

# SIMBHAOLI SUGARS

**Simbhaoli Sugars Limited**

CIN-U15122UP2011PLC044210

(An FSSC 22000 : 2011, ISO 9001 : 2008 & 14001 : 2004 Certified Company)

**Corporate Office :**

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Ref: SSL/AGM/2016

Ref: SSL: Stock Exchange

October 12, 2016

**Bombay Stock Exchange Limited**

**PhirozeJeejeebhoy Towers**

**Dalal Street, Fort, Mumbai**

**Fax No. 022-22723121/2037/2041**

**The National Stock Exchange of India Limited**

**Exchange Plaza, Bandra -Kurla Complex,**

**Mumbai- 400051**

**Fax No. 022-26598237/38**

**Ref: Scrip Code: NSE: SIMBHALS | BSE: 539742**

**Sub: Submission of Annual Report under Regulation 34(1) of SEBI (LODR),  
Regulations, 2015**

Dear Sir/Ma'am,

We are enclosing herewith the Annual Report of the 5<sup>th</sup> Annual General Meeting of the members of Company for the financial year 2015-16 held on Monday, September 26, 2016.

As per the interim Order dated September 23, 2016 passed by the Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench, in Company Petition, CP No. 77 (ND)/2016 titled Mr. Guralp Singh Vs. M/s Simbhaoli Sugars Limited under Section 241 and 242 of the Companies Act, 2013 read with National Company Law Tribunal (NCLT) rules. The NCLT has directed that any resolution adopted on Item no. 2 and 12 of the notice shall not be given effect to till further Orders by this Bench.

Whereas, the Special resolution contained in the notice dated August 22, 2016 as Item no. 5, 12, 13, 14 & 16, have not been passed with the requisite majority.

This is for your information and record.

Thanking you,

Yours faithfully

**For Simbhaoli Sugars Limited**

*for* *Somya*  
(Kamal Samtani)  
Company Secretary



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

Specialty Sugars

Potable Alcohol

Ethanol

Power

REG. OFFICE : SIMBHAOLI, DISTT. HAPUR, UTTAR PRADESH-245207

# **5<sup>th</sup> Annual Report**

## **2015-16**



**Simbhaoli Sugars Limited**

\*Name changed from M/s Simbhaoli Spirits Limited to M/s Simbhaoli Sugars Limited in pursuance to Scheme of Amalgamation, sanctioned by the Hon'ble High Court of Judicature at Allahabad

# Corporate Information

## BOARD OF DIRECTORS

### Chairperson

- Gurmit Singh Mann

### Directors

- Gursimran Kaur Mann (Ms)
- Gurpal Singh
- Sanjay Tapriya
- S.N. Misra, Chief Operating Officer

### Independent Directors

- B.K. Goswami
- S.K. Ganguli
- S.C. Kumar
- Justice (Retd) C.K. Mahajan
- Lt. Gen D S Sidhu (Retd)

### Nominee Director

- Sangeet Shukla (SBI Nominee)

## Registered Office

- Simbhaoli, District Hapur,  
Uttar Pradesh - 245 207

## Administration Office

- A-112, Sector 63  
Noida-201 307

## Chief Financial Officer

- Dayal Chand Popli

## Company Secretary

- Kamal Samtani

## Statutory Auditors

- Mittal Gupta & Co.

## Solicitors

- J. Sagar Associates

## Bankers

- State Bank of India
- Punjab National Bank
- Bank of Baroda
- State Bank of Patiala
- ICICI Bank
- State Bank of Bikaner & Jaipur
- EXIM Bank
- UP Co-Operative Bank
- Ghaziabad District Co-Operative Bank
- Oriental Bank of Commerce
- Industrial Development Bank of India
- Bank of India
- UCO Bank
- Union Bank of India

## MANUFACTURING UNITS

### Sugar Mills / Co-generation Plants

- Simbhaoli Sugar Division, Simbhaoli  
District Hapur, Uttar Pradesh – 245207
- Chilwaria Sugar Division, Chilwaria  
District Bahraich, Uttar Pradesh – 271 801
- Brijnathpur Sugar Division, Brijnathpur  
District Hapur, Uttar Pradesh – 245 101
- Village Versamedi, Tehsil-Anjar  
Gandhidham, Gujarat – 370 100

### Distillery / Ethanol Plants

- Simbhaoli Distillery Division, Simbhaoli  
District Hapur, Uttar Pradesh – 245207
- Chilwaria Ethanol Division  
Chilwaria, District Bahraich, Uttar Pradesh - 271 801
- Brijnathpur Ethanol Division, Brijnathpur  
District Hapur, Uttar Pradesh - 245 101

## Subsidiaries / Associate Companies

- Simbhaoli Power Private Limited
- Integrated Casetech Consultants Private Limited
- Uniworld Sugars Private Limited
- Simbhaoli Global Commodities DMCC, Dubai
- Simbhaoli Speciality Sugars Private Limited

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# SIMBHAOLI SUGARS LIMITED\*

(Registered Office: Simbhaoli - 245 207, District Hapur, Uttar Pradesh)

(CIN: U15122UP2011PLC044210)

Email: [kamal@simbhaolisugars.com](mailto:kamal@simbhaolisugars.com);

Website: [www.simbhaolisugars.com](http://www.simbhaolisugars.com); Phone: 0120-4806666, Fax: 0120-2427166

*\*Name changed from M/s Simbhaoli Spirits Limited to M/s Simbhaoli Sugars Limited in pursuance to Scheme of Amalgamation, sanctioned by the Hon'ble High Court of Judicature at Allahabad*

## NOTICE

Notice is hereby given that the 5th Annual General Meeting (AGM) of the members of Simbhaoli Sugars Limited will be held at 10:00 AM on Monday, September 26, 2016 at the registered office of the Company at the Officers' Club, sugar mill complex, Simbhaoli-245 207, District Hapur, Uttar Pradesh, to transact the following businesses:

### ORDINARY BUSINESSES

1. **To receive, consider and adopt (a) the audited financial statements of the Company comprising of the balance sheet as on March 31, 2016 and the statement of profit and loss along with cash flow statement for the financial year ended on March 31, 2016 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended on March 31, 2016 and the report of the Auditors thereon and, to consider and pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, the audited financial statements of the Company comprising of the balance sheet as on March 31, 2016 and the statement of profit and loss along with cash flow statement for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon laid before the 5th Annual General Meeting of the members of the Company, be and are hereby received, considered and adopted."

"Resolved further that, the audited consolidated financial statements of the Company comprising of the balance sheet as on March 31, 2016 and the statement of profit and loss along with cash flow statement for the financial year ended on March 31, 2016 and the report of Auditors thereon laid before the 5th Annual General Meeting of the members of the Company, be and are hereby received, considered and adopted."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be deemed necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

2. **To consider, and if thought fit, to pass, with or without modification (s), the following resolution, as an Ordinary Resolution**

"Resolved that, pursuant to the applicable provisions of the Companies Act, 2013, and the Rules made there under, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the vacancy caused by the retirement of Mr. Gurpal Singh (DIN - 00064807), who hereby retires by rotation, not be filled up, for the time being."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be deemed necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

3. **To consider and approve the ratification of the appointment of the Statutory Auditors and fix their remuneration and to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the appointment of M/s Mittal Gupta and Company, Chartered Accountants (Registration No. 01874C), who have confirmed their eligibility, in terms of the provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby ratified as Statutory Auditors of the Company for the Company's financial year, 2016-17, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the members of the Company on such remuneration as may be fixed by the Board of Directors of the Company."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be deemed necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

### SPECIAL BUSINESSES

4. **To consider, and if thought fit, to pass, with or without modification (s), the following resolution, as an Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Section 160 of the Companies Act, 2013 and the Rules made there under read with the Articles of Association of the Company, Mr. Sanjay Tapriya (DIN 00064703), who was appointed under Section 161(1) as an Additional Director of the Company with effect from November 09, 2015 and who hold office until the date of the 5th Annual General Meeting, and in respect of whom a notice under Section 160, in writing has been received from a member, signifying his intention to propose him as a candidate for the office of director, be and is hereby appointed as a director on the Board of the Company, whose period of office is liable to retire by rotation."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"Resolved that, pursuant to the provisions of Section 160 of the Companies Act, 2013 and the Rules made there under read with the Articles of Association of the Company, Mr. Sachchida Nand Misra (DIN-06714324), who was appointed under Section 161(1) as an Additional Director of the Company with effect from November 09, 2015 and who hold office until the date of the 5th Annual General Meeting, and in respect of whom a notice under Section 160, in writing has been received from a member, signifying his intention to propose him as a candidate for the office of director, be and is hereby appointed as a whole time director on the Board of the Company, whose period of office is liable to retire by rotation."

"Resolved further that, pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of the members of the Company be and is hereby accorded to the appointment of Mr. S N Misra as the Chief Operating Officer and Whole Time Director of the Company effective from November 9, 2015 upto the un-expired period of appointment in Erstwhile Simbhaoli Sugars Limited (ESSL) i.e. till October 7, 2018, on the terms and conditions as set out in the earlier resolution passed by the members of ESSL in their meeting held on December 23, 2014, as provided in the explanatory statement, subject to the restrictions, if any, contained under the applicable provisions of the Act or otherwise as may be applicable in law as follows:

- a) **Designation:** Chief Operating Officer
- b) **Period:** From November 9, 2015 to October 7, 2018
- c) **Basic Salary:** ₹163,328 per month, with such increments as may be decided by the Board of Directors of the Company from time to time.
- d) Other emoluments, benefits and the perquisites as per service rules of the Company, as approved by the Board of Directors of the Company from time to time.

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Misra in accordance with the provisions of the Act and rules made there including any statutory modification(s) or re-enactment thereof, for the time being in force and to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Basant Kumar Goswami (DIN- 00003782), Director of the Company, in respect of whom a notice in writing has been received from a member, signifying his intention to propose him as a candidate for the office of director, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a period of 5 (five) consecutive years w.e.f. November 9, 2015 upto November 8, 2020."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Samir Chandra Kumar (DIN- 00064453), Director of the Company, in respect of whom a notice in writing has been received from a member, signifying his intention to propose him as a candidate for the office of director, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a period of 5 (five) consecutive years w.e.f. November 9, 2015 upto November 8, 2020."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Samir Kumar Ganguli (DIN- 00058198), Director of the Company, in respect of whom a notice in writing has



been received from a member, signifying his intention to propose him as a candidate for the office of director, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a period of 5 (five) consecutive years w.e.f. November 9, 2015 upto November 8, 2020."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof for the time being in force, Justice (Retd) Chander Krishan Mahajan (DIN-00039060), Director of the Company, in respect of whom a notice in writing has been received from a member, signifying his intention to propose him as a candidate for the office of director, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a period of 5 (five) consecutive years w.e.f. November 9, 2015 upto November 8, 2020."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof for the time being in force, Lt. Gen. Dalbir Singh Sidhu, PVSM, AVSM, VSM (Retd) (DIN- 07358619), Director of the Company, in respect of whom a notice in writing has been received from a member, signifying his intention to propose him as a candidate for the office of director, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a period of 5 (five) consecutive years w.e.f. December 3, 2015 upto December 2, 2020."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may

be necessary, proper or expedient for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**11. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:**

"Resolved that, in accordance with the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and the provisions of the Memorandum and Articles of Association of the Company, the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, each amended from time to time and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India ('GOI'), the Reserve Bank of India ('RBI'), the Securities and Exchange Board of India ('SEBI') including but not limited to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('SEBI ICDR Regulations') and any other guidelines and clarifications issued by any other competent authority, to the extent applicable including the Listing Agreements entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed ('Stock Exchanges') and subject to the permissions, consents, sanctions and approvals by any authority or institution, including but not limited to the bankers of the Company, as may be necessary, and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), and subject to any other alterations, modifications, conditions, changes and variations that may be decided by the Board in its absolute discretion, the consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches, equity shares of face value of ₹10 each in the share capital of the Company, to the existing holders of equity shares, as on the record date and in the ratio to be determined by the Board, or their renouncee(s), including resident and foreign Shareholders, Institutions, Non-resident Indians, Corporate Bodies, Trust, Societies, Mutual Funds, Banks, Insurance Companies, Pension Funds, Foreign Portfolio Investors and Individuals (collectively, the 'Investors') on such terms and conditions and in such manner as may be mentioned in the Letter of Offer to be issued by the Company for this purpose; at such time or times and at such price or prices, including at a premium/discount to the market price or prices, considering the prevalent market conditions at that time, that the Board may, in its absolute discretion, decide; provided that the aggregate value of such equity shares of the Company including premium will not exceed ₹100 crore (Rupees One Hundred Crore only) ('Rights Issue') and that the holders of equity shares (excluding renouncee(s)) to whom the equity shares are being offered under the Rights Issue shall only be entitled to apply for additional equity shares and allotment of additional equity shares shall be made in such proportion as may be decided by the Board in its sole and absolute discretion as it may deem fit."

"Resolved further that, all the new equity shares to be issued and allotted in the manner aforesaid shall be subject to the

Memorandum of Association and Articles of Association of the Company and shall rank pari passu in all respects with the then existing equity shares of the Company."

"Resolved further that, the Board be and is hereby authorised to allot the equity shares on the basis of the applications received as a result of this offer, from the existing equity shareholders and/ or renounce(s) and to dispose off equity shares that remain unsubscribed, if any, in such manner not disadvantageous to the Company and/ or the shareholders, creditors and other securities holders of the Company."

"Resolved further that, for the purpose of giving effect to the above resolution including any offer, issue or allotment of equity shares, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of equity shares and proportion thereof, timing for issuance of such equity shares, issue price, premium on face value, if any, and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting and/or standby, marketing, listing, trading and to take the legal advice as well as executing other arrangements to take services from the intermediaries as depository, custodian, registrar and other activities or functions, and any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to Letter of Offer and/or offering circular and/or offer document and/or documents and agreements including filing of registration statements, and other documents (in draft or final form) with SEBI, stock exchanges and any other statutory/regulatory authorities and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of equity shares, including allotment of equity shares that are not subscribed and take all steps, which are incidental and ancillary in this connection, in relation to utilization of the issue proceeds and disclosure thereof in accordance with applicable regulations/notifications/guidelines for the time being in force, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members of the Company and any such actions taken by the Board, for this purpose, in the best interest of the shareholders and the creditors, are hereby ratified and shall be binding on the Company."

**12. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:**

"Resolved that, pursuant to the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and the provisions in the Memorandum and Articles of Association of the Company, the Foreign Exchange Management Act, 1999, each amended from time to time and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India ('GOI'), the Reserve Bank of India ('RBI'), the Securities and Exchange Board of India ('SEBI') including but not limited to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('SEBI ICDR Regulations') and any other guidelines and clarifications issued by any other competent

authority, to the extent applicable including the Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed ('Stock Exchanges') and subject to the permissions, consents, sanctions and approvals by any authority or institution, including but not limited to the bankers of the Company, as may be necessary, and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), and subject to any other alterations, modifications, conditions, changes and variations that may be decided by the Board in its absolute discretion, which may be agreed by the Company, the consent of the members of the Company be and is hereby accorded that only in the event of a default by the Company as defined in the lending covenants in respect of the financial assistance provided by the banks under corporate debt restructuring package as approved by the Corporate Debt Restructuring (CDR) Empowered Group under the CDR framework of the Reserve Bank of India; the lenders at their option exercisable in the manner as described under the said covenants, be and are hereby able to convert the outstanding facilities, in one or more tranches, into the shares in the share capital of the Company upon such terms and conditions as may be deemed appropriate by the Bank(s) and the Company at mutually accepted share pricing formula as applicable to the Company under the provisions of law."

"Resolved further that, on receipt of the notice of conversion, the Board be and is hereby authorised to discuss, negotiate, agree, issue and allot the requisite number of fully paid-up shares in the share capital of the Company and all the new shares to be issued and allotted in the manner aforesaid shall be subject to the Memorandum of Association and Articles of Association of the Company and the equity shares, if so allotted to the Bank(s), pursuant to its exercising the right of conversion shall rank pari-passu in all respects with the then existing equity shares of the Company."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**13. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:**

"Resolved that, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and the terms and conditions as approved by the Corporate Debt Restructuring (CDR) Empowered Group under the CDR framework of the Reserve Bank of India, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), and subject to any other alterations,



modifications, conditions, changes and variations that may be decided by the Board in its absolute discretion, to mortgage and/or charge all or any part of assets or immovable properties of the Company, wherever situated, both present and future, and/or whole or part of the undertaking(s) of the Company of every nature and kind whatsoever together with power to take over the management of the business and concern of the Company in certain events, to or in favour of Banks, Financial Institutions, any other lenders or debenture trustees to secure the amount(s) borrowed or to be borrowed by the Company from time to time for due repayment of the principal together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings upto an amount of ₹1600 crore (Rupees One Thousand Six Hundred Crore only) as described in the explanatory statement."

"Resolved further that, the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to do, perform and execute all such acts, deeds and things and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required on behalf of the Company and generally to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution."

**14. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-**

"Resolved that, in supersession to the earlier resolutions passed by the members of the Company in this regard, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, and subject to such other provisions as may be applicable from time to time, the consent of the members of the Company, be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee, which the Board may constitute to exercise its powers including the powers conferred by this resolution) to borrow money, from time to time at its discretion from any banks, financial institutions or any other lending institution/person(s), on such terms and conditions, as may be considered appropriate by the Board for the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, may exceed the aggregate of the paid-up share capital of the Company and its free reserves i.e., reserves not set apart for any specific purpose, from time to time; provided that the total amount up to which monies may be borrowed by the Company shall not exceed ₹1600 crore (Rupees One Thousand Six Hundred Crore only) in aggregate at any point of time as may be determined by the Board of Directors of the Company."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be deemed necessary, proper or expedient for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**15. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013 (the Act') as may be applicable from time to time, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee, which the Board may constitute to exercise its powers including the powers conferred by this resolution) to contribute, donate, subscribe and otherwise provide assistance from time to time to charitable, social, or any non-profit making organization, society, trust, or entities of related nature for taking up any programme/activities in the fields of education, health, clean water, social welfare, promotion of sports/culture or other charitable activities etc; not directly relating to the business of the Company any amount, upto a limit of ₹25 lacs (Rupees Twenty Five Lacs only) in a financial year, or five per cent of the average net profits of the Company, as determined in accordance with the provisions of the Act during the three financial years immediately preceding the financial year, whichever is greater."

"Resolved further that, the contribution, subscription, donation and/or assistance given and all acts done in terms of the above resolution by and with the authority of the Board of Directors be and are hereby confirmed and ratified."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be deemed necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**16. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:**

"Resolved that, pursuant to the provisions of Section 186 and any other applicable provisions of the Companies Act, 2013('the Act') and rules made there under, including any statutory modification(s) thereof for the time being in force and as may be enacted from time to time, and the provisions contained in the Memorandum and Articles of Association of the Company, and subject to such approvals, consents, sanctions and permissions, as may be necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to invest into/acquire the securities of any other bodies corporate including its subsidiary or associate companies by way of subscription, / purchase or otherwise, upto a sum of ₹500 crore (Rupees Five Hundred Crore only), notwithstanding that the aggregate of the investments so far made together with the investments to be made will exceed the limits as prescribed under the provisions of section 186 of the Act as applicable to the Company."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient and for matters

concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**17. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"Resolved that, pursuant to provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Meetings of Board and its Powers) Rules, 2014 and provisions of sub-regulation (1) & (4) read with sub-regulation (8) of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modifications or amendments or re-enactments thereof, for the time being in force) and such other provisions as may be applicable, the material related party contracts/ transactions/arrangements as detailed in the explanatory note of this notice and entered into by the Company with the related parties prior to the coming into effect of the aforesaid Listing Regulations on December 1, 2015, and which continue to be effective and binding on the related parties beyond the date of the notification of the said Listing Regulations, be and are hereby approved/confirmed/ratified by the members of the Company with liberty to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), to act as per the terms of the contacts/ arrangements/transactions and any such decision taken by the Board, at its absolute discretion, shall be binding on the Company."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**18. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of the members of the Company, be and is hereby accorded for the payment of remuneration of ₹1,98,000 (Rupee One Lakh Ninety Eight Thousand only) plus other out of pocket expenses to be incurred on the concerned assignment for the financial year 2016-17, as may be considered appropriate and approved by the Board, to Mr. Satnam Singh Saggi, Cost Accountant (Membership Number 10555), who has been re-appointed as the Cost Auditors for audit of the cost accounting records of the Company."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. Route map of the venue of the meeting is given below forming part of this Notice.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF. A Proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. A person shall not act as a Proxy for more than 50 members and hold in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person. Form No. MGT11 is annexed herewith.
4. Every member entitled to vote at the AGM of the Company can inspect the proxies lodged at the Company at any time during the business hours within a period beginning twenty four hours before the time fixed for the commencement of the AGM and ending at the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be provided to the Company.
5. Members are requested to hand over the signed Attendance Slip for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.
6. Proxies submitted on behalf of Corporate, Societies, etc. must be supported by an appropriate resolution/ authorisation, as applicable, to attend and vote at the AGM.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 20, 2016 to Monday, September 26, 2016 (both days inclusive).
8. Members holding shares in electronic form are, therefore requested to submit the Permanent Account Number to their Depository Participants with whom they are maintaining their demat accounts.
9. Electronic copy of the Annual Report along-with the process of e-voting and the Attendance slip and Proxy form is being sent to the members, whose e-mail addresses as registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent in the permitted mode.
10. Relevant documents referred to in this Notice are available for inspection at the Registered Office of the Company during business hours from 10:00 am to 5:30 pm on any working day up to one day prior to the date of the AGM and will also be available at the meeting venue on the date of meeting.
11. **Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.**
12. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section

72 of the Companies Act, 2013, are requested to fill up the prescribed form and send the same to the Company.

13. The e-voting shall remain open from 9:00 am on Thursday, September 22, 2016 upto 5:00 pm on Sunday, September 25, 2016. The instructions for members for voting electronically are as under:

**I. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**

- a. Open e-mail and open PDF file viz. "Simbhaoli Sugars Ltd-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
- c. Click on Shareholder-Login.
- d. Put user ID and password as initial password noted in step (i) above. Click Login.
- e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- g. Select "EVSU" of "Simbhaoli Sugars Limited".
- h. Now you are ready for remote e-voting as Cast Vote page opens.
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j. Upon confirmation, the message "Vote cast successfully" will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [amitguptacs@gmail.com](mailto:amitguptacs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**II. In case of Members receiving Physical copy of Notice of 5th Annual General Meeting (for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy)**

- a. Initial password is being sent through e-mail/physical delivery.
  - b. Please follow all steps from Sl. No. (b) To Sl. No. (i) Above, to cast vote.
- A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- B. If you are already registered with NSDL for remote e-voting

then you can use your existing user ID and password/PIN for casting your vote.

- C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Monday, September 19, 2016.
- E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, September 19, 2016, may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited.
- F. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- G. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- H. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- I. The Company has appointed Mr. Amit Gupta, (Practicing Company Secretary No. FCS-5478) as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- J. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members, who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- K. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- L. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.simbhaolisugars.com](http://www.simbhaolisugars.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the Stock Exchanges.

**By Order of the Board of Directors  
of Simbhaoli Sugars Limited**

**Kamal Samtani  
Company Secretary  
Membership No. FCS-5140**

Date : August 22, 2016  
Place : Noida



**STATEMENT OF MATERIAL FACTS ANNEXED TO THE NOTICE AS REQUIRED UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013 ('THE ACT')**

**Item No. 4**

The Board of Directors, have appointed Mr. Sanjay Tapriya as an Additional Director with effect from November 09, 2015 to hold office till the date of the forthcoming Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 (the Act) and Articles of Association of the Company. In terms of Section 152 and other applicable provisions of the Act, Mr. Sanjay Tapriya, being eligible, is proposed to be appointed as a Director of the Company, whose term of office shall be liable to retire by rotation. The Company has received a Notice in writing from a member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Tapriya, for the office of Director of the Company. His brief profile is given hereunder:

*Mr. Tapriya, aged 55 years, is a commerce graduate and the fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He holds an excellent academic record and has various merits and scholarships to his credit. He joined as the Company Secretary in 1986 and thereafter inducted on the Board of the Erstwhile Simbhaoli Sugars Limited as functional Director-Finance (CFO) in 2003. During his association, a number of business developments have taken place and their successful implementation has been the key to the growth of the Company.*

Presently, he has been acting as the Chief Executive Officer of Uniworld Sugars Private Limited, an associate company, under joint venture arrangement with E D & F Man Sugar Limited, United Kingdom. He is holding 2,422 equity shares in the share capital of the Company. The other details regarding, nature of his expertise in specific functional areas and names of companies in which he holds directorships and member/chairmanships of Board Committees, his shareholding details and relationship between directors are given under annexure A.

Mr. Tapriya has consented to act as a Director of the Company and in the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed there under for his appointment as a Director on the Board of the Company. Having regard to his qualifications, experience and knowledge, his appointment as a Director will be in the interest of the Company. The Explanatory Statement may be regarded as a disclosure under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is not related to the promoters, directors or Key Managerial Personnel of the Company.

Accordingly, resolution set out under item number 4 is recommended for approval of the members of the Company as an Ordinary Resolution.

None of the Promoters, Directors, Key Managerial personnel or their relatives, except Mr. Sanjay Tapriya, is concerned or interested, financially or otherwise, in passing of the aforesaid Resolution except to the extent of his shareholding as a member of the Company.

**Item No. 5**

The Board of Directors of the Company have appointed Mr. Sachchida Nand Misra as an additional director on the Board of the Company in pursuance to the Articles of Association of the Company with effect from November 09, 2015 to hold office till the date of the forthcoming Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 (the Act) and Articles

of Association of the Company and in respect of whom a notice in writing has been received from a member signifying his intention, alongwith the deposit of requisite amount, to propose him as a candidate for the office of director, whose period of office will be liable to retire by rotation.

Subsequently, on the recommendation of the Nomination and Remuneration Committee of the Board of Directors, the Board has resolved for the continuation of his appointment as the Chief Operating Officer (COO) of the Company after implementation of the Scheme of Amalgamation. Accordingly, he is proposed to be continued as the COO and a whole time director, for the period commencing from November 09, 2015 till the unexpired period of his appointment in Erstwhile Simbhaoli Sugars Limited i.e. upto October 7, 2018 on the same terms and conditions with liberty to the Board of Directors of the Company to increase the remuneration as they may deem fit within the permissible limits as prescribed under the provisions of the Act, and rules made thereunder. The brief profile, roles & responsibilities of Mr. Misra are as follows:

*Mr. Sachchida Nand Misra, aged 58 years, is B.Sc from Gorakhpur University, A.N.S.I. from National Sugar Institute, Kanpur. He worked in Simbhaoli Sugars Limited (SSL) for about 22 years and has left the Company as GM (Unit Head), and joined as Vice President (Project) at Bajaj Hindustan Ltd. Then, he joined as Executive President as group sugar technologist cum Unit head in Balrampur Chini Mill Group. He rejoined Erstwhile Simbhaoli Sugars Limited in 2013 as a whole time director on the Board of the Company.*

Presently, he has been acting as COO of the Company and is responsible for the implementation and achieving business plan directives, implementation of policy matters, boundary management, meeting statutory compliances, charting growth plans and to implement the decisions taken and appraising the Company's management on the operational and technical working of group companies from time to time.

He is holding 1,521 equity shares in the share capital of the Company. The other details regarding, nature of their expertise in specific functional areas and names of companies in which he hold directorships and member/chairmanships of Board Committees, shareholding and relationships between directors inter-se are given as annexure A.

Mr. Misra has consented to act as a Director of the Company and in the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as a whole time director of the Company. Having regard to his qualifications, experience and knowledge, his appointment will be in the interest of the Company. The Explanatory Statement may be regarded as a disclosure under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is not related to the promoters, directors or Key Managerial Personnel of the Company.

Accordingly, resolution set out under item number 5 is recommended for approval of the members of the Company as a Special Resolution.

None of the Promoters, Directors, Key Managerial personnel or their relatives, except Mr. Sachchida Nand Misra, is concerned or interested, financially or otherwise, in passing of the aforesaid Resolution except to the extent of his shareholding as member of the Company.

**Item No. 6, 7, 8, 9 and 10**

The Board of Directors of the Company, on the recommendation of Nomination and Remuneration Committee, have appointed Mr.

B K Goswami, Mr. S C Kumar, Mr. S K Ganguli, Justice C K Mahajan (Retd), and Lt Gen D S Sidhu (Retd) as independent directors on the Board of the Company. The provisions of newly enacted Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations) inter alia stipulates conditions to be completed by the Company for the appointment of independent directors. Mr. Goswami, Mr. Kumar, Mr. Ganguli, Justice Mahajan and Lt Gen Sidhu have given their respective consents to act as Directors and are not disqualified from being appointed as directors in terms of Section 164 of the Act. The Company has also received declarations from them that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act read with the relevant provisions under SEBI (LODR) Regulations.

The Board has appointed Mr. B K Goswami, Mr. S C Kumar, Mr. S K Ganguli, Justice C K Mahajan (Retd), and Lt Gen D S Sidhu (Retd) under Section 161(1) and Section 149 of the Act and the consent of the members of the Company is being sought to consider and approve their appointment for a period of 5 years from the dates of their respective appointments. The Company has received notices in writing from members along-with the deposit of requisite amount under the provisions of Section 160 of the Act proposing the candidatures of each of them for the office of directors of the Company.

They were Directors on the Board of Erstwhile Simbhaoli Sugars Limited. Further, Mr. Kumar and Mr. Ganguli, both were nominated on the Board of Simbhaoli Spirits Limited prior to the amalgamation as per the requirements of Act read with erstwhile clause 49 of the Listing Agreement with the stock exchanges. They have given declarations, that they meet the criteria of independence as provided in Section 149(6) of the Act and SEBI (LODR) Regulations.

Mr. Goswami, Mr. Kumar, Mr. Ganguli, Justice Mahajan and Lt Gen D S Sidhu fulfil the conditions for appointment as Independent Directors and they are independent of the management of the Company and/or subsidiary/associate companies.

Accordingly, it is proposed to consider Mr. Goswami, Mr. Kumar, Mr. Ganguli, Justice Mahajan and Lt Gen Sidhu as Independent Directors under Section 149 of the Act and rules made there under read with SEBI (LODR) Regulations to hold office for a period of 5 (five) consecutive years from the respective dates of their appointment.

Their Brief profiles, nature of their expertise in specific functional areas and names of companies in which they hold directorships and member/chairmanships of Board Committees, shareholding and relationships between directors inter-se are given as annexure A.

They do not have any material pecuniary relationship with the promoters, directors, Key Managerial Personnel and their relatives. They also do not have any inter se relationship among themselves.

Accordingly, resolutions set out under item numbers 6, 7, 8, 9 and 10 are recommended for approval of the members of the Company as the Ordinary Resolutions.

None of the Promoters, Directors, Key Managerial Personnel or their relatives except Mr. B K Goswami, Mr. S C Kumar, Mr. S K Ganguli, Justice C K Mahajan and Lt Gen D S Sidhu being interested in their respective resolutions, are in any way concerned or interested, financially or otherwise, in passing of these resolutions except to the extent of their shareholding as members of the Company.

#### Item No. 11

The Company has received approval from the Corporate Debt Restructuring (CDR) Empowered Group under the CDR framework of the Reserve Bank of India and obtained a provisional letter of approval from CDR Cell, for the financial restructuring of the debts with respective lenders of the Company. Accordingly, the Company would be able to meet out its financial obligations with the lenders under a restructured CDR package and can pay-off the liabilities over a period of time. Further, the sugar scenario has shown upward trend and average sugar price realization has improved with the change in sugar dynamics, in anticipation of the tightened supply and demand of sugar. The Board is confident that with improvement of the average sugar/ethanol realization in the current season, there is an improved outlook of the Uttar Pradesh sugar industry. The promoters have already agreed to infuse the funds in the Company as per the terms under the CDR arrangement with the lenders.

Hence, your directors have proposed to offer the securities of the Company for subscription to the existing equity shareholders of the Company on the rights basis so that the promoters and other existing members may also subscribe to the shares, being offered in the ratio as may be determined by the Board at a later stage. The offer document will be sent to those members who shall be entitled to subscribe the shares as on the record date to be announced by the Board in this regard. The additional funds to be raised through Rights Issue will be utilized in the manner as may be conducive to the business requirements. The additional measures are being taken for the revival of the Company and utilization of funds towards cane development/ management, better sugar yields/recoveries and repayment/ re-scheduling of long term loans with the fulfilment of the conditions under CDR directives. The overall productivity of the Company is also expected to improve, which will have a positive impact on the profitability in the coming sugar seasons.

Considering the financial position of the Company, and the difficulties being faced by the Company, infusion of fresh capital in a time bound manner is very critical for revival of the Company and with infusion of promoters' contribution as well by the subscription to the rights issue, the Company envisages coming out of the tight financial position.

The Companies Act, 2013 (the Act) along with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) prescribes the manner in which listed entities may raise further capital by way of Rights Issue pursuant to satisfaction of the conditions specified therein. Section 62 of the Act provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further equity shares, such further equity shares shall be offered to the existing shareholders of such Company in the manner laid down therein.

Therefore, it is proposed to create, offer, issue and allot equity shares to the then existing members as on the record date in the ratio to be determined by the Board on rights basis aggregating up to ₹100,00,00,000 (Rupees One Hundred Crore only) under the provisions of the Act read with the SEBI ICDR Regulations. The detailed terms and conditions of the issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts in accordance with the applicable provisions of the law.

Since, the pricing and other terms of the offering cannot be decided at present, an enabling resolution is proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the Rights Issue in accordance with the



SEBI (ICDR) Regulations as may be amended from time to time, and the cut-off/record date in this regard shall be the date on which the Board decides to open the issue of securities or such other time as may be permitted/allowed under applicable laws from time to time.

Since, the Resolution proposed under item number 11 of this notice may result in the issue of fresh equity shares of the Company to members and/or to persons other than members of the Company, consent of the members is being sought pursuant to the provisions of Section 62 and other applicable provisions of the Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the SEBI ICDR Regulations read with the Listing Agreements executed by the Company with the stock exchanges, where the equity shares of the Company are listed.

The Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot equity shares subject to availability of regulatory, bankers and lenders approvals, if any, to the existing equity shareholders or their renouncee(s), who may not be the members of the Company. The equity shares, if any, shall rank pari passu in all respects, including the right to dividend, with the then existing equity shares of the Company. The allotment of equity shares pursuant to the Resolution proposed under Item No. 11 shall be completed within such time as prescribed under the Act, read with SEBI ICDR Regulations and other applicable laws.

The Board recommends the resolution set forth under item number 11 for the approval of the members as an Ordinary Resolution.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in passing of the aforesaid resolution except to the extent of their shareholding as members of the Company.

#### Item No. 12

The Erstwhile Simbhaoli Sugars Limited (ESSL) had been availing financial assistance, from the lenders for the business requirements of the Company. With the implementation of the Scheme of Amalgamation, all the liabilities have been transferred to the Company. In addition, the proposal for business restructuring and debt realignment of the Company have been approved by the Corporate Debt Restructuring (CDR) Empowered Group and a rework package has been agreed to with the lenders of the Company.

One of the conditions of CDR Rework Package is that for the grant of above said facilities, the Company shall convert its loan into equity as and when required, at a mutually acceptable formula, and in the event of default by the Company under the lending arrangements, the Bank/ Financial Institution(s) and other lenders may be entitled to exercise the option to convert whole or part of their outstanding facilities into the share capital of the Company at a price to be determined in accordance with the applicable provisions under the Companies Act, 2013 (the Act) read with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) at the time of such conversion.

The proposed resolution is an enabling resolution under the provisions of the Section 62(3) and other applicable provisions of the Act which provides that in the event of default or upon exercise of an option provided under the lending arrangements in the facility agreements, the banks may subscribe to the share capital by conversion of their outstanding facilities subject to the compliance of the relevant provisions of laws as may be applicable to the Company from time to time.

The Board recommends the resolution set forth under item number 12 for the approval of the members as a Special Resolution.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in passing of the aforesaid resolution except to the extent of their shareholding as members of the Company.

#### Item No. 13

The Company has received approval from the Corporate Debt Restructuring (CDR) Empowered Group under the CDR framework of the Reserve Bank of India and obtained a provisional letter of approval from CDR Cell, for the financial restructuring of the debt structure with respective lenders of the Company. Further, pursuant to the Order of Hon'ble High Court of Judicature at Allahabad sanctioning the Scheme of Amalgamation between Erstwhile Simbhaoli Sugars Limited with Simbhaoli Spirits Limited (name changed to Simbhaoli Sugars Limited) under the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, all the immovable properties, assets and rights in the immovable properties of the Amalgamating Company and all documents of title, rights and easements in relation thereto have been transferred to and vested in the Amalgamated Company, as a going concern effective from the appointed date i.e. April 1, 2015, 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 thereof arising out of liabilities transferred to the Amalgamated Company.

Therefore, the Transferee 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 fresh loan covenants entered into with the lenders. The details of the borrowings as per CDR letter of approval are as follows:

(Amt in ₹ crore)

S. No	Name of the Bank	Total Loan
1	State Bank of India	141.62
2	Bank of Baroda	47.05
3	Punjab National Bank	120.09
4	State Bank of Patiala	29.3
5	Exim Bank	10.18
6	ICICI Bank Ltd.	24.95
7	State Bank of Bikaner & Jaipur	12.25
	<b>Total</b>	<b>385.44</b>

In addition, your directors are also in discussions with the agri-lenders for the conversion of financial facilities into term loans, which may also be secured by way of creation of mortgages/ charges on the immovable assets of the Company.

Further, the Company has also proposed fresh borrowings with the lenders for the working capital requirements in the form of cash credit, overdraft and other short term borrowings which may also be secured by way of creation of mortgage/charges on the immovable properties of the Company.

The Company also has taken the facilities from sugar development fund of Ministry of Consumer Affairs, and those facilities shall also be secured by way of mortgage/charge on the immovable properties of the Company.

Hence, as per the provisions of Section 180(1)(a) of the Companies Act, 2013, the Company is required to create the

mortgage over its immovable properties by way of creation of charge, hypothecation, lien, pledge etc. for the purposes of securing the loan/credit facilities extended by all the lenders to secure their facilities granted the Company. Further, upon occurrence of default under the relevant Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights to sell/disposal thereof, creation of charges as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company.

Therefore, in compliance with the provisions as applicable to the Company, it is required to authorise the Board of Directors of the Company to create mortgage/charges on immovable properties comprising of the land and other assets/undertakings of the Company to secure long term and short term borrowings upto a limit of ₹1600 crore at any point of time as may be determined by the Board in the best interest of the Company.

Accordingly, the Board recommends the resolution set forth under item number 13 for the approval of the members as a Special Resolution.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in passing of the aforesaid resolution except to the extent of their shareholding as members of the Company.

#### Item No. 14

The Company has expanded its capacities during last one decade with the implementation of growth plan under the UP sugar incentive policy 2004-2008 (since withdrawn) in sugar, alcohol and power segments. In order to complete the means of finance, the Company has taken long and short term borrowings from the Banks/financial institutions.

In this regard, the Company has passed a resolution under the provisions of Section 180(1)(c) of the Companies Act, 2013 at the 77th Annual General Meeting of the members of the Erstwhile Simbhaoli Sugars Limited held on Tuesday, December 23, 2014 and at 4th Annual General Meeting of the members of Simbhaoli Spirits Limited held on Wednesday, September 30, 2015 regarding the borrowing powers, to authorize the Board of Directors of the Company to borrow monies, from time to time, for the business of the Company notwithstanding that the money to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, will exceed the aggregate of paid-up share capital of the Company and its free reserves provided that the total amount of monies borrowed at any time, shall not exceed ₹1600 crore in aggregate at any point of time as may be determined by the Board of Directors of the Company."

A fresh resolution under the provisions of Section 180(1)(c) of the said Act in the amalgamated company after the implementation of the Scheme of Amalgamation empowering the Board of Directors of the Company is required to be passed by the members of the Company.

Accordingly, the Board recommends the resolution set forth under item number 14 for the approval of the members of the Company as a Special Resolution.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in passing of the aforesaid resolution.

#### Item No. 15

The Company has been making contribution by donating/promoting/sponsoring from time to time to the charitable, social, or any non-profit making organization, society, trust, or entities of related nature for taking up any programme/activities in the fields of education, health, clean water, social welfare, promotion of sports/cultural activities etc; not directly related to the business of the Company or the welfare of its employees. In addition, the Company shall also undertake the Corporate Social Responsibilities (CSR) in the manner as may be prescribed, from time to time.

The Company is disseminating information on its CSR policies, activities and progress to all the stakeholders and the public at large through, annual reports, and other communication medium. Further, the details of Company's CSR activities are also available at the website of the Company.

Pursuant to the provisions of Section 181 of the Act, approval of the members is being sought for contribution to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amount the aggregate of which, in any financial year, upto ₹25 lacs (Rupees Twenty Five Lacs only) or five per cent of the average net profits of the Company as determined in accordance with the provisions of Section 181 of the Act during the three financial years immediately preceding the financial year, whichever is greater.

Accordingly, the resolution set forth under item number 15 is recommended for approval of the members of the Company as an Ordinary Resolution.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in passing of the aforesaid resolution.

#### Item No. 16

In pursuance to the Scheme, the Investments made by the Erstwhile Simbhaoli Sugars Limited (ESSL) in the share capital of the subsidiary/associate companies shall continue to be invested in the amalgamated company in the manner as has been stated in Schedule 3.10 of the financial statements as on March 31, 2016. Further, in order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, your directors also propose to make use of the same by making investments in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other bodies corporate as and when required in the best interest of the Company.

Accordingly, the consent of the members of the Company is being sought by way of an enabling resolution for an amount not exceeding ₹500 crore (Rupees Five Hundred Crore only), outstanding at any point of time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under the provisions of Section 186 of the Companies Act, 2013 and rules made there under.

Accordingly, the Board recommends the resolution as set forth under item number 16 for the approval of the members as a Special Resolution.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in passing of the aforesaid resolution except to the extent of their shareholding as members of the Company.

#### Item No. 17

Simbhaoli Power Private Limited (SPPL) is a 51:49 joint venture between Simbhaoli Sugars Limited (SSL) and Sindicatum Captive

Energy Singapore Pte Limited (SCES) and is currently operating 100 MW bagasse based power generation capacity (62 MW at Simbhaoli, District Hapur and 38 MW at Chilwaria, District Bahraich, both in UP). These power units are located within the premises of the respective sugar plants of SSL viz. Simbhaoli and Chilwaria. Power generated from these two power plants is supplied to the sugar plants of SSL on priority basis for captive consumption under the provisions of the Electricity Act, 2003 and other applicable provisions. The surplus power, if available, is being supplied to state local grid under the long term Power Purchase Agreements (PPA) executed with Uttar Pradesh Power Corporation Limited (UPPCL).

Earlier, during the year 2013, the Erstwhile Simbhaoli Sugars Limited (ESSL) had hived-off the power businesses at unit Simbhaoli and Chilwaria to SPPL by way of respective Business Transfer Agreements (BTA). Since, the ESSL has been providing the bagasse, a basic raw material for conversion into the power, the long term contracts/arrangements have been executed with SPPL for running the cogeneration based power plants at optimum capacities. In addition, the ESSL was also providing the management services and the contracts towards provisions for infrastructure facilities etc have also been executed being the inter-connection of the plants at the same premises.

Further, ESSL was also providing necessary services as an advisor to maintain the power plants and suggestive measures to be taken for improvement. SPPL, being a 51% subsidiary Company, is a 'Related Party' within the meaning of section 2(76) of the Companies Act, 2013 read with regulation 2(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Listing Regulations) and contracts/ transactions/arrangements with SPPL are related party transactions.

The same contracts have been carried forward to the Company under the Scheme of Amalgamation as sanctioned by the Hon'ble High Court of Judicature at Allahabad. The material related party transactions or arrangements were entered into by the Company with the related parties prior to the coming into effect of the Listing Regulations on December 1, 2015. Since, the material related party transactions as referred herein above continue to be effective and binding on the related parties beyond the date of the notification of the said Listing Regulations, and are long term in nature, the same is required to be approved, confirmed, and ratified by the members of the Company.

Further, any material related party transaction, i.e. a transaction which individually or together with previous transactions in a given financial year, above certain limits, with a related party, requires the approval of the members of the Company by way of a special resolution.

The details of said Related Party Transactions with SPPL are given here

(₹ in Lacs)

Nature of contracts/arrangements /transactions	Monetary value of transactions during year ended at March 31, 2016
Sale of finished goods	1,104.24
Expenses recovered	66.01
Management fees charged	362.84
Expenses Paid	656.06

*Complete details of the transactions with SPPL have also been mentioned in Schedule 10 of the Financial Statements forming part of this Annual Report.*

Accordingly, the Board recommends the resolution as set out under item number 17 for approval by the members as a Special Resolution.

None of the promoters, directors, key managerial personnel or their relatives are in any way concerned or interested, financially or otherwise, in passing of the aforesaid resolutions except Mr. Gurmit Singh Mann, Ms. Gursimran Kaur Mann, Mr. Gural Singh, Mr. Sanjay Tapriya and Mr. S C Kumar are common directors on the Board of SSL and SPPL and they, except Mr. Kumar, are having shareholding interest in Simbhaoli Sugars Limited.

#### Item No. 18

The Board of Directors, had approved the appointment of M/s. Satnam Singh Saggu, Cost Auditor (Membership No.10555), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending March 31, 2017, at a remuneration of ₹1,98,000 (Rupees One Lac Ninety Eight Thousand only) excluding service tax plus reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditor is required to be ratified by the members of the Company.

Therefore, consent of the members is being sought for approving and ratification of appointment and the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

Accordingly, resolution set out under item number 18 is recommended for approval of the members of the Company as an Ordinary Resolution.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in passing of the resolution.

**By Order of the Board of Directors  
of Simbhaoli Sugars Limited**

Place : Noida  
Date : August 22, 2016

**Kamal Samtani  
Company Secretary  
Membership No. FCS-5140**

## Annexure- A

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015)

Name of the Directors	Mr. Sanjay Tapriya	Mr. S N Misra	Mr. B K Goswami	Mr. S C Kumar	Justice (Retd.) C K Mahajan	Mr. S K Ganguli	Lt Gen D S Sidhu, PVSM, AVSM, VSM (Retd)
Date of Birth	June 27, 1961	July 1, 1958	Jan. 29, 1935	May 04, 1943	May 31, 1943	Dec. 21, 1938	Oct. 26, 1952
Age	55	58	81	73	73	77	63
Date of Appointment	Nov. 9, 2015	Nov. 9, 2015	Nov. 9, 2015	Feb. 12, 2013	Nov. 09, 2015	Aug. 11, 2015	Dec. 03, 2015
Relationship with Directors and KMP	None	None	None	None	None	None	None
Expertise	Mr. Tapriya is a commerce graduate and the fellow members of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.	Mr. Sachchida Nand Misra, is B.Sc from Gorakhpur University, A.N.S.I. from National Sugar Institute, Kanpur.	Mr. Goswami is a Senior Retired IAS Officer. He joined Indian Administrative Services in 1960. Mr. Goswami has held prestigious positions in various Government Departments.	Mr. Kumar is a bank professional and has over 42 years of experience in commercial and development of banking/project financing.	Justice Mahajan is a retired Judge of the Delhi High Court and has vast experience in law and justice. He has also been appointed as Chairperson/ President of various Committees and act as Arbitrator in several matters.	Mr. Ganguli is a commerce graduate and qualified chartered accountant, who has been in the accounting and audit profession for last 45 years.	Lt Gen Sidhu is retired from Indian Army and has been presently serving as an administrative member of Chandigarh regional bench of Armed Forces Tribunal.
Qualification	B.Com, FCA, FCS	B. Sc, ANSI	IAS, M.A. (English)	FCMA, Diploma in Mechanical Engineering	M.A.L.L.B	FCA	M.sc, M. Phil
Board Membership of other listed companies as on March 31, 2016	-	-	-Jai Prakash Associates Limited - Jaypee Infratech Limited - B & A Ltd	- DCM Shriram Industries Limited	- B L Kashyap and Sons Limited	-	-
<b>Chairman/ Member of the Committee of the Board of Directors as on March 31, 2016</b>							
Audit Committee	-Uniworld Sugars Pvt Limited	-	-Jai Prakash Associates Limited - Jaypee Infratech Limited - B & A Ltd	- Simbhaoli Power (P) Limited - DCM Shriram Industries Limited	- B L K Lifestyle limited - B L Kashyap and Sons Limited	- Dee Development Engineers Limited	-
Stakeholders Relationship Committee	-	-	-	-	-B L Kashyap and Sons Limited	-	-
Nomination and Remuneration Committee	-	-	- Jai Prakash Associates Limited	- Simbhaoli Power Pvt Limited - DCM Shriram Industries Limited	-	-	-
Other Committee	- Simbhaoli Power Pvt Ltd - Uniworld Sugars Pvt Limited	-	- Jaypee Infratech Limited - Jai Prakash Associates Limited	-	-	-	-
Number of Shares held in Company as on March 31, 2016	2,422	1,521	Nil	Nil	422	585	963

### Information under clause 1 (B) of Section II of Part II of the Schedule V to the Act

#### I. GENERAL INFORMATION:

##### (1) Nature of industry

Nature of Industry is manufacturing and marketing of sugar, alcohol, bio fuel, bio power and their allied products.

##### (2) Financial performance based on given indicators

The Uttar Pradesh based sugar companies have been facing financial difficulties on account of high sugar cane prices, lower realization of sugar and high finance costs during the last 3-4 years. Business of the Companies, mainly pertaining to the sugar segment, has been incurring cash losses leading to erosion of its net-worth and current liabilities were higher than the current assets. To overcome the situation, in previous years, the Company has taken and implemented a number of measures, including business and financial restructuring of its business divisions for de-risking the businesses and improving financial position. At the end of the 2013-14 crushing season, the Hon'ble High Court of Judicature at Allahabad, directed the State to take action against the sugar mills for recovery of the outstanding

cane dues as statutory liabilities, and under directions of the Court, the State administration took control over the sugar stocks, forced the sugar mills to sell the sugar and initiated multiple coercive actions. Accordingly, large quantities of sugar stocks have been sold as per the instructions of the State, which has led to crash in sugar prices and continuation of cane arrears successively.

The Company has taken various steps to improve its financial position by adopting certain cost cutting measures, manpower planning diversification of business activities and change in the management approach to run the business in most efficient manner. Other costs have also been brought down in all the sections across the Company. In spite of the difficulties being faced, the Company has paid the entire sugar cane dues for the sugar season 2013-14.

##### (3) Foreign investments or collaborations, if any.

The following are the foreign investments or collaborations/ joint ventures of the Company:

- Simbhaoli Power Private Limited (SPL) is a 51% subsidiary, with a joint venture (JV) with Sindicatum Captive Energy



Singapore Pte Limited (SCES). During the financial year 2015-16, the entire outstanding BTA consideration has been discharged as stipulated in the Joint Venture Agreement. During the year, the power expansion project of Simbhaoli cogeneration plant by 28 mw from existing 34 mw to 62 mw has been completed. Now, total power generation capacity of SPPL has reached to 100 mwh.

- ii. Uniworld Sugars Private Limited (USPL) is a joint venture company between Simbhaoli Sugars Limited and ED&F Man Sugar Ltd, England, UK, having a 1,000 tpd (300,000 mt per annum) capacity sugar refinery near Kandla Port, Gujarat. The share capital has been subscribed equally by the Company and ED & F Man, UK along with their affiliates. The refinery started commercial operations and is producing the international quality sugars for export. Quality has been consistent and appreciated in overseas market and Brand Tiger has been introduced.
- ii. Simbhaoli Global Commodities DMCC, Dubai, is the wholly owned subsidiary. During the year, there has not been significant business operations.

## II. Information about the proposed appointees:

### Background details

Mr. S N Misra is the Chief Operative Officer of the Company. His profile has been described in the explanatory note.

### Past remuneration

During the year 2015-16, Mr. Misra has been paid a remuneration of ₹163,328 per month and other emoluments, benefits and the perquisites effective from July 1, 2015, as per service rules of the Company, with such increments as may be decided by the Board of Directors of the Company from time to time.

He has not been issued any stock option/sweat equity shares and no commission, in any manner, is being paid to him. The remuneration being paid to him is within the limit as prescribed under the provisions of Schedule V to the Companies Act, 2013.

### Job profile and suitability

The job profile in brief has been described in the explanatory note.

### Remuneration proposed

The remuneration has been proposed as per the respective resolutions within the permissible limits under the relevant provisions of the Companies Act 2013.

### Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The remuneration proposed is the minimum under the applicable provisions under the laws and is not directly comparable with any other key managerial personnel working with any company of similar size and repute. The proposed remuneration is in line with the remuneration being paid to him in past and also commensurate with the size of the Company, and the position of the person.

### Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr Misra has no pecuniary relationship, directly or indirectly with the Company, or relationship with any other managerial personnel of the Company except as disclosed in the explanatory note of the respective item.

## III. Other information:

**Reasons of loss or inadequate profits:** Over the last few years the Uttar Pradesh based sugar companies have been facing financial difficulties on account of high sugar cane prices,

low realization of sugar and high finance cost. The critical situation has placed new challenges for the Company. Now, with various financial and other measures, the Company has successfully amalgamated the sugar and alcohol businesses in a consolidated entity with an objective to improve cost efficiencies and synergies which may also add value to the business operations of the Company. Simbhaoli Sugars has been affected by the sharp Industry downturn, however the Company has been operating in an efficient manner.

The operations of the distillery of Simbhaoli Spirits Limited were discontinued as per the directions given by Hon'ble National Green Tribunal since February 2014. Moreover, a penalty of ₹5 crore was also imposed on the Company. During the year 2014-15 and part of 2015-16, there was no business operations, and production in Simbhaoli Spirits Limited.

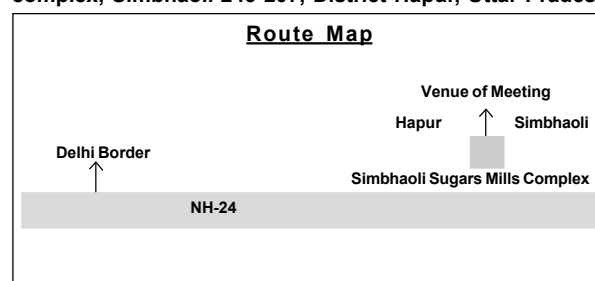
The Company has invested in Simbhaoli Power Pvt Ltd and Uniworld Sugars Private Limited under joint venture arrangements which are going through expansion that requires further investments for capital expenditure. There is a delay in deriving the projected returns from these subsidiary/associate companies.

### Steps taken or proposed to be taken for improvement:

The Company runs an extensive cane development programme in the command area of its sugar units for achieving sustainability in the raw material quantity and quality. This programme is aimed at co-creating and sharing with farmers through a sustainable boost in farm productivity, which translates into increased revenue for farmers, and increased sugar recovery, which directly reduce the Company's cost of production. A multi-cropping system is introduced in most of the command areas and the Company is acting as facilitator throughout the entire crop cycle for multiple crops, encouraging farmers to cultivate sugarcane with other crops which will improve revenue for farmers. These initiatives are more sustainable and environmentally friendly.

**Expected increase in productivity and profits in measurable terms.** The Scheme of Amalgamation has been implemented as a part of the business restructuring, which will un-lock the value of the business segments and improve the overall business valuations. The gross turnover of the Company is ₹785.64 crore and consolidated to the group is ₹1107.07 crore as per audited accounts as on March 31, 2016. The improvement in margins through cost cutting and expected increase in the sugar realizations will result in the improved profitability over a period of time. The projected result from the subsidiary/associate companies may also be realised once, there companies start at the optimum capacities and unlocking their values. With the above measures, the Company is confident to turn around and achieve positive margins in future.

**Route Map of the venue of the 5th Annual General Meeting of the Company scheduled to be held on Monday, September 26, 2016 at 10:00 AM at Registered Office of the Company at Officers Club, sugar mill complex, Simbhaoli-245 207, District Hapur, Uttar Pradesh**





## CHAIRMAN'S MESSAGE



**Dear Stakeholders,**

Financial year 2015-16 provided us a much-needed glimmer of hope. Signs of the beginning of the cyclical turnaround of the industry, timely policy decisions by the Government and significant operational and financial improvements in the Company have collectively driven this turnaround.

Sugar is a cyclical business and this past year represented the beginning of an upward turn in the cycle. Sugar production in India in the sugar year 2015-16 stood at 25.1 mmt, down by 11.30% from a year ago. The domestic sugar industry has started showing signs of improvement with sugar prices moving upwards from January 2016 onwards.

On the policy front, the Central and UP State Governments introduced key policy initiatives such as the imposition of 40% import duty on sugar, production subsidy of ₹4.50 per quintal of cane crushed on compulsory export, UP State subsidy of ₹28.60 per quintal directly to the farmers for the sugarcane they supplied to mills during the 2014-15 crushing season, raising the ethanol blend percentage from 5 to 10%, achieving 5% implementation of the Ethanol blending program for the first time, removal of excise

duty on ethanol supply and other such measures.

Internally, we went back to the basics and were laser focused on our core competencies, namely, our expertise in conversion of sugarcane into high-quality products and other by-products for industrial consumers and end users. Improving asset utilization by production of high quality premium range sugar and conversion of alcohol into ethanol for supplying to the oil marketing companies was the prime focus of our business operations.

People ultimately are at the core of any major change or successful turnaround. Your Company has therefore been continuously working on inculcating a culture of multi-tasking, training, skill development and mentoring to ensure a committed and motivated workforce, in addition to achieving significant man-power rationalization.

We have been following a very focused and consolidated approach to make best use of this changing business scenario. Key initiatives in this direction taken in the previous year were:

1. Improvement in the operational efficiencies comprising of the increase in recovery, and optimum utilization of capacities in the mix of sugar, power and alcohol segments.
2. Approval of the Scheme of Amalgamation as sanctioned by the Hon'ble High Court of Judicature at Allahabad.
3. Approval of the Debt Realignment Scheme with the lenders of the Company to restructure the outstanding liabilities under the Corporate Debt Restructuring arrangement (Implementation under process).
4. Consent from the Pollution Control Boards to resume the operations of Simbhaoli distillery after compliance of the order passed by Hon'ble National Green Tribunal.
5. Completion of expansion projects with power generation capacities to 100 MWH in the subsidiary company viz. Simbhaoli Power Private Limited.

In the coming year, your directors are confident of further improving its financial situation. We continue to believe that the long-term solution to the problem is establishing linkage between the sugarcane and sugar price as recommended by the Rangarajan Committee in 2012 with the inputs of all stakeholders. The Government's early implementation of the aforesaid recommendations is critical to this industry's sustainable financial success.

Going forward, our goal is to become the most operationally efficient player in the industry, complete our ongoing financial de-leveraging efforts, continue to bring together the best team of professionals and technologists and focus on delivering shareholders value over the long term.

With Best Wishes

Date : August 22, 2016  
Place : New Delhi

Gurmit Singh Mann  
Chairperson  
(DIN - 00066653)

## BOARDS' REPORT

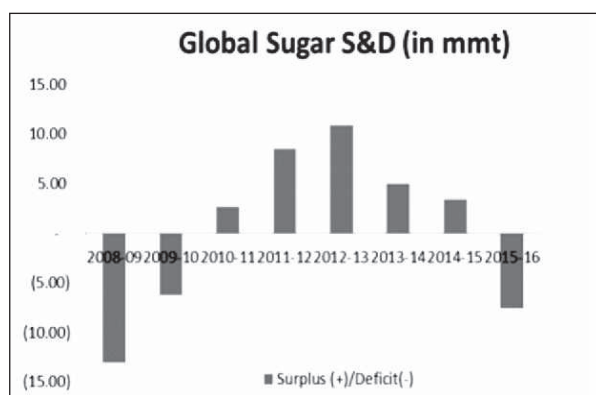
### To the members of Simbhaoli Sugars Limited

Your directors have pleasure in placing the fifth Boards' report together with management discussion and analysis report for the financial year ended on March 31, 2016.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### International Sugar Industry

Global sugar balance is expected to enter into a sizable deficit of 7.6 million metric tons (mmt) in 2015-16 season, after 5 years of consecutive surplus. Sugar production globally has stagnated in the recent years with reduction in Brazil, India, the European Union, and Ukraine more than offsetting gains in Australia, Russia, and Turkey. On the other hand, sugar consumption is seen rising 1.5% per year in 2015 and 2016.



During the year 2015-16, in Thailand and India, sugarcane production was hit by dry weather, which is associated with the El Nino effect. Thai sugar production may reach to an aggregate 10.0 mmt in 2015-16 season, which is 11.5 per cent lower than record 11.3 mmt of sugar produced in the 2014-15 season. Indian production is also being seen lower by 3.2 mmt to 25.1 mmt playing a pivotal role in influencing the global market. Adverse weather conditions triggered production downgrades for China with total output now expected at 9.4 mmt.

Sugar prices in New York have rebounded by nearly 43% since reaching a seven-year low in August 2015, after El Nino cut the sucrose contents in sugar cane grown in Brazil as well as yields in Thailand and India.



#### Domestic Sugar Industry Scenario

India, the world's biggest consumer of sugar, is likely to produce 25.1mmt of the sweetener in the 2015-16 sugar

year ending on September 30, down 11.3% from a year ago. A few sugar mills were continuing their crushing operations, while most of the sugar mills have closed the operations in April 2016. The Country's sugar production data is given hereunder:

(fig. in mmt)

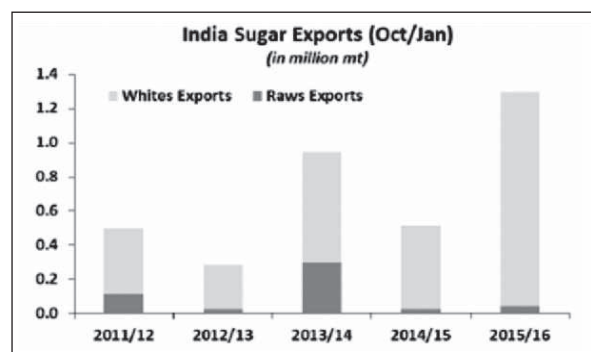
Particulars /Sugar Year	2014-15 (P)	2015-16 (E)	Change %
Opening Stock as on 1st Oct	7.5	9.1	21.3
Production during the Season	28.3	25.1	-11.3
Imports	-	-	-
<b>Total Availability</b>	<b>35.8</b>	<b>34.2</b>	<b>-4.5</b>
Consumption	25.6	25.6	-
Exports	1.1	1.5	36.4
<b>Closing Stock as on 30th Sept</b>	<b>9.1</b>	<b>7.1</b>	<b>-22.0</b>
Stock as % of Off-taker	35.5	27.7	-7.8

Source: ISMA estimates

Considering the number of sugar mills, which are in operation as on April 30, 2016, and cane availability in these states, sugar production in the current season is expected to be just above 25.1 mmt by the end of September 2016. However, with the carry forward of 9.1 mmt from previous season and estimated domestic consumption of 25.6 mmt and exports of 1.5 mmt, sugar mills would have a carry-over stock of 7.1 mmt at the end of the current season. Hence, the Indian sugar industry has been turning around with effect from the second half of FY 2015-16 with increase in sugar prices and lower cost of production due to higher sugar recovery in U.P., where the sugar mills have produced 6.8 mmt till April 30, 2016 as compared to 7.0 mmt last year.

Maharashtra/Karnataka (high yield states) received below normal rains in 2015 with consequent yield losses in sugar production. Maharashtra mills produced 8.4 mmt of sugar till April 30, 2016 as compared to 10.4 mmt last year and Karnataka mills produced 4.0 mmt compared to 4.8 mmt last year.

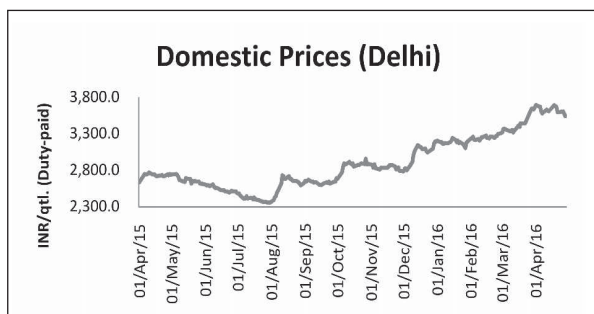
Government of India notified MIEQ (Minimum Indicative Export Quota) of 3.2 mmt to be exported during 2015-16 sugar season. Against this, 1.44 mmt of sugar have been exported till April, 2016. Since, sugar prices in the domestic market have improved and exports from India at the current global prices are not viable, it is expected that total export for the current season will be 1.5 mmt.



#### Price Trend

A mix of factors, such as better recoveries, government's mandatory export quota, successful ethanol blending programme and lower production forecast for the next season have led to better business prospects for the sugar

industry and improvement in domestic prices starting from January, 2016.



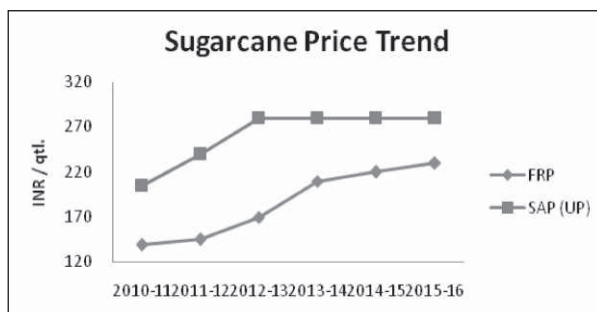
The drier than normal weather conditions seen so far in 2016, although positive for the progress of the harvest, is exacerbating water shortages (particularly in central/western regions) with potential negative impact on new crop planting. The projected fall in output by 8-10% in next season will reduce the sugar stock, which may result in the improvement and a constant demand for consumption, of sugar prices in subsequent year.

#### Sugarcane

The fair and remunerative price (FRP) of sugarcane for sugar season 2015-16 is fixed at ₹230 per quintal, linked to basic recovery at the rate of 9.5%, subject to premium of ₹2.42 per qtl. for every 0.1 percentage point increase in recovery above that level.

Major producers such as Uttar Pradesh, Tamilnadu, Haryana, Punjab and Uttarakhand continued with their sugarcane pricing policies as per the past practices of announcing State Advised Prices (SAPs), whereas states like Maharashtra and Karnataka are considering rationalization of their sugarcane pricing by linking it to the sugar prices.

As compared to the cane price arrears of 2015-16 sugar season of over ₹21,800 crore as on April 2015 last year, cane price arrears during the current season are lower at about ₹13,300 crore. With the improvement in domestic market, it is expected that cane price payments to the farmers will improve and arrears will come down substantially further in the next few months.



As per the agriculture ministry's second advance estimates, sugarcane production is estimated to decline to 346.39 mmt in 2015-16 crop year (July-June), which is lower by 15.95 million tonnes than its production during 2014-15. This is primarily due to deficient monsoon rainfall during Kharif crops and Rabi crops due to shortage of water in reservoirs and relatively warmer winter.

#### Domestic Ethanol Industry

Government decided to boost ethanol production by making 10% mandatory blending with petrol from October 2015. To

boost the supply, Government replaced procurement of ethanol based on a benchmark price decided by Oil Marketing Companies (OMCs) by a new mechanism of uniform price of ethanol declared for each sugar year. The delivered price of ethanol has been fixed in the range of ₹48.50 to ₹49.50 per litre, depending upon the distance of sugar mill from the depot/installation of the OMCs. The government has removed the excise duty on ethanol supplied for blending for 2015-16 onward. This would increase in net realization by around ₹5/litre of ethanol.

The total quantity of ethanol procured by the OMCs for the sugar season 2014-15 (December 2014 to November 2015) is approx. 67 crore litres. This is against the contracted quantity of 80 crore litres, which works to 82.5% and the country achieved 2.5% ethanol blending with petrol.

During the current season 2015-16 (till November 2016), OMCs have finalised total ethanol quantity of 135 crore litres against the total requirement of 265 crore litres to meet the 10% blending. It means that the country will be able to achieve 5% blending for the first time in the history of ethanol blending with petrol programme.

#### Government Policies

Policy related decisions taken during the year under review are:

**April 2015:** In order to improve the price sentiments relating to sugar, the Government decided to take the following steps:

- The duty on import of sugar under the Open General License (OGL) is increased from 25 to 40%.
- The Duty Free Import Authorization Scheme (DFIA), for sugar is withdrawn to prevent flow of sugar made from such duty free imports in the domestic markets.
- The period for discharging export obligations under the Advanced Authorization Scheme for sugar is reduced to six months.
- Removal of excise duty on ethanol supplied for blending, which was exempted and the price benefit is passed on to the sugar mills/distilleries.

**June 2015:** Provisions for the assistance from banks as soft loans to the extent of ₹6000 crore to the sugar industry with a one year moratorium towards clearance of arrears of cane dues, to those units, which have cleared at least 50 percent of their outstanding arrears before June 30, 2015.

**September 2015:** Notification for factory-wise allocation of 40 lac tons of sugar for exports during 2015-16 sugar season.

**December 2015:** Production subsidy at the rate of ₹4.50 per quintal of cane crushed to offset cane cost, which shall be paid directly to the farmers on behalf of the mills and be adjusted against the cane price payable to them towards FRP including arrears relating to previous years. This incentive will be available to those mills, which have exported at least 80% of the targets notified under the MIEQ and in case of mills having distillation capacities to produce ethanol have achieved 80% of the targets notified by the Department under the Ethanol Blending Programme (EBP).

**April 2016:** States are allowed to impose and enforce stock limits to check the price rise in sugar to regulate supply, distribution, storage and trade of sugar, which may bring down sugar prices to reasonable levels.

#### Business description: Operating capacities

Simbhaoli group has three sugar complexes located at Simbhaoli (Western Uttar Pradesh), Chilwaria (Eastern Uttar

Pradesh) and Brijnathpur (Western Uttar Pradesh), having an aggregate sugarcane crushing capacity of 19,500 tons crushed per day (TCD) including a refining capacity of 2,000 tons per day (TPD) for raw sugar processing. Interchangeable with cane crushing capacities while, the sugarcane is not available during off seasons.

Facilities	Cane Sugar (tcd)	Alcohol/ ethanol (kld)	Power (mwh)	Bio-manure (mmt/day)
Simbhaoli (Western UP)	9,500	90	38 <sup>s</sup>	17
Brijnathpur (Western UP)	4,000	60	8	9
Chilwaria (Eastern UP)	6,000	60	62 <sup>s</sup>	9
<b>Total</b>	<b>19,500</b>	<b>210</b>	<b>108</b>	<b>35</b>

<sup>s</sup> Simbhaoli Power Private Limited, subsidiary company

The sugar business is integrated with alcohol and power. The power co-generation units of SPPL located within the Simbhaoli and Chilwaria complexes and capable to generate bio-mass based power aggregating 100 mwh for supplying the power for the captive consumption of the sugar plants and sale of surplus power to the UP State grid under the power purchase agreements.

### Business Restructuring and Scheme of Amalgamation

The Scheme of Amalgamation between erstwhile Simbhaoli Sugars Limited ('Amalgamating Company' or 'ESSL') and Simbhaoli Spirits Limited ('Amalgamated Company' or 'the Company' or 'SSL') and their respective shareholders and creditors under Section 391 to 394 of the Companies Act, 1956 ('the Scheme') was sanctioned by Hon'ble High Court of Judicature at Allahabad pursuant to its order dated October 15, 2015 ('Order'). The Order was filed with the Registrar of Companies, Uttar Pradesh Kanpur, and then the Scheme became effective on November 13, 2015 with effect from the appointed date, being April 1, 2015 and consequent thereto, the entire business undertakings of ESSL, stand transferred to and vested in the SSL, as going concern. In this regard, November 26, 2015 was fixed as the Record date to determine the shareholders, who would be entitled to the shares of the Amalgamated Company and accordingly, 3,74,79,020 equity shares were issued and allotted in pursuance to the Scheme.

### Change of Name

Pursuant to the Scheme, the name of the Company stands changed to "Simbhaoli Sugars Limited" from "Simbhaoli Spirits Limited" with effect from November 13, 2015.

### Sugarcane price arrears

Over the last few years, the Company and erstwhile SSL have been incurring cash losses affecting their liquidity. The Uttar Pradesh based sugar companies have been facing financial difficulties on account of high sugar cane prices, lower realization of sugar and high finance cost. However, with various initiatives by the management, including business and financial restructuring of the business and steps being taken by the State and Central Governments to strengthen the sugar industry, the Company would turn-around this situation in the near future and the business operations of the Company are sustainable and viable.

### Impact of the industry scenario on the business

In the situation of constrained working capital, the Company has completed 8386 tonnes white sugar export out of total 20,000 tonnes export obligation required against the import of raw sugar made by the Company during previous years. The Company has applied for extension of time to complete its obligation.

The sugar industry in the state of Uttar Pradesh had been passing through a very difficult phase and had incurred heavy cash losses consistently for the last four years on account of fixing of high State Advised Price (SAP) for sugarcane without giving due consideration to the cost of production/ price of sugar/ paying capacity of the sugar mills. On the other hand, the sugar prices did not increase in the same proportion resulting in negative margins as much that sugar prices were not sufficient enough for cane payment alone. The coercive actions by the local administration often affect the operations, dispatches of sugar and inconsistency in cash flows.

However, the Company's current sugar operations have improved over the previous seasons and are expected to improve further in the next season on account of the development initiatives taken. Further, sugar industry has started moving in the positive directions and alcohol business is also growing positively. The ethanol industry is also expecting to take advantage of the world ethanol demand with the increase in production and supply to outside India.

The domestic sugar industry has started showing signs of improvement with the implementation of various measures taken by the Central and State governments having a direct impact on the business of the Company, which includes:

- Mandatory blending of ethanol with petrol to be doubled from 5 to 10%. Current year prices are ₹48.50 per litre.
- Increase in import duty to 40% to discourage import of sugar.
- Export duty of 20% on export of white sugar owing to limited supply in the country.

In addition, the Company has improved its operational efficiencies with the increase in the recovery vis-à-vis last 2 sugar seasons. It has emerged as one of the largest sellers of Specialty Sugars, which includes sachets, consumer packets, pharma sugar etc under its flagship brand TRUST, which commands substantial premium over and above the bulk sugar prices. Further, in current situation, the Company has rationalized its administrative, processing and procurement costs.

### Outstanding dues of the financial institutions

The Company has proposed a Debt Realignment Scheme under the Corporate Debt Restructuring (CDR) mechanism of the Reserve Bank of India (CDR Scheme) with the lenders of the Company in consortium under which it has been able to restructure the outstanding liabilities comprising of conversion of loans to term loans including restructuring of the farmer financing and infusion of funds through fresh term loan. The Empowered Group, has approved the said Scheme. The management is confident that implementation of the Scheme with the lenders will be completed within stipulated time. Accordingly, the Company has accounted for all its debts obligations, including classification of current and non-current liabilities giving effect to the approved Scheme in these financial statements. The auditors have drawn attention to this in their audit report on the financial statements for the year ended March 31, 2016, without modifying their opinion.

Further, the CDR package, inter alia mandates for infusion of long term funds by the Promoters. Accordingly, the promoters have commenced the process for infusion of funds in the Company and have approached the Company to initiate the procedure for issuance and allotment of securities in compliance with the applicable laws.

### Distillery Operations

The Hon'ble National Green Tribunal, New Delhi (NGT),



upheld a complaint against the Simbhaoli Distillery alleging non-fulfilment of certain conditions on pollution and effluent discharge. Accordingly, the operations of the Simbhaoli distillery plant were closed since February 20, 2014. The Company has taken the mitigation steps in this regard and after obtaining the consent from the Central Pollution Control Board (CPCB) and Uttar Pradesh Pollution Control Board (UPPCB), the distillery resumed its operations after 20 months of shut down.

### Branding

The Company has been consistent in developing its sugar brand, 'Trust'. The sales and marketing infrastructure development exercises for distribution through modern retail and wholesale trade channels have been further strengthened during the year. The market area of 'Sipp' fruit drink mix has been further expanded. Trust branded sugar sachets have created vast acceptability and leadership in the hospitality industry. Appropriate brand communication investment was carried out to spread brand awareness, and consumer trials. Due to the intervention of the State administration in selling and dispatch of the sugar and liquidity constraints, there has been a mismatch in the supply commitments to the specialty sugar customers, which has affected the expected growth of the specialty sugar business.

In addition, the potable spirits products of the Company includes the following range: Board's Verdict Premium Whisky, Hunters Matured Rare XX Rum, Xing Vodka, Seven Knights Whisky, XXX Rum. However, during the year, the distillery operations were remain suspended due to the order passed by Hon'ble NGT and the Management has decided to discontinue the production and marketing of these products for the time being.

### International Trading

During the year, the international trade was limited due to weak international prices vis-à-vis domestic market. However, the Company has continued trade with selected markets like Nepal, Canada, Hong Kong, Dubai and US. Trust branded sugar has been receiving favorable response from the destinations like Canada and Pacific Islands. L-Grade sugar has established unique place in Canadian market and its volume is growing every year. During the year, the Company has exported 5500 MT sugar under Open General License Scheme. The Company is also exporting Extra Neutral Alcohol (ENA) to various African destinations to generate additional income.

### Human resources

The Company follow the fundamental principles of human and workplace rights in all its businesses, which has led to managing a committed and motivated work force. A number of employees' participation and welfare programs have been carried out during the year. Keeping the philosophy of continuous training and job improvements, the Company has imparted 615 man days of training apart from the regular on the job trainings to its employees. The relation between the management and employees continued to remain cordial at all the locations. The manpower has also been rationalized with the transfer of employees to diversified businesses.

The Company has always been vigil against the sexual harassment and a system is in place under which, the employees can make their complaint in this regards. No such complaint has been received during the year.

### SWOT

The areas of operations of the Company and its subsidiary companies are well diversified, with multi products and

services spanning over a number of geographical locations. Each of the business segments has its own strengths and weaknesses and is subject to a variety of opportunities and threats. The management is consistently strategizing and planning about the re-structuring exercises for the business revival. The group has the following SWOT attributes broadly:

### Strengths

1. Sugar units are located in the sugarcane-rich state of Uttar Pradesh, North India
2. Well irrigated sugarcane area, which is not much dependant on weather pattern
3. Integrated facilities to produce white sugar using sugarcane and refining of raw sugar
4. High quality of premium range of sugar products with improved yields; attracting a mark-up in domestic and global markets
5. Producing all varieties of sugars including pharmaceutical-grade and specialty sugars
6. Presence in branded and packaged segment which has large growth
7. Refined sugar business through a port based refinery under an associate company Uniworld Sugars Private Limited near Kandla Port, Gujarat under joint venture arrangement with ED & F Man Sugar, UK, London
8. Power Generation capacity under the subsidiary Company Simbhaoli Power Private Limited upto 100 mwh, under joint venture arrangement with Sindicatum Captive Energy Pte. Ltd, Singapore.

### Weaknesses

1. Highly volatile market prices of sugar in domestic and international markets
2. Cyclical nature of the industry, which is subject to natural and economic cycles
3. Highly leveraged with high interest and fixed costs
4. Lack of parity between cost of production and sale values of sugar resulting in un-paid sugarcane price position
5. Brijnathpur sugar unit is not an integrated sugar complex
6. Continued legal cases/litigation and adverse orders from the Court/Tribunals

### Opportunities

1. To command high sugarcane recovery and yields in its reserved zone
2. To further improve sugarcane productivity and quality by varietal changes and development program
3. To be flexible in the refining of raw sugar for improving capacity utilisation throughout the year
4. To be a regular trader in the commodities on account of quality, brands and product mix whenever there is a viability

### Threats

1. Adversities in agro-climatic conditions may impact the sugarcane production
2. Volatile commodity markets have a bearing on international and domestic operations
3. Regulated environment may pose adversities for business decisions
4. Un-hedged positions in sugar and currency markets
5. Directions/coercive actions by the State administration
6. Adverse action by the lenders in case of repayment defaults



### Quality management system

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

### Risk assessment and mitigation policy

The sugar industry faces constant pressure from the evolving marketplace that impacts important issues in risk management and threatens profit margins. The business is exposed to several kinds of risks from time to time which include the following:

- 1. Strategic Risks:** These risks are relating to the flux and movement of money and capital in the Company. This will include cash flow management, investment evaluation and credit default. These risks emanate out of the decisions, the Company takes in the markets, resources and delivery of services.
- 2. Industry and Competition Risks:** The risks relating to the sugar and alcohol industry, including competition in the industry, technical landscape, risks arising out of volatilities of the manufacturing lines, and those relating to brands of the Company.
- 3. Risk of Theft, Pilferage and Non Delivery:** The risks relating to theft or pilferage, when the goods manufactured are failed to be delivered to the buyers. The risk of non-delivery concerns a situation where the whole cargo is not delivered to the consignee.
- 4. Risk of Clash and Breakage:** The risk of clash and breakage is mainly referred to the risks associated with the manufacturing output caused due to quiver, bump, squeezing, lacquer desquamation, nick and so on, in transit. Fragmentation is mainly referred to fragile substances and includes loss including breaching and smash in transit due to careless loading and unloading and bumping of conveyance, and may also occur during warehousing.
- 5. Operational Risks:** Most common, and often combatable in all situations, these risks related to business operations such as those relating to determination, identification and procurement of vendors, services delivery to vendors, security and surveillance, labour issues, blocking of funds and business activity disruptions.
- 6. Currency Risks:** The Company, on account of international trading activities, deals in various foreign currencies and is exposed to fluctuations in the currency markets from time to time.
- 7. Resource Risks:** The Company may at times, become susceptible to various risks associated with the procurement of talent, capital and infrastructure, as may be specific to the industry.
- 8. Risks relating to regulatory and compliance framework:** The risks due to inadequate compliance of regulations, contractual obligations and intellectual property violations leading to litigations and related costs and effect on brand value and image.
- 9. Technological Risk:** The business of the Company, particularly potable alcohol and speciality sugar, is subject to frequent and revolutionary technology changes as new products are being developed in this segment. This also leads to risk of obsolescence of machinery as well as inventory.

The Company has formed a policy on the risks affecting the business and operations, towards risk prevention and management. The key objective of this policy is to ensure

sustainable business expansion with stability, and to promote an upbeat approach in risk management process by eliminating risks. In order to achieve this key objective, this policy provides a pro-active and well-organized approach to manage various types of risks associated with day to day affairs of the Company and minimize adverse impact on its business objectives.

### Environmental Compliances

With reference to the operations of the Company, the mechanism to control the effluent treatment at zero discharge levels is in place under the prevailing policies as per industry norms.

### Internal control system - Implementation of Internal Financial Controls and Internal Audit processes

The Company has been following-up the systems and control to safeguard the assets and interest of stakeholders against loss from any unwarranted action. All business transactions are authorized, recorded and reported accordingly. During the year, the Company has formulated and implemented a formal system of internal financial controls under the Companies Act, 2013 read with relevant Indian Accounting Standards (AS) etc. Under the system, certain Standard Operating Procedures/Policies with reference to the delegation of authorities, material procurement and management, accounting processes and systems, payment authorization, capex monitoring, insurance, and employee welfare etc. have been adopted. Review systems have been established and implemented to ensure the adequacy of control systems and their monitoring.

These policies, procedures and controls adopted by the Company are ensuring the orderly and efficient conduct of its businesses, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The internal financial controls over financial reporting are adequate and operating effectively. An independent internal audit process has been established with reference to the business operations of Company. The internal audit reports along-with management comments are regularly being placed before the audit committee of the Board.

The legal matters with the former director/ senior executive employees due to irregularities/misappropriation of inventory of the Company are pending before the appropriate forum. The management is confident that any financial implications of the aforesaid would be ably handled without significant financial/ legal consequences on the Company.

### Materiality of Related Party Transactions

After taking effect of the Scheme of Amalgamation, the Company (SSL) has prepared financial statements for the first year, therefore the figures for the year ended March 31, 2015 represents the financial figures of the un-amalgamated entity having only one distillery operation. As per section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity as prescribed in the said provisions of law.

Since, the said Scheme of Amalgamation has become effective from April 1, 2015 and, therefore, to consider the materiality as per the aforesaid manner, the combined value

of turnover of both the entities has been taken into account to determine the materiality of transactions.

Further, the Company's transactions with the related parties are executed on arm's length basis and have been entered into in the ordinary course of business and there are no material related party transactions under Regulation 23 of Listing Regulations read with the Company's policy on materiality of related party transactions during the year. Therefore, the details of the Company's disclosure of particulars of contracts/arrangements entered into by the Company for the financial year 2015-16 in the prescribed form AOC-2 have not been given.

#### Corporate social responsibility (CSR)

The Company does not fall under any of the criteria's prescribed under the provisions of Section 135 of the Act to conduct the activities under corporate social responsibility (CSR) framework. However, Company has a CSR policy indicating the guidelines for social welfare activities to be undertaken at its own and implementing programs in the fields of education, healthcare, clean water, social welfare, village infrastructure development in reserved areas of its sugar mills. The Company is meeting its social responsibility obligations by encouraging cleaner surroundings, improving village level infrastructure, unclogged drains and encouraging the awareness and providing necessary training and learning process for the value of good hygiene and sanitation. A Charitable trust named Simbhaoli India Foundation (SIF), has also been working to ensure social obligations of Company. The employees are also important stakeholders and have been contributing to the foundation at their own.

The Company has been disseminating information on its CSR policies, activities and progress to all their stakeholders and the public at large through its website, annual reports, and other communication medium. It has constituted a committee of directors to review the activities under its CSR policy.

#### Information Technology

The information technology system of the Company is operating on SAP based enterprise resource planning (ERP) environment, optimizing the performance of its businesses as well as the business network. The initiatives taken to bring operations of newly formed subsidiary/joint venture companies into SAP environment have implemented and the business units of the Company are now integrated through SAP modules.

#### Operations of Subsidiary/ Associate Companies

##### 1. Simbhaoli Power Private Limited

Simbhaoli Power Private Limited (SPPL) is a 51% subsidiary, with a joint venture (JV) with Sindicatum Captive Energy Singapore Pte Limited (SCES). In the year 2013, Simbhaoli Sugars Limited had transferred its Power business to SPPL at an aggregate consideration of ₹159.79 crore under the Business Transfer Agreements (BTA). During the financial year 2015-16, the entire balance outstanding BTA consideration has been discharged as stipulated in the Joint Venture agreements. The capacity expansion project of Simbhaoli cogeneration plant has been completed from existing 34 mw to 62 mw. Now, total power generation capacity of SPPL has reached to 100 mwh. The gross revenues earned by SPPL during the year was ₹69.97 crore (Previous year ₹59.49 crore) with a pre-tax profit after exceptional item ₹2.95 crore (Previous year loss ₹3.10 crore).

##### 2. Uniworld Sugars Private Limited

Uniworld Sugars Private Limited (USPL) is a joint venture

company between Simbhaoli Sugars Limited and ED&F Man Sugar Ltd, UK, having a 1000 TPD (300,000 mt per annum) capacity sugar refinery near Kandla Port, Gujarat. The share capital has been subscribed equally by the Company and ED & F Man, UK along with their affiliates. The refinery started commercial operations in August 2014 and is producing the international quality sugars for export. Quality has been consistent and appreciated in overseas markets under the brand name 'Tiger'. The gross revenues earned by USPL during the year was ₹564.48 crore (Previous year ₹236.22 crore) with a pre-tax loss of ₹44.44 crore (Previous year ₹41.09 crore).

##### 3. Integrated Casetech Consultants Private Limited

Integrated Casetech Consultants Private Limited (ICPL), is an 85% subsidiary and the technology vertical of SSL to provide consultancy services in the fields of sugarcane, alcohol, sugar, energy and organizational structure etc. It is providing expert assistance in technical know-how to various domestic and international companies for setting up and maintenance of sugar plants and resultant increase in sugarcane recovery and production efficiency. It has executed various Operation & Maintenance assignments in domestic areas. It has earned gross revenues of ₹12.73 crore (Previous year ₹24.06 crore) with a pre-tax profit (loss) of ₹(1.27) crore (Previous year profit of ₹1.05 crore) for the year 2015-16.

##### 4. Simbhaoli Global Commodities DMCC

Simbhaoli Global Commodities DMCC, Dubai, is the wholly owned subsidiary. No major activities have been carried out in this Company during the year.

##### 5. Simbhaoli Speciality Sugars Private Limited

The name of 'Resham Packaging Private Limited', a wholly owned subsidiary company, has been changed to 'Simbhaoli Speciality Sugars Private Limited'. It owned a premise at Noida, where the Corporate offices of all group companies are situated. No major business activities have been carried out in this Company during the year.

#### OPERATIONS

A summary of the physical operations of all the business units of the Company for the year 2015-16 is stated as under:

Manufacturing Facilities	Unit	Simbhaoli		Chilwaria		Brijnathpur		Total	
Particulars	Year/ Sugar	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Sugarcane crushed	Lacs mt.	10.33	11.48	4.06	5.14	3.57	3.86	17.96	20.49
Sugar recovery	%	10.97	10.39	10.23	9.23	10.11	9.32	10.63	9.90
Raw/ below grade sugar refined	000/mt	19.81	18.68	0.31	0.26	1.52	0.52	21.64	19.46
Net Sugar produced*	000/ mt	113.33	119.32	41.52	47.45	36.04	35.95	190.89	202.72
Gross season for sugar plant	Days	138	143	91	116	126	133	NA	NA
Date of start of the Sugar plant	-	28.10.15	14.11.14	29.11.15	10.12.14	04.11.15	14.11.14	NA	NA
Date of closure of Sugar plants	-	14.03.16	06.04.15	29.02.16	05.04.15	08.03.16	26.03.15	NA	NA
Days of operations of distillery *	Days	140	-	136	187	196	182	NA	NA
Alcohol/ Ethanol produced*	B.L (Lacs)	62.43	-	80.46	92.00	118.67	120.74	261.56	212.74

\* As per financial years.

\* Including conversion of raw and below grade white sugar, into refined sugar

During the year, 19.72 lacs qtl (previous year 23.97 lacs qtl) of white sugar was produced and 25.11 lacs qtl (previous year 23.15 lacs qtl) of sugar from both sugarcane and refining of raw sugar, was sold at an average price realization of ₹2,883 per qtl (previous year, in ESSL ₹2,980 per qtl). The average realization of sugar was lower by ₹100 per qtl on account of depressed market scenario.

## FINANCIAL RESULTS, ANALYSIS AND REVIEW

A summary of the standalone financial results of the Company for the year ended March 31, 2016 is stated as under:

(₹ in lacs)		
Particulars	Year ended Mar 31, 2016	Year ended Mar 31, 2015
Net Sales/Income from operations	76,890	976
Other Income	2,415	84
Profit/(Loss) before Interest, depreciation and exceptional items	6,983	(964)
Interest expense	4,935	552
Depreciation	11,334	470
(Loss) before tax & exceptional items	(9,287)	(1,987)
Exceptional Gains/(Loss)	-	(500)
Tax expense	-	-
Net (Loss) after Tax	(9,287)	(2,487)

During the year, the business of the Company has been affected adversely on account of, high sugarcane prices, low sugar prices, high finance and other fixed costs. In view of the absence of distributable profits, and substantial carried forward business losses, your directors express their inability to recommend any dividend for the year.

Since there was no unpaid/unclaimed dividend declared and paid in the previous years, the provisions of Section 125 of the Companies Act, 2013 do not apply.

The Company has implemented the Scheme of Amalgamation with Simbhaoli Spirits Limited, having appointed date as April 1, 2015 (the Scheme). The financial figures of the amalgamated entity (SSL, previously known as Simbhaoli Spirits Limited, SISPL), after implementation of the Scheme significantly vary with the erstwhile Simbhaoli Sugars Limited, particularly with reference to the share capital structure, reserves and surplus, and net worth and are not directly comparable with the figures of previous year in any manner. The following is the summary of financial review for the year:

**Share Capital:** The Company has recorded amalgamation in its books under purchase method. Accordingly during the year, 3,74,79,020 equity shares of ₹10 each at a premium of ₹62 per share were issued and allotted in discharge of the purchase consideration and cancellation of then existing equity share capital.

**Reserves and Surplus:** The following movement has taken place during the year:

- Molasses Storage Fund: Addition during the year, ₹4.92 lacs as adjustment on amalgamation.
- Capital Reserve: Addition during the year ₹229.80 lacs as adjustment on amalgamation and utilised during the year, ₹229.80 lacs for write off the existing goodwill.
- Securities Premium Account: Addition during the year, ₹23,236.99 lacs as premium of ₹62 per share issued as purchase consideration.

**Long term borrowings:** Long term borrowings are at ₹50,656.55 lacs as on March 31, 2016 as there was no long term borrowing in SISPL during the year 2015-16, prior to the amalgamation. The Company has submitted a proposal to its lenders for rescheduling its loan accounts as per details mentioned elsewhere in this report.

**Short term borrowings:** Un-secured short term borrowings are at ₹51,316.17 lacs against the previous year short term borrowings in SISPL of ₹4,270.28.

**Fixed assets:** Addition to the fixed assets aggregating to ₹1,18,813.59 lacs (previous year ₹5.81 lacs) includes the following:

- ₹1,18,269.55 lacs of Fixed Assets of erstwhile SSL
- ₹544.04 lacs for other addition during the year.

The Company has deducted ₹671.30 lacs (previous year Nil) from the value of the fixed assets on account of:

- Goodwill written off ₹447.09 Lacs (Unamortised amount of ₹245.90 lacs has been adjusted against capital reserve of ₹229.80 arising out of amalgamation and balance of ₹16.10 lacs has been charged to statement of Profit and Loss).
- ₹224.21 lacs on account of miscellaneous assets.

**Investments:** In pursuance to the Scheme the Company has following investments as on March 31, 2015: (₹ in Lacs)

Particulars	Opening balance as on April 1, 2015	Additions during the year (as per Scheme of Amalgamation)	Balance as on March 31, 2016
(i) 2,00,800 equity shares of ₹ 10 each in Integrated Casetech Consultants Private Limited	Nil	383.73	383.73
(ii) 2,90,11,770 Equity shares of ₹ 10 each in Uniwold Sugars Pvt. Ltd	Nil	7,572.99	7,572.99
(iii) 300 Equity Shares of AED 1000 each in Simbhaoli Global Commodities DMCC	Nil	39.94	39.94
(iv) 55,38,734 Equity shares of ₹ 10 each in Simbhaoli Power Pvt Ltd	Nil	5,493.59	5,493.59
(v) 48,92,941 debentures of ₹100 each of Simbhaoli Powers Pvt. Ltd.	Nil	4,892.94	4,892.94
(vi) 19,000 equity shares of ₹10 each of Simbhaoli Speciality Sugars Pvt. Ltd	Nil	190	190
(vii) Others	Nil	2.11	2.11
<b>Investments at the end of the year</b>		<b>18,575.30</b>	<b>18,575.30</b>

**Inventories:** Inventory amounting to ₹29,658.99 lacs (previous year ₹1,070.87 lacs) includes finished goods, raw material, process stocks, and store items. The sugar at the end of the year is valued at net realizable value of ₹3,150 per qtl (previous year ₹2,600 per qtl).

**Sundry debtors:** Sundry debtors (net) amounting to ₹6,009.99 lacs (previous year ₹956.88 lacs), are considered good and realisable. Provisions are generally made for all debtors outstanding for over 360 days subject to their scope of realization, industry trend and management's perception. Debtors are at 7.65% of gross revenues, representing an outstanding of 28 days.

**Cash and Bank Balance:** Cash and bank balance of the amalgamated entity ₹2,107.79 lacs (previous year ₹228.48 lacs) includes fixed deposits of ₹1,255.121 lacs out of which fixed deposit for the amount of ₹232.96 lacs are pledged with banks for securing certain loans, letters of credit, guarantees and other short term facilities.

**Other Current Assets:** Other current assets of ₹3,413.95 lacs (previous year ₹57.95 lacs) comprise a receivable of ₹376.88 lacs (previous year ₹Nil) against Finance lease receivable from Simbhaoli Power Private Limited.

**Trade payables, other current liabilities, and provisions:** Previous year figure represents the financial figures of un-amalgamated entity having only one distillery operation. a) Trade payables at ₹52,162.84 lacs (previous year ₹4,338.85 lacs). b) The other current liabilities of ₹16,173.96 lacs (previous year ₹1,679.49 lacs) reflect amount payable against finance charges and other miscellaneous liabilities. c) The liability includes amount payable against sugarcane supply, other raw materials, stores and services.

**Sales and other income:** Sales and other income (net of excise) is ₹79,305.53 lacs (previous year ₹1,060.08 lacs). These segment figures also include the turnover in ESSL prior to Scheme of Amalgamation. The segment wise allocation of revenues for the year 2015-16 and for proceeding two accounting years is as under:



(₹ lacs)

Years/ Segment	Sugar		Alcohol	
	Turnover	%age	Turnover	%age
2013-14	78,331	90.68	8,050	9.32
2014-15	80,423	91.00	7,952	9.00
2015-16	71,669	89.00	8,600	11.00

**The other income** of ₹2,415.23 lacs (previous year ₹84.01 lacs) comprises interest, rent, from subsidiary companies, foreign exchange fluctuation, liabilities/provisions which are no longer required and written back and miscellaneous earnings.

**Raw Material Consumption:** ₹57,113.68 lacs include Sugarcane, molasses and raw sugar as the principal raw materials purchased by the Company.

**Employees cost:** The employee cost at ₹4,724.31 lacs (previous year ₹427.12 lacs). The previous year figure represents the financial figures of un-amalgamated entity having only one distillery operation.

**Finance cost:** Finance costs of ₹11,334.74 lacs (previous year ₹470.41 lacs). The previous year figure represents the financial figures of un-amalgamated entity having only one distillery operation.

**Other Expenses:** Other expenses at ₹8,007.37 lacs (previous year ₹1308.45). The previous year figure represents the financial figures of un-amalgamated entity having only one distillery operation.

#### Accounting policies

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention method as modified to include the revaluation/business valuation of certain fixed assets as indicated in Notes to account. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The Board of Directors of the Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates/ judgments used in preparation of these statements. The estimates and/or judgments have been made on a consistent, reasonable and prudent basis to reflect true and fair view of the state of the affairs of the Company.

#### Loans, Guarantees, and investments under Section 186

The particulars of Loans, guarantees or investments made under Section 186 of the Companies Act, 2013 and rules made there under are furnished in Note 9 in the Notes to accounts forming part of the Annual Report.

#### Particulars of contracts or arrangements made with related parties

The particulars of contracts or arrangements made with related parties made pursuant to Section 188 SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Accounting Standards 18 issued by the Institute of Chartered Accountants of India are furnished in Note 10 in the Notes to accounts forming part of the Annual Report.

#### Debt servicing and public deposits

During the year, the Company has not been able to meet its obligations towards the lenders for principal and interest, in terms with the respective letters of sanction/approvals. The proposal for realignment of the debt structure of the Company has been, in principle, agreed to by the lenders under

Corporate Debt Restructuring framework of the Reserve Bank of India, the details of which are mentioned elsewhere forming part of the Annual Report. As there are delays in repayment of the loans, and the cane price arrears have mounted high, the Company's credit rating has been downgraded.

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

#### Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Secretarial Auditors in their reports

The Comments/Remarks in the Secretarial Audit Report are self explanatory and explained at the appropriate section of the Annual Report.

#### Material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of report

The Company has been facing financial difficulties on account of high sugarcane price and lower sugar realization. The detail has been reported elsewhere in this report.

#### AUDITORS' REPORT

The comments on the statement of accounts referred to in the report of the auditors are self-explanatory, and explained in the appropriate notes to accounts, the details of which are mentioned elsewhere in this report.

#### DIRECTORS

At the ensuing Annual General Meeting of the members of the Company, Mr. Gurpal Singh is retiring by rotation on completion of term under the provisions of Section 152 of the Companies Act, 2013.

During the year, the State Bank of India has nominated Mr. Sangeet Shukla as the Nominee Director on the Board of the Company. Mr. R K Singh has resigned from the directorship on November 9, 2015.

Mr. Sanjay Tapriya and Mr. S N Misra were appointed as additional directors on the Board of the Company on November 9, 2015, whose period of appointment shall expire at the ensuing Annual General Meeting of the members of the Company.

Mr. B K Goswami, Mr. S K Ganguli, Mr. S C Kumar, Justice (Retd) C K Mahajan and Lieutenant General D S Sidhu (Retd) were appointed as Independent Directors under Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 during the year and they shall hold office for a period of 5 (five) consecutive years subject to the approval of the members at the ensuing Annual General Meeting of the Company.

#### Declaration of independent directors

The Independent Directors have submitted their disclosures to the Board that they comply with all the requirements as stipulated under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

#### Company's policy relating to directors appointment, payment of remuneration and discharge of their duties

The Company's policies relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 has been disseminated at the Company's [website at the link-http://www.simbhaolisugars.com/company\\_policies.asp](http://www.simbhaolisugars.com/company_policies.asp).

### **Number of board meetings conducted during the year under review**

Details of Board Meetings held during the year are furnished in Report on the Corporate Governance forming part of this Annual Report.

### **Board Evaluation**

The Company has devised the principles for review of the performance of the Non Independent and also the independent Directors, based on certain criterion as considered appropriate by the independent directors of the Company. The Independent Directors reviewed the performance of the non-independent directors based on the criterion such as evaluation of managerial personnel, job profile and market perception, self declaration on the jobs handled/taken up, opinion from peer and sub-ordinates, their performance evaluations, reporting and participation in the Company meetings.

The Independent directors noted the financial difficulties being faced by the sugar business and the critical situation comprising of the new challenges for the management of the Company. They also took note that, the Company has been incurring cash losses and is in continuous liquidity constraints. However, with various initiatives taken by the management including business and financial restructuring of the Company and steps being taken by the State and Central Governments to strengthen the sugar industry, the Company is expected to turn-around from this adverse situation in the near future and the business operations of the Company will become sustainable and viable. Therefore, the efforts made by the management of the Company for strengthening the operations of the Company have been appreciated.

Independent directors also took on record that Mr. Gurmit Singh Mann has been the Chairperson of the Company for several decades. He has experience of over 48 years and became the Managing Director of the Company in 1972 and Chairman and Managing Director in the year of 1989. In the year 2013, he became the Executive Chairman with the change in the management structure of the Company. He has vast knowledge on the sugar and alcohol business with excellent communication skills. He has been instrumental in the decision making at the time, when the Company is facing challenges pertaining to the sugar business in India, which have increased significantly over a period of time.

They also noted that all the independent directors possess the requisite qualifications and experience in the respective areas related to their past experience. They have been discharging their duties to contribute towards the betterment of the Company's operations and the governance standards as defined in schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Secretarial Audit**

M/s Amit Gupta & Associates, Company Secretaries, have been engaged as the Secretarial Auditors of the Company under the provisions of the Companies Act, 2013 for the financial year 2016-17. The Secretarial Audit Report is given as Annexure-1 to this report.

### **Cost Auditors**

M/s Satnam Singh Saggi, Cost Accountants, have been engaged as the Cost Auditors of the Company under the provisions of the Companies Act, 2013 for the financial year 2016-17.

### **ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management

and administration) Rules, 2014 are furnished in Annexure-2 and attached to this Report.

### **SUBSIDIARY, JOINT VENTURE, AND ASSOCIATE COMPANIES**

The Company has four subsidiary Companies, viz. Simbhaoli Power Private Limited, Integrated Casetech Consultants Private Limited, Simbhaoli Speciality Sugars Private Limited and Simbhaoli Global Commodities DMCC, Dubai. Uniworld Sugars Private Limited is a joint venture company. The consolidated financial statements presented by the Company include financial information of its subsidiary and joint venture companies prepared in compliance with applicable accounting standards.

### **EMPLOYEE STOCK OPTION SCHEME**

No stock options have been introduced during the year.

### **CORPORATE GOVERNANCE**

The Report on Corporate Governance along-with certificate from the Practicing Company Secretary and certificate from Chairman, Directors, Chief Operating Officer and Chief Financial Officer form part of this Annual Report.

### **VIGIL MECHANISM**

The Company has established a vigil mechanism, which overseas through the Audit Committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees or Directors, who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company.

The policy on the vigil mechanism comprising of the whistle blower policy, has been disseminated at the Company's website at [link-http://www.simbhaolisugars.com/company\\_policies.asp](http://www.simbhaolisugars.com/company_policies.asp)

### **LISTING OF SECURITIES**

The equity shares of the Company are listed with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Post amalgamation, the shares of the amalgamated entity has been admitted for trading on March 14, 2016 and the annual Listing fee for the financial year 2016-17 has been paid to both the stock exchanges.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION INITIATIVES, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology initiatives, Research and Development, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure-3.

### **PARTICULARS OF EMPLOYEES**

The disclosure under the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-4.

There was no employee of the Company, who has been paid remuneration under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **AUDITORS**

The Auditors, M/s Mittal Gupta & Company, Chartered Accountants, (the statutory auditors), have been appointed for a term of 5 years viz. 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 subject to the ratification of the appointment at each annual general meeting of the members of the Company.



Your directors have recommended them for the ratification and continuation of appointment for the financial year 2016-17.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, read with the Rules made there under, with respect to the Directors' responsibility statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems were adequate and operating effectively.

#### **CAUTIONARY STATEMENT**

The Company is preparing the financial statements for the first

year after taking the effect of Scheme of Amalgamation w.e.f the appointed date i.e April 1, 2015 as sanctioned by the Hon'ble High Court of Judicature at Allahabad, therefore, the figures for the year ended March 31, 2015 are not comparable as it represents the financial figures of un-amalgamated entity.

Certain statements in this report may be forward looking and represent intention of the management. Actual results may differ materially due to a number of risks or uncertainties associated with the business. Investors/stakeholders, therefore, are advised to make their own judgments before taking any investment, business decisions.

#### **ACKNOWLEDGEMENT**

The Board of Directors acknowledge the continued assistance and guidance provided by the Government of India, State Government of Uttar Pradesh, lender banks and institutions and the co-operation and assistance received from all executives, staff and workmen of the Company.

The Directors also express special thanks to the joint venture partners to run the affairs of the respective subsidiary/associate companies, being part of the future growth of the Company.

The Directors also wish to emphatically state their gratitude to the Indian Sugar Mills Association, farmers, suppliers and all other concerned persons who have continued their valuable support to your Company.

**For and on behalf of the Board of Directors  
Simbhaoli Sugars Limited**

**Gurmit Singh Mann  
Chairperson  
(DIN - 00066653)**

Place : New Delhi  
Date : May 30, 2016

#### **Annexure-1**

##### **FORM NO. MR.3**

##### **SECRETARIAL AUDIT REPORT**

##### **FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**

**(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
**SIMBHAOLI SUGARS LIMITED,**  
**(Formerly known as Simbhaoli Spirits Limited)**  
**(CIN - U15122UP2011PLC044210)**  
**Hapur Road, Simbhaoli, Uttar Pradesh**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s SIMBHAOLI SUGARS LIMITED (CIN - U15122UP2011PLC044210) (formerly known as Simbhaoli Spirits Limited) (hereinafter referred as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records

maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion

- i. The Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder; and also
- ii. The Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable as the Company has not made any such transaction during the financial year under review;**

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & The SEBI (Prohibition of Insider Trading) Regulations, 2015 (w.e.f. 15.05.2015);
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014)-**Not applicable as the Company has not granted any options during the financial year under review;**
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as the Company has not issued any listed debt securities during the period under review;**
  - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies and dealing with client;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted/proposed to delist its equity shares from any stock exchange during the financial year under review;**
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back/proposed to buyback any of its securities during the financial year under review;**
- vi. The following other laws as may be applicable specifically to the Company:
- Sugar Cess Act, 1982
  - Levy Sugar Price Equalisation Fund Act, 1976
  - Food Safety And Standards Act, 2006
  - Essential Commodities Act, 1955
  - Sugar Development Fund Act, 1982
  - Agricultural and Processed Food Products Export Act, 1986
  - The Boilers Act, 1923
  - The Legal Metrology Act, 2009
  - The Environment Protection Act, 1986
  - The Water (Prevention and Control Pollution) Act, 1974
  - The Air (Prevention and Control Pollution) Act, 1981

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by the Institute of Company Secretaries of India; and
- Listing Agreements entered into by the Company with BSE Limited & The National Stock Exchange of India Limited, Mumbai (w.e.f. March 14, 2016).

During the period under review, the Company has complied

with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- Whereas in terms of the provisions of Section 149(6) of the Companies Act, 2013 and erstwhile clause 49 of the Listing agreement, the Company's Board is required to maintain the mix of 50% Independent Directors. However, w.e.f. 03.12.2015 the composition of Board consists of 11 (eleven) directors; out of which 5 (five) belongs to the non-independent category, 5 (five) are independent directors and 1(one) is Nominee of the Bank.*
- The Company has filed with delay few forms/returns/documents etc. on payment of additional fee with the Registrar of Companies, Ministry of Corporate Affairs, Kanpur under the provisions of the Companies Act, 2013.*
- The Hon'ble National Green Tribunal (NGT), Principal Bench, New Delhi has passed an order imposing monetary penalty on the Company on the complaint alleging non-fulfilment of certain conditions on pollution and effluent discharge against the Company. The NGT in its order had issued directions for mandatory compliance before re-start of the distillery operations. However, as explained by the Company the matter relates to the year 2013-14 on account of withdrawal of consent by the pollution control authorities due to non-fulfilment of certain conditions of their consent. The Company has paid the entire penalty and also taken requisite steps in this regard and after obtaining the consent from Uttar Pradesh Pollution Control Board (UPPCB), the operation at Simbhaoli distillery plant has been resumed in October/November 2015.*

#### We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive vs. Non-Executive Directors. The Company, being a listed entity, need to maintain the 50% mix of an Independent Directors on its Board. However, w.e.f. 03.12.2015 the composition of Board consists of 11 (eleven) directors; out of which 5 (five) belongs to the non-independent category, 5 (five) are independent directors and 1(one) is Nominee of the Bank. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** the systems and processes in the Company *require further strengthening and improvements*, considering the size and operations of the Company to enable better monitoring and ensuring of timely compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has:

- The Hon'ble High Court of Judicature at Allahabad has sanctioned the Scheme of Amalgamation (the Approved Scheme) of Simbhaoli Sugars Limited (SSL), the Transferor Company with Simbhaoli Spirits Limited (SISPL), the Transferee Company w.e.f. April 1, 2015 (the Appointed

Date) and consequent thereto, the entire business undertakings of SSL, stands transferred to and vested in the SISPL, as a going concern with effect from the Appointed Date. As per the Approved Scheme, and completion of related formalities:

- SISPL has allotted 117 and 139 fully paid up Equity Shares of ₹10 each at a premium of ₹62 per share for every 100 Equity Share of ₹10 each and 100 Redeemable Preference Shares of ₹100 each respectively to the respective equity and preference shareholders in SSL in discharge of the purchase consideration and the existing equity shares capital of SISPL will stand cancelled. Therefore, in all 3,74,79,020 Equity Shares of ₹10 each had been issued and allotted at a premium of ₹62 per share and the same has been listed on Bombay Stock Exchange and National Stock Exchange w.e.f March 14, 2016.
- Name of the SISPL has been changed to 'Simbhaoli Sugars Limited'

**For Amit Gupta & Associates  
Company Secretaries**

**Amit Gupta  
Proprietor**

Membership No. : F5478  
C.P. No. 4682

Place: Lucknow  
Date : 30.05.2016

*Note: This report should be read with the letter of even date by the Secretarial Auditors. Further the Secretarial Audit included the audit of amalgamated Company (ie. M/s Simbhaoli Sugars Limited (CIN - L24231UP1936PLC000740) which was amalgamated with M/s Simbhaoli Spirits Limited) also for period starting from 01.04.2015 to the effective date of amalgamation.*

**To,  
The Members,  
SIMBHAOLI SUGARS LIMITED,  
Hapur Road, Simbhaoli, Uttar Pradesh**

Our Report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Amit Gupta & Associates  
Company Secretaries**

**Amit Gupta  
Proprietor**

Membership No. : F5478  
C.P. No. 4682

Place: Lucknow  
Date : 30.05.2016

**Annexure-2**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1. CIN	U15122UP2011PLC044210
2. Registration Date	4/4/2011
3. Name of the Company	Simbhaoli Sugars Limited
4. Category/Sub-category of the Company	Indian Non-Government Company
5. Address of the Registered office & contact details	Simbhaoli, District- Hapur, Uttar Pradesh-245207
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1	Sugar	1072	88.36
2	Alcohol	1101	11.64

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. No.	Name & Address of the Company	CIN/GLN	Holding/subsidiary/ associate	% of Shares Held	Applicable Section
1	Simbhaoli Speciality Sugars Pvt. Limited	U21015DL1995PTC069925	Wholly Owned Subsidiary	100%	2(87) ii
2	Integrated Casetech Consultants Pvt Ltd	U74140DL2008PTC184876	Subsidiary	85.16%	2(87) i & ii
3	Simbhaoli Power Private Limited	U40300UP2011PTC045360	Subsidiary	51%	2(87) ii
4	Simbhaoli Global Commodities DMCC	N.A	Wholly Owned Subsidiary	100%	2(87) ii
5	Uniworld Sugars Pvt Ltd	U15422UP2009PTC038540	Associate	43.74%	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year*
	Demat	Physical	Total Shares	% of Total	Demat	Physical	Total Shares	% of Total	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	-	-	-	-	8675941	-	8675941	23.15	N.A
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	N.A
c) Bodies Corporates	-	31800000	31800000	100	9539849	-	9539849	25.45	N.A
d) Bank/FI	-	-	-	-	-	-	-	-	N.A
e) Any other	-	-	-	-	-	-	-	-	N.A
<b>SUB TOTAL:(A) (1)</b>	-	<b>31800000</b>	<b>31800000</b>	<b>100</b>	<b>18215790</b>	-	<b>18215790</b>	<b>48.60</b>	N.A
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	N.A
b) Other Individuals	-	-	-	-	-	-	-	-	N.A
c) Bodies Corp.	-	-	-	-	-	-	-	-	N.A
d) Banks/FI	-	-	-	-	-	-	-	-	N.A
e) Any other...	-	-	-	-	-	-	-	-	N.A
<b>SUB TOTAL (A) (2)</b>	-	-	-	-	-	-	-	-	N.A
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	-	<b>31800000</b>	<b>31800000</b>	<b>100</b>	<b>18215790</b>	-	<b>18215790</b>	<b>48.60</b>	N.A
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	1755	1755	0.005	N.A
b) Banks/FI	-	-	-	-	1170	-	1170	0.003	N.A
c) Cenntal govt	-	-	-	-	-	-	-	-	N.A
d) State Govt.	-	-	-	-	-	-	-	-	N.A
e) Venture Capital Fund	-	-	-	-	-	-	-	-	N.A
f) Insurance Companies	-	-	-	-	-	-	-	-	N.A
g) FIIS	-	-	-	-	347183	-	347183	0.93	N.A
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	N.A
i) Others (specify)	-	-	-	-	-	-	-	-	N.A
<b>SUB TOTAL (B)(1):</b>	-	-	-	-	<b>348353</b>	<b>1755</b>	<b>350108</b>	<b>0.93</b>	N.A
(2) Non Institutions									
a) Bodies corporates	-	-	-	-	9648134	6960	9655094	25.76	N.A
i) Indian	-	-	-	-	-	-	-	-	N.A
ii) Overseas	-	-	-	-	-	-	-	-	N.A
b) Individuals	-	-	-	-	-	-	-	-	N.A
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	5268489	620257	5888746	15.71	N.A
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	2599517	-	2599517	6.94	N.A
c) Others (specify)									
Non-resident indian/OCB	-	-	-	-	219487	-	219487	0.59	N.A
Clearing Member	-	-	-	-	549927	-	549927	1.47	N.A
Trust	-	-	-	-	351	-	351	0.001	N.A
<b>SUB TOTAL (B)(2):</b>	-	-	-	-	<b>18285905</b>	<b>627217</b>	<b>18913122</b>	<b>50.46</b>	N.A
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	-	-	-	<b>18634258</b>	<b>628972</b>	<b>19263230</b>	<b>51.40</b>	N.A
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	N.A
<b>Grand Total (A+B+C)</b>		<b>31800000</b>	<b>31800000</b>	<b>100</b>	<b>36850048</b>	<b>628972</b>	<b>37479020</b>	<b>100.00</b>	N.A

\*Since, the share capital has been issued and allotted in pursuance to the Scheme of Amalgamation, the number of shares are not comparable

**(ii) Shareholding of Promoter**

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Mr. Gurmit Singh Mann	-	-	-	3726154	9.94	-	9.94
2.	Mr. Guralp Singh	-	-	-	2402770	6.41	-	6.41
3.	Ms. Gursimran Kaur Mann	-	-	-	1386672	3.70	-	3.70
4.	Mr. Govind Singh Sandhu	-	-	-	733139	1.96	-	1.96
5.	Ms. Jai Inder Kaur	-	-	-	417356	1.11	377846	1.11
6.	Mr. Angad Singh	-	-	-	9850	0.03	-	0.03
7.	M/s Dholadhar Investments Pvt Ltd	-	-	-	7462114	19.91	1608839	19.91
8.	M/s Pritam Singh Sandhu Associates Private Limited	-	-	-	2077735	5.54	645813	5.54
	<b>Total</b>	-	-	-	<b>18215790</b>	<b>48.60</b>	<b>2632498</b>	<b>(51.40)</b>



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>A. MR. GURMIT SINGH MANN</b>					
1	At the beginning of the year	Nil	-	Nil	-
2	increase in Shareholding through Allotment dated 27.11.2015	3726154	9.94	3726154	9.94
3	At the end of the year	3726154	9.94	3726154	9.94
<b>B. MR. GURPAL SINGH</b>					
1	At the beginning of the year	Nil	-	Nil	-
2	increase in Shareholding through Allotment dated 27.11.2015	2402770	6.41	2402770	6.41
3	At the end of the year	2402770	6.41	2402770	6.41
<b>C. MS. GURSIMRAN KAUR MANN</b>					
1	At the beginning of the year	Nil	-	Nil	-
2	increase in Shareholding through Allotment dated 27.11.2015	1136672	3.03	1136672	3.03
3	increase in Shareholding Inter se transfer among the promoters dated 29.03.2016	250000	0.67	250000	0.67
4	At the end of the year	1386672	3.70	1386672	3.70
<b>D. MR. GOVIND SINGH SANDHU</b>					
1	At the beginning of the year	Nil	-	Nil	-
2	increase in Shareholding through Allotment dated 27.11.2015	733139	1.96	733139	1.96
3	At the end of the year	733139	1.96	733139	1.96
<b>E. MS. JAI INDER KAUR</b>					
1	At the beginning of the year	Nil	-	Nil	-
2	increase in Shareholding through Allotment dated 27.11.2015	417356	1.11	417356	1.11
3	At the end of the year	417356	1.11	417356	1.11
<b>F. MR. ANGAD SINGH</b>					
1	At the beginning of the year	Nil	-	Nil	-
2	increase in Shareholding through Allotment dated 27.11.2015	9850	0.03	9850	0.03
3	At the end of the year	9850	0.03	9850	0.03
<b>G. M/S SIMBHAOLI SUGARS LIMITED*</b>					
1	At the beginning of the year	31800000	100.00	31800000	100.00
2	change in shareholding due to scheme of amalgamation	Nil	-	Nil	-
3	At the end of the year	Nil	-	Nil	-
<b>H. M/S DHOLADHAR INVESTMENTS PVT LTD</b>					
1	At the beginning of the year	Nil	-	Nil	-
2	increase in Shareholding through Allotment dated 27.11.2015	7712114	20.58	7712114	20.58
3	decrease in Shareholding Inter se transfer among the promoters dated 29.03.2016	250000	0.67	250000.00	0.67
4	At the end of the year	7462114	19.91	7462114	19.91
<b>I. M/S PRITAM SINGH SANDHU ASSOCIATES PRIVATE LIMITED</b>					
1	At the beginning of the year	Nil	-	Nil	-
2	increase in Promoters Share holding through Allotment dated 27.11.2015	2077735	5.54	2077735	5.54
3	At the end of the year	2077735	5.54	2077735	5.54

\*As per clause 6.10 of the Scheme of Amalgamation the existing 31800000 equity shares held by Erstwhile Simbhaoli Sugars Limited (ESSL) as on record date were cancelled.

(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	M/S PEARL INNOVATIVE MARKETING PRIVATE LIMITED				
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	2320623	6.19	2320623	6.19
iii	At the end of the year	2320623	6.19	2320623	6.19
2	M/S SHRI VATSALA TRADERS PVT. LTD				
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	2015434	5.38	2015434	5.38
iii	At the end of the year	2015434	5.38	2015434	5.38
3	M/S MONICA REALTORS & INVESTMENTS PRIVATE LIMITED				
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	1379676	3.68	1379676	3.68
iii	At the end of the year	1379676	3.68	1379676	3.68

<b>4 M/S U K PAINTS INDIA PVT LTD</b>					
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	1270825	3.39	1270825	3.39
iii	At the end of the year	1270825	3.39	1270825	3.39
<b>5 M/S WANG INVESTMENT FINANCE PVT.LTD.</b>					
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	628605	1.68	628605	1.68
iii	At the end of the year	628605	1.68	628605	1.68
<b>6 M/S CITLAND COMMERCIAL CREDITS LIMITED</b>					
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	355147	0.95	355147	0.95
iii	At the end of the year	355147	0.95	355147	0.95
<b>7 M/S INDIA MAX INVESTMENT FUND LIMITED</b>					
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	347183	0.93	347183	0.93
iii	At the end of the year	347183	0.93	347183	0.93
<b>8 MR. MANU GOPALDAS CHHABRIA</b>					
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	259734	0.69	259734	0.69
iii	At the end of the year	259734	0.69	259734	0.69
<b>9 MR. YOGESH KUMAR</b>					
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	175500	0.47	175500	0.47
iii	At the end of the year	175500	0.47	175500	0.47
<b>10 MR. SHIVINDER PAL SINGH MANN</b>					
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	146250	0.39	146250	0.39
iii	At the end of the year	146250	0.39	146250	0.39

(v) Shareholding of Directors & Key Managerial Personnel

S. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MR. GURMIT SINGH MANN				
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	3726154	9.94	3726154	9.94
iii	At the end of the year	3726154	9.94	3726154	9.94
2	MR. GURPAL SINGH				
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	2402770	6.41	2402770	6.41
iii	At the end of the year	2402770	6.41	2402770	6.41
3	MS. GURSIMRAN KAUR MANN				
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	1136672	3.03	1136672	3.03
iii	increase in Shareholding Inter se transfer among the promoters dated 29.03.2016	250000	0.67	250000	0.67
iv	At the end of the year	1386672	3.70	1386672	3.70
4	MR. SANJAY TAPRIYA				
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	2422	0.01	2422	0.01
iii	At the end of the year	2422	0.01	2422	0.01
5	MR. S N MISRA				
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	1521	0.00	1521	0.00
iii	At the end of the year	1521	0.00	1521	0.00
6	MR. S K GANGULI				
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	585	0.00	585	0.00
iii	At the end of the year	585	0.00	585	0.00
7	MR. B K GOSWAMI				
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	Nil	-	Nil	-
iii	At the end of the year	Nil	-	Nil	-
8	JUSTICE C K MAHAJAN (RETD)				
i	At the beginning of the year	Nil	-	Nil	-
ii	increase in Shareholding through Allotment dated 27.11.2015	422	0.00	422	0.00
iii	At the end of the year	422	0.00	422	0.00

<b>9</b>	<b>MR. S C KUMAR</b>	Nil	-	Nil	-
i	At the beginning of the year	Nil	-	Nil	-
ii	Increase in Shareholding through Allotment dated 27.11.2015	Nil	-	Nil	-
iii	At the end of the year	Nil	-	Nil	-
<b>10</b>	<b>LT. GEN. D S SIDHU (RETD.)</b>	Nil	-	Nil	-
i	At the beginning of the year	Nil	-	Nil	-
ii	Increase in Shareholding through Allotment dated 27.11.2015	963	0.00	963	0.00
iii	At the end of the year	963	0.00	963	0.00
<b>11</b>	<b>MR. D C POPLI</b>	Nil	-	Nil	-
i	At the beginning of the year	Nil	-	Nil	-
ii	Increase in Shareholding through Allotment dated 27.11.2015	Nil	-	Nil	-
iii	At the end of the year	Nil	-	Nil	-
<b>12</b>	<b>MR. KAMAL SAMTANI</b>	Nil	-	Nil	-
i	At the beginning of the year	Nil	-	Nil	-
ii	Increase in Shareholding through Allotment dated 27.11.2015	603	0.00	603	0.00
iii	At the end of the year	603	0.00	603	0.00

### V) INDEBTEDNESS-Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,850.93	2,394.81	0	5,245.74
ii) Interest due but not paid	64.30	0	0	64.30
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>2,915.23</b>	<b>2,394.81</b>	<b>0</b>	<b>5,310.04</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	70,419.44	39,173.17	0	1,09,592.61
* Reduction	0	0	0	0
<b>Net Change</b>	<b>70,419.44</b>	<b>39,173.17</b>	<b>0</b>	<b>1,09,592.61</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	72,195.36	36,583.52	0	1,08,778.88
ii) Interest due but not paid	1,116.99	4,984.46	0	6,101.45
iii) Interest accrued but not due	22.32	0	0	22.32
<b>Total (i+ii+iii)</b>	<b>73,334.67</b>	<b>41,567.98</b>	<b>0</b>	<b>1,14,902.65</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

S. No	Particulars of Remuneration	Name of MD/WT/ Manager					Total Amount
		Mr. Gurmit Singh Mann	Mr. Gopal Singh	Ms. Gursimran Kaur Mann	Mr. Sanjay Tapriya (CFO)&	Mr. S N Misra (COO)	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.33	29.16	14.87	11.22	40.53	126.11
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	1.29	1.06	2.26	2.89	7.90
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0	0
2	Stock Option	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0
	- as % of profit						
	- others, specify...						
5	Others, please specify	0	0	0	0	0	0
	<b>Total (A)</b>	<b>30.73</b>	<b>30.45</b>	<b>15.93</b>	<b>13.48</b>	<b>43.42</b>	<b>134.01</b>
Ceiling as per the Act as applicable, ₹ 60 Lakhs p.a. per person.							

\*Mr. Sanjay Tapriya was CFO in the Company upto 30.09.2015 and the salary is reported for SSL alone.

#### B. Remuneration to other directors:

(₹ in Lacs)

S. No	Particulars of Remuneration	Fee for attending board committee meetings	Total Amount
1	<b>Independent Director</b>		
	Mr. S K Ganguli	2.40	2.40
	Mr. S C Kumar	3.00	3.00
	Mr. B K Goswami	2.25	2.25
	Justice (Retd) C K Mahajan	0.90	0.90
	Lt Gen D S Sidhu (Retd.)	0.30	0.30
	<b>Total (1)</b>	<b>8.85</b>	<b>8.85</b>
2	<b>Other Non-Executive Directors</b>		
	Mr. Sangeet Shukla (Nominee Director)	0.45	0.45
	<b>Total (2)</b>	<b>0.45</b>	<b>0.45</b>
	<b>Total Managerial Remuneration</b>	<b>9.30</b>	<b>9.30</b>

Sitting fee is being paid within the ceiling limit and no commission in any manner, is being paid to the independent/ nominee director.

#### C. Remuneration to key Managerial Personnel other than MD/Manager/WTD:

S. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CS	CFO#	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.10	22.05	39.15
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.54	0.20	0.74
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5	Others, please specify	0	0	0
	<b>Total</b>	<b>17.64</b>	<b>22.25</b>	<b>39.89</b>

#Appointment of Mr. D C Popli as a CFO w.e.f. september 03, 2015.

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the financial year under report the Company has not received any penalties / punishment/ compounding of offences under the Companies Act, 2013.

#### Annexure-3

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

##### (a) Energy conservation measures taken

1. Brine Recovery System at Simbhaoli Sugar Division (SSD) reduces effluent quantity substantially and recovers salt and caustic.
2. Exhaust condensate heat recovery improves the steam savings at SSD and CSD.
3. Condensate Cooling System has been improved for reduction in effluent generation, ground water saving and steam saving by heating DM water at SSD and CSD.
4. Installation of Magma Mixer at CSD has been used for reprocessing of moist sugar.
5. Installation of Variable Frequency Device (VFD) at CSD has reduced power consumption.
6. Chopper Hood Modification at BSD has reduced load and stoppages at mills.

##### (b) Additional investments and proposals for reduction of consumption of energy

- i. Activities are regularly being pursued on continuous basis for reducing the steam and power consumption in all three sugar and alcohol plants.
- ii. Further, Steam saving is planned at all the units with the replacement of high pressure steam from boiling house with low pressure steam.

(c) Impact of above measures

The above measures have reduced the power consumption at all the sugar units and bagasse saving in all the units has increased. The saved bagasse at SSD and CSD are being supplied to Simbhaoli Power Pvt Ltd for conversion into power. Bagasse saved at BSD is utilized for off season consumption.

### TECHNOLOGY ABSORPTION, ADAPTATION AND RESEARCH AND DEVELOPMENT

#### 1. Efforts made

Efforts made and steps taken in the previous years towards technology absorption, adaptation and innovations were continued during the year.

#### 2. Benefits

The benefits derived in the form of cost reduction and the improvement in the quality of the product continued to be available to the Company.

#### 3. Particulars of technologies imported during the last five years

Not applicable

Disclosure of particulars with respect to technology absorption for the year ended March 31, 2016.

#### I Specific areas in which research and development carried out by the Company

- 1) The heating of condensate for superheated wash water through exhaust condensate has been introduced to reduce the steam consumption.
- 2) VFD has been provided on boiler feed pump motor to minimise the running load.
- 3) Capacitors are provided on raw water pump motor to increase the power factor.

#### II Benefit derived

- (i) Power consumption reduced significantly.
- (ii) The saved bagasse will be helpful for Simbhaoli Power Private Limited to run the plant in off season.

#### III. Future plan of action

Efforts will be made to enlarge these activities/capacities in future.

#### IV. Expenditure on Research & Development (R & D)

The expenditure incurred on Research and development has been included under other expenditure heads.

Form of Disclosure of particulars with respect to conservation of energy for the year ended March 31, 2016

#### A. Power and fuel consumption

S.No	Particulars	Unit	Year ending March 31, 2016	Year ending March 31, 2015*
1	<b>Electricity</b>			
	Purchased			
	Units	Kwh ('000)	1865	1752
	Total Amount	₹ Lacs	105.70	86.38
	Rate/Unit	₹/Kwh	5.69	4.93
	Own Generation			
	<b>(i) Through diesel generator</b>			
	Units	Kwh ('000)	364	313
	Unit per ltr. of diesel oil	Kwh	3.05	3.05
	Total Amount	₹ Lacs	78.85	64.13
	Cost/Unit	₹/Kwh	21.65	20.49
	<b>(ii) Through steam turbine</b>			
	Units	Kwh ('000)	73201	93650
	Units per ltr. of fuel/gas	Kwh	N.A.	N.A.
	Total Amount	₹ in lacs	657.50	820.29
	Cost/Unit	₹/Kwh	0.90	0.88
2	<b>Coal/Coke</b>			
	Quantity	Tonnes	2.88	2.75
	Total Cost	₹ Lacs	0.40	0.38
	Average Rate	₹/MT	13948	13832
3	<b>Furnace oil/L.D.O</b>			
	Quantity	Kilo Ltrs.	Nil	Nil
	Total Cost	₹ Lacs	Nil	Nil
	Average Rate	₹/K Ltrs	N.A.	N.A.
4	<b>Others</b>			
	<b>Fire Wood</b>			
	Quantity	Tonnes	Nil	Nil
	Total Cost	₹ in Lacs	Nil	Nil
	Average Rate	₹/MT	N.A.	N.A.
	<b>Bagasse/Husk (Purchased)</b>			
	Quantity	Tonnes	13594	7983
	Total Cost	₹ Lacs	276.59	174.97
	Average Rate	₹/MT	2035	2192

\* figures for erstwhile Simbhaoli Sugars Limited taken for comparison purpose.

#### A. Consumption per MT of Sugar Production

S.No	Particulars	Unit	Year ending March 31, 2016	Year ending March 31, 2015
1	Electricity	Kwh	382	369
2	Coal/Coke	Tonnes	0.000	0.000
3	Fire Wood	Tonnes	0.000	0.000
4	Bagasse (Purchased)	Tonnes	0.000	0.000

#### B. Consumption per K. Ltr. Of Alcohol Production

S.No	Particulars	Unit	Year ending March 31, 2016	Year ending March 31, 2015
1	Electricity	Kwh	302	318
2	F.O./L.D.O	K Ltrs.	0.000	0.000
3	Bagasse/Husk (Purchased)	Tonnes	0.864	0.352

#### NOTES:

- For electricity generated through diesel generator, cost of the diesel has been considered.
- Since various types of fuel used are alternative to each other, no standard can be fixed for their consumption.
- Due to change in mix of fuel used, no comparison can be made with the earlier years.
- Cost of electricity generated through steam turbine has been arrived at after giving credit for the exhaust steam subsequently used in the manufacturing process.
- Costs have been given based on the records maintained as per Companies (Cost Records and Audit) Amendment Rules 2014, applicable to Sugar and Alcohol industry.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to export; initiatives taken to increase exports; development of new export markets for products and services; exports and import plans are mentioned in the Boards' Report.

During the year, Foreign Exchange aggregating to ₹2134.96 lacs was earned by the Company against export of Company's product and ₹11.64 lacs was spent on travelling.

The Foreign currency exposures not hedged by derivative instruments or otherwise are given in Note 22 of the Financial Statements.

#### Annexure - 4

#### Information pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The manufacturing units of the Company comprise of about 80% of the employees at the workers level. The Company has total 1635 permanent employees inclusive of workers on rolls as on March 31, 2016. The median remuneration as on March 31, 2016 is ₹16,862 per month which is increased by 8.26% from ₹15,575 per month during the financial year 2015-16.

#### Ratio of the Remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year.

Median remuneration of all the employees* of the Company for the Financial year 2015-16	₹16,862 Per Month
The percentage increase in the median remuneration of employees in the Financial year	8.26
The number of permanent employees on the rolls of Company as on 31 march 2016	1,635

\*inclusive of the workers at the manufacturing units

As the sugar industry is running into losses, there has been no substantial increase in the remuneration of the Directors/KMPs for the financial year 2015-16. Mr. Gurmit Singh Mann, Ms. Gursimran Kaur Mann, Mr. Gurpal Singh and Mr. Sanjay Tapiya were the whole time director in Erstwhile Simbhaoli Sugars Limited (ESSL) and their terms completed as per details mentioned elsewhere in this report. There was no increase given to them during this year.

Name of Director/ KMP	Remuneration (₹ Lacs)	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2015-16
Mr. S N Misra, Director and Chief Operating Officer	53.55	26.46	15%
Mr. Dayal Chand Popli, Chief Financial Officer	26.58	13.14	0
Mr. Kamal Samtani- Company Secretary	18.48	9.13	10%

#### Notes:

- The ratio of remuneration median remuneration is based on remuneration paid during the period April 1, 2015 to March 31, 2016
- The independent directors are being paid only the sitting fees and the relevant disclosures are made in the Corporate Governance report forming part of this Annual Report.

#### The explanation on the relationship between average increase in remuneration and company performance;

Revenue from operations for the year 2015-16 is ₹768.90 crore after giving effect to the Scheme of Amalgamation. Although, there is no direct relationship between remuneration and company performance as the remuneration is paid at par with the industrial norms for retention of employees with the Company.

#### Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

There is no direct relationship between remuneration of KMPs and company-performance as the remuneration is paid within industry norms for retention of KMPs with the Company.

#### Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies

On account of continued losses of four consecutive years, market capitalization of the Company as on March 31, 2016 was ₹153.66 crore after giving effect to the Scheme of Amalgamation. Since earning per share (EPS) is negative no comparative data is available for comparison.

#### Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

There was no substantial increase on the remuneration of the employees during the year.

#### Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

As aforementioned, the Company has been facing financial difficulties on account of mismatch in the sugar viz sugarcane pricing, as per the norms fixed by the State Government. With erosion of substantial part of the net-worth and increased dependency on the Government policy change, the Company has been suffering from the losses. In addition, the Company has been paying for retention of KMPs within the permissible limits and as far as possible to run the affairs if the Company.

#### The key parameters for any variable component of remuneration availed by the directors;

As per terms of employment, commission on net profit is the only variable component of remuneration to Whole Time Directors. On account of the continued losses there was no commission paid to any of the Directors.

#### The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

None of the employees has been paid remuneration in excess of the highest paid Director during the year.

#### Affirmation that the remuneration is as per the remuneration policy of the company.

The remuneration is being paid as per the remuneration policy of the Company.



**Annexure -5****FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A" : Subsidiaries**

(Amount ₹ in Lacs)

S. No	Particulars	Details			
1.	Name of the subsidiary	Integrated Casetech Consultants Pvt Limited	Simbhaoli Global Commodities, DMCC	Simbhaoli Power Pvt Limited	Simbhaoli Speciality Sugars Pvt Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year ended 31.03.2016	Year ended 31.03.2016	Year ended 31.03.2016	Year ended 31.03.2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	USD and Exchange Rate is taken as INR 65.69 for Statement of Profit & Loss items, INR 66.33 for Balance Sheet items and Share Capital at INR 48.86 Per US\$	N.A.	N.A.
4.	Share capital	23.58	39.94	1,086.03	1.90
5.	Reserves & surplus	588.92	(81.20)	7,227.70	104.08
6.	Total assets	1221.78	106.91	41104.94	116.80
7.	Total Liabilities	1221.78	106.91	41104.94	116.80
8.	Investments	189.91	-	1813.53	-
9.	Turnover	1165.62	-	5566.33	-
10.	Profit before taxation	(127.69)	(7.70)	295.84	29.90
11.	Provision for taxation	(16.25)	-	60.32	14.89
12.	Profit after taxation	(111.43)	(7.70)	235.52	15.01
13.	Proposed Dividend	-	-	-	-
14.	% of shareholding	85.16	100	51.00	100

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Joint Ventures	Uniworld Sugars Private Limited
1. Latest audited Balance Sheet Date	31.03.2016
2. Shares of Associate/Joint Ventures held by the company on the year end	
Number	29,011,770
Amount of Investment in Associates/Joint Venture (in ₹ Lacs)	7,572.99
Extend of Holding %	43.74
3. Description of how there is significant influence	Company along with its affiliates holds 50% shares
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	3351.48
6. Profit/Loss for the year	(2222.17)

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

Gurmit Singh Mann  
Chairperson  
DIN - 00066653

Gursimran Kaur Mann  
Director  
DIN - 00642094

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Anshul Jain  
GM-Finance  
FCA - 505973

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : New Delhi  
Date : May 30, 2016

# CORPORATE GOVERNANCE REPORT

[Pursuant to Schedule V part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the financial year ended on March 31, 2016 (hereinafter referred as 'the year'). The Company has been following the principles of corporate governance, which promote the long-term interests of stakeholders, strengthens the perception of the Board and management accountability, thereby helps building public confidence in the Company. The Company selects and supervises the senior management, in the manner, which promote the basic governing principles of the organization, who are responsible for conducting the business of the Company.

The Board of Directors has established corporate governance guidelines through various policies, which provide a framework for an effective governance system of the Company as developed over a period of time. The policies lay down the principles and the interest of all the stakeholders are taken care with adequate disclosure standards. The Board regularly reviews development in corporate governance as it deems necessary and appropriate. The Company has policies to implement the structure ensuring transparency in the system.

Over the years, the Company has formally upgraded itself for high level of corporate governance standards and also remains in process of implementing business and financial restructuring. It has redesigned its strategies for sustainable business growth with internal and external expertise. As a business philosophy, corporate governance practices are being pursued in all the spheres of operations, to protect the interests of all the stakeholders of the Company and the society.

## SCHEME OF AMALGAMATION

The Scheme of Amalgamation between erstwhile Simbhaoli Sugars Limited ("Amalgamating Company" or "ESSL") and Simbhaoli Spirits Limited ("Amalgamated Company" or "the Company" or "SSL") and their respective shareholders and creditors under Section 391 to 394 of the Companies Act, 1956 ("the Scheme") was sanctioned by Hon'ble High Court of Judicature at Allahabad, the details of which are given elsewhere in the Board's Report.

## BOARD OF DIRECTORS

### Composition and category

As on March 31, 2016, the Board of directors of the Company ('Board') consists of 11 (eleven) directors; out of which 5 (five) belong to the non-independent category, 5 (five) are independent directors and 1(one) is Nominee of the Bank. The Chairperson belongs to the promoters' category. The composition of the Board of Directors is governed under the provisions of the Companies Act, 2013 (hereinafter referred to as the 'the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations'). The composition of the Board and the number of other directorship(s) and committee membership/ chairmanship(s) held by the directors are as follows:

S. No	Name of Director & Category	Shares held in the Company	No. of other Directorships* in other companies	No. of committee** position held in other companies	
				Member	Chairman
Directors					
1	Mr. Gurmit Singh Mann Chairperson DIN: 00066653	37,26,154	1	1	-
2	Ms. Gursimran Kaur Mann DIN: 00642094	13,86,672	1	-	-
3	Mr. Gurpal Singh DIN: 00064807	24,02,770	1	1	1
4	Mr. Sanjay Tapriya DIN: 00064703	2,422	1	2	-
5	Mr. Sachchida Nand Misra Chief Operating Officer DIN: 06714324	1,521	1	-	-
Independent Directors					
6	Mr. B K Goswami DIN: 00003782	Nil	4	6	2
7	Mr. S C Kumar DIN: 00064453	Nil	2	5	2
8	Mr. S K Ganguli DIN: 00058198	585	1	3	1
9	Justice (Retd) C K Mahajan DIN: 00039060	422	2	3	-
10	Lt Gen D S Sidhu (PVSM, AVSM, VSM (Retd)) DIN: 07358619	963	1	-	-
Nominee Director					
11	Mr. Sangeet Shukla DIN: 02844203	Nil	1	1	-

\*Other directorships exclude foreign companies, private limited companies and alternate directorships.

\*\*Only membership in Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee has been reckoned for committee memberships in other companies.

## The Broad profile of the key functional directors/KMP's

The Company has the following key functional directors and key managerial personnel:

- Mr. Gurmit Singh Mann**, has been the Chairperson of the Company for past several decades. Mr. Mann has experience of over 48 years and became the Managing Director of the Company in 1972 and CMD in the year of 1989. In year, 2013, he became the Executive Chairman with the change in the management structure of the Company. He has exemplary knowledge on the sugar and alcohol products and has immense communication skills. He has been widely travelling in India as well as abroad and possesses good knowledge about the sugarcane rich geographical area.
- Ms. Gursimran Kaur Mann**, Director of the Company is a graduate in Economics and Political science from Bryn Mawr College, USA and has an MBA from London Business School. She has previously interned at Nestle India, Cargill Geneva, and ED&F Man Brazil. She has been discharging the key role as head of Simbhaoli's finance, marketing, trading, legal, operations, sales domestic international and trading business and all other operations along with the company's joint venture businesses.
- Mr. Gurpal Singh**, Director of the Company is a graduate

in economics and has over 25 years of experience in the management of the various functional areas of the Company. He has been sharing his experience with the management on the domestic and international markets for the betterment of the Company.

4. **Mr. Sachchida Nand Misra**, Chief Operating Officer (COO) and Whole Time Director of the Company is a Science Graduate from Gorakhpur University, A.N.S.I. from National Sugar Institute, Kanpur. He worked in Simbhaoli Sugars Limited (SSL) for about 22 years. He is designated as the Chief Operating Officer and responsible for the operations of the business units, technical supervision, sugarcane management, implementation and achieving business plan and operational policies, meeting statutory compliances at all the manufacturing units of the Company.
5. **Mr. Dayal Chand Popli**, Chief Financial Officer (CFO) of the Company is a commerce graduate and the fellow member of the Institute of Cost Accountants of India. He holds a good track record in the fields of accountancy, taxation, costing and other professional services. His last assignment was with 'Mawana Sugars Limited' as Corporate Accounts Head (Asstt. Vice President). He has over 25 years of experience in various accounts related areas. Previously, he has also worked in the Companies like Hero group, Nestle India, DCM Shriram Industries in accounts, costing and finance department.
6. **Mr. Kamal Samtani**, Company Secretary (CS) of the Company is a Science graduate and fellow member of the Institute of Company Secretaries of India. He is also an associate member of the Insurance Institute of India in general insurance branch. He started his career as management trainee in LML Limited and then joined Lloyd group. He joined Simbhaoli Sugars in January 2005. He has undertaken various capital raising issues including Rights Issue, FCCBs, Convertible Warrants, Esops, Joint Venture, Hive-Off/Amalgamation and Corporate Legal Functions etc.

#### Pecuniary relationship and transactions with non-independent directors

All the non-independent directors do not have any material pecuniary relationship or transactions except that Mr. Sanjay Tapiya, the Chief Financial Officer of the erstwhile Simbhaoli Sugars Limited has been upgraded to the position of Chief Executive Officer of Uniworld Sugars Private Limited, a joint venture Company with ED&F Man Sugar Ltd, UK and the Company. Mr. Sachchida Nand Misra has been working as the Chief Operating Officer of the Company.

#### Appointment of Independent Directors

All independent directors have specialized qualifications and possess the expert knowledge. All directors except the Independent and Nominee Directors are liable to retire by rotation. None of the directors are members of more than ten committees or chairperson of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

Formal letters of appointment have been issued to the Independent Directors appointed at the Annual General Meeting of the ESSL held on September 30, 2015, and the terms and conditions of said appointment have been uploaded on the website of the Company. The maximum tenure of Independent Directors is in accordance with the provisions of the Act.

Pursuant to Sections 149 read with Schedule IV and other

applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (LODR) Regulations, 2015, Mr. B K Goswami (DIN- 00003782), Mr. S K Ganguli (DIN- 00058198), Mr. S C Kumar (DIN- 00064453), Justice (Retd) C K Mahajan (DIN- 00039060) and Lt. Gen D S Sidhu (DIN- 07358619), were appointed as the Independent Directors on the Board of the Company to hold office for a period of 5 (five) consecutive years. They have also been considered to be the Independent Directors on the Board of the Company after amalgamation, subject to the approval of the members of the Company in the ensuing Annual General Meeting.

#### Familiarization Programme for Independent Directors

The new Independent Directors inducted on the Board are provided with an orientation through a formal familiarization programme. The presentations on the business structure and performance of the Company, the nature of industry and its dynamism, products, group structure and subsidiaries, the roles, responsibilities and liabilities of Independent Directors etc. Further, business updates, legal updates and major risks related to industry and risk management strategies are made available to the Independent Directors, especially to the audit committee members on an ongoing basis, by internal teams, external consultants, law firms, statutory and internal auditors, on a quarterly basis.

The detail of the Company's Familiarization Programme is disclosed at the Company's weblink:

[http://www.simbhaolisugars.com/pdfs/familiarization\\_programme\\_for\\_independent\\_directors.pdf](http://www.simbhaolisugars.com/pdfs/familiarization_programme_for_independent_directors.pdf)

Brief profiles of the Independent directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors are given below:

Name of the Directors	Mr. B K Goswami	Mr. S C Kumar	Mr. S K Ganguli	Justice (Retd) C K Mahajan	Lt Gen D S Sidhu (Retd)
Date of Birth	Jan 29, 1935	May 04, 1943	Dec 21, 1938	May 31, 1943	Oct 26, 1952
Date of Appointment	Nov 09, 2015	Feb 12, 2013	Aug 11, 2015	Nov 09, 2015	Dec 03, 2015
Qualification	IAS, M.A.(English)	FCMA, Diploma in Mechanical Engineering	FCA	M.A.L.L.B	MSC, M.Phil
Expertise	Mr. Goswami is a Senior Retired IAS Officer. He joined Indian Administrative Services in 1960. Mr. Goswami has held prestigious positions in various Government Departments	Mr. Kumar is a bank professional and has over 41 years of experience in commercial and development of banking/ project financing	Mr. Ganguli is a commerce graduate and qualified chartered accountant, who has been in the accounting and audit profession for last 42 years.	Justice Mahajan is a retired Judge of the Delhi High Court and has vast experience in law and justice. He has also been appointed as Chairperson/ President of various Committees and act as Arbitrator in several matters.	Lt Gen Sidhu retired from Indian Army and has been presently serving as an administrative member of Chandigarh regional bench of Armed Forces Tribunal.
Shareholding of Directors in the Company	Nil	Nil	585	422	963

## BOARD PROCEDURES

### Board Meetings and Attendance

**Erstwhile Simbhaoli Sugars Limited (ESSL)** During the year, Four Board meetings were held in the ESSL upto the Amalgamation with the Company. During the year, Board meetings were held at periodical interval and with a time gap of not exceeding one hundred and twenty days. The details are as follows:

Dates of Board Meeting	SSL		ESSL	
	Board Strength	Directors Present	Board Strength	Directors Present
May 26, 2015	-	-	9	9
May 30, 2015	5	4	9	7
August 11, 2015	6	5	-	-
August 14, 2015	-	-	9	8
October 10, 2015	6	5	9	9
November 09, 2015	11	9	-	-
November 14, 2015 (Adjourned)	10	8	-	-
November 24, 2015	10	10	-	-
February 13, 2016	11	11	-	-

The attendance of the directors at these meetings and at the last annual general meeting was as follows:

Name of the Directors	SSL		ESSL	
	No. of Board Meetings Attended	Attendance at the last AGM held on Sept 30, 2015	No. of Board Meetings Attended	Attendance at the last AGM held on, Sept 30, 2015
Mr. Gurmit Singh Mann	7	Yes	4	Yes
Mr. Gurpal Singh	6	Yes	3	Yes
Ms. Gursimran Kaur Mann	7	Yes	4	Yes
Mr. Sanjay Tapriya*	4	N.A	4	Yes
Mr. S N Misra*	4	N.A	4	Yes
Mr. S K Ganguli	6	N.A	4	No
Mr. S C Kumar	7	N.A	4	No
Mr. B K Goswami*	4	N.A	4	Yes
Justice (Retd) C K Mahajan*	3	N.A	2	No
Mr. Sangeet Shukla*	2	N.A	-	-
Lt. Gen D S Sidhu**	1	N.A	-	-
Mr. Rakesh Kumar Singh <sup>§</sup>	1	No	-	-

\*Appointed on November 9, 2015

\*\*Appointed on December 3, 2015

§Ceased to be director w.e.f. November 9, 2015

### Information to Board

The important matters related to the operations of the Company, its business plans, financial affairs and results, indebtedness issues, legal and corporate governance issues, growth strategies, restructuring plans, senior personnel appointments including quarterly/half yearly/periodical financial and operational results, capital expenditure, sale and acquisition of assets, capital budget, business plans, mortgages, guarantees and loans, analysis of operations, major litigations, feedback reports, minutes of committee meetings, minutes/transactions of subsidiary companies, staff related matters, labour relationship, accidents/mishaps, information technology strategies, insider trading compliances, and general notices of interest of directors and KMP's etc. are being placed before the Board and Board is authorized to approve them, and take decision in this regard. The COO, CFO and CS have been making full disclosure to the Board regarding these matters in the manner as may be applicable from time to time.

## BOARD COMMITTEES

Board of directors has constituted the following committees and each committee has specific terms of reference. The Company Secretary acts as the Secretary to all the committees. The Board has eight committees at the end of the year:

- Audit Committee,
- Nomination and Remuneration Committee,
- Stakeholders Relationship Committee,
- Corporate Social Responsibility Committee,
- Securities Allotment Committee,
- Finance Committee,
- Business Reorganization Committee and,
- Risk Management Committee.

### I. Audit Committee

The Audit Committee of the Board of Directors of the Company is constituted in line with the provisions of the Act read with the Listing Regulations. The Audit Committee comprises of four non-



executive independent directors. Mr. B K Goswami acts as the Chairperson of the Committee. The whole time directors and the statutory and internal auditors of the Company are the regular invitees.

Two meetings of this Committee were held in the ESSL during the period prior to the Amalgamation with the Company. After amalgamation, three (including one adjourned meeting held on Nov. 14, 2015) meetings of this Committee were held in SSL. The details are as follows:

Member	SSL		ESSL	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
Mr. Basant Kumar Goswami	3	3	2	2
Mr. Samir Kumar Ganguli	3	3	2	2
Mr. Samir Chandra Kumar	3	3	2	2
Mr. Sangeet Shukla* (SBI Nominee)	3	1	-	-

\*Nominated as member of the Committee w.e.f. November 9, 2015.

All the members of the Committee have sound knowledge in the fields of finance and accounts. The role and terms of reference of audit committee covers all the areas as prescribed under Section 177 of the Act read with provisions of Regulation 18 and Part C of Schedule II of the Listing Regulations.

Further, the terms of reference are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information;
- Recommendation for appointment, remuneration and terms of appointment of auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon;
- Matters included in the director's responsibility statement;
- Reviewing, with the management, the quarterly financial results;
- Reviewing the transactions with related parties;
- Review of inter-corporate loans and investments;
- Compliance with listing and other legal requirements concerning financial statements/results;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems along with verification of the adequacy of internal control systems;
- Reviewing, with the management, the completion of the audit along with the duties discharged by the statutory and internal auditors;
- Review the functioning of the whistle blower mechanism;
- Carrying out any other functions as prescribed by the Board from time to time.

#### Other Matters:-

The Company has been in a process to measure the performance of the Committee each year. The assessment broadly covers composition, structure and process adopted; internal control systems and overview of internal and external audits. The results of the self assessment will be presented at the Independent Director Meetings along with the action plan in the areas requiring improvement.

#### II. Nomination and Remuneration Committee

After Amalgamation, the Board has reconstituted the Nomination and Remuneration Committee (NRC) under the provisions of Section 178 of the Act and rules made thereunder read with

Regulation 19 and Part D of Schedule II of the Listing Regulations. It comprises of four directors; out of which three are independent directors. Mr. B K Goswami acts as the Chairperson of the Committee. The objective of this Committee is to lay down a framework in relation to remuneration to the directors and Key Managerial Personnel. The Committee recommend to the Board the terms and conditions of their respective appointment comprising of the formulation of the criteria for determining qualifications, positive attributes and independence, policies relating to the remuneration, role responsibilities and other terms; continuing evaluation process and suitable mechanism and the grievances, if any, raised by such persons and take steps as considered necessary; seek such reports and compliances and also consider their removal, if required in the interest of the Company.

Two meetings of this Committee were held in the ESSL and one meeting was held in SSL prior to the Amalgamation with the Company. No meeting was held in SSL after amalgamation during the year. The details are as follows:

Member	SSL		ESSL	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
Mr. Basant Kumar Goswami	-	-	2	2
Mr. Samir Kumar Ganguli	-	-	2	2
Mr. Samir Chandra Kumar	1	1	2	2
Mr. Gurmit Singh Mann	1	1	2	2
Ms. Gursimran Kaur Mann	1	1	-	-

#### III. Stakeholders Relationship Committee

The Board has constituted Stakeholders Relationship Committee under the provisions of Section 178 of the Act and rules made thereunder read with Regulation 20 and Part D of Schedule II of the Listing Regulations. It comprises of three non-executive independent directors. Mr. S K Ganguli acts as the Chairperson of the Committee. The objective of this Committee is to perform all functions relating to the interests of security holders of the Company and related work as assigned by the Board, from time to time.

The Committee deals with redressal of the shareholders grievances relating but not limiting to transfer of shares, non-receipt of annual reports, change of addresses, non-receipt of dividend etc. The meetings of this Committee are held on quarterly basis.

During the year, two meetings of this Committee were held in the ESSL till the Amalgamation with the Company. After amalgamation, two meetings of this Committee were held. The details are as follows:

Member	SSL		ESSL	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
Mr. Samir Kumar Ganguli	2	2	2	2
Mr. Samir Chandra Kumar	2	2	2	2
Mr. Sanjay Tapiya	2	1	2	2

During the year, eight investors' complaints were received and all complaints were redressed. There was no pending complaint as on March 31, 2016.

#### IV. Corporate Social Responsibility Committee

The Company does not fall under any of the criterias prescribed under Section 135 of the Act. However, the Board has constituted Corporate Social Responsibility (CSR) Committee under the provisions of Section 135 of the Act and the Rules framed there under, comprising of three directors. Mr. S C Kumar acts as the Chairperson of the Committee. The terms of reference of this Committee include the formulation and recommendation to the

Board, the plans for CSR activities, amount of expenditure to be incurred; and monitor the implementation of the CSR Policy and to take steps to strengthen the social awareness to improve the hygienic environment in the vicinity of the plants and to provide help to the poor in mills command area.

Since, the Company has been incurring losses, no meeting of this committee was held during the year. However, the Company has initiated various measures to implement its CSR Policy.

Member	Designation in the Committee
Mr. Samir Chandra Kumar	Chairperson
Ms. Gursimran Kaur Mann	Member
Mr. Sanjay Tapriya	Member

#### V. Finance Committee

The Board has constituted Finance Committee comprising of three directors for implementing the decisions related to finance, banking, insurance, investment and treasury transactions and change of authorized signatory structure with various Banks for operations of the accounts of the Company and review their compliance from time to time. Mr. Gurmit Singh Mann is the Chairperson of this Committee. During the year, no meeting of this Committee was held.

Member	Designation in the Committee
Mr. Gurmit Singh Mann	Chairperson
Mr. Gurpal Singh	Member
Ms. Gursimran Kaur Mann	Member

#### VI. Securities Allotment Committee

The Board has constituted Securities Allotment Committee comprising of three independent/nominee directors. Mr. B K Goswami acts as the Chairperson of the Committee. The Committee is constituted for the allotment and post-allotment activities related to the Company's securities. The scope of work of this committee is to approve allotment, issue of Certificate/Letter of allotment, transfer, transmission, re-materialisation, issue of duplicate security certificates, consolidation/split of securities. During the year, no meeting of this Committee was held.

Member	Designation in the Committee
Mr. Basant Kumar Goswami	Chairperson
Mr. Samir Chandra Kumar	Member
Mr. Sangeet Shukla (SBI Nominee)	Member

#### VII. Business Reorganization Committee

The Board has constituted Business Reorganization Committee comprising of three directors. Mr. B K Goswami acts as the Chairperson of the Committee. The Committee was constituted for taking steps to file the sanctioned Scheme of Amalgamation with the stock exchanges, in connection with the compliance of Order passed by the Hon'ble High Court including the applications with the Registrar of Companies (ROC), Regional Director, SEBI, Stock Exchanges and such other statutory/regulatory authorities as may be required. During the year, one meeting of this Committee was held in SSL.

Member	SSL	
	Meetings held	Meetings attended
Mr. Basant Kumar Goswami	1	1
Mr. Samir Kumar Ganguli	1	1
Mr. Gurmit Singh Mann	1	1

#### VIII. Risk Management Committee

The Board has constituted Risk Management Committee comprising of three directors under the provisions of Regulation

21 of the Listing Regulations. The Committee is constituted to improve business performance by promoting more innovative and less risk averse ventures to benefit the organization and to provide a sound basis for integrated risk management and internal control. During the year, no meeting of this Committee was held. However, the Company has implemented its risk management policy as available on the weblink [http://simbhaolisugars.com/company\\_policies.asp](http://simbhaolisugars.com/company_policies.asp).

Member	Designation in the Committee
Ms. Gursimran Kaur Mann	Chairperson
Mr. Gurpal Singh	Member
Mr. S N Misra	Member

#### Meeting of Independent Directors

During the year, one meeting of the Independent Directors of the Company was held on March 10, 2016 in SSL to consider and review the items as listed under the provisions of Schedule IV to the Act.

#### Remuneration policy as applicable to the directors

The remuneration policy as adopted by the Company and applicable to the directors provides for the following:

The directors in employment are paid remuneration as per their respective terms as approved by the Board of Directors and the members of the Company in accordance with the provisions of the Act. No sitting fee is payable to them. Details of remuneration paid to them for the Erstwhile Simbhaoli Sugars Limited is as follows:

Name of the Director	Salary		Benefits <sup>#</sup>		Total
	Parent Company	Subsidiary/ Associate Companies	Parent Company	Subsidiary/ Associate Companies	
Mr. Gurmit Singh Mann <sup>§</sup>	29.69	-	-	-	29.69
Mr. Gurpal Singh <sup>§</sup>	28.58	-	2.72	-	31.30
Mr. Sanjay Tapriya <sup>*</sup>	11.22	31.75	3.63	5.67	52.27
Ms. Gursimran Kaur Mann <sup>§</sup>	14.82	-	2.47	-	17.29
Mr. Sachchida Nand Misra	46.22	-	7.33	-	53.55

<sup>#</sup>including provident fund and other retirement benefits.

<sup>§</sup> till November 13, 2015 i.e the effective date of the Scheme of Amalgamation.

<sup>\*</sup> Became CEO of USPL w.e.f October 1, 2015.

No remuneration is being paid to the independent/nominee directors. However, the Company has been paying the sitting fees of ₹15,000 plus reimbursement of the travelling expenses incurred by the independent directors for attending the meetings of the Board and Committees thereof. The sitting fee was paid during the financial year to Mr. S K Ganguli ₹2.40 lacs, Mr. S C Kumar ₹3.00 lacs, Mr. B K Goswami ₹2.25 lacs, Justice (Retd) C K Mahajan ₹0.90 lacs, Lt Gen D S Sidhu ₹0.30 lacs and Mr. Sangeet Shukla ₹0.45 lacs.

The equity shares were issued to the directors as per their entitlement in pursuance to the Scheme of Amalgamation and no convertible securities were issued by the Company during the year.

#### Disclosure of payment of remuneration to whole time directors under Part II of section II (B) of Schedule V to the Companies Act, 2013

In the Company, Mr. Gurmit Singh Mann, Chairperson supported by Ms. Gursimran Kaur Mann and Mr. Gurpal Singh, directors and Mr. S N Misra, COO of the Company has been looking after the affairs of the Company.

In Erstwhile Simbhaoli Sugars Limited (ESSL), Mr. Gurmit Singh Mann was acting as the Chairperson and Ms. Gursimran Kaur Mann and Mr. Gurpal Singh, were the Managing Directors of the Company. Mr. Sanjay Tapriya, Chief Financial Officer and Mr. S N Misra have been associated with the Company at the professional capacities and they did not hold any beneficial interest, except the minor shareholding, in the share capital of the ESSL/SSL.

During the year, the aggregate remuneration paid to these directors was within the limits of Schedule V to the Act. The remuneration comprises of fixed components and there is no performance linked incentives criterion. No severance fee is payable to them. During the year, no stock option has been granted by the Company to the directors. The appointment is liable to be terminated on a notice of two/three months or payment of salary in lieu thereof.

#### Compliance officer

Mr. Kamal Samtani was the Company Secretary of the ESSL, the Transferor Company and later after amalgamation has also been appointed as the Company Secretary of the Transferee Company. He has also been acting as the compliance officer of the Company.

#### MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis report is made a part of report of directors, forming part of the corporate governance report.

#### GENERAL MEETINGS

##### Annual General Meeting

The date of annual general meeting for the year 2015-16, will be fixed and book closure will be announced accordingly. The last three AGMs were held as follows:

SSL	
AGM	Day and Date
2nd	Wednesday, 31-07-2013
3rd	Tuesday, 30-09-2014
4th	Wednesday, 30-09-2015

ESSL	
AGM	Day and Date
76th	Wednesday, 31-07-2013
77th	Tuesday, 23-12-2014
78th	Wednesday, 30-09-2015

**Venue:** Simbhaoli- 245 207, Distt. Hapur, Uttar Pradesh

#### E-Voting/Poll: (Details of E-voting/Poll carried out at AGM/EGM)

In pursuance to the provisions of Section 108 of the Act read with Rules made there under, the Company offered E-voting facility to its members to cast their vote electronically on all resolutions set forth in the Notice of 78th AGM.

#### Special resolutions passed at the last three annual general meetings by SSL/ESSL

SSL		
AGM	Date	Subject matter of special resolution
2nd	31-07-2013	Payment of remuneration to the Director and Chief Operating Officer under the provisions of Sections 198, 269, 309, 310,

		311 read with schedule XIII to the Companies Act, 1956 including any statutory modifications or enactments thereof for the time being in force.
3rd	30-09-2014	NIL
4th	30-09-2015	1) Payment of remuneration to the Chief General Manager under the provisions of Sections 196, 197, 198, read with schedule V to the Companies Act, 2013 including any statutory modifications or enactments thereof for the time being in force. 2) Authorization to the Board of Directors of the Company to borrow monies, from time to time, upto the total amount of monies borrowed at any time, Rs. 1600 crore under the provisions of Section 180(1)(c) of the Companies Act, 2013.

ESSL		
AGM	Date	Subject matter of special resolution
76th	31.07.2013	Payment of remuneration to the Chairman and Managing Director(s) under the provisions of Sections 198, 269, 309, 310, 311 read with schedule XIII to the Companies Act, 1956 including any statutory modifications or enactments thereof for the time being in force.
77th	23.12.2014	Authorization to the Board of Directors of the Company to borrow monies, from time to time, upto the total amount of monies borrowed at any time, Rs. 1600 crore under the provisions of Section 180(1)(c) of the Companies Act, 2013
78th	30.09.2015	Payment of remuneration to the Chairman, Managing Director and Chief Financial officer under the provisions of Sections 196, 197, 198, read with schedule V to the Companies Act, 2013 including any statutory modifications or enactments thereof for the time being in force.

#### Extra-Ordinary General Meeting

During the year, one Extra Ordinary General Meeting of the members of the Company was held on Monday, November 09, 2015 at 5:00 PM at Officers' club, Sugar Mill Complex, Simbhaoli -245207, District Hapur, U.P.

#### Postal Ballot

The Company had not conducted any Postal Ballot during the year and none of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

#### Court Convened Meeting

During the year, the meeting of the secured creditors of the Company was held pursuant to the order passed by Hon'ble High Court of Judicature at Allahabad to consider the proposed Scheme of Amalgamation.

#### Information on appointment of directors

The details of appointment of directors are given elsewhere in the Board's report.

#### SUBSIDIARY COMPANIES

The financials of the subsidiary companies have regularly been reviewed by the audit committee and the Board of the holding company. The minutes of the meetings of the Board of the

unlisted subsidiary companies are placed before the Board Meeting of the holding company and taken on record by it. The holding company's Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies.

The Company has not disposed off/reduced its shareholding in subsidiary companies during the year. The Company has also formulated a policy for determining the Material Subsidiary, which is disclosed on Company's website on the weblink:

<http://www.simbhaolisugars.com/pdfs/Policy-for-determining-material-subsidiaries.pdf>

#### **WHISTLE BLOWER POLICY**

The Board has formulated a Whistle Blower Policy to provide a framework for promoting the responsible and secure vigil mechanism within the organization. It provides guidance and a procedural framework to directors, employees, customers, vendors and/or third party intermediaries, who may raise a concern about irregularities and/or frauds and any other wrongful conduct, act or any omission or misrepresentation of facts, within the Company without fear of reprisal, discrimination or adverse employment consequences.

This Policy is also intended to enable the Company to address such disclosures or complaints by taking appropriate action, including, but not limited to disciplinary action that could include terminating the employment and/or services of those responsible including undertaking legal actions.

#### **DISCLOSURES**

##### **Related party transactions and their basis**

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc., which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards as mandated under the provisions of the Act.

All Related Party Transactions are presented to the Audit Committee and the Board. The Company has been in process to obtain omnibus approval for the transactions, which are foreseen and repetitive in nature w.e.f this financial year 2016-17. However, a statement of all related party transactions have been approved by the Audit Committee on regular basis.

A policy has been formulated on Related Party Transactions which is disclosed on Company's website on weblink as provided:

<http://www.simbhaolisugars.com/pdfs/related-party-transaction-policy.pdf>

##### **Disclosure of accounting treatment**

The financial statements are prepared under the historical cost convention system in accordance with the mandatory accounting standards prescribed under the relevant presentational requirements of the Act.

##### **Reconciliation of Share Capital Audit**

M/s Pragati Gupta, Practising Company Secretary has carried

out the Reconciliation of Share Capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital with the Stock Exchanges.

#### **Internal Control Compliances**

With the changing environment and growth in the business, the Company is in process of review and strengthening its internal control procedures and compliance standards. The provisions of the Act have mandated the requirement of Internal Financial Controls and Reporting (IFCR) with effect from April 1, 2015. The Company has designed a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally accepted accounting principles. The Company has been following the Internal Financial Control mechanism and documentation is being carried out for the purpose of audit. The Internal Financial Controls are adequate and effective, which implies orderly and efficient conduct of business, and prevention and detection of frauds and errors.

#### **Code of Conduct for the Board of Directors and the Senior Management**

Pursuant to Regulation 17(5) of the Listing Regulations, the Board of Directors has laid down a 'Code of Conduct' for all the Board and Senior Management members. The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the Company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances.

The Company has issued code of conduct for its Board and senior management in compliance with Listing Regulations, with the stock exchanges, advising and cautioning management staff and other business associates on the procedure to be followed, while dealing in equity shares of the Company and have complied with the disclosure requirements. The Code of Conduct is available at the weblink: [http://simbhaolisugars.com/company\\_policies.asp](http://simbhaolisugars.com/company_policies.asp)

#### **Details of non-compliance**

There were no instances of non-compliance of any matter related to the capital markets during the last three years. No penalties or strictures have been imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets.

#### **Code of conduct for prevention of Insider Trading Practices**

In compliance with the Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated, adopted and implemented "Code of Conduct to regulate, monitor and reporting trading by Insiders" in the securities of the Company.

#### **Communication**

The quarterly financial results of the Company are being sent to the stock exchanges immediately after their approval from the Board and also published in reputed national and regional newspapers mainly in Business Standard. The Company provides comprehensive details of the operations of the Company, the financial results and other information on the Company's website and all the policies of the Company are available at the link [http://www.simbhaolisugars.com/company\\_policies.asp](http://www.simbhaolisugars.com/company_policies.asp)

#### **Compliance Certificate of the Auditors**

Certificate from the Company's Secretarial Auditors, M/s. Amit



Gupta and Associates, confirming the compliance with conditions of corporate governance as stipulated under the Listing Regulations, is attached to this Report.

#### ISSUE PROCEEDS

Not Applicable, as during the year, the Company has not raised any funds towards the share capital.

#### SHAREHOLDERS' INFORMATION

**Financial Year:** 12 month period starting April to the month of March of the subsequent year. The Company shall publish the quarterly/yearly results in accordance with the Listing Regulations.

#### Listing of Equity Shares

<b>Bombay Stock Exchange Limited,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. Tel: 91-22-22721233/34, Fax: 91-22-22721919 Website: <a href="http://www.bseindia.com">www.bseindia.com</a> Scrip Code: 539742	<b>National Stock Exchange of India Limited,</b> Exchange Plaza, Bandra Kurla Complex, Mumbai Tel : 91-22-26598100 Fax : 91-22-265988120 Website: <a href="http://www.nseindia.com">www.nseindia.com</a> Scrip code :SIMBHALS
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The initial listing fee for admission of Company's securities under the provision of Regulation 14 of Listing Regulations and then subsequently the annual Listing fee for the financial year 2016-17 has been paid to both the stock exchanges.

#### Depositories

National Securities Depository Limited, Trade World, 4th Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Tel: 91-22-24994200 Fax: 91-22-24972993/2497 Email <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a> Website : <a href="http://www.nsdl.co.in">www.nsdl.co.in</a>	Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai-400 023 Tel: 91-22-2272333 Fax: 91-22-22723199 Email: <a href="mailto:investors@cdslindia.com">investors@cdslindia.com</a> Website: <a href="http://www.cdslindia.com">www.cdslindia.com</a>
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ISIN: ESSL-INE270C01017 and SSL-INE748T01016

#### Stock Market Data

The securities of the Amalgamated Company have been listed on both the exchanges w.e.f March 14, 2016. Therefore, the details of high and low price of equity shares of the Company in comparison to broad based indices are available for March 2016 only.

Month	BSE				NSE			
	Share Price (Rs.)		Sensex S&P		Share Price (Rs.)		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
Mar-16	39.40	25.75	25341.86	24551.17	38.40	25.70	7738.4	7460.6

#### Distribution of share holding as at March 31, 2016:

Category	No. of Shareholders	% of no. of shareholders	No. of shares	% of capital
1 to 5000	12128	80.106	1905098	5.083
5001 to 10,000	1430	9.445	949716	2.534
10,001 to 20000	819	5.41	1090088	2.909
20001 to 30,000	257	1.697	624686	1.667
30001 to 40000	110	0.727	380374	1.015
40001 to 50000	78	0.515	352370	0.94
50001 to 100000	174	1.149	1196389	3.192
100001 and Above	144	0.951	30980299	82.66
<b>Total</b>	<b>15140</b>	<b>100</b>	<b>37479020</b>	<b>100</b>

As on March 31, 2016, 368,50,048 equity shares constituting 98.32% of total no of equity shares were under demat category with NSDL and CDSL.

#### Shareholding Pattern As on March 31, 2016

##### Equity Shares:

Category	No. of Shares held	% age
A: Indian Promoters	18215790	48.60
<b>Sub-Total (A)</b>	<b>18215790</b>	<b>48.60</b>
<b>B: Non - Promoters Holding:</b>		
Mutual Funds	1755	0.01
Foreign Institutional Investors (FII)	347183	0.93
Financial Institutions and Banks	1170	0.003
Private Corporate Bodies	9654012	25.76
Indian Public (individuals )	8488263	22.65
NBFCs registered with RBI	1082	0.003
NRIs / OCBs	219487	0.59
Any other (Clearing Members and Trust)	550278	1.47
<b>Sub-Total (B)</b>	<b>19263230</b>	<b>51.40</b>
<b>Grand Total (A+B)</b>	<b>37479020</b>	<b>100.00</b>

#### Share warrants/ESOP/Convertible Securities

During the year, the Company has not issued any share warrants/ESOP/Convertible securities.

#### LOCATION OF THE PLANTS AND OPERATING DIVISIONS:

<b>Simbhaoli Complex</b>	Simbhaoli, District Hapur Uttar Pradesh - 245 207	Tel.No. +91 5731-23117/8/9
<b>Chilwaria Complex</b>	Chilwaria, Distt. Bahraich, Uttar Pradesh - 271 801	Tel.No. +91 5252-244251/2
<b>Brijnathpur Complex</b>	Brijnathpur, District Hapur Uttar Pradesh - 245 101	Tel. No. +91 9837790990 Tel. No. +91 9917473169
<b>*Gandhidham Complex</b>	Village Versamedi, Tehsil Anjar, Gandhidham, District Bhuj -Kachchh, Gujarat -370201	Tel. No. +91 283-6294594

\*1000 TPD Raw Sugar refining plant of Uniworld Sugars Private Limited.  
Any correspondence with units can be sent to [info@simbhaolisugars.com](mailto:info@simbhaolisugars.com)

#### INVESTOR SERVICES

##### Share Transfer System

Share transfer requests under physical and demat categories are normally affected/confirmed within a period of 15 days from the date of receipt. Shares are transferred and depository services are provided through M/s Mas Services Limited, the Registrar and share transfer agent. Investor correspondence can be made at any of the following addresses:

- Mas Services Limited: T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020  
Phone No.: +91-11-26387281/82/83 E-mail : [info@masserv.com](mailto:info@masserv.com)
- Registered Office: Simbhaoli, District Hapur, Uttar Pradesh- 245 207  
Phone No. +91-5731-226411/223118 E-mail: [kamal@simbhaolisugars.com](mailto:kamal@simbhaolisugars.com)

#### Non-mandatory requirements

Non-mandatory requirements of the Listing Regulations have been adopted by the Company to the extent they are in line with the nature of business activities of the Company.

#### Nomination

The prescribed form for nomination can be obtained from the Company/Transfer agent. Nomination facility in respect of shares held in electronic form is also available with depository

participant as per the bye-laws and business rules applicable to NSDL and CDSL.

#### **Unclaimed dividend and interest**

There is no unclaimed dividend and interest outstanding at the end of the financial year. The amount of dividend/debenture installment or interest thereon remaining un-claimed for a period of 7 years have been transferred to the credit of investors' education and protection fund.

#### **CEO AND CFO CERTIFICATION**

The Chairperson, Directors, COO and CFO of the Company has submitted the annual certificate on financial reporting and internal controls to the Board in terms of the Listing Regulations, which form part of this report. COO, CFO and CS also place before the meetings of the Board the quarterly certificates on financial results in terms of the Listing Regulations.

#### **Certificate on Compliance with Code of Conduct**

We hereby confirm that the Company has obtained an affirmation from all the members of the Board and management personnel that they have complied with the Code of Conduct for the financial year 2015-16.

**For and on behalf of Board of Directors  
of Simbhaoli Sugars Limited**

**Gurmit Singh Mann  
Chairperson  
(DIN - 00066653)**

Place : New Delhi  
Date : May 30, 2016

#### **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members,  
**SIMBHAOLI SUGARS LIMITED,**  
**(Formerly known as Simbhaoli Spirits Limited)**  
**(CIN - U15122UP2011PLC044210)**  
**Hapur Road, Simbhaoli, Uttar Pradesh**

1. We have examined the compliance of conditions of Corporate Governance by Simbhaoli Sugars Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in:
  - Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015;
  - Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015;
  - Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016; and
  - Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial

statements of the Company.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016. However, the Board comprise of 11 (eleven) directors; out of which 5 (five) belongs to the non-independent category, 5 (five) are independent directors and 1(one) is Nominee of the Bank.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Amit Gupta & Associates  
Company Secretaries**

**Amit Gupta  
Proprietor  
Membership No. : F5478  
C.P. No. 4682**

Place : Lucknow  
Date : 30.05.2016

## CEO/CFO CERTIFICATION

The Board of Directors  
Simbhaoli Sugars Limited  
Simbhaoli District Hapur,  
Uttar Pradesh - 245 207

**Re: Certification by CEO/CFO for the financial year  
ended on March 31, 2016**

We, Gurmit Singh Mann, Chairperson, Gurpal Singh, Gursimran Kaur Mann, Directors, S N Misra, Director and Chief Operating Officer and Dayal Chand Popli, Chief Financial Officer of Simbhaoli Sugars Limited to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements comprising of the balance sheets as on March 31, 2016, profit and loss account, the cash flow statement and the directors' report for the year ended March 31, 2016 and based upon our knowledge and information confirm that;
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We accept responsibility for establishing and maintaining internal controls for financial reporting for the Company and we have:
- (i) evaluated the effectiveness of the internal control systems of the Company,
- (ii) disclosed to the auditors and the audit committee of the Board, deficiencies in the design or operation of internal controls, if any, of which we are aware, and
- (iii) taken necessary steps or proposed to take to rectify these deficiencies.
- (c) We have indicated to auditors and the audit committee of the Board that there have been:
- (i) no significant changes in internal control over the financial reporting during the year and the quality of

internal control is improved with the implementation of SAP ;

- (ii) no significant changes in accounting policies during the year;
- (iii) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
- (d) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (e) In accordance with Regulation 17(5) of the Listing Regulations, all the directors and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conducts, as applicable to them for Financial Year ended March 31, 2016

We state that, over the last few years, Uttar Pradesh based sugar companies have been facing financial difficulties on account of higher sugar cane prices, lower realization of sugar and high finance cost in last 3-4 years. The state administration took control over the sugar stocks and initiated multiple coercive actions, and there have been some delays in discharge of the statutory liabilities. However, the Company has been implementing a number of measures for its business viability and we are confident to come out of the difficult stage over a period of time.

We also state that the Scheme of Amalgamation between erstwhile Simbhaoli Sugars Limited ("ESSL") and Simbhaoli Spirits Limited, now known as Simbhaoli Sugars Limited ("the Company" or "SSL") was sanctioned by Hon'ble High Court of Judicature at Allahabad pursuant to its order dated October 15, 2015 ("Order"). The Order was filed with the Registrar of Companies, Uttar Pradesh Kanpur, and then the Scheme became effective on November 13, 2015 with effect from the appointed date, being April 1, 2015 and consequent thereto, the entire business undertakings of ESSL, stand transferred to and vested in the SSL, as going concern.

Gurmit Singh Mann  
(Chairperson)  
DIN - 00066653

Gurpal Singh  
(Director)  
DIN -00064807

Gursimran Kaur Mann  
(Director)  
DIN - 00642094

Dayal Chand Popli  
Chief Financial Officer  
FCMA- 12257

S N Misra  
Chief Operating Officer  
DIN -06714324

Place : New Delhi  
Date : May 30, 2016

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMBHAOLI SUGARS LIMITED

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Simbhaoli Sugars Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the

Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence, we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its Loss and its Cash flows for the year ended on that date.

## Emphasis of Matter:

We draw attention to Note No. 9 to the financial statements which, describes reasons for classification of current liabilities in respect of short term borrowings of Rs. 32,513.37 lacs, current maturities of term loan of Rs. 6,902.72 lacs and interest accrued of Rs. 5,105.72 lacs under "Long Term Borrowings", in accordance with the scheme approved by Corporate Debt Restructuring Empowered Group, although the scheme is yet to be implemented by all the bankers.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure - 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143(3) of the Act, we report that
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such Controls, refer to our separate report in Annexure - 'B'



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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

iii. As explained, there were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **MITTAL GUPTA & CO.,**  
Chartered Accountants  
(Firm's Registration No.01874C)

**(B. L. GUPTA)**

Partner

Place : New Delhi  
Date : May 30, 2016

(Membership No. 073794)

### **Annexure - 'A' to the Independent Auditors' Report**

The Annexure - 'A' referred to in our Independent Auditors' Report of even date to the members of the Company on the standalone financial statements for the year ended 31st March, 2016:

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The management has verified major fixed assets during the year and as explained there is no material discrepancy on such verification.
- (c) The title deeds of all immovable properties, as disclosed in the financial statements, are held in the name of the company.
- ii) The inventories (other than lying with third parties) have been physically verified by the management at reasonable interval during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.
- iii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not granted any secured or unsecured loan to the companies, firms, limited liability partnership and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii) of the order is not applicable to the company.
- iv) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the company has not granted any loans, or provided any security or guarantee to the parties covered under Section 185 of the Companies Act, 2013. The Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investment made or loans or guarantee or security provided to the parties covered under section 186 of the Companies Act, 2013.
- v) According to the information and explanations given to us, in our opinion, the Company has not accepted any deposit in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed there under. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or

Reserve Bank of India or any court or any other Tribunal in this connection.

- v) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost records and Audit) Rules, 2014 under section 148 of the Companies Act and are of the opinion that, prima facie, the prescribed cost record have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company have generally been regularly deposited undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities though there has been slight delay in few cases. There are no undisputed statutory dues as referred to above as at 31st March, 2016 outstanding for a period of more than six months from the date they become payable except for demand raised by Income Tax Authorities at the time of processing of TDS return aggregating to Rs.34.91 lacs. We have been informed by the Company that they are in process of getting these returns rectified and are hopeful that these demands will be substantially reduced after rectification.
- (b) According to the information and explanations given to us, the particulars of Income tax, Service-tax, Sales-tax, Custom Duty, Excise Duty, Entry tax, Value Added Tax, which have not been deposited on account of any dispute, are as reported in Note No. 14 to the accompanying financial statements .
- viii) According to the information and explanations given to us, the Company has defaulted in repayment of loans and borrowings to banks and Government. The Corporate Debt Restructuring Empowered Group has sanctioned the debt restructuring scheme in respect of overdues to banks during the year. The scheme is yet to be sanctioned and implemented by the respective bank. Details of defaults in respect of principal and interest dues to Government and banks under pre-restructured terms and condition and under restructured terms and condition are stated in Note No. 9 to accompanying financial statements. The Company has not borrowed any money by way of issue of debentures.

- ix) The company did not raise any money by way of initial public offer and further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- x) To the best, of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company is not a Nidhi Company. Accordingly the paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS)

- 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not entered into any non-cash transactions as specified u/s 192 of the Act, with its directors or persons connected to him. Accordingly, the paragraph 3(xv) of the Order is not applicable to the Company.
- xvi) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **MITTAL GUPTA & CO**  
Chartered Accountants  
(Firm's Registration No. 01874C)

Place : New Delhi  
Date : May 30, 2016

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

## **Annexure - 'B' to the Independent Auditor's Report**

(The Annexure - 'B' referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2016)

### **Report on the Internal Financial Control under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial control over financial reporting of Simbhaoli Sugars Limited ("the Company") as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

#### **Management's Responsibility for internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control Over Financial

Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies

and procedures that (1) pertain to the maintenance of records that , in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipt and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial

reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting financial control over financial reporting were operating effectively as at 31 March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **MITTAL GUPTA & CO.,**  
Chartered Accountants  
(Firm's Registration No. 01874C)

Place : New Delhi  
Date : May 30, 2016

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



**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**BALANCE SHEET**  
**AS AT MARCH 31, 2016**

	Notes	As at March 31, 2016 Rs. lacs	As at March 31, 2015 Rs. lacs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3.1	3,747.90	3,180.00
Reserves and surplus	3.2	29,675.24	15,720.69
		<b>33,423.14</b>	<b>18,900.69</b>
<b>Non-current liabilities</b>			
Long-term borrowings	3.3	50,656.55	-
Long-term provisions	3.4	179.61	27.00
		<b>50,836.16</b>	<b>27.00</b>
<b>Current liabilities</b>			
Short-term borrowings	3.5	51,361.17	4,270.28
Trade payables	3.6		
- Dues of micro enterprises and small enterprises		7.27	-
- Dues of Creditors other than micro enterprises and small enterprises		52,155.57	4,338.85
Other current liabilities	3.7	16,173.96	1,679.49
Short-term provisions	3.8	59.40	7.08
		<b>119,757.37</b>	<b>10,295.70</b>
<b>Total</b>		<b>204,016.67</b>	<b>29,223.39</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	3.9		
Tangible assets		139,535.39	25,856.38
Intangible assets		16.01	245.90
Capital work-in-progress		365.98	165.54
		139,917.38	26,267.82
Non-current investments	3.10	18,575.30	-
Long-term loans and advances	3.11	377.02	34.91
Other non-current assets	3.12	327.66	-
		<b>159,197.36</b>	<b>26,302.73</b>
<b>Current assets</b>			
Inventories	3.13	29,658.99	1,070.87
Trade receivables	3.14	6,009.99	956.88
Cash and cash equivalents	3.15	2,107.79	228.48
Short-term loans and advances	3.16	3,628.59	606.48
Other current assets	3.17	3,413.95	57.95
		<b>44,819.31</b>	<b>2,920.66</b>
<b>Total</b>		<b>204,016.67</b>	<b>29,223.39</b>
<b>See accompanying notes forming part of the financial statements</b>			
		1 to 26	

In terms of our report attached

For and on behalf of the Board of Directors

For **MITTAL GUPTA & COMPANY**  
Chartered Accountants  
FRN - 01874C

Gurmit Singh Mann  
Chairperson  
DIN - 00066653

Gursimran Kaur Mann  
Director  
DIN - 00642094

Sachchida Nand Misra  
Chief Operating Officer  
DIN - 06714324

B. L. GUPTA  
Partner  
(M.No. - 073794)

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Anshul Jain  
GM Finance  
FCA - 505973

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : New Delhi  
Date : May 30, 2016

Place : New Delhi  
Date : May 30, 2016



**SIMBHAOLI SUGARS LIMITED**  
**(Formerly known as 'Simbhaoli Spirits Limited')**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	Notes	Year ended March 31, 2016 Rs. lacs	Year ended March 31, 2015 Rs. lacs
<b>Revenue from operations</b>			
Sale of products	21(a)	78,564.27	1,014.38
Less: Excise duty		3,863.66	72.32
		<b>74,700.61</b>	<b>942.06</b>
Other operating revenues	3.18	2,189.69	34.01
<b>Revenue from operations</b>		<b>76,890.30</b>	<b>976.07</b>
Other income	3.19	2,415.23	84.01
<b>Total Revenue</b>		<b>79,305.53</b>	<b>1,060.08</b>
<b>Expenses</b>			
Cost of materials consumed	21(c)	57,113.68	165.28
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.20	2,477.36	123.57
Employee benefits expense	3.21	4,724.31	427.12
Finance costs	3.22	11,334.74	470.41
Depreciation and amortization expense	3.9	4,935.44	551.79
Other expenses	3.23	8,007.37	1,308.45
<b>Total Expenses</b>		<b>88,592.89</b>	<b>3,046.62</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(9,287.36)</b>	<b>(1,986.54)</b>
Exceptional items		-	(500.00)
<b>Profit/(loss) before tax</b>		<b>(9,287.36)</b>	<b>(2,486.54)</b>
Tax expense:-			
- Current Tax		-	-
<b>Profit/(loss) after tax</b>		<b>(9,287.36)</b>	<b>(2,486.54)</b>
<b>Earnings per equity share-basic/diluted (Rs.)</b>	17		
Basic and Diluted before exceptional items		(24.78)	(6.82)
Basic and Diluted after exceptional items		(24.78)	(7.82)
<b>See accompanying notes forming part of the financial statements 1 to 26</b>			

In terms of our report attached

For **MITTAL GUPTA & COMPANY**  
Chartered Accountants  
FRN - 01874C

B. L. GUPTA  
Partner  
(M.No. - 073794)

Place : New Delhi  
Date : May 30, 2016

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

Gurmit Singh Mann  
Chairperson  
DIN - 00066653

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Place : New Delhi  
Date : May 30, 2016

Gursimran Kaur Mann  
Director  
DIN - 00642094

Anshul Jain  
GM Finance  
FCA - 505973

Sachchida Nand Misra  
Chief Operating Officer  
DIN - 06714324

Kamal Samtani  
Company Secretary  
FCS - 5140

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

	Year ended March 31, 2016 Rs. lacs	Year ended March 31, 2015 Rs. lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit/(loss) before tax and exceptional items	(9,287.36)	(1,986.54)
Adjustments for:		
Depreciation and amortization	4,935.44	551.79
Liabilities/provision no longer required written back	(1,157.79)	-
Finance costs	11,334.74	470.41
Rent & finance lease income	(76.05)	-
Mollasses storage fund	4.92	-
Goodwill written off	16.10	-
Loss/(profit) on sale of fixed assets (net)	(13.15)	4.49
Interest income	(1,412.83)	(12.11)
<b>Operating profit/(loss) before working capital changes</b>	<b>4,344.02</b>	<b>(971.96)</b>
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(1,840.50)	966.15
Short term and long term loans and advances	1,974.78	81.18
Other current and non current assets	7,299.22	(10.26)
Inventories	5,271.88	(13.70)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(6,402.47)	424.89
Other current liabilities	(706.45)	319.19
Short term and long term provisions	(75.07)	(30.10)
<b>Cash (used)/generated from operations</b>	<b>9,865.41</b>	<b>765.39</b>
Direct taxes (paid)/refund	(121.39)	2.80
<b>Net cash flow from operating activities before exceptional items</b>	<b>9,744.02</b>	<b>768.19</b>
Cash flow from exceptional items	-	(500.00)
<b>Net cash (used) / from operating activities</b>	<b>9,744.02</b>	<b>268.19</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(371.36)	(86.20)
Sale of fixed assets	196.28	2.23
Rent/finance lease received	452.92	-
Changes in deposits with bank	(494.33)	58.76
Interest received	712.93	7.04
<b>Net cash used in investing activities</b>	<b>496.43</b>	<b>(18.17)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayment) from long term borrowings (Net)	723.40	295.03
Proceeds/(Repayment) from short term borrowings (Net)	(4,476.48)	-
Changes in deposit pledged with against margin money/ guarantee with bank	0.23	-
Interest paid	(6,673.64)	(428.66)
<b>Net cash from financing activities</b>	<b>(10,426.49)</b>	<b>(133.63)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents</b>	<b>(186.04)</b>	<b>116.39</b>
<b>E. Cash and cash equivalents (opening balance)</b>	<b>121.44</b>	<b>5.05</b>
Add : Cash & bank balance acquired on Amalgamation [refer note 4]	917.27	-
<b>F. Cash and cash equivalents (closing balance) (refer note 3.15) (D+E)</b>	<b>852.67</b>	<b>121.44</b>
The above Cash flow statement has been prepared under the "indirect method" set out in Accounting Standard-3.		

In terms of our report attached

For and on behalf of the Board of Directors

For **MITTAL GUPTA & COMPANY**  
Chartered Accountants  
FRN - 01874C

Gurmit Singh Mann  
Chairperson  
DIN - 00066653

Gursimran Kaur Mann  
Director  
DIN - 00642094

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

B. L. GUPTA  
Partner  
(M.No. - 073794)

Dayal Chand Popli  
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Kamal Samtani  
Company Secretary  
FCS - 5140

Place : New Delhi  
Date : May 30, 2016

Place : New Delhi  
Date : May 30, 2016

# SIMBHAOLI SUGARS LIMITED

## NOTES FORMING PART OF THE ACCOUNTS

### 1. Background

Simbhaoli Sugars Limited ("the Company") (previously known as Simbhaoli Spirits Limited) having CIN No. U15122UP2011PLC044210 is a public limited company under the provisions of the Companies Act, 2013 incorporated and registered with Registrar of Companies, Kanpur Uttar Pradesh on April 04, 2011. Currently equity shares of the Company are listed at BSE and NSE. The Hon'ble High Court of Judicature at Allahabad has sanctioned the Scheme of Amalgamation of Erstwhile Simbhaoli Sugars Limited (ESSL), the Transferor Company with the Company, the Transferee Company w.e.f. April 1, 2015 (the Appointed Date) and consequent thereto, the entire business undertakings of ESSL, stands transferred to and vested in the Company, as a going concern with effect from the Appointed Date. The Company has now three sugar complexes - Simbhaoli (western Uttar Pradesh), Chilwaria (eastern Uttar Pradesh) and Brijnathpur (western Uttar Pradesh) having an aggregate crushing capacity of 19,500 TCD. The Company is technology driven with a business mix that spans from refined (sulphurless) sugar, specialty sugars, extra neutral alcohol (ENA), ethanol and bio-manure. The Company is engaged in sugar refining (Defeco Remelt Phosphotation and Ion Exchange technology), high value, niche products (specialty sugars) and clean energy (ethanol). The Company sells international standard refined, pharmaceutical grade and specialty sugars to the retail and bulk institutional consumer segments.

The Company is operating its different businesses through separate subsidiaries/jointly controlled entity, the details are given below:

S. No.	Name of subsidiary/ Jointly Controlled Entity	Business	% voting power held as at March 31, 2016	% voting power held as at March 31, 2015
1.	Simbhaoli Power Private Limited	Generation of green power	51.00	-
2.	Integrated Casetech Consultants Limited	Consultancy business	85.16	-
3.	Simbhaoli Global Commodities DMCC	Trading of sugar & alcohol	100.00	-
4.	Uniwold Sugars Private Limited	Raw sugar refinery	50.00*	-
5.	Simbhaoli Specialty Sugars Private Limited	Packaging	100.00	-

\* The Company is holding 29,011,770 shares constituting 43.74% of total shareholding in its name and also has the controlling rights in respect of 6.26% shareholding through its affiliates in the share capital of Uniwold Sugars Private Limited.

### 2. Significant accounting policies

#### i) Accounting convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the

financial statements are consistent with those followed in the previous year.

#### ii) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results would differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

#### iii) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, taxes, other incidental expenses and, financing cost relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date the assets are ready for their intended use.

#### iv) Capital work-in-progress

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

#### v) Impairment

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

#### vi) Depreciation/ Amortisation

In respect of tangible assets, the depreciation is provided by applying the following method at the rates specified in schedule II to the Companies Act, 2013:

- All Depreciable Fixed Assets except Vehicles	-	Straight line method
- Vehicles	-	Written down value method

except in the case fixed assets costing up to Rs. 5,000 are fully depreciated in the year of acquisition.

#### vii) Leases

Where the Company as a lessor leased assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on

a constant rate of return on the outstanding net investment. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

#### viii) Investments

Long term investments are stated at cost as reduced by provision for diminution, other than temporary, in the value, if any.

#### ix) Inventories

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

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

#### x) Cash and cash equivalent

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

#### xi) State excise duty

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

#### xii) Employee benefits

##### A. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, allowances, etc., are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

##### B. Post employment benefits

###### (a) Defined contribution plans

The Company's contribution to provident fund, super annuation scheme, etc. are considered as defined contribution plans and are charged as an expense as it falls due based on the amount of contribution required to be made and when services are rendered by the employees.

###### (b) Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined

using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss in the period in which they occur. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities as reduced by the fair value of scheme assets.

##### C. Other long-term employee benefits

Long-term Compensated Absences and Long Service Awards are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities

#### xiii) Revenue recognition

Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Management fee income is accrued as per contractual terms.

#### xiv) Interest Income

Interest income is recognized on a time proportion basis.

#### xv) Foreign Currency Transactions and Forward contracts

(a) Transactions in foreign currency are recorded at exchange rates prevailing on the day of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss.

(b) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.

(c) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Statement of Profit and Loss of the period in which they are cancelled.

(d) Exchange differences in respect of other unexpired foreign currency derivative contracts, which have been entered into to hedge foreign currency risks are marked to market and losses, if any, are recognised in the Statement of Profit and Loss.

#### xvi) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are



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

#### **xvii) Government grants**

Government grants are recognized where there is reasonable assurance that the condition attach to them will be complied and the grants will be received. Government grants are accounted for as under:

Government grants of the nature of promoters' contribution are credited to the capital reserve and treated as a part of the Shareholder Fund.

Government grants related to specific depreciable fixed assets are adjusted with the value of assets. Government grants related to the specific non-depreciable fixed assets are credited to capital reserve.

Government grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support are either deducted from the expenditure in case these relate to specific expenditure and in other cases, are treated as other income. These grants, if available, to the industry in general are treated as ordinary items and if available only to the company are treated as an extraordinary item and disclosed accordingly

#### **xviii) Taxation**

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed

depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

#### **xix) Earnings per share**

Basic earnings per share are computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares

#### **xix) Securities issue expenses**

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

#### **xx) Provisions and contingencies**

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

#### **xxi) Operating Cycle**

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

### 3.1 SHARE CAPITAL

	As at March 31, 2016		As at March 31, 2015	
	(No. of Shares)	Rs. lacs	(No. of Shares)	Rs. lacs
<b>Authorized</b>				
Equity shares of Rs. 10 each with voting rights	68,000,000	6,800.00	33,000,000	3,300.00
Preference share of Rs. 100 each	4,000,000	4,000.00	-	-
	<b>72,000,000</b>	<b>10,800.00</b>	<b>33,000,000</b>	<b>3,300.00</b>
<b>Issued, Subscribed and paid up</b>				
Equity shares of Rs. 10 each with voting rights fully paid up	37,479,020	3,747.90	31,800,000	3,180.00
	<b>37,479,020</b>	<b>3,747.90</b>	<b>31,800,000</b>	<b>3,180.00</b>

#### A) Reconciliation of number of Authorised shares and amount outstanding at the beginning and at the end of the year

	As at March 31, 2016		As at March 31, 2015	
	(No. of Shares)	Rs. lacs	(No. of Shares)	Rs. lacs
<b>Equity shares with voting rights (one per share)</b>				
As at beginning of the year	33,000,000	3,300.00	33,000,000	3,300.00
Add: Adjustment on Amalgamation [refer note 4]	35,000,000	3,500.00	-	-
As at end of the year	<b>68,000,000</b>	<b>6,800.00</b>	<b>33,000,000</b>	<b>3,300.00</b>
<b>Preference shares</b>				
As at beginning of the year	-	-	-	-
Add: Adjustment on Amalgamation [refer note 4]	4,000,000	4,000.00	-	-
As at end of the year	<b>4,000,000</b>	<b>4,000.00</b>	<b>-</b>	<b>-</b>

#### B) Reconciliation of number of Issued, Subscribed and paid up shares and amount outstanding at the beginning and at the end of the year

	As at March 31, 2016		As at March 31, 2015	
	(No. of Shares)	Rs. lacs	(No. of Shares)	Rs. lacs
<b>Equity shares with voting rights (one per share)</b>				
As at beginning of the year	31,800,000	3,180.00	31,800,000	3,180.00
Add: Issue of shares under scheme of Amalgamation [refer note 4]	37,479,020	3,747.90	-	-
Less: Adjustment on Amalgamation [refer note 4]	31,800,000	3,180.00	-	-
As at end of the year	<b>37,479,020</b>	<b>3,747.90</b>	<b>31,800,000</b>	<b>3,180.00</b>

#### C) Shareholders holding more than 5% of the shares in the Company

S. No.	Name of the Shareholders	As at March 31, 2016		As at March 31, 2015	
		(No. of Shares)	% of Share holding	(No. of Shares)	% of Share holding
i)	Erstwhile Simbhaoli Sugars Limited* [refer note 4]	-	-	31,800,000	100.00
ii)	Dholadhar Investments Private Limited	7,462,114	19.91	-	-
iii)	Mr. Gurmit Singh Mann	3,726,154	9.94	-	-
iv)	Mr. Gurpal Singh	2,402,770	6.41	-	-

S. No.	Name of the Shareholders	As at March 31, 2016		As at March 31, 2015	
		(No. of Shares)	% of Share holding	(No. of Shares)	% of Share holding
v)	Pearl Innovative Marketing Private Limited	2,320,623	6.19	-	-
vi)	Pritam Singh Sandhu Associates Pvt. Ltd.	2,077,735	5.54	-	-
vii)	Shri Vatsala Traders Private Limited	2,015,434	5.38	-	-

\* including nominee shareholders holding sixty shares.

- D. The Company has allotted 3,74,79,020 (previous year Nil) Equity shares of Rs 10 each aggregating Rs. 3,747.90 lacs (previous year Rs. Nil) on Amalgamation of Erstwhile Simbhaoli Sugars Limited during the year without payment being received in cash. (refer note 4).
- E. Rights, preference and restriction attached to equity shares (Rs. 10 each):
- Voting right shall be in same proportion as the capital paid upon such equity share.
  - The dividend proposed by the Board of Directors which is subject to the approval of the shareholders in the Annual General Meeting shall be in the same proportion as the capital paid upon such equity share.
  - In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to capital paid upon such equity share.

### 3.2 RESERVES AND SURPLUS

	As at March 31, 2016 Rs. lacs	As at March 31, 2015 Rs. lacs
<b>Mollasses Storage Fund</b>		
Opening balance	-	-
Add: Addition during the year	4.92	-
	<b>4.92</b>	-
<b>Capital reserve</b>		
Opening balance	-	-
Add: Adjustment on Amalgamation [refer note 4]	229.80	-
Less: Utilized during the year [refer note 3.9]	229.80	-
	-	-
<b>Securities Premium Account</b>		
Opening balance	22,225.00	22,225.00
Add: Adjustment on Amalgamation [refer note 4]	23,236.99	-
	<b>45,461.99</b>	<b>22,225.00</b>
<b>Balance in Statement of Profit and Loss</b>		
Opening balance	(6,504.31)	(3,494.79)
Add: Profit/(loss) during the year	(9,287.36)	(2,486.54)
Amount available for appropriation	<b>(15,791.67)</b>	<b>(5,981.33)</b>
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible assets with nil remaining useful life	-	522.98
	<b>(15,791.67)</b>	<b>(6,504.31)</b>
	<b>29,675.24</b>	<b>15,720.69</b>

### NON-CURRENT LIABILITIES

#### 3.3 LONG-TERM BORROWINGS

<b>Secured</b>		
Term loans		
From others [refer note 9(A)]	387.66	-
From banks [refer note 9(A)]	48,683.68	-
	<b>49,071.34</b>	-
<b>Unsecured</b>		
From related parties [refer note 9(B)]	1,585.21	-
	<b>50,656.55</b>	-

	As at March 31, 2016 Rs. lacs	As at March 31, 2015 Rs. lacs
<b>3.4 LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
Compensated absences	179.61	27.00
	<b>179.61</b>	<b>27.00</b>
<b>CURRENT LIABILITIES</b>		
<b>3.5 SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Loans repayable on demand		
From banks [refer note 9(C)]	16,362.86	1,875.47
	<b>16,362.86</b>	<b>1,875.47</b>
<b>Unsecured</b>		
Loans repayable on demand		
From banks [refer note 8 and 9(D)]	34,998.31	-
From other*	-	2,394.81
	<b>34,998.31</b>	<b>2,394.81</b>
	<b>51,361.17</b>	<b>4,270.28</b>
*From Erstwhil Simbhaoli Sugars Limited		
<b>3.6 TRADE PAYABLES</b>		
Total outstanding dues of micro and small enterprise [refer note 7]	7.27	-
Total outstanding dues of creditors other than micro and small enterprise	52,155.57	4,338.85
	<b>52,162.84</b>	<b>4,338.85</b>
<b>3.7 OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Secured)		
From banks [refer note 9(A)]	3,991.34	975.46
From others [refer note 9(A)]	2,769.82	-
Interest accrued but not due on borrowings	22.32	-
Interest accrued and due on borrowings	6,101.45	64.30
Advances received from customers	464.20	6.56
Security deposits	146.27	27.99
Creditors for capital goods	546.69	78.40
Statutory dues payable	2,125.77	26.78
Others miscellaneous payable	6.10	500.00
	<b>16,173.96</b>	<b>1,679.49</b>
<b>3.8 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits :		
Compensated absences	59.40	7.08
	<b>59.40</b>	<b>7.08</b>



### 3.9 FIXED ASSETS

(Rs. lacs)

Particulars	GROSS BLOCK					DEPRECIATION/ AMORTISATION					NET BLOCK	
	As at April 1, 2015	Acquired on Amalgamation*	Additions/adjustment	Disposals	As at March 31, 2016	As at April 1, 2015	For the year	On Disposals	Transition Adjust-ment	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>Tangibles (Owned)</b>												
Land - freehold	20,363.72	64,744.59	-	-	85,108.31	-	-	-	-	-	85,108.31	20,363.72
	(20,363.72)	(-)	(-)	(-)	(20,363.72)	(-)	(-)	(-)	(-)	(-)	(20,363.72)	(20,363.72)
Buildings	1,094.86	12,555.17	54.62	-	13,704.65	708.53	792.05	-	-	1,500.58	12,204.07	386.33
	(1,094.86)	(-)	(-)	(-)	(1,094.86)	(160.76)	(67.92)	(-)	(479.85)	(708.53)	(386.33)	(934.10)
Railway siding	-	0.50	-	-	0.50	-	0.10	-	-	0.10	0.40	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Plant and machinery	6,752.33	39,873.60	447.42#	188.94	46,884.41	1,650.06	3,731.73	27.93	-	5,353.86	41,530.55	5,102.27
	(6,756.88)	(-)	(5.81)	(10.36)	(6,752.33)	(1,181.31)	(435.49)	(3.64)	(36.90)	(1,650.06)	(5,102.27)	(5,575.57)
Furniture and fixtures	14.70	204.89	2.24	-	221.83	11.71	41.50	-	-	53.21	168.62	2.99
	(14.70)	(-)	(-)	(-)	(14.70)	(4.09)	(1.97)	(-)	(5.65)	(11.71)	(2.99)	(10.61)
Vehicles	7.91	152.99	32.20	35.27	157.83	6.84	93.57	13.15	-	87.26	70.57	1.07
	(7.91)	(-)	(-)	(-)	(7.91)	(5.18)	(1.66)	(-)	-	(6.84)	(1.07)	(2.73)
Office equipment	1.11	711.16	3.30	-	715.57	1.11	261.59	-	-	262.70	452.87	-
	(1.105)	(-)	(-)	(-)	(1.11)	(0.49)	(0.04)	(-)	(0.58)	(1.11)	-	(0.62)
<b>Subtotal current year</b>	<b>28,234.62</b>	<b>118,242.90</b>	<b>539.78</b>	<b>224.21</b>	<b>146,793.10</b>	<b>2,378.25</b>	<b>4,920.54</b>	<b>41.08</b>	<b>-</b>	<b>7,257.71</b>	<b>139,535.39</b>	
Subtotal previous year	(28,239.18)	(-)	(5.81)	(10.36)	(28,234.63)	(1,351.83)	(507.08)	(3.64)	(522.98)	(2,378.25)		25,856.38
<b>Intangibles (Owned)</b>												
Goodwill	447.09	-	-	447.09@	-	201.19	-	201.19	-	-	-	245.90
	(447.09)	(-)	(-)	(-)	(447.09)	(156.48)	(44.71)	(-)	(-)	(201.19)	(245.90)	(290.61)
Software	-	26.65	4.26	-	30.91	-	14.90	-	-	14.90	16.01	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Subtotal current year</b>	<b>447.09</b>	<b>26.65</b>	<b>4.26</b>	<b>447.09</b>	<b>30.91</b>	<b>201.19</b>	<b>14.90</b>	<b>201.19</b>	<b>-</b>	<b>14.90</b>	<b>16.01</b>	
Subtotal previous year	(447.09)	(-)	(-)	(-)	(447.09)	(156.48)	(44.71)	(-)	(-)	(201.19)		245.90
<b>Total current year</b>	<b>28,681.72</b>	<b>118,269.55</b>	<b>544.04</b>	<b>671.30</b>	<b>146,824.01</b>	<b>2,579.44</b>	<b>4,935.44</b>	<b>242.27</b>	<b>-</b>	<b>7,272.61</b>	<b>139,551.40</b>	
Total previous year	(28,686.27)	(-)	(5.81)	(10.36)	(28,681.72)	(1,508.31)	(551.79)	(3.64)	(522.98)	(2,579.44)		26,102.28

Note: Figures in bracket represents previous year numbers

#Includes Rs. 41.08 lacs (previous year Rs. Nil) borrowing cost capitalised during the year.

@Unamortised amount of Rs. 245.90 lacs has been adjusted against capital reserve of Rs. 229.80 lacs arising on amalgamation of ESSL and balance of Rs. 16.10 lacs has been charged to Statement of Profit and Loss Account.

\*Refer note 4.

As at  
March 31, 2016  
Rs. lacs

As at  
March 31, 2015  
Rs. lacs

### 3.10 NON-CURRENT INVESTMENTS

(Valued at cost unless there is permanent diminution in value there of)

#### Trade Investment

##### Unquoted

One share of Rs. 20 fully paid up in Simbhaoli Co-operative Cane Development Union Limited (\*Rs. 20)

\*

-

#### Other Investment

##### Investment in Government securities

##### Unquoted

6-Years Post Office National Savings Certificate

2.11

-

##### Investment in Equity instruments

##### - Subsidiaries

##### Unquoted

2,00,800 (previous year Nil) equity shares of Rs.10 each fully paid up of Integrated Casetech Consultants Private Limited

383.73

-

300 (previous year Nil) equity shares of AED 1,000 each fully paid up of Simbhaoli Global Commodities DMCC

39.94

-

55,38,734 (previous year Nil) equity shares of Rs.10 each fully paid up of Simbhaoli Power Private Limited #

5,493.59

-

	As at March 31, 2016 Rs. lacs	As at March 31, 2015 Rs. lacs
19,000 (previous year Nil) equity shares of Rs. 10 each of Simbhaoli Speciality Sugar Private Limited	190.00	-
<b>- Joint ventures</b>		
Unquoted		
2,90,11,770 (previous year Nil) equity shares of Rs. 10 each fully paid up of Uniworld Sugars Private Limited ! [refer note 15]	7,572.99	-
		-
<b>Investment in Debentures</b>		
<b>- Subsidiary</b>		
Unquoted		
48,92,941 (previous year Nil) Debentures of Rs. 100 each of Simbhaoli Power Private Limited	4,892.94	-
	<b>18,575.30</b>	<b>-</b>
Aggregate book value		
- Quoted	-	-
[Market value Rs. Nil (previous year Rs. Nil)]		
- Unquoted	18,575.30	-
 <i># First pari passu charge on pledge of 19,29,655 (previous year Nil) equity shares of the Company in favour of bankers of Simbhaoli Power Private Limited.</i>		
<i>! First pari passu charge on pledge of 2,90,11,770 (previous year Nil) equity shares of the Company in favour of bankers of Uniworld Sugars Private Limited.</i>		
<i>Out of above, 45,15,000 equity shares have been transferred in favor of the Erstwhile Simbhaoli Sugars Limited (ESSL) and approved by the Board of Directors of Uniworld Sugars Private Limited in the meeting held on March 28, 2013. However, due to shares being in lock in period, the effect has not been taken into the records of the respective depository participants.</i>		
<b>3.11 LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured considered good unless otherwise stated)		
Capital advances	10.25	27.86
Security deposit	61.49	7.05
Others loans and advances*	305.28	-
	<b>377.02</b>	<b>34.91</b>
<i>* Includes amount deposited with Government authorities.</i>		
<b>3.12 OTHER NON-CURRENT ASSETS</b>		
Finance lease receivable from Simbhaoli Power Private Limited	282.66	-
[Refer note 5]		
Other	45.00	-
	<b>327.66</b>	<b>-</b>
<b>CURRENT ASSETS</b>		
<b>3.13 INVENTORIES</b>		
(At lower of cost and net realisable value)		
Raw materials [refer note 21(c)]	308.25	485.15
Work-in-progress [refer note 21(b)]	599.55	-
Finished goods [refer note 21(a)]	27,252.82	128.84
Stock-in-trade [refer note 21(a)]	23.15	23.15
Stores and spares	1,467.63	433.73
Loose tools	7.59	-
	<b>29,658.99</b>	<b>1,070.87</b>

	As at March 31, 2016 Rs. lacs	As at March 31, 2015 Rs. lacs
<b>3.14 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from due date for payment		
Unsecured - considered good *	610.21	721.43
- Considered doubtful	295.22	295.22
	<u>905.43</u>	<u>1,016.65</u>
Less: Provision for doubtful receivables	295.22	295.22
	<u>610.21</u>	<u>721.43</u>
Other		
Unsecured - considered good **	5,399.78	235.45
	<u><b>6,009.99</b></u>	<u><b>956.88</b></u>

Trade Receivable includes:

Name of Subsidiaries	Amount outstanding as at		Maximum amount outstanding during	
	March 31, 2016	March 31, 2015	Current year	Previous year
* Simbhaoli Global Commodities DMCC	139.42	-	139.42	-
** Simbhaoli Power Private Limited	1,289.99	-	1,433.79	-

### 3.15 CASH AND CASH EQUIVALENTS

	As at March 31, 2016 Rs. lacs	As at March 31, 2015 Rs. lacs
<b>(A) Cash and cash equivalent</b>		
Balances with banks on current account	841.21	121.11
Cash on hand	11.46	0.33
	<u><b>852.67</b></u>	<u><b>121.44</b></u>
<b>(B) Other bank balances - Margin money / cash collateral</b>		
With original maturity of 3 months or less	95.04	-
With original maturity of more than 3 months but less than 12 months	245.79	-
With original maturity of more than 12 months	196.49	-
	<u><b>537.32</b></u>	<u>-</u>
<b>(C) Other bank balances - Other deposits #</b>		
With original maturity of 3 months or less	12.04	-
With original maturity of more than 3 months but less than 12 months	225.44	22.27
With original maturity of more than 12 months	480.32	84.77
	<u><b>717.80</b></u>	<u><b>107.04</b></u>
<b>Total (A+B+C)</b>	<u><b>2,107.79</b></u>	<u><b>228.48</b></u>

# Includes pledged with excise authorities and civil courts Rs. 232.96 lacs (previous year Rs. 107.04 lacs)

### 3.16 SHORT-TERM LOANS AND ADVANCES

(Unsecured and considered good unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received

Considered good	788.89	347.82
Considered doubtful	101.12	101.12
	<u>890.01</u>	<u>448.94</u>
Less: Provision for doubtful advances	101.12	101.12
	<u><b>788.89</b></u>	<u><b>347.82</b></u>

	As at March 31, 2016 Rs. lacs	As at March 31, 2015 Rs. lacs
Loans and advances to employees	70.30	14.58
Security deposits		
Considered good	149.73	55.16
Considered doubtful	81.36	81.36
	231.09	136.52
Less: Provision for doubtful security deposits	81.36	81.36
	149.73	55.16
Balances with excise, custom authorities etc.	1,700.47	188.45
Tax payments	919.20	0.47
	<b>3,628.59</b>	<b>606.48</b>

### 3.17 OTHER CURRENT ASSETS

(Unsecured and considered good unless otherwise stated)

Claims receivables	978.36	30.36
Interest accrued on investments, deposits etc.	1,643.65	27.59
Finance lease receivable from Simbhaoli Power Private Limited [refer note 5]	376.88	-
Others*	415.06	-
	<b>3,413.95</b>	<b>57.95</b>

\* other includes:

	Amount outstanding as at		Maximum amount outstanding during	
	March 31, 2016	March 31, 2015	Current year	Previous years
<b>Name of the Subsidiaries</b>				
Integrated Casetech Consultants Private Limited	54.68	-	156.32	-
<b>Name of the Joint Venture</b>				
Uniworld Sugars Private Limited	360.38	-	360.38	-

	Year ended March 31, 2016 Rs. lacs	Year ended March 31, 2015 Rs. lacs
<b>3.18 OTHER OPERATING REVENUES</b>		
Sale of Scrap	46.35	1.35
Export incentives	20.23	14.16
Remission of cane commission liability relating to earlier year	959.42	-
Cane subsidy relating to earlier year	818.37	-
Miscellaneous	345.32	18.50
	<b>2,189.69</b>	<b>34.01</b>

### 3.19 OTHER INCOME

Interest		
- Bank deposits	94.94	12.11
- Income Tax refund	75.54	-
- Debentures	853.37	-
- Others	388.98	-
Rent	49.72	-
Profit on sale of fixed assets	13.15	-
Liabilities/provisions no longer required written back	198.37	48.75
Foreign exchange fluctuation	17.03	1.41
Finance lease income	26.33	-
Miscellaneous	697.80	21.74
	<b>2,415.23</b>	<b>84.01</b>



	Year ended March 31, 2016 Rs. lacs	Year ended March 31, 2015 Rs. lacs
<b>3.20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening stock		
Finished goods	128.84	252.41
Work-in-progress	-	-
Stock-in-trade	23.15	23.15
Add: Stock transferred on Amalgamation [refer note 4]		
Finished goods	29,264.05	-
Work-in-progress	725.72	-
Stock-in-trade	211.13	-
	<u>30,352.89</u>	<u>275.56</u>
Closing stock		
Finished goods	27,252.82	128.84
Work-in-progress	599.55	-
Stock-in-trade	23.15	23.15
	<u>27,875.53</u>	<u>151.99</u>
Net decrease in inventories	<b>2,477.36</b>	<b>123.57</b>
<b>3.21 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages, bonus, commission, etc.	4,138.74	399.19
Contribution to provident and other funds *	460.24	15.94
Staff welfare expenses	125.33	11.99
	<b>4,724.31</b>	<b>427.12</b>
* Includes gratuity expense refer note 16		
<b>3.22 FINANCE COSTS</b>		
Interest expense	11,273.04	454.28
Other borrowing costs	102.78	16.13
Less : Interest expense capitalised	(41.08)	-
	<b>11,334.74</b>	<b>470.41</b>
<b>3.23 OTHER EXPENSES</b>		
Sugar cane development	157.25	-
Consumption of stores and spare parts*	2,441.06	486.12
Power and fuel	1,235.40	51.78
Repairs		
- Machinery	1,281.80	12.57
- Buildings	42.18	0.17
- Others	102.42	2.91
Insurance	140.08	18.75
Rent	216.35	2.68
Rates and taxes	77.07	81.61
Travelling and conveyance	180.97	27.63
Marketing expense	296.56	145.58
Export expenses	54.06	63.74
Commission to selling agents	295.08	8.58
Loss on sale of fixed assets	-	4.49
Bad debts and advances written off	-	2.93
Goodwill Written off [refer note 3.9]	16.10	-
Provision for doubtful debts and advances	-	294.59
Increase/ (decrease) in excise duty on finished goods	108.99	23.27
Legal and professional expense [refer note 18]	330.41	61.08
Miscellaneous expenses	1,031.59	19.97
	<b>8,007.37</b>	<b>1,308.45</b>

\* Stores, oils and chemicals allocated to other revenue heads Rs. 2,091.11 lacs (previous year Rs. 9.26 lacs)

4. The Hon'ble High Court of Judicature at Allahabad has sanctioned the Scheme of Amalgamation of Erstwhile Simbhaoli Sugars Limited (ESSL), the Transferor Company with Simbhaoli Sugars Limited (SSL), previously known as Simbhaoli Spirits Limited (SISPL), the Transferee Company w.e.f. April 1, 2015 (the Appointed Date) and consequent thereto, the entire business undertakings of ESSL, stands transferred to and vested in the SISPL, as a going concern with effect from the Appointed Date. ESSL is engaged in manufacturing of standard refined, pharmaceutical grade, specialty sugars, extra neutral alcohol (ENA), ethanol and bio-manure. As per the Approved Scheme

- the assets, liabilities, rights and obligations of ESSL has been vested with the Company with effect from 1st April 2015 and have been recorded at their respective fair value, under "The Purchase Method" being an amalgamation in the nature of purchases, as prescribed by the Accounting Standard - 14 "Accounting for Amalgamations" notified under Companies (Accounting Standard) Rules, 2006.
- SSL has issued and allotted 3,74,79,020 Equity Shares of Rs. 10 each at a premium of Rs. 62 per share in discharge of the purchase consideration.
- the difference in the fair value of net assets of ESSL as at April 01, 2015 duly adjusted for purchase consideration and cancellation of the equity share capital of SSL held by the ESSL, amount to Rs. 229.80 lacs has been credited to 'Capital Reserve'.
- Detail of fair value of assets & liabilities, acquired and working of capital reserve are as under : (Rs. lacs)

Description		Amount
<b>Assets</b>		
- Non-current assets	:	1,34,154.13
- Current assets	:	63,846.37
<b>Total</b>	:	<b>1,98,000.50</b>
<b>Liabilities</b>		
- Non-current liabilities	:	8,595.59
- Current liabilities	:	1,65,370.22
<b>Total</b>	:	<b>1,73,965.81</b>
<b>Net Assets</b>	:	<b>24,034.69</b>
<b>Less:</b>		
- Cancellation of Existing share capital	:	3,180.00
- Purchase Consideration	:	26,984.89
<b>Capital Reserve</b>	:	<b>229.80</b>

5. Under the scheme of amalgamation, the Company has acquired rights under finance lease arrangement with Simbhaoli Power Private Limited for one of the equipments at its Simbhaoli Sugar Division.

Reconciliation of future minimum lease payments and gross investment in the lease and present value of minimum lease payments are as follows:

(Rs. lacs)

Description	As at March 31, 2016	As at March 31, 2015
Future minimum lease payments		
- Not later than one year	412.19	-
- Later than one year and not later than five years	291.20	-
- Later than five year	-	-
	<b>703.39</b>	-
Less: Unearned finance income	43.85	-
Present value of minimum lease payments receivable		
- Not later than one year	376.88	-
- Later than one year and not later than five years	282.66	-
- Later than five years	-	-

**6. i) Contingent liabilities not provided for:**

Claims against the Company not acknowledged as debts Rs. 1,793.21 lacs (previous year Rs. 9.83 lacs).

(Rs. lacs)

Description	As at March 31, 2016	As at March 31, 2015
Sales Tax/Trade Tax Act	5.28	8.33
Central Excise Act	1170.71	-
Finance Act, 1994	194.01	-
Others	423.21	1.50
<b>Total</b>	<b>1,793.21</b>	<b>9.83</b>

All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not in the opinion of the management, have a material effect on results of operations or financial position of the Company.

- The State Government has given various incentives to Uttar Pradesh based sugar industry on regular basis particularly for the years when industry has been passing through economical stress. This also included waiver of interest on delayed cane price payment upto sugar season 2013-14. The management is confident that such as support to industry will continue for future, and no liability for interest on delayed cane price will arise for the sugar season 2014-15 and 2015-16. The incentives for 2015-16 and waiver of the interest for the previous sugar year (2014-15) are under consideration by the State Government and the amounts are not ascertained.

**iii) Capital and other commitment**

Estimated amount of contracts (net of advances) remaining to be execute on Capital account Rs. 39.72 lacs (previous year Rs. Nil). The Company has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any other long term commitments or material non-cancellable contractual commitments / contracts, which may have a material impact on the financial statements.

7. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

On the basis of supplier information available with the Company who have registered under the Micro Small and Medium.

(Rs. lacs)

S. No.	Description	As at March 31, 2016	As at March 31, 2015
1.	Principal amount remaining unpaid to any supplier as at the end of the period	7.27	-
2.	Interest due thereon remaining unpaid to any supplier as at the end of the period	1.46	-
3.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
4.	The amount of interest due and payable for the period	1.46	-
5.	The amount of interest accrued and remaining unpaid at the end of the period	1.46	-
6.	The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

8. ESSL has facilitated agri loans from certain commercial banks to its sugarcane farmers under the management and collection agreements and provided Corporate Guarantee and post dated cheques as security. These loans were distributed to the farmers against the payment to be made to them against supply of sugarcane in earlier years and ESSL facilitating the repayment of these loans along with interest to the banks. As per sanction of CDREG all the dues outstanding under these arrangements are proposed to be converted into term loans, subject to the consent of respective commercial banks. Two of the commercial banks has agreed for conversion and accordingly it's dues has being classified as "Long Term Borrowings". The principal and interest dues of others banks, who have not yet given their consents, are classified and shown under "Unsecured Short Term Borrowings" and "Other Current Liabilities" respectively.

9. Corporate Debt Restructuring Empowered Group (CDREG) vide its Sanction letter dated February 29, 2016, has approved the Debt Realignment Scheme (Scheme) of the Company, which includes deferment of existing term loans, conversion of cash credit limit / agri loans facilitated to farmers into term loans and funding of 75% of interest on existing term loans / restructured cash credit limits for two years w.e.f. October 1, 2014 repayable in structured quarterly installment at interest rate from 0% to 12.50% p.a. The Company has complied with all the pre restructuring conditions and majority of bankers has already given their individual sanction for implementation of scheme. The management is confident that implementation of the scheme with the lenders will be completed within stipulated time. Accordingly, the Company has classified all its current liabilities in respect of short term borrowings of Rs. 32,513.37 Lacs, current maturities of term loans of Rs. 6,902.72 lacs and interest accrued of Rs. 5,105.72 Lacs, which was overdue as on 31.03.2016 under Long Term borrowings in accordance with the approved scheme in these financial statements. The terms of repayment, nature of security and overdue, if any, after implementation of CDR package is as under.

**(A) Long term borrowings (Secured)**

(Rs. lacs)

Term Loan	Outstanding		Terms of repayment		Nature of security	Overdue at the end of the year
	As at March 31, 2016	As at March 31, 2015	Financial year	Amount		
From Commercial Banks						
- Under Long Term Borrowings	34,621.82	-	2016-17	538.03	1. First pari pasu charge created/ to be created on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 2. First pari passu charge on pledge of 22.50 lacs equity shares of the Company held by Promoters. 3. Personal guarantees executed/ to be executed of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director and Ms. Gursimran Kaur Mann, Director of the Company.	Principal overdue below 90 days Rs. 21.41 lacs (previous year Rs.128.29 lacs) and above 90 days Rs. 105.40 lacs (Previous year Rs. 133.10 lacs). Interest overdue below 90 days of Rs. 74.49 lacs (previous year Rs. 42.16 lacs) and above 90 days Rs. 83.64 lacs (previous year Rs. 22.14 lacs).
- Under Current Maturities	538.03	975.46	2017-18	2,244.92		
			2018-19	3,893.52		
			2019-20	3,893.52		
			2020-21	5,840.29		
			2021-22	5,840.29		
			2022-23	5,840.29		
			2023-24	4,672.23		
			2024-25	2,396.76		
From Commercial Banks						
- Under Long Term Borrowings	9,900.00	-	2016-17	1,372.27	1. First sub-servient charge created/ to be created on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 2. Personal guarantees executed/ to be executed of Mr. Gurmit Singh Mann, Chairman and Ms. Gursimran Kaur Mann, Director of the Company.	Rs. Nil
- Under Current Maturities	1,372.27	-	2017-18	1,650.00		
			2018-19	2,750.00		
			2019-20	2,750.00		
			2020-21	2,750.00		
From Co-operative Bank						
- Under Long Term Borrowings	4,161.86	-	2016-17	2,081.04	1. First pari pasu charge created/ to be created on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 2. Mortgage of residential property of Promoter Director. 3. Personal guarantees executed/ to be executed of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director and Ms. Gusimran Kaur Mann, Director of the Company.	Rs. Nil
- Under Current Maturities	2,081.04	-	2017-18	2,081.04		
			2018-19	2,080.82		
Others						
- Under Long Term Borrowings	387.66	-	2016-17 2017-18	2,669.82	1. Term Loan from Sugar Development Fund of Rs. 3057.48 lacs (previous year Nil) is secured by way of second exclusive charge on all movable and immovable fixed assets of the Company. 2. Term Loan from Sugar Technology Mission of Rs. 100 lacs (previous year Nil) is secured by way of exclusive first charge created/ to be created on Sugarcane Juice Purification project at Simbhaoli Sugar Division of the Company.	Principal overdue below 90 days Rs. 368.28 lacs (previous year Rs.NIL) and above 90 days Rs. 1718.54 lacs (Previous year Rs. NIL). Interest overdue below 90 days of Rs. 113.03 lacs (previous year Rs. Nil) and above 90 days Rs. 371.43 lacs (previous year Rs. Nil).
- Under Current Maturities	2,769.82	-		387.67		
<b>Total</b>	<b>55,832.50</b>	<b>975.46</b>				

(B) Unsecured Loans from Related Parties of Rs. 1585.21 Lacs carry interest rate 11.30 % p.a. are payable after repayment of term loan in accordance with Scheme.

(C) Short term borrowings (Secured) (Rs. lacs)

Loan repayable on demand	Outstanding		Nature of security	Overdue at the end of the year
	As at March 31, 2016	As at March 31, 2015		
From Commercial Banks	2,815.08	1,875.47	1. Exclusive charge created/ to be created by hypothecation of all current assets of respective division of the Company. 2. Third pari passu charge created/ to be created on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 3. First pari passu charge on pledge of 22.50 lacs equity shares of the Company held by Promoters. 4. Personal guarantees executed/ to be executed of Mr. Gurmit Singh Mann, Chairman, Mr. Gurpal Singh, Director and Ms. Gursimran Kaur Mann, Director of the Company.	Interest overdue of below 90 days Rs. 109.98 lacs (previous year Rs. Nil) and above 90 days Rs. 362.98 lacs (previous year Rs. Nil).
From Co-operative Banks	13,547.78	-	1. Pledge of sugar stock of the respective division of the Company. 2. Personal guarantees executed/ to be executed of Mr. Gurmit Singh Mann, Chairman and Ms. Gursimran Kaur Mann, Director of the Company.	Interest overdue below 90 days of Rs. 23.75 lacs (previous year Rs. Nil).
<b>Total</b>	<b>16,362.86</b>	<b>1,875.47</b>		

9 (D). Short Term Borrowings - Loan repayable on demand (Un-secured) (Rs. lacs)

Loan repayable on demand	Outstanding		Nature of security	Overdue at the end of the year
	As at March 31, 2016	As at March 31, 2015		
From Commercial Banks	34,998.31	-	N.A	Principal overdue above 90 days of Rs. 34,998.31 lacs (previous year Rs. Nil). Interest overdue below 90 days of Rs. 932.47 lacs (previous year Rs. Nil) and above 90 days Rs. 4,052.00 lacs (previous year Rs. Nil).

#### 10. Related Party disclosures under Accounting Standard 18

A. Name of related party and nature of related party relationship.

##### Subsidiaries:

- Simbhaoli Global Commodities DMCC (DMCC).
- Integrated Casetech Consultants Private Limited (ICCPL).
- Simbhaoli Power Private Limited (SPPL).
- Simbhaoli Speciality Sugars Private Limited (SSSPL).

##### Joint Venture Entity:

- Uniworld Sugars Private Limited (USPL).

##### Co-venturer:

- Volcafe Pte Ltd. (Formerly known as ED & F Man Asia Holdings Pte Ltd.)

##### Key Management Personnel:

- Mr. G. M. S. Mann - Chairman,
- Mr. Gurpal Singh - Director,
- Ms. Gursimran Kaur Mann - Director,
- Mr. Sanjay Tapriya - Director,
- Mr. S.N. Misra - Chief Operating Officer
- Mr. R.K. Singh- Director (resigned w.e.f. November 09, 2015)
- Mr. S. K. Sinha - Director (resigned w.e.f. October 20, 2014)

##### Relatives of Key management personnel:

- Mrs. Mamta Tapriya (wife of Mr. Sanjay Tapriya)
- Mr. Govind Singh Sandhu (brother of Mr. Gurpal Singh)

##### Enterprise over which key management personnel exercise significant influence:

- Dholadhar Investments Private Limited (enterprise over which Mr. G. M. S. Mann and Ms. Gursimran Kaur Mann exercise significant influence)

B) Transactions with the above parties:

(Rs. lacs)

Description	Year ended March 31, 2016	Year ended March 31, 2015
<b>Rent Paid</b>	<b>46.08</b>	<b>-</b>
Mrs. Mamta Tapriya	1.08	-
SSSPL	45.00	-
<b>Rent Recieved</b>	<b>21.60</b>	<b>-</b>
ICCPL	21.60	-
<b>Managerial Remuneration</b>	<b>157.57</b>	<b>42.52</b>
Mr. G.M.S. Mann	29.69	-
Mr. Gurpal Singh	31.30	15.00
Mr. Sanjay Tapriya	14.85	-
Ms. Gursimran Kaur Mann	17.29	-
Mr. S.N. Misra	53.55	-
Mr. R.K. Singh	10.89	10.35
Mr. S.K. Sinha	-	17.17
<b>Loans taken</b>	<b>840.00</b>	<b>-</b>
Ms. Gursimran Kaur Mann	650.00	-
Mr. G.M.S. Mann (HUF)	190.00	-
<b>Expenses paid</b>	<b>656.06</b>	<b>-</b>
SPPL	656.06	-
<b>Interest paid</b>	<b>60.35</b>	<b>-</b>
Mr. G.M.S. Mann	11.57	-
Ms. Gursimran Kaur Mann	36.89	-
Mr. G.M.S. Mann (HUF)	4.37	-
Dholadhar Investments Private Limited	7.52	-
<b>Sale of finished goods</b>	<b>1,104.24</b>	<b>-</b>
SPPL	1,104.24	-
<b>Expenses recovered</b>	<b>111.78</b>	<b>10.95</b>
ICCPL	30.00	6.56
SPPL	66.01	-
USPL	1.82	4.39
SSSPL	13.95	-
<b>Interest Recieved</b>	<b>1,242.35</b>	<b>-</b>
SPPL	1,242.35	-
<b>Investments made in</b>	<b>5,063.91</b>	<b>-</b>
SPPL	4,683.67	-



USPL	380.24	-
<b>Management fees charged</b>	<b>684.45</b>	-
SPPL	362.84	-
USPL	321.61	-
<b>Operation and job work charges paid</b>	<b>141.00</b>	-
ICCPL	141.00	-
<b>Excise duty paid under protest</b>	<b>175.00</b>	-
SPPL	175.00	-
<b>Balance outstanding at the end of the year</b>		
<b>Other current assets</b>	<b>2,524.30</b>	<b>6.53</b>
SPPL	2,109.23	-
USPL	360.39	-
ICCPL	54.68	6.53
<b>Other non-current assets</b>	<b>327.66</b>	-
SPPL	327.66	-
<b>Trade payables</b>	<b>92.76</b>	<b>36.99</b>
Mr. G.M.S. Mann	5.69	-
Mr. Gurpal Singh	27.90	12.17
Mr. Sanjay Tapriya	0.57	-
Ms. Gursimran Kaur Mann	15.97	-
Mr. S.N.Misra	2.12	-
Mrs. Mamta Tapriya	0.24	-
Mr. Govind Singh Sandhu	14.21	-
Mr. R.K.Singh	3.08	6.15
Mr. S.K.Sinha	11.16	6.21
SSSPL	11.82	-
USPL	-	12.46
<b>Long-term borrowings</b>	<b>1,585.21</b>	-
Mr. G.M.S. Mann	643.33	-
Mr. G.M.S. Mann (HUF)	193.94	-
Mr. Gurpal Singh	19.12	-
Ms. Gursimran Kaur Mann	660.18	-
Dholadhar Investments Private Limited	68.64	-
<b>Trade Receivable</b>	<b>1,429.39</b>	-
DMCC	139.41	-
SPPL	1,289.98	-
<b>Pledge of Investments</b>	<b>3,094.14</b>	-
SPPL	192.97	-
USPL	2,901.18	-

## 11. Segment reporting

### A. Business segments:

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting", the Company's primary segments are business segments, viz. Sugar and Alcohol.

### B. Geographical segments:

Since the Company's activities/operations are primarily within the country and considering the nature of products it deals in, the risks and returns are same and as such there is only one geographical segment.

### C. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 2 above the accounting policies in relation to segment accounting are as under:

#### a) Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

#### b) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include income taxes. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amount of certain assets/liabilities pertaining to two or more segments is allocated to the segments on a reasonable basis.

#### c) Inter segment sales:

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated on consolidation.

## D. Information About Business Segments

(Rs. Lacs)

Particulars	Sugar		Alcohol		Elimination		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Segment revenue</b>										
External sales:	69,423.08	-	9,141.18	942.06	-	-	-	-	78,564.26	942.06
Inter segment sales	3,298.66	-	80.65	-	(3,379.31)	-	-	-	-	-
Other operating Revenue	1,604.15	-	20.61	34.01	-	-	-	-	1,624.76	34.01
<b>Total revenue</b>	<b>74,325.89</b>	-	<b>9,242.44</b>	<b>976.07</b>	<b>(3,379.31)</b>	-	-	-	<b>80,189.02</b>	<b>976.07</b>
<b>Segment results</b>	(292.98)	-	1,096.21	(1,516.13)	-	-	-	-	803.23	(1,516.13)
Unallocated expenses (net of income)							(1,244.15)	-	(1,244.15)	-
<b>Operating profit/ (loss)</b>								-	2,047.38	(1,516.13)
Finance cost							11,334.74	-	11,334.74	470.41
Exceptional items (net)							-	-	-	500.00
Provision for taxes							-	-	-	-
<b>Net Profit/ (loss)</b>									<b>(9,287.36)</b>	<b>(2,486.54)</b>
<b>Other information</b>										
Segment assets	138,386.78	-	43,983.43	29,223.39	-	-	-	-	182,370.21	29,223.39
Unallocated assets							3,071.16	-	3,071.16	-
Investment							18,575.30	-	18,575.30	-
<b>Total assets</b>	<b>138,386.78</b>	-	<b>43,983.43</b>	<b>29,223.39</b>			<b>21,646.46</b>	-	<b>204,016.67</b>	<b>29,223.39</b>
Segment liabilities	52,594.42	-	2,450.61	5,076.96	-	-	-	-	55,045.03	5,076.96
Shares capital and reserves							33,423.14	18,900.69	33,423.14	18,900.69
Secured and unsecured loans							108,778.88	5,245.74	108,778.88	5,245.74
Unallocated liabilities							6,769.62	-	6,769.62	-
<b>Total liabilities</b>	<b>52,594.42</b>	-	<b>2,450.61</b>	<b>5,076.96</b>			<b>148,971.64</b>	<b>24,146.43</b>	<b>204,016.67</b>	<b>29,223.39</b>
Capital expenditure	227.77	-	443.29	5.81	-	-	27.47	-	698.53	5.81
Depreciation and amortization expense (net of revaluation reserve)	3,828.69	-	1,074.61	551.79	-	-	32.14	-	4,935.44	551.79
Non cash expenses other than depreciation #	-	-	16.10	302.01	-	-	-	-	16.10	302.01

# Goodwill writeoff (previous year loss on sale of fixed assets, bad debts and advances written off, provision for doubtful debts and advances).

12. Exceptional item of Rs. 500 lacs in the previous year represents monetary penalty imposed by The Hon'ble National Green Tribunal, New Delhi (NGT) vide its order dated October 16, 2014 (the order), upheld the complaint alleging non-fulfillment of certain conditions on pollution and effluent discharge against the Company. The Company has taken requisite steps in this regard and after obtaining the consent from Uttar Pradesh Pollution Control Board, the operation at Simbhaoli distillery plant has been resumed in October 2015.
13. The Company follows Accounting Standard (AS-22) "Accounting for taxes on income", and in consideration of prudence, has recognized deferred tax asset on unabsorbed depreciation and brought forward business losses, as at March 31 2016 only to the extent of deferred tax liability on difference between book balance and tax balance of fixed assets out of total deferred tax assets.
14. (a) Following are the particulars of disputed dues on account of sales tax (trade tax), excise duty and service tax matters that have not been deposited by the Company as at March 31, 2016.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount* involved (Rs. lacs)	Amount paid under protest (Rs. lacs)
U. P. Trade Tax Act	Trade tax	Dy. Commissioner, Commercial Tax	2005-2006	3.11	-
Kerala Sales Tax Act	Trade Tax	Dy. Commissioner, Commercial Tax - (Appeal)	2000-2001	2.17	1.08
Central Excise Act, 1944	Excise Duty	Commissioner (Appeal)	2013-2014	24.17	-
		Customs, Excise & Service tax Appellate Tribunal	2001-2002	16.78	-
			2001-2006	42.88	-
			2001-2004	16.63	-
			2005-2006	15.88	-
			2006-2007	393.58	45.04
			2007-2012	0.37	-
			2008-2009	20.14	-
			2008-2014	31.44	-
			2008-2013	26.83	-
			2008-2013	177.82	-
			2010-2011	9.37	6.56
			2012-2013	227.84	17.09
			2013-2014	146.56	10.30
			2013-2015	6.63	-
		High Court, Allahabad	1979-1980	11.01	-
			2005-2006	2.78	-
Finance Act, 1994	Service Tax	Customs, Excise & Service tax Appellate Tribunal	1997-1999	6.25	-
			2009-2015	96.98	-
			2005-2007	7.72	-
			2006-2007	83.06	14.87

\* Amount as per demand orders including interest and penalty wherever as indicated in order.

- (b) In the following instances the concerned statutory authority is in appeal against favorable orders received by the Company.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. lacs)
Central Excise Act, 1944	Excise Duty	Customs, Excise & Service tax Appellate Tribunal	2004-2006	14.87
			2007-2009	9.06
			2005-2006	1.24
			2008-2009	54.68
			2003-2004	21.44
			2004-2006	23.04
		High Court, Allahabad	1995-96	9.92
Finance Act, 1994	Service tax	Customs, Excise & Service tax Appellate Tribunal	2006-07	0.43

There are no dues in respect of income tax, customs duty, wealth tax and cess, which have not been deposited on account of any disputes except in respect of income tax demand of Rs. 34.91 lacs arising on processing of TDS returns. The Company is in process of rectifying these returns and is confident that the demand will be substantially reduced.

#### 15. Disclosure related to Joint venture:

Name	Country of incorporation	Nature of controlling interest	Percentage of voting power as at	
			March 31, 2016	March 31, 2015
Uniworld Sugars Private Limited	India	Equity share holding and voting power	50%	Nil

Uniworld Sugars Private Limited is a 50:50 Jointly controlled entity either in own name or through its affiliates between Volcafe Pte Ltd. (Formerly known as E D & F Man Holdings BV) and the Company as per the terms set under the Share Subscription and Shareholders Agreement dated January 25, 2011 and subsequent amendments therein (collectively referred to as "Joint Venture Agreements" or "JVA"). The Joint Venture Company (JVC) has been incorporated to undertake the business of refining of sugar and molasses, the cogeneration of power and all other activities ancillary or identical thereto in India and trading of sugar and molasses both within the Indian and overseas markets.

The Company's share of Assets and Liabilities as at March 31, 2016 and Income and Expenditure for the year ended March 31, 2016 (without elimination of the effect of transactions between the Company and the joint venture) are given below

(Rs. lacs)

Assets and Liabilities:		
Description	As at March 31, 2016 (50%)	As at March 31, 2015
<b>ASSETS</b>		
<b>Non Current Assets</b>		
-Fixed assets	13,151.30	-
-Long term loan and advances	113.54	-
<b>Current Assets</b>		
-Current Investments	122.49	-
-Inventories	5,014.09	-
-Trade Receivable	4.74	-
-Cash and bank balances	1,378.70	-
-Short term loans and advances	313.40	-
-Other current assets	129.41	-
<b>LIABILITIES</b>		
<b>Non Current Liabilities</b>		
-Long term borrowings	4,825.53	-
-Long term provisions	11.40	-
<b>Current Liabilities</b>		
-Short term borrowings	4,248.89	-
-Trade payables	5,215.78	-
-Other current liabilities	2,571.13	-
-Short term provisions	3.11	-

Income and Expenditure		
Description	Year ended March 31, 2016 (50%)	Year ended March 31, 2015
<b>INCOME</b>		
- Revenue from operations (Net)	28,487.06	-
- Other income	121.52	-
<b>EXPENSES</b>		
- Cost of material consumed	24,705.80	-
- Purchase of stock in trade (traded goods)	430.75	-
- Changes in inventories of		

finished goods, work-in-progress and stock-in-trade	(533.95)	-
- Employee benefit expenses	374.84	-
- Finance cost	1,302.41	-
- Depreciation and amortization expense	838.95	-
- Others expenses	3,711.96	-
<b>Note :</b>		
- Capital Commitments	70.79	-
- Contingent Liabilities	283.36	-

## 16. Employee Benefits

The Company has classified the various benefits provided to employees as under:-

### A) Employee Plan:

- Provident fund
- Superannuation fund

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

(Rs. lacs)

Description	Year ended March 31, 2016	Year ended March 31, 2015
- Employers' Contribution to Provident Fund	305.16	30.30
- Employers' Contribution to Superannuation Fund	12.17	2.17

### B) Defined benefits plans

- Gratuity
- Compensated absences – Earned Leave/ Sick Leave/ Casual Leave

In accordance with the Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans and details of the same are given below:

(Rs. lacs)

Particulars	Gratuity (Funded)		Compensated absences (Not Funded)	
	2015-16	2014-15	2015-16	2014-15
Discount rate (per annum)	8%	8%	8%	8%
Future salary increase	5%	5%	5%	5%
Expected rate of return on plan assets	8%	8%	N/A	N/A
In service mortality	#	#	#	#
<b>I. Expense recognized in profit and loss account</b>				
Current service cost	149.17	12.25	25.01	3.19
Interest cost	120.51	13.62	20.24	4.47
Expected return on plan assets	(82.12)	(13.57)	-	-

(Rs. lacs)

Particulars	Gratuity (Funded)					Compensated absences (Non funded)				
	2015-16	2014-15	2013-14	2012-13	2011-12	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of obligation as at the end of the year	1,646.45	162.86	181.89	164.53	124.91	239.01	34.08	64.19	33.81	35.30
Fair value of plan assets as at the end of the year	1,008.32	111.49	114.64	115.99	109.26	-	-	-	-	-
Net asset/(liability) recognized in the balance sheet	(638.13)	(51.37)	(67.25)	(48.54)	(15.65)	(239.01)	(34.08)	(64.19)	(33.81)	(35.30)
Net actuarial (gain)/loss recognized	(25.61)	(28.18)	4.56	43.24	2.16	1.73	(21.09)	26.76	2.16	1.43

Net actuarial (gain)/loss recognized in the year	(25.61)	(28.18)	1.73	(21.09)
<b>Total expense</b>	<b>161.96</b>	<b>(15.88)</b>	<b>46.98</b>	<b>(13.43)</b>
<b>II Net asset/(liability) recognized in the balance sheet as at the end of the year</b>				
Present value of Defined benefits obligation	1,646.45	162.86	239.01	34.08
Fair value of plan assets	(1,008.32)	111.49	-	-
Funded status [surplus/ (deficit)]	(638.13)	(51.37)	(239.01)	(34.08)
<b>Net asset/(liability) as at the end of the year</b>	<b>(638.13)</b>	<b>(51.37)</b>	<b>(239.01)</b>	<b>(34.08)</b>
Current	(638.13)	(51.37)	(59.40)	(7.08)
Non current	-	-	(179.61)	(27.00)
<b>III Change in the present value of obligation during the year</b>				
Present value of the obligation as at the beginning of the year	162.86	181.89	34.08	64.19
Interest cost	120.51	13.62	20.24	4.47
Current service cost	149.17	12.25	25.01	3.19
Benefits paid	(96.75)	(23.30)	(122.05)	(16.68)
Transfer from amalgamating company pursuant to Amalgamation	1,391.93	-	279.99	-
Actuarial (gains)/ losses on obligation	(81.27)	(21.60)	1.72	(21.09)
<b>Present value of obligation as at the end of the year</b>	<b>1,646.45</b>	<b>162.86</b>	<b>239.01</b>	<b>34.08</b>
<b>IV Change in present value of fair value of plan Assets</b>				
Fair value of plan assets as at the beginning of the year	111.49	114.64	-	-
Expected return on plan assets	82.12	13.57	-	-
Contributions	34.00	-	-	-
Benefits paid	(96.76)	(23.30)	-	-
Transfer from amalgamating company pursuant to Amalgamation	933.13	-	-	-
Actuarial gains/(losses)	(55.66)	6.58	-	-
<b>Fair value of plan assets as at the end of the year</b>	<b>1,008.32</b>	<b>111.49</b>	<b>-</b>	<b>-</b>
<b>V Detail of plan Assets</b>	<b>Funded with ICICI*</b>		<b>NA</b>	

# Indian Assured Lives Mortality (2006-08) Ultimate.

\* The plan assets are maintained with ICICI Prudential Life Insurance Company Ltd. The details of investments maintained by the ICICI Prudential Life Insurance Company Ltd have not been made available to the Company and have therefore not been disclosed.

Disclosure relating to present value of defined benefit obligation and fair value of plan assets and net actuarial gain/ loss:

**17. Earnings per share**

(Rs. lacs)

Description		Year ended March 31, 2016	Year ended March 31, 2015
Profit/(loss) after tax and exceptional items as per Statement of Profit and Loss	(A)	(9,287.36)	(2,486.54)
Less: Exceptional Items net of taxes of Rs. Nil (previous year Rs. Nil)		-	(500.00)
Profit/(loss) after tax and before exceptional items	(B)	(9,287.36)	(1,986.54)
<b>Weighted average number of equity shares outstanding (Par value Rs. 10 per share)</b>			
- For basic and diluted earnings per share (Nos.)	(C)	3,74,79,020	31,800,000
<b>Earnings per share (Rs.)</b>			
- Basic and diluted EPS before exceptional item	(B÷C)	(24.78)	(6.24)
- Basic and diluted EPS after exceptional item	(A÷C)	(24.78)	(7.82)

**18. Auditors' remuneration (excluding service tax):**

(Rs. lacs)

Description	Year ended March 31, 2016	Year ended March 31, 2015
- Statutory audit	10.00	8.43
- Limited review of unaudited financial results	23.76	3.37
- Transfer pricing fees	-	2.95
- Certification and others	3.52	1.97
- Reimbursement of out of pocket expense for statutory audit and others	1.53	-

\*Amount included service tax.

**19. Earning in foreign currency**

(Rs. lacs)

Description	Year ended March 31, 2016	Year ended March 31, 2015
- Export on FOB basis	2,134.56	462.89

**20. Expenditure in foreign currency**

(Rs. lacs)

Description	Year ended March 31, 2016	Year ended March 31, 2015
- Travelling	11.64	4.17

**21. Statement of additional Information**
**(a) Particulars of stocks and sales**

(Rs. lacs)

Description	Stocks				Sales	
	Opening		Closing		For the year ended March 31, 2016	For the year ended March 31, 2015
	As at April 1, 2015	As at April 1, 2014	As at March 31, 2016	As at March 31, 2015		
(i) Manufactured						
- Sugar	-	-	24,403.87	-	67,353.20	-
- Rectified spirit and country spirit	21.98	44.91	708.75	21.98	1,594.18	-

- Denatured spirit	0.46	0.45	1,324.94	0.46	7,217.55	-
- Whisky, brandy and civil rum	101.82	204.35	29.80	101.82	161.02	806.29
- Others	4.58	2.70	785.46	4.58	2,238.32	208.09
<b>Total</b>	<b>128.84</b>	<b>252.41</b>	<b>27,252.82</b>	<b>128.84</b>	<b>78,564.27</b>	<b>1,014.38</b>
(ii) Traded						
- Whisky, brandy and civil rum	23.15	23.15	23.15	23.15	-	-
<b>Total</b>	<b>23.15</b>	<b>23.15</b>	<b>23.15</b>	<b>23.15</b>	<b>-</b>	<b>-</b>
<b>Total (i) and (ii)</b>	<b>151.99</b>	<b>275.56</b>	<b>27,275.97</b>	<b>151.99</b>	<b>78,564.27</b>	<b>1,014.38</b>

**(b) Detail of work-in-progress:**

(Rs. lacs)

Description	Year ended March 31, 2016	Year ended March 31, 2015
- Sugar	436.02	-
- Rectified spirit, country spirit and denatured spirit	163.53	-
<b>Total</b>	<b>599.55</b>	<b>-</b>

**(c) Details of raw materials**

(Rs. lacs)

Description	Year ended March 31, 2016	Year ended March 31, 2015
<b>Raw materials consumed comprise:</b>		
- Sugar cane	53,970.77	-
- Molasses	2,788.55	-
- ENA and other	354.36	165.28
<b>Total</b>	<b>57,113.68</b>	<b>165.28</b>

(Rs. lacs)

Description	Year ended March 31, 2016		Year ended March 31, 2015	
	%	Amount	%	Amount
Value of imported/indigenous raw materials				
- Imported	-	-	-	-
- Indigenous	100	57,113.68	100	165.28
<b>Total</b>	<b>100</b>	<b>57,113.68</b>	<b>100</b>	<b>165.28</b>

**(d) Stores and spares consumed**

(Rs. lacs)

Description	Year ended March 31, 2016		Year ended March 31, 2015	
	%	Amount	%	Amount
- Imported	-	-	-	-
- Indigenous	100	4,532.17	100	495.38
<b>Total</b>	<b>100</b>	<b>4,532.17</b>	<b>100</b>	<b>495.38</b>

**22. Foreign Currency exposures that are not hedged by derivative instruments or otherwise are as follows**

Description	As at March 31, 2016		As at March 31, 2015	
	Amount in foreign currency (Lacs)	Amount (Rs. Lacs)	Amount in foreign currency (Lacs)	Amount (Rs. Lacs)
Trade Receivables -USD	3.15	207.82	2.28	142.65
Trade Payable - EURO	0.16	11.92	0.16	10.71

**23. Details of loan and advances given, investment made and securities provided as required to be disclosed as per provisions of Section 186 (4) of the Companies Act, 2013 have been disclosed in respective heads.**
**24. In the opinion of the management, Current Assets have value in realization in ordinary course of business at least equal to the amount at which they are stated.**



**25.** Figures for the year ended March 31, 2015 are not comparable as it represents the financial figures of un-amalgamated entity having only one distillery operation.

**26.** Previous year figures have been regrouped / reclassified whenever necessary to correspond with the current year's classification/ disclosure.

Signature to Notes 1 to 26

In terms of our report attached

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

For **MITTAL GUPTA & COMPANY**  
Chartered Accountants  
FRN - 01874C

B. L. GUPTA  
Partner  
(M.No. - 073794)

Place : New Delhi  
Date : May 30, 2016

Gurmit Singh Mann  
Chairperson  
DIN - 00066653

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Place : New Delhi  
Date : May 30, 2016

Gursimran Kaur Mann  
Director  
DIN - 00642094

Anshul Jain  
GM Finance  
FCA - 505973

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

Kamal Samtani  
Company Secretary  
FCS - 5140



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMBHAOLI SUGARS LIMITED**

### **Report on the Financial Statements :**

We have audited the accompanying consolidated financial statements of **SIMBHAOLI SUGARS LIMITED**, (hereinafter referred to as "the holding company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the group") and jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit & Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the Significant Accounting Policies and Other Explanatory Information (hereinafter referred to as "the Consolidated Financial Statements").

### **Management's Responsibility for the Consolidated Financial Statements :**

The Holding Company's Board of Directors is responsible for the preparation of the Consolidated Financial Statements in Terms of the Requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position and consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act. The respective Board of Directors of the companies included in the Group and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility :**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the consolidated financial statements,

whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### **Emphasis of Matter :**

We draw attention to Note No. 7 to the financial statements which, describes reasons for classification of current liabilities in respect of short term borrowings of Rs. 32,513.37 lacs, current maturities of term loan of Rs. 6,902.72 lacs and interest accrued of Rs. 5,105.72 lacs under "Long Term Borrowings", in accordance with the scheme approved by Corporate Debt Restructuring Empowered Group, although the scheme is yet to be implemented by all the bankers.

Our opinion is not modified in respect of this matter.

### **Other Matter :**

We did not audit the financial statements of subsidiaries viz, Simbhaoli Global Commodities DMCC, Integrated Casetech Consultants Private Limited, Simbhaoli Power Private Limited, Simbhaoli Speciality Sugars Private Limited and Jointly controlled entity viz Uniworld Sugars Private Limited, whose financial statements reflect total assets of Rs. 21,674.40 lacs as at March 31, 2016 total revenues of Rs. 36,924.09 lacs and net cash inflow amounting to Rs. 1,411.76 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

**Report on Other Legal & Regulatory Requirements :**

As required by Section-143(3) of the Act, we report, the extent applicable, that :-

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements..
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements..
- d) In our opinion, the aforesaid consolidated financial statement comply with the Accounting Standard prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and a jointly controlled company incorporated in India, none of the directors of the Group Companies and its jointly controlled company incorporated in India is disqualified as on March 31, 2016 from being appointed as a directors in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of

such controls, refer to our report in Annexure-A' which is based on the auditors' reports of the Holding Company, subsidiary companies and its jointly controlled company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's/ Subsidiary Company's/ Jointly controlled company's incorporated in India for internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity.
  - ii) The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the holding company, subsidiary companies and the jointly controlled entity incorporated in India.

**FOR MITTAL GUPTA & CO.**

Chartered Accountants  
(Firm's Registration No. 01874C)

**(B. L.GUPTA)**

Partner

Membership No. 73794

Place : New Delhi  
Date : May 30, 2016

**Annexure - 'A' to the Independent Auditor's Report**

(Referred to in Paragraph-1(f) under Report on Other Legal and Regulatory Requirements of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of SIMBHAOLI SUGARS LIMITED, (hereinafter referred to as "the Holding Company") and its subsidiary companies and jointly controlled companies, which are companies incorporated in India, as of that date.

**Management's Responsibility for internal Financial Controls :**

The respective Board of Directors of the Holding Company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective

company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility :**

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Sec-143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-

statement of the financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and its joint controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Control System over Financial Reporting.

**Meaning of Internal Financial Controls over Financial Reporting :**

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipt and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

**Inherent Limitations of Internal Financial Controls over Financial Reporting :**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material mis-statements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion :**

In our opinion, to the best of our information and according to the explanations given to us, the Holding company, its subsidiary companies and jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters :**

Out aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiary companies, and a jointly controlled entity, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**FOR MITTAL GUPTA & CO**

Chartered Accountants  
Firm Regn. No. 01874C

**(B. L. GUPTA)**

Partner

Membership No. 73794

Place : New Delhi  
Date : May 30, 2016



**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CONSOLIDATED BALANCE SHEET**  
**AS AT MARCH 31, 2016**

	Notes	As at March 31, 2016 Rs. lacs
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	3.1	3,747.90
Reserves and surplus	3.2	27,761.88
		<b>31,509.78</b>
<b>Minority interest</b>		4,381.66
<b>Non-current liabilities</b>		
Long-term borrowings	3.3	72,610.09
Long-term provisions	3.4	286.95
		<b>72,897.04</b>
<b>Current liabilities</b>		
Short-term borrowings	3.5	55,610.06
Trade payables	3.6	58,795.37
Other current liabilities	3.7	24,807.17
Short-term provisions	3.8	48.56
		<b>139,261.16</b>
<b>Total</b>		<b>248,049.64</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets	3.9	
Tangible assets		184,562.60
Intangible assets		871.36
Capital work in progress		773.82
		<b>186,207.78</b>
Pre-operative expenditure pending allocation	3.10	-
Goodwill on consolidation		3,995.81
Non-current investments	3.11	2.26
Deferred tax assets	3.12	76.09
Long-term loans and advances	3.13	451.58
		<b>190,733.52</b>
<b>Current assets</b>		
Current investments	3.14	1,936.02
Inventories	3.15	35,073.15
Trade receivables	3.16	9,327.14
Cash and cash equivalents	3.17	3,660.85
Short-term loans and advances	3.18	4,540.29
Other current assets	3.19	2,778.67
		<b>57,316.12</b>
<b>Total</b>		<b>248,049.64</b>

Significant accounting policies and Notes to the consolidated accounts 1 to 20

In terms of our report attached

For and on behalf of the Board of Directors

**For MITTAL GUPTA & COMPANY**  
Chartered Accountants  
FRN - 01874C

Gurmit Singh Mann  
Chairperson  
DIN - 00066653

Gursimran Kaur Mann  
Director  
DIN - 00642094

Sachchida Nand Misra  
Chief Operating Officer  
DIN - 06714324

B. L. GUPTA  
Partner  
(M.No. - 073794)

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Anshul Jain  
GM-Finance  
FCA - 505973

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : New Delhi  
Date : May 30, 2016

Place : New Delhi  
Date : May 30, 2016

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE**  
**YEAR ENDED MARCH 31, 2016**

	Notes	Year ended March 31, 2016 Rs. lacs
<b>Revenue from operations</b>		
Sale of products	3.20	110,707.21
Less: Excise duty		3,933.46
		106,773.75
Sale of services	3.21	1,150.64
Other operating revenues	3.22	3,548.12
<b>Revenue from operations</b>		111,472.51
Other income	3.23	937.68
<b>Total Revenue</b>		<b>112,410.19</b>
<b>Expenses</b>		
Cost of materials consumed	3.24	82,601.11
Purchases of stock-in-trade	3.25	430.75
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.26	1,749.26
Employee benefits expense	3.27	6,261.75
Finance costs	3.28	14,030.11
Depreciation and amortization expense	3.9	6,626.67
Other expenses	3.29	12,029.70
<b>Total Expenses</b>		<b>123,729.35</b>
<b>Profit/(loss) before exceptional items and tax</b>		(11,319.16)
Exceptional items		-
<b>Profit/(loss) before tax</b>		<b>(11,319.16)</b>
Tax expense:		
Tax relating to previous year		5.16
Current tax		70.05
Deferred tax charge/ (benefit)		(16.26)
<b>Profit/(loss) after tax</b>		<b>(11,378.11)</b>
Minority interest		(179.35)
<b>Profit/(loss) after tax and minority interest</b>		<b>(11,198.76)</b>
<b>Earnings per equity share-basic/diluted (Rs.)</b>	14	
Basic & Diluted before exceptional items		(29.88)
Basic & Diluted after exceptional items		(29.88)

Significant accounting policies and Notes to the consolidated accounts 1 to 20

In terms of our report attached

For and on behalf of the Board of Directors

For **MITTAL GUPTA & COMPANY**  
Chartered Accountants  
FRN - 01874C

Gurmit Singh Mann  
Chairperson  
DIN - 00066653

Gursimran Kaur Mann  
Director  
DIN - 00642094

Sachchida Nand Misra  
Chief Operating Officer  
DIN - 06714324

B. L. GUPTA  
Partner  
(M.No. - 073794)

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Anshul Jain  
GM-Finance  
FCA - 505973

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : New Delhi  
Date : May 30, 2016

Place : New Delhi  
Date : May 30, 2016

**SIMBHAOLI SUGARS LIMITED**  
**(Formerly known as 'Simbhaoli Spirits Limited')**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

	Year ended March 31, 2016 Rs. lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>	
Net profit/(loss) before tax and exceptional items	(11,319.18)
Adjustments for:	
Depreciation and amortization	6,626.67
Unrealised foreign exchange fluctuation	(1.97)
Liabilities/provision no longer required written back	(1,234.56)
Finance costs	14030.11
Rent & finance lease income	(28.12)
Provision for doubtful advances & debts	75.19
Bad debts written off	94.64
Mollasses storage fund	4.92
Fixed Assets written off	2.95
Goodwill written off	16.10
Loss/(profit) on sale of fixed assets (net)	(13.15)
Profit on sale of current investments	(73.40)
Interest income	(320.72)
<b>Operating profit/(loss) before working capital changes</b>	<b>7,859.48</b>
Adjustments for (increase)/decrease in operating assets:	
Trade receivables	(3,797.62)
Short term and long term loans and advances	2,078.94
Other current and non current assets	(1,991.70)
Inventories	4,557.51
Adjustments for increase/(decrease) in operating liabilities:	
Trade payables	(1,650.04)
Other current liabilities	1,101.02
Short term and long term provisions	(113.48)
<b>Cash (used)/generated from operations</b>	<b>8,044.11</b>
Direct taxes (paid)/refund	(266.93)
<b>Net cash flow from operating activities before exceptional items</b>	<b>7,777.18</b>
Cash flow from exceptional items	-
<b>Net cash (used) / from operating activities</b>	<b>7,777.18</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>	
Purchase of fixed assets	(8,661.04)
Sale of fixed assets	196.28
Proceeds from sale of investment	5,039.79
Purchase of current Investment	(6,605.81)
Changes in deposits with bank	(360.46)
Interest received	238.01
<b>Net cash used in investing activities</b>	<b>(10,153.23)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>	
Proceeds from issue of equity shares capital to minority	3,265.54
Proceeds from issue of debentures to minority	1,432.37
Proceeds/(Repayment) from long term borrowings (Net)	8,328.08
Proceeds/(Repayment) from short term borrowings (Net)	(402.58)
Changes in deposit pledged with against margin money/ guarantee with bank	0.24
Interest paid	(11,005.55)
<b>Net cash from financing activities</b>	<b>1,618.10</b>
<b>D. Net increase/(decrease) in cash and cash equivalents</b>	<b>(757.95)</b>
<b>E. Cash and cash equivalents (opening balance)</b>	<b>121.44</b>
Add : Cash & bank balance acquired on Amalgamation [refer note 4]	917.27
Add : Cash & bank balance acquisition of subsidiaries and jointly controlled entity	931.12
<b>F. Cash and cash equivalents (closing balance) (refer note 3.17) (D+E)</b>	<b>1,211.88</b>
The above Cash flow statement has been prepared under the "indirect method" set out in Accounting Standard-3.	

In terms of our report attached

For and on behalf of the Board of Directors

**For MITTAL GUPTA & COMPANY**  
Chartered Accountants  
FRN - 01874C

Gurmit Singh Mann  
Chairperson  
DIN - 00066653

Gursimran Kaur Mann  
Director  
DIN - 00642094

Sachchida Nand Misra  
Chief Operating Officer  
DIN - 06714324

B. L. GUPTA  
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Dayal Chand Popli  
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Anshul Jain  
GM-Finance  
FCA - 505973

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : New Delhi  
Date : May 30, 2016

Place : New Delhi  
Date : May 30, 2016

## NOTES FORMING PART OF THE ACCOUNTS

### 1. Background

Simbhaoli Sugars Limited ('the Company') (previously known as Simbhaoli Spirits Limited) having CIN No. U15122UP2011PLC044210 is a public limited company under the provisions of the Companies Act, 2013 incorporated and registered with Registrar of Companies, Kanpur Uttar Pradesh on April 04, 2011. Currently equity shares of the Company are listed at BSE and NSE. The Hon'ble High Court of Judicature at Allahabad has sanctioned the Scheme of Amalgamation of Erstwhile Simbhaoli Sugars Limited (ESSL), the Transferor Company with the Company, the Transferee Company w.e.f. April 1, 2015 (the Appointed Date) and consequent thereto, the entire business undertakings of ESSL, stands transferred to and vested in the Company, as a going concern with effect from the Appointed Date. The Company has now three sugar complexes - Simbhaoli (western Uttar Pradesh), Chilwaria (eastern Uttar Pradesh) and Brijnathpur (western Uttar Pradesh) having an aggregate crushing capacity of 19,500 TCD. The Company is technology driven with a business mix that spans from refined (sulphurless) sugar, specialty sugars, extra neutral alcohol (ENA), ethanol and bio-manure. The Company is engaged in sugar refining (Defeco Remelt Phosphotation and Ion Exchange technology), high value, niche products (specialty sugars) and clean energy (ethanol). The Company sells international standard refined, pharmaceutical grade and specialty sugars to the retail and bulk institutional consumer segments.

The Company is operating its different businesses through separate subsidiaries and jointly controlled entity, the details are given below:

S. No.	Name of subsidiary & Jointly Controlled Entity	Business
1.	Simbhaoli Power Private Limited (SPPL)	Generation of green power
2.	Integrated Casetech Consultants Private Limited (ICCPL)	Consultancy business
3.	Simbhaoli Global Commodities DMCC (DMCC)	Trading of sugar & alcohol
4.	Uniworld Sugars Private Limited (USPL)	Raw sugar refinery
5.	Simbhaoli Speciality Sugars Private Limited (SSSPL)	Packaging

### 2. Basis of consolidation and significant accounting policies

#### i) Basis of accounting and preparation of Consolidated financial statements

'The Consolidated financial statements of the Company and its subsidiaries and joint controlled entity (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ('the 2013 Act') / Companies Act, 1956 ('the 1956 Act'), as applicable.

#### ii) Principles of consolidation

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

- the financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
  - In case of foreign subsidiaries, being non-integral foreign operation, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Exchange Fluctuation Reserve.
  - the consolidated financial statements have been prepared using uniform accounting policies for - like transactions and other events in similar circumstances except for depreciation accounting and are presented in the same manner as the Company's separate financial statements.
  - the financial statements of the jointly controlled entity have been combined by using proportionate consolidation method and based on controlling voting power accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line item in the Consolidated Financial Statements.
  - the excess of cost to the Company of its investment in a subsidiary companies and joint controlled entity over its share of equity of the subsidiary companies and joint controlled entity, at the dates on which the investment in the subsidiary companies and joint controlled entity is made, is recognized as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. Alternatively, where the share of equity in a subsidiary company and joint venture as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and surplus', in the consolidated financial statements.
  - Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movement in their share in the equity, subsequent to the dates of investments as stated above.
  - The difference between amount of equity attributable to the investments made by the Company in jointly controlled entity and the amount of equity attributable to the Company, based on voting power is recognised as minority interest in the consolidated financial statement.
- B) The financial statement of the subsidiary companies and joint controlled entity is drawn up to the same reporting date as of the Company, i.e. year ended March 31, 2016.
- C) The subsidiaries considered in the consolidated financial statements are:

Name of Entity	Country of incorporation	% voting power held as at March 31, 2016
Simbhaoli Power Private Limited	India	51.00
Integrated Casetech Consultants Private Limited	India	85.16
Simbhaoli Global Commodities DMCC	Dubai-UAE	100.00
Simbhaoli Speciality Sugars Private Limited	India	100.00

D) The joint controlled entity considered in the consolidated financial statements is:

Name of Entity	Country of incorporation	% voting power held as at March 31, 2016
Uniworld Sugars Private Limited	India	50.00

The Company is holding 29,011,770 shares constituting 43.74% of total shareholding in its name and also has the controlling rights in respect of 6.26% shareholding through its affiliates in the share capital of Uniworld Sugars Private Limited.

### iii) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results would differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

### iv) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, taxes, other incidental expenses and, financing cost relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date the assets are ready for their intended use.

### v) (a) Capital work-in-progress

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

### (b) Pre-operative expenditure pending allocation

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

### vi) Impairment

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

### vii) Depreciation/Amortisation

Depreciation amount for assets is the cost of an asset, or the amount substituted for cost less its estimated residual

value. Depreciation on tangible assets has been provided on the following method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the plant and machinery acquired under Business Transfer Agreement by SPPL, where life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset etc

- Building owned by SPPL and USPL : Written down value method
- Other Building : Straight Line Method
- Plant and machinery : Straight Line Method
- Computer Equipment : Straight Line Method
- Furniture and fixtures owned by USPL : Written down value method
- Other Furniture and fixtures : Straight Line Method
- Vehicles : Written down value method
- Office Equipment owned by USPL : Written down value method
- Other Office Equipment : Straight Line Method

Except in case of fixed assets costing up to Rs. 5,000 are fully depreciated in the year of acquisition and Intangible Assets are amortized over a period of ten years being their estimated useful life on straight line method.

### viii) Investments

Long term investments are stated at cost as reduced by provision for diminution, other than temporary, in the value, if any.

### ix) Inventories

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

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

### x) Cash and cash equivalents

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

### xi) State excise duty

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

### xii) Employee benefits

#### A. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, allowances, etc., are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related



service.

**B. Post employment benefits**

**a) Defined contribution plans**

The Company's contribution to provident fund, super annuation scheme, etc. are considered as defined contribution plans and are charged as an expense as it falls due based on the amount of contribution required to be made and when services are rendered by the employees.

**b) Defined benefit plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss in the period in which they occur. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities as reduced by the fair value of scheme assets.

**C. Other long-term employee benefits**

Long-term Compensated Absences and Long Service Awards are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities

**xiii) Revenue recognition**

Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax. Revenue from power generation is recognised on accrual basis as per terms of Power Purchase Agreement with Uttar Pradesh Power Corporation Limited.

Income from REC is recognized to the extent approved and credited in company's favour by concerned authority in the account maintained with Renewable Energy Certificate Registry of India at the minimum expected realizable value, determined based on the rates specified under the relevant regulations. Since there is no uncertainty in realizing the same. The difference between the amount recognized initially and the amount realized on sale of such RECs at the Power Exchange are accounted for as and when such sale happens.

Management fee income is accrued as per contractual terms.

**xiv) Interest income**

Interest income is recognized on a time proportion basis.

**xv) Foreign Currency Transactions and Forward contracts**

a) Transactions in foreign currency are recorded at exchange rates prevailing on the day of the transaction. Monetary assets and liabilities

denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss.

- b) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.
- c) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Statement of Profit and Loss of the period in which they are cancelled.
- d) Exchange differences in respect of other unexpired foreign currency derivative contracts, which have been entered into to hedge foreign currency risks are marked to market and losses, if any, are recognised in the Statement of Profit and Loss.
- e) In case of foreign subsidiary, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end whereas revenues and expenses reflected in the Consolidated Statement of Profit and Loss have been translated into Indian Rupees at monthly average exchange rate for the reporting period. The resultant translation exchange differences are accumulated in "Foreign currency translation reserve" to be recognised as income or expense in the period in which net investment in concerned foreign subsidiary is disposed off.

**xvi) Borrowing costs**

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

**xvii) Government grants**

Government grants are recognized where there is reasonable assurance that the condition attach to them will be complied and the grants will be received. Government grants are accounted for as under:

Government grants of the nature of promoters' contribution are credited to the capital reserve and treated as a part of the Shareholder Fund.

Government grants related to specific depreciable fixed assets are adjusted with the value of assets. Government grants related to the specific non-depreciable fixed assets are credited to capital reserve.

Government grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support are either deducted from the expenditure in case these relate to specific expenditure and in other cases, are treated as other

income. These grants, if available, to the industry in general are treated as ordinary items and if available only to the company are treated as an extraordinary item and disclosed accordingly.

**xviii) Taxation**

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

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

**xix) Earnings per share**

Basic earnings per share are computed by dividing the profit/(loss) after tax by the weighted average number

of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**xx) Securities issue expenses**

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

**xxi) Provisions and contingencies**

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

**xxii) Operating Cycle**

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

**3.1 SHARE CAPITAL**

	As at March 31, 2016	
	(No. of Shares)	Rs. lacs
<b>Authorized</b>		
Equity shares of Rs. 10 each with voting rights	68,000,000	6,800.00
Preference shares of Rs. 100 each	4,000,000	4,000.00
	<b>72,000,000</b>	<b>10,800.00</b>
<b>Issued, Subscribed and paid up</b>		
Equity shares of Rs. 10 each with voting rights fully paid up	37,479,020	3,747.90
	<b>37,479,020</b>	<b>3,747.90</b>

**A) Reconciliation of number of Authorised shares and amount outstanding at the beginning and at the end of the year**

**Equity shares with voting rights (one per share)**

As at beginning of the year	33,000,000	3,300.00
Add: Adjustment on Amalgamation [refer note 4]	35,000,000	3,500.00
As at end of the year	<b>68,000,000</b>	<b>6,800.00</b>

**Preference shares**

As at beginning of the year	-	-
Add: Adjustment on Amalgamation [refer note 4]	4,000,000	4,000.00
As at end of the year	<b>4,000,000</b>	<b>4,000.00</b>

**B) Reconciliation of number of issued, subscribed and paidup shares and amount outstanding at the beginning and at the end of the year**

**Equity shares with voting rights (one per share)**

As at beginning of the year	31,800,000	3,180.00
Add: Issue of shares under scheme of Amalgamation [refer note 4]	37,479,020	3,747.90
Less: Adjustment on Amalgamation [refer note 4]	31,800,000	3,180.00
As at end of the year	<b>37,479,020</b>	<b>3,747.90</b>

**C) Shareholders holding more than 5% of the shares in the Company**

S. No	Name of Shareholders	As at March 31, 2016	
		(No. of Shares)	% of Share holding
i)	Dholadhar Investments Private Limited	7,462,114	19.91
ii)	Mr. Gurmit Singh Mann	3,726,154	9.94
iii)	Mr. Guralp Singh	2,402,770	6.41
iv)	Pearl Innovative Marketing Private Limited	2,320,623	6.19
v)	Pritam Singh Sandhu Associates Pvt. Ltd.	2,077,735	5.54
vi)	Shri Vatsala Traders Private Limited	2,015,434	5.38
D)	The Company has allotted 3,74,79,020 Equity shares of Rs 10 each aggregating Rs. 3,747.90 lacs on Amalgamation of Erstwhile Simbhaoli Sugars Limited during the year without payment being received in cash. (refer note 4).		
E)	Rights, preference and restriction attached to equity shares (Rs. 10 each):		
	i) Voting right shall be in same proportion as the capital paid upon such equity share.		
	ii) The dividend proposed by the Board of Directors which is subject to the approval of the shareholders in the Annual General Meeting shall be in the same proportion as the capital paid upon such equity share.		
	iii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to capital paid upon such equity share		

**3.2 RESERVES AND SURPLUS**

	As at March 31, 2016 Rs. lacs
<b>Mollasses Storage Fund</b>	
Opening Balance	-
Add: Addition during the year	4.92
	<b>4.92</b>
<b>Capital reserve</b>	
Opening Balance	-
Add: Adjustment on Amalgamation [refer note 4]	229.80
Less: Utilized during the year [refer note 3.9]	229.80
	-
<b>Securities premium account</b>	
Opening Balance	22,225.00
Add: Adjustment on Amalgamation [refer note 4]	23,236.99
	<b>45,461.99</b>
<b>Foreign currency translation reserve</b>	
Opening Balance	-
Add: Addition during the year	(1.96)
	<b>(1.96)</b>
<b>Balance in Consolidated Statement of Profit and Loss</b>	
Opening Balance	(6,504.31)
Add: Profit/(loss) during the year	(11,198.76)
Amount available for Appropriations	<b>(17,703.07)</b>
	<b>27,761.88</b>

**NON-CURRENT LIABILITIES**
**3.3 LONG-TERM BORROWINGS**
**Secured**

Term loans	
From banks [refer note 7(A)]	61,110.63
From others [refer note 7(A)]	387.66

**Unsecured**

From related parties	1,585.21
Debentures [refer note 8]	4,701.06
	<b>67,784.56</b>
Share of Joint Venture [refer note 2(ii) (D)]	4,825.53
	<b>72,610.09</b>

		As at March 31, 2016 Rs. lacs
<b>3.4</b>	<b>LONG-TERM PROVISIONS</b>	
	Provision for employee benefits	
	Compensated absences	275.55
		275.55
	Share of Joint Venture [refer note 2(ii) (D)]	11.40
		<b>286.95</b>
<b>CURRENT LIABILITIES</b>		
<b>3.5</b>	<b>SHORT-TERM BORROWINGS</b>	
	<b>Secured</b>	
	Loans repayable on demand	
	From banks [refer note 7(C)]	16,362.86
		16,362.86
	Share of joint venture [refer note 7(C) and note 2(ii) (D)]	506.29
		16,869.15
	<b>Unsecured</b>	
	Loans repayable on demand	
	From banks [refer note 6 and note 7(D)]	34,998.31
		34,998.31
	Share of Joint Venture [refer note 2(ii) (D)]	3,742.60
		38,740.91
		<b>55,610.06</b>
<b>3.6</b>	<b>TRADE PAYABLES</b>	
	Trade payable	53,766.65
		53,766.65
	Share of Joint Venture [refer note 2(ii) (D)]	5,028.72
		<b>58,795.37</b>
<b>3.7</b>	<b>OTHER CURRENT LIABILITIES</b>	
	Current maturities of long-term debt (Secured)	
	From banks [refer note 7(A)]	6,818.20
	From others [refer note 7(A)]	2,769.82
	Interest accrued but not due on borrowings	1,296.34
	Interest accrued and due on borrowings	6,398.09
	Advances received from customers	475.38
	Security deposits	147.37
	Creditors for capital goods	1,795.63
	Statutory dues payable	2,528.16
	Others miscellaneous payable	7.05
		22,236.04
	Share of Joint Venture [refer note 2(ii) (D)]	2,571.13
		<b>24,807.17</b>
<b>3.8</b>	<b>SHORT-TERM PROVISIONS</b>	
	Provision for employee benefits	
	Compensated absences	8.92
	Provision for tax	36.53
		45.45
	Share of Joint Venture [refer note 2(ii) (D)]	3.11
		<b>48.56</b>

**3.9 FIXED ASSETS**

(Rs. In lacs)

Particulars	GROSS BLOCK						DEPRECIATION/ AMORTISATION					NET BLOCK
	As at April 1, 2015	Acquired on Amalgam- ation*	Addition of acquisition of subsidiar- ies & Joint Venture	Additions/ Adjust- ment	Dispos- als	As at March 31, 2016	As at April 1, 2015	Addition of acquisition of subsidiaries & Joint Venture	For the Year	On Disposals	As at March 31, 2016	As at March 31, 2016
<b>Tangibles (Owned)</b>												
Land - freehold	20,363.72	64,744.59	16.80	-	-	85,125.11	-	-	-	-	-	<b>85,125.11</b>
Buildings	1,094.86	12,555.17	2,960.40	603.61	-	17,214.04	708.53	457.53	1,032.85	3.43	2,195.48	<b>15,018.56</b>
Railway siding	-	0.50	-	-	-	0.50	-	0.10	-	-	0.10	<b>0.40</b>
Plant and machinery	6,752.33	39,873.60	21,093.10	11,744.81 #	188.94	79,274.90	1,650.06	1,561.87	4,326.03	27.93	7,510.03	<b>71,764.87</b>
Furniture and fixtures	14.70	204.89	9.55	17.69	-	246.83	11.71	0.55	42.63	-	54.89	<b>191.94</b>
Vehicles	7.91	152.99	44.29	40.51	35.27	210.43	6.84	20.77	103.81	13.15	118.27	<b>92.16</b>
Office Equipment	1.11	711.16	17.29	5.09	7.00	727.65	1.11	9.01	263.57	4.60	269.09	<b>458.56</b>
<b>Subtotal Tangibles</b>	<b>28,234.63</b>	<b>118,242.90</b>	<b>24,141.43</b>	<b>12,411.71</b>	<b>231.21</b>	<b>182,799.46</b>	<b>2,378.25</b>	<b>2,049.83</b>	<b>5,768.89</b>	<b>49.11</b>	<b>10,147.86</b>	<b>172,651.60</b>
Share of Joint Venture [refer note 2(ii) (D)]	-	-	12,917.45	230.38	17.89	13,129.94	-	484.31	738.49	3.86	1,218.94	11,911.00
<b>Total tangibles</b>	<b>28,234.63</b>	<b>118,242.90</b>	<b>37,058.88</b>	<b>12,642.09</b>	<b>249.10</b>	<b>195,929.40</b>	<b>2,378.25</b>	<b>2,534.14</b>	<b>6,507.38</b>	<b>52.97</b>	<b>11,366.80</b>	<b>184,562.60</b>
<b>Intangibles (Owned)</b>												
Goodwill	447.09	-	-	-	447.09@	-	201.19	-	-	201.19	-	-
Software	-	26.65	33.67	4.59	-	64.91	-	7.19	18.83	-	26.02	38.89
<b>Subtotal Intangibles</b>	<b>447.09</b>	<b>26.65</b>	<b>33.67</b>	<b>4.59</b>	<b>447.09</b>	<b>64.91</b>	<b>201.19</b>	<b>7.19</b>	<b>18.83</b>	<b>201.19</b>	<b>26.02</b>	<b>38.89</b>
Share of Joint Venture [refer note 2(ii) (D)]	-	-	1,001.16	6.86	-	1,008.02	-	75.10	100.46	-	175.55	832.47
<b>Total intangibles</b>	<b>447.09</b>	<b>26.65</b>	<b>1,034.83</b>	<b>11.45</b>	<b>447.09</b>	<b>1,072.93</b>	<b>201.19</b>	<b>82.29</b>	<b>119.29</b>	<b>201.19</b>	<b>201.57</b>	<b>871.36</b>
<b>Total</b>	<b>28,681.72</b>	<b>118,269.55</b>	<b>38,093.71</b>	<b>12,653.54</b>	<b>696.19</b>	<b>197,002.33</b>	<b>2,579.44</b>	<b>2,616.43</b>	<b>6,626.67</b>	<b>254.16</b>	<b>11,568.37</b>	<b>185,433.96</b>
Capital work in progress												365.98
Share of Joint Venture [refer note 2(ii) (D)]												407.84
<b>Total capital work in progress</b>												<b>773.82</b>
												<b>186,207.78</b>

# Includes Rs. 891.19 lacs borrowing cost capitalised during the year.

@ Unamortised amount of Rs. 245.90 lacs has been adjusted against capital reserve of Rs. 229.80 lacs arising on amalgamation of ESSL and balance of Rs. 16.10 lacs has been charged to Statement of Profit and Loss Account.

**3.10 PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION**

	As at March 31, 2016 Rs. lacs
Purchases of Stock-in-Trade	520.06
Employee benefits expense	93.00
Finance costs	828.85
Legal and professional	100.01
Power and fuel	19.56
Insurance	1.27
Rates and taxes	15.30
Travelling and conveyance	8.39
Freight Loading, Unloading & Material shifting	17.77
Miscellaneous expenses	0.43
	<b>1,604.64</b>
Less: Gross sales	<b>252.57</b>
	<b>1,352.07</b>
Add: Brought forward from previous period on acquisition of subsidiaries	<b>521.61</b>
	<b>1,873.68</b>
Less: Capitalised during the year	<b>1,873.68</b>
	<b>-</b>



	As at March 31, 2016 Rs. lacs
<b>3.11 NON-CURRENT INVESTMENTS</b>	
(Valued at cost unless there is permanent diminution in value there of)	
<b>Trade Investment</b>	
Unquoted	
One share of Rs. 20 fully paid up in Simbhaoli Co-operative Cane Development Union Limited (*Rs. 20)	*
<b>Other Investment</b>	
Investment in Government securities	
Unquoted	
6-Years Post Office National Savings Certificate	2.11
Others	
Unquoted	
Casestech employee share plan trust	0.15
	<b>2.26</b>
Aggregate book value	
- Quoted	-
[Market value Rs. Nil (previous year Rs. Nil)]	
- Unquoted	2.26
<b>3.12 DEFERRED TAX ASSETS</b>	
<b>Deferred tax assets</b>	
Unabsorbed depreciation/Brought forward business loss	6,409.39
Accrued expenses deductible on payment	5.50
Provision for doubtful debts and advances	42.72
Others	43.24
	<b>6,500.84</b>
<b>Deferred tax liabilities</b>	
Depreciation	6,424.75
	<b>6,424.75</b>
Deferred tax assets	<b>76.09</b>
<b>3.13 LONG-TERM LOANS AND ADVANCES</b>	
(Unsecured and considered good unless otherwise stated)	
Capital advances	23.15
Security deposit	62.17
Others loans and advances*	305.28
	<b>390.60</b>
Share of Joint Venture [refer note 2(ii) (D)]	60.98
	<b>451.58</b>

\* Includes amount deposited with Government authorities.

## CURRENT ASSETS

### 3.14 CURENT INVESTMENTS

(Valued at cost unless there is permanent diminution in value there of)

Investment in Mutual Fund (unquoted)*	1,813.53
	<b>1,813.53</b>
Share of Joint Venture [refer note 2(ii) (D)]**	122.49
	<b>1,936.02</b>

\* Aggregate market value of unquoted investment in Mutual funds amounting to Rs. 1,833.62 lacs.

\*\* Repurchase price of unquoted non-trade current investment in Mutual funds amounting to Rs. 122.99 lacs.

	As at March 31, 2016 Rs. lacs
<b>3.15 INVENTORIES</b>	
(At lower of cost and net realisable value)	
Raw materials	354.32
Work-in-progress	764.16
Finished goods	27,109.46
Stock-in-trade	234.28
Stores and spares	1,589.25
Loose tools	7.59
	<u>30,059.06</u>
Share of Joint Venture [refer note 2(ii) (D)]	5,014.09
	<u>35,073.15</u>
<b>3.16 TRADE RECEIVABLES</b>	
Outstanding for a period exceeding six months from due date for payment	
Unsecured - considered good	784.91
- considered doubtful	389.55
	<u>1,174.46</u>
Less: Provision for doubtful receivables	389.55
	<u>784.91</u>
Other debts *	
Unsecured - considered good	8,537.49
	<u>9,322.40</u>
Share of Joint Venture [refer note 2(ii) (D)]	4.74
	<u>9,327.14</u>
*Includes retention amounting to Rs. 109.70 lacs.	
<b>3.17 CASH AND CASH EQUIVALENTS</b>	
<b>(A) Cash and cash equivalents</b>	
Balances with banks	
- Current account	956.55
- Deposit account within upto 12 months maturity	29.41
Cash on hand	19.08
	<u>1,005.04</u>
Share of Joint Venture [refer note 2(ii) (D)]	206.84
	<u>1,211.88</u>
<b>(B) Other bank balances - Margin money / cash collateral</b>	
With original maturity of 3 months or less	95.04
With original maturity of more than 3 months but less than 12 months	247.79
With original maturity of more than 12 months	216.48
	<u>559.31</u>
Share of Joint Venture [refer note 2(ii) (D)]	1,171.86
	<u>1,731.17</u>
<b>(C) Other bank balances - Other deposits #</b>	
With original maturity of 3 months or less	12.04
With original maturity of more than 3 months but less than 12 months	225.44
With original maturity of more than 12 months	480.32
	<u>717.80</u>
<b>Total (A+B+C)</b>	<u><b>3,660.85</b></u>

# Pledged with excise authorities and civil court Rs. 330.51 lacs

	As at March 31, 2016 Rs. lacs
<b>3.18 SHORT-TERM LOANS AND ADVANCES</b>	
(Unsecured and considered good unless otherwise stated)	
Advances recoverable in cash or in kind or for value to be received	
Considered good	956.37
Considered doubtful	124.27
	1,080.64
Less: Provision for doubtful advances	124.27
	956.37
Loans and advances to employees	
Considered good	82.53
Considered doubtful	11.71
	94.25
Less: Provision for doubtful advances	11.71
	82.53
Security Deposits	
Considered good	176.66
Considered doubtful	81.36
	258.02
Less: Provision for doubtful deposits	81.36
	176.66
Balances with customs, excise etc.	1,875.47
Tax payments	1,083.66
	4,174.69
Share of Joint Venture [refer note 2(ii) (D)]	365.60
	<b>4,540.29</b>
<b>3.19 OTHER CURRENT ASSETS</b>	
(Unsecured and considered good unless otherwise stated)	
Claim receivable	736.90
Interest accrued on investments, deposits etc.	176.60
REC income receivable	827.04
Export incentive receivable	16.58
Unbilled revenue	705.43
Other	186.71
	2,649.26
Share of Joint Venture [refer note 2(ii) (D)]	129.41
	<b>2,778.67</b>
	<b>Year ended March 31, 2016 Rs. lacs</b>
<b>3.20 SALES OF PRODUCTS</b>	
Sales of products	82,652.17
	82,652.17
Share of Joint Venture [refer note 2(ii) (D)]*	28,055.04
	<b>110,707.21</b>
	<i>* includes excise duty of Rs. 69.80 lacs.</i>
<b>3.21 SALES OF SERVICES</b>	
Sales of services	981.48
	<b>981.48</b>
Share of Joint Venture [refer note 2(ii) (D)]	169.16
	<b>1,150.64</b>
<b>3.22 OTHER OPERATING REVENUES</b>	
Sale of Scrap	46.35
Export incentives	20.23
REC income	1,145.40

	Year ended March 31, 2016 Rs. lacs
Remission of cane commission liability relating to earlier year	959.42
Cane subsidy relating to earlier year	818.37
Miscellaneous	225.68
	<b>3,215.45</b>
Share of Joint Venture [refer note 2(ii) (D)]	332.67
	<b>3,548.12</b>
<b>3.23 OTHER INCOME</b>	
Interest on:	
- Bank deposits	139.19
- Income Tax refund	75.54
Rent	28.12
Profit on sale of fixed assets	13.15
Profit on sale of current investments	59.28
Liability/provisions no longer required written back	273.88
Miscellaneous	227.01
	<b>816.17</b>
Share of Joint Venture [refer note 2(ii) (D)]	121.51
	<b>937.68</b>
<b>3.24 COST OF MATERIALS CONSUMED</b>	
Cost of Material Consumed	57,895.31
	<b>57,895.31</b>
Share of Joint Venture [refer note 2(ii) (D)]	24,705.80
	<b>82,601.11</b>
<b>3.25 PURCHASE OF STOCK-IN-TRADE</b>	
Share of Joint Venture [refer note 2(ii) (D)]	430.75
	<b>430.75</b>
<b>3.26 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE</b>	
Opening stock	
Finished goods	128.84
Work-in-progress	-
Stock-in-trade	23.15
Add: Stock transferred on Amalgamation [refer note 4]	
Finished goods	29,264.05
Work-in-progress	725.72
Stock-in-trade	211.13
Add: Stock transferred on acquisition of subsidiaries	
Finished goods	38.22
Work-in-progress	-
Stock-in-trade	-
	<b>30,391.11</b>
Closing stock	
Finished goods	27,320.59
Work-in-progress	764.16
Stock-in-trade	23.15
	<b>28,107.90</b>
	<b>2,283.21</b>
Share of Joint Venture [refer note 2(ii) (D)]	(533.95)
	<b>1,749.26</b>

	Year ended March 31, 2016 Rs. lacs
<b>3.27 EMPLOYEE BENEFIT EXPENSE</b>	
Salaries, wages, bonus, commission, etc.	5,284.03
Provident and other funds*	548.60
Welfare	147.27
Less: Employee benefits expenses capitalised	93.00
	5,886.90
Share of Joint Venture [refer note 2(ii) (D)]	374.85
	<b>6,261.75</b>
* Includes gratuity expense refer to Note 13	
<b>3.28 FINANCE COSTS</b>	
Interest expense	13,497.97
Other borrowing costs	120.92
Less: Borrowing costs capitalised	891.19
	12,727.70
Share of Joint Venture [refer note 2(ii) (D)]	1,302.41
	<b>14,030.11</b>
<b>3.29 OTHER EXPENSES</b>	
Sugar cane development	157.25
Consumption of stores and spare parts #	2,486.50
Power and fuel	606.54
Repairs	
- Machinery	1,475.13
- Buildings	45.85
- Others	127.83
Insurance	178.43
Rent	196.54
Rates and taxes	95.81
Fixed assets written off	2.95
Travelling and conveyance	274.09
Marketing expense	296.56
Export expenses	54.71
Commission to selling agents	295.08
Goodwill written off [refer Note 3.9]	16.10
Bad debts and advances written off	94.64
Provision for doubtful debts and advances	75.19
Increase/ (decrease) in excise duty on finished goods	109.00
Legal & professional [refer note 15]	439.72
Miscellaneous expenses [refer note 15]	1,328.27
	8,356.19
Less: Expenses capitalised	38.43
	8,317.76
Share of Joint Venture [refer note 2(ii) (D)]	3,711.94
	<b>12,029.70</b>

# Stores, oil and chemical allocated to other revenue head Rs. 2,091.11 lacs.



4. The Hon'ble High Court of Judicature at Allahabad has sanctioned the Scheme of Amalgamation of Erstwhile Simbhaoli Sugars Limited (ESSL), the Transferor Company with Simbhaoli Sugars Limited (SSL), previously known as Simbhaoli Spirits Limited (SISPL), the Transferee Company w.e.f. April 1, 2015 (the Appointed Date) and consequent thereto, the entire business undertakings of ESSL, stands transferred to and vested in the SISPL, as a going concern with effect from the Appointed Date. ESSL is engaged in manufacturing of standard refined, pharmaceutical grade, specialty sugars, extra neutral alcohol (ENA), ethanol and bio-manure. As per the Approved Scheme

- the assets, liabilities, rights and obligations of ESSL has been vested with the Company with effect from 1st April 2015 and have been recorded at their respective fair value, under "The Purchase Method" being an amalgamation in the nature of purchases, as prescribed by the Accounting Standard - 14 "Accounting for Amalgamations" notified under Companies (Accounting Standard) Rules, 2006.
- SSL has issued and allotted 3,74,79,020 Equity Shares of Rs. 10 each at a premium of Rs. 62 per share in discharge of the purchase consideration.
- the difference in the fair value of net assets of ESSL as at April 01, 2015 duly adjusted for purchase consideration and cancellation of the equity share capital of SSL held by the ESSL, amount to Rs. 229.80 lacs has been credited to 'Capital Reserve'.
- Detail of fair value of assets & liabilities acquired and working of capital reserve are as under :

Description		Amount
<b>Assets</b>		
- Non-current assets	:	1,34,154.13
- Current assets	:	63,846.37
<b>Total</b>	:	<b>1,98,000.50</b>
<b>Liabilities</b>		
- Non-current liabilities	:	8,595.59
- Current liabilities	:	1,65,370.22
<b>Total</b>	:	<b>1,73,965.81</b>
<b>Net assets</b>	:	<b>24,034.69</b>
<b>Less:</b>		
- Cancellation of Existing share capital	:	3,180.00
- Purchase Consideration	:	26,984.89
<b>Capital Reserve</b>	:	<b>229.80</b>

5. i) **Contingent liabilities not provided for:**

Claims against the Company not acknowledged as debts  
Rs. 2,076.58 lacs

(Rs. in lacs)

Description	As at March 31, 2016
Sales Tax/Trade Tax Act	5.28
Central Excise Act, 1944	1170.71
Finance Act, 1994	194.01
Income Tax Act, 1961	283.37
Others	423.21
<b>Total</b>	<b>2,076.58</b>

All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not in the opinion of the management, have a material effect on results of operations or financial position of the Company.

- The State Government has given various incentives to Uttar Pradesh based sugar industry on regular basis particularly for the years when industry has been passing through economical stress. This also included waiver of interest on delayed cane price payment upto sugar season 2013-14. The management is confident that such as support to industry will continue for future, and no liability for interest on delayed cane price will arise for the sugar season 2014-15 and 2015-16. The incentives for 2015-16 and waiver of the interest for the previous sugar year (2014-15) are under consideration by the State Government and the amounts are not ascertained.

iii) **Capital and other commitment**

Estimated amount of contracts (net of advances) remaining to be execute on Capital account Rs. 497.27 lacs. The Company has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any other long term commitments or material non-cancellable contractual commitments / contracts, which may have a material impact on the financial statements.

6. ESSL has facilitated agri loans from certain commercial banks to its sugarcane farmers under the management and collection agreements and provided Corporate Guarantee and post dated cheques as security. These loans were distributed to the farmers against the payment to be made to them against supply of sugarcane in earlier years and ESSL facilitating the repayment of these loans along with interest to the banks. As per sanction of CDREG all the dues outstanding under these arrangements are proposed to be converted into term loans, subject to the consent of respective commercial banks. Two of the commercial banks has agreed for conversion and accordingly it's dues has being classified as "Long Term Borrowings". The principal and interest dues of others banks, who have not yet given their consents, are classified and shown under "Unsecured Short Term Borrowings" and "Other Current Liabilities" respectively.

- 7 (A) Corporate Debt Restructuring Empowered Group (CDREG) vide its Sanction letter dated February 29, 2016, has approved the Debt Realignment Scheme (Scheme) of the Company (SSL), which includes deferment of existing term loans, conversion of cash credit limit / agri loans facilitated to farmers into term loans and funding of 75% of interest on existing term loans / restructured cash credit limits for two years w.e.f. October 1, 2014 repayable in structured quarterly installment at interest rate from 0% to 12.50% p.a. The Company has complied with all the pre restructuring conditions and majority of bankers has already given their individual sanction for implementation of scheme. The management is confident that implementation of the scheme with the lenders will be completed within stipulated time. Accordingly, the Company has classified all its current liabilities in respect

## CONSOLIDATED

of short term borrowings of Rs. 32,513.37 Lacs, current maturities of term loans of Rs. 6,902.72 lacs and interest accrued of Rs. 5,105.72 Lacs, which was overdue as on 31.03.2016 under Long Term borrowings in accordance with the approved scheme in these financial statements. The terms of repayment, nature of security and overdue, if any, after implementation of CDR package is as under. Term loans of subsidiaries and jointly controlled entity ranges from 9% to 16.50%.

(Rs. Lacs)

Term Loan	Outstanding	Terms of repayment		Nature of security	Overdue at the end of the year
	As at March 31, 2016	Financial year	Amount		
From Commercial Banks					
- Under Long Term Borrowings	34,621.82	2016-17	538.03	1. First pari pasu charge created/ to be created on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 2. First pari passu charge on pledge of 22.50 lacs equity shares of the Company held by Promoters. 3. Personal guarantees executed/ to be executed of Mr. Gurmit Singh Mann, Chairman, Mr. Gurpal Singh, Director and Ms. Gursimran Kaur Mann, Director of the Company.	Principal overdue below 90 days Rs. 21.41 lacs and above 90 days Rs. 105.40 lacs. Interest overdue below 90 days of Rs. 74.49 lacs and above 90 days Rs. 83.64 lacs.
- Under Current Maturities	538.03	2017-18	2,244.92		
		2018-19	3,893.52		
		2019-20	3,893.52		
		2020-21	5,840.29		
		2021-22	5,840.29		
		2022-23	5,840.29		
		2023-24	4,672.23		
		2024-25	2,396.76		
From Commercial Bank					
- Under Long Term Borrowings	9,900.00	2016-17	1,372.27	1. First sub-servient charge created/ to be created on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 2. Personal guarantees executed/ to be executed of Mr. Gurmit Singh Mann, Chairman and Ms. Gursimran Kaur Mann, Director of the Company.	Rs. Nil
- Under Current Maturities	1,372.27	2017-18	1,650.00		
		2018-19	2,750.00		
		2019-20	2,750.00		
		2020-21	2,750.00		
From Co-operative Bank					
- Under Long Term Borrowings	4,161.86	2016-17	2,081.04	1. First paripasu charge created/ to be created on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 2. Mortgage of residential property of Promoter Director. 3. Personal guarantees executed/ to be executed of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director and Ms. Gusimran Kaur Mann, Director of the Company.	Rs. Nil
- Under Current Maturities	2,081.04	2017-18	2,081.04		
		2018-19	2,080.82		
Others					
- Under Long Term Borrowings	387.66	2016-17	2,769.82	1. Term Loan from Sugar Development Fund of Rs. 3057.48 lacs is secured by way of second exclusive charge on all movable and immovable fixed assets of the Company. 2. Term Loan from Sugar Technology Mission of Rs. 100 lacs is secured by way of exclusive first charge created/ to be created on Sugarcane Juice Purification project at Simbhaoli Sugar Division of the Company.	Principal overdue below 90 days Rs. 368.28 lacs and above 90 days Rs. 1718.54 lacs. Interest overdue below 90 days of Rs. 113.03 lacs and above 90 days Rs. 371.43 lacs.
- Under Current Maturities	2,769.82	2017-18	387.66		
From Co-operative Bank (SPPL)					
- Under Long Term Borrowings	12,425.00	2016-17	2,825.00	1. First charge on all the present and future fixed assets and current assets of the Company 2. Assignment of leasehold rights over land, taken on lease by the Company situated at Simbhaoli and Chilwaria, where its power plants are located, in favour of the Bank 3. Pledge of 1929695 equity shares held by Simbhaoli Sugars Limited in the Company 4. An irrevocable and unconditional guarantee (s) from Mr. Gurmit Singh Mann and Mr. Gurpal Singh, the Directors of the holding Company 5. First Charge on receivables from Uttar Pradesh Power Corporation Limited by way of escrow account Mechanism.	Principal overdue below 90 days Rs. Nil and above 90 days Rs. Nil. Interest overdue below 90 days of Rs. Nil and above 90 days Rs. Nil.
- Under Current Maturities	2,825.00	2017-18	2,260.00		
		2018-19	2,260.00		
		2019-20	2,260.00		
		2020-21	2,260.00		
		2021-22	2,220.00		
		2022-23	1,165.00		
From Commercial Bank - Vehicle Loan (SPPL)					
- Under Long Term Borrowings	1.95	2016-17	1.85	1. Hypothecation of the specific vehicle	Principal overdue below 90 days Rs. Nil and above 90 days Rs. Nil. Interest overdue below 90 days of Rs. Nil and above 90 days Rs. Nil.
- Under Current Maturities	1.85	2017-18	1.95		

Term Loan	Outstanding	Terms of repayment		Nature of security	Overdue at the end of the year
	As at March 31, 2016	Financial year	Amount		
From Commercial Bank (USPL)					
- Under Long Term Borrowings	2,750.00	2016-17	900.00	1. First pari passu charge created on all movable and immovable properties, both present and future, of the Company.	Principal overdue below 90 days Rs. Nil and above 90 days Rs. Nil.
- Under Current Maturities	900.00	2017-18	1,000.00	2. An irrevocable and unconditional guarantee(s) from Mr. Gurmit Singh Mann and Mr. Gurpal Singh, the Indian Promoters of the Company.	Interest overdue below 90 days of Rs. Nil and above 90 days Rs. Nil.
		2018-19	1,000.00	3. Pledge of 100% shareholding held by Simbhaoli Sugars Limited & its affiliates in the Company on pari passu basis.	
		2019-20	750.00	4. Fixed Deposit of Rs 100,000,000 with IDBI Bank with IDBI's lien noted thereon on pari passu basis.	
From Commercial Bank - Vehicle Loan (USPL)				1. Hypothecation of specific vehicle	Principal overdue below 90 days Rs. Nil and above 90 days Rs. Nil.
- Under Long Term Borrowings	7.33	2016-17	2.20		Interest overdue below 90 days of Rs. Nil and above 90 days Rs. Nil.
- Under Current Maturities	2.20	2017-18	2.44		
		2018-19	2.72		
		2019-20	2.05		
		2020-21	0.12		
<b>Total</b>	<b>74,745.82</b>				

(B) Unsecured Loans from Related Parties of Rs. 1585.21 Lacs carry interest rate 11.30 % p.a. are payable after repayment of term loan in accordance with Scheme.

**(C) Short term borrowings (Secured)**

(Rs. lacs)

Loan repayable on demand	Outstanding	Nature of security	Overdue at the end of the year
	As at March 31, 2016		
From Commercial Banks	2,815.08	1. Exclusive charge created/ to be created by hypothecation of all current assets of respective division of the Company. 2. Third pari passu charge created/ to be created on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 3. First pari passu charge on pledge of 22.50 lacs equity shares of the Company held by Promoters. 4. Personal guarantees executed/ to be executed of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director and Ms. Gursimran Kaur Mann, Director of the Company.	Interest overdue of below 90 days Rs. 109.98 lacs and above 90 days Rs. 362.98 lacs.
From Co-operative Banks	13,547.78	1. Pledge of sugar stock of the respective division of the Company. 2. Personal guarantees executed/ to be executed of Mr. Gurmit Singh Mann, Chairman and Ms. Gursimran Kaur Mann, Director of the Company.	Interest overdue below 90 days of Rs. 23.75 lacs.
From Commercial Banks (USPL)	174.99	1. Secured against pledge of FDR of Rs. 1,000 Lacs.	Interest overdue below 90 days of Rs. Nil.
From Commercial Banks (USPL)	331.30	1. Hypothecation of all present and future current assets (stock and receivables) to the extent financed by the bank.	Interest overdue below 90 days of Rs. Nil.
<b>Total</b>	<b>16,869.15</b>		

**(D) -Short Term Borrowings - Loan repayable on demand (Un-secured)**

(Rs. Lacs)

From Commercial Banks	34,998.31	N.A.	Principal overdue above 90 days of Rs. 34,998.31 lacs. Interest overdue below 90 days of Rs. 932.47 lacs and above 90 days Rs. 4,052.00 lacs.
From Commercial Banks (USPL)	3,742.60	N.A.	Interest overdue below 90 days of Rs. Nil.
<b>Total</b>	<b>38,740.91</b>		

8. The term of 48,92,941 Compulsorily Convertible Debentures of Rs. 100/- each of Simbhaoli Power Private Limited (SPPL) held by Sindicatum Captive Energy Singapore Pte Ltd., Joint Venturer (SCES) are as under:

- a. Interest rate  
Interest shall be payable on each series of CCDs (so far as not converted) at a rate of:
  - i. 14.5% per annum for the first 48 months from the date of issue; and
  - ii. 16% per annum thereafter.
- b. CCDs will be compulsorily convertible into ordinary equity shares of the SPPL on the earlier of (i) the exercise of SCES right to require conversion under terms of the Joint Venture Agreement, (ii) the giving of a Buy Out Notice or a Sale Notice, at the sole discretion and option of the SCES; or (iii) at the time stipulated in the following schedule:

Amount of CCDs to be converted by SCES	Conversion Date
4.70 lacs	25.01.2019
4.70 lacs	25.01.2020
4.70 lacs	25.01.2021
4.70 lacs	25.01.2022
28.21 lacs	25.01.2023

#### 9. Related Party disclosure under Accounting Standard 18

A. Name of related party and nature of related party relationship.

##### Key Management Personnel:

- Mr. G. M. S. Mann - Chairman,
- Mr. Gurpal Singh - Director,
- Ms. Gursimran Kaur Mann - Director,
- Mr. Sanjay Tapriya - Director,
- Mr. S.N. Misra - Chief Operating Officer
- Mr. R.K. Singh- Director (resigned w.e.f. November 09, 2015)

##### Relatives of Key management personnel:

- Mrs. Mamta Tapriya (wife of Mr. Sanjay Tapriya)
- Mr. Govind Singh Sandhu (brother of Mr. Gurpal Singh)

##### Enterprise over which key management personnel exercise significant influence:

- Dholadhar Investments Private Limited  
(enterprise over which Mr. G. M. S. Mann and Ms. Gursimran Kaur Mann exercise significant influence)

##### Joint Venture Entity:

- Uniworld Sugars Private Limited (USPL).

##### Co-venturer:

- Volcafe Pte Ltd. (Formerly known as ED & F Man Asia Holdings Pte Ltd.)

##### Co-venturer in Subsidiary:

- Sindicatum Captive Energy Singapore Pte Limited (SCES)

##### B) Transactions with the above parties:

(Rs. lacs)

Description	Year ended March 31, 2016
<b>Rent Paid</b>	<b>7.98</b>
Mrs. Mamta Tapriya	7.98
<b>Managerial Remuneration</b>	<b>176.28</b>
Mr. G.M.S. Mann	29.69
Mr. Gurpal Singh	31.30
Mr. Sanjay Tapriya	33.56
Ms. Gursimran Kaur Mann	17.29
Mr. S.N.Misra	53.55
Mr. R.K.Singh	10.89
<b>Loans taken</b>	<b>840.00</b>
Ms. Gursimran Kaur Mann	650.00
Mr. G.M.S. Mann (HUF)	190.00
<b>Interest paid</b>	<b>60.35</b>
Mr. G.M.S. Mann	11.57
Ms. Gursimran Kaur Mann	36.89
Mr. G.M.S. Mann (HUF)	4.37
Dholadhar Investments Private Limited	7.52
<b>Expenses recovered</b>	<b>0.91</b>
USPL	0.91
<b>Income from rendering services</b>	<b>45.00</b>
USPL	5.00
SCES	40.00
<b>Interest paid</b>	<b>819.61</b>
SCES	819.61
<b>Allotment of Equity Shares</b>	<b>3,060.00</b>
SCES	3,060.00
<b>Allotment of Debentures</b>	<b>1,440.00</b>
SCES	1,440.00
<b>Management fees charged</b>	<b>160.81</b>
USPL	160.81
<b>Balance outstanding at the end of the year</b>	
<b>Other current assets</b>	<b>186.37</b>
USPL	186.37
<b>Trade payables</b>	<b>283.16</b>
Mr. G.M.S. Mann	5.69
Mr. Gurpal Singh	27.90
Mr. Sanjay Tapriya	0.45
Ms. Gursimran Kaur Mann	15.97
Mr. S.N.Misra	2.12
Mrs. Mamta Tapriya	1.48
Mr. Govind Singh Sandhu	14.21
SCES	215.34
<b>Other current Liabilities</b>	<b>1,274.02</b>
SCES	1,274.02
<b>Long-term borrowings</b>	<b>1,585.21</b>
Mr. G.M.S. Mann	643.33
Mr. G.M.S. Mann (HUF)	193.94
Mr. Gurpal Singh	19.12
Ms. Gursimran Kaur Mann	660.18
Dholadhar Investments Private Limited	68.64

#### 10. Segment reporting

##### A. Business segments:

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting", the Company's primary segments are business segments, viz. Sugar and Alcohol.

##### B. Geographical segments:

Since the Company's activities/operations are primarily within the country and considering the nature of products it deals in, the risks and returns are same and as such there is only one geographical segment.

**C. Segment accounting policies:**

In addition to the significant accounting policies applicable to the business segments as set out in note 2 above the accounting policies in relation to segment accounting are as under: a) Segment revenue and expenses:

a) Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

b) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances

and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include income taxes. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amount of certain assets/liabilities pertaining to two or more segments is allocated to the segments on a reasonable basis.

c) Inter segment sales:

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated on consolidation.

**D) Information About Business Segments**

(Rs. lacs)

PARTICULARS	Sugar	Alcohol	Power	Others	Elimination	Unallocated	Total
	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2016
<b>Segment revenue</b>							
External sales:	96,543.04	9,141.18	5192.15	981.48	-	-	<b>111,857.85</b>
Inter segment sales	4,402.90	80.65	374.19	184.43	(5,042.17)	-	-
Other operating Revenue	2,501.76	20.61	1,307.62	-	(281.87)	-	<b>3,548.12</b>
<b>Total revenue</b>	<b>103,447.70</b>	<b>9,242.44</b>	<b>6,873.96</b>	<b>1,165.91</b>	<b>(5,324.04)</b>	-	<b>115,405.97</b>
<b>Segment results</b>	(1,181.64)	1,096.07	2,793.10	(239.14)	-	-	<b>2,468.39</b>
Unallocated expenses (net of income)						(242.56)	<b>(242.56)</b>
<b>Operating profit/(loss)</b>							<b>2,710.95</b>
Finance cost						14,030.11	<b>14,030.11</b>
Exceptional items						-	-
Provision for taxes							
- Tax relating to previous year						5.16	<b>5.16</b>
- Current tax						70.05	<b>70.05</b>
- Deferred tax benefit						(16.26)	<b>(16.26)</b>
<b>Net Profit/(loss)</b>							<b>(11,378.11)</b>
<b>Other information</b>							
Segment assets	162,172.82	43,983.43	37,737.15	710.71	-	-	<b>244,604.11</b>
Unallocated assets						1,507.39	<b>1,507.39</b>
Investment						1,938.14	<b>1,938.14</b>
<b>Total assets</b>	<b>162,172.82</b>	<b>43,983.43</b>	<b>37,737.15</b>	<b>710.71</b>		<b>3,445.53</b>	<b>248,049.64</b>
Segment liabilities	59,021.71	2,450.61	2,761.27	555.68	-	-	<b>64,789.27</b>
Shares capital and reserves						31,509.78	<b>31,509.78</b>
Minority interest						4,381.66	<b>4,381.66</b>
Secured and unsecured loans						138,710.36	<b>138,710.36</b>
Unallocated liabilities						8,658.57	<b>8,658.57</b>
<b>Total liabilities</b>	<b>59,021.71</b>	<b>2,450.61</b>	<b>2,761.27</b>	<b>555.68</b>		<b>183,260.37</b>	<b>248,049.64</b>
Capital expenditure	730.59	443.29	9,947.29	1.66	-	27.46	<b>11,150.29</b>
Depreciation and amortization expense (net of revaluation reserve)	4,667.64	1,074.61	844.58	7.70	-	32.14	<b>6,626.67</b>
Non cash expenses other than depreciation #	0.01	16.10	12.00	160.79	-	-	<b>188.90</b>

# Goodwill and Fixed Assets written off, Loss on sale of fixed assets, bad debts and advances written off, provision for doubtful debts and advances



11. (a) Following are the particulars of disputed dues on account of sales tax (trade tax), excise duty, income Tax and service tax matters that have not been deposited by the Company as at March 31, 2016.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount* involved (Rs. lacs)	Amount paid under protest (Rs. lacs)
U. P. Trade Tax Act	Trade tax	Dy. Commissioner, Commercial Tax	2005-2006	3.11	-
Kerala Central Sales Tax Act	Trade Tax	Dy. Commissioner, Commercial Tax - (Appeal)	2000-2001	2.17	1.08
Central Excise Act, 1944	Excise Duty	Commissioner (Appeal)	2013-2014	24.17	-
		Customs, Excise & Service tax Appellate Tribunal	2001-2002	16.78	-
			2001-2006	42.88	-
			2001-2004	16.63	-
			2005-2006	15.88	-
			2006-2007	393.58	45.04
			2007-2012	0.37	-
			2008-2009	20.14	-
			2008-2014	31.44	-
			2008-2013	26.83	-
			2008-2013	177.82	-
			2010-2011	9.37	6.56
			2012-2013	227.84	17.09
			2013-2014	146.56	10.30
			2013-2015	6.63	-
		High Court, Allahabad	1979-1980	11.01	-
			2005-2006	2.78	-
Finance Act, 1994	Service Tax	Customs, Excise & Service tax Appellate Tribunal	1997-1999	6.25	-
			2009-2015	96.98	-
			2005-2007	7.72	-
			2006-2007	83.06	14.87
Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeal)	2011-2012	5.30	-
			2012-2013	283.37	60.00

\* Amount as per demand orders including interest and penalty wherever indicated in order.

- (b) In the following instances the concerned statutory authority is in appeal against favorable orders received by the Company.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. lacs)
Central Excise Act, 1944	Excise Duty	Customs, Excise & Service tax Appellate Tribunal	2004-2006	14.87
			2007-2009	9.06
			2005-2006	1.24
			2008-2009	54.68
			2003-2004	21.44
			2004-2006	23.04
		High Court, Allahabad	1995-96	9.92
Finance Act, 1994	Service tax	Customs, Excise & Service tax Appellate Tribunal	2006-07	0.43

There are no dues in respect of income tax, customs duty, wealth tax and cess, which have not been deposited on account of any disputes except in respect of income tax demand of Rs. 34.91 lacs arising on processing of TDS returns. The Company is in process of rectifying these returns and is confident that the demand will be substantially reduced.

## 12. Disclosure related to Joint venture:

Name	Country of incorporation	Nature of controlling interest	Percentage of voting power as at March 31, 2016
Uniworld Sugars Private Limited	India	Equity share holding and voting power	50%

Uniworld Sugars Private Limited is a 50:50 Jointly controlled entity either in own name or through its affiliates between Volcafe Pte Ltd. (Formerly known as E D & F Man Holdings BV) and the Company as per the terms set under the Share Subscription and Shareholders Agreement dated January 25, 2011 and subsequent amendments therein (collectively referred to as "Joint Venture Agreements" or "JVA"). The Joint Venture Company (JVC) has been incorporated to undertake the business of refining of sugar and molasses, the cogeneration of power and all other activities ancillary or identical thereto in India and trading of sugar and molasses both within the Indian and overseas markets.

The Company's share of Assets and Liabilities as at March 31, 2016 and Income and Expenditure for the year ended March 31, 2016 (without elimination of the effect of transactions between the Company and the joint venture) are given below:

## Assets and Liabilities:

(Rs. lacs)

Description	As at March 31, 2016 (50%)
<b>ASSETS</b>	
<b>Non Current Assets</b>	
-Fixed assets	13,151.30
-Long term loan and advances	113.54
<b>Current Assets</b>	
-Current Investments	122.49
-Inventories	5,014.09
-Trade Receivable	4.74
-Cash and bank balances	1,378.70
-Short term loans and advances	313.40
-Other current assets	129.41
<b>LIABILITIES</b>	
<b>Non Current Liabilities</b>	
-Long term borrowings	4,825.53
-Long term provisions	11.40
<b>Current Liabilities</b>	
-Short term borrowings	4,248.89
-Trade payables	5,215.78
-Other current liabilities	2,571.13
-Short term provisions	3.11

## Income and Expenditure

(Rs. lacs)

Description	Year ended March 31, 2016 (50%)
<b>INCOME</b>	
- Revenue from operations (Net)	28,487.06
- Other income	121.52
<b>EXPENSES</b>	
- Cost of material consumed	24,705.80
- Purchase of stock in trade (traded goods)	430.75
- Changes in inventories of finished goods, work-in-progress and stock-in-trade	(533.95)
- Employee benefit expenses	374.84
- Finance cost	1,302.41
- Depreciation and amortization expense	838.95
- Others expenses	3,711.96
<b>Note :</b>	
- Capital Commitments	70.79
- Contingent Liabilities	283.37

## 13. Employee Benefits

The Company has classified the various benefits provided to employees as under:-

**A. Employee Plan:**

- a) Provident fund
- b) Superannuation fund

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

(Rs. lacs)

Description	Year ended March 31, 2016
- Employers' Contribution to Provident Fund	379.95
- Employers' Contribution to Superannuation Fund	15.53

**B) Defined benefits plans**

- a) Gratuity
- b) Compensated absences – Earned Leave/ Sick Leave/ Casual Leave

In accordance with the Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans and details of the same are given below:

(Rs. lacs)

Particulars	Gratuity (Funded)	Compensated absences (Not Funded)
	2015-16	2015-16
Discount rate (per annum)	8%	8%
Future salary increase	5%	5%
Expected rate of return on plan assets	8%	N/A
In service mortality	#	#
<b>I. Expense recognized in profit and loss account</b>		
Current service cost	176.51	34.18
Interest cost	132.57	25.68
Expected return on plan assets	(91.27)	-
Net actuarial (gain)/loss recognized in the year	(31.47)	(13.88)
<b>Total expense</b>	<b>186.33</b>	<b>46.00</b>
<b>II. Net asset/(liability) recognized in the balance sheet as at the end of the year</b>		
Present value of Defined benefits obligation	1,820.76	298.98
Fair value of plan assets	(1,145.04)	-
Funded status [surplus/(deficit)]	(675.72)	(298.98)
<b>Net asset /(liability) as at the end of the year</b>	<b>(675.72)</b>	<b>(298.98)</b>
Current	(675.72)	(71.43)
Non current	-	(227.55)
<b>III. Change in the present value of obligation during the year</b>		
Present value of the obligation as at the beginning of the year	318.47	109.07
Interest cost	132.57	25.68
Current service cost	176.51	34.20
Benefits paid	(106.60)	(136.08)
Adjustment on Amalgamation	1,391.93	279.99
Actuarial (gains)/ losses on obligation	(92.12)	(13.88)
<b>Present value of obligation as at the end of the year</b>	<b>1,820.76</b>	<b>298.98</b>
<b>IV. Change in present value of fair value of plan Assets</b>		
Fair value of plan assets as at the beginning of the year	203.61	-

Expected return on plan assets	91.27	-
Contributions	84.26	-
Benefits paid	(106.60)	-
Adjustment on Amalgamation	933.13	-
Actuarial gains/(losses)	(60.64)	-
<b>Fair value of plan assets as at the end of the year</b>	<b>1,145.04</b>	<b>-</b>
<b>V Detail of plan Assets</b>	<b>Funded</b>	<b>NA</b>

# Indian Assured Lives Mortality (2006-08) Ultimate.

\* The plan assets are maintained with ICICI Prudential Life Insurance Company Ltd. The details of investments maintained by the ICICI Prudential Life Insurance Company Ltd have not been made available to the Company and have therefore not been disclosed.

Disclosure relating to present value of defined benefit obligation and fair value of plan assets and net actuarial gain/loss:

Particulars	Gratuity (Funded)	Compensated absences (Non funded)
	2015-16	2015-16
Present value of obligation as at the end of the year	1,820.76	298.98
Fair value of plan assets as at the end of the year	1,145.04	-
Net asset/(liability) recognized in the balance sheet	(675.72)	(298.98)
Net actuarial (gain)/loss recognized	(31.47)	(13.88)

**14. Earnings per share**

(Rs. lacs)

Description		Year ended March 31, 2016
Profit/(loss) after tax and exceptional items as per Statement of Profit and Loss	(A)	(11,198.76)
Less: Exceptional Items net of taxes of Rs. Nil	-	
Profit/(loss) after tax and before exceptional items	(B)	(11,198.76)
<b>Weighted average number of equity shares outstanding (Par value Rs. 10 per share)</b>		
- For basic and diluted earnings per share (Nos.)	(C)	3,74,79,020
<b>Earnings per share (Rs.)</b>		
- Basic and diluted EPS before exceptional item	(B÷C)	(29.88)
- Basic and diluted EPS after exceptional item	(A÷C)	(29.88)

**15. Auditors' remuneration (excluding service tax):**

(Rs. lacs)

Description	Year ended March 31, 2016
- Statutory audit	36.40
- Limited review of unaudited financial results	29.99
- Certification and others	3.52
- Reimbursement of out of pocket expense for statutory audit and others	1.53

**16. Foreign Currency exposures that are not hedged by derivative instruments or otherwise are as follows:**

Description	As at March 31, 2016	
	Amount in foreign currency (Lacs)	Amount (Rs. Lacs)
Trade Receivables -USD	7.25	479.98
Trade Payable -EURO	0.16	11.92
Advance from Customer -USD	17.27	1,145.53
Advance to Customer - USD	1.32	87.56

17. The Integrated Casetech Consultants Private Limited (ICCPL) has been contesting legal cases against certain mala fide activities resulting from breach of fiduciary duties committed by certain previous directors/senior executives of the ICCPL by making false representations and setting-up parallel business entities in competitive areas.

During the earlier years, the ICCPL has initiated legal proceedings to make recoveries from such directors/senior executives in the appropriate legal forums. The said directors/senior executives had also initiated a legal case before the Hon'ble Company Law Board (CLB) against the ICCPL, which was dismissed during the year. In another suit filed by the ICCPL, Hon'ble High Court of Delhi had granted the injunctions to refrain such directors/senior executives from making the mis-representations, that they are associated with the ICCPL in any manner, to the public at large. The said matter is sub-judice and the recovery proceedings are in progress.

18. In the opinion of the management, Current Assets have value in realization in ordinary course of business at least equal to the amount at which they are stated.

19. Additional information pursuant to schedule III of the Companies Act, 2013, of subsidiaries and joint venture as per standalone financial statement of each entity.

S. No.	Particulars	Net Assets (Total assets- Total liabilities)		Share in (Loss)	
		As % of Consolidated Net Assets	Rs. lacs	As % of Consolidated Loss	Rs. lacs
i)	<b>Parent</b>	93.12	33,423.14	82.93	(9,287.36)
	1 Simbhaoli Sugars Limited				
ii)	<b>Subsidiaries</b>				
	a) Indian				
	1 Simbhaoli Speciality Sugars Private Limited	0.30	105.98	(0.13)	15.01
	2 Simbhaoli Power Private Limited	23.16	8,313.77	(2.10)	235.53
	3 Integrated Casetech Consultants Private Limited	1.71	612.50	0.99	(111.43)
	b) Foreign				
	1 Simbhaoli Global Commodities, DMCC	(0.11)	(41.26)	0.07	(7.70)
iii)	<b>Joint Ventures</b> (as per proportionate consolidation method)				
	Indian				
	1 Uniworld Sugars Private Limited	9.34	3,351.51	19.84	(2,222.16)
	Minority interests	12.21	4,381.66	(1.60)	179.35
	Eliminations (inter company transactions)	(39.72)	(14,255.86)		
	<b>Total</b>	<b>100.00</b>	<b>35,891.44</b>	<b>100.00</b>	<b>(11,198.76)</b>

20. Since the Company is preparing consolidated financial statement for the first year, therefore the figures for year ended March 31, 2015 could not be given.

Signatures to Notes 1 to 20.

In terms of our report attached

For **MITTAL GUPTA & COMPANY**  
Chartered Accountants  
FRN - 01874C

B. L. GUPTA  
Partner  
(M.No. - 073794)

Place : New Delhi  
Date : May 30, 2016

For and on behalf of the Board of Directors

Gurmit Singh Mann  
Chairperson  
DIN - 00066653

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Place : New Delhi  
Date : May 30, 2016

Gursimran Kaur Mann  
Director  
DIN - 00642094

Anshul Jain  
GM-Finance  
FCA - 505973

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

Kamal Samtani  
Company Secretary  
FCS - 5140

# **SIMBHAOLI SUGARS LIMITED\***

Regd Off: Simbhaoli - 245 207, District Hapur, Uttar Pradesh

CIN: U15122UP2011PLC044210

Email: [kamal@simbhaolisugars.com](mailto:kamal@simbhaolisugars.com); Website: [www.simbhaolisugars.com](http://www.simbhaolisugars.com);

Phone: 0120-4806666, Fax: 0120-2427166

\*Name changed from M/s Simbhaoli Spirits Limited to M/s Simbhaoli Sugars Limited in pursuance to Scheme of Amalgamation, sanctioned by the Hon'ble High Court of Judicature at Allahabad

## **FORM NO. MGT.11**

### **Proxy form**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the member (s): \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Registered address: \_\_\_\_\_

Folio No/ Client Id:	
DP ID:	

I/We, being the member(s) of \_\_\_\_\_ shares of ₹10 each of the above named company, hereby appoint

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

or failing him

2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

or failing him

3. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote 'on a poll' for me/us and on my/our behalf at the 5th annual general meeting of the members of the Company, to be held at 10:00 am. on Monday, 26th day of September, 2016, at Officers' Club, sugar mill complex, Simbhaoli-245 207, District Hapur, Uttar Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

- Adoption of the Financial Statements of the Company for the year 2015-16 and the Reports of the Board of Directors and Auditors thereon.
- Approval of the vacancy caused by the retirement of director not to be filled up.
- Ratification of the appointment of M/s Mittal Gupta and Company, Chartered Accountants as statutory auditors of the Company and fix their remuneration.
- Appointment of Mr. Sanjay Tapriya as a Director.
- Appointment of Mr. S N Misra as the Chief Operating Officer.
- Appointment of Mr. B K Goswami as an Independent Director.
- Appointment of Mr. S C Kumar as an Independent Director.
- Appointment of Mr. S K Ganguli as an Independent Director.
- Appointment of Justice(Retd) C K Mahajan as an Independent Director.
- Appointment of Lt Gen D S Sidhu as an Independent Director.
- Approval of the funds raising options upto a limit of ₹100 crore from the securities market by way of issue of further shares.
- Approval of conversion of loan into share capital under the provisions of 62(3) of the Companies Act, 2013.
- Approval of mortgage and/or charge upto an amount of ₹1600 crore under the provisions of Section 180(1)(a) of the Companies Act, 2013.

- Approval of the borrowing powers upto ₹1600 crore under the provisions of Section 180(1)(c) of the Companies Act, 2013.
- Approval of the limits to make donation upto ₹25 lacs in a financial year.
- Approval of the limits for investments upto ₹500 crore under the provisions of section 186 of the Companies Act, 2013.
- Approval of the material related party contracts/transactions/ arrangements entered into by the Company.
- Approval of the remuneration to be paid to Mr. Satnam Singh Saggi as the cost auditor.

**Affix  
Revenue  
Stamp**

Signed this \_\_\_\_\_ day of September, 2016

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

Printed Matter



If undelivered please return to:  
Registered Office  
Simbhaoli Sugars Limited  
Simbhaoli, District Hapur  
Uttar Pradesh, 245207 India



India's largest integrated sugar refinery

• Simbhaoli Sugar Complex • Brijnathpur Sugar Complex • Chilwaria Sugar Complex