to the Chairman. On receipt of such request, the Chairman shall in his own discretion will decide to call a meeting of the Board. The Company Secretary or where there is no Company Secretary, a Managing Director or any person authorized by the Board in this behalf shall convene a Meeting of the Board and issue necessary notice in this regard.</i></p>
135	Meeting through Video Conferencing	<i>The Board of Directors shall be entitled to hold its meeting through video conferencing or other permitted audio visual means, and in conducting the meetings through such video conferencing or other permitted means, the procedures and the precautions as laid down in the relevant Rules shall be adhered to. With regard to every meeting conducted through video conferencing or other permitted means, the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting. The Chairman shall at its discretion will decide whether video conferencing or other permitted audio visual means shall be provided for conducting a meeting or not.</i>
136	Notice of Meeting	<p><i>Subject to the provisions of Section 173 (3) of the Act, notice of not less than seven days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the Company and shall be sent by hand delivery or by post or through electronic means or such other means as may be provided by the Act, Rules or Secretarial Standards.</i></p> <p><i>The meeting of the Board may be called at a shorter notice to transact urgent business, subject to the condition that at least one Independent Director of the Company shall be present at the meeting. In the event,</i></p>

		<i>any Independent Director is not present at the meeting, called at shorter notice, the decision taken at such meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director.</i>
137	Quorum of Meetings	<p><i>Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one-third of its total strength and any fraction contained in that one third being rounded off as one or two directors whichever is higher. The directors participating by video conferencing or by other permitted means shall also be counted for the purposes of this Article. The quorum of the meeting shall be present throughout the meeting.</i></p> <p><i>Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than two, shall be the quorum during such time.</i></p> <p><i>Explanation:</i></p> <p><i>The expressions "interested Director" shall have the meaning given in Section 184(2) of the Act and the expression "total strength" shall have the meaning as given in Section 174 of the Act.</i></p>
141	Chairman of Board meeting	<p><i>The Board may elect a Chairman of the Company from time to time. If no Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes of the time appointed for holding the same, or is unwilling to preside, the Directors present may choose one of their members to be the Chairman of such meeting.</i></p> <p><i>The Chairman may also be permitted to hold the position of both the Chairman of the Board and/or General Meeting as well as Managing Director/CEO/equivalent position thereof in the Company as per the recommendations of the appropriate committee of the Directors and approved by the Board of Directors as permitted under the provisions of the Applicable Laws from time to time.</i></p>
142	Board may appoint committees	<i>Subject to the provisions of Section 179 of the Act, the Board may delegate any of their powers, other than powers which by reason of the provisions of the Act cannot be delegated to committees comprising of such member or members of Board as it may think fit, and the Board may from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes. Every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be prescribed by the Board, and all acts done by any such committee in conformity with such regulations and in fulfillment of the purpose of its appointment, but not otherwise, shall have the like force and effect as if done by the Board. Such committee will have such powers and functions as the Board may determine. The committee shall submit the reports on its functions and performance at such frequency as the Board may determine. The committee may consist of such number of directors, key managerial personnel, functional heads and such other persons as the Board may decide.</i>
POWER OF THE BOARD		
147	Borrowing Powers	<ol style="list-style-type: none"> <i>Subject to these Articles, the Board may, from time to time at its discretion raise or borrow, or secure the repayment of any loan or advance taken by the Company. Any such moneys may be raised and the payment or repayment of such moneys maybe secured in such manner and upon such terms and conditions in all respects as the Board may think fit and, in particular by promissory notes, or by opening current accounts or by receiving deposits and advances at interest, with or without security, or by the issue of Debentures or Debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, or by mortgaging, charging or pledging any lands, buildings, machinery, plants, goods or other property and securities of the Company, or by such other means as it may deem expedient.</i> <i>The Board shall not, except with the consent of the Members of the Company in General Meeting, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.</i> <p><i>No debt by the Company in excess of limit as prescribed in these Articles shall be valid or effectual unless the lender proves that it has advanced the loan in good faith and without knowledge that the limit so prescribed by that Article has been exceeded.</i></p>

151	Business of the Company to be managed by the Board	<p><i>Subject to the provisions of Section 135, 179, 180, 181, 182, 183, 184, 185, 186, 188 and 203 of the Act, the Board of Directors of the Company shall be entitled to exercise all such powers, give all such consents, make all such arrangements, and nearly do all such acts and things as are or shall provided in the provisions of the Act, and the Memorandum of Association and these presents directed or authorized to be exercised, given, made or done by the Company and are not thereby expressly directed or required to be exercise, given, made or done by the Company in General Meeting, but subject to such regulations being, if any, not inconsistent with the said provisions as from time to time may be prescribed by the Company in General Meeting in the following manner:</i></p> <ol style="list-style-type: none"> <i>1. No regulation so made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if the regulations had not been made.</i> <i>2. Save as provided by the said Act or by these presents and subject to the restrictions as prescribed under the provisions of Section 179 of the Act, the Board may delegate all or any powers by the Act or by the Memorandum of Association or by these presents reposed in them.</i>
152	Specific Powers of the Board	<p><i>Subject to the provisions of these Articles but without prejudice to the General Powers thereby conferred and so as not in any way to conferred by these presents, it is hereby expressly declared that the Board shall have the following powers and authorities, that is to say power and authority including but not only limited to :</i></p> <ol style="list-style-type: none"> <i>1. (i) to enter into agreements with foreign components and other persons for obtaining by granting license or other terms, formulae and other rights and benefits and to obtain financial and or technical collaboration, technical information, knowhow and expert advice in connection with the activities and business permitted under the Memorandum of Association of the Company.</i> <i>(ii) to take over and acquire the industrial license, import license, permit and other rights on payment of actual and out of pocket expenses incurred thereof, and compensation for technical services rendered in connection therewith :</i> <i>(iii) to pay and charge to the Capital / Revenue Account of the Company, the legal and other costs, charges and expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company including the stamps and fees paid in respect thereof :</i> <i>(iv) to pay and charge to the Capital / Revenue Account of the Company, any commission or interest lawfully payable under the provisions of the Act :</i> <i>(v) to carry out activities that are specified in Schedule VII to the Act, and for this purpose expend / incur the monies of the Company, and all monies so expended or incurred for this purpose shall also be construed to be expended or incurred for the purpose of the Company's business.</i> <i>2. to purchase in India or elsewhere any machinery, plant, stores and other articles and things for all or any of the objects or purpose of the Company;</i> <i>3. to purchase, take on lease or otherwise acquire in India any lands (whether freehold, leasehold or otherwise) and with or without houses, buildings, structures or machinery (fixed or loose) and any moveable property, rights or privileges (including intellectual property rights) from any person including a Director in furtherance of or for carrying out its objects, at or for such price or consideration and generally on such terms and conditions and with such titled thereto as the Board may think fit or may believe or be advised to be reasonable satisfactory.</i> <i>4. to purchase, or otherwise acquire from any person and to resell, exchange, and repurchase any patent for or licence for the use of any invention.</i> <i>5. to purchase or otherwise acquire for the Company any other property, formula, concessions, rights and privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as the Board may think fit.</i> <i>6. in any such purchase or other acquisition to accept such titled as the Board may believe or may be advised to be reasonably satisfactory at its discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partly in cash or in shares, or in both, or in bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any bonds, debentures, mortgages or other securities, may be either specifically charged upon all or</i>

		<p><i>any part of the property of the Company, and its uncalled capital or not so charged.</i></p> <p><i>7. to sell for cash or on credit or to contract for the sale and future delivery of or to and for sale in any part of India or elsewhere any products or Articles produced, manufactured or prepared by the Company as the Board may deem advisable.</i></p> <p><i>8. to erect, construct, and build and factories, warehouses, godowns, engine houses, tanks, wells, or other constructions, adopted to the objects of the Company or may be considered expedient or desirable for the objects or purposes of the Company or any of them;</i></p> <p><i>9. to sell from time to time any articles, materials, machinery, plant, stores and other articles and things belonging to the Company as the Board may think proper and to manufacturer, prepare and sell waste and by-products;</i></p> <p><i>10. from time to time to extend the business and undertaking of the Company by adding to, altering, or enlarging all or any of the building, factories, workshops, premises, plant and machinery, for the time being the property or in the possession of the Company, or by erecting new or additional buildings, and to expend such sums of money for the purposes aforesaid or any of them, as may be thought necessary or expedient;</i></p> <p><i>11. to remove all or any of the machinery, plant and other movable property of the Company for the time being in or upon lands, buildings, or premises of the Company to other lands, buildings, or premises;</i></p> <p><i>12. to negotiate for, and subject to the approval of the Company in General Meeting, contract for the sale and transfer of all or any part of the property and undertaking of the Company as a going concern, subject or not subject to all or any of the obligations and liabilities of the Company;</i></p> <p><i>13. to undertake on behalf of the Company the payment of all rents the performance of all covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company, and to purchase the reversion or reversions, and otherwise to acquire the freehold or fee-simple of all or any of the lands of the Company for the time being held under lease, or for an estate less than a free hold estate;</i></p> <p><i>14. to improve, manage, develop, exchange, lease, sell, re-sell and re-purchase, dispose of, deal with or otherwise turn to account and property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested;</i></p> <p><i>15. to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such manner as the Board may think fit.</i></p> <p><i>16. to accept from any member, on such terms and conditions as shall be agreed upon and as far as may be permissible by law, a surrender of his shares or any part thereof;</i></p> <p><i>17. to determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsement, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes;</i></p> <p><i>18. to make advances and loans without any security, or on such security as the Board may think proper and to take security for already existing debts, and otherwise to invest and deal with any of the moneys of the Company not immediately required for the purpose thereof in Government or Municipal securities, fixed deposits in banks and in such other manner as it may think fit and from time to time vary or realize such investments, and for the purpose aforesaid to authorise such persons within limits to be fixed from time to time by the Board.</i></p> <p><i>19. to make and give receipts, releases and other discharges for moneys payable to, or for goods or property belonging to the Company, and for the claims and demands of the Company;</i></p> <p><i>20. subject to the provisions of Section 179, 180 and 186 of the said Act, to invest and deal with any moneys of the Company not immediately required of the purposes thereof, upon such security (not being shares of the Company) or without security and in such manner as it may think fit, and from time to time to vary or realize such investments, save as provided in Section 187 of the Act all investments shall be made and held in the Company's own name;</i></p>
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21. *to give to any officer or other person employed by the Company including any Directors so employed, a commission on the profits of any particular business or transaction, or a share in general or particular profits of the Company, and such commission or share of profits shall be treated as part of the working expenses of the Company and to pay commissions and make allowances to any person introducing business to the Company or otherwise assisting its interests;*
22. *subject to the provisions of Section 187 of the Act, to appoint any person or persons (whether incorporated or not) to accept and hold in trusts for the Company any property belonging to the Company, or in which the Company is interested or for any other purposes and to execute and do all such acts, deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees;*
23. *to insure and keep insured against loss or damage or fire or otherwise for such period and to such extent as the Board may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or conjointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.*
24. *to attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit;*
25. *to execute, in the name and on behalf of the Company, in favour of any Director or other person, who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as the Board may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon;*
26. *to institute, conduct, defend, compound, abandon or refer to arbitration any action, suit, appeals, proceedings, for enforcing decrees and orders and other legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, to compound or compromise and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company and to refer the same or arbitration, to observe and perform any awards made there on; to act on behalf of the Company in all matters relating to bankrupts and insolvents;*
27. *to make, give, sign and execute all and every warrant to use or defend on behalf of the Company, and all and every legal proceedings and compositions or compromise, agreements, and submission to arbitration and agreement to refer to arbitration as may be requisite, and for the purposes aforesaid, any director or official of the Company or such other person may be empowered to use their or his own name on behalf of the Company, and they or he shall be saved harmless and indemnified out of the funds and property of the Company, from and against all costs and damages which they or he may incur or be liable to by reason of their or his name so used as aforesaid.*
28. *to provide for the welfare of the employees or ex-employees of the Company, and the wives, widows and families or the dependants or connects of such persons and to give, award or allow any pension, gratuity, compensation, grants of money, allowances, bonus, stock options (including other stock related compensation) or other payment to or for the benefit of such persons as may appear to the Board just and proper, whether they have or have not a legal claim upon the Company, and before recommending any dividends to set aside portions of the profits of the Company to form a fund to provide for such payments and in particular to provide for the welfare of such persons, by building or contributing to the building of houses, dwelling or chawls, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board may think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions, or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility;*
29. *before recommending any dividend, to set aside, out of the profits of the Company such sums for depreciation as provided in Section 123 of the Act and such sums as the Board think proper for creating reserves, general or specific or special funds to meet contingencies or to repay debentures or debenture-*

stock or to pay off preference or other shareholders, subject to the sanction of the Court when the same is required by law or for payment of dividends or equalizing dividend or for special dividends or bonus or for repairing, improving, extending and maintaining any part of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may in their absolute discretion think conducive to the interest of the Company and from time to time to carry forward such sums as may be deemed expedient and to invest and deal with the several sums to set aside or any part thereof as provided in these Articles as it think fit, and from time to time to deal with and vary such investment and dispose of and apply and expend the same or any part thereof for the benefit of the Company in such manner and for such purpose as the Board in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof for the benefit of the Company in such manner and for such purpose as the Board in its absolute discretion think conducive to the interest of the Company notwithstanding that the matter to which the Board apply or upon which they expend the same or any part thereof may be matters to and upon which the capital money of the Company might rightly be applied or expended and the Board may divide the Reserve or any Fund into such special funds and transfer any sum from one fund to another as they may think fit and may employ the assets constituting all or any of the above funds including the Depreciation Fund or any part thereof in the business of the Company or in the purchase or repayment of debentures or debenture-stock or preference shares or in payment of special dividend or bonus and that without being bound to keep the same separate from the other assets, and without being bound to pay interest for the same with power however to the Board at its discretion to pay or allow to the credit of such funds or any of them the interest at such rate as the Board may think proper not exceeding such per cent per annum as may be prescribed under the provisions of Applicable Laws.

30. from time to time and at any time to entrust to and confer upon the officers for the time being of the Company, and to authorise, or empower them to exercise and perform and by Power-of-Attorney under seal to appoint any person to be the Attorney of the Company and authorize them with such of their powers, authorities, duties and discretion exercisable by or conferred or imposed upon the Board of Directors, but not the power to make Calls or other power which by law are expressly stated to be incapable of delegation as the Board may think fit, and for such time and to be exercise for such objects and purposes and subject to such restrictions and conditions, as the Board may think proper or expedient, and either collaterally with or to the exclusion of and in substitution for all or any of the powers, authorities, duties and discretions of the Board in that behalf, with authority to any of the directors, officers or any of the authorized attorney to sub-delegate all or any of the powers, authorities, duties, and discretions for the time being vested in or conferred upon them and from time to time to revoke all such appointments of attorney and withdraw, alter or vary all or any of such powers, authorities, duties and discretions;

31. to appoint, and at their pleasure to remove, discharge, or suspend and to re-employ or replace, for the management, of the business, secretaries, managers, experts, engineers, accountants, agents, subagents, bankers, brokers, mucedums, solicitors, officers, clerks, servants and other employees for permanent, temporary or special services as the Board may from time to time think fit, and to determine their powers and duties and fix their emoluments, salaries, wages, and to require security in such instances and to such amount as it may think fit, and to ensure and arrange for guarantee for fidelity of any employees of the Company and to pay such premiums on any policy of guarantee as may from time to time become payable;

32. from time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of any Local Boards and to fix their remuneration and from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than its power to make a Call and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation. Any such delegate may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him.

33. at any time and from time to time by power-of-attorney to appoint any person or persons to be the

		<p>attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents) and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment (if the Board think fit) may be made in favour of the members or any of the members of any Local Board established as aforesaid or in favour of any Company or the members, Directors, nominees, or Managers of any Company or firm or otherwise in favour of any fluctuating body or persons, whether nominated directly or indirectly by the Directors, and any such Power-of-attorney may contain such powers for the protection or convenience of persons dealing with such Attorney as the Board may think fit.</p> <p>34. from time to time to provide for the management transaction of the affairs of the Company outside the Registered Office or in any specified locality in India or outside India, in such manner as it think fit and in particular to appoint any person to be the Attorneys or agents of the Company with such powers, authorities and discretions (including power to sub- delegate) but not exceeding those vested in or exercisable by the Board, and also not the power to make calls or issue debentures and for such period, and upon such terms and subject to such conditions as the Board may think fit, and at any time to remove any person so appointed or withdraw or vary any such powers as may be thought fit, and for that purpose the Company may exercise the powers conferred by Section 88 of the Act relating to keep in any State or country outside India a foreign Register respectively and such powers shall accordingly be vested in the Board.</p> <p>35. for or in relation to any of the matters aforesaid or otherwise for the purpose and objects of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute, perform and do and sanction, and authorize all such acts, deeds, matters and things, including matters that are incidental and/or ancillary thereto, in the same and on behalf of the Company as they may consider expedient;</p> <p>36. To open accounts with any bank or bankers or with any Company, firm or individual for the purpose of the Company's business and to pay money into and draw money from any such account from time to time as the Board may think fit. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board or its Committee formulated for this business shall from time to time by resolution determine.</p> <p>37. to authorize the issue of securities (including depository receipts), whether convertible to shares or not, as per applicable laws, either as a primary issue or a secondary offering.</p> <p>38. Generally subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretions vested in the Board to any Key Managerial Personnel, or officials of the Company or to a Firm, other Company or fluctuating body of persons or any of the other external agencies as may be required firm time to time.</p>
165	General Powers	Where any provisions of the said Act, provides that the Company or its Board of Directors shall do such act, deed, or thing, or shall have a right, privilege or authority to carry out a particular transaction, only if it is so authorized in its Articles, in respect of all such acts, deeds, things, rights, privileges and authority, this Article hereby authorizes the Company or its Board of Directors to carry out the same, without the need for any specific or explicit Article in that behalf.
DIVIDEND		
109	Declaration of dividend	<p>The Company in General Meeting may declare a dividend to be paid to the Members according to their respective rights and interests in the profits, and may fix the time for the payment thereof and the provisions contained herein are applicable as follows:</p> <ol style="list-style-type: none"> 1. Dividend larger than what is recommended by the Board can't be declared, but the Company in General Meeting may declare a smaller dividend. 2. Unless the Company otherwise resolves, dividends shall be paid in proportion to the amount paid up or credited as paid up on each Share, where a larger amount is paid up or credited as paid up on some Share than on others. Provided always that any capital paid up on a Share during the period in respect of which a dividend is declared shall unless otherwise resolved be only entitled the holder of such Share

- to a proportionate amount of such dividend from the date of payment.*
3. *Capital paid-up in advance of calls shall not confer a right to dividend or to participate in profits.*
 4. *No dividends shall be payable except out of profits of the Company of the Year or any other undistributed profits and no dividend shall carry interest against the Company. The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.*
 5. *The Board may, from time to time, declare and pay to the Members such interim dividend as in their judgment the position of the Company justifies.*
 6. *No Member shall be entitled to receive payment of any dividend in respect of any Shares on which the Company has a lien, or whilst any amount due or owing from time to time to the Company, either alone or jointly with any other person or persons, in respect of such Shares, or on any other account whatsoever, remains unpaid, and the Board may retain, apply and adjust such dividend in or towards satisfaction of all debts, liabilities, or engagements in respect of which the lien exists, and of all such money due as aforesaid.*
 7. *The Board may retain the dividends payable upon Shares in respect of which any person is under the transmission clause entitled to become a Member, or which any person under the same clause is entitled to transfer, until such person shall become a Member in respect thereof or shall duly transfer the same.*
 8. *A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of the transfer and no dividend shall be paid by the Company in respect of any Share except to the registered holder of such Share or to his order or to his bankers or any other person as permitted under the Applicable Laws.*
 9. *All dividends shall be paid by the cheque, or warrant in respect thereof shall be posted within thirty days of the date on which such dividend is declared by the Company. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the Member or person entitled thereto by forged endorsements on any cheque or warrant, or the fraudulent or improper recovery thereof by any other means.*
 10. *Notice of the declaration of any dividend whether interim or otherwise, shall be given to the Members in the manner hereinafter provided for giving of notice to Member.*
 11. *The Board may, if think fit, call upon the Members, when applying for dividends, to produce their Share certificates to such person or persons appointed by it in that behalf.*
 12. *Any one of several persons who are registered as joint-holders of any Share may give effectual receipts for all dividends and payments on account of dividends in respect of such Share.*
 13. *No dividend shall be payable except in cash. Provided that nothing herein shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus Shares or paying up any amount for the time being unpaid on any Shares held by the Members of the Company. Further any dividend payable in cash may be paid in cheque or warrant or in any electronic mode to the Member entitled to the payment of the dividend.*
 14. *The Board may deduct from any dividend payable to any Member all sums of money, if any presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.*

CAPITALISATION OF PROFIT

111	Capitalization	<p><i>A General Meeting of the Members, in a meeting in person or proxy or, through Postal Ballot or, by any other means, as may be permitted, may on the recommendation of the Board, direct capitalization of the whole or any part of the undivided profits for the time being of the Company or the whole or any part of the Reserve Fund or other funds of the Company including the moneys in the Securities Premium Account and the Capital Redemption Reserve Account or the premium received on the issue of Shares, Debentures or Debenture-stock of the Company and that such sum be accordingly set free for the purpose, (1) by the issue and distribution, among the holders of the shares of the Company or any of them, in accordance with their respective rights and interests and in proportion to the amounts paid or credited as paid up thereon, of paid-up Shares, Debentures, Debenture-stock, bonds or other obligations of the Company, or (2) by crediting any Shares in the Share Capital of the Company, which may have been issued and are not fully paid up, in proportion to the amounts paid or credited as paid up thereon respectively, with the whole or any part of the same.</i></p> <p><i>For the purposes above set out the Company may, subject to the provisions contained in Section 63, apply: (i) its free reserves, (ii) the Securities Premium Account subject to the provisions of Section 52(2) of the Act; (iii) the Capital Redemption Reserve Fund subject to the provisions of Section 55(4) of the Act; and (iv) such other reserves or account as may be applied for issue of bonus Shares.</i></p>
ACCOUNTS		
113	Accounts	<ol style="list-style-type: none"> 1. <i>The Board shall keep or cause to be kept at the registered office of the Company or at such place in India as it thinks fit, proper books of accounts in respect of: <ol style="list-style-type: none"> i. <i>its sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure take place;</i> ii. <i>all sales and purchase of goods by the Company;</i> iii. <i>the assets and liabilities of the Company; and</i> iv. <i>the items of cost, if any as specified in the relevant Rules.</i> </i> 2. <i>Proper books of account shall also be kept at each branch office of the Company, whether in or outside India, relating to the transactions of that office and proper summarized returns made up to dates at intervals of not more than three months shall be sent by each branch office to the Company at its registered office of the Company or the other place referred to in clause (1) hereof.</i> 3. <i>The books of account referred to in clause (1) and (2) shall be such books as are necessary to give a true and fair view of the state of affairs of the Company or such branch office and to explain its transaction.</i> 4. <i>The books of accounts and other Books and Papers shall be open to inspection by any Director on the Board, during business hours, provided atleast seven day's advance written notice was given to the Company Secretary of the Company for conducting the inspection. The director can give a shorter notice with the consent of the Chairman.</i> 5. <i>The Board shall comply in all respects with Sections 128, 129, 133, 134, 136, to 138 of the Act and any statutory modifications thereof.</i>
AUDIT		
115	Audit	<ol style="list-style-type: none"> 1. <i>At least once in every year, the Books of Account of the Company shall be examined by one or more Auditors.</i> 2. <i>The Company appoints in its Annual General Meeting, an individual or a firm as the Auditors, who shall hold office from the conclusion of that meeting till the conclusion of its next sixth Annual General Meeting and thereafter till the conclusion of every sixth meeting subject to the ratification of appointment at every Annual General Meeting. The appointment is made with the written consent of the Auditor, to such appointment, and a certificate from him or it that the appointment, if made, shall, in accordance with the conditions as may be prescribed, be obtained from the Auditors. The manner of appointment, remuneration, rights and duties of the Auditors shall be regulated under the provisions of the Act.</i> 3. <i>In case of casual vacancy in the office of Auditors, such vacancy shall be filled by the Board of the Company within thirty days of such vacation and if such vacancy is created due to resignation, the appointment shall be made by the Company in the General Meeting within three months of the recommendation and the Auditors so appointed, shall hold office till the conclusion of next Annual General Meeting.</i> 4. <i>The Company shall comply with the provisions of the rotation of Auditors as prescribed under the Act and Rules made thereunder.</i>

		<p>5. Where the Company has a branch office the provisions of Section 143 of the Act shall apply.</p> <p>6. All notice and other communications, relating to any General Meeting of the Company, which any Member of the Company is entitled to have sent to him, shall also be forwarded to the Auditors of the Company, and the Auditors shall be entitled to attend any General Meeting and to be heard at any General Meeting which they attend on any part of the business which concerns as the Auditors.</p>
THE SEAL		
158	The Seal	<p><i>The Board shall provide a Common Seal for the purpose of the business of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Board shall authorize the Directors, Company Secretary or such other officials of the Company to provide for the safe custody of the seal for the time being. Subject to the provisions of the Act, the Seal of the Company shall never be used except by the authority of a resolution of the Board of Directors and in presence of such persons as may be prescribed by the Act or the Applicable Laws and where for any purpose, no such persons has been specified then either two Directors or one Director and Company Secretary or such other person as the Board may authorize, who will sign in token thereof and countersigned by such officers or persons as the Board may from time to time authorize. The Board shall not authorize any Independent Director for any of the aforesaid purposes.</i></p> <p><i>Any instrument bearing the Common Seal of the Company and issued for valuable consideration shall be binding on the Company, notwithstanding any irregularity touching the authority of the persons so authorized to issue the same.</i></p>
DOCUMENTS AND NOTES		
161	Service of documents on Company	<p><i>A document may be served on the Company or on an officer thereof by sending it to the Company or officer at the registered office of the Company by post or by Registered Post or by leaving it at its registered office, or by means of such electronic mode or other mode as may be specified in the Act and the relevant Rules.</i></p>
SECRECY		
162	Secrecy clause	<p><i>Every past or present Director, Auditor, Manager, Company Secretary, or Trustee of the Company, Members or Debenture holders, Members of a committee, officer, servant, agent, accountant or other person employed, in or about the business of the Company shall, if so required by the Board or by the Managing Director before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all Confidential Information of the Company and shall by such declaration pledge himself not to reveal any of the Confidential Information which may come to his knowledge whether in the discharge of his duties or otherwise except when required so to do by the Board or by any General meeting or by a Court of law and as may be necessary in order to comply with any of the provisions in these Articles contained. The term Confidential Information shall include all technical, business, and research information, including but not limited to all technical know-how, processes, Business Plans, market information, distribution information, and marketing plans, disclosed in writing, orally, electronically or visually, pertaining to the business of the Company.</i></p> <p><i>No Member or other person (other than a Director) shall be entitled to visit any works of the Company without the permission of the Board or Managing Director or any other officers as specified by the Board for this purpose, or to require discovery of or any information respecting any detail of the Company's working, trading or any matter, which is or may be in the nature of a secret, mystery of trade or secret process, which may relate to the conduct of the business of that Company and which in the opinion of the Board, it will be inexpedient in the interest of the Members of the Company to communicate to the public.</i></p>
WINDING- UP		

163	Winding-up	<p><i>If upon the winding-up of the Company, the surplus assets shall be more than sufficient to repay the whole of the paid-up capital, the excess shall be distributed amongst the Members in proportion to the capital paid or which ought to have been paid-up on the Shares at the commencement of the winding-up held by them respectively, other than the amounts paid in advance of calls. If the surplus assets shall be insufficient to repay the whole of the paid-up capital, such surplus assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the Shares held by them respectively, other than the amounts paid by them in advance of calls. But this Article is without prejudice to the rights of the holders of any Shares issued upon special terms and conditions and shall not be construed so as to or be deemed to confer upon them any rights greater than those conferred by the terms and conditions of issue.</i></p>
164	Distribution of assets in specie	<p><i>If the Company shall be wound-up, whether voluntarily or otherwise, the following provisions shall take effect:</i></p> <ol style="list-style-type: none"> <i>1. The Liquidator may, with the sanction of a Special Resolution, divide among the contributories in specie or kind any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trust for the benefit of the contributories or any of them, as the Liquidator with the like sanction shall think fit.</i> <i>2. If thought fit any such division may be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudiced thereby shall have the right to dissent and shall have ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act.</i> <i>3. In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares, may, within seven days after the passing of the Special Resolution by notice in writing, direct the Liquidator to sell his proportion and pay him the proceeds and the Liquidator shall, if practicable, act accordingly.</i> <i>4. Any such Liquidator may, irrespective of the powers conferred upon him by the Act and as an additional power conferring a general or special authority, sell the undertaking of the Company or the whole or any part of its assets for shares fully or partly paid-up or the obligations of or other interest in any other company and may by the contract of sale agree for the allotment to the members directly of the proceeds of sale in proportion to their respective interests in the Company and in case the shares of this Company shall be of different classes, may arrange for the allotment in respect of preference shares of the Company, to obligations of the purchasing company or of shares of the purchasing company with preference or priority over or with a larger amount paid-up than the shares allotted in respect of ordinary shares of this Company and may further by the contract, limit a time at the expiration of which shares, obligations or other interests not accepted or required to be sold, shall be deemed to have been refused and be at the disposal of the Liquidator.</i> <i>5. Upon any sale as aforesaid under the powers given by Section 319 of the Act, no member shall be entitled to require the Liquidator either to abstain from carrying into effect the sale or the resolution authorizing the same or to purchase such member's interest in this Company, but in case any member shall be unwilling to accept the share, obligations or interests to which under such sale he would be entitled, he may, within seven days of the passing of the resolution authorizing the sale, by notice in writing to the Liquidator, require him to sell such shares, obligations or interests and thereupon the same shall be sold in such manner as the Liquidator may think fit and the proceeds shall be paid over to the member requiring such sale.</i>



SIMBHAOLI SUGARS

Simbhaoli Sugars Limited

(An FSSC 22000 : 2011, ISO 9001 : 2008
& 14001 : 2004 Certified Company)

Corporate Office :

A-112, Sector-63, Noida-201301 (Delhi NCR) INDIA

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Fax : +91-120-2427166

E-mail : info@simbhaolisugars.com

www.simbhaolisugars.com

DECLARATION

I, Kamal Samtani, Company Secretary and Compliance Officer of the Simbhaoli Sugars Limited (Formerly known as Simbhaoli Spirits) do hereby state that to the best of knowledge and belief of the Board of Directors of the Company, all statements made in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors
of Simbhaoli Sugars Limited:**


Kamal Samtani

Company Secretary and Compliance Officer
Membership No F-5140



Date: December 3, 2015

Place: NOIDA

New CIN-U15122UP2011PLC044210

*M/s Simbhaoli Spirits Limited known as M/s Simbhaoli Sugars Limited in pursuance to Scheme of Amalgamation, as sanctioned by the Hon'ble High Court of Judicature at Allahabad

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Specialty Sugars

Potable Alcohol

Ethanol

Power

REG. OFFICE : SIMBHAOLI, DISTT. HAPUR, UTTAR PRADESH, 245207



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Simbhaoli Sugars Limited
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