



SIMBHAOLI SUGARS

Simbhaoli Sugars Limited

CIN-L15122UP2011PLC044210
(An FSSC 22000 : 2011, ISO 9001 : 2008
& 14001 : 2004 Certified Company)

Corporate Office :

A-112, Sector-63, Noida-201307 (Delhi NCR) INDIA

Tel. : +91-120-480 6666

Fax : +91-120-2427166

E-mail : info@simbhaolisugars.com

www.simbhaolisugars.com

Ref: SSL: Stock Exchange

Oct 9, 2017

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 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

We are enclosing herewith soft copy of the Annual Report for the financial year 2016-17 circulated to the shareholders of the Company.

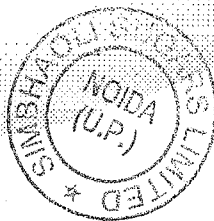
You are requested to kindly take the above information in your records.

Thanking You,

Yours faithfully,

For Simbhaoli Sugars Limited

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

6th Annual Report

2016-17



**SIMBHAOLI
SUGARS**



**SIMBHAOLI
SUGARS**

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

- Gurmit Singh Mann, Chairperson
- Gursimran Kaur Mann (Ms), Managing Director
- Gurpal Singh
- Sanjay Tapriya
- Karan Singh, Chief General Manager

Independent Directors

- B.K. Goswami
- S.K. Ganguli
- 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 Operating Officer

- Sachchida Nand Misra

Chief Financial Officer

- Dayal Chand Popli

Company Secretary

- Kamal Samtani

Statutory Auditors

- M/s Mittal Gupta & Co.

Bankers

- State Bank of India
- Punjab National Bank
- Oriental Bank of Commerce
- Bank of Baroda
- ICICI Bank
- EXIM Bank
- UP Co-Operative Bank
- District Co-Operative Bank, Ghaziabad
- 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: L15122UP2011PLC044210)

Email: kamal@simbhaolisugars.com;

Website: 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 6th Annual General Meeting (AGM) of the members of Simbhaoli Sugars Limited will be held at 10:00 am on Monday, September 18, 2017, 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, 2017 and the statement of profit and loss along with cash flow statement for the financial year ended on March 31, 2017 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, 2017 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, 2017 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 6th 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, 2017 and the statement of profit and loss along with cash flow statement for the financial year ended on March 31, 2017 and the report of Auditors thereon laid before the 6th 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, Ms. Gursimran Kaur Mann (DIN- 00642094) who retires by rotation under Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as 'the Act') and the Rules made thereunder read with

the Articles of Association of the Company at the conclusion of 6th Annual General Meeting of the members of the Company, and being eligible, has offered herself for re-appointment, be and is hereby re-appointed as a Director on the Board of the Company, whose period of office shall be liable to retire by rotation."

"Resolved further that, the Board of Directors of the Company be and is 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 if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution**

"Resolved that, Mr. Gurpal Singh (DIN- 00064807), who was to retire by rotation under Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as 'the Act') and the Rules made thereunder read with the Articles of Association of the Company and since resolution number 2 as proposed at the 5th Annual General Meeting of the members of the Company stands rescinded as per the order dated 30.05.2017 of the Hon'ble National Company Law Tribunal, Allahabad (C.P No .77 of 2016) and as per terms of the settlement agreement dated 28.05.2017, being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director on the Board of the Company, whose period of office shall be liable to retire by rotation."

"Resolved further that, the Board of Directors of the Company be and is 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."

- 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 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, M/s Mittal Gupta and Company, Chartered Accountants (Registration No. 01874C) who were appointed at 4th Annual

General Meeting to hold office until the conclusion of 9th Annual General Meeting, subject to annual ratification by members at subsequent Annual General Meeting and, who have confirmed their eligibility, in terms of the provisions of Section 141 of the Act, and Rule 4 of the Rules, be and is hereby ratified to continue to be the Statutory Auditors of the Company for the Company's financial year 2017-18, 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 is 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:

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 Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as '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 Ms. Gursimran Kaur Mann (DIN- 00642094) as the Managing Director of the Company for a period of Three (3) years with effect from August 2, 2017 till August 1, 2020 with a liberty to the Board of Directors (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) for variation of the terms and conditions as set out 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:

Designation: Managing Director

Period: August 2, 2017 till August 1, 2020

- I. **Basic Salary:** ₹4,00,000 per month with an increase of 10% annually or with such higher increments as may be decided by the Board of Directors of the Company from time to time within the permissible limits under the provisions of the Act.
- II. **Family Allowance:** ₹ 2,00,000 per month with such increase as may be decided by the Board of Directors of the Company from time to time within the permissible limits under the provisions of the Act.
- III. **Perquisites:** In addition to the Basic Salary and Family Allowance, she shall also be entitled to the following perquisites and allowances as may be decided by the Board of Directors of the Company from time to time within the permissible limits under the provisions of the Act:
 - i. Housing:
 - a) Residential accommodation or House Rent

- Allowance to the extent of 60% of Basic Salary.
- b) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.
- c) The Company shall provide such furniture and furnishing as may be required by the Managing Director at her residence as per the rules of the Company.
- ii. **Leave Travel Concession:** Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and her family during leave travel periods, wherever undertaken, whether in India or abroad as per the rules of the Company.
- iii. **Medical Reimbursement:** Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for self and her family. In case of any medical treatment abroad, the travelling, boarding and lodging expenses for patient and one attendant will also be payable as per the rules of the Company.
- iv. **Club Memberships:** Subscription or reimbursement of membership fees for clubs in India and/or abroad, including admission and life membership fees as per the rules of the Company.
- v. **Entertainment Expenses:** Reimbursement of entertainment expenses incurred in the course of business as per the rules of the Company.
- vi. **Personal Accident Insurance:** Personal accident insurance policies in accordance with the Scheme applicable to senior grade employees as per the rules of the Company.

Explanation: Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at the cost on actual basis.

IV. Commission: Commission at the rate of 1% (one per cent) of the net profits of the Company for each financial year as may be computed, while approving the financial statements for the respective financial year by the Board and payable after adoption of the same at the Annual General Meeting of the members of the Company.

V. Others:

- i. **Contribution to Provident Fund:** Company's contribution to Provident Fund equivalent to 12% of Basic Salary or up to such amount as may be decided by the Board of Directors of the Company from time to time within the permissible limits under the law.
- ii. **Contribution to Superannuation Fund:** Company's contribution to Superannuation Fund equivalent to 5% of Basic Salary or up to such amount, as may be decided by the Board of Directors of the Company from time to time within the permissible limits under the law.
- iii. **Gratuity:** Gratuity at the rate of one month's basic salary for each completed year of service subject to the Company's rules in this regard.
- iv. **Leave Entitlement:** As per the rules of the Company. However, encashment of the un-availed leave may be allowed by the Board at the end of the tenure.

- v. **Conveyance:** Company's chauffeur driven car(s) for the business as per the rules of the Company.
- vi. **Communication Facilities:** The Company shall provide telephone, mobile handsets, telefax and other communication facilities to the Managing Director at her residence as may be required for the Business of the Company.
- vii. **Assistance:** Managing Director may also be provided assistance at her residence as may be required for the Business of the Company.

"Resolved further that, in case the Company has, in any financial year, no profits or if its profits are inadequate anytime during the period of appointment, the Managing Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Managing Director in such manner as may be permitted in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force and as may be agreed to by and between the Board and the Managing Director."

"Resolved further that, the aforesaid appointment shall be subject to the following terms and conditions:

- i) Managing Director shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof;
- ii) The appointment may be terminated by either party giving the other party three months' notice or paying three months' salary in lieu thereof;
- iii) If at any time the Managing Director ceases to be a director of the Company for any reason whatsoever, she shall cease to be the Managing Director of the Company; and
- iv) The office of the Managing Director will be subject to retirement by rotation."

"Resolved further that, the Board of Directors of the Company be and is 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 Ms. Mann in accordance with the provisions of the Act and rules made thereunder 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 a Special Resolution

"Resolved that, pursuant to the provisions of Section 160 of the Companies Act, 2013 and the Rules made thereunder read with the Articles of Association of the Company, Mr. Sachchida Nand Misra (DIN-06714324), 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 a director on the Board of the Company, whose period of office shall be

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 (hereinafter referred as '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 Whole Time Director of the Company with effect from 6th Annual General Meeting i.e. September 18, 2017 to September 17, 2020, with a liberty to the Board of Directors (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) of the Company to consider the continuation of the appointment, until he attain the age of 60 years, for the variation of the terms and conditions as set out 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:

Designation: Chief Operating Officer

Period: From September 18, 2017 to September 17, 2020,

- I. **Basic Salary:** ₹1,63,328 per month, with such increments as may be decided by the Board of Directors of the Company from time to time.
- II. Other emoluments, benefits and the perquisites as per service rules of the Company, as may be approved by the Board of Directors of the Company from time to time.

Apart from the above, he shall also be entitled to the following benefits, which shall not be included in computation of the aforesaid remuneration:

- i) Car facilities for the business of the Company. The type, make and model of the car shall be decided by the Board from time to time.
- ii) Reimbursement of travelling, boarding, lodging, hotel and other expenses incurred for the business of the Company as per the travelling policy of the Company.
- iii) Telephone/internet connection(s) to be used for the business of the Company.
- iv) Company's contribution to the provident fund, as per rules, presently to the extent of 12% of the Basic Salary.
- v) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service in the Company subject to the Company's rules in this regard.

"Resolved further that, the aforesaid appointment shall be subject to the following terms and conditions:

- i) Chief Operating Officer shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof;
- ii) The appointment may be terminated by either party giving the other party two months' notice or paying two months' salary in lieu thereof;
- iii) If at any time the Chief Operating Officer ceases to be a director of the Company for any reason whatsoever, he may continue to act as the Chief Operating Officer on such terms and conditions as may be decided by the Board of Directors of the Company; and
- iv) The office of the Chief Operating Officer will be subject to retirement by rotation."

"Resolved further that, in case the Company has, in any

financial year, no profits or if its profits are inadequate anytime during the period of appointment, the Whole Time Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Whole Time Director in such manner as may be permitted in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force and as may be agreed to by and between the Board and the Whole Time Director.”

“Resolved further that, the Board of Directors of the Company be and is 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 thereunder 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.”

7. 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 Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as ‘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. Karan Singh (DIN 07648117), as the Whole Time Director of the Company with effect from March 22, 2017 to the date of this Annual General Meeting of the members of the Company i.e. September 18, 2017, with a liberty to the Board of Directors (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) of the Company for variation of the terms and conditions and subject to the restrictions, if any, contained under the applicable provisions of the Act or otherwise as may be applicable in law as follows:

Designation: Chief General Manager

Period: From March 22, 2017 to September 18, 2017

- a) **Basic Salary:** ₹1,12,000 per month, with such increments as may be decided by the Board of Directors of the Company from time to time.
- b) 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.

Apart from the above, he shall also be entitled to the following benefits, which shall not be included in computation of the aforesaid remuneration:

- i) Car facilities for the business of the Company. The type, make and model of the car shall be decided by the Board from time to time.
- ii) Reimbursement of travelling, boarding, lodging, hotel and other expenses incurred for the business of the Company as per the travelling policy of the Company.

- iii) Telephone/internet connection(s) to be used for the business of the Company.
- iv) Company’s contribution to the provident fund, as per rules, presently to the extent of 12% of the Basic Salary.
- v) Gratuity payable at the rate not exceeding half a month’s salary for each completed year of service in the Company, subject to the Company’s rules in this regard.

“Resolved further that, the aforesaid appointment shall be subject to the following terms and conditions:

- i) Chief General Manager shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof;
- ii) The appointment may be terminated by either party giving the other party two months’ notice or paying two months’ salary in lieu thereof;
- iii) If at any time the Chief General Manager ceases to be a director of the Company for any reason whatsoever, he shall continue to act as the Chief General Manager on such terms and conditions as may be decided by the Board of Directors of the Company; and
- iv) The office of the Chief General Manager will be subject to retirement by rotation.”

“Resolved further that, the remuneration paid to Mr. Singh from the date of appointment as additional director i.e. November 01, 2016 till March 21, 2017 be and is hereby ratified as the salary paid to employee in the professional capacity by virtue of the terms of employment as the Chief General Manager of the Company.”

“Resolved further that, in case the Company has, in any financial year, no profits or if its profits are inadequate anytime during the period of appointment, the Whole Time Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Whole Time Director in such manner as may be permitted in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force and as may be agreed to by and between the Board and the Whole Time Director.”

“Resolved further that, the Board of Directors of the Company be and is 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. Singh in accordance with the provisions of the Act and rules made thereunder 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.”

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

“Resolved that, pursuant to Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) read with the Securities and Exchange Board

of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI SAST Regulations), the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT Regulations) and all other applicable regulations as framed by SEBI, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the provisions of the Companies Act, 2013 and rules made thereunder and the provisions as contained in the Articles of Association of the Company and the terms and conditions of the Settlement Agreement dated May 28, 2017 regarding the amicable settlement between the promoters of the Company, and in terms of order dated 30.05.2017 passed by the Hon'ble National Company Law Tribunal, Allahabad Bench in C.P. No. 77 of 2016 and all other applicable laws and subject to the necessary approvals from the SEBI, Stock Exchanges and other appropriate statutory /regulatory authorities, if required, the consent of the members of the Company be and is hereby accorded empowering the Board of Directors (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) for the reclassification of the status of Mr. Gurpal Singh, Mrs. Jai Inder Kaur, Mr. Angad Singh, Mr. Govind Singh Sandhu ('Outgoing Individual Promoters') and M/s Pritam Singh Sandhu Associates Private Limited ('Outgoing Body Corporate Promoter') and all other individuals and entities identified as Promoter Group due to their relation/association with the Outgoing Individual Promoters/Outgoing Body Corporate Promoter and in accordance with Regulation 2(1)(zb) of the SEBI ICDR Regulations, if any, from the 'Promoter & Promoter Group Category' to the 'Public Category' of the shareholders of the Company."

"Resolved further that, the status of the aforesaid persons/entities ('Outgoing Individual Promoters and Outgoing Body Corporate Promoters') forming part of the 'Promoter and Promoter Group' of the Company and from whom the Company has already received the request for re-classification in writing be and are hereby re-classified from the 'Promoter & Promoter Group Category' to the 'Public Category' of the shareholders of the Company subject to the approval of the members of the Company and the necessary permission, consent, or sanction of all the concerned statutory/regulatory authorities, as may be applicable under the provisions of law."

"Resolved further that, on approval of the SEBI/ Stock Exchange(s) for the said re-classification, the Company shall effect such re-classification in the 'Statement of Shareholding Pattern' of the Company from immediate succeeding quarter under the provisions of Regulation 31 of the SEBI Listing Regulations and in compliance with SEBI SAST Regulations, SEBI PIT Regulations, and other laws as may be applicable to the Company."

"Resolved further that, the Board of the Company and such other persons as may be authorized by them, be and are hereby jointly and severally authorized to submit the application for re-classification to the Stock Exchanges, where the securities of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to this resolution and to do all such acts, deeds, matters and things as may be

necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Company and all such decisions, as taken in the interest of all the stakeholders, shall be binding on the Company."

9. 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 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as 'the Act') and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and the provisions contained 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'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and any other guidelines and clarifications as may be issued by other competent statutory/regulatory authorities, 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 lenders 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 mutually agreed to by the Company with its Banks, Financial Institutions, any other lenders (hereinafter collectively referred as 'the Lenders'), the consent of the members of the Company be and is hereby accorded that, in the event of any default made by the Company, as defined in the lending covenants in respect of the financial assistance provided by the Lenders under their respective loan documents, or as per terms of approval under the Corporate Debt Restructuring (CDR) and/or Joint Lender Forum (JLF), mechanism of the Reserve Bank of India as applicable to the Company; the lenders, at their option exercisable in the manner as described under the said covenants, may 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 lenders and the Company at mutually acceptable share pricing formula under the provisions of the Act, SEBI ICDR Regulations, SEBI Listing Regulations and/ or other provisions of law as applicable to the Company."

"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 provisions of the Act and with SEBI ICDR Regulations read with the provisions contained in the Memorandum and Articles of Association of the Company and the equity shares, if so allotted to the Lenders, pursuant to its exercising the rights 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 is 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."

10. 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 Sections 42, 62(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as 'the Act'), read with the Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions of preferential issue as contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ('SEBI ICDR Regulations'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, SEBI, Stock Exchange(s), institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), 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 which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution), the consent of the members of the Company be and is hereby accorded to the Board for conversion of unsecured loan along with interest arrears amounting to ₹ 789.92 lacs in aggregate, into 50,00,000 (Fifty Lacs) warrants on preferential basis ('Warrants') convertible into equivalent number of equity shares of the Face Value of ₹ 10/- each, at any time within and up to 18 months from the date of allotment of warrants, to following person(s) belonging to the Promoter and Promoter group of the Company (Proposed Allottee(s)) on preferential basis at an issue price of ₹ 32.10 (including premium of ₹ 22.10 each) as determined/ calculated in accordance with the SEBI ICDR Regulations and on such terms and conditions as has been decided by the Board including the terms of issue and to accept any modifications as SEBI, Stock Exchanges or such other appropriate authorities may impose at the time of approvals and as agreed to by the Board without being required to seek any further consent or approval in the general meeting from the members of the Company as follows:

S. No	Name of the proposed Warrant Allottee(s)	No. of Warrants proposed to be issued	Category
1	Mr. Gurmit Singh Mann	10,00,000	Promoter
2	Ms. Gursimran Kaur Mann	40,00,000	Promoter
Total		50,00,000	

"Resolved further that, the aforesaid issue of the Warrants shall be governed with the terms and conditions as follows:

- i. The 'Relevant Date' in relation to this preferential issue of Warrants as per the provisions of SEBI ICDR Regulations, has been fixed as Friday, August 18, 2017, being the date 30 days prior to the date of passing of this Resolution in the Annual General Meeting of the members of the Company.
- ii. The Warrants shall be issued and allotted by the Company only in dematerialized form.
- iii. The tenure of Warrants shall not exceed eighteen (18) months from the date of allotment.
- iv. The Warrant Holders shall be entitled to convert any or all of the warrants in one or more tranches by way of a written notice to the Company, specifying the number of warrants proposed to be converted along with the aggregate amount thereon, without any further approval from the members prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of shares to the Warrant Holders.
- v. If the entitlement against the Warrants to apply for the equity shares is not exercised within the aforesaid period of 18 (eighteen) months, the entitlement of the Warrant Holders to apply for equity shares of the Company along with the rights attached thereto shall expire and the Warrant subscription amount on such Warrants shall stand forfeited.
- vi. Upon exercise by Warrant Holders of the option to convert the Warrants, the Company shall issue and allot appropriate number of Equity Shares and perform all such actions as are required to give effect to such issue, including but not limited to delivering to the Warrant Holders, evidence of the credit of the Equity Shares to the depository account of Warrant Holders and entering the name of Warrant Holders in the Register of Members of the Company as the registered owner of such Equity Shares in the records of the Company.
- vii. The Warrants by itself until the conversion into equity shares, does not give to the Warrant Holders any voting rights including the rights to dividend with respect to that of the members of the Company.
- viii. The pre-preferential allotment shareholding of the Proposed Allottees, the aforesaid Warrants allotted in terms of this Resolution and the resultant Equity Shares arising on exercise of rights attached to such Warrants shall be subject to lock-in requirements under the provisions of Chapter VII of the SEBI ICDR Regulations.

"Resolved further that, the equity shares allotted on exercise of warrants in terms of this resolution shall rank pari-passu in all respects (including as to entitlement to voting powers and dividend) with the then existing fully paid-up equity shares in the share capital of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company."

"Resolved further that, all or any of the powers conferred on the Company and the Board of Directors vide this resolution may

be exercised by the Board or any other Committee thereof with power to delegate to the aforesaid authorities to any director/officer of the Company, for the purpose of giving effect to this resolution, may in its absolute discretion deem necessary, desirable or expedient, including the execution of the Listing Application to the Stock Exchange(s), filing of requisite forms with the Registrar of Companies, Ministry of Corporate Affairs and/or application with any other statutory/regulatory authorities and to settle any questions and difficulties that may arise in the proposed offer, issue and allotment of aforesaid securities, utilization of issue proceeds, signing of all such other deeds and documents as may be required and to do, perform and execute all such acts, deeds and things 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 to do all such acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company or otherwise to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects and shall be binding on the Company."

11. 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 (hereinafter referred as 'the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and the provisions contained in the Memorandum and Articles of Association of the Company, and the terms and conditions as may be approved by the lenders of the Company under their respective letter of sanctions, Corporate Debt Restructuring (CDR) and/or Joint Lender Forum (JLF) framework of the Reserve Bank of India, 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 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 mortgage and/or charge all or any part of the movable or immovable properties including the land in the name 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 as rightfully owned and recorded in the books of accounts of the Company, in such manner as the Board of Directors may think fit 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 (hereinafter collectively referred as 'the Lenders') 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, compound/additional interest, commitment charge, costs, expenses and all other monies payable by the Company in respect of such borrowings upto an amount of ₹ 1600 crore as described in the explanatory statement of

this Notice."

"Resolved further that, the consent of the members of the Company be and is hereby given for ratifying all such acts, deeds, matters and things as required and signed and executed all documents or writings as may be deemed necessary, proper or expedient and for matters concerned therewith or incidental thereto entered into by and for and on behalf of the Company after the implementation of the Scheme of Amalgamation of Erstwhile Simbhaoli Sugars Limited with the Company, pursuant to the Order passed by the Hon'ble High Court of Judicature at Allahabad."

"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."

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 180(1) (c) of the Companies Act, 2013 (hereinafter referred as 'the Act') and the provisions in the Memorandum and Articles of Association of the Company, 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 one or more persons, firms, bodies corporate, bankers, financial institutions, non-banking finance companies, (hereinafter collectively referred as 'the Lenders') or from others by way of advances, deposits, debentures, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties, whether movable or immovable or stock-in process and debts, and advances as may be considered appropriate by the Board in the best interest of 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, will or 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 consent of the members of the Company be and is hereby given for ratifying all such acts, deeds, matters and things as required and signed and executed all documents or writings as may be deemed necessary, proper or expedient and for matters concerned therewith or incidental thereto entered into by and for and on behalf of the Company after the implementation of the Scheme of Amalgamation of Erstwhile Simbhaoli Sugars

Limited with the Company pursuant to the Order passed by the Hon'ble High Court of Judicature at Allahabad."

"Resolved further that, the Board of Directors of the Company be and is 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."

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 186 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred as 'the Act') and rules made thereunder, 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 (i) give any loans to any person or other body corporate, or (ii) give any guarantees or to provide security in connection with a loan to any other body corporate or person, or (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of Company's paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is higher, as the Board of Directors may think fit, provided that the total loans or investments made, guarantee given, and securities provided shall not at any time exceed ₹500 crore (Rupees Five Hundred Crore only), over and above the paid up share capital of the Company and its free reserves, 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 consent of the members of the Company be and is hereby given for ratifying all such acts, deeds, matters and things as required and signed and executed all documents or writings as may be deemed necessary, proper or expedient and for matters concerned therewith or incidental thereto entered into by and for and on behalf of the Company after the implementation of the Scheme of Amalgamation of Erstwhile Simbhaoli Sugars Limited with the Company pursuant to the Order passed by the Hon'ble High Court of Judicature at Allahabad."

"Resolved further that, the Board of Directors of the Company be and is 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."

14. 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 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 for the payment of remuneration of ₹ 1,98,000 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) of the members of the Company 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 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. MGT 11 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 12, 2017 to Monday, September 18, 2017 (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. The Ministry of Corporate Affairs, vide its Circular No.18/2011 dated 29th April, 2011, clarify that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report (i.e. documents listed inspection 219(1) of the Companies Act, 1956) is sent through e-mail, to support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, M/s Mas Services Limited by filling the form available on the Company's website and also update the e-mail address as and when there is any change.**
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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Further, in accordance with the requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations. Further, the Company has initiated the process for transfer of undelivered physical share certificate into the suspense account in dematerialized mode.
14. The e-voting shall remain open from 10:00 am on Thursday, September 14, 2017 upto 5:00 pm on Sunday, September 17, 2017. 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. The said file contains 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.nsd.com/>.
 - c. Click on Shareholder-Login.
 - d. Put user ID and password as initial password noted in step (a) above. Click Login.
 - e. Password change menu appears. Change the password with new password of your choice with minimum 8digits/ 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 "EVS" of "Simbhaoli Sugars Ltd."
 - 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 with a copy marked to evoting@nsdl.co.in.
 - II. **In case of Members receiving Physical copy of Notice of the Meeting (for members whose email addresses are not registered with the Company/Depository Participants(s) or requesting physical copy)**
 - a. Initial password is provided in the box overleaf.
 - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
 - III. 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.nsd.com or call on toll free no.: 1800-222-990.
 - IV. 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.
 - V. 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).
 - VI. 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 September 11, 2017.
 - VII. 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. September 11, 2017, will be provided the notice through mail or by post after the cut-off date. Such members may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or sm@masserv.com, RTA, MASS services Limited. 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 or contact NSDL at the following toll free no.: 1800-222-990.

- VIII. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- IX. 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 meeting through ballot paper.
- X. The Company has appointed Mr. Amit Gupta, (Practicing Company Secretary No. FCS-5478) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- XI. 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.
- XII. 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.
- XIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at 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.

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

Kamal Samtani

Company Secretary

Date : August 22, 2017

Place : New Delhi

Membership No. FCS-5140

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

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 5

The Board of Directors of the Company ('the Board') on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members of the Company, has appointed Ms. Gursimran Kaur Mann as the Managing Director of the Company for a period of three years, i.e. from August 2, 2017 to August 1, 2020 (both days inclusive) at the remuneration as set out in the resolution subject to the limits prescribed under the provisions of Schedule V Part II Section II to the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and such other approvals as may be required under law.

Ms. Gursimran Kaur Mann has been playing a key role in the areas of operations, production, finance, marketing, commercial, trading, legal and sales functions along with looking after the Company's joint venture businesses. Earlier, she was appointed as the Managing Director at the 76th Annual General Meeting of the members of Erstwhile Simbhaoli Sugars Limited. After amalgamation, it is suggested to appoint her as the Managing Director (in amalgamated entity) to encourage and promote her best efforts in the efficient and prudent corporate management, in providing solutions of various business-related issues and to take steps to minimize the risks associated with the business of the Company. Her Profile in brief is given below:

Ms. Mann is a graduate in Economics and Political science from Bryn Mawr College, USA and has done MBA from London Business School. She has previously interned at Nestle India, Cargill Geneva, and ED&F Man Brazil. She joined Simbhaoli Group in 2005 and played a key role in introducing international business and trading operations at the Company. Ms. Mann has been the youngest member of the Indian Sugar Mills Association (ISMA) and serves on committees for all the major national commodity exchanges, the Indian Sugar Export Corporation (ISEC) and the Confederation of Indian Industry (CII).

As per the proposed reframing of the management structure, Ms. Gursimran Kaur Mann as Managing Director of the Company is proposed to be vested with all the key responsibilities of management and shall work under the guidance of the Board of Directors of the Company. She is holding 13,86,672 Equity Shares in the Share Capital of the Company.

At present, the Company has been facing financial difficulties for payment of cane dues in time, which has affected the capacity of the mills to crush sugar cane and less quantity of sugar/molasses is expected to be produced. The accumulation of cane price arrears has resulted in higher repayment burden and overall cash flow during next crushing season might get affected adversely.

Although, the Company has well-structured operating units, good quality products and a reliable work force; yet on account of vagaries of the sugar industry, its high fixed cost structure, low back up from the by-products and efficiency levels, the Company is passing through a phase characterized by lack of liquidity. A mix of factors, such as higher recoveries, government's mandatory export quota, successful ethanol blending programme and low sugar production forecast for the next season are indicating towards good business prospects of the sugar industry. Considering the aforesaid facts, and also to organize the businesses of the Company in the manner, the Company is expected to come out from its current problems.

In the event during the tenure of Ms. Gursimran Kaur Mann, the Company has no profits or its profits are inadequate, the remuneration payable would require approval of the members by way of a Special Resolution. Hence, it is proposed to appoint Ms. Gursimran Kaur Mann as the Managing Director of the Company for a period of three years, i.e. from August 2, 2017 to August 1, 2020 (both days inclusive) at a remuneration as set out in the Resolution subject to the limits prescribed under the provisions of Schedule V Part II Section II to the Companies Act, 2013.

The additional information required to be disclosed pursuant to schedule V Part II Section II to the Companies Act, 2013 is annexed to this Notice as **Annexure-A**. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to this Notice as **Annexure-B**.

On appointment, Ms. Gursimran Kaur Mann as Managing Director, shall report to the Chairman of the Company and her role shall include supervision and regulation of the commercial, financial and legal functions of the Company, including implementation and review of the commercial reports, plan and execute long-term and short term earnings deriving strategies, setting and implementing commercial planning of the production based on inputs from operations, budget and gap forecasting analysis and operating plans of the manufacturing units of the Company, supervision and regulation of their operations, setting out the production efficiencies as per the business plans, review production and operating reports, resolve the operational, manufacturing and other related issues to achieve planned cost, quality, and delivery commitments to achieve financial plans with regards to revenue, cost control, profit and debtors management and to carry out any other function as may be assigned by the Board of directors or Chairman of the Company from time to time.

The Managing Director shall implement the functions assigned by the Board from time to time, including but not limited to making recommendations to the Board with respect to the investments/disinvestments decisions, senior level appointments, retrenchments and increments, collaborations/joint ventures/further capital issues, borrowings, appointment of internal auditors/statutory auditors/other intermediaries as may be required under laws as applicable to the Company and to take all extraordinary decisions and undertake activities, which are necessary to run the day to day operations of the Company and to carry out other supervisory and regulatory functions, including delegation/assignment of duties in the manner as may be required from time to time.

The Board, accordingly, recommends the resolution set out under item number 5 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. Gurmit Singh Mann and Ms. Gursimran Kaur Mann, their relatives and their jointly controlled entities are concerned or interested, financially or otherwise, in passing of the aforesaid resolution except to the extent of their shareholding as the members of the Company.

Item No. 6

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee of the Board of Directors, have proposed to induct Mr. Sachchida Nand Misra as a director on the Board of the Company in respect of whom a notice in writing has been received from a member under the provisions of Section 160 (1) of the Companies Act, 2013 (hereinafter referred as 'the Act'), signifying his intention to propose him as a candidate for the office of director, whose period of office, if so approved, will be liable to retire by rotation. It is proposed to appoint him as a whole time director, subject to approval of members, for the period of 3 (three) years commencing from September 18, 2017 to September 17, 2020, which shall be subject to review by the Board of Directors of the Company, once he attains the age of 60 years. The Board is of the opinion that the appointment of Mr. Misra as whole time director will be in the best interest of the Company.

The Board of Directors of the Company may increase the remuneration as it may deem fit within the permissible limits as prescribed under the provisions of the Act, and rules made thereunder. His appointment shall be as per such terms and conditions and at such remuneration as enumerated in the resolution passed by the members in the Annual General Meeting.

The brief profile, roles and 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 re-joined Erstwhile Simbhaoli Sugars Limited in 2013 as the Chief Operating Officer of the Company.

Presently, he is responsible for the implementation and achieving business plan directives, implementation of policy matters, boundary management, charting growth plans and to implement the decisions taken and apprising the Company's management on the operational and technical working of group companies from time to time, increasing production, assets capacity and flexibility, while minimizing unnecessary costs and maintaining current quality standards. He is holding 1,521 equity shares in the share capital of the Company. He is not related to the promoters, directors or key managerial personnel of the Company.

Hence, the resolution is proposed as a special resolution and the required additional information pursuant to schedule V Part II Section II of the Companies Act, 2013 and 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, shareholding and relationships between directors is annexed to this Notice as Annexure-A. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to this Notice as **Annexure-B**.

This resolution was presented before the members in the 5th Annual General Meeting, but could not be passed with requisite majority, therefore, the Board, after considering the requirements for carrying on the business affairs of the Company, place the resolution, with modification for approval of the members of the Company.

The Board, accordingly, recommends the resolution set out under item number 6 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 a member of the Company.

Item No. 7

The Board of Directors of the Company have inducted Mr. Karan Singh as an additional director on the Board of the Company in pursuance to the Articles of Association of the Company with effect from November 01, 2016 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. He was appointed as Whole Time Director with effect from March 22, 2017 till the date of this AGM, based on the recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company. The brief profile, roles and responsibilities of Mr. Singh are as follows:

Mr. Karan Singh, aged about 62 years, is M Sc (Agriculture), Plant Pathology, with above 38 years of experience in cane development, cane marketing and other work at senior positions and as HOD in leading Private Sugar factories vz Captainganj

(Deoria), Durala and Mawana (Meerut). He has worked as Unit Head with Saraya Sugar Mills, Sardar Nagar, Gorakhpur. He has headed for 3 years the Cane Department of UP State Sugar Corporation and has taken care, direction monitoring and supervision of the working of Cane Department of all the 28 Units of Sugar Corporation.

Presently, he has been acting as the Chief General Manager of the Company and is responsible for the supervising the entire unit of workers to overseeing plant operations and ensuring that safety and quality control issues of the production are carried out perfectly by following industry standards, meeting statutory compliances and to implement the decisions taken and apprising the Company's management on the operational and technical working of the units from time to time.

He is not holding any share in the share capital of the Company. He is not related to the promoters, directors or key managerial personnel of the Company.

Hence, the Resolution is proposed as a Special Resolution and the required additional information pursuant to schedule V Part II Section II of the Companies Act, 2013 and 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 is annexed to this Notice as Annexure-A. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to this Notice **Annexure-B**.

The Board, accordingly, recommends the resolution set out under item number 7 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. Karan Singh, is concerned or interested, financially or otherwise, in passing of the aforesaid Resolution.

Item No. 8

The existing promoters of the Company have reached to an amicable settlement for the management of the affairs of the Company vide Settlement Agreement dated May 28, 2017 (hereinafter referred as the 'Settlement Agreement'). The Hon'ble National Company Law Tribunal, Allahabad ('NCLT'), has accepted and taken on record the Settlement Agreement executed between the Company i.e. Simbhaoli Sugars Limited, Mr. Gurmit Singh Mann, Ms. Gursimran Kaur Mann, Dholadhar Investments Private Limited, Mr. Gурpal Singh, Mr. Govind Singh Sandhu, Ms. Jai Inder, Mr. Angad Singh, Mr. Nirvan Singh and Pritam Singh Sandhu Associates Private Limited. Consequent to this, the Company Petition No. 77/ 241-242/ ALD/ 2016 titled as 'Mr. Gурpal Singh & Ors. Versus Simbhaoli Sugars Limited & Ors' before the Hon'ble NCLT has been disposed off.

As per the aforesaid settlement, the Company has received the request letters from Mr. Gурpal Singh, his relatives and jointly controlled entities forming part of the existing 'Promoter Group' of the Company in accordance with Regulation 2 (1) (zb) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter individually & jointly referred to as the 'Outgoing Entities') for the re-classification of their status from 'Promoter and Promoter Group Category' to 'Public Category' of the shareholders of the Company in terms of Regulation 31A of the SEBI Listing Regulations. The particulars of the Outgoing Entities from whom the Company has received the request for re-classification, together with their shareholding is given below:

S. No	Name	DP-Client ID	No. of Equity Shares	Shareholding percentage
1	Mr. Gурpal Singh	IN30014210387895	2402770	6.41
2	M/s Pritam Singh Sandhu Associates Private Limited	IN30014210405472	2077735	5.54
3	Ms. Jai Inder Kaur	IN30290243041854	417356	1.11
4	Mr. Govind Singh Sandhu	IN30302865209145	733139	1.96
5	Mr. Angad Singh	IN30096610743108	9850	0.03
	Total		5640850	15.05%

The Board of Directors of the Company have considered and approved the request of the Outgoing Entities under the terms and conditions of the Settlement Agreement. The Board also noted that, at present none of the member of Outgoing Entities:

- have any direct or indirect control over the affairs of the Company;
- holds any key managerial position in the Company;
- have any representations on the Board of Directors in the Company except as may be agreed mutually among the promoters group in terms of Settlement Agreement;
- is engaged in any management or day to day affairs of the Company;
- have any influences on the decisions being taken by the Company;
- have any special rights through formal or informal arrangements for running the affairs of the Company.

The Board of Directors has accorded its approval to the said re-classification, subject to the approval of the members of the Company and necessary permission, consent or sanction to be taken from the concerned statutory/regulatory authorities. Post re-classification and post conversion of Warrants proposed to be allotted, as set out in Item No. 10 of this Notice, the remaining members of the existing 'Promoter and Promoter Group Category' of the Company will be as follows:

S. No	Name of Remaining Promoters	No. of Shares	Percentage Holding Post Reclassification	No of Warrants to be allotted	Post Allotment assuming conversion of warrants & post reclassification Promoter Holding [#]	%
1	M/s Dholadhar Investments Private Ltd	74,62,114	19.91	0	74,62,114	17.57
2	Mr. Gurmit Singh Mann	37,26,154	9.94	10,00,000	4,726,154	11.13
3	Ms. Gursimran Kaur Mann	13,86,672	3.7	40,00,000	5,386,672	12.68
		12,574,940	33.55	50,00,000	17574940	41.37

[#] The post shareholding pattern has been prepared presuming conversion of all the Warrants. It may vary depending upon any other corporate action in between.

The Company is required to disclose the shareholding pattern forming part of its 'Promoter & Promoter Group Category' and 'Public Category' under the provisions of the Companies Act, 2013, read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2009 (SEBI ICDR Regulations), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI SAST Regulations), Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT Regulations) and all other relevant applicable regulations as framed by SEBI in this regard.

Regulation 31A of the SEBI Listing Regulations empowers the Stock Exchanges to allow re-classification or modification of the existing status of individuals or entities from 'Promoter & Promoter Group Category' to 'Public Category' or vice-versa, subject to the fulfilment of the conditions as provided therein.

Further, as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the Company is in compliance with the minimum public shareholding requirements of at least 25% of the total share capital being held by the members from the 'Public Category' as on the date of issue of this Notice and the proposed re-classification will not result in any increase in the Public Shareholding beyond the threshold fixed under the provisions of said Rules.

After the proposed re-classification and post preferential allotment of the warrants to the existing promoters as per the Resolution proposed and set out under Item No. 10 of this Notice, the shareholding pattern will be as follows:

S. No	Category of Shareholder	Pre-Issue Equity Holding (As on June 30, 2017)		Post reclassification & prior to Warrants conversion		No of Warrants Allotted	#Post-conversion and post reclassification	
		No. of Shares	%	No. of Shares	%		No. of Shares	%
A	Promoters and Promoter Group							
1	(a) Indian Promoters	18215790	48.6	12574940	33.55	5000000	17574940	41.37
	(b) Foreign Promoters	0		0	0.00	0	0	0
	Sub Total	18215790	48.6	12574940	33.55	5000000	17574940	41.37
B	Non Promoter							
2	Institutional Investors	0	0	0	0.00	0	0	
	a) Mutual Funds/UTI	1755	0	1755	0.00	0	1755	0
	b) Financial Institutions/Banks	9388	0.03	9388	0.03	0	9388	0.02
	c) Insurance Companies/Govt Institutions	0	0	0	0.00	0	0	0
	d) Foreign Institutional Investors	1	0	1	0.00	0	1	0
	e) Qualified Foreign Investors	0	0	0	0.00	0	0	0
	f) Venture Capital Funds	0	0	0	0.00	0	0	0
	Sub Total	11144	0.03	11144	0.03	0	11144	0.03
	3. Others							
	a) Bodies Corporate	8087031	21.58	10164766	27.12	0	10164766	23.93
	b) Individual Holdings	10607452	28.3	14170567	37.81	0	14170567	33.36
	c) NBFCs registered with RBI	42000	0.11	42000	0.11	0	42000	0.1
	d) Foreign Companies	0	0	0	0.00	0	0	0
	e) Non-Resident Individuals	207611	0.55	207611	0.55	0	207611	0.49
	f) Clearing Member	307541	0.82	307541	0.82	0	307541	0.72
	g) Hindu Undivided Families	0	0	0	0.00	0	0	0
	h) Directors/Relatives/PAC	0	0	0	0.00	0	0	0
	i) Trust/Other	451	0	451	0.00	0	451	0
	Sub Total	19252086	51.37	24892936	66.42	0	24892936	58.6
	Total	37479020	100	37479020	100.00	5000000	42479020	100

The post reclassification shareholding pattern has been prepared presuming conversion of all the Warrants. It may vary depending upon any other corporate action in between.

The Board, accordingly, recommends the resolution set out under item number 8 for approval of the members of the Company as a Special Resolution.

Mr. Gurmit Singh Mann, Ms. Gursimran Kaur Mann, their relatives and their controlled entities, the existing promoters after re-classification, by virtue of the parties to the Settlement Agreement, may be deemed to be concerned or interested, financially or otherwise, in the resolution as set out at Item no. 8 of the Notice, since they are the exiting members of the 'Promoter and Promoter Group category' of the Company. Their respective shareholding in the Company has already been disclosed above.

None of the Promoters, Directors and Key Managerial Personnel of the Company and/or their relatives, subject to the above disclosures, except Mr. Gurpal Singh, Ms. Jai Inder Kaur, Mr. Govind Singh Sandhu, Mr. Angad Singh and their respective relatives are, in any way, concerned or interested, financially or otherwise, in passing of the aforesaid resolution.

Item No. 9

The Erstwhile Simbhaoli Sugars Limited (ESSL) had been availing financial assistance, from the various lenders for the business requirements of the Company. With the implementation of the Scheme of Amalgamation, all these loan liabilities have been

transferred to the Company. The financials of the Company have been adversely affected on account of down cycle of the sugar industry and to achieve long term financial viability, a proposal for business restructuring and debt realignment of the Company have been under discussion with the lenders under the Corporate Debt Restructuring (CDR) and/or Joint Lender Forum (JLF) mechanism of the Reserve Bank of India and the terms are being agreed to with the lenders of the Company.

One of the conditions of CDR/JLF is to convert a part of Lenders' loans into the share capital in the event of default by the Company under the lenders' covenants. In such case the lenders may be entitled to exercise the option to convert the whole or part of their outstanding loan into the share capital of the Company at a mutually acceptable price to be determined in accordance with the applicable provisions under the Companies Act, 2013 (the Act) read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) as may be applicable at the time of such conversion.

Therefore, the proposed resolution is an enabling resolution under the provisions of the Section 62(3) and other applicable provisions of the Act, and the Board, accordingly recommends the resolution set out under item number 9 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.

Item No. 10

The Company has submitted a proposal for financial restructuring under the Corporate Debt Restructuring (CDR) and/or Joint Lender Forum (JLF) framework of the Reserve Bank of India and obtained a provisional letter of approval dated February 29, 2016 from the CDR Cell, for the financial restructuring of the debts with respective lenders of the Company. Accordingly, the Company would be able to meet its financial obligations with the lenders under a restructured CDR/JLF package and can pay-off the liabilities over a period of time. 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.

Additional measures are being taken towards financial correction 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/JLF 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, infusion of fresh funds in a time bound manner was very critical for revival of the Company and with infusion of promoters' contribution and the implementation of CDR/JLF Scheme, the Company envisages coming out of the tight financial position. Therefore, as per the proposed restructuring the promoters have already infused substantial funds in the Company as per the terms under the CDR/JLF arrangement with the lenders, in the form of Unsecured Loans. The said promoters' contribution, alongwith the overdue interest arrears is now proposed to be converted into the equity share capital of the Company under to the provisions of Sections 42, 62 (1) (c) of Companies Act, 2013 (hereinafter referred 'the Act') by way of subscription of warrants convertible into the equity share capital of the Company within 18 months from the date of allotment in compliance of the terms and conditions contained in this Notice. Further, as per Regulation 73 of the SEBI (Issue of Capital and Disclosure requirements) Regulations, 2009 (SEBI ICDR Regulations), the Company is required to make certain disclosures, which forms part of this Explanatory Statement to the Notice of Annual General Meeting of the members of the Company.

Details of the Issue

The issue and allotment of 50,00,000 fully convertible Warrants including resultant equity shares arising out of exercise of option attached to Warrants to the Proposed Allottees has been approved by the Board of the Company, subject to the approval of Members of the Company and other necessary approval(s). As per the terms and conditions of the proposed issue, and as per CDR/JLF directives, the proposed allottees have infused funds in the nature of un-secured loans as follows:

(₹ in Lacs)

Name	Amount infused	Interest earned	Amount available for subscription
Mr. Gurmit Singh Mann	100.00	24.82	124.82
Ms. Gursimran Kaur Mann	650.00	15.10	665.10
Total	750.00	39.92	789.92

The relevant disclosures as required under Chapter VII of the SEBI ICDR Regulations are set out below:

1. Objects of the Preferential Issue

The proceeds of the preferential issue of Warrants have been used by the Company as long term resources for the payment of cane arrears and other minor working capital needs of the Company for its business purposes and general corporate purposes and for such other purposes as approved by the Board.

2. Proposal of the Directors / Promoters / Key Managerial Personnel of the Company to subscribe to the preferential issue

Mr. Gurmit Singh Mann and Ms. Gursimran Kaur Mann, the Directors and Promoters of the Company, intend to subscribe to the warrants by way of preferential issue.

No such Warrants are being offered to any other Directors, Key Managerial Personnel or relatives of the Directors or Key Managerial Personnel of the Company.

3. Relevant Date

The Relevant date for the purpose of this issue shall be Friday, August 18, 2017, being the date 30 days prior to the date of passing of the special resolution by the members of the Company to approve the proposed preferential issue, in accordance with the SEBI ICDR Regulations.

4. Basis or Justification of Price:

The issue price has been determined in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations as follows:

Since the Company is listed on both BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the trading volume of securities of the Company on both the Stock Exchanges has been considered to determine the higher trading volume for computation of issue price. The issue of equity shares arising out of exercise of Warrants issued on preferential basis shall be made at a price not less than higher of the following or as per the law prevailing at the time of allotment of Warrants:

- I. the average of the weekly high and low of the volume weighted average prices of the equity shares quoted on a recognized Stock Exchange during the 26 weeks preceding the Relevant Date; or
- II. the average of the weekly high and low of the volume weighted average prices of the equity shares quoted on a recognized Stock Exchange during the 2 weeks preceding the Relevant Date.

The 'Recognized Stock Exchange' referred to above means any of the recognized Stock Exchanges in which the equity shares of the Company are listed and in which the highest trading volume in respect of the equity shares of the Company has been recorded during the preceding 26 weeks prior to the Relevant Date, which is the NSE.

The issue price has been computed at ₹ 31.98 per equity share as on Friday, August 18, 2017 being the relevant date, under the provisions of the SEBI ICDR Regulations. Accordingly, the Board of Directors of the Company has decided to issue warrants at ₹ 32.10 (inclusive of premium of ₹ 22.10) per equity share for conversion of warrants into the equity shares as per the terms of proposed issue.

5. Requirement as to re-computation of price and lock-in of specified securities

Since the equity shares of the Company have been listed

on the recognized Stock Exchanges for a period of more than 6 months prior to the Relevant Date, the Company is not required to re-compute the price of the equity shares and therefore, the Company is not required to submit the undertakings specified under Regulations 73(1)(f) and (g) of the SEBI ICDR Regulations.

6. Shareholding pattern of the Company before and after the proposed issue:

S. No	Category of Shareholder	Pre-Issue Equity Holding (As on June 30, 2017)		Post reclassification & prior to Warrants conversion		No of Warrants Allotted	#Post-conversion and post reclassification	
		No. of Shares	%	No. of Shares	%		No. of Shares	%
A	Promoters and Promoter Group							
1	(a) Indian Promoters	18215790	48.6	12574940	33.55	5000000	17574940	41.37
	(b) Foreign Promoters	0		0	0.00	0	0	0
	Sub Total	18215790	48.6	12574940	33.55	5000000	17574940	41.37
B	Non Promoter							
2	Institutional Investors	0	0	0	0.00	0	0	
	a) Mutual Funds/UTI	1755	0	1755	0.00	0	1755	0
	b) Financial Institutions/Banks	9388	0.03	9388	0.03	0	9388	0.02
	c) Insurance Companies/Govt Institutions	0	0	0	0.00	0	0	0
	d) Foreign Institutional Investors	1	0	1	0.00	0	1	0
	e) Qualified Foreign Investors	0	0	0	0.00	0	0	0
	f) Venture Capital Funds	0	0	0	0.00	0	0	0
	Sub Total	11144	0.03	11144	0.03	0	11144	0.03
	3. Others							
	a) Bodies Corporate	8087031	21.58	10164766	27.12	0	10164766	23.93
	b) Individual Holdings	10607452	28.3	14170567	37.81	0	14170567	33.36
	c) NBFCCs registered with RBI	42000	0.11	42000	0.11	0	42000	0.1
	d) Foreign Companies	0	0	0	0.00	0	0	0
	e) Non-Resident Individuals	207611	0.55	207611	0.55	0	207611	0.49
	f) Clearing Member	307541	0.82	307541	0.82	0	307541	0.72
	g) Hindu Undivided Families	0	0	0	0.00	0	0	0
	h) Directors/Relatives/PAC	0	0	0	0.00	0	0	0
	i) Trust/Other	451	0	451	0.00	0	451	0
	Sub Total	19252086	51.37	24892936	66.42	0	24892936	58.6
	Total	37479020	100	37479020	100.00	5000000	42479020	100

#The post conversion shareholding pattern has been prepared presuming conversion of all the Warrants. It may vary depending upon any other corporate action in between.

*Company has also applied for reclassification of promoter group under regulation 31A SEBI Listing Regulations subject to the approval of the members of the Company as Special Resolution under Item No. 8 of this Notice consequent to which the post shareholding structure may be changed accordingly.

7. The time within which the preferential issue shall be completed

As required under the SEBI ICDR Regulations, the allotment of the Warrants on preferential basis will be completed within a period of 15 days from the date of passing of the special resolution. Provided that where any approval or permission by any regulatory or statutory authority for allotment is pending, the allotment of the Warrants shall be completed within 15 days from the date of receipt of such approval or permission.

8. Identity of the natural persons, who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottee, the percentage of post-preferential issued capital that may be held by the said allottee and change in control, if any, in the Company consequent to the preferential issue

Name of the allottee	Pre-Issue Equity Holding	No. of Warrants to be allotted	Post Issue Holding (After exercise of Warrants)	Identity of the natural persons (ultimate beneficial owners)	
Mr. Gurmit Singh Mann	3,726,154	9.94%	4,726,154	11.13%	Self
Ms. Gusimran Kaur Mann	1,386,672	3.70%	5,386,672	12.68%	Self

assuming exercise of all the Warrants by the Proposed Allottees

There shall be no change in control of the Company, pursuant to the issue of Warrants. However, the shareholding will change in tandem with the allotment of equity shares.

(i) Auditor's Certificate

A copy of the certificate from M/s Mittal Gupta and Company, Chartered Accountants, the Statutory Auditors of the Company, certifying that the proposed preferential issue of Warrants is being made in accordance with the requirements contained in Chapter VII of the SEBI ICDR Regulations, shall be available for inspection at the Registered Office of the Company during office hours on all working days, except Saturday/ Sunday and other holidays, between 10.00 a.m. and 1.00 p.m. up to the date of declaration of results of Annual General Meeting of the Company i.e. **Wednesday, September 20, 2017.**

(ii) Lock-in Period

The Warrants allotted on preferential basis and the equity shares allotted pursuant to exercise of options attached to Warrants issued on preferential basis shall be locked-in for a period of three years from the date of trading approval to be granted by the Stock Exchange(s) as provided in the SEBI ICDR Regulations. In addition, the entire pre-preferential allotment shareholding of the Proposed Allottees, shall

remain locked-in from the Relevant Date up to a period of six months from the date of trading approval to be granted by the Stock Exchange(s), as may be required under the SEBI ICDR Regulations.

Since, the Resolution proposed under item number 10 of this Notice may result in the issue of share warrants convertible into fresh equity shares of the promoters of the Company to the Company, consent of the members is being sought pursuant to the provisions of Section 62 (1) (c) 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 SEBI Listing Regulations and 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 create, offer, issue and allot the Warrants subject to availability of regulatory, bankers and lenders approvals. The equity shares, so allotted, shall rank pari-passu in all respects, including the right to the voting rights and entitlement for dividend, with the then existing equity shares of the Company.

The Board, accordingly, recommends the resolution set out under item number 10 for the approval of the members as a Special Resolution.

None of the Promoters, Directors, Key Managerial Personnel or their relatives, except Mr. Gurmit Singh Mann and Ms. Gursimran Kaur Mann along with their relatives and their jointly controlled entities are, in any way, concerned or interested, financially or otherwise, in passing of the aforesaid resolution except to the extent of their shareholding as the members of the Company.

Item No. 11

The Company has been availing various financial assistance from various Lenders (hereinafter referred to as the "Lenders") as detailed in Annexure I of Master Restructuring Agreement dated December 24, 2012 executed between the Company and its Lenders. The Company, post amalgamation with Simbhaoli Spirits Ltd, has approached the Lenders for consideration of a financial restructuring Scheme under the provisions of Corporate Restructuring (CDR) / Joint Lender Forum (JLF) mechanism of Reserve Bank of India (RBI). The financials of the Company have been adversely affected on account of down cycle of the sugar industry and lenders have agreed to carry out a financial restructuring to achieve long term financial viability.

Accordingly, the Lenders have been considering restructuring its existing facilities as per the CDR/JLF Restructuring Scheme and provide/renew credit facilities subject to the compliance of various terms/conditions and creation of security. The Company's restructuring proposal is under consideration with the lenders under CDR/JLF mechanism of RBI.

In addition, pursuant to the Order of Hon'ble High Court of Judicature at Allahabad sanctioning the Scheme of Amalgamation between Erstwhile Simbhaoli Sugars Limited (Amalgamating Company) with Simbhaoli Spirits Limited (Amalgamated Company, 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. Accordingly, the Amalgamated Company will be required to replace the encumbrances, charge and/or rights on the immovable properties with equitable and corresponding encumbrance, charge and/or right over assets under the terms of fresh loan covenants entered into with the Lenders.

The details of the borrowings of the Company, as per the last audited balance sheet of the Company, as on March 31, 2017 after implementation of the Scheme of amalgamation and under consideration for restructuring are as follows:

(Amt in ₹ crore)

S. No	Bank Name	Total Outstanding
1	State Bank of India	201.69
2	Punjab National Bank	127.89
3	Bank of Baroda	60.2
4	EXIM Bank	12.05
5	ICICI Bank Ltd.	8.5
6	Oriental Bank of Commerce	117.64
7	Sugar Development Fund	37.37
8	Uttar Pradesh Co-operative Bank Ltd	137.02
9	District Co-operative Bank, Ghaziabad	49.28
10	Bank of India	243.31
11	UCO Bank	188.6
	Total	1183.55

Further, the Company is proposing 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.

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 to the Company. Further, upon occurrence of defaults 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.

This resolution was presented before the members in the 5th Annual General Meeting, but could not be passed with requisite majority, therefore, the Board, after considering the requirements of meeting the Lenders covenants and carrying on the business affairs of the Company, place the resolution, with modification for approval of the members of the Company.

The Board, accordingly, recommends the resolution set out under item number 11 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. 12

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 (hereinafter collectively referred as 'the Lenders').

In this regard, it is required to pass the resolutions under the provisions of Section 180(1)(c) of the Companies Act, 2013, 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.

The respective resolution was not passed with requisite majority at the 5th Annual General Meeting of the members of the Company. Hence, the Board, after considering the requirements of running of the business affairs of the Company, in compliance with the Scheme of Amalgamation and lenders covenants, wish to place the resolution, with modification for approval of the members of the Company.

The Board, accordingly, recommends the resolution set out under item number 12 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. 13

The Erstwhile Simbhaoli Sugars Limited has hived off its business and it is required to obtain the consent of the members of the Company is required 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 thereunder.

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 thereunder.

The respective resolution was not passed with requisite majority at the 5th Annual General Meeting of the members of the Company. Hence, the Board, after considering the requirements of running of the business affairs of the Company, in compliance with the Scheme of Amalgamation and lenders covenants, wish to place the resolution, with modification for approval of the members of the Company.

The Board, accordingly, recommends the resolution as set out 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 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

The Board, accordingly, recommends the resolution set out under item number 14 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**

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

Date : August 22, 2017
Place : New Delhi

Annexure- A

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

S. No	General Information:	
1.	Nature of industry	Sugar Industry
2.	Date or expected date of commencement of commercial production	Not applicable. The Company's plants have been in operation nearly about 8 decades.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable.
4.	Financial performance based on given indicators	The Company is in losses since last 3 years.
5.	Foreign investments or collaborations, if any.	1. The Company has made Foreign Investments only in Simbhaoli Global Commodities DMCC, Dubai, which is Wholly owned subsidiary. 2. Simbhaoli Power Private Limited is a 51% subsidiary, with a joint venture (JV) with Sindicatum Captive Energy Singapore Pte Limited (SCES). 3. Uniworld Sugars Private Limited 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.

II. Information about the appointee:

1.	Name of appointee	Ms. Gursimran Kaur Mann	Mr. Sachchida Nand Misra	Mr. Karan Singh
2.	Background details	The profile in brief containing background has been mentioned elsewhere in the Notice..	The profile in brief containing background has been mentioned elsewhere in the Notice.	The profile in brief containing background has been mentioned elsewhere in the Notice.
3.	Past remuneration	Not applicable as the remuneration is being proposed first time in Amalgamated Company.	Mr. Misra drew remuneration of ₹ 43.42 lacs for the Financial Year 2015-16.	Not applicable as the remuneration is being proposed first time in Amalgamated Company.
4.	Recognition or awards	Ms. Mann has received industry excellence award for best working at 75th Annual Convention and Sugar Expo 2017 organized by Sugar Technologists' Association of India (STAI).	No such significant Awards received.	No such significant Awards received.
5.	Job profile and his suitability	The details have been mentioned elsewhere in the Notice.	The details have been mentioned elsewhere in the Notice.	The details have been mentioned elsewhere in the Notice.
6.	Remuneration proposed	As mentioned in the resolution	As mentioned in the resolution	As mentioned in the resolution
7.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration payable has been compared by Nomination and Remuneration Committee constituted by the Board, with the remuneration being drawn by similar remuneration in the Sugars industry.	The remuneration payable has been compared by Nomination and Remuneration Committee constituted by the Board, with the remuneration being drawn by similar remuneration in the Sugars industry.	The remuneration payable has been compared by Nomination and Remuneration Committee constituted by the Board, with the remuneration being drawn by similar remuneration in the Sugars industry.
8.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Daughter of Mr. Gurmit Singh Mann, Chairperson of the Company.	None	None

III. Other information:

1.	Reasons of loss or inadequate profits	The Company has been incurring cash losses affecting their liquidity as the Uttar Pradesh based sugar companies have been facing financial difficulties on account of higher sugar cane prices, lower realization of sugar and high finance cost.
2.	Steps taken or proposed to be taken for improvement	Various initiatives have been taken including business and financial restructuring of the businesses and steps being taken by the State and Central Governments to strengthen the sugar industry.
3.	Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, Barring unforeseen circumstances, the Company hopes to increase the revenue and profits by improved margins in current year.

Annexure- B

Disclosure Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2

1.	Age	33 Years	59 Years	62 Years
2.	Date of Appointment	Sept 18, 2012	Sept 18, 2017^	Nov 1, 2016
3.	Nature of his expertise in specific functional areas	Finance, Marketing, Trading, Legal and Sales operations along with the Company's joint venture businesses	Technical supervision, sugarcane management, implementation and achieving business plan and operational policies, meeting statutory compliances	Cane development, cane marketing and other work at senior positions

4.	Qualification	Graduated in Economics and Political science from Bryn Mawr College, USA and has an MBA from London Business School	B.Sc. from Gorakhpur University and A.N.S.I. from National Sugar Institute, Kanpur	M Sc (Agriculture), Plant Pathology
5.	Experience	Over 10 years.	Over 35 years.	Over 38 years.
6.	The number of Meetings of the Board attended during the Year	5	3*	2#
7.	Board Membership of other listed companies as on March 31, 2017	None	None	None
8.	Names of companies in which the person also holds the directorship	1. Dholadhar Investments (P) Limited 2. Dholadhar Developers (P) Limited 3. Uniworld Sugars (P) Limited 4. Simbhaoli Power (P) Limited 5. Integrated Casetech Consultants (P) Limited 6. Simbhaoli Global Commodities DMCC	1. Simbhaoli Speciality Sugars Private Limited	None
9.	Names of companies in which the person also holds the Membership / Chairman of Committees of the Board\$	None	None	None

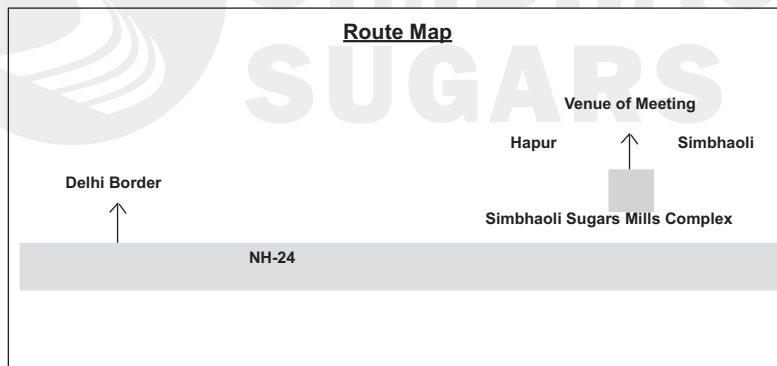
\$ Committee positions only of Audit Committee and Stakeholders Relationship Committee in public companies have been considered.

*Mr. S N Misra ceased to be director w.e.f. September 26, 2016 till this date he has attended 3 meetings.

^ Mr. S N Misra is proposed to be appointed as director w.e.f. September 18, 2017 in item no.6 of the Notice of 6th Annual General Meeting of the Company

#Mr. Karan Singh appointed as director w.e.f. November 1, 2016

Route Map of the venue of the 6th Annual General Meeting of the Company scheduled to be held on Monday, September 18, 2017 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,

The fiscal year 2016-17 marked a new dawn for the Uttar Pradesh (UP) sugar industry.

UP has overtaken Maharashtra as India's leading sugar producer, with UP mills crushing 82.05 million metric tonnes (mmt) sugarcane with sugar output of 8.7 mmt. It has also surpassed its highest ever record of 8.47 mmt of sugar produced in season 2006-07. On the other hand, domestic sugar prices remained stable. These were well supported by the Central Government's timely intervention through its export-import policies and developmental support at the State level.

Your company reported remarkable improvements in its operating income which is attributable not only to a cyclical uptrend but also a sign of collaborative and positive forces in action. This result is an outcome of our persistent and dedicated approach towards our cane development and cane management programs to maximize farmers' return per unit of land. Simbhaoli reported higher production in account of both an increase in acreage and better farm and factory yields.

Your company continued its focused and consolidated approach in financial year 2016-17 and reported ₹128.59 crore EBITDA vis-à-vis ₹69.83 crore in FY-2015-16.

A sustainable approach is key for long term health in the sugar business. From supporting farmers to implement the best agricultural practices, select the right sugarcane variety, and engage in its vibrant cane development program to efficient cane procurement system, Simbhaoli has established strong trust and belief among its associated farmers.

I recall that Simbhaoli was among the front runners in UP to introduce CO-238 in 2009-10. Where other companies have recently realized its success and pushing this variety; Simbhaoli's area under CO-238 has already crossed 90% of the total reserved area. Introducing drip irrigation, encouraging inter-cropping, single-bud, two-bud, trench planting and selecting the right agronomical inputs are well-crafted steps towards long-term sustainability and environmental protections.

It is pertinent to mention that even at a time when nearby factories were better positioned in terms of their cane payment position, your Company crushed 211 lac quintals of sugarcane i.e. 18% more than that in sugar year 2015-16. Our Simbhaoli sugar unit bagged 14.1 lac quintals of sugar which is the highest since its inception in 1933.

Sustainability is a part of our DNA as we use sugarcane effectively to make products as diverse as pharmaceutical grade sugar, fuel ethanol and organic fertilizer.

Our success is based on our core competencies and our technical expertise of converting sugarcane into a range of high quality products, especially for quality focused industrial customers and end users. Simbhaoli continues to be leader in Pharma Grade sugar and currently reaches out to wide spectrum of customer base with its 'Trust' brand of sugar products. In addition, cost reduction and efficiency improvement programs along the entire value chain played an important role in reinforcing our enhanced sustainability drive.

One major area of concern for the sugar industry continues to be cane pricing. On a positive note, recent discussions between the Central and State governments for creating a long term viable sugarcane pricing structure for Uttar Pradesh are encouraging. In my view, the Government's early implementation of the Rangarajan Committee's recommendations for linking sugarcane and sugar prices remains critical to the long term sustainability of this industry.

Finally, I would like to thank our team of employees, farmers, directors, logistics and input providers, banks, financial institutions, and the many others who have worked tirelessly and enthusiastically to help your Company achieve some of its best production numbers since its inception in 1933. We trust that this team will continue its hard work with grit and determination to carry our performance even further in the coming year.

With Best Wishes

Date : August 22, 2017
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 Sixth Board's Report together with management discussion and analysis report for the financial year ended on March 31, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

International Sugar Industry

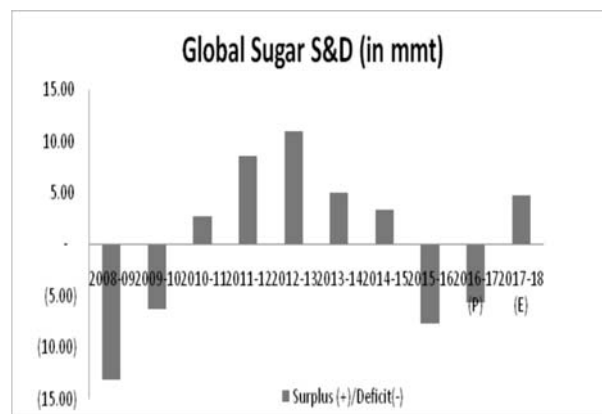
Global sugar balance is expected to reduce its deficit from 7.6 million metric tons (mmt) in 2015-16 to 5.6 mmt in 2016-17. The revision was driven largely by a lower estimate for consumption due to high global prices.

Brazilian sugar production has reached to 35.63 mmt in 2016-17, up 14.11% from 2015-16. The drop in total cane crushed for the season was compensated by a 1.94% increase in the quality of the raw material. Total recoverable sugars reached to 133.03 kilos per tonne of sugarcane in the 2016-17 crop year, in comparison with 130.50 kg per tonne in 2015-16.

Thailand has forecast to produce 91-92 mmt of sugarcane resulting in 9.1-9.2 mmt of sugar, down by 3 mmt from the previous 2015-16 crop. China's sugar production in the 2016-17 crop is expected to reach 9.21 mmt versus 8.66 mmt last year. Chinese consumption is little changed to 15.4 million tonnes in 2016-17, leaving the gap to be filled by imports or pipeline stocks at around 6.2 mmt.

India, the second largest sugar producer is expected to produce 20.3 mmt during this sugar year 2016-17. The sugar production has fallen up to 20%, mainly because of drought in Karnataka and Maharashtra in two of the top three sugar producing states.

World sugar production is expected to rise to a record in the 2017-18 marketing year on account of higher output in Brazil, China, the European Union, India and Thailand. India is expected to produce 25.8 mmt of sugar in 2017-18, up 18% year-over-year, while the European Union's sugar production forecast to reach 18.6 mmt, up 12.7% from 2016-17. Thailand is expected to produce 11 million tonnes in 2017-18, and China's output is seen at 10.5 mmt.



First two quarters of FY 2016-17 has seen a rally that took raw sugar prices to more than four-year high but expected record production in major producing countries like Brazil, China and India is weighing heavy on prices, which is losing its steam from last two quarters.



Domestic Sugar Industry Scenario

With the early closure of crushing season in all the major sugarcane producing states, the expected sugar production in sugar season 2016-17 is 20.3 mmt, which is 19 per cent lower than the last year's production of 25.1 mmt.

(fig. in mmt)

Particulars /Sugar Year	2016-17	2017-18 (E)	Change %
Opening Stock as on 1st Oct	9.1	7.7	-15.4
Production during the Season	25.1	20.3	-19.1
Imports	-	0.4	
Total Availability	34.2	28.4	-16.9
Consumption	24.8	24.3	
Exports	1.7	0.0	
Closing Stock as on 30th Sept	7.7	4.1	-46.8
Stock as % of Off-taker	31.0	16.9	

Source: ISMA and trade estimates

An opening stock of 7.7 mmt and likely import of 0.4 mmt will result in the overall sugar availability of 28.4 mmt. This is adequate to fulfil the domestic consumption of 24.3 mmt (compared to 24.8 mmt in previous year), which is marginally affected due to short term demonetization impact in the third quarter. This will leave closing stock of 4.1 mmt for sugar year 2016-17, which is sufficient for two month's consumption.

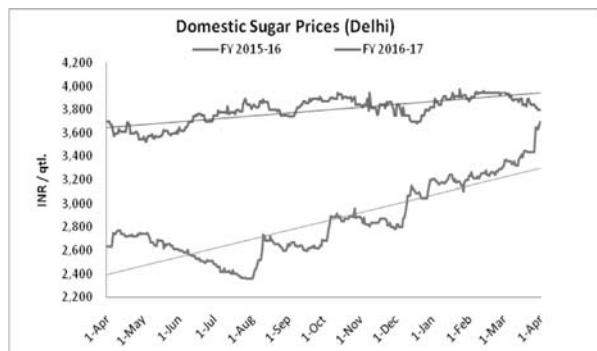
Sugar season 2016-17 was worse for Maharashtra and Karnataka sugar industry. Maharashtra mills crushed a mere 37.25 mmt of cane during the season, compared with 74.29 mmt in 2015-16 and 93.04 mmt in 2014-15. Sugar production, too, plunged to 4.19 mmt, from 8.42 mmt and 10.51 mmt for the preceding two seasons. Similarly, Karnataka's production in 2016-17 also plunged to 2.15 mmt from 4.07 mmt in 2015-16. UP has overtaken Maharashtra as India's leading sugar producer in the season, with mills crushing likely to touch 82.05 mmt with sugar output of 8.7 mmt.

Price Trend

Sugar prices remained firm in FY 2016-17, given the lower domestic production compared to previous year. The prices has been marginally affected in November and December 2016, due to lower off-take by bulk consumer like beverage companies and sweet makers on account of the effect of demonetisation of Indian currency.

However, continued healthy realizations and healthy recovery rates are likely to result in healthy contribution margins for UP-based mills, while the mills in Maharashtra and Karnataka may see an adverse impact on volume sales arising out of lower production, thus partly offsetting the benefit from rising sugar prices and the relatively stable cane costs.

In order to address regional production gaps and also to maintain domestic prices at reasonable levels, the Government of India has decided to allow import of a restricted quantity of only 0.5 mmt of raw sugar at zero duty through open general license.

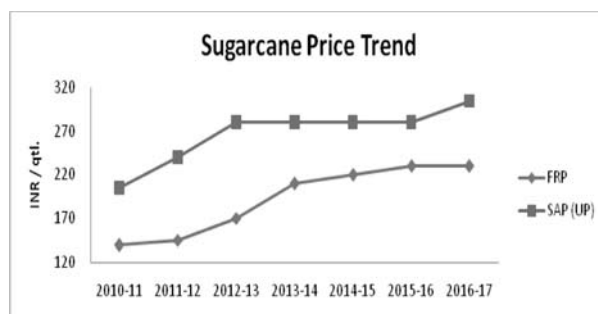


Sugarcane

The fair and remunerative price (FRP) of sugarcane for sugar season 2016-17 was kept unchanged at ₹ 230 per quintal. Further, the FRP of ₹ 255 per quintal has been approved for 2017-18, which is 10.6 per cent higher than 2016-17. The FRP is linked to a basic recovery rate of 9.5 per cent, subject to a premium of ₹ 2.68 per quintal for every 0.1 per cent point increase in recovery rate.

Major sugarcane producing states like Uttar Pradesh, Punjab and Haryana fix their own sugarcane price called 'state advised prices' (SAP), which is usually higher than the Centre's FRP. Uttar Pradesh has fixed the SAP for 2016-17 year at ₹ 305 and ₹ 315 per quintal for general and early variety of sugarcane respectively.

With the improvement in domestic market, and regular support of the Government with schemes like SEFASU, soft loan, incentive for raw sugar export and production subsidy; the companies have been able to arrange funds for direct payments to the cane farmers. As a consequence, the mills have paid 99.33% of the total cane price arrears for 2014-15 sugar season and 98.5% for 2015-16 sugar season. Resulting arrears by the end of sugarcane crushing of 2016-17 is ₹ 7,500 crore (out of ₹ 54,000 crore), which is the lowest as compared to the last five years.



The production of sugarcane is estimated at 306.03 mmt in 2016-17 crop year, 1.27% lower than the second advance estimate. It is lower by 42.42 mmt (or 12.17%) than the last year's production of 348.45 mmt. This is primarily due to deficient monsoon rainfall during Kharif and Rabi crops and relatively warmer winter. The production in 2016-17 is the lowest in the last 5 years due to two consecutive drought years.

Domestic Ethanol Industry

The Central Government introduced a modified Ethanol Blending Program (EBP) to achieve up to 10% blending levels with fuel

alcohol. In 2016, 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 also removed the excise duty on ethanol supplied for blending, which increased net realization of distilleries by around ₹ 5/litre of ethanol. With this support, EBP has achieved historical success as supplies of ethanol during the ethanol season 2015-16 have reached record level of more than 110 crore litre which has never been achieved earlier. During 2014-15 and 2013-14 seasons supplies were 68 crore litre and 37 crore litre respectively.

However, the program faces acute shortage in current season 2016-17 due to withdrawal of the excise duty exemption by the government and due to burden of transportation cost, which is also to be borne by the supplier making ethanol supply unviable at its current price.

To achieve the target 10 per cent blend in 2017, oil companies issued the tenders, for supply of 280 crore litres of ethanol, against which sugar mills offered and contracted only 76.4 crore litres.

Considering significant potential for an overall improvement in balance of trade in the context of a global crude oil price recovery, a cogent and consistent policy and administrative framework in the program implementation is required for the success of EBP.

Government Policies

Policy related decisions taken during the year under review are:

April 2016: In order to check the inflationary tendencies in sugar and to reduce hoarding by wholesalers and retailers, Government felt an immediate need to bring sugar within the purview of stock limits. The decision empowered State and Centre agencies to impose stock limits and regulate supply, distribution, storage and trade of sugar to bring down sugar prices at reasonable level by curbing unscrupulous trading.

May 2016: Production subsidy at the rate of ₹ 4.50 per quintal of cane crushed during the sugar season 2015-16 w.e.f. May 5, 2016 withdrawn. Further, the MIEQ Order dated 18th September, 2015 was also withdrawn to conserve stocks in the Country.

August 2016: As the production subsidy scheme was withdrawn before time, the sugar mills which had exported at least 50% of their export target (80% of MIEQ) and in case of mills having distillation capacity have supplied ethanol as per revised schedule are eligible for production subsidy. However, production subsidy on actual cane crushing would be provided to sugar mills proportionate to their achievement on export and ethanol supply targets with equal weightage.

October 2016: The Cabinet enabled the States to regulate supply, distribution, sale, production, stock, storage, purchase and movement etc, in respect of sugar for a period up to six months.

April 2017: Central Government allowed import of a restricted quantity of 5 lakh MT of raw sugar at zero duty through open general license. It also extended the time line for availing TRQ benefit (duty free) of 5 Lakh MT of raw sugar import from June 12 to June 30, 2017 in order to ensure timely availability of sugar in the country and to maintain domestic price at reasonable level.

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	62 ^s	17
Brijnathpur (Western UP)	4,000	60	8	9
Chilwaria (Eastern UP)	6,000	60	38 ^s	9
Total	19,500	210	108	35

^sSimbhaoli 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.

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'). On filing of the Order with the Registrar of Companies, Uttar Pradesh Kanpur, 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. 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.

Settlement amongst Promoters

In the 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*, filed before the Hon'ble Tribunal, Allahabad Bench, both the parties have reached to an amicable settlement in relation to all the disputes and differences between them concerning the management and affairs of the Company.

Impact of the industry scenario on the business

The Indian sugar industry, particularly in the State of Uttar Pradesh, had faced difficulties on account of increasing sugarcane prices, low sugarcane recoveries and low sugar prices resulting in under recovery of cost of production. These factors along with withdrawal of Sugar Incentive Promotion Policy, 2004 have adversely affected the financial position of the Company resulting in high interest cost, cash losses and cane arrears during the past few years. Recognizing the need to revive the industry, the State and Central Governments have initiated various steps favorable for the industry and also considering linking of sugarcane price with sugar realisation in the ensuing season. All these measures have not only resulted in turnaround of the sugar industry, but also improved the medium and long term outlook of the industry. The Company along with lenders has also initiated number of steps for de-risking its business and improving earning capabilities.

The Joint Lender's Forum of lender's of the Company has in-principle, agreed to realign the financial liabilities as per the current earnings with priority towards payment of cane dues. The management of the subsidiary and joint venture companies along with its lenders has also undertaken various steps to improve their financials. These steps are expected to result in sustained/ long term operational and financial viability of the Company and its subsidiaries/ joint venture.

Further, 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 doubled from 5 to 10%, increase in import duty to 40% to discourage import of sugar and export duty 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. Further, in current situation, the Company has rationalized its administrative, processing and procurement costs. In the situation of constrained working capital, the Company has completed 8384 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 pending obligation.

Notice for payment of interest on delayed payment of cane price for the sugar season 2016-17 has been issued against which the industry has made representation for waiver before the Courts. Pending finalisation, no provision has been made in respect of above mentioned interest and the amount has not been ascertained. Based on the past practice, the management is confident that no interest liability will arise for this period.

Outstanding dues of the financial institutions

In the previous year, the Company had classified its current liabilities in respect of short term borrowings of ₹32,513 lacs, current maturities of term loans of ₹6,903 lacs and interest accrued of ₹5,106 lacs, which was overdue as on March 31, 2016 under long term borrowings in accordance with the Debt Realignment Scheme (DRS) approved by the Corporate Debt Restructuring Empowered Group (CDREG) vide their sanction dated February 29, 2016. However, in the current year, the lenders have decided to modify the scheme taking into account the earning capabilities and long term sustainability. The draft Scheme is under discussion with lenders in consortium for finalization under Corporate Debt Restructuring (CDR)/Joint Lenders' forum (JLF) mechanism of the Reserve Bank of India.

The DRS approved by CDREG inter-alia included waiver of penal interest. However, due to non disbursement of credit facilities envisaged in Scheme for payment of cane dues, other procedural delays and time required to work out alternative plans, it is being considered appropriate by the Company and lenders to revise the Scheme. The draft Scheme inter alia also includes waiver of penal interest and other concessions and waivers approved in the earlier Scheme as well. Pending approval of modified Scheme by lenders, the Company has (a) not accounted for penal interest of ₹ 912 lacs and (b) classified borrowings overdue interest as per terms of prevailing agreements. Final adjustments will be made in accordance with the final approval of the modified Scheme. In line with ongoing discussions with Lenders, the management is confident that the modified Scheme will continue to have concessions approved in the previous scheme including waiver of penal interest.

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 as per the plans submitted with the Central Pollution Control Board (CPCB) and Uttar Pradesh Pollution Control Board (UPPCB).

Since last 2 years, the Company has been facing difficulties to operate the distillery plants on account of pollution related matters with the conditions imposed by the pollution control authorities. Now, the Distillery has complied with all the conditions and has submitted the compliance report to CPCB. It has taken requisite steps as per the directions of Hon'ble NGT and the Company is hopeful to resume the distillery operations in short duration.

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. 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.

The Company has launched 'Trust Jaggery' last year. It has started generating sales volume in Delhi, NCR, Uttar Pradesh, Punjab, Himachal Pradesh, Haryana, Hyderabad area. Next Year, the Company is targeting extension of the business and planning to introduce to other states also. Further, Trust Retail Sachets Box (White & Brown) is targeted for in-house consumption. Till now, the Company is selling in north Indian market. The Company is also planning to supply the speciality sugar products in modern formats i.e Metro Cash & Carry, Big Bazaar, Wal-Mart, Spencer's etc.

In addition, the potable spirits products of the Company include a variety of range viz. Board's Verdict Premium Whisky, Hunters Matured Rare XX Rum, Xing Vodka, Seven Knights Whisky, XXX Rum. However, during the year, the distillery operations remained suspended in pursuant 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.

The Company has entered into a bottling agreement with M/s Allied Blenders and Distillers Pvt Ltd, of Mumbai which is a premium IMFL business entity in India. It has popular brand 'Officers Choice' in the premium potable alcohol segment. The bottling production from Simbhaoli distillery is expected to start from mid October 2017.

International Trading

During the year, the international trade was limited due to weak international prices vis-à-vis domestic market and applicable 20% export duty on sugar. However, the Company has continued trade with selected markets like Nepal, Canada, Hong Kong and Dubai. The Company also resumed its export business of Indian Made Foreign Liquor (IMFL) to various African destinations. During the year, the Company has exported 2436.70 MT of sugar under Open General License Scheme and 22,000 cases of IMFL.

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 complaints 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 potential
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 a fully 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 approach in risk management process by eliminating risks. In order to achieve this key objective, this policy provides a proactive 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. The pollution control board has restricted the capacity utilization of distillery operations and issued the directions to fulfil certain conditions for running of plants.

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. The Company has also 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

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval. The particulars of contracts entered during the year as per Form AOC-2 is enclosed herewith as Annexure 2. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Companies Act 2013, the rules there under and the listing regulations.

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 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 on 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 and annual reports. 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. Goods and Service Tax (GST) migration in SAP system is under process.

Operations of Subsidiary/ Associate Companies

1. Simbhaoli Power Private Limited

Simbhaoli Power Private Limited (SPPL) is a 51% subsidiary, with a joint venture 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). The gross revenues earned by the Company during the financial year 2016-17 have been ₹110.43 crore (Previous year ₹ 69.97 crore) with a pre-tax profit after exceptional item of ₹ 4.27 crore (Previous year ₹2.96 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 refinery started commercial operations in August 2014 and is producing the international quality sugars for export. The gross revenues earned by the Company during the year have been ₹444.26 crore (Previous year ₹572.17 crore) with a pre-tax loss of ₹52.22 crore (Previous year loss of ₹44.44 crore).

In the consolidated financial statements of the Company, Simbhaoli Sugars Limited (SSL), the unaudited financial results of Uniworld Sugars Private Limited (USPL) have been included. In addition, the revised understanding in Shareholders' Agreement is being considered in the interest of USL, wherein, SSL and EDFM both have agreed to continue their intent to maintain a partnership approach in managing/running the business affairs of USPL. For this purpose, SSL and EDFM have been in discussion for the revision in Shareholders' Agreement. The financial restructuring of the Business is being considered by the partners with their Bankers.

3. Integrated Casetech Consultants Private Limited

Integrated Casetech Consultants Private Limited (ICCP), is an 85% subsidiary and the technology vertical of SSL. It has executed various domestic and international Operation and Maintenance assignments and working for improvement in the performance of the Company. ICCPL has earned gross revenues of ₹12.17 crore (Previous year ₹12.73 crore) with a pre-tax (loss) of ₹1.50 crore (Previous year loss of ₹1.28 crore) for the year 2016-17. During the year, the Registered Office of the Company has been shifted from NCT of Delhi to Noida in the State of Uttar Pradesh.

4. Simbhaoli Global Commodities DMCC

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

5. Simbhaoli Speciality Sugars Private Limited

No major activities have been carried out by this Company during the year. The Registered Office of the Company has been shifted from NCT of Delhi to Noida in the State of Uttar Pradesh during the year.

OPERATIONS

A summary of the physical operations of all the business units of the Company for the year 2016-17 is stated as under:

Manufacturing Facilities	Unit	Simbhaoli		Chilwaria		Brijnathpur		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Particulars	Year/ Sugar								
Sugarcane crushed	Lacs mt	13.09	10.33	3.1	4.06	4.95	3.57	21.14	17.96
Sugar recovery	%	10.77	10.97	9.65	10.23	9.68	10.11	10.35	10.63
Raw/ below grade sugar refined	000' mt	20.05	19.81	0.3	0.31	0.3	1.52	20.65	21.64
Net Sugar produced*	000' mt	142.15	113.33	30.23	41.52	48.25	36.04	220.63	190.89
Gross season for sugar plant	Days	164	138	90	91	164	126	-	NA
Date of start of the Sugar plant	-	24.10.16	28.10.2015	17.11.2016	29.11.2015	19.10.2016	04.11.15	-	NA
Date of closure of Sugar plants	-	05.04.2017	14.03.2016	15.02.2017	29.02.2016	31.3.2017	08.03.16	-	NA
Days of operations of distillery**	Days	120	140	79	136	83	196	-	NA
Alcohol/ Ethanol produced**	B.L (Lacs)	59.46	62.43	34.81	80.46	39.9	118.67	134.17	261.56

including conversion of raw and below grade white sugar, into refined sugar
** As per Financial Year

During the year, 21.60 lacs qtl (previous year 19.72 lacs qtl) of white sugar was produced and 20.25 lacs qtl (previous year 25.11 lacs qtl) of sugar from both sugarcane and refining of raw sugar, was sold at an average price realization of ₹ 3649 per qtl (previous year, ₹ 2,883 per qtl). The average realization of sugar increased by ₹ 765 per qtl on account of improved sugar prices in the domestic markets.

FINANCIAL RESULTS, ANALYSIS AND REVIEW

A summary of the standalone financial results of the Company for the year ended March 31, 2017 is stated as under:

(₹ in lacs)

Particulars	Year ended Mar 31, 2017	Year ended Mar 31, 2016
Net Sales/Income from operations	85,012	76,890
Other Income	3,111	2,415
Profit/(Loss) before Interest, depreciation and exceptional items	12,859	6,983
Interest expense	12,380	11,334
Depreciation	4,651	4,935
(Loss) before tax & exceptional items	(4,171)	(9,287)
Exceptional Gains/(Loss)	427	-
Tax expense	-	-
Net (Loss) after Tax	(3,744)	(9,287)

During the year, the business of the Company has been affected adversely on account of the lower realization from sugar sales, closure of distillery operations, high finance cost, and other industry related issues. The Company has been facing liquidity constraints, and accordingly, it is advised that no dividend will be recommended for the financial year 2016-17.

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 following is the summary of financial review for the performance during year:

Share Capital: 3,74,79,020 equity shares of ₹10 each.

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

- (i) Molasses Storage Fund: Addition during the year, ₹ 3.41 lacs (previous year ₹ 4.92 lacs).

Long term borrowings: Long term borrowings are at ₹ 23,170.97 lacs (previous year ₹ 50,656.55 lacs). In the previous year, the Company had classified its current liabilities in respect of short term borrowings of ₹ 32,513.37 lacs, current maturities of term loans of ₹ 6,902.72 lacs and interest accrued of ₹ 5,105.72 lacs, which was overdue as on March 31, 2016 under long term borrowings in accordance with the DRS approved by the CDREG vide their sanction dated February 29, 2016.

Short term borrowings: Short-term borrowings are at ₹ 61,831.12 lacs against the previous year of ₹ 51,361.17 lacs.

Fixed assets: Addition to the fixed assets aggregating to ₹ 320.05 lacs (previous year ₹ 1,18,813.59 lacs) includes the following:

- ₹ 41.59 lacs for Pharma Auto Weighing
- ₹ 19.11 lacs for Refinery Expansion

The Company has deducted ₹ 40.17 lacs (previous year ₹ 671.30 lacs) from the value of the fixed assets.

Investments: The Company has the following investments as on March 31, 2017:

(₹ in Lacs)

S. No.	Particulars	Opening balance as on April 1, 2016	Additions (Deductions) during the year	Balance as on March 31, 2017
(i)	2,00,800 equity shares of ₹ 10 each in Integrated Casetech Consultants Private Limited	383.73	-	383.73
(ii)	2,90,11,770 Equity shares of ₹ 10 each in Uniwold Sugars Pvt. Ltd	7,572.99	-	7,572.99
(iii)	300 Equity Shares of AED 1000 each in Simbhaoli Global Commodities DMCC	39.94	-	39.94
(iv)	55,38,734 Equity shares of ₹ 10 each in Simbhaoli Power Pvt Ltd	5,493.59	-	5,493.59
(v)	48,92,941 debentures of ₹ 100 each of Simbhaoli Powers Pvt. Ltd.	4,892.94	-	4,892.94
(vi)	19,000 equity shares of ₹ 10 each of Simbhaoli Speciality Sugar Private Limited	190	-	190
(vii)	Others	2.11	(0.50)	1.61
	Investments at the end of the year	18,575.30	(0.50)	18,574.80

Inventories: Inventory amounting to ₹ 39,735.51 lacs (previous year ₹ 29,658.99 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 ₹ 3,649 per qtl (previous year ₹ 3150 per qtl).

Sundry debtors: Sundry debtors (net) amounting to ₹ 4,007.37 lacs (previous year ₹ 6,009.99 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 4.55% of gross revenues, representing an outstanding of 22 days.

Cash and Bank Balance: Cash and bank balance ₹ 8,586.66 lacs (previous year ₹ 2,107.79 lacs) includes fixed deposits of ₹ 7,417.87 lacs out of which fixed deposit for the amount of ₹ 5,623.46 lacs pledged under legal case with UPCB matter is sub-judice. Further, amount of ₹ 128.23 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 ₹ 4629.33 lacs (previous year ₹ 3,413.95 lacs) comprise a receivable of ₹ 282.66 lacs (previous year ₹ 376.88 lacs) against finance lease receivable from Simbhaoli Power Private Limited.

Trade payables, other current liabilities, and provisions: a) Trade payables at ₹ 59,473.91 lacs (previous year ₹ 52,162.84 lacs). b) The other current liabilities of ₹ 40,673.06 lacs (previous year ₹ 16,173.96 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 ₹ 88,122.60 lacs (previous year ₹ 79,305.53 lacs). The segment wise allocation of revenues for the year 2016-17 and for preceding two accounting years is as under:

(₹ in lacs)

Years/Segment	Sugar		Alcohol	
	Turnover	%age	Turnover	%age
2014-15	80,423	91.00	7,952	9.00
2015-16	69,423	88.36	9,141	11.64
2016-17	80,200	90.19	8,723	9.81

Other income of ₹ 3,110.63 lacs (previous year ₹ 2,415.23 lacs) comprises interest and rent, from subsidiary companies, liabilities/provisions which are no longer required and written back and miscellaneous earnings.

Raw Material Consumption: ₹ 67,022.48 lacs (previous year ₹ 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 ₹5,676.79 lacs (previous year ₹4,724.31 lacs) includes ₹561 lacs as incremental cost due to change in wage board employees w.e.f. year 2013.

Finance cost: Finance costs increased to ₹12,379.54 lacs (previous year ₹11,334.74 lacs).

Other Expenses: Other expenses increased to ₹8,755.02 lacs (previous year ₹8,007.37 lacs).

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 [Companies (Accounting Standards) Amendment Rules, 2016] 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 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.

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 11 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 by the lenders under the proposed scheme as prepared in discussion with the lenders 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 low 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, Ms. Gursimran Kaur Mann is retiring by rotation on completion of term under the provisions of Section 152 of the Companies Act, 2013 and offered herself for reappointment. The Board considered and approved the re-appointment subject to the approval by the members.

Further, in the 5th Annual General Meeting of the members of the Company, Resolution no. 2 regarding the retirement of Mr. Gurpal Singh from the Board has been stayed by Hon'ble National Company Law Tribunal (NCLT) in the matter of CP No. 77 (ND)/2016 titled Mr. Gurpal Singh Vs. M/s Simbhaoli Sugars Limited under Section 241 and 242 of the Companies Act, 2013 read with NCLT Rules, vide interim order dated September 23, 2016.

Therefore, it is required to consider Mr. Gurpal Singh as a director of the Company who is retiring by rotation on completion of term under the provisions of Section 152 of the Companies Act, 2013 and offered himself for reappointment.

In addition, during the year, the resolution as proposed for the appointment of Mr. S N Misra as a Director/Whole Time Director was not passed by the members of the Company at 5th AGM held on 26.09.2016 with requisite majority and he ceased to be a director on the Board with effect from September 26, 2016. However, he has been continuing as the Chief Operating Officer (COO) of the Company with effect from September 27, 2016.

During the year, at the 5th AGM, Mr. Sanjay Tapriya was appointed as a director on the Board of the Company whose period of office is liable to determination by retirement of director by rotation under the provisions of Section 152 of the Companies Act, 2013. His profile in brief is mentioned elsewhere in this Annual Report.

During the year, 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 from the respective dates of their appointments.

Further, Mr. Karan Singh was inducted as a Director on the Board of the Company to broad base its composition. He has been working with the Company as unit head, Simbhaoli Sugar at the rank of Chief General Manager 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.

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 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.

They also noted that the performance of all the non-independent whole-time directors is satisfactory.

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 2017-18. 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 2017-18.

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-3 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 audit reports along with fit for consolidation statement have been submitted by the statutory auditors of subsidiary companies. The unaudited annual financial statements of Uniworld Sugars Private Limited have been consolidated with the financial statements of the Company.

EMPLOYEE STOCK OPTION SCHEME

No stock options have been introduced during the year.

CORPORATE GOVERNANCE

The Report on Corporate Governance from the Practicing Company Secretary and certificate from the Chief General Manager, Chief Operating Officer and Chief Financial Officer form part of this Annual Report.

VIGIL MECHANISM

The Company has established a vigil mechanism, which oversees 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

During the year, no such complaint has been received by the Company.

LISTING OF SECURITIES

The equity shares of the Company are listed with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The annual Listing fee for the financial year 2017-18 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-4.

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 -5.

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.

They being eligible have offered themselves and your directors have recommended them for the ratification and continuation of appointment for the financial year 2017-18 at the ensuing Annual General Meeting of the members of the Company.

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:

- 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 2016-17 ended on March 31, 2017 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 this Act 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 applicable laws and that such systems were adequate and operating effectively.

CAUTIONARY STATEMENT

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 29, 2017

Annexure-1

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

**[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 - L15122UP2011PLC044210)

Simbhaoli-245207, District Hapur 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 - L15122UP2011PLC044210) (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 our 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, 2017 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, 2017 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'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. 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);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable as the Company has not issued any securities during the period under review;**
 - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - e. 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 - **Not applicable as the Company has not granted any options during the financial year under review**
 - f. 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;**
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies and dealing with client;
 - h. 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;**
 - i. 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 on account of the nature of industry are specifically applicable to the Company:
 - (a) Sugar Cess Act, 1982
 - (b) Levy Sugar Price Equalisation Fund Act, 1976

- (c) Food Safety and Standards Act, 2006
- (d) Essential Commodities Act, 1955
- (e) Sugar Development Fund Act, 1982
- (f) Agricultural and Processed Food Products Export Act, 1986
- (g) The Boilers Act, 1923
- (h) The Legal Metrology Act, 2009
- (i) The Environment Protection Act, 1986
- (j) The Water (Prevention and Control Pollution) Act, 1974
- (k) The Air (Prevention and Control Pollution) Act, 1981

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited & The National Stock Exchange of India Limited, Mumbai.

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:

- (i) *Whereas in terms of the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.*
- (ii) *The Company has filed with delay few forms/returns/documents etc. with the Registrar of Companies, Ministry of Corporate Affairs, Kanpur, on payment of additional fee under the provisions of the Companies Act, 2013.*
- (iii) *The remuneration paid to whole time director is within limits specified under the provision of Schedule V to the Companies Act, 2013, and necessary approval from central government, as required in view of defaults exceeding 30 days to the lenders is being obtained after approval in the ensuing Annual General Meeting of the members of the Company.*
- (iv) *During this year, the Pollution Control Boards have issued notices for closure of the Brijnathpur and Simbhaoli Distilleries on account of discharge of un-treated effluents from the respective plants. Based on the explanations given by the Management, the Company has taken requisite steps for compliance of the zero liquid discharge and actions as per the directions of the Central Pollution Control Authorities and Uttar Pradesh Pollution Control Board.*
- (v) *The Central Ground Water Authority (CGWA) has directed District Magistrate Hapur to prevent extraction of ground water from the bore-wells even to those Industries/Projects, who have applied to CGWA for grant of NOC/permission and consent and whose applications are still pending. Based on the explanations given by the Management, the Industry has submitted necessary application with Hon'ble NGT to*

issue necessary directions to allow the units to re-start the production during the pendency of applications before CGWA. Also, the Company has timely filed application to CGWA for all its sugar and distillery units.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors & 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. Further, as per an 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. Gurpal Singh Vs. M/s Simbhaoli Sugars Limited under Section 241 and 242 of the Companies Act, 2013 read NCLT rules, the resolution regarding retirement of Mr. Gurpal Singh and non filing of vacancy arising there from at Item no. 2 of the Notice of the 5th Annual general Meeting held on September 26, 2016 has not been given effect to till further Orders of the Bench.
- Adequate notice is given to all directors to convene the Board Meetings, agenda and detailed notes on agenda were 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. However, we have noted delay in circulation of draft minutes within fifteen days of the meeting at one occasion due to practical difficulties as explained to us, which was also communicated to the directors and recorded in the minutes of subsequent Board 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 timely compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

During the year, a Company Petition, CP No. 77 (ND)/2016 titled Mr. Gurpal Singh Vs. M/s Simbhaoli Sugars Limited ("Company Petition") under Section 241 and 242 of the Companies Act, 2013 read with National Company Law Tribunal (NCLT) rules was filed before the Hon'ble NCLT, Allahabad. Hon'ble NCLT has, vide an Interim Order dated September 23, 2016, directed that the resolution passed at Item no. 2 & 12 of notice convening 5th Annual General meeting scheduled on September 26, 2016, shall not be given effect to till further Orders by the Bench. Thereafter, the promoters of the Company have reached to an amicable settlement concerning the management and affairs of the Company, and have executed a settlement agreement and a joint application is being submitted with Hon'ble NCLT in this regard. Further, at the 5th Annual General Meeting of the

members of the Company held on September 26, 2016;

- (i) the Company has not given effect to the resolution passed regarding non filling of vacancy caused by the retirement of Mr. Gurpal Singh as director, in view of above proceedings.
- (ii) Mr. S N Misra ceased to be whole time director of the Company w.e.f. September 26, 2016, as special resolution proposed in this regard was not passed with requisite majority.
- (iii) The members approved the funds raising options upto a limit of ₹ 100 crore from the securities market by way of issue of further shares.
- (iv) The special resolution regarding conversion of loan into share capital under the provisions of 62(3) of the Companies Act, 2013, was not passed with requisite majority.
- (v) The special resolution regarding mortgage and/or charge upto an amount of ₹ 1600 crore under the provisions of Section 180(1)(a) of the Companies Act, 2013, was not passed with requisite majority.
- (vi) The special resolution regarding borrowings upto an amount of ₹ 1600 crore under the provisions of Section 180(1)(a) of the Companies Act, 2013, was not passed with requisite majority.

**For Amit Gupta & Associates
Company Secretaries**

**Amit Gupta
Proprietor**

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

Date : 29.05.2017
Place : Lucknow

**To,
The Members,
SIMBHAOLI SUGARS LIMITED,
Simbhaoli-245207, District Hapur Uttar Pradesh**

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

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. 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.
6. 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

Date: 29.05.2017
Place Lucknow

Annexure-2

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain armslength transactions under third proviso thereto.

Annexure-3

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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	L15122UP2011PLC044210
2.	Registration Date	04/04/2011
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

1. Details of contracts or arrangements or transactions not at arm's length basis.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	NA

2. Details of materials contracts or arrangements or transactions at arm's length basis.

S. No.	Particulars Details	Details
a)	Name (s) of the related party & nature of relationship	Simbhaoli Power Private Limited Subsidiary
b)	Nature of contracts/arrangements/ transaction	A. Sale of finished goods B. Expenses paid C. Expenses Recovered D. Management Service Agreement
c)	Duration of the contracts/arrangements/ transaction	Long Term
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	A. ₹ 583.79 Lakhs B. ₹ 744.39 Lakhs C. ₹ 134.76 Lakhs D. ₹ 286.47 Lakhs
e)	Date of approval by the Board	A. January 14, 2013 B. January 14, 2013 C. January 14, 2013 D. January 14, 2013
f)	Amount paid as advances, if any	-

- #### **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	90.19
2	Alcohol	1101	9.81

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. Ltd	U21015DL1995PTC069925	Wholly Owned Subsidiary	100%	2(87) ii
2	Integrated Casetech Consultants Pvt Ltd	U74140DL2008PTC092701	Subsidiary	85.16%	2(87) i & ii
3	Simbhaoli Power Pvt Ltd	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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year*
	Demat	Physical	Total Shares	% of Total Shares	Demat	Physical	Total Shares	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	8675941	-	8675941	23.15	8675941	-	8675941	23.15	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	9539849	-	9539849	25.45	9539849	-	9539849	25.45	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	18215790	-	18215790	48.60	18215790	-	18215790	48.60	-
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	18215790	-	18215790	48.60	18215790	-	18215790	48.60	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	1755	1755	0.00	-	1755	1755	0.00	-
b) Banks/FI	1170	-	1170	0.00	9388	-	9388	0.03	0.02
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	347183	-	347183	0.93	1	-	1	0.00	(0.93)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	348353	1755	350108	0.93	9389	1755	11144	0.03	(0.90)
(2) Non Institutions									
a) Bodies corporates	9648134	6960	9655094	25.76	7579137	6726	7585863	20.24	(5.52)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	5268489	620257	5888746	15.71	8192618	597533	8790151	23.45	7.74
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	2599517	-	2599517	6.94	2153564	-	2153564	5.75	(1.19)
c) Others (specify) Non- resident Indian (Non-Repeat)	-	-	-	-	11655	-	11655	0.03	0.03
Others (specify) Non- resident Indian (Repeat)	-	-	-	-	203159	-	203159	0.54	0.54
Non-resident Indian/OCB	219487	-	219487	0.59	-	-	-	-	(0.59)
Clearing Member	549927	-	549927	1.47	506467	-	506467	1.35	(0.12)
Trust	351	-	351	0.00	1227	-	1227	0.00	-
Sub Total (B)(2):	18285905	627217	18913122	50.46	18647827	604259	19252086	51.36	0.90
Total Public Shareholding (B)= (B)(1)+(B)(2)	18634258	628972	19263230	51.40	18657216	606014	19263230	51.40	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	36850048	628972	37479020	100.00	36873006	606014	37479020	100.00	-

(ii) Shareholding of Promoters

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	0	3726154	9.94	0	-
2.	Mr. Gурpal Singh	2402770	6.41	0	2402770	6.41	0	-
3.	Ms. Gursimran Kaur Mann	1386672	3.70	0	1386672	3.70	0	-
4.	Mr. Govind Singh Sandhu	733139	1.96	0	733139	1.96	0	-
5.	Ms. Jai Inder Kaur	417356	1.11	90.53	417356	1.11	90.53	-
6.	Mr. Angad Singh	9850	0.03	0	9850	0.03	0	-
7.	M/s Dholadhar Investments Pvt Ltd	7462114	19.91	21.56	7462114	19.91	75.16	-
8.	M/s Pritam Singh Sandhu Associates Private Limited	2077735	5.54	31.08	2077735	5.54	31.08	-
	Total	18215790	48.60	36.41	18215790	48.60	36.41	-

(iii) Change in Promoters' Shareholding (There is no change during the year)

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
A. Mr. Gurmit Singh Mann					
1	At the beginning of the year	3726154	9.94	3726154	9.94
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	3726154	9.94	3726154	9.94
B. Mr. Guralpal Singh					
1	At the beginning of the year	2402770	6.41	2402770	6.41
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	2402770	6.41	2402770	6.41
C. Ms. Gursimran Kaur Mann					
1	At the beginning of the year	1386672	3.70	1386672	3.70
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	1386672	3.70	1386672	3.70
D. Mr. Govind Singh Sandhu					
1	At the beginning of the year	733139	1.96	733139	1.96
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	733139	1.96	733139	1.96
E. Ms. Jai Inder Kaur					
1	At the beginning of the year	417356	1.11	417356	1.11
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	417356	1.11	417356	1.11
F. Mr. Angad Singh					
1	At the beginning of the year	9850	0.03	9850	0.03
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	9850	0.03	9850	0.03
G. M/s Dholadhar Investments Private Limited					
1	At the beginning of the year	7462114	19.91	7462114	19.91
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	7462114	19.91	7462114	19.91
H. M/s Pritam Singh Sandhu Associates Private Limited					
1	At the beginning of the year	2077735	5.54	2077735	5.54
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	2077735	5.54	2077735	5.54

(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					
1	At the beginning of the year	2320623	6.19	2320623	6.19
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	2320623	6.19	2320623	6.19
2. M/s Shri Vatsala Traders Private Limited					
1	At the beginning of the year	2015434	5.38	2015434	5.38
2	Increase/Decrease in Shareholding through Allotment	100000	0.27	100000	0.27
3	At the end of the year	1915434	5.11	1915434	5.11
3. M/s Wang Investment Finance Private Limited					
1	At the beginning of the year	628605	1.68	628605	1.68
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	628605	1.68	628605	1.68
4. M/s Monica Realators & Investments Private Limited					
1	At the beginning of the year	1379676	3.68	1379676	3.68
2	Increase/Decrease in Shareholding through Allotment	971946	2.59	971946	2.59
3	At the end of the year	407730	1.09	407730	1.09
5. M/s Citland Commercial Credits Limited					
1	At the beginning of the year	355147	0.95	355147	0.95
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	355147	0.95	355147	0.95
6. M/s U K Paints India Private Limited					
1	At the beginning of the year	1270825	3.39	1270825	3.39
2	Increase/Decrease in Shareholding through Allotment	968182	2.58	968182	2.58
3	At the end of the year	302643	0.81	302643	0.81

7. M/s Edelweiss Broking Limited					
1	At the beginning of the year	15351	0.04	15351	0.04
2	Increase/Decrease in Shareholding through Allotment	190080	0.51	190080	0.51
3	At the end of the year	205431	0.55	205431	0.55
8. Mr. Shivinder Pal Singh Mann					
1	At the beginning of the year	146250	0.39	146250	0.39
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	146250	0.39	146250	0.39
9. Mr. Manu Gopaldas Chhabria					
1	At the beginning of the year	259734	0.69	259734	0.69
2	Increase/Decrease in Shareholding through Allotment	114370	0.31	114370	0.31
3	At the end of the year	145364	0.39	145364	0.39
10. M/s Risi Finstock Private Limited					
1	At the beginning of the year	-	-	-	-
2	Increase/Decrease in Shareholding through Allotment	137000	0.37	137000	0.37
3	At the end of the year	137000	0.37	137000	0.37

(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					
1	At the beginning of the year	3726154	9.94	3726154	9.94
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	3726154	9.94	3726154	9.94
2. Mr. Guralpal Singh					
1	At the beginning of the year	2402770	6.41	2402770	6.41
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	2402770	6.41	2402770	6.41
3. Ms. Gursimran Kaur Mann					
1	At the beginning of the year	1386672	3.70	1386672	3.70
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	1386672	3.70	1386672	3.70
4. Mr. Sanjay Tapriya					
1	At the beginning of the year	2422	0.01	2422	0.01
2	Increase/Decrease in Shareholding through Allotment	2000	0.01	2000	0.01
3	At the end of the year	422	0.00	422	0.00
5. Mr. S N Misra					
1	At the beginning of the year	1521	0.00	1521	0.00
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	1521	0.00	1521	0.00
6. Mr. S K Ganguli					
1	At the beginning of the year	585	0.00	585	0.00
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	585	0.00	585	0.00
7. Mr. B K Goswami					
1	At the beginning of the year	-	-	-	-
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	-	-	-	-
8. Justice C K Mahajan (Retd)					
1	At the beginning of the year	422	0.00	422	0.00
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	422	0.00	422	0.00
9. Mr. S C Kumar					
1	At the beginning of the year	-	-	-	-
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	-	-	-	-
10. Lt. Gen. Dalbir Singh Sidhu (Retd.)					
1	At the beginning of the year	963	0.00	963	0.00
2	Increase/Decrease in Shareholding through Allotment	-	-	-	-
3	At the end of the year	963	0.00	963	0.00
11. Mr. D C Popli					
1	At the beginning of the year	-	-	-	-
2	Increase/Decrease in Shareholding through Allotment	1800	0.00	1800	0.00
3	At the end of the year	1800	0.00	1800	0.00
12. Mr. Kamal Samtani					
1	At the beginning of the year	603	0.00	603	0.00
2	Increase/Decrease in Shareholding through Allotment	800	0.00	800	0.00
3	At the end of the year	1403	0.00	1403	0.00

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

(₹ in lacs)

S. No	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	72,195.36	36,583.52	-	108,778.88
ii)	Interest due but not paid	1,116.99	4,984.46	-	6,101.45
iii)	Interest accrued but not due	22.32	-	-	22.32
	Total (i+ii+iii)	73,334.67	41,567.98	-	114,902.65
Change in Indebtedness during the financial year					
	* Addition	2,093.54	3,591.61	-	5,685.15
	* Reduction	-	-	-	-
	Net Change	2,093.54	3,591.61	-	5,685.15
Indebtedness at the end of the financial year					
i)	Principal Amount	66,765.56	34,648.79	-	101,414.35
ii)	Interest due but not paid	8,662.59	10,510.80	-	19,173.39
iii)	Interest accrued but not due	0.06	-	-	0.06
	Total (i+ii+iii)	75,428.21	45,159.59	-	120,587.80

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/WTD/ Manager		
		Mr. S N Misra (COO) \$	Mr. Karan Singh #	Total Amount
1	Gross salary	27.15	2.25	29.40
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25.34	2.25	27.59
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.81	-	1.81
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify.	-	-	-
5	Others, please specify	-	-	-
	Total (A)	27.15	2.25	58.80
Ceiling as per the Act				

* Standalone figure from the company
\$ Ceased to be director w.e.f. September 26, 2016
#Appointed on November 1, 2016

B. Remuneration to other directors:

(₹ in Lacs)

S. No	Particulars of Remuneration	Fee for attending Board/ Committee meetings (Per meeting)	Total Amount
1	Independent Director		
	Mr. S K Ganguli	0.25	3.50
	Mr. S C Kumar	0.25	3.50
	Mr. B K Goswami	0.25	3.50
	Justice (Retd) C K Mahajan	0.25	1.50
	Lt Gen D S Sidhu	0.25	1.25
	Total (1)	-	13.25
2	Other Non-Executive Directors		
	Mr. Sangeet Shukla (Nominee Director)	0.25	2.75
	Total (2)	-	2.75
	Total Remuneration	-	16

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

S. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	CS	
1	Gross salary	48.80	19.85	68.65
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.40	18.21	66.61
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	1.64	2.04
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify.	-	-	-
5	Others, please specify	-	-	-
	Total	48.80	19.85	68.65

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure-4
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. Installing of Condensate Cooling System is under process for reduction in effluent generation, ground water saving and steam saving at BSD
5. Installation of Magma Mixer at CSD for reprocessing of moist sugar.
6. Installation of variable frequency device (VFD) at CSD and SSD has reduced power consumption.
7. Chopper hood modification at BSD has reduced load and stoppages at mills.
8. Automations have been done by introducing auto control valves in juice heating, pneumatic system at cut-over and discharge valves in raw/refined pans, auto weighing system at pharma section, pugmill level control loop at pharma crystallizer, injection water at pan and smart weightment for sugarcane.

(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 have increased bagasse saving in all the units. 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 in distillery division.

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, 2017.

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

- 1) The heating of condensate for super heated 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, 2017

A. Power and fuel consumption

S.No	Particulars	Unit	Year ending March 31, 2017	Year ending March 31, 2016
1	Electricity Purchased			
	Units	Kwh ('000)	2021	1865
	Total Amount	₹ Lakhs	129.01	105.70
	Rate/Unit	₹/Kwh	6.38	5.69
	Own Generation			
	(i) Through diesel generator			
	Units	Kwh ('000)	284	364
	Unit per ltr. of diesel oil	Kwh	2.77	3.05
	Total Amount	₹ Lakhs	56.71	78.85
	Cost/Unit	₹/Kwh	20.00	21.65
	(ii) Through steam turbine			
	Units	Kwh ('000)	72472	73201
	Units per ltr. of fuel/gas	Kwh	N.A.	N.A.
	Total Amount	₹ in lakhs	1342.22	657.50
Cost/Unit	₹/Kwh	1.85	0.90	
2	Coal/Coke			
	Quantity	Tonnes	Nil	2.88
	Total Cost	₹ Lakhs	Nil	0.40
	Average Rate	₹/MT	N.A.	13948
3	Furnace oil/L.D.O			
	Quantity	Kilo Ltrs.	Nil	Nil
	Total Cost	₹ Lakhs	Nil	Nil
	Average Rate	₹/K Ltrs	N.A.	N.A.
4	Others			
	Fire Wood			
	Quantity	Tonnes	Nil	Nil
	Total Cost	₹ in Lakhs	Nil	Nil
	Average Rate	₹/MT	N.A.	N.A.
	Bagasse/Husk(Purchased)			
	Quantity	Tonnes	8368	13594
	Total Cost	₹ Lakhs	240.33	276.59
Average Rate	₹./MT	2872	2035	

B. Consumption per MT of Sugar Production

S.No	Particulars	Unit	Year ending March 31, 2017	Year ending March 31, 2016
1	Electricity	Kwh	344	382
2	Coal/Coke	Tonnes	0.000	0.000
3	Fire Wood	Tonnes	0.000	0.000
4	Bagasse (Purchased)	Tonnes	0.000	0.000

C. Consumption per K. Ltr. Of Alcohol Production

S.No	Particulars	Unit	Year ending March 31, 2017	Year ending March 31, 2016
1	Electricity	Kwh	200	302
2	F.O./L.D.O	K.Ltrs.	0.000	0.000
3	Bagasse/Husk (Purchased)	Tonnes	0.864	0.864

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 Directors Report.

During the year, Foreign Exchange aggregating to ₹868.11 lacs was earned by the Company against export of Company's product and ₹14.27lacs was spent on travelling.

The Foreign currency exposures not hedged by derivative instruments or otherwise are given in Note 23 of the Financial Statements.

Annexure - 5

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 1550 permanent employees inclusive of workers on rolls as on March 31, 2017. The median remuneration as on March 31, 2017 is ₹19753 per month which is increased by 17.14% from ₹16862 per month during the financial year 2016-17.

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 2016-17	₹19,753 Per Month
The percentage increase in the median remuneration of employees in the Financial year 2016-17	17.14
The number of permanent employees on the rolls of Company as on 31 March 2017	1,550

*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 2016-17. Mr. Gurmit Singh Mann, Ms. Gursimran Kaur Mann and Mr. Gurpal Singh are the non executive directors of the Company and were not paid any remuneration or sitting fees during this year. The details of the remuneration paid to other directors and Key Managerial Personnel is given below:

Name of Director/KMP	Remuneration (₹ Lacs)	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2016-17
Mr. S N Misra, Chief Operating Officer	59.81	25.23	6.80
Mr. Dayal Chand Popli, Chief Financial Officer	54.55	23.01	7.50
Mr. Kamal Samtani- Company Secretary	22.87	9.65	21.20

*Mr. S N Misra was whole time director upto September 26, 2016 and received ₹ 23.93 Lac. Further, He continued as an employee from September 27, 2016 to March 31, 2017 and received balance amount.

Notes:

- The ratio of remuneration median remuneration is based on remuneration paid during the period April 1, 2016 to March 31, 2017
- 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 2016-17 is ₹ 85011.97 crore. 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

Market capitalization of the Company as on March 31, 2017 was as follows:

Stock Exchange	2016	2017
NSE	143.92	121.43
BSE	147.67	123.87

(Fig in Crore)

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 - 6

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 Ltd	Simbhaoli Global Commodities, DMCC	Simbhaoli Power Pvt Ltd	Simbhaoli Speciality Sugars Pvt Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year ended 31.03.2017	Year ended 31.03.2017	Year ended 31.03.2017	Year ended 31.03.2017
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 67.0615 for Statement of Profit & Loss items, INR 64.838 for Balance Sheet items and Share Capital at INR 48.8647 Per US\$	N.A.	N.A.
4.	Share capital	23.58	39.94	1086.03	1.90
5.	Reserves & surplus	462.81	(62.27)	7654.32	119.25
6.	Total assets	992.94	96.46	39050.34	127.77
7.	Total Liabilities	992.94	96.46	39050.34	127.77
8.	Investments	189.91	0	287.38	0
9.	Turnover	1206.97	0	9381.51	0
10.	Profit/Loss before taxation	(149.97)	18.63	426.62	22.28
11.	Provision for taxation	(23.86)	0	0	7.11
12.	Profit/Loss after taxation	(126.11)	18.63	426.62	15.17
13.	Proposed Dividend	0	0	0	0
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

S. No	Name of Joint Ventures	Uniworld Sugars Pvt Ltd
1.	Latest audited Balance Sheet Date	31.03.2017*
2.	Shares of Associate/Joint Ventures held by the company on the year end Number	29,011,770
3.	Amount of Investment in Associates/Joint Venture (in ₹ Lacs)	7572.99
4.	Extend of Holding %	43.74
5.	Description of how there is significant influence	Company along with its affiliates holds 50% shares
6.	Reason why the associate/joint venture is not consolidated	N.A.
7.	Net worth attributable to shareholding as per latest audited Balance Sheet	740.39
8.	Profit/Loss for the year	(2611.10)

* The Company's share of Assets and Liabilities as at March 31, 2017 and Income and Expenditure for the year ended March 31, 2017 (without elimination of the effect of transactions between the Company and the joint venture) based on unaudited and management certified financial statements of USPL.

Signatures to Notes 1 to 27

Gurmit Singh Mann Chairperson DIN - 00066653	Gursimran Kaur Mann Director DIN - 00642094	Sachchida Nand Misra Chief Operating Officer DIN -06714324	Karan Singh Chief General Manager DIN - 07648117
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Dayal Chand Popli Chief Financial Officer FCMA - 12257	Anshul Jain GM- Finance FCA - 505973	Kamal Samtani Company Secretary FCS - 5140
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Place : New Delhi
Date : May 29, 2017

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, 2017 (hereinafter referred as 'the year'). The Company has been following the principles of corporate governance, which protect the long-term interests of stakeholders, strengthens the perception of the Board and management accountability and thereby helps building public confidence in the Company. The Company selects and supervises the senior management, who are responsible for conducting the business of the Company, in a manner, which promotes the basic governing principles of the organization.

The Board of Directors has established corporate governance guidelines through various policies, which provide a framework for the effective improved governance system of the Company as developed over a period of time. The policies lay down the principles so that the interest of all the stakeholders is taken care with adequate disclosure. The Board regularly reviews the compliance with corporate governance standards.

Over the years, the Company has formally upgraded itself for better level of corporate governance standards. 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, 2017, the Board of directors of the Company ('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 Director of the State Bank of India. 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	2	-	-
2	Ms. Gursimran Kaur Mann DIN: 00642094	13,86,672	2	-	-
3	Mr. Gurpal Singh DIN: 00064807	24,02,770	2	1	-
4	Mr. Sanjay Tapriya DIN: 00064703	422	2	-	-
5	Mr. Karan Singh DIN: 07648117	Nil	-	-	-
Independent Directors					
6	Mr. B K Goswami DIN: 00003782	Nil	8	7	1
7	Mr. S C Kumar DIN: 00064453	Nil	2	4	2
8	Mr. S K Ganguli DIN: 00058198	585	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	-	-	-
Nominee Director					
11	Mr. Sangeet Shukla DIN: 02844203	Nil	-	-	-

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

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

The Broad profile of the key functional directors/Key Managerial Personnel's and Senior Grade Employees

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

1. *Mr. Gurmit Singh Mann, has been the Chairperson of the Company for past several decades. Mr. Mann has experience of over 50 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 Erstwhile Simbhaoli Sugars Limited. 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.*
2. *Ms. Gursimran Kaur Mann, Director of the Company is a graduate in Economics and Political science from 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 commercial, marketing, trading, legal, operations, sales domestic international and trading business and all other operations along with the company's joint venture businesses.*

3. *Mr. Gurpal Singh, Director of the Company is a graduate in economics and has about 30 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. Sanjay Tapriya, Director of the Company is a commerce graduate and the fellow members of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He joined as the Company Secretary in 1986 and thereafter inducted on the Board of the Company as functional Director-Finance (CFO) in 2003. During his association, a number of developments have taken place and their successful implementation has been the key factors for the growth of the Company. He 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.*
5. *Mr. S.N. Misra is a Science Graduate from Gorakhpur University, A.N.S.I. from National Sugar Institute, Kanpur. He worked in Simbhaoli Sugars Limited (SSL) for about 22 years. He is designated as the Chief Operative Officer (COO) 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.*
6. *Mr. Karan Singh, aged about 62 years, is M Sc (Agriculture), Plant Pathology, with over 40 years of experience in cane development, cane marketing and other work at senior positions as HOD and unit head in leading Private Sugar factories. He has headed the Cane Department of UP State Sugar Corporation for 3 years and has taken care of the direction monitoring and supervision of the working of Cane Department of all the 28 Units of UP State Sugar Corporation. During this year, he was nominated as whole time director of the Company.*
7. *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. He has over 30 years of experience in various accounts related areas. Previously, he has also worked in the Companies like Hero group, Nestle India, DCM Shriram Industries, Mawana Sugars, in accounts, costing and finance department. At present, he is working as CFO of the Company.*
8. *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. During the association with Company, 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

During the year, there has not been any material pecuniary relationship and transaction of the non-independent directors with the company

Appointment of Independent Directors

All independent directors have specialized qualifications and

possess the expert knowledge. The Independent and Nominee Directors are not 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 interests and have been taken on record by the Board.

Pursuant to Section 149 read with Schedule IV and other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) 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.

Familiarization Programme for Independent Directors

The Independent Directors inducted on the Board are provided with an orientation through a formal familiarization programme. The familiarization programme include 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, 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

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)	Mr. Sangeet Shukla*
Date of Birth	Jan 29, 1935	May 04, 1943	Dec 21, 1938	May 31, 1943	Oct 26, 1952	April 11, 1951
Date of Appointment	Nov 09, 2015	Feb 12, 2013	Aug 11, 2015	Nov 09, 2015	Dec 03, 2015	Nov 09, 2015
Qualification	IAS, M.A.(English)	FCMA, Diploma in Mechanical Engineering	FCA	M.A.L.L.B	MSC, M.Phil	M.Sc. (Physics-Electronics), ICWA(inter), CISA
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 42 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 43 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.	Mr. Shukla has over 36 years of varied experience, joined State Bank of India as a Probationary Officer in 1974 and retired as its Deputy Managing Director in 2011. Now a Senior Advisor in the area of Risk Management, Indian Banks' Association.
Shareholding of Directors in the Company	Nil	Nil	585	422	963	Nil

*nominee director on the Board of Company from the State Bank of India (SBI).

BOARD PROCEDURES

Board Meetings and Attendance

Dates of Board Meeting	Board Strength	Directors Present
April 1, 2016	11	11
May 25, 2016	11	11
May 30, 2016	11	8
August 12, 2016	11	10
November 11, 2016	11	10
February 13, 2017	11	11

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

Name of the Directors	Board Strength	Attendance at the last AGM held on Sept 26, 2016
Mr. Gurmit Singh Mann	6	Yes
Mr. Gurpal Singh	6	Yes
Ms. Gursimran Kaur Mann	5	No
Mr. Sanjay Tapriya	6	Yes
Mr. S N Misra*	3	Yes
Mr. S K Ganguli	6	No
Mr. S C Kumar	6	No
Mr. B K Goswami	6	Yes
Justice (Retd) C K Mahajan	5	No
Mr. Sangeet Shukla	6	No
Lt. Gen D S Sidhu	4	No
Mr. Karan Singh#	2	No

*Ceased to be director w.e.f. Sep 26, 2016. #Appointed on Nov 1, 2016

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 four committees:

- Audit Committee,
- Nomination and Remuneration Committee,
- Stakeholders Relationship Committee,
- Corporate Social Responsibility 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 other directors and the statutory and internal auditors of the Company are the regular invitees. The Committee also reviews the observations of the Internal and Statutory Auditors, along with the comments and action taken thereon by the Management. The details of committee meetings during the financial year are as follows:

Member	Meetings Held	Meetings Attended
Mr. Basant Kumar Goswami	5	5
Mr. Samir Kumar Ganguli	5	5
Mr. Samir Chandra Kumar	5	5
Mr. Sangeet Shukla (SBI Nominee)	5	5

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.

II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) is constituted 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 recommends 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. The performance evaluation was carried out by the Committee as per the criteria framed by it. The Criteria framed by Nomination and remuneration committee was also duly adopted by the Board. The details of committee meetings during the financial year are as follows:

Member	Meetings Held	Meetings Attended
Mr. Basant Kumar Goswami	2	2
Mr. Samir Kumar Ganguli	2	2
Mr. Samir Chandra Kumar	2	2
Mr. Gurmit Singh Mann	2	2

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 Committee deals with redressal of the shareholder's grievances relating but not limiting to transfer of shares, non-receipt of annual reports, change of addresses, non-receipt of dividend etc. The details of committee meetings during the financial year are as follows:

Member	Meetings Held	Meetings Attended
Mr. Samir Kumar Ganguli	4	4
Mr. Samir Chandra Kumar	4	4
Mr. Sanjay Tapriya	4	4

During the year, one investor complaints was received and same was redressed. There was no pending complaint as on March 31, 2017.

IV. Corporate Social Responsibility Committee

The Company does not fall under any of the criteria's 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.

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. The constitution of the Committee is as follows:

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

Meeting of Independent Directors

During the year, one meeting of the Independent Directors of the Company was held on February 17, 2017 to consider and review the items as listed under the provisions of Schedule IV to the Act read with Guidance Note on Board Evaluation issued by SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017. The details of the evaluation have been mentioned elsewhere in the Board's report.

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 financial year 2016-17 is as follows:

(₹ in lacs)

Name of Director	Salary	Benefits	Total
Mr. Sachchida Nand Misra ¹	23.32	0.61	23.93
Mr. Karan Singh ²	0.63	0.11	0.74

¹ upto September 26, 2016. ² w.e.f. March 22, 2017

No remuneration is being paid to the independent/nominee directors. However, the Company has been paying the sitting fees of ₹25,000 plus reimbursement of the travelling expenses incurred by the Independent Directors and Nominee Director for attending the meetings of the Board and Committees thereof. The sitting fees as given to Independent Directors are as follows:

(Amount in ₹)

Name of Director	Sitting Fees
Mr. S K Ganguli	350,000
Mr. S C Kumar	350,000
Mr. B K Goswami	350,000
Justice (Retd) C K Mahajan	150,000
Lt Gen D S Sidhu, (Retd.)	125,000
Mr. Sangeet Shukla	275,000

During the year, no equity shares and/or convertible securities were issued to the executive/non-executive directors.

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, Ms. Gursimran Kaur Mann and Mr. Gurpal Singh, directors are non-executive promoter directors of the Company.

Mr. Karan Singh, Whole time director and Plant head of Simbhaoli Sugar Unit, and Mr. S N Misra, COO of the Company are looking after the affairs of the Company.

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, the Company Secretary is also 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 2016-17, will be fixed and book closure will be announced accordingly. The last three AGMs were held as follows:

AGM	Day and Date
3rd	Tuesday, 30-09-2014
4th	Wednesday, 30-09-2015
5th	Monday, 26-09-2016

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 5th AGM.

Special resolutions passed at the last three annual general meetings

AGM	Date	Subject matter of special resolution
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, ₹ 1600 crore under the provisions of Section 180(1)(c) of the Companies Act, 2013.
5th	26-09-2016	1) Approval of material related party contracts/ transactions/arrangements entered into by the Company

In the 5th Annual General Meeting of the Members of the Company, the followings items were not approved by requisite majority:

- Item no. 5-Appointment of Mr. S N Misra as the Chief Operating Officer. (Special Resolution)
- Item no. 12- Approval of conversion of loan into share capital under the provisions of 62(3) of the Companies Act, 2013. (Special Resolution)
- Item no. 13-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. (Special Resolution)
- Item no. 14-Approval of the borrowing powers upto ₹ 1600 crore under the provisions of Section 180(1)(c) of the Companies Act, 2013. (Special Resolution)
- Item no. 16- Approval of the limits for investments upto ₹ 500 crore under the provisions of section 186 of the Companies Act, 2013. (Special Resolution)

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.

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. During the financial year 2016-17, no such compliant was received.

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. The particulars of contract and arrangement with related parties referred to in section 188(1) and applicable rule of the Companies Act, 2013 in form AOC-2 is provided as Annexure-2 of Board's report. 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 2017-18. 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, Practicing 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 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

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.

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.

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

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

Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. Tel: 91-22-22721233/34, Fax: 91-22-22721919 Website: www.bseindia.com Scrip Code: 539742	National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Mumbai Tel : 91-22-26598100 Fax : 91-22-265988120 Website: www.nseindia.com Scrip code :SIMBHALS
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The annual Listing fee for the financial year 2017-18 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 info@nsdl.co.in Website : www.nsdl.co.in	Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai-400 023 Tel: 91-22-2272333 Fax: 91-22-22723199 Email: investors@cdslindia.com Website: www.cdslindia.com
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ISIN: ESSL-INE270C01017 and SSL-INE748T01016

Stock Market Data

The details of high and low price of equity shares of the Company in comparison to broad based indices are as follows:

Month	BSE				NSE			
	Share Price (₹)		Sensex S&P		Share Price (₹)		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
Apr-16	38.65	30.70	26064.12	24673.84	38.35	30.60	7979.9	7546.45
May-16	36.35	30.45	26725.6	25101.73	36.65	30.55	8178.5	7706.55
June-16	55.90	31.90	27020.66	26395.71	56.2	31.9	8287.75	8088.6
July-16	48.45	37.15	28208.62	27126.9	48.35	37.25	8666.3	8323.2
Aug-16	38.45	29.80	28452.17	27697.51	38.45	29.65	8786.2	8544.85
Sep-16	34.20	30.65	29045.28	27827.53	34.20	30.15	8952.5	8591.25
Oct-16	41.70	31.10	28334.55	27529.97	41.80	31.20	8769.15	8520.4
Nov-16	35.05	25.95	27876.61	25765.14	35.10	25.85	8626.25	7929.1
Dec-16	30.25	25.85	26747.18	25807.1	30.20	25.95	8261.75	7908.25
Jan-17	40.20	32.60	27882.46	26595.45	40.20	32.55	8641.25	8179.5
Feb-17	38.45	30.00	28892.97	28141.64	38.05	30.25	8939.5	8716.4
March-17	33.20	29.30	29648.99	28832.45	33.05	29.35	9173.75	8897.55

Distribution of share holding as at March 31, 2017:

Category	No. of Shareholders	% of no. of shareholders	No. of shares	% of capital
1 to 5000	13057	78.134	2137831	5.704
5001 to 10000	1718	10.281	1252940	3.343
10001 to 20000	957	5.727	1376742	3.673
20001 to 30000	289	1.729	731432	1.952
30001 to 40000	153	0.916	542966	1.449
40001 to 50000	107	0.64	490325	1.308
50001 to 100000	221	1.322	1569112	4.187
100001 and above	209	1.251	29377672	78.384
Total	16711	100	37479020	100

As on March 31, 2017, 3,68,73,006 equity shares constituting 98.38% of total no of equity shares were under demat category with NSDL and CDSL.

Shareholding Pattern as on March 31, 2017
Equity Shares:

Category	No. of Shares held	% age
A: Indian Promoters	18215790	48.60
Sub-Total (A)	18215790	48.60
B: Non - Promoters Holding:		
Mutual Funds	1755	0.00
Foreign Institutional Investors (FII)	1	0.00
Financial Institutions and Banks	9388	0.03
Private Corporate Bodies	7585863	20.24
Indian Public (individuals)	10943715	29.20
NRIs / OCBs	214814	0.57
Any other (Clearing Members and Trust)	507694	1.35
Sub-Total (B)	19263230	51.40
Grand Total (A+B)	37479020	100.00

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:

Simbhaoli Complex	Simbhaoli, District Hapur Uttar Pradesh - 245 207	Tel.No. +91 5731-23117/8/9 Tel.No. +91 5731-226410/11
Chilwaria Complex	Chilwaria, Distt. Bahraich, Uttar Pradesh - 271 801	Tel.No. +91 5252-244251/2
Brijnathpur Complex	Brijnathpur, District Hapur Uttar Pradesh - 245 101	Tel. No. +91 9837790990 Tel. No. +91 9917473169
*Gandhidham Complex	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, a joint venture company.

Any correspondence with units can be sent to 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

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

Phone No. +91-5731-226411/223118

E-mail: 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 has been transferred to the credit of investors' education and protection fund.

CEO AND CFO CERTIFICATION

The Chief General Manager, Chief Operating Officer and Chief Financial Officer of the Company have 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 2016-17.

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

Surmit Singh Mann

Chairperson

(DIN - 00066653)

Place : New Delhi

Date : May 29, 2017

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members,

SIMBHAOLI SUGARS LIMITED,

(Formerly known as Simbhaoli Spirits Limited)

(CIN - L15122UP2011PLC044210)

Hapur Road, Simbhaoli, Uttar Pradesh

- We have examined the compliance of conditions of Corporate Governance by Simbhaoli Sugars Limited ("the Company"), for the year ended on March 31, 2017, as stipulated in regulations 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 Obligations and Disclosure Requirements). Regulations, 2015 (SEBI Listing Regulations).

- 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.
- 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.
- 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 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, 2017. 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.

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**

Place : Lucknow
Date : May 29, 2017

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

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, 2017

We, S N Misra, Chief Operating Officer, Karan Singh, Chief General Manager 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, 2017, profit and loss account, the cash flow statement and the boards' report for the year ended March 31, 2017 and based upon our knowledge and information confirm that:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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:
- evaluated the effectiveness of the internal control systems of the Company,
 - 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
 - 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:
- 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;
 - no significant changes in accounting policies during the year;

- 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.
- 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.
- 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, 2017

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 Company has received approval from CDR Empowered Group vide its letter dated Feb 29, 2016 with subsequent modifications for the financial restructuring of the debt structure with respective lenders of the Company. The Scheme, as sanctioned by the CDR, requires certain specific conditions to be fulfilled. However, the CDR package could not be implemented on account of non-fulfillment of certain conditions as prescribed under the CDR requirement.

In the Company Petition, CP No. 77 (ND)/2016 titled Mr. Gural Singh Vs. M/s Simbhaoli Sugars Limited under section 241 and 242 of the Companies Act, 2013, filed before the Hon'ble National Company Law Tribunal (NCLT) Tribunal, Allahabad Bench, the Company has submitted its reply. On mutual consent, both the parties have submitted executed a settlement and the Company is confident that the Petition will be disposed off in view of the settlement proceedings between the partners in amicable manner.

Sachchida Nand Misra
Chief Operating Officer
DIN - 06714324

Karan Singh
Chief General Manager
DIN- 07648117

Dayal Chand Popli
Chief Financial Officer
FCMA- 12257

Place : New Delhi
Date : May 29, 2017

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 31st March, 2017, 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its Loss and its Cash flows for the year ended on that date.

Emphasis of Matter:

- (i) As stated in Note No. 5, the financial statements have been prepared on going concern basis and impairment in the value of assets and investments, if any, has been considered as of temporary nature by the management. Events or conditions as set forth in Note No. 5 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as going concern as well as on the carrying amount of fixed assets and investment in subsidiaries and joint venture appearing in the financial statements. The ability of the Company to continue depends on the lenders to restructure the debts and to provide further financial support to enable the Company to continue as a going concern and also on successful implementation of Company's, its subsidiaries' and joint venture's plan to improve their operation efficiency.
- (ii) As stated in Note no.9 , no provision has been made in respect of penal interest due to lender as per prevailing loan agreement aggregating to ₹ 912 lacs as the same is proposed to be waived by the lenders as per the draft scheme of restructuring which is under discussion between the joint lender's forum and the management.
- (iii) As stated in Note No.7(ii) , no provision has been made in respect of interest on delay payment of cane price (amount not determined) due to the reasons set forth in the Note and the events considered by the management to form belief that such interest would be waived by the competent authority.

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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The going concern and impairment matter described in sub paragraph (i) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) 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'
- (h) 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.
- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 24 to the financial statements.

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

B. L. Gupta
Partner

Place : New Delhi
Date : May 29, 2017

(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, 2017:

- 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.
- vi) 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, 2017 outstanding for a period of more than six months from the date they become payable except for the following:

- Service tax liability of ₹ 53.16 Lacs,
 - Demand raised by Income Tax Authorities at the time of processing of TDS return aggregating to ₹ 34.78 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. 15 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. Details of defaults in respect of principal and interest dues to Government and banks 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)

51

B. L. Gupta
Partner

Place : New Delhi
Date : May 29, 2017

(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, 2017)

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, 2017 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, except for the matters described in the Emphasis of Matter paragraph, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31 March 2017, 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)

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

Place : New Delhi
Date : May 29, 2017

SIMBHAOLI SUGARS LIMITED
(Formerly known as 'Simbhaoli Spirits Limited')
BALANCE SHEET
AS AT MARCH 31, 2017

Notes	As at March 31, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3.1	3,747.90
Reserves and surplus	3.2	25,934.21
	<u>29,682.11</u>	<u>33,423.14</u>
Non-current liabilities		
Long-term borrowings	3.3	23,170.97
Long-term provisions	3.4	315.74
	<u>23,486.71</u>	<u>50,836.16</u>
Current liabilities		
Short-term borrowings	3.5	61,831.12
Trade payables	3.6	
- Dues of micro enterprises and small enterprises		17.98
- Dues of Creditors other than micro enterprises and small enterprises		59,455.93
Other current liabilities	3.7	40,673.06
Short-term provisions	3.8	52.11
	<u>1,62,030.20</u>	<u>1,19,757.37</u>
Total	<u><u>2,15,199.02</u></u>	<u><u>2,04,016.67</u></u>
ASSETS		
Non-current assets		
Fixed assets	3.9	
Tangible assets		135,198.06
Intangible assets		14.83
Capital work-in-progress		1,414.38
		<u>1,36,627.27</u>
Non-current investments	3.10	18,574.80
Long-term loans and advances	3.11	645.80
Other non-current assets	3.12	45.00
		<u>1,55,892.87</u>
		<u>1,39,917.38</u>
		<u>18,575.30</u>
		<u>377.02</u>
		<u>327.66</u>
		<u>1,59,197.36</u>
Current assets		
Inventories	3.13	39,735.51
Trade receivables	3.14	4,007.37
Cash and cash equivalents	3.15	8,586.66
Short-term loans and advances	3.16	2,347.28
Other current assets	3.17	4,629.33
		<u>59,306.15</u>
		<u>44,819.31</u>
Total		<u><u>2,15,199.02</u></u>
		<u><u>2,04,016.67</u></u>
See accompanying notes forming part of the financial statements		
	1 to 27	

For and on behalf of the Board of Directors

In terms of our report attached

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

Karan Singh
Chief General Manager
DIN - 07648117

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 29, 2017

Place : New Delhi
Date : May 29, 2017

SIMBHAOLI SUGARS LIMITED
(Formerly known as 'Simbhaoli Spirits Limited')
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2017

	Notes	Year ended March 31, 2017 ₹ lacs	Year ended March 31, 2016 ₹ lacs
Revenue from operations			
Sale of products	22(a)	88,922.55	78,564.27
Less: Excise duty		4,881.71	3,863.66
		84,040.84	74,700.61
Other operating revenues	3.18	971.13	2,189.69
Revenue from operations		85,011.97	76,890.30
Other income	3.19	3,110.63	2,415.23
Total Revenue		88,122.60	79,305.53
Expenses			
Cost of materials consumed	22(c)	67,022.48	57,113.68
Purchases of stock-in-trade	22(d)	915.31	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.20	(7,106.17)	2,477.36
Employee benefits expense	3.21	5,676.79	4,724.31
Finance costs	3.22	12,379.54	11,334.74
Depreciation and amortization expense	3.9	4,651.12	4,935.44
Other expenses	3.23	8,755.02	8,007.37
Total Expenses		92,294.09	88,592.89
Profit/(loss) before exceptional items and tax		(4,171.49)	(9,287.36)
Exceptional items	3.24	(427.05)	-
Profit/(loss) before tax		(3,744.44)	(9,287.36)
Tax expense:-			
- Current Tax		-	-
Profit/(loss) after tax		(3,744.44)	(9,287.36)
Earnings per equity share-basic/diluted (₹)	18		
Basic and Diluted before exceptional items		(11.13)	(24.78)
Basic and Diluted after exceptional items		(9.99)	(24.78)
See accompanying notes forming part of the financial statements	1 to 27		

For and on behalf of the Board of Directors

In terms of our report attached

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

Gurmit Singh Mann
Chairperson
DIN - 00066653

Gursimran Kaur Mann
Director
DIN - 00642094

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Place : New Delhi
Date : May 29, 2017

Place : New Delhi
Date : May 29, 2017

SIMBHAOLI SUGARS LIMITED
(Formerly known as 'Simbhaoli Spirits Limited')
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Year ended March 31, 2017 ₹ lacs	Year ended March 31, 2016 ₹ lacs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit/(loss) before tax and exceptional items	(4,171.49)	(9,287.36)
Adjustments for:		
Depreciation and amortization	4,651.12	4,935.44
Loan liabilities written back	(970.79)	-
Liabilities/provision no longer required written back	(670.62)	(1,157.79)
Finance costs	12,379.54	11,334.74
Rent & finance lease income	(62.56)	(76.05)
Cane commission receivable written off	543.74	-
Mollasses Storage Fund	3.41	4.92
Goodwill written off	-	16.10
Loss/(profit) on sale of fixed assets (net)	3.46	(13.15)
Interest income	(1,428.36)	(1,412.83)
Operating profit/(loss) before working capital changes	10,277.45	4,344.02
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	2,002.62	(1,840.50)
Short term and long term loans and advances	588.64	1,974.78
Other current and non current assets	(877.18)	7,299.22
Inventories	(10,076.52)	5,271.88
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	7,726.47	(6,402.47)
Other current liabilities	1,415.26	(706.45)
Short term and long term provisions	128.84	(75.07)
Cash (used)/generated from operations	11,185.58	9,865.41
Direct taxes (paid)/refund	423.89	(121.39)
Net cash flow from operating activities before exceptional items	11,609.47	9,744.02
Cash flow from exceptional items	(427.05)	-
Net cash (used) / from operating activities	12,036.52	9,744.02
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(957.46)	(371.36)
Sale of fixed assets	-	196.28
Sale of Investment	0.50	-
Rent & finance lease received	439.44	452.92
Changes in deposits with bank	(5,214.39)	(494.33)
Interest received	452.20	712.93
Net cash (used) / from investing activities	(5,279.71)	496.43
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) from long term borrowings (Net)	(552.87)	723.40
Proceeds/(Repayment) from short term borrowings (Net)	(2,310.35)	(4,476.48)
Changes in deposit pledged with against margin money/ guarantee with bank	(948.37)	0.23
Interest paid	(2,629.10)	(6,673.64)
Net cash (used) / from financing activities	(6,440.69)	(10,426.49)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	316.12	(186.04)
E. Cash and cash equivalents (opening balance)	852.67	121.44
Add : Cash & Bank Balance acquired on Amalgamation [refer note 4]	-	917.27
F. Cash and cash equivalents (closing balance) [refer note 3.15(A)] (D+E)	1,168.79	852.67
The above Cash flow statement has been prepared under the "indirect method" set out in Accounting Standard-3.		

For and on behalf of the Board of Directors

In terms of our report attached

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

Karan Singh
Chief General Manager
DIN - 07648117

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 29, 2017

Place : New Delhi
Date : May 29, 2017

NOTES FORMING PART OF THE ACCOUNTS

1. Background

Simbhaoli Sugars Limited ('the Company') (previously known as Simbhaoli Spirits Limited) having CIN No. L15122UP2011PLC044210 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 01, 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, speciality 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	Country of Incorporation	% voting power held as at March 31, 2017	% voting power held as at March 31, 2016
1.	Simbhaoli Power Private Limited	Generation of green power	India	51.00	51.00
2.	Integrated Casetech Consultants Limited	Consultancy business	India	85.16	85.16
3.	Simbhaoli Global Commodities DMCC	Trading of sugar & alcohol	Dubai	100.00	100.00
4.	Uniwold Sugars Private Limited	Raw sugar refinery	India	50.00*	50.00*
5.	Simbhaoli Speciality Sugars Private Limited	Packaging	India	100.00	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 [Companies (Accounting Standards) Amendment Rules, 2016] 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 ₹ 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	-	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

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, 2017		As at March 31, 2016	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
Authorized				
Equity shares of ₹10 each with voting rights	6,80,00,000	6,800.00	6,80,00,000	6,800.00
Preference share of ₹100 each	40,00,000	4,000.00	40,00,000	4,000.00
	7,20,00,000	10,800.00	7,20,00,000	10,800.00
Issued, Subscribed and paid up				
Equity shares of ₹10 each with voting rights fully paid up	3,74,79,020	3,747.90	3,74,79,020	3,747.90
	3,74,79,020	3,747.90	3,74,79,020	3,747.90

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

	As at March 31, 2017		As at March 31, 2016	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
Equity shares with voting rights (one per share)				
As at beginning of the year	6,80,00,000	6,800.00	3,30,00,000	3,300.00
Add: Adjustment on Amalgamation [refer note 4]	-	-	3,50,00,000	3,500.00
As at end of the year	6,80,00,000	6,800.00	6,80,00,000	6,800.00
Preference shares				
As at beginning of the year	40,00,000	4,000.00	-	-
Add: Adjustment on Amalgamation [refer note 4]	-	-	40,00,000	4,000.00
As at end of the year	40,00,000	4,000.00	40,00,000	4,000.00

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, 2017		As at March 31, 2016	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
Equity shares with voting rights (one per share)				
As at beginning of the year	3,74,79,020	3,747.90	3,18,00,000	3,180.00
Add: Issue of shares under scheme of Amalgamation [refer note 4]	-	-	3,74,79,020	3,747.90
Less: Adjustment on Amalgamation [refer note 4]	-	-	3,18,00,000	3,180.00
As at end of the year	3,74,79,020	3,747.90	3,74,79,020	3,747.90

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

S. No.	Name of the Shareholders	As at March 31, 2017		As at March 31, 2016	
		(No. of Shares)	% of Share holding	(No. of Shares)	% of Share holding
i)	Dholadhar Investments Private Limited	74,62,114	19.91	74,62,114	19.91
ii)	Mr. Gurmit Singh Mann	37,26,154	9.94	37,26,154	9.94
iii)	Mr. Gurpal Singh	24,02,770	6.41	24,02,770	6.41
iv)	Pearl Innovative Marketing Private Limited	23,20,623	6.19	23,20,623	6.19
v)	Pritam Singh Sandhu Associates Pvt. Ltd.	20,77,735	5.54	20,77,735	5.54
vi)	Shri Vatsala Traders Private Limited	19,15,434	5.11	20,15,434	5.38

D. The Company has allotted 3,74,79,020 Equity shares of ₹ 10 each aggregating ₹ 3,747.90 lacs during the Financial Year 2015-16 on Amalgamation of Erstwhile Simbhaoli Sugars Limited without payment being received in cash. (refer note 4).

E. Rights, preference and restriction attached to equity shares (₹ 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, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
Mollasses Storage Fund		
Opening balance	4.92	-
Add: Addition during the year	3.41	4.92
	8.33	4.92
Capital reserve		
Opening balance	-	-
Add: Adjustment on Amalgamation [refer note 4]	-	229.80
Less: Utilized during the year	-	229.80
	-	-
Securities Premium Account		
Opening balance	45,461.99	22,225.00
Add: Adjustment on Amalgamation [refer note 4]	-	23,236.99
	45,461.99	45,461.99
Balance in Statement of Profit and Loss		
Opening balance	(15,791.67)	(6,504.31)
Add: Profit/(loss) during the year	(3,744.44)	(9,287.36)
Amount available for appropriation	(19,536.11)	(15,791.67)
	25,934.21	29,675.24
NON-CURRENT LIABILITIES		
3.3 LONG-TERM BORROWINGS		
Secured		
Term loans		
From bank [refer note 9(A)]	21,192.98	48,683.68
From others [refer note 9(A)]	8.76	387.66
	21,201.74	49,071.34
Unsecured		
From related parties [refer note 9(B)]	1,969.23	1,585.21
	23,170.97	50,656.55
3.4 LONG-TERM PROVISIONS		
Provision for employee benefits		
Compensated absences	315.74	179.61
	315.74	179.61
CURRENT LIABILITIES		
3.5 SHORT-TERM BORROWINGS		
Secured		
Loans repayable on demand		
From banks [refer note 9(C)]	29,017.13	16,362.86
From others [refer note 9 (C)]	134.43	-
	29,151.56	16,362.86
Unsecured		
Loans repayable on demand		
From banks [refer note 9 (D) and note 10]	32,679.56	34,998.31
	32,679.56	34,998.31
	61,831.12	51,361.17

	As at March 31, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
3.6 TRADE PAYABLES		
Total outstanding dues of micro and small enterprise [refer note 8]	17.98	7.27
Total outstanding dues of creditors other than micro and small enterprise	59,455.93	52,155.57
	59,473.91	52,162.84

3.7 OTHER CURRENT LIABILITIES

Current maturities of long-term debt (Secured)		
From banks [refer note 9(A)]	13,296.50	3,991.34
From others [refer note 9(A)]	3,115.76	2,769.82
Interest accrued but not due on borrowings	0.06	22.32
Interest accrued and due on borrowings	19,173.39	6,101.45
Advances received from customers	676.22	464.20
Security deposits	140.09	146.27
Creditors for capital goods	929.75	546.69
Statutory dues payable	3,332.27	2,125.77
Others miscellaneous payable	9.02	6.10
	40,673.06	16,173.96

3.8 SHORT-TERM PROVISIONS

Provision for employee benefits :		
Compensated absences	52.11	59.40
	52.11	59.40

3.9 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION/ AMORTISATION					NET BLOCK	
	As at April 1, 2016	Acquired on Amalgamation*	Additions	Disposals	As at March 31, 2017	As at April 1, 2016	For the year	On Disposals	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangibles (Owned)											
Land - freehold	85,108.31	-	-	-	85,108.31	-	-	-	-	85,108.31	85,108.31
	(20,363.72)	(64,744.59)	(-)	(-)	(85,108.31)	(-)	(-)	(-)	(-)	(85,108.31)	(20,363.72)
Buildings	13,704.65	-	11.92	-	13,716.57	1,500.58	796.78	-	2,297.36	11,419.21	12,204.07
	(1,094.86)	(12,551.17)	(54.62)	(-)	(13,704.65)	(708.53)	(792.05)	(-)	(1,500.58)	(12,204.07)	(386.33)
Railway siding	0.50	-	-	-	0.50	0.10	0.10	-	0.20	0.30	0.40
	(-)	(0.50)	(-)	(-)	(0.50)	(-)	(0.10)	(-)	(0.10)	(0.40)	(-)
Plant and machinery	46,884.41	-	262.59#	34.99	47,112.01	5,353.86	3,690.41	27.80	9,016.47	38,095.54	41,530.55
	(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)
Furniture and fixtures	221.83	-	1.71	-	223.54	53.21	40.93	-	94.14	129.40	168.62
	(14.70)	(204.89)	(2.24)	(-)	(221.83)	(11.71)	(41.50)	(-)	(53.21)	(168.62)	(2.99)
Vehicles	157.83	-	25.68	1.89	181.62	87.26	40.04	1.79	125.51	56.11	70.57
	(7.91)	(152.99)	(32.20)	(35.27)	(157.83)	(6.84)	(93.57)	(13.15)	(87.26)	(70.57)	(1.07)
Office equipment	715.57	-	15.33	3.29	727.61	262.70	78.86	3.14	338.42	389.19	452.87
	(1.11)	(711.16)	(3.30)	(-)	(715.57)	(1.11)	(261.59)	(-)	(262.70)	(452.87)	(-)
Subtotal current year	146,793.10	-	317.23	40.17	147,070.16	7,257.71	4,647.12	32.73	11,872.10	135,198.06	
Subtotal previous year	(28,234.63)	(118,242.90)	(539.78)	(224.21)	(146,793.10)	(2,378.25)	(4,920.54)	(41.08)	(7,257.71)		139,535.39
Intangibles (Owned)											
Goodwill	-	-	-	-	-	-	-	-	-	-	-
	(447.09)	(-)	(-)	(447.09)	(-)	(201.19)	(-)	(201.19)	(-)	(-)	(245.90)
Software	30.91	-	2.82	-	33.73	14.90	4.00	-	18.90	14.83	16.01
	(-)	(26.65)	(4.26)	(-)	(30.91)	(-)	(14.90)	(-)	(14.90)	(16.01)	(-)
Subtotal current year	30.91	-	2.82	-	33.73	14.90	4.00	-	18.90	14.83	
Subtotal previous year	(447.09)	(26.65)	(4.26)	(447.09)	(30.91)	(201.19)	(14.90)	(201.19)	(14.90)		16.01
Total current year	146,824.01	-	320.05	40.17	147,103.89	7,272.61	4,651.12	32.73	11,891.00	135,212.89	
Total previous year	(28,681.72)	(118,269.55)	(544.04)	(671.30)	(146,824.01)	(2,579.44)	(4,935.44)	(242.37)	(7,272.61)		139,551.40

Note: Figures in bracket represents previous year numbers

#Includes ₹ 23.94 lacs (previous year ₹ 41.08 lacs) borrowing cost capitalised during the year.

*Refer Note 4

	As at March 31, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
3.10 NON-CURRENT INVESTMENTS		
(Valued at cost unless there is permanent diminution in value there of)		
Trade Investment		
Unquoted		
One share of ₹ 20 fully paid up in Simbhaoli Co-operative Cane Development Union Limited (*₹ 20)	*	*
Other Investment		
Investment in Government securities		
Unquoted		
6-Years Post Office National Savings Certificate	1.61	2.11
Investment in Equity instruments		
- Subsidiaries		
Unquoted		
2,00,800 (previous year 2,00,800) equity shares of ₹10 each fully paid up of Integrated Casetech Consultants Private Limited	383.73	383.73
300 (previous year 300) equity shares of AED 1,000 each fully paid up of Simbhaoli Global Commodities DMCC	39.94	39.94
55,38,734 (previous year 55,38,734) equity shares of ₹10 each fully paid up of Simbhaoli Power Private Limited #	5,493.59	5,493.59
19,000 (previous year 19,000) equity shares of ₹10 each of Simbhaoli Speciality Sugar Private Limited	190.00	190.00
- Joint ventures		
Unquoted		
2,90,11,770 (previous year 2,90,11,770) equity shares of ₹10 each fully paid up of Uniworld Sugars Private Limited ! [refer note 16]	7,572.99	7,572.99
Investment in Debentures		
- Subsidiary		
Unquoted		
48,92,941 (previous year 48,92,941) Compulsorily Convertible Debenture each of Simbhaoli Power Private Limited	4,892.94	4,892.94
	18,574.80	18,575.30
Aggregate book value		
- Quoted	-	-
[Market value ₹ Nil (previous year ₹ Nil)]		
- Unquoted	18,574.80	18,575.30
<i># First pari passu charge on pledge of 1,929,655 (previous year 19,29,655) 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 2,90,11,770) equity shares of the Company in favour of bankers of Uniworld Sugars Private Limited.</i>		
<i>Out of above, 10,00,000 (previous year 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>		
3.11 LONG-TERM LOANS AND ADVANCES		
(Unsecured considered good unless otherwise stated)		
Capital advances	10.25	10.25
Security deposit	56.99	61.49
Others loans and advances*	578.56	305.28
	645.80	377.02

* Includes amount deposited with Government authorities under protest.

	As at March 31, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
3.12 OTHER NON-CURRENT ASSETS		
Finance lease receivable from Simbhaoli Power Private Limited [Refer note 6]	-	282.66
Other	45.00	45.00
	45.00	327.66

CURRENT ASSETS
3.13 INVENTORIES

(At lower of cost and net realisable value)

Raw materials [refer note 22(c)]	3,102.59	308.25
Work-in-progress [refer note 22(b)]	1,200.75	599.55
Finished goods [refer note 22(a)]	33,780.94	27,252.82
Stock-in-trade [refer note 22(a)]	-	23.15
Stores and spares	1,643.05	1,467.63
Loose tools	8.18	7.59
	39,735.51	29,658.99

3.14 TRADE RECEIVABLES

Outstanding for a period exceeding six months from due date for payment

Unsecured - considered good *	385.50	610.21
- Considered doubtful	115.29	295.22
	500.79	905.43
Less: Provision for doubtful receivables	115.29	295.22
	385.50	610.21
Other		
Unsecured - considered good **	3,621.87	5,399.78
	4,007.37	6,009.99

Trade Receivable includes:

Name of Subsidiaries	Amount outstanding as at		Maximum amount outstanding during	
	March 31, 2017	March 31, 2016	Current year	Previous year
* Simbhaoli Global Commodities DMCC	110.50	139.42	139.42	139.42
** Simbhaoli Power Private Limited	422.65	1,289.99	1,289.99	1,433.79

3.15 CASH AND CASH EQUIVALENTS

	As at March 31, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
(A) Cash and cash equivalent		
Balances with banks on current account	1,157.30	841.21
Cash on hand	11.49	11.46
	1,168.79	852.67
(B) Other bank balances - Margin money / cash collateral		
With original maturity of 3 months or less	294.19	95.04
With original maturity of more than 3 months but less than 12 months	359.71	245.79

	As at March 31, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
With original maturity of more than 12 months	831.78	196.48
	<u>1,485.68</u>	<u>537.31</u>
(C) Other bank balances - Other deposits #		
With original maturity of 3 months or less @	5,730.69	12.04
With original maturity of more than 3 months but less than 12 months	125.26	225.44
With original maturity of more than 12 months	76.24	480.32
	<u>5,932.19</u>	<u>717.80</u>
Total (A+B+C)	8,586.66	2,107.79

Includes pledged with excise authorities and civil courts ₹128.23 lacs (previous year ₹232.96 lacs)
@ FDR of ₹ 5,623.46 lacs (previous year ₹ Nil) under legal case with UPCE matter in sub-judice.

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	567.73	788.89
Considered doubtful	-	101.12
	<u>567.73</u>	<u>890.01</u>
Less: Provision for doubtful advances	-	101.12
	<u>567.73</u>	<u>788.89</u>
Loans and advances to employees	41.41	70.30
Security deposits		
Considered good	120.06	149.73
Considered doubtful	25.00	81.36
	<u>145.06</u>	<u>231.09</u>
Less: Provision for doubtful security deposits	25.00	81.36
	<u>120.06</u>	<u>149.73</u>
Balances with excise, custom authorities etc.	1,122.77	1,700.47
Tax payments (Net)	495.31	919.20
	<u>2,347.28</u>	<u>3,628.59</u>

3.17 OTHER CURRENT ASSETS

(Unsecured and considered good unless otherwise stated)

Claims receivables	276.74	718.56
Interest accrued on investments, deposits etc.*	2,619.81	1,643.65
Finance lease receivable from Simbhaoli Power Private Limited [refer note 6]	282.66	376.88
Others*	1,450.12	674.86
	<u>4,629.33</u>	<u>3,413.95</u>

* Includes:

Name of the Subsidiaries	Amount outstanding as at		Maximum amount outstanding during	
	March 31, 2017	March 31, 2016	Current year	Previous years
Simbhaoli Power Private Limited	2,758.43	1,732.35	2,758.43	1,732.35
Integrated Casetech Consultants Private Limited	54.69	54.68	54.69	156.32
Name of the Joint Venture				
Uniwold Sugars Private Limited	1,070.45	360.38	1070.45	360.38

	Year ended March 31, 2017 ₹ lacs	Year ended March 31, 2016 ₹ lacs
3.18 OTHER OPERATING REVENUES		
Sale of Scrap	74.03	46.35
Export incentives	13.70	20.23
Remission of cane commission liability relating to earlier year	-	959.42
Cane subsidy relating to earlier year	-	818.37
Subsidy from Central Government under MIEQ	593.01	-
Miscellaneous	290.39	345.32
	971.13	2,189.69
3.19 OTHER INCOME		
Interest		
- Bank deposits	367.55	94.94
- Income Tax refund	17.35	75.54
- Debentures	980.90	853.37
- Others	62.56	388.98
Rent	74.92	76.05
Profit on sale of fixed assets (net)	-	13.15
Liabilities/provisions no longer required written back	670.62	198.37
Gain on foreign exchange fluctuation (net)	-	17.03
Miscellaneous	936.73	697.80
	3,110.63	2,415.23
3.20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stock		
Finished goods	27,252.82	128.84
Work-in-progress	599.55	-
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	-	211.12
	27,875.52	30,352.88
Closing stock		
Finished goods	33,780.94	27,252.82
Work-in-progress	1,200.75	599.55
Stock-in-trade	-	23.15
	34,981.69	27,875.52
Net (increase)/ decrease in inventories	(7,106.17)	2,477.36
3.21 EMPLOYEE BENEFIT EXPENSE		
Salaries, wages, bonus, commission, etc.	4,864.83	4,138.74
Contribution to provident and other funds *	698.25	460.24
Staff welfare expenses	113.71	125.33
	5,676.79	4,724.31
<i>* Includes gratuity expense refer note 17</i>		
3.22 FINANCE COSTS		
Interest expense	12,172.32	11,273.04
Other borrowing costs	231.16	102.78
Less : Interest expense capitalised	23.94	41.08
	12,379.54	11,334.74

	Year ended March 31, 2017 ₹ lacs	Year ended March 31, 2016 ₹ lacs
3.23 OTHER EXPENSES		
Sugar cane development	239.71	157.25
Consumption of stores and spare parts*	2,460.89	2,441.06
Power and fuel	1,078.04	1,235.40
Repairs		
- Machinery	985.43	1,281.80
- Buildings	75.36	42.18
- Others	99.76	102.42
Insurance	197.76	140.08
Rent	210.63	216.35
Rates and taxes	107.23	77.07
Donations	0.37	-
Travelling and conveyance	206.79	180.97
Marketing expense	359.04	296.56
Export expenses	324.86	54.06
Commission to selling agents	269.12	295.08
Loss on sale of fixed assets (net)	3.46	-
Bad debts and advances written off	14.91	-
Goodwill Written off	-	16.10
Increase/ (decrease) in excise duty on finished goods	645.30	108.99
Loss on foreign exchange fluctuation (net)	1.06	-
Legal and professional expense [refer note 19]	396.21	330.41
Miscellaneous expenses	1,079.09	1,031.59
	8,755.02	8,007.37

* Stores, oils and chemicals allocated to other revenue heads ₹ 814.11 lacs (previous year ₹ 2,091.11 lacs)

3.24 EXCEPTIONAL ITEMS		
Write back of loan liabilities [refer note 14]	(970.79)	-
Cane commission written off [refer note 14]	543.74	-
	(427.05)	-

4. In the previous year, 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 01, 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 April 01, 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 ₹ 10 each at a premium of ₹ 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 ₹ 229.80 lacs has been credited to 'Capital Reserve'.

d) Detail of fair value of assets & liabilities, acquired and working of capital reserve are as under : (₹ lacs)

Description		Amount
Assets		
- Non-current assets	:	1,34,154.13
- Current assets	:	63,846.37
Total	:	1,98,000.50
Liabilities		
- Non-current liabilities	:	8,595.59
- Current liabilities	:	1,65,370.22
Total	:	1,73,965.81
Net Assets	:	24,034.69
Less:		
- Cancellation of Existing share capital	:	3,180.00
- Purchase Consideration	:	26,984.89
Capital Reserve	:	229.80

- The Indian sugar industry, particularly in the State of Uttar Pradesh, had faced difficulties on account of increasing sugarcane prices, lower sugarcane recoveries and lower sugar prices resulting in under recovery of cost of production. These factors along with withdrawal of Sugar Incentive Promotion Policy 2004 had adversely affected the financial position resulting in higher interest cost, cash losses and cane arrears during the past few years. Recognizing the need to revive the industry, the State and Central Governments had initiated various steps favorable for the industry and also considering linking of

sugarcane price with sugar realisation in the ensuing season. All these measures had not only resulted in turnaround of the sugar industry, but also improved the medium and long term outlook of the industry. The Company along with lenders has also initiated number of steps for de-risking its business and improving earning capabilities. The Joint Lender's forum has taken up the modified financial restructuring of the Company and has principally agreed to realign the financial liabilities as per the current earnings with priority towards payment of cane dues. The management of the subsidiaries and joint venture along with its lenders has also undertaken various steps to improve their financials. These steps are expected to result in significant improvement in the operational efficiency and performance of the Company, its subsidiaries and joint venture.

In view of the aforesaid internal and external measures, the Company is confident that on account of positive outlook of industry, steps taken by the Company, its subsidiaries and joint venture and support of lenders, the financial position of the Company, its subsidiaries and joint venture will be augmented significantly and Company would be in a position to generate sufficient cash flows to meet its future obligations. Accordingly, these financial statements have been prepared by the Company on a going concern basis and impairment, if any, in the value of assets and investments have been considered of temporary nature.

6. 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:

Description	(₹ lacs)	
	As at March 31, 2017	As at March 31, 2016
Future minimum lease payments		
- Not later than one year	291.20	412.19
- Later than one year and not later than five years	-	291.20
- Later than five year	-	-
	291.20	703.39
Less: Unearned finance income	8.54	43.85
Present value of minimum lease payments receivable		
- Not later than one year	282.66	376.88
- Later than one year and not later than five years	-	282.66
- Later than five years	-	-

7. i) **Contingent liabilities not provided for:**

Claims against the Company not acknowledged as debts ₹ 1,781.98 lacs (previous year ₹ 1,793.21 lacs).

Description	(₹ lacs)	
	As at March 31, 2017	As at March 31, 2016
Sales Tax/Trade Tax Act	5.28	5.28
Central Excise Act	1,166.84	1,170.71
Finance Act, 1994	194.01	194.01
Others	415.85	423.21
Total	1,781.98	1,793.21

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.

- ii) Based on expert committee report, the State Government of Uttar Pradesh had waived interest on the delayed payment of cane price for the sugar seasons 2012-13, 2013-14 and 2014-15. The waiver was challenged by the Rashtriya Kisan Mazdoor Sangathan before the Hon'ble High Court Allahabad. The said Court has set aside the waiver and remanded back the matter to reconsider it after hearing all Stakeholders. The aforesaid judgment is being challenged before the Hon'ble Supreme Court by the industry. The waiver of interest for the sugar season 2015-16 is also under consideration. However, notice for payment of interest on delayed payment of cane price for the sugar season 2016-17 has been issued against which the industry has made representation for waiver. Pending finalisation, no provision has been made in respect of above mentioned interest and the amount has not been ascertained. Based on the past practice, the management is confident that no interest liability will arise for these period.

- iii) The company has settled overdues aggregating to ₹ 2076.00 lacs with one lender under OTS during the year for ₹ 850 lacs, to be paid in six structured monthly installments by November 14, 2017. Any default in payment of structured monthly installments within agreed time will result in restoration of original dues. However, the management is confident that the terms and conditions of OTS will be complied with.

iv) **Capital and other commitment**

Estimated amount of contracts (net of advances) remaining to be execute on Capital account ₹1043.31 lacs (previous year ₹39.72 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.

8. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT, 2006).

On the basis of supplier information available with the Company who have registered under the MSMED Act, 2006, the following are the details:

S. No.	Description	(₹ lacs)	
		As at March 31, 2017	As at March 31, 2016
1.	Principal amount remaining unpaid to any supplier as at the end of the period	17.98	7.27
2.	Interest due thereon remaining unpaid to any supplier as at the end of the period	2.57	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	2.57	1.46
5.	The amount of interest accrued and remaining unpaid at the end of the period	2.57	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.

9. In the previous year, the Company had classified its current liabilities in respect of Short Term Borrowings of ₹ 32,513.37 lacs, Current Maturities of Term Loans of ₹ 6,902.72 lacs and Interest Accrued of ₹ 5,105.72 lacs, which was overdue as on March 31, 2016 under Long Term Borrowings in accordance with the Debt Realignment Scheme (Scheme) approved by the Corporate Debt Restructuring Empowered Group (CDREG) vide their sanction dated February 29, 2016. However, in the current year, the lenders have decided to modify the scheme taking into

account the earning capabilities and long term sustainability. The draft scheme is under discussion and finalization with Joint Lenders' forum. The draft scheme inter alia includes waiver of penal interest and other concessions and waivers approved in the earlier scheme as well. Pending approval of modified scheme by lenders, the Company has (a) not accounted for penal interest of ₹ 911.58 lacs and accounted all borrowings at normal rate of interest (b) classified borrowings overdue interest as per terms of prevailing agreements. Final adjustments will be made in accordance with the final approval of the modified scheme. The terms of repayment, nature of security and overdue, if any, in accordance with existing agreements are as under:

(A) Long term borrowings (Secured)

Term Loan	Outstanding (₹ lacs)		Terms of repayment		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2017	As at March 31, 2016	Financial year	Amount (₹ lacs)			
From Commercial Banks							
- Under Long Term Borrowings	10,862.06	34,621.82	2017-18	7,799.35	12.5% p.a.	1 First pari pasu charge 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 26.32 lacs equity shares of the Company held by Promoters. 3 Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company.	- Principal overdue below 90 days ₹ Nil (previous year ₹ 21.41 lacs) and above 90 days ₹ 6,075.40 lacs (previous year ₹ 105.40 lacs). - Interest overdue below 90 days of ₹ 626.93 lacs (previous year ₹ 74.49 lacs) and above 90 days ₹ 2,084.50 lacs (previous year ₹ 83.64 lacs).
- Under Current Maturities	7,799.35	538.03	2018-19	1,248.51			
			2019-20	1,248.51			
			2020-21	1,872.77			
			2021-22	1,872.77			
			2022-23	1,872.77			
			2023-24	1,498.22			
			2024-25	1,248.51			
From Commercial Bank							
- Under Long Term Borrowings	8,250.00	9,900.00	2017-18	2,658.33	11.35% PA	1 First sub-servient charge on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 2 Personal guarantees Mr. Gurmit Singh Mann, Chairman and Ms. Gursimran Kaur Mann, Director of the Company.	- Principal overdue below 90 days ₹ 275.00 lacs (previous year ₹ Nil) and above 90 days ₹ 733.33 lacs (previous year ₹ Nil). - Interest overdue below 90 days of ₹ 323.18 lacs (previous year ₹ Nil) and above 90 days ₹ 532.40 lacs (previous year ₹ Nil).
- Under Current Maturities	2,658.33	1,372.27	2018-19	2,750.00			
			2019-20	2,750.00			
			2020-21	2,750.00			
From Co-operative Bank							
- Under Long Term Borrowings	2,080.92	4,161.86	2017-18	2,838.82	12% p.a. with 100% subvention from Govt. of India	1 First pari pasu charge 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 of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company.	- Principal overdue below 90 days ₹ 520.25 lacs (previous year ₹ Nil) and above 90 days ₹ 237.65 lacs (previous year ₹ Nil).
- Under Current Maturities	2,838.82	2,081.04	2018-19	2,080.92			
Others							
- Under Long Term Borrowings	-	387.66	2017-18	3,113.71	Range between 4% to 10% PA	1 Term loan from Sugar Development Fund of ₹ 3,013.71 lacs (previous year ₹ 3,057.48 lacs) is secured by way of second exclusive charge on all movable and immovable fixed assets of the respective division. 2 Term loan from Sugar Technology Mission of ₹ 100 lacs (previous year ₹ 100 lacs) is secured by way of exclusive first charge on Sugarcane Juice Purification project at Simbhaoli Sugar Division of the Company.	- Principal overdue below 90 days ₹ 201.08 lacs (previous year ₹ 368.28 lacs) and above 90 days ₹ 2,524.97 lacs (previous year ₹ 1,718.54 lacs). - Interest overdue below 90 days of ₹ 70.16 lacs (previous year ₹ 113.03 lacs) and above 90 days ₹ 670.34 lacs (previous year ₹ 371.43 lacs).
- Under Current Maturities	3,113.71	2,769.82					

(A) Long term borrowings (Secured)

Term Loan	Outstanding (₹ lacs)		Terms of repayment		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2017	As at March 31, 2016	Financial year	Amount (₹ lacs)			
Others							
- Under Long Term Borrowings	8.76	Nil	2017-18	2.05	10% p.a.	Hypothecation of specific vehicle acquired under the scheme.	Nil
- Under Current Maturities	2.05	Nil	2018-19	2.28			
			2019-20	2.52			
			2020-21	2.78			
			2021-22	1.18			

(B) Unsecured loans from Related Parties of ₹ 1,969.23 lacs (previous year ₹ 1,585.21 lacs) carry interest rate @ 11.30 % p.a. are payable after repayment of term loan in accordance with Scheme..

(C) Short term borrowings (Secured)

Loan repayable on demand	Outstanding (₹ lacs)		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2017	As at March 31, 2016			
From Commercial Banks	15,307.20	2,815.08	12.5% p.a.	1. First pari pasu charge by way of hypothecation of all current assets of respective division. 2. Third pari pasu charge on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 3. First pari pasu charge on pledge of 26.32 lacs equity shares of the Company held by Promoters. 4. Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gural Singh, Director of the Company.	- Interest overdue of below 90 days ₹ 579.05 lacs (previous year ₹ 109.98 lacs) and above 90 days ₹ 3,776.03 lacs (previous year ₹ 362.98 lacs).
From Co-operative Bank	8,782.31	8,623.38	11.25% p.a.	1. Pledge of sugar stock of the respective division of the Company. 2. Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gural Singh, Director of the Company.	Nil
From Co-operative Bank	4,927.62	4,924.40	11.5% p.a.	Pledge of sugar stock of the respective division of the Company.	- Interest overdue below 90 days of ₹ Nil (previous year ₹ 23.75 lacs).
From Others	134.43	Nil	13.5% p.a.	Pledge of specific sugar stock of respective division.	Nil

(D) Short Term Borrowings (Un-secured)

Loan repayable on demand	Outstanding (₹ lacs)		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2017	As at March 31, 2016			
From Commercial Banks	32,679.56	34,998.31	Range between 9.5% to 11% p.a.	N.A.	- Principal overdue above 90 days of ₹ 32,679.56 lacs (previous year ₹ 34,998.31 lacs). - Interest overdue below 90 days of ₹ 795.86 lacs (previous year ₹ 932.47 lacs) and above 90 days ₹ 9,714.94 lacs (previous year ₹ 4,052.00 lacs).

Note : Figure for the year ended March 31, 2016 are not comparable as it was reported in accordance with CDR scheme as stated herein above.

10. 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 dated February 02, 2016 all the dues

outstanding are proposed to be converted into term loans, subject to the consent of respective commercial banks. Two of the commercial banks have converted their dues into term loan and accordingly their dues have 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.

11. 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 (ceased to be a key management personnel w.e.f. September 26, 2016)
- Mr. Karan Singh- Whole Time Director (w.e.f. March 22, 2017)
- Mr. R.K. Singh- Director (ceased to be a key management personnel 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)

B) Transactions with the above parties:

(₹ lacs)

Description	Year ended March 31, 2017	Year ended March 31, 2016
Transactions		
Rent Paid	30.78	46.08
Mrs. Mamta Tapriya	1.08	1.08
SSSPL	29.70	45.00
Rent Income	21.60	21.60
ICCPL	21.60	21.60
Managerial Remuneration	24.67	157.57
Mr. G.M.S. Mann	-	29.69
Mr. Gurpal Singh	-	31.30
Mr. Sanjay Tapriya	-	14.85
Ms. Gursimran Kaur Mann	-	17.29
Mr. S.N.Misra	23.93	53.55
Mr. Karan Singh	0.74	-
Mr. R.K.Singh	-	10.89
Loans taken	470.00	840.00
Dholadhar Investments Private Limited	470.00	-
Ms. Gursimran Kaur Mann	-	650.00
Mr. G.M.S. Mann (HUF)	-	190.00
Expenses paid	744.39	656.06

(₹ lacs)

Description	Year ended March 31, 2017	Year ended March 31, 2016
SPPL	744.39	656.06
Interest paid	154.50	60.35
Mr. G.M.S. Mann	11.30	11.57
Mr. G.M.S. Mann (HUF)	21.47	4.37
Ms. Gursimran Kaur Mann	73.45	36.89
Dholadhar Investments Private Limited	48.28	7.52
Sale of finished goods	583.79	1,104.24
SPPL	583.79	1,104.24
Expenses recovered	157.70	111.78
ICCPL	22.56	30.00
SPPL	134.76	66.01
USPL	0.37	1.82
SSSPL	-	13.95
Interest Income	1,016.20	1,242.35
SPPL	1,016.20	1,242.35
Investments made in	-	5,063.91
SPPL	-	4,683.67
USPL	-	380.24
Management fees charged	952.07	684.45
SPPL	286.47	362.84
USPL	665.60	321.61
Operation and job work charges paid	150.00	141.00
ICCPL	150.00	141.00
Excise duty paid under protest	-	175.00
SPPL	-	175.00
Balance outstanding at the end of the year Other current assets	4,166.23	2,524.30
SPPL	3,041.09	2,109.23
USPL	1,070.45	360.39
ICCPL	54.69	54.68
Other non-current assets	45.00	327.66
SPPL	45.00	327.66
Trade payables	61.89	92.76
Mr. G.M.S. Mann	0.51	5.69
Mr. Gurpal Singh	15.23	27.90
Mr. Sanjay Tapriya	-	0.57
Ms. Gursimran Kaur Mann	6.63	15.97
Mr. S.N.Misra	-	2.12
Mrs. Mamta Tapriya	0.08	0.24
Mr. Karan Singh	0.41	-
Mr. R.K.Singh	-	3.08
Mr.S.K.Sinha	-	11.16
Mr. Govind Singh Sandhu	13.21	14.21
SSSPL	25.82	11.82
Long-term borrowings	1,969.23	1,585.21
Mr. G.M.S. Mann	463.15	643.33
Mr. G.M.S. Mann(HUF)	213.26	193.94
Mr. Gurpal Singh	19.12	19.12
Ms. Gursimran Kaur Mann	696.61	660.18
Dholadhar Investments Private Limited	577.09	68.64
Trade Receivable	533.15	1,429.39
DMCC	110.50	139.41
SPPL	422.65	1,289.98
Pledge of Investmnet (No.of shares) (in lacs)	309.42	309.42
SPPL	19.30	19.30
USPL	290.12	290.12

12. 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

(₹ 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
Segment revenue										
External sales:	80,199.88	69,423.08	8,722.67	9,141.18	-	-	-	-	88,922.55	78,564.26
Inter segment sales	3,651.33	3,298.66	68.29	80.65	(3,719.62)	(3,379.31)	-	-	-	-
Other operating Revenue	943.48	1,604.15	27.65	20.61	-	-	-	-	971.13	1,624.76
Total revenue	84,794.69	74,325.89	8,818.61	9,242.44	(3,719.62)	(3,379.31)	-	-	89,893.68	80,189.02
Segment results	5,389.02	(292.98)	888.04	1,096.21	-	-	-	-	6,277.06	803.23
Unallocated expenses (net of income)							(1,930.99)	(1,244.15)	(1,930.99)	(1,244.15)
Operating profit/(loss)									8,208.05	2047.38
Finance cost							12,379.54	11,334.74	12,379.54	11,334.74
Exceptional items (net)							(427.05)	-	(427.05)	-
Provision for taxes							-	-	-	-
Net Profit/(loss)									(3,744.44)	(9,287.36)
Other information										
Segment assets	1,50,964.12	138,386.78	43,689.31	43,983.43	-	-	-	-	1,94,653.43	1,82,370.21
Unallocated assets							1,970.80	3,071.16	1,970.80	3,071.16
Investment							18,574.79	18,575.30	18,574.79	18,575.30
Total assets	1,50,964.12	1,38,386.78	43,689.31	43,983.43			20,545.59	21,646.46	2,15,199.02	2,04,016.67
Segment liabilities	61,045.48	52,594.42	2,845.53	2,450.61	-	-	-	-	63,891.01	55,045.03
Shares capital and reserves							29,682.11	33,423.14	29,682.11	33,423.14
Secured and unsecured loans							1,01,414.35	1,08,778.88	1,01,414.35	1,08,778.88
Unallocated liabilities							20,211.54	6,769.62	20,211.54	6,769.62
Total liabilities	61,045.48	52,594.42	2,845.53	2,450.61			1,51,308.00	1,48,971.64	2,15,199.01	2,04,016.67
Capital expenditure	248.09	227.77	1,085.96	443.29	-	-	34.35	27.47	1,368.40	698.53
Depreciation and amortization expense (net of revaluation reserve)	3,564.66	3,828.69	1,058.25	1,074.61	-	-	28.21	32.14	4,651.12	4,935.44
Non cash expenses other than depreciation #	11.03	-	5.56	16.01	-	-	1.78	-	18.37	16.01

Loss on sales of fixed assets ₹ 3.46 lacs and Bad debts written off ₹ 14.91 lacs (previous year Goodwill written off ₹ 16.01 lacs)

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 2017 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. Exceptional items for the year ended March 31, 2017 represents:

a) a sum of ₹ 543.74 lacs being society commission relating

to sugar season 2015-16 for the period upto March 31, 2016 recoverable from the State Government of Uttar Pradesh, written off in pursuance of Government order dated December 28, 2016.

b) written back of loan liability amounting to ₹ 970.79 lacs on one time settlement with one bank.

15. (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, 2017.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount* involved (₹ lacs)	Amount paid under protest (₹ lacs)
U. P. Trade Tax Act	Trade tax	Dy. Commissioner, Commercial Tax	2005-2006	3.11	-
Kerela Sales Tax Act	Trade Tax	Dy. Commissioner, Commercial Tax - (Appeal)	2000-2001	2.17	1.08
Central Excise Act, 1944	Excise Duty	Commissioner (Appeal)	2013-2016	0.42	0.03
			2013-2014	4.16	0.09
			2014-2015	0.24	0.01
			2015-2016	24.85	1.27
			2001-2002	16.78	-
		Customs, Excise & Service tax Appellate Tribunal	2001-2006	42.88	-
			2001-2004	16.63	-
			2005-2006	15.88	-
			2005-2007	7.72	-
			2006-2007	393.57	45.04
			2007-2012	0.37	-
			2008-2009	20.14	-
			2008-2014	38.08	3.14
			2008-2013	26.83	2.59
High Court, Allahabad	2008-2013	177.82	13.34		
	2012-2013	227.84	-		
	2013-2014	146.56	1.18		
Finance Act, 1994	Service Tax	Customs, Excise & Service tax Appellate Tribunal	1979-1980	11.01	11.01
			2005-2006	2.78	-
			1997-1999	6.25	-
Finance Act, 1994	Service Tax	Customs, Excise & Service tax Appellate Tribunal	2006-2007	83.06	14.87
			2009-2015	96.98	7.27
			2006-2015	96.98	7.27

* 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 (₹ lacs)
Central Excise Act, 1944	Excise Duty	Customs, Excise & Service tax Appellate Tribunal	2003-2004	21.44
			2005-2006	1.24
			2008-2009	54.68
		Commissioner (Appeal)	2014-15	4.96
Finance Act, 1994	Service tax	High Court, Allahabad	1995-96	9.92
		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 ₹ 34.78 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.

16. Disclosure related to Joint venture:

Name	Country of incorporation	Nature of controlling interest	Percentage of voting power as at	
			March 31, 2017	March 31, 2016
Uniworld Sugars Private Limited	India	Equity share holding and voting power	50%	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, 2017 and Income and Expenditure for the year ended March 31, 2017 (without elimination of the effect of transactions between the Company and the joint venture) based on unaudited and management certified financial statements of USPL are given below: (₹ lacs)

Assets and Liabilities:		
Description	As at March 31, 2017 (50%)	As at March 31, 2016 (50%)
ASSETS		
Non Current Assets		
-Fixed assets	12,558.30	13,151.30
-Long term loan and advances	125.42	113.54
Current Assets		
-Current Investments	-	122.49
-Inventories	5,470.58	5,014.09
-Trade Receivable	-	4.74
-Cash and bank balances	522.07	1,378.70
-Short term loans and advances	403.06	313.40
-Other current assets	123.35	129.41
LIABILITIES		
Non Current Liabilities		
-Long term borrowings	3,723.21	4,825.53
-Long term provisions	27.55	11.40
Current Liabilities		
-Short term borrowings	4,070.09	4,248.89
-Trade payables	4,973.84	5,215.78
-Other current liabilities	5,663.57	2,571.13
-Short term provisions	4.14	3.11

Income and Expenditure (₹ lacs)		
Description	Year ended March 31, 2017 (50%)	Year ended March 31, 2016 (50%)
INCOME		
- Revenue from operations (Net)	22,142.53	28,487.06
- Other income	70.66	121.52
EXPENSES		
- Cost of material consumed	19,784.92	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	(533.54)	(533.95)
- Employee benefit expenses	452.88	374.84
- Finance cost	1,354.65	1,302.41
- Depreciation and amortization expense	852.75	838.95
- Others expenses	2,912.62	3,711.96
Note :		
- Capital Commitments	1.29	70.79
- Contingent Liabilities	555.74	283.36

17. 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: (₹ lacs)

Description	Year ended March 31, 2017	Year ended March 31, 2016
- Employers' Contribution to Provident Fund	323.52	305.16
- Employers' Contribution to Superannuation Fund	10.50	12.17

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:

(₹ lacs)

Particulars	Gratuity (Funded)		Compensated absences (Not Funded)	
	2016-17	2015-16	2016-17	2015-16
Discount rate (per annum)	7.50%	8.00%	7.50%	8.00%
Future salary increase	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	7.50%	8.00%	N/A	N/A
In service mortality	#	#	#	#
I. Expense recognized in profit and loss account				
Current service cost	160.69	149.17	48.25	25.01
Interest cost	118.04	120.51	15.08	20.24
Expected return on plan assets	(78.13)	(82.12)	-	-
Net actuarial (gain)/loss recognized in the year	68.48	(25.61)	141.31	1.73
Total expense	269.08	161.95	204.64	46.98
II Net asset/(liability) recognized in the balance sheet as at the end of the year				
Present value of Defined benefits obligation	1,888.69	1,646.45	367.85	239.01
Fair value of plan assets	(1,074.98)	(1,008.32)	-	-
Funded status [surplus/ (deficit)]	(813.71)	(638.13)	(367.85)	(239.01)
Net asset/(liability) as at the end of the year	(813.71)	(638.13)	(367.85)	(239.01)
Current	(813.71)	(638.13)	(52.11)	(59.40)
Non current	-	-	(315.74)	(179.61)

(₹ lacs)

III Change in the present value of obligation during the year				
Present value of the obligation as at the beginning of the year	1,646.45	162.86	239.01	34.08
Interest cost	118.04	120.51	15.08	20.24
Current service cost	160.69	149.17	48.25	25.01
Benefits paid	(145.08)	(96.75)	(75.80)	(122.05)
Transfer from amalgamating company pursuant to Amalgamation	-	1,391.93	-	279.99
Actuarial (gains)/ losses on obligation	108.58	(81.27)	141.31	1.73
Present value of obligation as at the end of the year	1,888.69	1,646.45	367.85	239.01
IV Change in present value of fair value of plan Assets				
Fair value of plan assets as at the beginning of the year	1,008.33	111.49	-	-
Expected return on plan assets	78.12	82.12	-	-
Contributions	93.50	34.00	-	-
Benefits paid	(145.08)	(96.76)	-	-
Transfer from amalgamating company pursuant to Amalgamation	-	933.13	-	-
Actuarial gains/(losses)	40.11	(55.66)	-	-
Fair value of plan assets as at the end of the year	1,074.98	1,008.32	-	-
V Detail of plan Assets	Funded with ICICI*	NA		

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:

(₹ lacs)

Particulars	Gratuity (Funded)					Compensated absences (Non funded)				
	2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of obligation as at the end of the year	1,888.69	1,646.45	162.86	181.89	164.53	367.85	239.01	34.08	64.19	33.81
Fair value of plan assets as at the end of the year	1,074.98	1,008.32	111.49	114.64	115.99	-	-	-	-	-
Net asset/(liability) recognized in the balance sheet	(813.71)	(638.13)	(51.37)	(67.25)	(48.54)	(367.85)	(239.01)	(34.08)	(64.19)	(33.81)
Net actuarial (gain)/loss recognized	68.48	(25.61)	(28.18)	4.56	43.24	141.31	1.73	(21.09)	26.76	2.16

18. Earnings per share

(₹ lacs)

Description		Year ended March 31, 2017	Year ended March 31, 2016
Profit/(loss) after tax and exceptional items as per Statement of Profit and Loss	(A)	(3,744.44)	(9,287.36)
Less: Exceptional Items net of taxes		(427.05)	-
Profit/(loss) after tax and before exceptional items	(B)	(4,171.49)	(9,287.36)
Weighted average number of equity shares outstanding (Par value ₹ 10 per share)			
- For basic and diluted earnings per share (Nos.)	(C)	3,74,79,020	3,74,79,020
Earnings per share (₹)			
- Basic and diluted EPS before exceptional item	(B÷C)	(11.13)	(24.78)
- Basic and diluted EPS after exceptional item	(A÷C)	(9.99)	(24.78)

19. Auditors' remuneration (excluding service tax):

(₹ lacs)

Description	Year ended March 31, 2017	Year ended March 31, 2016
- Statutory audit	10.00	10.00
- Limited review of unaudited financial results	15.00	23.76
- Certification and others	6.00	3.52
- Reimbursement of out of pocket expense for statutory audit and others	1.13	1.53

20. Earning in foreign currency

(₹ lacs)

- Export on FOB basis	868.11	2,134.56
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21. Expenditure in foreign currency

(₹ lacs)

- Travelling	14.27	11.64
- Import Purchase	3.20	-

22. Statement of additional Information

(a) Particulars of stocks and sales

(₹ lacs)

Description	Stocks				Sales	
	Opening		Closing		For the year ended March 31, 2017	For the year ended March 31, 2016
	As at April 1, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016		
(i) Manufactured						
- Sugar	24,403.87	-	31,381.16	24,403.87	79,129.53	67,353.20
- Rectified spirit and country spirit	708.75	21.98	665.06	708.75	2,467.93	1,594.18
- Denatured spirit	1,324.94	0.46	1030.04	1,324.94	5,538.92	7,217.55
- Whisky, brandy and civil rum	29.80	101.82	50.46	29.80	209.34	161.02
- Others	785.46	4.58	654.22	785.46	1,576.83	2,238.32
Total	27,252.82	128.84	33,780.94	27,252.82	88,922.55	78,564.27
(ii) Traded						
- Whisky, brandy and civil rum	23.15	23.15	-	23.15	-	-
Total	23.15	23.15	-	23.15	-	-
Total (i) and (ii)	27,275.97	151.99	33,780.94	27,275.97	89,922.55	78,564.27

(b) Detail of work-in-progress:

(₹ lacs)

Description	Year ended March 31, 2017	Year ended March 31, 2016
- Sugar	883.42	436.02
- Rectified spirit, country spirit and denatured spirit	317.33	163.53
Total	1200.75	599.55

(c) Details of raw materials

(₹ lacs)

Opening stock	308.25	485.15
Add: Purchases	69,816.82	56,936.78
Less: Closing stock	3,102.59	308.25
Cost of materials consumed	67,022.48	57,113.68

Raw materials consumed comprise:

(₹ lacs)

- Sugar cane	63,134.21	53,970.77
- Molasses	3,690.05	2,788.55
- ENA and other	198.22	354.36
Total	67,022.48	57,113.68

(₹ lacs)

Description	Year ended March 31, 2017		Year ended March 31, 2016	
	%	Amount	%	Amount
Value of imported/ indigenous raw materials				
- Imported	-	-	-	-
- Indigenous	100.00	67,022.48	100.00	57,113.68
Total	100.00	67,022.48	100.00	57,113.68

(d) Purchase of Stock-in-trade

(₹ lacs)

Description	Year ended March 31, 2017	Year ended March 31, 2016
Sugar	915.31	-
Total	915.31	-

(e) Stores and spares consumed

(₹ lacs)

Description	Year ended March 31, 2017		Year ended March 31, 2016	
	%	Amount	%	Amount
- Imported	0.10	3.20	-	-
- Indigenous	99.90	3,271.80	100.00	4,532.17
Total	100.00	3,275.00	100.00	4,532.17

23. Foreign Currency exposures that are not hedged by derivative instruments or otherwise are as follows

Description	As at March 31, 2017		As at March 31, 2016	
	Amount in foreign currency (Lacs)	Amount (₹ Lacs)	Amount in foreign currency (Lacs)	Amount (₹ Lacs)
Trade Receivables -USD	3.50	227.23	3.15	207.82
Trade Payable - EURO	-	-	0.16	11.92
Advance Received from Customer - USD	0.50	32.20	-	-

24. Details of specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016

(₹ lacs)

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in hand as on November 08, 2016	11.10	4.42	15.51
(+) Permitted receipts	-	68.90	68.90
(-) Permitted payments	-	68.17	68.17
(-) Amount deposited in banks	11.10	-	11.10
Closing Cash in hand as on December 30, 2016	-	5.15	5.15

25. 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.

26. 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.

27. Previous year figures have been regrouped / reclassified whenever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board of Directors

In terms of our report attached

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

Karan Singh
Chief General Manager
DIN - 07648117

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 29, 2017

Place : New Delhi
Date : May 29, 2017

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, 2017, 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 audit evidence obtained by the other auditors in terms of their report 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.

We draw attention to the Note no. 14 of the consolidated financial statements, relating to inclusion of financial statements and other financial information of a joint venture Uniworld Sugars Private Limited on the basis of unaudited accounts in consolidated financial statements. The financial statements of Uniworld Sugar Private Limited reflects total assets of ₹ 192.03 Crores as at 31st March, 2017, total revenue ₹ 222.13 Crores and net cash flow ₹ (2.03) Crores for the year ended 31st March, 2017 as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it is related to the amounts and disclosures included in respect of the above joint venture, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanation given to us, these financial statements are material to the group.

Opinion :

Subject to the aforesaid, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, 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 joint venture as at 31st March, 2017 and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter:

- (i) As stated in Note No. 5, the financial statements have been prepared on going concern basis and impairment in the value of assets, if any, has been considered as of temporary nature by the management. Events or conditions as set forth in Note No. 5 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as going concern as well as on the carrying amount of fixed assets appearing in the financial statements. The ability of the Company to continue depends on the lenders to restructure the debts and to provide further financial support to enable the Company to continue as a going concern and also on successful implementation of Company's, its subsidiaries' and joint venture's plan to improve their operation efficiency.
- (ii) As stated in Note no. 8, no provision has been made in respect of penal interest due to lender as per prevailing loan agreement aggregating to ₹ 912 lacs as the same is

proposed to be waived by the lenders as per the draft scheme of restructuring which is under discussion between the joint lender's forum and the management.

- (iii) As stated in Note No. 6(ii) no provision has been made in respect of interest on delay payment of cane price (amount not determined) due to the reasons set forth in the Note and the events considered by the management to form belief that such interest would be waived by the competent authority.

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, whose financial statements reflect total assets of ₹ 402.77 Crores as at 31st March, 2017 as well as total revenue ₹ 123.17 Crores and net cash inflow amounting to ₹ 17.79 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our report on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion above 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.

Report on Other Legal & Regulatory Requirements :

As required by Section-143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and the other financial information of subsidiaries we report, the extent applicable, that :-

- a) We have sought and except for audited financial statements of a joint venture, Uniworld Sugar Private Limited and audit report in terms of section 143(3) and (11) of the Act on their financial statements, 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) The aforesaid consolidated financial statements comply with

the Accounting Standard prescribed under Section 133 of the Act;

- e) The going concern matter described in sub-paragraph (i) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company.
- f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a directors in terms of section 164(2) of the Act.
- g) 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 and its subsidiary companies incorporated in India;
- h) 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 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 incorporated in India.
 - iv) These Consolidated financial statements have made requisite disclosures as to holding as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 by the holding company and its subsidiaries. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on the consideration of the report of other auditors on separate financial statements and other financial information of its subsidiary companies, in our opinion, these disclosures are in accordance with the books of accounts maintained by the respective companies.

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

(B. L.GUPTA)
Partner

Place : New Delhi
Date : 29.05.2017

Membership No. 73794

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, 2017, 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, 2017 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 :

Our 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, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We draw attention to the fact that Auditors' report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in respect of joint venture Uniworld Sugars Private Ltd. has not been provided to us and accordingly we do not express any opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Uniworld Sugars Private Ltd.

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

(B. L.GUPTA)

Partner

Membership No. 73794

Place : New Delhi
Date : 29.05.2017

SIMBHAOLI SUGARS LIMITED
(Formerly known as 'Simbhaoli Spirits Limited')
CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2017

	Notes	As at March 31, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1	3,747.90	3,747.90
Reserves and surplus	3.2	<u>21,881.49</u>	<u>27,761.88</u>
		25,629.39	31,509.78
Minority interest		4,245.09	4,381.66
Non-current liabilities			
Long-term borrowings	3.3	41,760.24	72,610.09
Long-term provisions	3.4	<u>412.18</u>	<u>286.95</u>
		42,172.42	72,897.04
Current liabilities			
Short-term borrowings	3.5	65,901.21	55,610.06
Trade payables	3.6	65,806.73	58,795.37
Other current liabilities	3.7	51,157.28	24,807.17
Short-term provisions	3.8	<u>104.79</u>	<u>48.56</u>
		182,970.01	139,261.16
Total		2,55,016.91	248,049.64
ASSETS			
Non-current assets			
Fixed assets	3.9		
Tangible assets		178,909.88	184,562.60
Intangible assets		766.23	871.36
Capital work-in-progress		<u>1,554.83</u>	<u>773.82</u>
		181,230.94	186,207.78
Pre-operative expenditure pending allocation	3.10	-	-
Goodwill on consolidation		3,995.81	3,995.81
Non-current investments	3.11	1.76	2.26
Deferred tax assets	3.12	99.63	76.09
Long-term loans and advances	3.13	<u>682.36</u>	<u>451.58</u>
		186,010.50	190,733.52
Current assets			
Current investments	3.14	287.38	1,936.02
Inventories	3.15	45,644.07	35,073.15
Trade receivables	3.16	5,471.35	9,327.14
Cash and cash equivalents	3.17	11,079.02	3,660.85
Short-term loans and advances	3.18	3,411.70	4,540.29
Other current assets	3.19	<u>3,112.89</u>	<u>2,778.67</u>
		69,006.41	57,316.12
Total		255,016.91	248,049.64

Significant accounting policies and Notes to the consolidated accounts

1 to 22

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

Karan Singh
Chief General Manager
DIN - 07648117

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 29, 2017

Place : New Delhi
Date : May 29, 2017

SIMBHAOLI SUGARS LIMITED
(Formerly known as 'Simbhaoli Spirits Limited')
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2017

	Notes	Year ended March 31, 2017 ₹ lacs	Year ended March 31, 2016 ₹ lacs
Revenue from operations			
Sale of products	3.20	1,19,627.49	1,10,707.21
Less: Excise duty		4,983.09	3,933.46
		<u>1,14,644.40</u>	<u>1,06,773.75</u>
Sale of services	3.21	1,005.33	1,150.64
Other operating revenues	3.22	1,795.41	3,548.12
Revenue from operations		<u>1,17,445.14</u>	<u>1,11,472.51</u>
Other income	3.23	1,728.51	937.68
Total Revenue		<u>1,19,173.65</u>	<u>1,12,410.19</u>
Expenses			
Cost of materials consumed	3.24	89,529.81	82,601.11
Purchases of stock-in-trade	3.25	1,046.45	430.75
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.26	(7,529.22)	1,749.26
Employee benefits expense	3.27	7,396.66	6,261.75
Finance costs	3.28	16,510.04	14,030.11
Depreciation and amortization expense	3.9	6,665.74	6,626.67
Other expenses	3.29	12,019.23	12,029.70
Total Expenses		<u>1,25,638.71</u>	<u>1,23,729.35</u>
Profit/(loss) before exceptional items and tax		(6,465.06)	(11,319.16)
Exceptional items (net)	3.30	(427.05)	-
Profit/(loss) before tax		<u>(6,038.01)</u>	<u>(11,319.16)</u>
Tax expense:			
Tax relating to previous year		(0.31)	5.16
Current tax		6.53	70.05
Deferred tax charge/ (benefit)		(23.55)	(16.26)
Profit/(loss) after tax		<u>(6,020.68)</u>	<u>(11,378.11)</u>
Minority interest		(136.57)	(179.35)
Profit/(loss) after tax and minority interest		<u>(5,884.11)</u>	<u>(11,198.76)</u>
Earnings per equity share-basic/diluted (₹)	16		
Basic and Diluted before exceptional items		(16.84)	(29.88)
Basic and Diluted after exceptional items		(15.70)	(29.88)
Significant accounting policies and Notes to the consolidated accounts	1 to 22		

For and on behalf of the Board of Directors

In terms of our report attached

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

Karan Singh
Chief General Manager
DIN - 07648117

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 29, 2017

Place : New Delhi
Date : May 29, 2017

SIMBHAOLI SUGARS LIMITED
(Formerly known as 'Simbhaoli Spirits Limited')
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Year ended March 31, 2017 ₹ lacs	Year ended March 31, 2016 ₹ lacs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit/(loss) before tax and exceptional items	(6,465.06)	(11,319.16)
Adjustments for:		
Depreciation and amortization	6,665.74	6,626.67
Unrealised foreign exchange fluctuation	0.31	(1.97)
Loan liabilities written back	(970.79)	-
Liabilities/provision no longer required written back	(673.02)	(1,234.56)
Finance costs	16,510.04	14,030.11
Rent & finance lease income	30.19	(28.12)
Provision for doubtful advance & debts	106.77	75.19
Bad debts written off	-	94.64
Cane commission receivable written off relating to earlier year	543.74	-
Mollasses Storage Fund	3.41	4.92
Fixed Assets written off	-	2.95
Goodwill written off	-	16.10
Loss/(profit) on sale of fixed assets (net)	3.05	(13.15)
Profit on sale of current investments	(59.39)	(73.40)
Interest income	(481.41)	(320.72)
Operating profit/(loss) before working capital changes	15,213.58	7,859.50
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	3,511.95	(3,797.62)
Short term and long term loans and advances	304.68	2,078.94
Other current and non current assets	(5,491.89)	(1,991.70)
Inventories	(10,570.94)	4,557.51
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	8,029.67	(1,650.04)
Other current liabilities	8,450.71	1,101.02
Short term and long term provisions	186.64	(113.48)
Cash (used)/generated from operations	19,634.40	8,044.14
Direct taxes (paid)/refund	347.01	(266.93)
Net cash flow from operating activities before exceptional items	19,981.41	7,777.21
Cash flow from exceptional items	(427.05)	-
Net cash (used) / from operating activities	20,408.46	7,777.21
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(2,209.79)	(8,661.04)
Sale of fixed assets	(0.48)	196.28
Proceeds from sale of Investment	3,669.03	5,039.79
Purchase of current Investment	(1,960.50)	(6,605.81)
Rent & finance lease received	346.70	-
Changes in deposits with bank	(4,561.29)	(360.46)
Interest received	1,557.80	238.01
Net cash (used) / from investing activities	(3,158.53)	(10,153.24)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
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)	(4,858.92)	8,328.08
Proceeds/(Repayment) from short term borrowings (Net)	(2,489.15)	(402.58)
Changes in deposit pledged with against margin money/ guarantee with bank	(948.36)	0.24
Interest paid	(7,061.50)	(11,005.55)
Net cash (used) / from financing activities	(15,357.93)	1,618.10
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,892.00	(757.93)
E. Cash and cash equivalents (opening balance)	1,211.90	121.44
Add : Cash & Bank Balance acquired on Amalgamation [refer note 4]	-	917.27
Add : Cash & Bank Balance acquisition of subsidiaries and joint controlled entity	-	931.12
F. Cash and cash equivalents (closing balance) [refer note 3.17(A)] (D+E)	3,103.90	1,211.90
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

<p>For MITTAL GUPTA & COMPANY Chartered Accountants FRN - 01874C</p> <p>B. L. GUPTA Partner (M.No. - 073794)</p> <p>Place : New Delhi Date : May 29, 2017</p>	<p>Gurmit Singh Mann Chairperson DIN - 00066653</p> <p>Dayal Chand Popli Chief Financial Officer FCMA - 12257</p> <p>Place : New Delhi Date : May 29, 2017</p>	<p>Gursimran Kaur Mann Director DIN - 00642094</p> <p>Anshul Jain GM- Finance FCA - 505973</p>	<p>Sachchida Nand Misra Chief Operating Officer DIN -06714324</p> <p>Kamal Samtani Company Secretary FCS - 5140</p>	<p>Karan Singh Chief General Manager DIN - 07648117</p>
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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. L15122UP2011PLC044210 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, speciality 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	Country of Incorporation
1.	Simbhaoli Power Private Limited (SPPL)	Generation of green power	India
2.	Integrated Casetech Consultants Private Limited (ICCP)	Consultancy business	India
3.	Simbhaoli Global Commodities DMCC (DMCC)	Trading of sugar & alcohol	Dubai
4.	Uniwold Sugars Private Limited (USPL)	Raw sugar refinery	India
5.	Simbhaoli Speciality Sugars Private Limited (SSSPL)	Packaging	India

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, 2017.

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

Name of Entity	Country of incorporation	% voting power held as at March 31, 2017	% voting power held as at March 31, 2016
Simbhaoli Power Private Limited	India	51.00	51.00
Integrated Casetech Consultants Private Limited	India	85.16	85.16
Simbhaoli Global Commodities DMCC	Dubai-UAE	100.00	100.00
Simbhaoli Speciality Sugars Private Limited	India	100.00	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, 2017	% voting power held as at March 31, 2016
Uniworld Sugars Private Limited	India	50.00	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

i. Building owned by SPPL and USPL	: Written down value method
ii. Other Building	: Straight Line Method
iii. Plant and machinery	: Straight Line Method
iv. Computer Equipment	: Straight Line Method
v. Furniture and fixtures owned by USPL	: Written down value method
vi. Other Furniture and fixtures	: Straight Line Method
vii. Vehicles	: Written down value method
viii. Office Equipment owned by USPL	: Written down value method
ix. Other Office Equipment	: Straight Line Method

Except in case of fixed assets costing up to ₹ 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 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.

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, 2017		As at March 31, 2016	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
Authorized				
Equity shares of ₹ 10 each with voting rights	6,80,00,000	6,800.00	6,80,00,000	6,800.00
Preference share of ₹ 100 each	40,00,000	4,000.00	40,00,000	4,000.00
	7,20,00,000	10,800.00	7,20,00,000	10,800.00
Issued, Subscribed and paid up				
Equity shares of ₹ 10 each with voting rights fully paid up	3,74,79,020	3,747.90	3,74,79,020	3,747.90
	3,74,79,020	3,747.90	3,74,79,020	3,747.90

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

	As at March 31, 2017		As at March 31, 2016	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
Equity shares with voting rights (one per share)				
As at beginning of the year	6,80,00,000	6,800.00	3,30,00,000	3,300.00
Add: Adjustment on Amalgamation [refer note 4]	-	-	3,50,00,000	3,500.00
As at end of the year	6,80,00,000	6,800.00	6,80,00,000	6,800.00
Preference shares				
As at beginning of the year	40,00,000	4,000.00	-	-
Add: Adjustment on Amalgamation [refer note 4]	-	-	40,00,000	4,000.00
As at end of the year	40,00,000	4,000.00	40,00,000	4,000.00

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, 2017		As at March 31, 2016	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
Equity shares with voting rights (one per share)				
As at beginning of the year	3,74,79,020	3,747.90	3,18,00,000	3,180.00
Add: Issue of shares under scheme of Amalgamation [refer note 4]	-	-	3,74,79,020	3,747.90
Less: Adjustment on Amalgamation [refer note 4]	-	-	3,18,00,000	3,180.00
As at end of the year	3,74,79,020	3,747.90	3,74,79,020	3,747.90

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

S. No.	Name of the Shareholders	As at March 31, 2017		As at March 31, 2016	
		(No. of Shares)	% of Share holding	(No. of Shares)	% of Share holding
i)	Dholadhar Investments Private Limited	74,62,114	19.91	74,62,114	19.91
ii)	Mr. Gurmit Singh Mann	37,26,154	9.94	37,26,154	9.94
iii)	Mr. Gurpal Singh	24,02,770	6.41	24,02,770	6.41
iv)	Pearl Innovative Marketing Private Limited	23,20,623	6.19	23,20,623	6.19
v)	Pritam Singh Sandhu Associates Pvt. Ltd.	20,77,735	5.54	20,77,735	5.54
vi)	Shri Vatsala Traders Private Limited	19,15,434	5.11	20,15,434	5.38

D. The Company has allotted 3,74,79,020 Equity shares of ₹ 10 each aggregating ₹ 3,747.90 lacs during the F.Y 2015-16 on Amalgamation of Erstwhile Simbhaoli Sugars Limited without payment being received in cash. (refer note 4).

E. Rights, preference and restriction attached to equity shares (₹ 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, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
Mollasses Storage Fund		
Opening balance	4.92	-
Add: Addition during the year	3.41	4.92
	<u>8.33</u>	<u>4.92</u>
Capital reserve		
Opening balance	-	-
Add: Adjustment on Amalgamation [refer note 4]	-	229.80
Less: Utilized during the year	-	229.80
	<u>-</u>	<u>-</u>
Securities Premium Account		
Opening balance	45,461.99	22,225.00
Add: Adjustment on Amalgamation [refer note 4]	-	23,236.99
	<u>45,461.99</u>	<u>45,461.99</u>
Foreign currency translation reserve		
Opening Balance	(1.96)	-
Add: Addition during the year	0.31	(1.96)
	<u>(1.65)</u>	<u>(1.96)</u>
Balance in Statement of Profit and Loss		
Opening balance	(17,703.07)	(6,504.31)
Add: Profit/(loss) during the year	(5,884.11)	(11,198.76)
Amount available for appropriation	<u>(23,587.18)</u>	<u>(17,703.07)</u>
	<u>21,881.49</u>	<u>27,761.88</u>

NON-CURRENT LIABILITIES

3.3 LONG-TERM BORROWINGS

Secured

Term loans

From bank [refer note 8(A)]	31,357.98	61,110.63
From others [refer note 8(A)]	8.76	387.66

Unsecured

From related parties	1,969.23	1,585.21
Debentures [refer note 9]	4,701.06	4,701.06
	<u>38,037.03</u>	<u>67,784.56</u>

Share of Joint Venture [refer note 2(ii) (D)]	3,723.21	4,825.53
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	<u>41,760.24</u>	<u>72,610.09</u>
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3.4 LONG-TERM PROVISIONS

Provision for employee benefits

Compensated absences	384.63	275.55
	<u>384.63</u>	<u>275.55</u>

Share of Joint Venture [refer note 2(ii) (D)]	27.55	11.40
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	<u>412.18</u>	<u>286.95</u>
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	As at March 31, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
CURRENT LIABILITIES		
3.5 SHORT-TERM BORROWINGS		
Secured		
Loans repayable on demand		
From banks [refer note 8(C)]	29,017.13	16,362.86
From others [refer note 8(C)]	134.43	-
	<u>29,151.56</u>	<u>16,362.86</u>
Share of joint venture [refer note 8(C) and note 2(ii) (D)]	174.28	506.29
	<u>29,325.84</u>	<u>16,869.15</u>
Unsecured		
Loans repayable on demand		
From banks [refer note 7 and note 8(D)]	32,679.56	34,998.31
	<u>32,679.56</u>	<u>34,998.31</u>
Share of Joint Venture [refer note 2(ii) (D)]	3,895.81	3,742.60
	<u>36,575.37</u>	<u>38,740.91</u>
	65,901.21	55,610.06
3.6 TRADE PAYABLES		
Trade payable	60,832.90	53,766.65
	<u>60,832.90</u>	<u>53,766.65</u>
Share of Joint Venture [refer note 2(ii) (D)]	4,973.83	5,028.72
	<u>65,806.73</u>	<u>58,795.37</u>
3.7 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Secured)		
From banks [refer note 8(A)]	15,558.47	6,818.20
From others [refer note 8(A)]	3,115.76	2,769.82
Interest accrued but not due on borrowings	1,971.40	1,296.34
Interest accrued and due on borrowings	19,173.39	6,398.09
Advances received from customers	698.95	475.38
Security deposits	140.09	147.37
Creditors for capital goods	1,243.33	1,795.63
Statutory dues payable	3,583.29	2,528.16
Others miscellaneous payable	9.03	7.05
	<u>45,493.71</u>	<u>22,236.04</u>
Share of Joint Venture [refer note 2(ii) (D)]	5,663.57	2,571.13
	<u>51,157.28</u>	<u>24,807.17</u>
3.8 SHORT-TERM PROVISIONS		
Provision for employee benefits :		
Compensated absences	62.79	8.92
Provision for tax	37.59	36.53
	<u>100.65</u>	<u>45.45</u>
Share of Joint Venture [refer note 2(ii) (D)]	4.14	3.11
	<u>104.79</u>	<u>48.56</u>

3.9 FIXED ASSETS

Particulars	GROSS BLOCK					DEPRECIATION/ AMORTISATION					NET BLOCK		
	As at April 1, 2016	Acquired on Amalgamation*	Addition on acquisition of subsidiaries & Joint Venture	Additions	Disposals	As at March 31, 2017	As at April 1, 2016	Addition on acquisition of subsidiaries & Joint Venture	For the year	On Disposals	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangibles (Owned)													
Land - freehold	85,125.11	-	-	-	-	85,125.11	-	-	-	-	-	85,125.11	85,125.11
	(20,363.72)	(64,744.59)	(16.80)	-	-	(85,125.11)	-	-	-	-	-	(85,125.11)	-
Buildings	17,214.04	-	-	11.91	-	17,225.95	2,195.48	-	1,058.35	-	3,253.83	13,972.12	15,018.56
	(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)	(15,018.56)	-
Railway siding	0.50	-	-	-	-	0.50	0.10	-	0.10	-	0.20	0.30	0.40
	-	(0.50)	-	-	-	(0.50)	-	(0.10)	-	-	(0.10)	(0.40)	-
Plant and machinery	79,274.90	-	-	236.45#	34.99	79,503.36	7,510.03	-	4,577.14	27.79	12,059.38	67,443.98	71,764.87
	(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)	(71,764.87)	-
Furniture and fixtures	246.83	-	-	1.72	0.59	247.96	54.89	-	43.30	0.44	97.75	150.21	191.94
	(14.70)	(204.89)	(9.55)	(17.69)	-	(246.83)	(11.71)	(0.55)	(42.63)	-	(54.89)	(191.94)	-
Vehicles	210.43	-	-	25.68	1.89	234.22	118.27	-	46.94	1.79	163.42	70.80	92.16
	(7.91)	(152.99)	(44.29)	(40.51)	(35.27)	(210.43)	(6.84)	(20.77)	(103.81)	(13.15)	(118.27)	(92.16)	-
Office Equipment	727.65	-	-	15.76	6.09	737.32	269.09	-	79.81	5.49	343.41	393.91	458.56
	(1.11)	(711.16)	(17.29)	(5.09)	(7.00)	(727.65)	(1.11)	(9.01)	(263.57)	(4.60)	(269.09)	(458.56)	-
Subtotal Tangibles	1,82,799.46	-	-	318.52	43.56	1,83,074.42	10,147.86	-	5,805.64	35.51	15,917.99	1,67,156.43	
Subtotal previous year	(28,234.63)	(1,18,242.91)	(24,141.43)	(12,411.71)	(231.21)	(1,82,799.46)	(2,378.25)	(2,049.83)	(5,768.89)	(49.11)	(10,147.86)		1,72,651.60
Share of Joint Venture [refer note 2(ii) (D)]	13,129.94	-	-	597.82	4.91	13,722.85	1,218.94	-	751.95	1.49	1,969.40	11,753.45	11,911.00
	-	-	(12,917.45)	(230.38)	(17.89)	(13,129.94)	-	(484.31)	(738.49)	(3.86)	(1,218.94)	(11,911.00)	-
Total tangibles	1,95,929.40	-	-	916.34	48.47	1,96,797.27	11,366.80	-	6,557.59	37.00	17,887.39	1,78,909.88	
Total tangibles previous year	(28,234.63)	(118,242.91)	(37,058.88)	(12,642.09)	(249.10)	(1,95,929.40)	(2,378.25)	(2,534.14)	(6,507.38)	(52.97)	(11,366.80)		1,84,562.60
Intangibles (Owned)													
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-
	(447.09)	-	-	-	(447.09)	-	(201.19)	-	-	(201.19)	-	-	-
Software	64.91	-	-	2.82	-	67.73	26.02	-	7.35	-	33.37	34.36	38.89
	-	(26.65)	(33.67)	(4.59)	-	(64.91)	-	(7.19)	(18.83)	-	(26.02)	(38.89)	-
Subtotal Intangibles	64.91	-	-	2.82	-	67.73	26.02	-	7.35	-	33.37	34.36	
Previous year	(447.09)	(26.65)	(33.67)	(4.59)	(447.09)	(64.91)	(201.19)	(7.19)	(18.83)	(201.19)	(26.02)		38.89
Share of Joint Venture [refer note 2(ii) (D)]	1,008.02	-	-	0.20	-	1,008.22	175.55	-	100.80	-	276.35	731.87	832.47
	-	-	(1,001.16)	(6.86)	-	(1,008.02)	-	(75.10)	(100.46)	-	(175.55)	(832.47)	-
Total intangibles	1,072.93	-	-	3.02	-	1,075.95	201.57	-	108.15	-	309.72	766.23	
Total intangibles previous year	(447.09)	(26.65)	(1,034.83)	(11.45)	(447.09)	(1,072.93)	(201.19)	(82.29)	(119.29)	(201.19)	(201.57)		871.36
Total	1,97,002.33	-	-	919.36	48.47	1,97,873.22	11,568.37	-	6,665.74	37.00	18,197.11	1,79,676.11	
Total previous year	(28,681.72)	(1,18,269.56)	(38,093.71)	(12,653.54)	(696.19)	(197,002.33)	(2,579.44)	(2,616.43)	(6,626.67)	(254.16)	(11,568.37)		1,85,433.96
Capital work in progress	-	-	-	-	-	-	-	-	-	-	-	1,481.84	365.98
Share of Joint Venture [refer note 2(ii) (D)]	-	-	-	-	-	-	-	-	-	-	-	72.99	407.84
Total capital work in progress	-	-	-	-	-	-	-	-	-	-	-	1,554.83	773.82
												1,81,230.94	1,86,207.78

Note: Figures in bracket represents previous year numbers.

Includes ₹ 23.94 lacs (previous year ₹ 891.19 lacs) borrowing cost capitalised during the year.

* Refer note 4.

	As at March 31, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
3.10 PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION		
Provision for employee benefits :		
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
	-	1,604.64
Less: Gross sales	-	252.57
	-	1,352.07
Add: Brought forward from previous period on acquisition of subsidiaries	-	521.61
	-	1,873.68
Less: Capitalised during the year	-	1,873.68
	-	0.00

	As at March 31, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
3.11 NON-CURRENT INVESTMENTS		
(Valued at cost unless there is permanent diminution in value there of)		
Trade Investment		
Unquoted		
One share of ₹ 20 fully paid up in Simbhaoli Co-operative Cane Development Union Limited (*₹ 20)	*	*
Other Investment		
Investment in Government securities		
Unquoted		
6-Years Post Office National Savings Certificate	1.61	2.11
Other		
Unquoted		
Casetech employee share plan trust	0.15	0.15
	<u>1.76</u>	<u>2.26</u>
Aggregate book value		
- Quoted	-	-
[Market value ₹ Nil (previous year ₹ Nil)]		
- Unquoted	<u>1.76</u>	<u>2.26</u>
3.12 DEFERRED TAX ASSETS		
Deferred tax assets		
Unabsorbed depreciation/Brought forward business loss	8,015.60	6,409.39
Accrued expenses deductible on payment	29.74	5.50
Provision for doubtful debts and advances	72.91	42.72
Others	18.12	43.24
	<u>8,136.37</u>	<u>6,500.84</u>
Deferred tax liabilities		
Depreciation	8,036.74	6,424.75
	<u>8,036.74</u>	<u>6,424.75</u>
Deferred tax assets	<u>99.63</u>	<u>76.09</u>
3.13 LONG-TERM LOANS AND ADVANCES		
(Unsecured considered good unless otherwise stated)		
Capital advances	16.10	23.15
Security deposit	57.67	62.17
Others loans and advances*	578.56	305.28
	<u>652.33</u>	<u>390.60</u>
Share of Joint Venture [refer note 2(ii) (D)]	30.03	60.98
	<u>682.36</u>	<u>451.58</u>
	<u>682.36</u>	<u>451.58</u>
<i>* Includes amount deposited with Government authorities under protest.</i>		
CURRENT ASSETS		
3.14 CURRENT INVESTMENTS		
(Valued at cost unless there is permanent diminution in value there of)		
Investment in Mutual Fund (unquoted)*	287.38	1,813.53
	<u>287.38</u>	<u>1,813.53</u>
Share of Joint Venture [refer note 2(ii) (D)]**	-	122.49
	<u>287.38</u>	<u>1,936.02</u>

*Aggregate market value of unquoted investment in Mutual funds amounting to ₹ 291.17 lacs (previous year ₹ 1,833.62 lacs).

**Repurchase price of unquoted non-trade current investment in Mutual funds amounting to ₹ Nil (previous year ₹ 122.99 lacs).

	As at March 31, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
3.15 INVENTORIES		
(At lower of cost and net realisable value)		
Raw materials	3,279.78	354.32
Work-in-progress	1,276.65	764.16
Finished goods	33,826.93	27,109.46
Stock-in-trade	-	234.28
Stores and spares	1,781.99	1,589.25
Loose tools	8.14	7.59
	40,173.49	30,059.06
Share of Joint Venture [refer note 2(ii) (D)]	5,470.58	5,014.09
	45,644.07	35,073.15
3.16 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from due date for payment		
Unsecured - considered good	403.62	784.91
- Considered doubtful	313.66	389.55
	<u>717.28</u>	<u>1,174.46</u>
Less: Provision for doubtful receivables	313.66	389.55
	<u>403.62</u>	<u>784.91</u>
Other debts *		
Unsecured - considered good	5,067.73	8,537.49
	<u>5,471.35</u>	<u>9,322.40</u>
Share of Joint Venture [refer note 2(ii) (D)]	-	4.74
	<u>5,471.35</u>	<u>9,327.14</u>
<i>*Includes retention amounting to ₹ Nil (previous year ₹109.70 lacs.)</i>		
3.17 CASH AND CASH EQUIVALENTS		
(A) Cash and cash equivalent		
Balances with banks		
- Current account	3,049.24	956.55
- Deposit account within upto 12 months maturity	38.49	29.41
Cash on hand	12.50	19.08
	<u>3,100.23</u>	<u>1,005.04</u>
Share of Joint Venture [refer note 2(ii) (D)]	3.67	206.84
	<u>3,103.90</u>	<u>1,211.88</u>
(B) Other bank balances - Margin money / cash collateral		
With original maturity of 3 months or less	294.19	95.04
With original maturity of more than 3 months but less than 12 months	362.07	247.79
With original maturity of more than 12 months	851.78	216.48
	<u>1,508.04</u>	<u>559.31</u>
Share of Joint Venture [refer note 2(ii) (D)]	518.39	1171.86
	<u>2,026.43</u>	<u>1,731.17</u>
(C) Other bank balances - Other deposits #		
With original maturity of 3 months or less @	5730.69	12.04
With original maturity of more than 3 months but less than 12 months	125.26	225.44
With original maturity of more than 12 months	92.74	480.32
	<u>5,948.69</u>	<u>717.80</u>
Total (A+B+C)	11,079.02	3,660.85

Pledged with excise authorities and civil court ₹ 128.23 (previous year ₹ 330.51 lacs).

@ FDR of ₹ 5,623.46 lacs (previous year ₹ Nil) under legal case with UPB matter in sub-judice.

	As at March 31, 2017 ₹ lacs	As at March 31, 2016 ₹ lacs
3.18 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	712.22	956.37
Considered doubtful	24.69	124.27
	<u>736.91</u>	<u>1,080.64</u>
Less: Provision for doubtful advances	24.69	124.27
	<u>712.22</u>	<u>956.37</u>
Loans and advances to employees		
Considered good	76.05	82.53
Considered doubtful	12.90	11.71
	<u>88.95</u>	<u>94.25</u>
Less: Provision for doubtful advances	12.90	11.71
	<u>76.05</u>	<u>82.53</u>
Security Deposits		
Considered good	136.02	176.66
Considered doubtful	25.00	81.36
	<u>161.02</u>	<u>258.02</u>
Less: Provision for doubtful deposits	25.00	81.36
	<u>136.02</u>	<u>176.66</u>
Balances with customs, excise etc.	1,297.77	1,875.47
Tax payments	691.18	1,083.66
	<u>2,913.24</u>	<u>4,174.69</u>
Share of Joint Venture [refer note 2(ii) (D)]	498.46	365.60
	<u>3,411.70</u>	<u>4,540.29</u>
3.19 OTHER CURRENT ASSETS		
(Unsecured and considered good unless otherwise stated)		
Claim receivable	309.66	736.90
Interest accrued on investments, deposits etc.	193.42	176.60
REC income receivable	687.53	827.04
Export incentive receivable	20.38	16.58
Unbilled revenue	1,243.32	705.43
Other	535.23	186.71
	<u>2,989.54</u>	<u>2,649.26</u>
Share of Joint Venture [refer note 2(ii) (D)]	123.35	129.41
	<u>3,112.89</u>	<u>2,778.67</u>
3.20 SALES OF PRODUCTS		
Sales of products	97,739.15	82,652.17
	<u>97,739.15</u>	<u>82,652.17</u>
Share of Joint Venture [refer note 2(ii) (D)]*	21,888.34	28,055.04
	<u>1,19,627.49</u>	<u>1,10,707.21</u>
* Includes excise duty of ₹ 101.38 lacs (previous year ₹ 69.80 lacs)		
3.21 SALES OF SERVICES		
Sales of services	730.80	981.48
	<u>730.80</u>	<u>981.48</u>
Share of Joint Venture [refer note 2(ii) (D)]	274.53	169.16
	<u>1,005.33</u>	<u>1,150.64</u>

	Year ended March 31, 2017 ₹ lacs	Year ended March 31, 2016 ₹ lacs
3.22 OTHER OPERATING REVENUES		
Sale of scrap	74.03	46.35
Export incentives	19.94	20.23
REC income	734.94	1,145.40
Remission of cane commission liability relating to earlier year	-	959.42
Cane subsidy relating to earlier year	-	818.37
Subsidy from Central Government under MIEQ	593.01	-
Miscellaneous	292.45	225.68
	<u>1,714.37</u>	<u>3,215.45</u>
Share of Joint Venture [refer note 2(ii) (D)]	81.04	332.67
	1,795.41	3,548.12
3.23 OTHER INCOME		
Interest on:		
- Bank deposits	374.20	139.19
- Income Tax refund	24.04	75.54
- Others	27.25	-
Rent	6.80	28.12
Profit on sale of fixed assets	-	13.15
Profit on sale of current investments	53.85	59.28
Liability/provisions no longer required, written back	670.62	273.88
Miscellaneous	501.09	227.01
	<u>1,657.85</u>	<u>816.17</u>
Share of Joint Venture [refer note 2(ii) (D)]	70.66	121.51
	1,728.51	937.68
3.24 COST OF MATERIALS CONSUMED		
Cost of Material Consumed	69,744.89	57,895.31
	<u>69,744.89</u>	<u>57,895.31</u>
Share of Joint Venture [refer note 2(ii) (D)]	19,784.92	24,705.80
	89,529.81	82,601.11
3.25 PURCHASE OF STOCK-IN-TRADE		
Purchase of stock for resale	1,046.45	-
	<u>1,046.45</u>	<u>-</u>
Share of Joint Venture [refer note 2(ii) (D)]	-	430.75
	1,046.45	430.75
3.26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stock		
Finished goods	27,320.59	128.84
Work-in-progress	764.16	-
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
Add: Stock transferred on acquisition of subsidiaries		
Finished goods	-	38.22
Work-in-progress	-	-
Stock-in-trade	-	-

	Year ended March 31, 2017 ₹ lacs	Year ended March 31, 2016 ₹ lacs
Closing stock	28,107.90	30,391.11
Finished goods	33,826.93	27,320.59
Work-in-progress	1,276.65	764.16
Stock-in-trade	-	23.15
	<u>35,103.58</u>	<u>28,107.90</u>
	<u>(6,995.68)</u>	<u>2,283.21</u>
Share of Joint Venture [refer note 2(ii) (D)]	<u>(533.54)</u>	<u>(533.95)</u>
	(7,529.22)	1,749.26
3.27 EMPLOYEE BENEFIT EXPENSE		
Salaries, wages, bonus, commission, etc.	6,029.35	5,284.03
Provident and other funds*	778.70	548.60
Welfare	135.73	147.27
Less: Employee benefits expnses capitalised	-	93.00
	<u>6,943.78</u>	<u>5,886.90</u>
Share of Joint Venture [refer note 2(ii) (D)]	452.88	374.85
	7,396.66	6,261.75
<i>* Includes gratuity expense refer note 15.</i>		
3.28 FINANCE COSTS		
Interest expense	14,931.56	13,497.97
Other borrowing costs	247.77	120.92
Less: Borrowing costs capitalised	23.94	891.19
	<u>15,155.39</u>	<u>12,727.70</u>
Share of Joint Venture [refer note 2(ii) (D)]	1,354.65	1,302.41
	16,510.04	14,030.11
3.29 OTHER EXPENSES		
Sugar cane development	239.71	157.25
Consumption of stores and spare parts #	2,460.89	2,486.50
Power and fuel	422.28	606.54
Repairs		
- Machinery	1,238.53	1,475.13
- Buildings	75.92	45.85
- Others	129.16	127.83
Insurance	245.29	178.43
Rent	214.43	196.54
Rates and taxes	127.34	95.81
Fixed Assets Written off	-	2.95
Donations	0.37	-
Travelling and conveyance	314.64	274.09
Marketing expense	331.86	296.56
Export expenses	350.85	54.71
Commission to selling agents	269.12	295.08
Loss on sale of fixed assets (net)	3.04	-
Goodwill written off	-	16.10
Bad debts and advances written off	14.91	94.64
Provision for doubtful debts and advances	106.77	75.19
Increase/ (decrease) in excise duty on finished goods	645.30	109.00
Foreign exchange fluctuation	11.32	-
Legal & Professional [refer note 17]	419.27	439.72
Miscellaneous expenses	1,485.61	1,328.27

	Year ended March 31, 2017 ₹ lacs	Year ended March 31, 2016 ₹ lacs
Less: Expenses capitalised	9,106.61	8,356.19
	-	38.43
	9,106.61	8,317.76
Share of Joint Venture [refer note 2(ii) (D)]	2,912.62	3,711.94
	12,019.23	12,029.70
# Stores, oil and chemical allocated to other revenue head ₹ 814.11 lacs.(previous year ₹ 2091.11 lacs)		
3.30 EXCEPTIONAL ITEMS		
Write back of loan liabilities [refer note 12]	(970.79)	-
Cane commission written off [refer note 12]	543.74	-
	(427.05)	-
Share of Joint Venture [refer note 2(ii) (D)]	-	-
	(427.05)	-

4. In the previous year 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 ₹ 10 each at a premium of ₹ 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 ₹ 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 : (₹ lacs)

Description		Amount
Assets		
- Non-current assets	:	1,34,154.13
- Current assets	:	63,846.37
Total	:	1,98,000.50
Liabilities		
- Non-current liabilities	:	8,595.59
- Current liabilities	:	1,65,370.22
Total	:	1,73,965.81
Net Assets	:	24,034.69
Less:		
- Cancellation of Existing share capital	:	3,180.00
- Purchase Consideration	:	26,984.89
Capital Reserve	:	229.80

5. The Indian sugar industry, particularly in the State of Uttar Pradesh, had faced difficulties on account of increasing sugarcane prices, lower sugarcane recoveries and lower sugar

prices resulting in under recovery of cost of production. These factors along with withdrawal of Sugar Incentive Promotion Policy 2004 had adversely affected the financial position resulting in higher interest cost, cash losses and cane arrears during the past few years. Recognizing the need to revive the industry, the State and Central Governments had initiated various steps favorable for the industry and also considering linking of sugarcane price with sugar realisation in the ensuing season. All these measures had not only resulted in turnaround of the sugar industry, but also improved the medium and long term outlook of the industry. The Company along with lenders has also initiated number of steps for de-risking its business and improving earning capabilities. The Joint Lender's forum has taken up the modified financial restructuring of the Company and has principally agreed to realign the financial liabilities as per the current earnings with priority towards payment of cane dues. The management of the subsidiaries and joint venture along with its lenders has also undertaken various steps to improve their financials. These steps are expected to result in significant improvement in the operational efficiency and performance of the Company, its subsidiaries and joint venture.

In view of the aforesaid internal and external measures, the Company is confident that on account of positive outlook of industry, steps taken by the Company, its subsidiaries and joint venture and support of lenders, the financial position of the Company, its subsidiaries and joint venture will be augmented significantly and Company would be in a position to generate sufficient cash flows to meet its future obligations. Accordingly, these financial statements have been prepared by the Company on a going concern basis and impairment if any in the value of assets and investments have been considered of temporary nature.

6. i) Contingent liabilities not provided for:

Claims against the Company not acknowledged as debts ₹ 2,361.56 lacs (previous year ₹ 2,076.58 lacs).

Description	As at March 31, 2017	As at March 31, 2016
Sales Tax/Trade Tax Act	5.28	5.28
Central Excise Act	1,166.84	1,170.71
Finance Act, 1994	194.01	194.01
Income Tax Act, 1961	555.74	283.37
Others	439.69	423.21
Total	2,361.56	2,076.58

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.

- ii) Based on expert committee report, the State Government of Uttar Pradesh had waived interest on the delayed payment of cane price for the sugar seasons 2012-13, 2013-14 and 2014-15. The waiver was challenged by the Rashtriya Kisan Mazdoor Sangathan before the Hon'ble High Court Allahabad. The said Court has set aside the waiver and remanded back the matter to reconsider it after hearing all Stakeholders. The aforesaid judgment is being challenged before the Hon'ble Supreme Court by the industry. The waiver of interest for the sugar season 2015-16 is under consideration. However, notice for payment of interest on delayed payment of cane price for the sugar season 2016-17 has been issued against which the industry has made representation for waiver. Pending finalisation, no provision has been made in respect of above mentioned interest and the amount has not been ascertained. Based on the past practice, the management is confident that no interest liability will arise for these period.
- iii) The company has settled overdues aggregating to ₹ 2076.00 lacs with one lender under OTS during the year for ₹ 850 lacs, to be paid in six structured monthly installments by November 14, 2017. Any default in payment of structured monthly installments within agreed time will result in restoration of original dues. However, the management is confident that the terms and conditions of OTS will be complied with.

iv) Capital and other commitment

Estimated amount of contracts (net of advances) remaining to be execute on Capital account ₹ 1086.52 lacs (previous year ₹ 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.

7. 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 dated February 02, 2016 all the dues outstanding are proposed to be converted into term loans, subject to the consent of respective commercial banks. Two of the commercial banks have converted and accordingly their dues have 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.
8. In the previous year, the Company had classified its current liabilities in respect of Short Term Borrowings of ₹ 32,513.37 lacs, Current Maturities of Term Loans of ₹ 6,902.72 lacs and Interest Accrued of ₹ 5,105.72 lacs, which was overdue as on March 31, 2016 under Long Term Borrowings in accordance with the Debt Realignment Scheme (Scheme) approved by the Corporate Debt Restructuring Empowered Group (CDREG) vide their sanction dated February 29, 2016. However, in the current year, the lenders have decided to modify the scheme taking into account the earning capabilities and long term sustainability. The draft scheme is under discussion and finalization with Joint Lenders' forum. The draft scheme inter alia includes waiver of penal interest and other concessions and waivers approved in the earlier scheme as well. Pending approval of modified scheme by lenders, the Company has (a) not accounted for penal interest of ₹ 911.58 lacs and accounted all borrowings at normal rate of interest (b) classified borrowings overdue interest as per terms of prevailing agreements. Final adjustments will be made in accordance with the final approval of the modified scheme. The terms of repayment, nature of security and overdue, if any, in accordance with existing agreements are as under:

8. (A) Long term borrowings (Secured)

Term Loan	Outstanding (₹ lacs)		Terms of repayment		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2017	As at March 31, 2016	Financial year	Amount (₹ lacs)			
From Commercial Banks							
- Under Long Term Borrowings	10,862.06	34,621.82	2017-18	7,799.35	12.5% p.a.	1 First pari pasu charge 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 26.32 lacs equity shares of the Company held by Promoters. 3 Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company.	- Principal overdue below 90 days ₹ Nil (previous year ₹ 21.41 lacs) and above 90 days ₹ 6,075.40 lacs (previous year ₹ 105.40 lacs). - Interest overdue below 90 days of ₹ 626.93 lacs (previous year ₹ 74.49 lacs) and above 90 days ₹ 2,084.50 lacs (previous year ₹ 83.64 lacs).
- Under Current Maturities	7,799.35	538.03	2018-19	1,248.51			
			2019-20	1,248.51			
			2020-21	1,872.77			
			2021-22	1,872.77			
			2022-23	1,872.77			
			2023-24	1,498.22			
			2024-25	1,248.51			
From Commercial Bank							
- Under Long Term Borrowings	8,250.00	9,900.00	2017-18	2,658.33	11.35% p.a.	1 First sub-servient charge on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 2 Personal guarantees Mr. Gurmit Singh Mann, Chairman and Ms. Gursimran Kaur Mann, Director of the Company.	- Principal overdue below 90 days ₹ 275.00 lacs (previous year ₹ Nil) and above 90 days ₹ 733.33 lacs (previous year ₹ Nil). - Interest overdue below 90 days of ₹ 323.18 lacs (previous year ₹ Nil) and above 90 days ₹ 532.40 lacs (previous year ₹ Nil).
- Under Current Maturities	2,658.33	1,372.27	2018-19	2,750.00			
			2019-20	2,750.00			
			2020-21	2,750.00			

Term Loan	Outstanding (₹ lacs)		Terms of repayment		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2017	As at March 31, 2016	Financial year	Amount (₹ lacs)			
From Co-operative Bank							
- Under Long Term Borrowings	2,080.92	4,161.86	2017-18	2,838.82	12% p.a. with 100% subvention from Govt. of India	1 First pari pasu charge 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 of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company.	- Principal overdue below 90 days ₹ 520.25 lacs (previous year ₹ Nil) and above 90 days ₹ 237.65 lacs (previous year ₹ Nil).
- Under Current Maturities	2,838.82	2,081.04	2018-19	2,080.92			
Others							
- Under Long Term Borrowings	-	387.66	2017-18	3,113.71	Range between 4% to 10% p.a.	1 Term loan from Sugar Development Fund of ₹ 3,013.71 lacs (previous year ₹ 3,057.48 lacs) is secured by way of second exclusive charge on all movable and immovable fixed assets of the respective division. 2 Term loan from Sugar Technology Mission of ₹ 100 lacs (previous year ₹ 100 lacs) is secured by way of exclusive first charge on Sugarcane Juice Purification project at Simbhaoli Sugar Division of the Company.	- Principal overdue below 90 days ₹ 201.08 lacs (previous year ₹ 368.28 lacs) and above 90 days ₹ 2,524.97 lacs (previous year ₹ 1,718.54 lacs). - Interest overdue below 90 days of ₹ 70.16 lacs (previous year ₹ 113.03 lacs) and above 90 days ₹ 670.34 lacs (previous year ₹ 371.43 lacs).
- Under Current Maturities	3,113.71	2,769.82					
Others							
- Under Long Term Borrowings	8.76	Nil	2017-18	2.05	10% p.a.	Hypothecation of specific vehicle acquired under the scheme.	Nil
- Under Current Maturities	2.05	Nil	2018-19	2.28			
			2019-20	2.52			
			2020-21	2.78			
			2021-22	1.18			
From Co-operative Bank (SPPL)							
- Under Long Term Borrowings	10,165.00	12,425.00	2017-18	2,260.00	12.50% p.a.	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 19.21 lacs equity shares held by Simbhaoli Sugars Limited in the Company 4 An irrevocable and uncolliditional guarantee (s) from Mr. Gurmit Singh Mann and Mr. Gurpal Singh, the Director of the holding Company. 5 First charge on receivables from Uttar Pradesh Power Corporation Limited by way of excro account Mechanism.	Nil
- Under Current Maturities	2,260.00	2,825.00	2018-19	2,260.00			
			2019-20	2,260.00			
			2020-21	2,260.00			
			2021-22	1,165.00			
From Commercial Bank - Vehicle Loan (SPPL)							
- Under Long Term Borrowings	-	1.95	2017-18	1.97	10.05% p.a.	Hypothecation of specific vehicle acquired.	Nil
- Under Current Maturities	1.97	1.85					
From Commercial Bank (USPL)							
- Under Long Term Borrowings	700.00	1,200.00	2017-18	1,150.00	15.75% p.a. 16.20% p.a. 15.00% p.a.	1 First pari passu charge created on all movable and immovable properties, both present and future, of the Company. 2 An irrevocable and unconditional guarantee(s) from Mr. Gurmit Singh Mann and Mr. Gurpal Singh, the Indian Promoters of the Company. 3 Pledge of 100% shareholding held by Simbhaoli Sugars Limited & its affiliates in the Company on pari passu basis. 4 Fixed Deposit of ₹ 428.07 lacs with IDBI Bank with IDBI's lien noted thereon on pari passu basis.	Principal overdue below 90 days ₹ 150.00 lacs (previous year ₹ Nil) and above 90 days Nil (previous year ₹ Nil).
	600.00	1,000.00	2018-19	1,000.00			
	350.00	549.88	2019-20	650.00			
- Under Current Maturities	400.00	300.00					
	500.00	400.00					
	250.00	200.00					

Term Loan	Outstanding (₹ lacs)		Terms of repayment		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2017	As at March 31, 2016	Financial year	Amount (₹ lacs)			
From Commercial Bank - Vehicle Loan (USPL)							
- Under Long Term Borrowings	4.88	7.33	2017-18	2.44	Range between 10% to 11% p.a.	Hypothecation of specific vehicle acquired under the scheme.	Nil
- Under Current Maturities	2.44	2.20	2018-19	2.72			
			2019-20	2.05			
			2020-21	0.12			

(B) Unsecured loans from Related Parties of ₹ 1,969.23 lacs (previous year ₹ 1,585.21 lacs) carry interest rate @ 11.30 % p.a. are payable after repayment of term loan in accordance with Scheme.

(C) Short term borrowings (Secured)

Loan repayable on demand	Outstanding (₹ lacs)		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2017	As at March 31, 2016			
From Commercial Banks	15,307.20	2,815.08	12.50% p.a.	1. First pari pasu charge by way of hypothecation of all current assets of respective division. 2. Third pari pasu charge on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 3. First pari pasu charge on pledge of 26.32 lacs equity shares of the Company held by Promoters. 4. Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company.	- Interest overdue of below 90 days ₹ 579.05 lacs (previous year ₹ 109.98 lacs) and above 90 days ₹ 3,776.03 lacs (previous year ₹ 362.98 lacs).
From Co-operative Bank	8,782.31	8,623.38	11.25% p.a.	1. Pledge of sugar stock of the respective division of the Company. 2. Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company.	Nil
From Co-operative Bank	4,927.62	4,924.40	11.50% p.a.	Pledge of sugar stock of the respective division of the Company.	- Interest overdue below 90 days of ₹ Nil (previous year ₹ 23.75 lacs).
From Others	134.43	Nil	13.50% p.a.	Pledge of specific sugar stock of respective division.	Nil
From Commercial Banks (USPL)	174.28	174.99	16.50% p.a.	secured against the fixed deposit of ₹ 428.07 lacs	Nil
From Commercial Banks (USPL)	-	331.30	15.00% p.a.		Nil

(D) Short Term Borrowings (Un-secured)

Loan repayable on demand	Outstanding (₹ lacs)		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2017	As at March 31, 2016			
From Commercial Banks	32,679.56	34,998.31	Range between 9.50% to 11% p.a.	N.A.	- Principal overdue above 90 days of ₹ 32,679.56 lacs (previous year ₹ 34,998.31 lacs). - Interest overdue below 90 days of ₹ 795.86 lacs (previous year ₹ 932.47 lacs) and above 90 days ₹ 9,714.94 lacs (previous year ₹ 4,052.00 lacs).
From Commercial Banks (USPL)					
- WCDL	2,726.50	2,550.00	9.98% p.a.	N.A.	Nil
- PCFC	1,167.30	1,192.60	L+150 p.a.	N.A.	Nil

Note : Figure for the year ended March 31, 2016 are not comparable as it was reported in accordance with CDR scheme as stated herein above.

9. The term of 48,92,941 Compulsorily Convertible Debentures of ₹ 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

10. Related Party disclosures 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 (ceased to be a key management personnel w.e.f. September 26, 2016)
- Mr. Karan Singh- Whole Time Director (w.e.f. March 22, 2017)
- Mr. R.K. Singh- Director (ceased to be a key management personnel 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:

(₹ lacs)

Description	Year ended March 31, 2017	Year ended March 31, 2016
Transactions		
Rent Paid	9.77	9.77
Mrs. Mamta Tapriya	9.77	9.77
Managerial Remuneration	50.91	176.28
Mr. G.M.S. Mann	-	29.69
Mr. Gurpal Singh	-	31.30
Mr. Sanjay Tapriya	26.24	33.56
Ms. Gursimran Kaur Mann	-	17.29
Mr. S.N.Misra	23.93	53.55
Mr. Karan Singh	0.74	-
Mr. R.K.Singh	-	10.89
Loans taken	470.00	840.00
Dholadhar Investments Private Limited	470.00	-
Ms. Gursimran Kaur Mann	-	650.00
Mr. G.M.S. Mann (HUF)	-	190.00
Interest paid	1,385.22	879.96
Mr. G.M.S. Mann	11.30	11.57
Mr. G.M.S. Mann (HUF)	21.47	4.37
Ms. Gursimran Kaur Mann	73.45	36.89
Dholadhar Investments Private Limited	48.28	7.52
SCES	920.47	819.61
Volcafe Pte Ltd.	310.25	-
Expenses recovered	49.74	0.91
USPL	0.19	0.91
SCES	49.55	-
Income from rendering services	-	45.00
USPL	-	5.00
SCES	-	40.00
Management fees charged	332.80	160.81
USPL	332.80	160.81
Allotment of Equity Shares	-	3,060.00
SCES	-	3,060.00
Allotment of Debentures	-	1,440.00
SCES	-	1,440.00
Balance outstanding at the end of the year		
Other current assets	535.23	186.37
USPL	535.23	186.37
Trade payables	203.33	283.16
Mr. G.M.S. Mann	0.51	5.69
Mr. Gurpal Singh	15.23	27.90
Mr. Sanjay Tapriya	0.77	0.45
Ms. Gursimran Kaur Mann	6.63	15.97
Mr. S.N.Misra	-	2.12
Mrs. Mamta Tapriya	0.77	1.48
Mr. Karan Singh	0.41	-
Mr. Govind Singh Sandhu	13.21	14.21
SCES	165.79	215.34
Other current Liabilities	2,049.43	1,274.02
SCES	2,049.43	1,274.02
Long-term borrowings	1,969.23	1,585.21
Mr. G.M.S. Mann	463.15	643.33
Mr. G.M.S. Mann(HUF)	213.26	193.94
Mr. Gurpal Singh	19.12	19.12
Ms. Gursimran Kaur Mann	696.61	660.18
Dholadhar Investments Private Limited	577.09	68.64

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

(₹ Lacs)

Particulars	Sugar		Alcohol		Power		Others		Elimination		Unallocated		Total	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Segment revenue														
External sales:	1,01,778.96	96,543.04	8,722.67	9,141.18	9,080.45	5,192.15	10,50.74	981.48	-	-	-	-	1,20,632.82	1,11,857.85
Inter segment sales	4,235.12	4,402.90	68.29	80.65	301.06	374.19	150.00	184.43	4,754.47	(5,042.17)	-	-	-	-
Other operating Revenue	1,024.52	2,501.76	27.65	20.61	1,180.36	1,307.62	6.24	-	(443.36)	(281.87)	-	-	1,795.41	3,548.12
Total revenue	1,07,038.60	1,03,447.70	8,818.61	9,242.44	10,561.87	6,873.96	12,06.97	1,165.91	4,311.12	(5,324.04)	-	-	1,22,428.23	1,15,405.97
Segment results														
Unallocated expenses (net of income)	4,053.86	(1,181.64)	888.04	1,096.07	3,721.30	2,793.10	(144.48)	(239.14)	-	-	(1,526.26)	(242.56)	(1,526.26)	(242.56)
Operating profit/(loss)														
Finance cost	-	-	-	-	-	-	-	-	-	-	16,510.04	14,030.11	16,510.04	14,030.11
Exceptional items (net)	-	-	-	-	-	-	-	-	-	-	(427.05)	-	(427.05)	-
Provision for taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Tax relating to previous year	-	-	-	-	-	-	-	-	-	-	(0.31)	5.16	(0.31)	5.16
- Current tax	-	-	-	-	-	-	-	-	-	-	6.53	7.05	6.53	7.05
- Deferred tax charge / (benefit)	-	-	-	-	-	-	-	-	-	-	(23.55)	16.26	(23.55)	(16.26)
Net Profit/(loss)														
Other information														
Segment assets	1,71,099.05	1,62,172.82	43,689.31	43,983.43	38,009.44	37,737.15	468.43	710.71	-	-	-	-	2,53,266.23	2,44,604.11
Unallocated assets	-	-	-	-	-	-	-	-	-	-	1,461.54	1,507.39	1,461.54	1,507.39
Investment	-	-	-	-	-	-	-	-	-	-	289.14	1,938.14	289.14	1,938.14
Profit and loss account	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	1,71,099.05	1,62,172.82	43,689.31	43,983.43	38,009.44	37,737.15	468.43	710.71			1,750.68	3,445.53	2,55,016.91	2,48,049.64
Segment liabilities	70,018.28	59,021.71	2,845.53	2,450.61	3,601.53	2,761.27	522.90	555.68	-	-	-	-	76,988.24	64,789.27
Shares capital and reserves	-	-	-	-	-	-	-	-	-	-	25,629.39	31,509.78	25,629.39	31,509.78
Minority Interest	-	-	-	-	-	-	-	-	-	-	4,245.09	4,381.66	4,245.09	4,381.66
Secured and unsecured loans	-	-	-	-	-	-	-	-	-	-	1,28,307.08	1,38,710.36	1,28,307.08	1,38,710.36
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	19,847.11	8,658.57	19,847.11	8,658.57
Total liabilities	70,018.28	59,021.71	2,845.53	2,450.61	3,601.53	2,761.27	522.90	555.68			1,78,028.67	1,83,260.37	2,55,016.91	2,48,049.64
Capital expenditure	511.25	730.59	1,085.96	443.29	68.61	9,947.29	0.20	1.66	-	-	34.35	27.46	1,700.37	11,150.29
Depreciation and amortization expense (net of revaluation reserve)	4,417.41	4,667.64	1,058.25	1,074.61	1,157.10	844.58	4.77	7.70	-	-	28.21	32.14	6,665.74	6,626.67
Non cash expenses other than depreciation #	11.03	0.01	5.56	16.10	-	12.00	106.35	160.79	-	-	1.78	-	124.72	188.90

Loss on sales of fixed assets ₹ 3.04 lacs, Bad debts written off ₹ 14.91 lacs and provision for doubtful debts and advances ₹ 106.77 lacs (previous year fixed assets written off ₹ 2.97 lacs, goodwill written off ₹ 16.10 lacs, bad debts written off ₹ 94.64 lacs and provision of doubtful debts and advance ₹ 75.19 lacs)

12. Exceptional items for the year ended March 31, 2017 represents:

- a sum of ₹ 543.74 lacs being society commission relating to sugar season 2015-16 for the period upto March 31, 2016 recoverable from the State Government of Uttar Pradesh, written off in pursuance of Government order dated December 28, 2016.
- written back of loan liability amounting to ₹ 970.79 lacs on one time settlement with one bank.

13. (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, 2017.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount* involved (₹ lacs)	Amount paid under protest (₹ 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)	2013-2016	0.42	0.03
			2013-2014	4.16	0.09
			2014-2015	0.24	0.01
			2015-2016	24.85	1.27
		Customs, Excise & Service tax Appellate Tribunal	2001-2002	16.78	-
			2001-2006	42.88	-
			2001-2004	16.63	-
			2005-2006	15.88	-
			2005-2007	7.72	-
			2006-2007	393.57	45.04
			2007-2012	0.37	-
			2008-2009	20.14	-
			2008-2014	38.08	3.14
			2008-2013	26.83	2.59
			2008-2013	177.82	13.34
2012-2013	227.84	-			
2013-2014	146.56	1.18			
High Court, Allahabad	1979-1980	11.01	11.01		
	2005-2006	2.78	-		
Finance Act, 1994	Service Tax	Customs, Excise & Service tax Appellate Tribunal	1997-1999	6.25	-
			2006-2007	83.06	14.87
			2009-2015	96.98	7.27
			2012-2013	283.36	42.50
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeal)	2013-2014	272.38	18.00

* 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 (₹ lacs)
Central Excise Act, 1944	Excise Duty	Customs, Excise & Service tax Appellate Tribunal	2003-2004	21.44
			2005-2006	1.24
		Commissioner (Appeal)	2008-2009	54.68
			2014-2015	4.96
High Court, Allahabad	Service tax	Customs, Excise & Service tax Appellate Tribunal	1995-1996	9.92
			2006-2007	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 ₹ 34.78 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.

14. Disclosure related to Joint venture:

Name	Country of incorporation	Nature of controlling interest	Percentage of voting power as at	
			March 31, 2017	March 31, 2016
Uniworld Sugars Private Limited	India	Equity share holding and voting power	50%	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, 2017 and Income and Expenditure for the year ended March 31, 2017 (without elimination of the effect of transactions between the Company and the joint venture) based on unaudited and management certified financial statements of USPL are given below: (₹ lacs)

Assets and Liabilities:		
Description	As at March 31, 2017 (50%)	As at March 31, 2016 (50%)
ASSETS		
Non Current Assets		
- Fixed assets	12,558.30	13,151.30
- Long term loan and advances	125.42	113.54
Current Assets		
- Current Investments	-	122.49
- Inventories	5,470.58	5,014.09
- Trade Receivable	-	4.74
- Cash and bank balances	522.07	1,378.70
- Short term loans and advances	403.06	313.40
- Other current assets	123.35	129.41
LIABILITIES		
Non Current Liabilities		
- Long term borrowings	3,723.21	4,825.53
- Long term provisions	27.55	11.40
Current Liabilities		
- Short term borrowings	4,070.09	4,248.89
- Trade payables	4,973.84	5,215.78
- Other current liabilities	5,663.57	2,571.13
- Short term provisions	4.14	3.11

Income and Expenditure (₹ lacs)		
Description	Year ended March 31, 2017 (50%)	Year ended March 31, 2016 (50%)
INCOME		
- Revenue from operations (Net)	22,142.53	28,487.06
- Other income	70.66	121.52
EXPENSES		
- Cost of material consumed	19,784.92	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	(533.54)	(533.95)
- Employee benefit expenses	452.88	374.84
- Finance cost	1,354.65	1,302.41
- Depreciation and amortization expense	852.75	838.95
- Others expenses	2,912.62	3,711.96
Note :		
- Capital Commitments	1.29	70.79
- Contingent Liabilities	555.74	283.36

15. 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:

(₹ lacs)

Description	Year ended March 31, 2017	Year ended March 31, 2016
- Employers' Contribution to Provident Fund	406.94	379.95
- Employers' Contribution to Superannuation Fund	14.75	15.53

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:

(₹ lacs)

Particulars	Gratuity (Funded)		Compensated absences (Not Funded)	
	2016-17	2015-16	2016-17	2015-16
Discount rate (per annum)	7.50%	8%	7.50%	8%
Future salary increase	5%	5%	5%	5%
Expected rate of return on plan assets	7.50%	8%	N/A	N/A
In service mortality	#	#	#	#
I. Expense recognized in profit and loss account				
Current service cost	190.18	176.51	68.56	34.20
Interest cost	131.05	132.57	18.87	25.68
Expected return on plan assets	(89.21)	(91.27)	-	-
Net actuarial (gain)/loss recognized in the year	70.45	(31.47)	187.47	(13.88)
Total expense	302.47	186.34	274.90	46.00
II Net asset/(liability) recognized in the balance sheet as at the end of the year				
Present value of Defined benefits obligation	2,103.71	1,820.76	479.11	298.98
Fair value of plan assets	(1,234.02)	(1,145.04)	-	-
Funded status [surplus/ (deficit)]	(869.70)	(675.72)	(479.11)	(298.98)
Net asset/(liability) as at the end of the year	(869.70)	(675.72)	(479.11)	(298.98)
Current	(869.70)	(675.72)	(66.93)	(71.43)
Non current	-	-	(412.18)	(227.55)
III Change in the present value of obligation during the year				
Present value of the obligation as at the beginning of the year	1,820.76	318.47	298.98	109.07
Interest cost	131.05	132.57	18.87	25.68
Current service cost	190.18	176.51	68.56	34.20
Benefits paid	(147.74)	(106.60)	(94.77)	(136.08)
Transfer from amalgamating company pursuant to Amalgamation	-	1,391.93	-	279.99

(₹ lacs)

Actuarial (gains)/ losses on obligation	109.47	(92.12)	187.47	(13.88)
Present value of obligation as at the end of the year	2,103.72	1,820.76	479.11	298.98
IV Change in present value of fair value of plan Assets				
Fair value of plan assets as at the beginning of the year	1,145.04	203.61	-	-
Expected return on plan assets	89.21	91.27	-	-
Contributions	108.49	84.27	-	-
Benefits paid	(147.74)	(106.60)	-	-
Ajustment on Amalgamation	-	933.13	-	-
Actuarial gains/(losses)	39.02	(60.64)	-	-
Fair value of plan assets as at the end of the year	1,234.02	1,145.04	-	-
V Detail of plan Assets	Funded	Funded	NA	NA

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:

(₹ lacs)

Particulars	Gratuity (Funded)		Compensated absences (Not Funded)	
	2016-17	2015-16	2016-17	2015-16
Present value of obligation as at the end of the year	2,103.72	1,820.76	479.11	298.98
Fair value of plan assets as at the end of the year	1,234.02	1,145.04	-	-
Net asset/(liability) recognized in the balance sheet	(869.70)	(675.72)	(479.11)	(298.98)
Net actuarial (gain)/loss recognized	70.45	(31.47)	187.47	(13.88)

16. Earnings per share

(₹ lacs)

Description		Year ended March 31, 2017	Year ended March 31, 2016
Profit/(loss) after tax and exceptional items as per Statement of Profit and Loss	(A)	(5,884.11)	(11,198.76)
Less: Exceptional Items net of taxes		(427.05)	-
Profit/(loss) after tax and before exceptional items	(B)	(6,311.16)	(11,198.76)
Weighted average number of equity shares outstanding (Par value ₹ 10 per share)			
- For basic and diluted earnings per share (Nos.)	(C)	3,74,79,020	3,74,79,020
Earnings per share (₹)			
- Basic and diluted EPS before exceptional item	(B+C)	(16.84)	(29.88)
- Basic and diluted EPS after exceptional item	(A+C)	(15.70)	(29.88)

17. Auditors' remuneration (excluding service tax):

(₹ lacs)

Description	Year ended March 31, 2017	Year ended March 31, 2016
- Statutory audit	37.77	36.40
- Limited review of unaudited financial results	24.15	29.99
- Certification and others	7.74	3.52
- Reimbursement of out of pocket expense for statutory audit and others	2.39	1.53

18. Foreign Currency exposures that are not hedged by derivative instruments or otherwise are as follows

Description	As at March 31, 2017		As at March 31, 2016	
	Amount in foreign currency (Lacs)	Amount (₹ Lacs)	Amount in foreign currency (Lacs)	Amount (₹ Lacs)
Trade Receivables – USD	7.73	501.58	7.25	479.98
Trade Payable – EURO	-	-	0.16	11.92
Advance from Customer - USD	67.94	35.77	17.27	1,145.53
Advance to Customer – USD	-	-	1.32	87.56

19. Additional information pursuant to schedule III of the Companies Act, 2013, of subsidiaries and joint venture as per standalone financial financial statement of each entity

S. No.	Particulars	Year ended March 31, 2017		Year ended March 31, 2016		Year ended March 31, 2017		Year ended March 31, 2016	
		Net Assets		Net Assets		Share in Profit/ (Loss)		Share in Profit/ (Loss)	
		(Total assets-Total liabilities)		(Total assets-Total liabilities)					
		As % of Consolidated Loss	₹ In lacs	As % of Consolidated Loss	₹ In lacs	As % of Consolidated Loss	₹ In lacs	As % of Consolidated Loss	₹ In lacs
i)	Parent								
1	Simbhaoli Sugars Limited	99.36	29682.11	93.12	33423.14	63.64	(3,744.44)	82.93	(9,287.36)
ii)	Subsidiaries								
a)	Indian								
	- Simbhaoli Sugars Speciality Sugars Private Limited	0.41	121.73	0.30	105.98	(0.27)	15.75	(0.13)	15.01
	- Simbhaoli Power Private Limited	29.26	8740.40	23.16	8313.77	(7.25)	426.64	(2.10)	235.52
	- Integrated Casetech Consultants Private Limited	1.63	486.39	1.71	612.50	2.14	(126.11)	0.99	(111.42)
b)	Foreign								
	- Simbhaoli Global Commodities, DMCC	(0.07)	(22.32)	(0.11)	(41.26)	(0.32)	18.63	0.07	(7.70)
ii)	Joint Ventures								
	(as per proportionate consolidation method)								
	Indian								
	- Uniworld Sugars Private Limited	2.48	740.39	9.34	3351.51	44.38	(2,611.13)	19.84	(2,222.15)
	- Minority interests	14.21	4245.09	12.21	4381.66	(2.32)	136.57	(1.60)	179.35
	- Eliminations (inter company transactions)	(47.26)	(14,119.31)	(39.72)	(14,255.86)				
	Total	100.00	29,874.48	100.00	35891.44	100.00	(5,884.11)	100.00	(11,198.76)

20. 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 on February 23, 2016, however, on application of such directors/

senior executives in the current year, the matter was again admitted for hearing by Hon'ble National Company Law Tribunal. In another suit filed by the Company, 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.

21. 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.

22. Details of specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016

(₹ lacs)

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in hand as on November 08, 2016	14.59	7.92	22.51
(+) Petty cash with employee	0.06*	-	0.06
(+) Permitted receipts	-	77.07	77.07
(-) Permitted payments	-	77.71	77.71
(-) Amount deposited in banks	14.65	-	14.65
Closing Cash in hand as on December 30, 2016	-	7.28	7.28

* Simbhaoli Power Private Limited (SPPL) has given Petty cash to its employee which is used to run the day to day petty expenses for his department, the balance of petty cash with this employee has been subsequently deposited into SPPL's bank account.

For and on behalf of the Board of Directors

In terms of our report attached

For MITTAL GUPTA & COMPANY	Gurmit Singh Mann	Gursimran Kaur Mann	Sachchida Nand Misra	Karan Singh
Chartered Accountants	Chairperson	Director	Chief Operating Officer	Chief General Manager
FRN - 01874C	DIN - 00066653	DIN - 00642094	DIN -06714324	DIN - 07648117

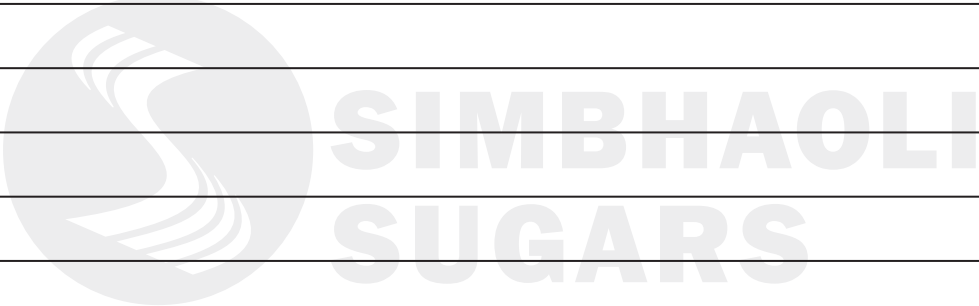
B. L. GUPTA
Partner
(M.No. - 073794)

Dayal Chand Popli	Anshul Jain	Kamal Samtani
Chief Financial Officer	GM- Finance	Company Secretary
FCMA - 12257	FCA - 505973	FCS - 5140

Place : New Delhi
Date : May 29, 2017

Place : New Delhi
Date : May 29, 2017

Notes:



SIMBHAOLI SUGARS LIMITED*

Regd Off: Simbhaoli - 245 207, District Hapur, Uttar Pradesh
CIN: L15122UP2011PLC044210
Email: kamal@simbhaolisugars.com; Website: 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 6th Annual General Meeting of the members of the Company, to be held at 10:00 AM on Monday, September 18, 2017, 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:

1. Adoption of the Financial Statements of the Company for the year 2016-17 and the Reports of the Board of Directors and Auditors thereon.
2. Appointment of a director in place of Ms. Gursimran Kaur Mann, who retires by rotation and being eligible offers herself for re-appointment.
3. Appointment of a director in place of Mr. Gurpal Singh, who retires by rotation and being eligible offers himself for re-appointment.
4. Ratification of the appointment of M/s Mittal Gupta and Company, Chartered Accountants as statutory auditors of the Company and fix their remuneration.
5. Appointment of Ms. Gursimran Kaur Mann as the Managing Director and Whole Time Director of the Company and fixation of remuneration thereof.
6. Appointment of Mr. S N Misra as the Chief Operating Officer and Whole Time Director of the Company and fixation of remuneration thereof.
7. Appointment of Mr. Karan Singh as the Chief General Manager and Whole Time Director of the Company and fixation of remuneration thereof.
8. Re-classification of certain specified Promoters from 'Promoters category' to 'Public category'.
9. Approval of conversion of loan into share capital under the provisions of 62 of the Companies Act, 2013.
10. Approval empowering the Board for conversion of unsecured loan into share capital under the provisions of Sections 42 and 62(1) (c) of the

Companies Act, 2013 read with SEBI ICDR Regulations.

11. 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.
12. Approval empowering the Board for the borrowings powers upto ₹1600 crore under the provisions of Section 180(1)(c) of the Companies Act, 2013.
13. Approval of the limits for investments upto ₹ 500 crore under the provisions of section 186 of the Companies Act, 2013.
14. Approval of the remuneration to be paid to Mr. Satnam Singh Saggi as the cost auditor.

**Affix
Revenue
Stamp**

Signed this _____ day of September, 2017

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