

SIMBHAOLI SUGARS LIMITED

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Ref: SSL: Stock Exchange
Oct 22, 2014

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Scrip code: BSE - 507446; NSE – SIMBHSUGAR

Sub: Pollution matters on Distillery Operations under the directions of Hon'ble National Green Tribunal, New Delhi.

Dear Sir,

The Company has been contesting a legal case titled OA No. 299 of 2013 titled as *Krishan Kant Singh & Anr. Vs. National Ganga River Basin Authority & Ors*, before the Hon'ble National Green Tribunal, New Delhi (NGT). Pursuant to the interim order passed by the NGT, the Uttar Pradesh Pollution Control Board (UPPCB) had withdrawn its consent to operate, granted on November 27, 2013, and directed dis-continuation of operations at distillery unit at Simbhaoli vide its letter dated February 17, 2014 on account of pollution and effluent discharge.

The Company has been defending the matter in consultation with legal experts and during arguments in the above referred case, it was averred that the unit has laid down mechanism to achieve zero liquid discharge. As per the interim directions of NGT vide its order dated April 22, 2014, the Company has submitted an action plan to environmental control authorities/NGT.

The relevant facts of the case have been earlier disclosed at the Notes 7 of the consolidated financial results of the Company, for the quarter ended June 30, 2014.

The Company further submitted during its arguments that, since the distillery has always been abiding by all the guidelines prescribed by the pollution control boards and has adequate treatment plant, therefore UPPCB has been issuing yearly consent to operate till the year 2013.

During arguments, the Company has also informed the NGT that the distillery is not a standalone distillery but has its own sugar mill adjoining the distillery & sufficient press mud is available, which may be utilized fully with distillery effluent to convert it to bio-manure. The bio-manure is popular in market & generates revenue. After noting the arguments of the Central Pollution Control Board & UPPCB during numerous hearings, apart from other directions to comply with the environment protection norms, it was insisted that an Incinerator Boiler be installed in the distillery plant, which entails high investment and does not have a proven track record of functioning successfully/being effective. Therefore, the Company's view is that the distillery will not require installation of incinerator boilers to achieve zero liquid discharge.

The NGT had also directed all the respondents in the subject matter case to work out the modalities for checking, preventing and controlling pollution and to put forward a time bound action plan to execute the same. The NGT further directed the UPPCB to direct the irrigation department to co-ordinate with the Company and ensure that 'Phuldera' drain is cleaned and work starts forthwith. NGT had also issued notice to Ministry of Railways for taking necessary steps to install underground pipeline under the railway track without further delay.

Further, NGT has vide its final order dated October 16, 2014 permitted the distillery to operate for the current crushing season, dismantle the underground pipeline leading to the 'Phuldera' drain, installation of incinerator boilers subject to the conditional waiver, as may be recommended by the special expert committee, and imposed a monetary penalty of Rupees Five Crore.

The Company, based on the legal experts' advice, will be taking appropriate legal recourse under the provisions of applicable laws.

This is for your information and record.

Thanking You,

Yours faithfully,

For Simbhaoli Sugars Limited



Company Secretary

Kamal Samtani

(Company Secretary)