

**IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD
(ORDINARY ORIGINAL COMPANY JURISDICTION)
COMPANY APPLICATION No. 6 of 2014**

In the matter of the Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956,
and other relevant provisions of the Companies Act, 2013 as may be
notified from time to time;

AND

In the matter of Scheme of Amalgamation between Simbhaoli
Sugars Limited (the “**Transferor Company**”) and Simbhaoli Spirits
Limited (the “**Transferee Company**”) and their respective
Shareholders and Creditors

Simbhaoli Spirits Limited, a Company incorporated under the)
Companies Act, 1956 having its Registered Office at Simbhaoli)
Distt. Hapur, Uttar Pradesh – 245 207)

... Applicant Transferee Company

NOTICE CONVENING MEETING OF THE SECURED CREDITORS

To,

The Secured Creditors of **Simbhaoli Spirits Limited** (“**Simbhaoli Spirits**” or “**Applicant Company**”)

TAKE NOTICE that by an Order passed on the 1st day of August, 2014 in the Company Application No. 6 of 2014, the Hon’ble High Court of Judicature at Allahabad (“the High Court” or “the Court”) has directed that a meeting of the Secured Creditors of Simbhaoli Spirits Limited, the Applicant Transferee Company be convened and held, for the purpose of considering and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation between Simbhaoli Sugars Limited (the “**Transferor Company**”) and Simbhaoli Spirits Limited (the “**Transferee Company**”) and their respective shareholders and creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Secured Creditors of Simbhaoli Spirits Limited, the Applicant Company will be held at **3:30 pm on Saturday, September 20, 2014 at Simbhaoli, Distt- Hapur, Uttar Pradesh - 205207**, which you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorized representative and in case of a body corporate Secured Creditors, a certified true copy of the resolution/authorization of the competent body is deposited at the registered office of the Applicant Company at Simbhaoli Distt. Hapur, Uttar Pradesh – 245 207 not later than 48 (forty-eight) hours before the scheduled time of the meeting.

This Hon’ble High Court has appointed Mr. Sanjay Goswami, as Chairperson and Mr. Rajeev Joshi, as the Alternate Chairperson of the said meeting. The above-mentioned Scheme, if approved by the meeting, will be subject to the subsequent sanction of the Court.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, the Scheme of Amalgamation, a Form of Proxy and the Attendance Slip are enclosed.

Dated this 21st Day of August, 2014

Place: Allahabad

Sd/-

Sanjay Goswami
Chairperson appointed for the meeting

SIMBHAOLI SPIRITS LIMITED

CIN: U15122UP2011PLC044210

Registered Office: Simbhaoli Distt. Hapur,

Uttar Pradesh – 245207

Website: www.simbhaolisugars.com

Notes :

1. All alterations made in the Form of Proxy should be initialled.
2. All documents referred to in the Notice and the Explanatory Statement annexed hereto, are open for inspection at the Registered Office of the Applicant Company between 11.00 a.m. and 1.00 p.m. on all working days of the Applicant Company (except Saturdays, Sundays and Government Holidays) upto one day prior to the date of the meeting.

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AND

In the matter of Sections 391 to 394 of the Companies Act, 1956, and other relevant provisions of the Companies Act, 2013 as may be notified from time to time;

AND

In the matter of Scheme of Amalgamation between Simbhaoli Sugars Limited (Transferor Company) and Simbhaoli Spirits Limited (Transferee Company) and their respective Shareholders and Creditors

Simbhaoli Spirits Limited, a Company incorporated under the)
Companies Act, 1956 having its Registered Office at Simbhaoli)
Distt. Hapur, Uttar Pradesh – 245 207)

... Applicant Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

- Pursuant to an Order passed on the 1st day of August, 2014 by the Hon'ble High Court of Judicature at Allahabad (the Court) in the Company Application referred to hereinabove, a meeting of the Secured Creditors of the Simbhaoli Spirits Limited is being convened and held at 3:30 pm on 20th day of September, 2014 at Simbhaoli, Distt- Hapur, Uttar Pradesh - 205207 for the purpose of considering and, if thought fit, approving with or without modification(s), the amalgamation embodied in the Scheme between Simbhaoli Sugars Limited and Simbhaoli Spirits Limited and their respective Shareholders and Creditors. In this Statement, Simbhaoli Sugars Limited is hereinafter referred to as the "Amalgamating Company" or "Simbhaoli Sugars" and Simbhaoli Spirits Limited is hereinafter referred to as the "Amalgamated Company" or "Simbhaoli Spirits". The other definitions contained in the Scheme will apply to this Explanatory Statement also.
- The proposed Scheme provides for the amalgamation of Simbhaoli Sugars Limited with Simbhaoli Spirits Limited which is a wholly owned subsidiary of Simbhaoli Sugars.
- The Amalgamating Company was incorporated on 29th day of June, 1936 under the provisions of the Indian Companies Act, 1913 in the name and style of, 'The Simbhaoli Sugar Mills Limited' having registered office situated at Simbhaoli Distt. Hapur, Uttar Pradesh-245 207, India. The name of the Company was changed to 'Simbhaoli Sugars Limited' on 8th day of September, 2006. The Amalgamating Company is currently engaged in the business of manufacturing Sugar and Ethanol.
- The share capital structure of Simbhaoli Sugars as on 31st March 2014 was as under:

Particulars	Amount (in ₹)
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 fully paid-up	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, 2014, there have been no additions/ changes to the Share Capital account.

5. The objects of the Amalgamating Company are listed below:

THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-

- (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, goodwill, trade mark, etc. and assets and liabilities of any person, firm, company or corporation, carrying on any business which this Company is authorized 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 authorized 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*

Scheme of Amalgamation

the shares of such Company or Companies or by lending money thereto 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.*

6. Simbhaoli Spirits Limited was incorporated on 4th day of April, 2011 under the provisions of the Companies Act, 1956, in the name and style of "Simbhaoli Spirits Limited" having registered office situated at Simbhaoli Distt. Hapur, Uttar Pradesh – 245 207, India. It 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.

7. The share capital structure of the Simbhaoli Spirits as on March 31, 2014 is as under:

Particulars	Amount (in ₹)
Authorized Share Capital	
3,30,00,000 Equity Shares of Rs 10/- each	33,00,00,000
Total	33,00,00,000
Issued, Subscribed and Paid-up	
3,18,00,000 Equity Shares of Rs 10/- each fully paid-up	31,80,00,000
Total	31,80,00,000

Post March 31, 2014, there have been no additions/ changes to the Share Capital account.

8. The Amalgamated Company came into existence in pursuance to a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Judicature at Allahabad vide its order dated September 17, 2012 whereby the Simbhaoli Alcohol undertaking (SDD) of the Company has been transferred to and vested in the Amalgamated Company, with effect from October 1, 2010.

9. The objects for which the Amalgamated Company was incorporated are listed below:

THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. *To manufacture, produce, refine, purchase, sell, prepare, import, export, market, set up shops and generally to deal in all kinds of alcohol, spirits, liquor, wine, whether for human consumption or for industrial use or as fuel or otherwise, citric acid, vinegar, acetic acid, ethyl acetate, acetaldehyde, carbonic acid, gas, dry ice and to acquire, erect, construct, establish operate and maintain distilleries and other works as brewers, distillers, wholesaler, retailers.*
2. *To set up, install, purchase, import, take on lease, hire, or otherwise acquire breweries, plants and machinery and related equipments for manufacturing, producing, fermentation, or packing beer, wines, spirits, aerated waters and beverages of every description, whether alcoholic or not, and to carry on the business of brewers, distillers and malters in all its branches.*
3. *To carry on business as manufacturers, producers, processors, growers, fermentators, distillers, refiners, makers, inventors, convertors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in hop, barley, corn, malt, and all kinds or varieties of raw materials required or used in the breweries or distilleries.*

10. The proposed Scheme would result in the following benefits to the Amalgamating and Amalgamated companies:-

- a. Greater integration, financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve its competitive position.
- b. Achieve greater efficiencies in operations with optimum utilization of resources, improve the administration and reduced cost. It will provide benefits of operational synergies to the combined entity in areas such as sourcing of materials, product planning and development and result in increased revenue generation through higher sales, cost efficiencies in operations 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, improvement in process related to procurement of

materials and resources, elimination of duplication of activities, and optimum rationalization and utilization of human resources.

- d. Greater efficiency in cash management of the amalgamated entity with pooling of cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities, to maximize shareholder value.
 - e. Pooling of business debts under single entity and creating a single stream of cash flows to manage that.
 - f. Improved organizational capability and leadership, by pooling of financial, managerial and technical resources.
 - g. Opportunities for creating strategic partnerships and flexibility in fund raising capabilities for achieving future growth and expansions and to create a business structure which is geared to take advantage of possible business opportunities.
 - h. Improvement in financial, business and operational prospects including but not limited to, efficient management of all costs, better utilisation of the manufacturing/warehousing facilities and improved controls over the Amalgamated Company.
 - i. In addition to the benefits enumerated above, the proposed amalgamation will also provide the best possible utilization of raw materials and man-power. The combined entity will have a larger pool of land mass which can be utilized in furtherance of the objectives of the Company.
 - j. This will provide the hedging of risks and avoid duplicity of taxations. There will be Improvement in net worth of the combined entity, its borrowing capabilities and in its financial ratios which will assist it to carry out its business in more meaningful manner.
11. The financial statements of the Company for the financial year 2013-14, as available for inspection, have been prepared without considering the impact of the accounting treatment prescribed in the Scheme. The necessary changes if any, in the financial figures related to Amalgamated Company may be made as per the sanction of the Scheme by the Court.
12. The salient features of the Scheme, as approved by the Board of Directors of Simbhaoli Spirits on 20th day of March, 2014 are as under:
- i. "Amalgamating Company" means Simbhaoli Sugars Limited, a Company incorporated under the Indian Companies Act, 1913 and having its registered office at Simbhaoli Distt. Hapur, Uttar Pradesh – 245 207.
 - ii. "Amalgamated Company" means Simbhaoli Spirits Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Simbhaoli Distt. Hapur, Uttar Pradesh-245 207.
 - iii. Appointed Date shall be the close of business hours on 31st day of March, 2014 or such other date as may be assented to and approved by the Board of Directors in pursuance to the clause 17 of the Scheme or such other date as may be fixed or approved by the High Court of judicature at Allahabad or any other appropriate authority.
 - iv. Effective date shall be 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.
 - v. With effect from the Appointed Date 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 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.
 - vi. 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.
 - vii. In consideration, the Amalgamated Company shall, issue and allot equity shares of face value of INR 10 each to the members of Amalgamating Company, in the manner as described in clause 6 of the Scheme as follows:

Scheme of Amalgamation

- 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"
- viii. On 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, in such a manner as described in clause 8 of the Scheme.
- ix. On the Scheme being effective, the Employees of the Amalgamating Company, as on the Appointed date shall be deemed to have ceased to be employees of the Amalgamating Company, and the Amalgamated Company shall be deemed to have employed such Employees on the same terms and conditions on which they are engaged by the Amalgamating Company, (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits) without any interruption in service as a result of transfer of such Employees to the Amalgamated Company.
- x. 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.
- xi. Upon the Scheme coming into effect, the authorised share capital, including the equity share capital and the preference share capital, of the Amalgamating Company will stand combined with the authorised share capital of the Amalgamated Company and accordingly the Memorandum of Association of the Amalgamated Company will automatically stand amended as provided in Clause 7 of the Scheme.
- xii. Upon the 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 described in clause 11 of the Scheme.
- xiii. 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 the Scheme without having to follow the process under Section 13 of the Act, separately as described in clause 10 of the Scheme.
- xiv. The Amalgamating Company shall stand dissolved on the Effective Date in terms of this Scheme, without being wound-up.
13. The Scheme is and shall be conditional upon and subject to:
- I. 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.
- ii. Compliance with the requirements of the listing agreement and all statutory directives of the Securities and Exchange Board of India ('SEBI') insofar as they relate to sanction and implementation of the Scheme.
- iii. The Scheme being approved by the requisite majority in number and/or value of shareholders of the Amalgamating Company required under the Para 5.16(a)(i) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Para 7 of SEBI Circular No CIR/CFD/DIL/8 /2013 dated May 21, 2013 to the extent applicable, including any modifications or amendments in relation thereto
- iv. The Scheme being sanctioned by the Court or any other authority under Sections 391 to 394 of the Companies Act, 1956 and to the necessary order under Section 394 of the said Act being obtained.
- v. 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.
- vi. 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.
- The Secured Creditors are requested to read the entire text of the Scheme, annexed to this Notice, to get better acquainted with the provisions thereof. As stated above, the aforesaid are only salient features thereof.***
14. The consideration for the amalgamation under the Scheme is based on the valuation report of M/s Rahul Bansal & Company, Chartered Accountants, New Delhi ('Valuers'). A copy of the Valuation Report has been kept for inspection at the Registered Office of the Applicant Company and has been displayed on the website of the Applicant Company.
15. The proposal for the amalgamation was placed before the Audit Committee of the Applicant Transferor Company at its meeting held on March 15, 2014. The Audit Committee of the Applicant Transferor Company have considered the recommendations on the swap

ratio by the Valuers, and the Fairness Opinion dated March 14, 2014 provided by Corporate Professionals Capital Private Limited, Cat-I Merchant Banker. On the basis of their evaluations, the Audit Committee has recommended the Scheme, including the swap ratio to the Board of Directors of the Applicant Transferor Company. A copy of the Fairness Opinion has been kept for inspection at the Registered Office of the Applicant Transferor Company and has been displayed on the website of the Applicant Transferor Company.

16. The Board of Directors of the Applicant Transferor Company have taken into account the independent recommendation of the Audit Committee, the recommendation of the swap ratio provided by the Valuers and the Fairness Opinion provided by the Cat-I Merchant Banker and have come to the conclusion that the swap ratio is fair and reasonable. Further, the Board of Directors of the Applicant Transferor and Transferee Companies have, at their Board Meetings held on March 20, 2014 has approved the Scheme. The copy of the Scheme setting out in detail the terms and conditions of the arrangement, is forming a part of this Explanatory Statement.
17. The rights and interests of the equity shareholders, preference shareholders, secured creditors or unsecured creditors of the Applicant Transferor Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
18. In case the Scheme is not sanctioned by the Hon'ble High Court of Allahabad, or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and each Company shall bear its own cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed.
19. None of the Directors, Key Managerial Personnel ("KMP") or relatives of the Directors and KMPs of the Amalgamated Company and/or the Amalgamating Company have any material, financial or other interest, in the Scheme except as shareholders to the extent appearing in the Register of Members maintained by the Amalgamating Company and the Amalgamated Company respectively. The shareholding of the present Directors and KMPs of the Amalgamating Company and the Amalgamated Company, as on June 30, 2014, is as under:

A. SHAREHOLDING OF DIRECTORS AND KMPs (INCLUDING RELATIVES OF THE DIRECTORS AND KMPs) OF THE AMALGAMATING COMPANY (SSL) AND AMALGAMATED COMPANY (SISPL)

S. No	Name of Director	Designation		Equity Shares	Equity Shares
		In SSL	In SISPL	in SSL	in SISPL
1.	Mr. Gurmit Singh Mann	Chairman	Chairman	22,84,747	Nil
2.	Mr. Gurpal Singh	Managing Director	Whole Time Director	20,53,649	Nil
3.	Ms. Gursimran Kaur Mann	Managing Director	Director	9,71,514	Nil
4.	Mr. Sanjay Tapriya	Chief Financial Officer	-	2,070	10*
5.	Mr. S. N Misra	Whole Time Director	-	1,280	Nil
6.	Mr. S. C Kumar	Director	Director	Nil	Nil
7.	Mr. B. K Goswami	Director	-	Nil	Nil
8.	Mr. Abhay Kumar Singh	Nominee Director	-	Nil	Nil
9.	Mr. C. K Mahajan	Director	-	Nil	Nil
10.	Mr. S. K Ganguli	Director	-	1000	Nil
11.	Mrs. Jai Inder Kaur Wife of Mr. Gurpal Singh	-	-	3,56,714	Nil
12.	Mr. Govind Singh Sandhu Brother of Mr. Gurpal Singh	-	-	6,26,614	Nil
13.	Mr. Angad Singh Son of Mr. Gurpal Singh	-	-	8,418	Nil
14.	Mr. Kamal Samtani	Company Secretary	-	515	10*
15.	Mr. S. K Sinha	-	Whole Time Director	Nil	10*
16.	Mr. Vibhu Mishra	-	Company Secretary	Nil	Nil

[* Nominee Shareholder holding shares on behalf of Simbhaoli Sugars Limited under section 187C of the Companies Act, 1956 / Section 89 of the Companies Act, 2013]

20. Pursuant to Clause 24(h) of the Listing Agreement with the Stock Exchanges, the detailed pre and post-amalgamation (expected) shareholding pattern of Amalgamating Company and Amalgamated Company are given herein below

Scheme of Amalgamation

PRE-AMALGAMATION SHAREHOLDING PATTERN OF THE AMALGAMATING COMPANY/SIMBHAOLI SUGARS AS ON JUNE 30, 2014

Category code	Category of Shareholder	Pre-amalgamation as on June 30, 2014	
		Total number of shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	6,301,656	22.32
(b)	Central Government/ State Government(s)	-	-
(c)	Bodies Corporate	6,607,213	23.41
(d)	Financial Institutions/ Banks	-	-
	Sub Total(A)(1)	12,908,869	45.73
2	Foreign	-	-
	Sub Total(A)(2)	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	12,908,869	45.73
(B)	Public shareholding		
1	Institutions		
(a)	Mutual Funds/ UTI	1,500	0.005
(b)	Financial Institutions /Banks	1,000	0.004
(c)	Central Government/ State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Institutional Investors	2,239,643	7.93
(g)	Foreign Venture Capital Investors	-	-
(h)	Qualified Foreign Investors	-	-
	Sub-Total (B)(1)	2,242,143	7.94
2	Non-institutions		
(a)	Bodies Corporate	6,198,661	21.96
(b)	Individuals	-	-
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	5,210,149	18.46
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1,359,288	4.82
(c)	Qualified Foreign Investors	-	-
(d)	Any Other (specify)	-	-
I	NRI	188,240	0.67
II	OCB	121,260	0.43
III	Trust & Foundations	200	0.001
	Sub-Total (B)(2)	13,077,798	46.33
	Total Public Shareholding (B) = (B)(1)+(B)(2)	15,319,941	54.27
	TOTAL (A)+(B)	28,228,810	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-
	GRAND TOTAL (A)+(B)+(C)	28,228,810	100.00

Please note that pursuant to this Scheme, Simbhaoli Sugars shall be dissolved without winding-up.

PRE AND POST AMALGAMATION SHAREHOLDING PATTERN OF THE AMALGAMATED COMPANY/SIMBHAOLI SPIRITS LIMITED (TO BE KNOWN AS SIMBHAOLI SUGARS LIMITED UPON AMALGAMATION) AS ON JUNE 30, 2014

Category code	Category of Shareholder	Pre-Amalgamation as on June 30, 2014		Post Amalgamation (expected)	
		Total number of shares	As a percentage of (A+B+C)	Total number of shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals/ Hindu Undivided Family	60	0	7,372,938	19.67
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Bodies Corporate	31,799,940	100	9,398,439	25.08
(d)	Financial Institutions/ Banks	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-
	Sub Total(A)(1)	31,800,000	100	16,771,377	44.75
2	Foreign	-	-	-	-
	Sub Total(A)(2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	31,800,000	100	16,771,377	44.75
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/ UTI	-	-	1,755	0.004
(b)	Financial Institutions /Banks	-	-	1,170	0.004
(c)	Central Government/ State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institutional Investors	-	-	2,620,382	6.992
(g)	Foreign Venture Capital Investors	-	-	-	-
(h)	Qualified Foreign Investors	-	-	-	-
(i)	Any Other (specify)	-	-	-	-
	Sub-Total (B)(1)	-	-	2,623,307	7.00
2	Non-institutions				
(a)	Bodies Corporate	-	-	10,032,434	26.77
(b)	Individuals	-	-	6,095,874	16.27
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	-	-	1,590,367	4.24
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	-	-
(c)	Qualified Foreign Investors	-	-	-	-
(d)	Any Other (specify)	-	-	-	-
I	NRI	-	-	220,241	0.59
II	OCB	-	-	141,874	0.38
III	Trust & Foundations	-	-	234	0
	Sub-Total (B)(2)	-	-	18,081,024	48.25
	Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-	20,704,331	55.25
	TOTAL (A)+(B)	31,800,000	100	37,475,708	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	31,800,000	100	37,475,708	100.00

Scheme of Amalgamation

21. The draft Scheme of Amalgamation along with related documents was hosted on the website of the Applicant Transferor Company and National Stock Exchange of India Limited and was kept open for complaints/comments for a period of 21 days from May 5, 2014 to May 25, 2014. During the above period, the Applicant Company has received NIL complaint/comment and accordingly a complaint's report was filed with the respective stock exchanges on May 26, 2014.
22. No investigation proceedings have been initiated or are pending, under Section 235 to Section 251 of the Companies Act, 1956 (as may be operative) and/or corresponding Sections under Chapter XIV of the Companies Act, 2013 as may be notified, against the Applicant Transferee Company.
23. This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956.
24. A copy of the Scheme and Explanatory Statement and form of proxy may be obtained from the Registered Office of the Applicant Company at Simbhaoli Distt. Hapur, Uttar Pradesh-245207.
25. Only Secured Creditors of the Applicant Transferee Company may attend and vote (either in person or by proxy or by authorized representative) at the Secured Creditors meeting. The representative of a body corporate, which is a Secured Creditor of the Applicant Transferee Company may attend and vote at the Secured Creditors meeting provided a certified true copy of the resolution/authorization of the competent body is deposited at the registered office of the Applicant Transferee Company not later than 48 hours before the meeting authorizing such a representative to attend and vote at the Secured Creditors meeting.
26. A Creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a creditor of the Applicant Transferee Company. The form of proxy duly completed should, however, be deposited at the registered office of the Applicant Transferee Company not less than 48 hours before the scheduled time for commencement of the meeting.
27. Inspection of the following documents may be had at the registered office of the Company on any working day (except Saturday, Sundays and Government holidays) up to one day prior to the date of the meeting between 11:00 a.m. to 1:00 p.m.
 - Memorandum and Articles of Association of the Amalgamating Company and Amalgamated Company.
 - Audited Financial Statements of the Amalgamating Company and Amalgamated Company for the financial year ended March 31, 2014.
 - Valuation report dated March 12, 2014, issued by M/s Rahul Bansal & Company, Chartered Accountants.
 - Fairness Opinion dated March 14, 2014 issued by Corporate Professionals Capital Private Limited, Cat-I Merchant Banker.
 - Order passed on 1st day of August, 2014 of the Hon'ble High Court of Allahabad in Company Application No. 6 of 2014 directing for the convening of the meeting of the Secured and Unsecured Creditors namely Public Financial Institutions of the Amalgamating Company.
 - Observation Letter dated June 24, 2014 issued by the Securities and Exchange Board of India.
 - No-Objection Letters received from the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) dated June 25, 2014.
 - Complaint Report dated May 26, 2014 submitted by the Company to NSE and BSE.
 - Scheme of Amalgamation.
28. On the Scheme being approved as per the requirements of Section 391 of the Companies Act, 1956, the Applicant Transferee Company will seek the sanction of the Hon'ble High Court of judicature at Allahabad for sanction of the Scheme.

Place: Allahabad
Date: August 21, 2014

Sd/-
Sanjay Goswami
Chairperson appointed for the meeting

FAIRNESS OPINION

Strictly Private & Confidential

Ref. No: CPC/MB/063/2013-14**Dated 14.03.2014**

To,

The Board of Directors

SIMBHAOLI SUGARS LIMITED**AND****SIMBHAOLI SPIRITS LIMITED****Subject: Fairness Opinion on the Valuation Report issued by M/s Rahul Bansal & Co, Chartered Accountants for the Proposed Merger of M/s Simbhaoli Sugars Limited with its wholly owned subsidiary M/s Simbhaoli Spirits Limited**

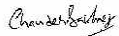
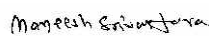
Dear Sir,

This Fairness Opinion is in furtherance to the discussion held with the key management personnel of M/s Simbhaoli Sugars Limited for the purpose of arriving at an opinion on the Valuation Report issued by M/s Rahul Bansal & Co, Chartered Accountants in respect of the proposed merger of M/s Simbhaoli Sugars Limited with its wholly owned subsidiary M/s Simbhaoli Spirits Limited.

In reference to the Scheme of Arrangement, it is proposed to amalgamate M/s Simbhaoli Sugars Limited (herein after referred as "SSL" or "Transferor Company") into its wholly owned subsidiary Simbhaoli Spirits Limited, (herein after called as "SISPL" or "Transferee Company") on a going concern basis, pursuant to the provisions of Section 391-394 and other applicable provisions of the Companies Act, 1956 and/or Rules/Regulations made there under.

In terms of our discussions held, we are enclosing our opinion along with this letter. Please note that this is just an opinion on the captioned subject on the basis of the documents submitted to us and does not constitute our independent analysis. All comments as contained herein must be read in conjunction with the Caveats to this opinion.

The opinion is confidential and has been prepared exclusively for the management of Simbhaoli Sugars Limited, and the Transferee Company. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of certain statutory disclosures and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,**For Corporate Professionals Capital Private Limited****Chander Sawhney****Vice President****Maneesh Srivastava****Sr. Manager****Content**

1. Context and Background
2. Brief about Companies
3. Key facts & extracts of the Valuers Report
4. Conclusion & Opinion
5. Caveats

CONTEXT AND BACKGROUND

1. We understand that equity shares of Simbhaoli Sugars Limited (Transferor Company) are listed at the Bombay Stock Exchange (BSE), and National Stock Exchange (NSE) in India. The proposed scheme of arrangement provides for merger of Simbhaoli Sugars Limited (SSL) with its wholly owned subsidiary Simbhaoli Spirits Limited (SISPL) on a going concern basis pursuant to the provisions of Section 391-394 and other applicable provisions of the Companies Act, 1956 and/or Rules/Regulations made there under.

In accordance with Clause 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013, dated February 04, 2013 as modified by its subsequent Circular No CIR/CFD/DIL/8 /2013 dated 21st May 2013 as applicable to the Listed Companies, the listed Company as well as the Unlisted Company required to obtain a "Fairness Opinion" on the Valuation of assets / Equity shares done by the Valuers for the Company and Unlisted Company from an independent Merchant Banker.

Clause 24(h) of the Listing Agreement reads as below-

The company agrees that in the explanatory statement forwarded by it to the shareholders u/s 393 or accompanying a proposed resolution to be passed u/s 100 of the Companies Act, it shall disclose the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern, and the "fairness opinion" obtained from an Independent merchant bankers on Valuation of assets / Equity shares done by the Valuers for the company and unlisted company."

2. With reference to the above, we, Corporate Professionals Capital Private Limited, a SEBI Registered Merchant Banker, have been appointed by Simbhaoli Sugars Limited and Simbhaoli Spirits Limited, to provide the "Fairness Opinion" in accordance with the clause 24

Scheme of Amalgamation

of the Listing Agreement and SEBI Circular No. CIR/CFD/DIL/5/2013, as modified by its subsequent Circular No CIR/CFD/DIL/8 /2013 dated 21st May 2013 stated above.

BRIEF ABOUT COMPANIES

(i) Simbhaoli Sugars Limited ('SSL'), or the (Transferor Company)

SIMBHAOLI SUGARS LIMITED is a company incorporated on 29th June, 1936, under the provisions of Companies Act, 1913. The registered office of the Company is situated at Simbhaoli Hapur, Uttar Pradesh 245207. SSL is amongst top 10 integrated sugar companies in India and is listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange India Limited(NSE). "SSL" is engaged in the business of Sugar and Ethanol and has three manufacturing facilities in Simbhaoli (Western UP), Chilwaria (Western UP) and Brijnathpur (Eastern UP). SSL has subsidiaries named as Simbhaoli Power Private Limited, Integrated Casetech Consultants Private Limited, and Simbhaoli Global Commodities DMCC, Dubai and Uniworld Sugars Private Limited (50:50 Joint Venture Company)

(ii) Simbhaoli Spirits Limited ('SISPL') or the (Transferee Company)

SIMBHAOLI SPIRITS LIMITED is a company incorporated on 4th April, 2011, under the provisions of Companies Act, 1956. The registered office of the Company is situated at Kothi No. 1, Distillery Division Compound, Simbhaoli, Hapur, Uttar Pradesh – 245207. It is engaged in the business of manufacturing, marketing and branding of Ethanol, Extra Neutral Alcohol, Ractified spirits, Potable alcohol including India Made Foreign Liquor (IMFL), and other alcoholic and non alcoholic beverages and also processing of by-products for India as well as overseas markets. **SISPL is a 100% wholly owned subsidiary of Simbhaoli Sugars Ltd.**

KEY FACTS AND CERTAIN EXTRACT OF THE VALUERS REPORT

- The Valuation report issued by M/s Rahul Bansal & Co, Chartered Accountants has considered all the three approaches to valuation namely Asset Approach, Income Approach and Market Value Approach to value the Transferor and the Transferee Company.
- While applying the valuation methodologies we have observed that the valuer has assigned weight of 2 to Income approach, weight of 1 to Asset approach and weight of 1 to Market approach as Income approach is the most prominent approach and majorly factors-in the cash flow generation ability of the Company which is the key driver of any business.

The following is the exchange ratio computed by the valuer

On the basis of the value computation of the equity shares of "SISPL" and "SSL", "SISPL" shall issue and allot 117 (**One hundred and Seventeen**) Equity Shares of **Face Value of Rupees 10 (Rupees Ten) at a premium of Rs. 62 (Rupees Sixty Two) each** in "SISPL" for every 100 (One Hundred) Equity shares of **face value of Rs. 10/- (Rupees Ten)** each held by the Equity shareholders of "SSL".

"SISPL" shall issue and allot 139 (**One Hundred and Thirty Nine**) fully paid-up Equity Share of **Face Value of Rs 10 (Rupees Ten)** each at a premium of Rs 62 (Rupees Sixty Two) each in SISPL for every 100 (One Hundred) fully paid-up Redeemable Preference Shares of face value of Rs 100 (One Hundred) each held in SSL"

CONCLUSION & OPINION

- SISPL is a wholly owned subsidiary of SSL.
- With reference to above and based on information provided by the management of the Companies involved, we are of the view that the present amalgamation has been structured to consolidate the business and operations of aforesaid Group Companies;
- Further, as reported by the valuer in its Valuation Report, the value of certain assets of SSL are substantially higher than its book value, hence for the purpose of valuation, the Independent valuer M/s Rahul Bansal & Company has considered the fair valuation of all such assets, which in our opinion is fair and equitable to the rights of the equity shareholders of the Company;

Subject to above, we as a Merchant Banker hereby certify that pursuant to Clause 24 of the listing agreement and SEBI circular dated February 04, 2013 we have reviewed the valuation report of M/s Rahul Bansal and Company, Chartered Accountants and are of the opinion that these may be taken as fair and reasonable from a financial and commercial perspective of Equity Shareholders of the Companies.

CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective key managements, and other public available information while verifying the valuation report of the valuer. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed/validated the financial data except what is provided to us by the Company.
- We express no view as to, and our Fairness Opinion Report does not address, the underlying business decision of any Company to effect the proposed Transactions or the Merits of the Proposed Transaction.
- We are not expressing any suggestion or opinion herein as to the price at which the shares of SSL will trade following the announcement of consummation of the proposed transactions as to the price at which the shares of SSL may be transacted.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this scheme of arrangement, which might be relevant in the context of the transaction and which a wider scope might uncover.
- In the past Corporate Professionals may have provided, and may currently or in the future provide consulting service to the Company or any of its associate companies and has/ shall be receiving professional fee in return.
- Our Fairness Opinion should not be construed as investment advice and the opinion on the valuation report should not be construed as an advice which has a correlation with the capital market.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management of Simbhaoli Sugars Limited and Simbhaoli Spirits Limited under the Scheme has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Opinion

**Sandeep Dabur**

Assistant Manager

Corporation Finance Department**Division of Issues and Listing**

Phone: +91 22 26449338 / 40459338 (Direct)

Fax: +91 22 26449022 | Email: sandeep@sebi.gov.in

CFD/DIL-II/AKD/SD/OW/17960/2014

June 24, 2014

Shri Hari K

Vice President,

National Stock Exchange of India Ltd,

Exchange Plaza, Plot no. C/1, G Block,

Bandra-Kurla Complex, Bandra (E),

Mumbai – 400 051

Sir,

Sub: Draft Scheme of Arrangement between Simbhaoli Sugars Limited and Simbhaoli Spirits Limited

1. This has reference to your letter No. NSE/LIST/237695-H dated May 05, 2014 whereby you have forwarded the application of Draft Scheme of Arrangement between Simbhaoli Sugars Limited (hereinafter referred to as 'the company') with Simbhaoli Spirits Limited filed in accordance with 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 (hereinafter referred to as 'the Circulars') for our comments on the draft Scheme of Arrangement (herein after referred to as 'draft Scheme')
2. It is noted that both NSE and BSE have accorded 'no-objection' to the draft Scheme filed, vide letters dated June 09, 2014 and June 17, 2014 respectively.
3. The matter has been examined by SEBI in the light of the provisions under Part A, Annexure I of the aforesaid Circular. Accordingly, SEBI's comments on the draft Scheme are as under:
 - a) Stock exchanges are advised to ensure that information submitted by the company vide letter dated May 20, 2014 with respect to the exchange ratio for Redeemable Preference Shares is uploaded on the websites of the Stock exchanges and the company.
 - b) Stock exchanges to ensure compliance with the Circulars.
 - c) The company shall duly comply with various provisions of the Circulars.
4. Please note that the submission of documents/information, in accordance with the Circulars, to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Yours faithfully,

**Sandeep Dabur****CC: Shri Khushro Bulsara**

General Manager,

Bombay Stock Exchange Ltd.,

Floor 25, PJ Towers, Dalal Street,

Mumbai – 400 001

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Ref: NSE/LIST/242752-J
The Company Secretary,
Simbhaoli Sugars Limited
Simbhaoli, Hapur
Uttar Pradesh 245207

June 25, 2014

Kind Attn: Mr. Kamal Samtani

Dear Sir,

Sub.: Observation letter for Draft Scheme of Arrangement between Simbhaoli Sugars Limited with Simbhaoli Spirits Limited and their respective creditors and shareholders

This has reference to Draft Scheme of Arrangement between Simbhaoli Sugars Limited with Simbhaoli Spirits Limited and their respective creditors and shareholders submitted to NSE vide your letter dated March 31, 2014.

Based on our letter reference no Ref: NSE/LIST/240991-4 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013. SEBI has vide letter dated June 24, 2014 has given following comments on the draft scheme of Amalgamation:

- a) The company is advised to ensure that information submitted by the company vide letter dated May 20, 2014 with respect to the exchange ratio for Redeemable Preference Shares is uploaded on the website of the company.
- b) The company shall duly comply with various provisions of the Circulars.

Accordingly, we do hereby convey our 'No-Objection' with limited reference to those matters having a bearing on listing / delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the Scheme with the Hon'ble High Court.

However, the listing of equity shares of Simbhaoli Spirits Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Simbhaoli Spirits Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Simbhaoli Spirits Limited is at the discretion of the Exchange.

The listing of Simbhaoli Spirits Limited, pursuant to the Composite Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Simbhaoli Spirits Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the company.
2. To publish an advertisement in the newspapers containing all the information about Simbhaoli Spirits Limited in line with the details required as per SEBI circular no. SEBI/CFD/DIL/5/2013 dated February 4, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about Simbhaoli Spirits Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - (b) "There shall be no change in the shareholding pattern or control in Simbhaoli Spirits Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its right to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from June 25, 2014, within which the scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013.

Yours faithfully,

For National Stock Exchange of India Limited

Kamlesh Patel

Manager

P.S. Checklist of all the further issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.html

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BSE Limited Registered Office : Floor 25, PJ Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234 / 33 F: +91 22 2272 1033 www.bseindia.com
CIN NO. U67120MH2005PLC155188



DCS/AMAL/NJ/24(f)/101/2014-15

June 25, 2014

The Company Secretary

Simbhaoli Sugars Limited,

Simbhaoli, Hapur,

Ghaziabad, Uttar Pradesh-245207.

Dear Sir/Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Simbhaoli Sugars Limited & Simbhaoli Spirits Limited.

We are in receipt of draft Scheme of Arrangement between Simbhaoli Sugars Limited & Simbhaoli Spirits Limited.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated June 24, 2014 given the following comment(s) on the draft scheme of arrangement:

- **Company to ensure that information submitted by company vide letter dated May 20, 2014 with respect to the exchange ratio for Redeemable Preference Shares is uploaded on the website of the company.**
- **The company shall duly comply with various provisions of the Circulars.**

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further, you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserved its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete/incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully



Nitin Pujari
Manager



Neha Jain
Asst. Manager

Simbhaoli Sugars Limited Complaints Report*

For the period commencing from 05.05.2014 to 25.05.2014

Part-A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

*The Company has received a query from one shareholder pertaining to the no. of shares that he will be entitled for post amalgamation and the same has been duly resolved by the Company.

For Simbhaoli Sugars Limited

**Kamal Samtani
(Company Secretary)**

**Date: 26/05/2014
Place: New Delhi**

Part-B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.			
2.			
3.			

SCHEME OF AMALGAMATION
BETWEEN
SIMBHAOLI SUGARS LIMITED **AMALGAMATING COMPANY**
WITH
SIMBHAOLI SPIRITS LIMITED **AMALGAMATED COMPANY**
AND
THEIR RESPECTIVE CREDITORS AND SHAREHOLDERS

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) OBJECTS AND RATIONALE FOR THE PROPOSED SCHEME:

The Scheme of Amalgamation provides for the amalgamation of 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.

(C) 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;

Scheme of Amalgamation

- 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

Scheme of Amalgamation

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 on ‘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, goodwill, 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

Scheme of Amalgamation

- 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.
- 13.2 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

Scheme of Amalgamation

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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**IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD
(ORDINARY ORIGINAL COMPANY JURISDICTION)
COMPANY APPLICATION No. 6 Of 2014**

In the matter of the Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Amalgamation between Simbhaoli Sugars Limited and Simbhaoli Spirits Limited and their respective Shareholders and Creditors

Simbhaoli Spirits Limited, a Company incorporated under the)
Companies Act, 1956 having its Registered Office at Simbhaoli)
Distt. Hapur, Uttar Pradesh - 245 207)

... Applicant Transferee Company

FORM OF PROXY

I/We the undersigned, being Secured Creditor(s) of Simbhaoli Spirits Limited, the above named Applicant Transferee Company, hereby appoint _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Secured Creditors of the Applicant Transferee Company scheduled to be held at Simbhaoli Distt. Hapur Uttar Pradesh - 245207 on Saturday, 20th Day of September, 2014 at 3:30 PM, for the purpose of considering and if thought fit, approving with or without modification(s), the Scheme of Amalgamation between Simbhaoli Sugars Limited and Simbhaoli Spirits Limited and their respective Shareholders and Creditors, and at such meeting, and at any adjournment / adjournments thereof, to vote, for me/us and in my/our name (s) _____ (here if 'for' insert 'for', if 'against' insert 'against' and in the latter, strike out the words "either with or without modification" after the word Arrangement) the said Arrangement, either with or without modification, embodied in the Scheme as my/our proxy may approve.

Dated this _____ day of _____, _____

.....
Signature of the Creditor (s)

.....
Signature of Proxy

Name: _____

Affix Revenue Stamp Re 1

Note:-

- 1) The Form of Proxy must be deposited at the registered office of the Applicant Company not later than 48 hours before the time for holding the meeting.
- 2) All alterations made in the Form of Proxy should be initialled.
- 3) Only the Secured Creditor(s) of the Applicant Company may attend and vote (either in person or by proxy or by Authorized Representative) at the Meeting. The representative of a Body Corporate which is a Creditor of the Applicant Company may attend and vote at the meeting, provided a certified true copy of the resolution/authorization of governing body authorizing such representative to attend and vote at the Meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the scheduled time.

**SIMBHAOLI SPIRITS LIMITED
ATTENDENCE SLIP**

I hereby record my presence at the Court convened meeting of the Secured Creditors of Simbhaoli Spirits Limited on Saturday, September 20, 2014 at 3:30 PM, at Simbhaoli 245207, District Hapur, Uttar Pradesh.

Full Name(s) of Creditor(s) _____ Full Name(s) of attending
creditor/proxy _____

**Signature of the Creditor//Proxy
(To be done at the Entry Point)**

Note: Please fill in block letters, except signatures. Please bring copy of notice at the meeting.



India's largest integrated sugar refinery

• Simbhaoli • Chilwaria • Brijnathpur

To

If undelivered please return to:
Registered Office

SIMBHAOLI SPIRITS LIMITED

Simbhaoli, District Hapur
Uttar Pradesh, 245 207 India