

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

**2014-15**



**SIMBHAOLI  
SUGARS**



**Simbhaoli Sugars Limited**

# Corporate Information

## BOARD OF DIRECTORS

### Chairman

- Gurmit Singh Mann

### Whole time Directors

- Gurpal Singh, Managing Director
- Gursimran Kaur Mann, Managing Director
- Sanjay Tapriya, Chief Financial Officer
- S.N. Misra, Chief Operating Officer

### Non-executive Directors

- S.K. Ganguli
- S.C. Kumar
- B.K. Goswami
- C.K. Mahajan

## Bankers

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

## MANUFACTURING UNITS

### Sugar Mills / Co-generation Plants

- Simbhaoli Sugar Division, Simbhaoli  
District Hapur, Uttar Pradesh - 245 207
- Chilwaria Sugar Division, Chilwaria  
District Behraich, Uttar Pradesh - 271 801
- Brijnathpur Sugar Division, Brijnathpur  
District Haour, Uttar Pradesh - 245 101
- Village Versamedi, Tehsil-Anjar  
Gandhidham, Gujrat - 370 110

### Distillery / Ethanol Plants

- Chilwaria Ethanol Division  
Chilwaria, District Bahraich, Uttar Pradesh - 271 801
- Brijnathpur Ethanol Division, Brijnathpur  
District Hapur, Uttar Pradesh - 245 101

### Subsidiaries / Associate Companies

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

## Registered Office

- Simbhaoli  
District Hapur, Uttar Pradesh - 245 207

## Corporate Office

- A-112, Sector 63  
Noida-201 307

## Company Secretary

- Kamal Samtani

## Auditors

- Deloitte Haskins & Sells

## Solicitors

- J. Sagar Associates

## NOTICE

Notice is hereby given that the 78th Annual General Meeting (AGM) of the members of Simbhaoli Sugars Limited will be held at 10:00 AM on Wednesday, September 30, 2015 at the registered office of the Company at 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 the Standalone and Consolidated Financial Statements of the Company for the year 2014-15 comprising of the audited Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss along-with the Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Ms. Gursimran Kaur Mann (DIN 00642094), who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a director in place of Mr. Gurpal Singh (DIN 00064807), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s Mittal Gupta and Company, Chartered Accountants as statutory auditors of the Company for the a term of five consecutive years from the conclusion of the 78th AGM upto conclusion of the 83rd AGM of the company and fix their remuneration in place of M/s Deloitte Haskins and Sells, Chartered Accountants, the existing auditors, who have expressed their intention not to seek ratification to continue as the statutory auditors of the Company at the ensuing AGM of the Company.

### 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 (here in after referred as 'the Act') and rules made there under, including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of the members of the Company be and is hereby accorded, subject to the approval of the Central Government, if required, for the appointment of Mr. Gurmit Singh Mann (DIN 00066653) as the Executive Chairman of the Company, and for payment of remuneration to him, by way of salary, dearness allowance, perquisites and any other allowances, as may be decided by the Board of Directors of the Company within the limits as prescribed under Schedule V to the Act as applicable, in case of inadequate profits or no profits in any financial year during the currency of his tenure, for a period of one year effective from October 1, 2015 till September 30, 2016 on the terms and conditions as detailed below:

- a) **Designation:** Chairman
- b) **Period:** One year with effect from October 1, 2015 till September 30, 2016.
- c) **Basic Salary:** Rs. 4,00,000 per month (consolidated)
- d) **Perquisites:** In addition to the basic salary, he shall be entitled to the following perquisites:
  - i. Rent free accommodation/house rent allowance, as determined by the Board, not exceeding 60% of salary with over and above ten percent of salary payable by the Chairman;

- ii. Medical facilities for self not exceeding one month basic salary in a year; and
- iii. Other permissible perquisites including leave travel allowance for self, entertainment allowance/club fee reimbursements, gas, electricity, water, security services and other similar permissible perquisites under the Company's policy as may be determined by the Board of Directors from time to time.

- e) **Commission:** Mr. Gurmit Singh Mann shall also be entitled to such remuneration as commission, in addition to the above salary and perquisites, not exceeding at the rate of 0.60% of the net profits calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Board of Directors of the Company or any Committee thereof at the end of each financial year, subject to the overall ceiling of remuneration as stipulated under the provisions of the Act."

"Resolved further that, in case of inadequacy of profits/or no profits in the Company in any financial year, the Chairman shall be entitled to the aforesaid salary, perquisites and allowances and commission as minimum remuneration during his tenure within the overall limits as laid down under the provisions of schedule V to the Companies Act, 2013 as amended/modified/ re-constituted from time to time."

"Resolved further that, 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. Company's chauffeur driven car(s) for the business of the Company;
- ii. Telephone/internet facilities to be used for the business of the Company;
- iii. Reimbursement of travelling, boarding, lodging, hotel and other expenses incurred for the business of the Company; and
- iv. Personal accident insurance premium subject to the Company's rules."

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

- i. The Chairman 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 Chairman ceases to be Director of the Company for any reason whatsoever, he shall cease to be the Chairman of the Company; and
- iv. The office of the Chairman will not be subject to retirement 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 all questions arising out of and incidental thereto, and to give such directions that may be necessary or arise in regard to or in connection with any such matter as it may, in its absolute discretion, deem fit to give 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 Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (here in after referred as 'the Act') and rules made there under, including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of the members of the Company be and is hereby accorded, subject to the approval of the Central Government, if required, for the appointment of Mr. Gurpal Singh (DIN 00064807) as the Managing Director of the Company, and for the payment of remuneration to him, by way of salary, dearness allowance, perquisites and any other allowances, as may be decided by the Board of Directors of the Company within the limits as prescribed under Schedule V to the Act as applicable, in case of inadequate profits or no profits in any financial year during the currency of his tenure, for a period of one year effective from October 1, 2015 till September 30, 2016, on the terms and conditions as detailed below:

- a) **Designation:** Managing Director
- b) **Period:** One year with effect from October 1, 2015 till September 30, 2016.
- c) **Basic Salary:** Rs. 3,30,000 per month with such increments as may be decided by the Board of Directors of the Company from time to time.
- d) **Perquisites:** In addition to the basic salary, he shall be entitled to the following perquisites:
  - i. Rent free accommodation/ house rent allowance, as determined by the Board, not exceeding 60% of salary with over and above ten percent of salary payable by the Managing Director;
  - ii. Medical facilities for self, spouse and dependent children not exceeding one month basic salary in a year;
  - iii. Other permissible perquisites including leave travel allowance for self, spouse and dependent children, entertainment allowance/club fee reimbursements, gas, electricity, water, security services and other similar permissible perquisites under the Company's policy as may be determined by the Board of Directors from time to time; and
  - iv. Following benefits shall not be included in computation of the remuneration:
    - a. Company's contribution to provident fund and/ or any other annuity fund subject to the Company's rules; and
    - b. 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.
- e) **Commission:** Mr. Gurpal Singh shall also be entitled to such remuneration as commission, in addition to the above salary and perquisites, not exceeding at the rate of 0.45% of the net profits calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Board of Directors of the Company or any Committee thereof at the end of each financial year, subject to the overall ceiling of remuneration as stipulated under the provisions of the Act."

"Resolved further that, in case of inadequacy of profits /or no profits in the Company in any financial year, the Managing Director shall be entitled to the aforesaid salary, perquisites and allowances and commission as minimum remuneration during his tenure within the overall limits as laid down under the

provisions of schedule V to the Companies Act, 2013 as amended/modified/re-constituted from time to time."

"Resolved further that, 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. Company's chauffeur driven car(s) for the business of the Company;
- ii. Telephone/internet facilities to be used for the business of the Company;
- iii. Reimbursement of travelling, boarding, lodging, hotel and other expenses incurred for the business of the Company; and
- iv. Personal accident insurance premium subject to the Company's rules."

"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 Director of the Company for any reason whatsoever, he shall cease to be Managing Director of the Company; and
- iv. The period of 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 do, perform and execute all such acts, deeds and things and to settle all questions arising out of and incidental thereto, and to give such directions that may be necessary or arise in regard to or in connection with any such matter as it may, in its absolute discretion, deem fit to give 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 (here in after referred as 'the Act') and rules made there under, including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of the members of the Company be and is hereby accorded, subject to the approval of the Central Government, if required, for the appointment of Ms. Gursimran Kaur Mann (DIN 00642094) as the Managing Director of the Company, and for payment of remuneration to her, by way of salary, dearness allowance, perquisites and any other allowances, as may be decided by the Board of Directors of the Company within the limits as prescribed under Schedule V to the Act as applicable, in case of inadequate profits or no profits in any financial year during the currency of his tenure, for a period of One year effective from October 1, 2015 till September 30, 2016 on the terms and conditions as detailed below:

- a) **Designation:** Managing Director
- b) **Period:** One year with effect from October 1, 2015 till September 30, 2016.
- c) **Basic Salary:** Rs. 3,30,000 per month with such increments as may be decided by the Board of Directors of the Company from time to time.

- d) Perquisites:** In addition to the basic salary, she shall be entitled to the following perquisites:
- i. Rent free accommodation/ house rent allowance, as determined by the Board, not exceeding 60% of salary with over and above ten percent of salary payable by Managing Director;
  - ii. Medical facilities for self, spouse and dependent children not exceeding one month basic salary in a year;
  - iii. Other permissible perquisites including leave travel allowance for self, spouse and dependent children, entertainment allowance/club fee reimbursements, gas, electricity, water, security services, and other similar permissible perquisites under the Company's policy as may be determined by the Board of Directors from time to time; and
  - iv. Following benefits shall not be included in computation of the remuneration:
    - a. Company's contribution to provident fund and/ or any other annuity fund subject to the Company's rules; and
    - b. 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.
- e) Commission:** Ms. Gursimran Kaur Mann shall also be entitled to such remuneration as commission, in addition to the above salary and perquisites, not exceeding at the rate of 0.45% of the net profits calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Board of Directors of the Company or any Committee thereof at the end of each financial year, subject to the overall ceiling of remuneration as stipulated under the provisions of the Act."

"Resolved further that, in case of inadequacy of profits /or no profits in the Company in any financial year, the Managing Director shall be entitled to the aforesaid salary, perquisites and allowances and commission as minimum remuneration during her tenure within the overall limits as laid down under the provisions of schedule V to the Companies Act, 2013 as amended/modified/re-constituted from time to time."

"Resolved further that, apart from the above, she shall also be entitled to the following benefits, which shall not be included in computation of the aforesaid remuneration:

- i. Company's chauffeur driven car(s) for the business of the Company;
- ii. Telephone/internet facilities to be used for the business of the Company;
- iii. Reimbursement of travelling, boarding, lodging, hotel and other expenses incurred for the business of the Company; and
- iv. Personal accident insurance premium 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. 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 Director of the Company for any reason whatsoever, she shall cease to be 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 are hereby authorized to do, perform and execute all such acts, deeds and things and to settle all questions arising out of and incidental thereto, and to give such directions that may be necessary or arise in regard to or in connection with any such matter as it may, in its absolute discretion, deem fit to give 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 the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (here in after referred as 'the Act') and rules made there under, including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of the members of the Company be and is hereby accorded, subject to, the approval of the Central Government, if required, for the appointment of Mr. Sanjay Tapriya (DIN 00064703) as the Chief Financial Officer and for payment of remuneration to him, by way of salary, dearness allowance, perquisites and any other allowances, as may be decided by the Board of Directors of the Company within the limits as prescribed under Schedule V to the Act as applicable, in case of inadequate profits or no profits in any financial year during the currency of his tenure, for a period of one year effective from October 1, 2014 till September 30, 2015 on the terms and conditions as detailed below:

- a. Designation:** Chief Financial Officer
- b. Period:** One year with effect from October 1, 2014 till September 30, 2015
- c. Role:** He shall be responsible for all financial and fiscal management aspects including the supervision of areas related to finance, accounts, taxation, and affairs related to management control, joint ventures, implementation and achieving business plan directives related to his functions, implementation of Policy matters, meet the related statutory compliances.
- d. Basic Salary:** Rs. 3,41,000/- per month, with such increments as may be decided by the Board of Directors of the Company from time to time.
- e. Special Allowance:** To the extent of one month Basic Salary per month in aggregate, with such increments as may be decided by the Board of Directors of the Company from time to time, provided that these allowances will not be taken into account for calculation of retirement benefits such as provident fund, superannuation, gratuity, leave encashment etc.
- f. Perquisites:** In addition to the basic salary, he shall be entitled to the following perquisites:
  - i. House rent allowance/rent free accommodation not exceeding 60% of basic salary, subject to 10% of the basic salary is payable by him.
  - ii. Medical facilities- Not exceeding one month basic salary in a year.
  - iii. Leave travel allowance/reimbursements - As per Company's Policy.
  - iv. Entertainment/club fee - As per Company's Policy.

- v. Bonus - As per Company's Policy.
- vi. Leave Encashment - As per Company's policy.

"Resolved further that, apart from the above, the Chief Financial Officer 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, in case of inadequacy of profits /or no profits in the Company in any financial year, the Chief Financial Officer shall be entitled to the aforesaid salary, perquisites & allowances and commission as minimum remuneration during his tenure within the overall limits as laid down under the provisions of schedule V to the Companies Act, 2013 as amended/modified/re-constituted from time to time."

"Resolved further that, the aforesaid remuneration may be paid either from the Company or from its subsidiary/associated companies under Section V of Part II of the schedule V to the Companies Act, 2013, as may be determined by the Board of Directors of both the Companies and agreed by the Chief Financial Officer on mutual consent basis."

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

- i. Chief Financial 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 Financial Officer ceases to be Director of the Company for any reason whatsoever, he may continue to be Chief Financial Officer on mutual consent as agreed by the Board of the Company;
- iv. The Chief Financial Officer shall not be entitled to supplement his earnings under the appointment with any buying or selling commission. He shall also not become interested or otherwise concerned directly in any selling agency of the Company, without prior approval of the Central Government.
- v. The office of the Chief Financial Officer will be subject to retirement by rotation."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Sanjay Tapriya in accordance with the provisions of the Companies Act, 2013 and the rules made there under including any statutory modification(s) or re-enactment thereof, for the time being in force."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized 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."

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

"Resolved that, pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Satnam Singh Saggi, Cost Accountant (Membership Number 10555) be and is hereby re-appointed as the Cost Auditors for audit of the cost accounting records of the Company for the financial year 2015-16 at a remuneration of Rs. 1,65,000/- plus other out of pocket expenses."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized 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."

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. Route map of the venue of the meeting is given below forming part of this Notice.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF. A Proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. A person shall not act as a Proxy for more than 50 members and holding in the 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 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/authority, 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 Saturday, September 26, 2015 to Wednesday, September 30, 2015 (both days inclusive).

8. Members holding shares in electronic form are, therefore requested to submit the Permanent Account Number to their Depository Participant 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 the proposed resolutions are available for inspection at the Registered Office of the Company during business hours 10:00 AM to 5:30 PM on working days up to the date of the AGM.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.
12. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the prescribed form and send the same to Company.
13. The e-voting shall remain open from 9:00 a.m on 27.09.2015 upto 5:00 p.m on 29.09.2015.

The instructions for members for voting electronically are as under:

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

- a. Open e-mail and open PDF file viz."Simbhaoli Sugars Ltd-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
- c. Click on Shareholder-Login.
- d. Put user ID and password as initial password noted in step (i) above. Click Login.
- e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- g. Select "EVSN" 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](mailto:amitguptacs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**II. In case of Members receiving Physical copy of Notice of 78th Annual General Meeting (for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy)**

- a. Initial password is being sent through e-mail/physical delivery.
- b. Please follow all steps from Sl. No. (b) To Sl. No. (l) Above, to cast vote.
- A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 25, 2015.
- E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 25, 2015, may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited.
- F. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- G. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- H. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- I. The Company has appointed Mr. Amit Gupta, (Practicing Company Secretary No. FCS-5478) as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- J. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- K. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- L. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.simbhaolisugars.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the Stock Exchanges.

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

Place : New Delhi  
Date : August 14, 2015

**Kamal Samtani  
Company Secretary**

**STATEMENT PURSUANT TO SECTION 102 OF THE  
COMPANIES ACT, 2013**

**Item No. 5**

Mr. Gurmit Singh Mann is the Executive Chairman of the Company and his term of appointment was fixed in the general meeting dated July 31, 2013 effective from October 1, 2013. The tenure of his appointment will complete on September 30, 2015. Mr. Mann has over 48 years of experience in the industry. His profile in brief is given below:

*Mr Gurmit Singh Mann is presently acting as the Chairman of Simbhaoli Sugars Limited (the Company). After the initial working with the marketing department of M/s SmithKline Beecham Consumer Healthcare Limited for about 8 years, he had been working as the Managing Director of the Company since 1972 and then became Chairman and Managing Director in the year 1989. With the change in the managerial structure, in year 2013, he continued being as the Executive Chairman of the Company. He has exemplary knowledge on the sugar and alcohol products and has immense communication skills. He has been widely travelling in India as well as abroad and possesses good knowledge about the sugarcane rich geographical area. He has been the past President of the Indian Sugar Mills Association, and was also the Chairman of the Indian Sugar & General Export Corporation Limited.*

Over the last few years, the Company has been incurring cash losses due to which its net worth has eroded and its current liabilities are significantly higher than its current assets. The Uttar Pradesh based sugar companies have been facing financial difficulties on account of higher sugar cane prices, lower realization of sugar and high finance cost for the last 3-4 years. In the previous years, the Company has taken and implemented various initiatives, which included business and financial restructuring of its business divisions into new SPVs and planned growth in operations and disinvestments of the shares in such SPVs, etc. for de-risking its businesses and improving its financial position. Also, the State and Central Governments, recognizing the importance of the sugar industry are taking necessary steps to strengthen the sugar industry.

There is a substantial delay in making repayment of the Bank loans and interest thereon by the Company. The Hon'ble High Court has directed to make the priority payment of the cane price over the Bank dues, which has led to the need of restructuring and reorganization of the Bank finance to the Company.

The Company has taken all possible steps to improve its financial position; which also includes restructuring of the bank's dues and realigning the obligations with the revenues. The Restructuring Scheme, as approved by the Board of Directors, has been under consideration by the lenders under the leadership of the State Bank of India (SBI) for final approval. However, on account of adverse financial situation and directions for priority payment of cane price over all other obligations, the Company remained in consistent defaults with the Lenders for a period of more than 30 days. As per prevailing laws, the appointment/re-appointment of the whole time directors, in such

cases shall be subject to the approval of the Government of India, Ministry of Corporate Affairs under the provisions of the Schedule V to the Act.

In recent years of business restructuring, diversification in the Company's product line has been made by setting up of Kandla port based all sugar refinery in Joint Venture arrangement with E D & F Man, London. Simbhaoli Power Private Limited, in the Joint Venture arrangement with Sindicatum Captive Energy Singapore Pte Ltd, Singapore is undergoing expansion of the power capacities. The technical vertical subsidiary Integrated Casetech Consultants Private Limited has been working separately in respective fields.

The Company is also in process of amalgamation with its wholly owned subsidiary Simbhaoli Spirits Limited, and for that, a Scheme of Amalgamation is at advance stage of consideration with the Hon'ble High of judicature at Allahabad in the state of Uttar Pradesh. The Scheme will reduce the operating costs, simplify the business procedures and improve net-worth of the amalgamated entity.

Therefore, your directors have recommended that Mr. Gurmit Singh Mann shall continue for another term of one year effective from October 1, 2015 upto September 30, 2016.

Information under Clause 1 (B) of Section II of Part II of the Schedule V to the Act is forming part of this Notice.

Accordingly, resolution set out under item number 5 is recommended for approval of the shareholders as a special resolution.

None of the Directors, KMP or relatives thereof, except Mr. Gurmit Singh Mann and Ms. Gursimran Kaur Mann, is concerned or interested in the resolution.

**Item No. 6**

The Company, in the general meeting dated July 31, 2013, had appointed Mr. Gurpal Singh as the Managing Director of the Company and his term of appointment is going to complete on September 30, 2015. His profile in brief is given below:

*Mr. Gurpal Singh is the Managing Director of the Company. He is a graduate in economics and has over 25 years of experience in the management of the various functional areas of the Company. He has been engaged in the development of overall business relations, market forecasting, risk management and dealing with wide range of people. He has been sharing his experience with the management to take the qualitative strategic decisions on the domestic and international markets for the betterment of the operations of the Company. With his continuous efforts, the Company has shown remarkable growth and emerged as a pioneer in the Sugar Industry.*

In view of the explanatory note under item no 5 above, your directors have recommended that Mr. Gurpal Singh shall continue for another term of one year effective from October 1, 2015 upto September 30, 2016.

Information under Clause 1 (B) of Section II of Part II of the Schedule V to the Act is forming part of this Notice.

Accordingly, resolution set out under item number 6 is recommended for approval of the shareholders as a special resolution.

None of the Directors, KMP or relatives thereof, except Mr. Gurpal Singh is concerned or interested in the resolution.

**Item No. 7**

The Company, in the general meeting dated July 31, 2013, had appointed Ms. Gursimran Kaur Mann as Managing Director of the Company and her term of appointment is going to complete on September 30, 2015. Her profile in brief is given below:

*Ms. Gursimran Kaur Mann is the Managing Director of Simbhaoli Sugars Limited. She graduated in Economics and Political science from Bryn Mawr College, USA and completed MBA*

from London Business School. She has previously interned at Nestle India, Cargill Geneva, and ED&F Man Brazil. She joined Simbhaoli in 2005 and played a key role in introducing international and trading operations in the Company. She currently heads Simbhaoli's marketing, trading and sales operations along with the Company's new businesses. Ms. Mann was 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).

In view of the explanatory note under item no 5 above, your directors have recommended that Ms. Gursimran Kaur Mann shall continue for another term of one year effective from October 1, 2015 upto September 30, 2016.

Information under Clause 1 (B) of Section II of Part II of the Schedule V to the Act is forming part of this Notice.

Accordingly, resolution set out under item number 7 is recommended for approval of the shareholders as a special resolution.

None of the Directors or KMP or relatives thereof, except Mr. Gurmit Singh Mann and Ms. Gursimran Kaur Mann, is concerned or interested in the resolutions.

#### **Item No. 8**

The Board of Directors of the Company have appointed Mr. Sanjay Tapriya as Chief Financial Officer and Whole time Director on the Board of the Company, based on the recommendation of the Remuneration and Compensation Committee of the Board of Directors of the Company for a period of one year w.e.f. October 1, 2014 to September 30, 2015 as per the terms and conditions and at such remuneration as enumerated in the resolution proposed to be passed subject to approval of shareholders. His profile in brief is given here:

*Mr. Sanjay Tapriya is a commerce graduate and the fellow member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India. He holds an excellent academic record and has various merits and scholarships to his credit during the education. He joined the Company as the Company Secretary in 1986 and thereafter inducted on the Board of the Company as functional Director-Finance (CFO) in 2003. Mr. Tapriya has over 27 years of experience and currently heading all the finance and commercial functions of the Company and with his continuous efforts the Company has shown a remarkable growth in both financial and physical targets and grown to become the pioneers in Sugar Industry. During his association, a number of developments have taken place for the growth of the Company. Major financial decisions taken and their successful implementation have been the key factors for the growth of the Company.*

Information under Clause 1 (B) of Section II of Part II of the Schedule V to the Act is forming part of this Notice.

Accordingly, resolution set out under item number 8 is recommended for approval of the shareholders as a special resolution.

None of the Directors, KMP or relatives thereof, except Mr. Sanjay Tapriya, is concerned or interested in the resolutions.

#### **Item No. 9**

The Board of Directors has appointed M/s. Satnam Singh Saggi, Cost Auditor (Membership No.10555), as the Cost Auditor for audit of the cost accounting records of the Company pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under for audit of the cost accounting records of the Company for the financial year 2014-15. It is proposed to pay Rs. 1,65,000/- as the remuneration, plus out of out of pocket expenses incurred/to be incurred by the cost auditors during the course of audit.

Accordingly, resolution set out under item number 9 is

recommended for approval of the shareholders as Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

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

Place : New Delhi  
Date : August 14, 2015

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

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

##### **I. GENERAL INFORMATION:**

##### **(1) Nature of industry**

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

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

##### **Business Restructuring**

The Uttar Pradesh based sugar companies have been facing financial difficulties on account of high sugar cane prices, lower realization of sugar and high finance cost during the last 3-4 years. Business of the Companies, mainly pertaining to the sugar segment, has been incurring cash losses leading to erosion of its net-worth and current liabilities are higher than the current assets. To overcome the situation, in previous years, the Company has taken and implemented a number of initiatives, including business and financial restructuring of its business divisions for de-risking the businesses and improving financial position. At the end of the 2013-14 crushing season, the Hon'ble High Court of Judicature at Allahabad, directed the State to take appropriate actions against the sugar mills for recovery of the outstanding cane dues as statutory liabilities, and under directions of the Court, the State administration took control over the sugar stocks, forced the sugar mills to sell the sugar and initiated multiple coercive actions. Accordingly, large quantities of sugar stocks have been sold as per the instructions of the State, which lead to crash in sugar prices and continuation of cane arrears from one year to another. The Company has paid the entire sugar cane dues for the sugar season 2013-14.

The Company has taken various steps to improve its financial position by adopting certain cost cutting measures, manpower planning diversification of business activities and change in the management approach to run the business in most efficient manner.

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

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

- i. Simbhaoli Power Private Limited (SPL) is a 51% subsidiary, with a joint venture (JV) with Sindicatum Captive Energy Singapore Pte Limited (SCES). During the year, the expansion project of Simbhaoli cogeneration plant by 28 mw from existing 34 mw to 62 mw with a total project cost of Rs 144 crore has been pursued. This will take the total power generation capacity to 100 mw.
- ii. Uniworld Sugars Private Limited (USL) is a joint venture company between Simbhaoli Sugars Limited and ED&F Man Sugar Ltd, UK, having a 1,000 tpd (300,000 mt per annum) capacity sugar refinery near Kanda Port, Gujarat. The share capital has been subscribed equally by the Company and ED & F Man, UK along with their affiliates. The refinery started commercial operations in August 2014 and is producing the international quality sugars for export.

- iii. Simbhaoli Global Commodities DMCC, Dubai, is the wholly owned subsidiary.

## II. Information about the proposed appointees:

### Background details

Mr. Gurmit Singh Mann is the Executive Chairman, Mr. Guralp Singh is the Managing Director, Ms. Gursimran Kaur Mann is the Managing Director and Mr Sanjay Tapriya is the Chief Financial Officer of the Company. Their profile has been described in their respective explanatory note.

### Past remuneration (Rs. lacs)

S. No	Name	2010-12*	2012-13	2013-14
1	Mr Gurmit Singh Mann	79.02	53.40	49.35
2	Mr Guralp Singh	77.94	52.75	51.13
3	Ms Gursimran Kaur Mann	20.75	24.02	23.66
4	Mr Sanjay Tapriya	81.36	64.72	56.20

\* For a period of 18 months

### Recognition or awards

Mr. Gurmit Singh Mann is the Executive Chairman, Mr. Guralp Singh is the Managing Director, Ms. Gursimran Kaur Mann is the Managing Director and Mr Sanjay Tapriya is the Chief Financial Officer of the Company. They have extensive qualities and capitalizing the shared experience for the betterment of the Company. They have been setting up and demonstrating highest work standards standard and the best management practices for the improvement in the working of the Company.

### Job profile and suitability

Mr. Gurmit Singh Mann is the Executive Chairman, Mr. Guralp Singh is the Managing Director, Ms. Gursimran Kaur Mann is the Managing Director and Mr Sanjay Tapriya is the Chief Financial Officer of the Company. The job profile is based on the functions being handled by them at the position and has been described in their respective explanatory note.

### Remuneration proposed

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

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

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

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

None of the proposed appointees has any pecuniary relationship, directly or indirectly with the Company, or relationship with any other managerial personnel of the Company except as disclosed in the explanatory note of the respective item.

### III. Other information:

**Reasons of loss or inadequate profits:** The Sugar Industry in the state of Uttar Pradesh has witnessed a rough patch with the Government fixing higher cane prices and the Courts ordering for stress sale of sugar stocks. The Company had

planned expansion of business as per Government policy of 2004-08. After expansion, the resultant subsidy as promised by the Government had been withdrawn and the matter is still sub-judice. The expansion projects involved huge capital expenditure and the Company has incurred liquidity constraints.

The operations of the distillery of Simbhaoli Spirits Limited were stopped by the National Green Tribunal since February 2014. Moreover a penalty of Rs. 5 crore was also imposed on the Company. During this year, there was no production in Simbhaoli Spirits.

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

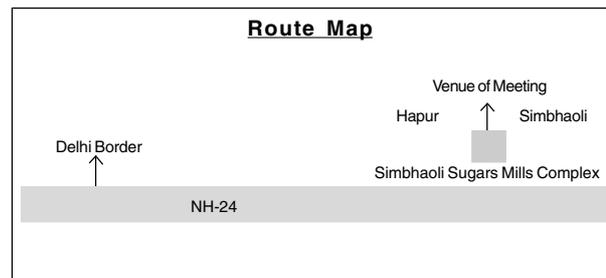
**Steps taken or proposed to be taken for improvement:** The Company is in process for amalgamation with wholly owned subsidiary company Simbhaoli Spirits and the Scheme of Amalgamation has been approved by the shareholders and the Creditors of the Company as per the directions of the Hon'ble High Court of Judicature at Allahabad.

Ethanol blending is the practice of blending petrol with ethanol. Many countries, including India, have adopted ethanol blending in petrol in order to reduce vehicle exhaust emissions and also to reduce the import burden on account of crude petroleum from which petrol is produced. The Government has permitted ethanol blending and there is high demand for ethanol by the petro chemical industry.

Demand for sugar is perpetual. Being agricultural based product, sugarcane supply is cyclical in nature and linked with monsoon and cane availability. Recently sugar price has witnessed its lowest in a span of six years time. A substantial increase in sugar prices is expected in 2015-16. Various cost cutting measures in terms of fuel and technology have been adopted by the Company in the financial year 2014-15, which will strengthen the cash inflow of the Company.

As compared to the size of the Company and seasonal nature of the sugar industry the Company has an adequate mix of management and operative level employees to execute the day to day working of the Company.

**Expected increase in productivity and profits in measurable terms.** The Company is at the final stage of business restructuring which will un-lock the value of the profitable business segments and improve the overall business valuations. The gross turnover of the Company is Rs. 885 Crore and consolidated to the group is Rs. 1049 crore as per audited accounts as on March 31, 2015. The improvement in margins through cost cutting and expected increase in the sugar realizations will result in the improved profitability over a period of time. With the above measures, the Company is confident to turn around and achieve positive margins in future.



## CHAIRMAN'S MESSAGE

Dear Stakeholders,



This past year, the challenges specific to the sugar business in India have increased significantly. I have not seen such a sustained crisis in the past fifty years. The sugarcane price set by the Uttar Pradesh state government is high and unrealistic and completely unrelated to the low price of sugar. This has resulted in a large gap between the manufacturing cost and selling price of sugar. India is expected to carry over 10 mmt of excess sugar stock on Oct 1, 2015, the highest in the last decade. In the last 7 years, sugarcane price has moved from Rs. 139/qtl. to Rs. 230/qtl., while sugar price has averaged at Rs. 2500/qtl. price level.

The only solution to the problem is establishing linkage between the sugarcane and sugar price as recommended by the Rangarajan Committee in 2012. This year, the other large sugar producing states of Maharashtra and Karnataka have already adopted this revenue sharing formula and we are hopeful that Uttar

Pradesh will make the right decision to ensure that its industry remains viable in this new pricing scenario.

The year has been challenging as various Court decisions at the state and central level have adversely affected commercial operations. Due to the lack of clear outlook on the sugarcane pricing issue by policymakers and government, lenders support to the industry has been withering. It has been a difficult time for the employees of the Company as well, many of whom faced coercive action due to what is essentially a policy defect.

Simbhaoli Sugars has been affected by the sharp Industry downturn but it is still one of the most efficient and operationally viable sugar groups lead by a 100 basis point sugar recovery improvement in the last two years. Other costs have also been brought down in all the sections across the Company.

This has been in spite of high finance cost, non-realisation of incentives under UP Sugar Incentive Policy, non-operationalisation of one of its distillery. Unfortunately, cash losses have translated into delays in discharging the liabilities to all stakeholders including the cane farmers and lenders. Your Company has paid all of its cane dues upto 2013-14 season and is working out the ways and means to meet the cane payment gap for 2014-15 season. However, despite our best efforts, state and central government support will be required to make this payment .

The critical situation has placed new challenges for us, and we have collected all of our efficiencies, wisdom and resources to fight the crisis. Way forward, our medium and long term strategy includes:

- Amalgamation of the sugar and alcohol businesses in a consolidated entity to improve cost efficiencies and synergies
- Effective representation of the Company before all the stakeholders including farmers, State and Court of laws
- Rationalize finance cost by approaching the lenders for a realistic financial structuring, without seeking concessions and requesting to grant time to repay the outstanding.
- Maintain good relations with the farmers bringing all the business facts to their attention and to work towards improving their farm productivity, agri-practices and farm revenue.
- Continue further improvement in the operational effectiveness by reducing process losses and improving quality of products and capacity utilisations, rationalising costs etc.
- Re-start of the Simbhaoli distillery business, having complied with all the conditions laid down by the order passed by Hon'ble National Green Tribunal.
- Managing the associate and joint venture businesses, without adversely affecting the interest of your Company.

I believe our management team will achieve success on the above measures and once the macro situation improves, this will enable the Company to have a complete turnaround.

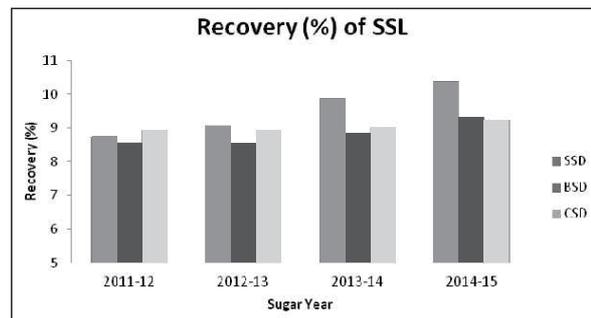
For nearly a century, the Uttar Pradesh sugar industry has been a catalyst of the development in the rural areas of the Country and this business shall continue to run for the sake of all our stakeholders. Your Company is well equipped for this endeavour subject to the implementation of just policy measures by the State as outlined earlier. We only expect to be provided with a free and safe working environment, fair commercial principles and timely policy decisions.

Finally, I would like to extend my heartfelt gratitude to our farmers, employees, lenders, suppliers, joint venture partners and other associates for their continued support, patience, and trust during this unprecedented difficult time.

With Best Wishes

August 14, 2015  
New Delhi

Gurmit Singh Mann  
Chairman  
DIN - 00066653



Graph: Recovery percentage of Simbhaoli Sugars Limited

# DIRECTORS' REPORT

## To the members of Simbhaoli Sugars Limited

Your directors have pleasure in placing the directors' report together with management discussion and analysis report for the financial year ended on March 31, 2015.

### Management Discussion and Analysis

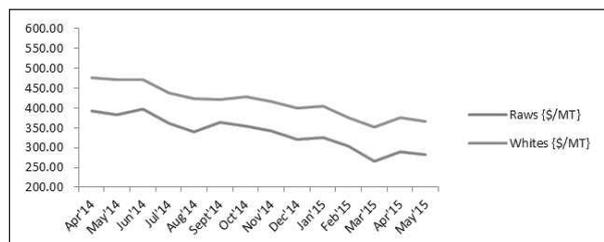
#### International Sugar Industry

The world sugar production is expected to reach at 182.6 million metric tonnes raw value (mmtrv), having a surplus of 3.39 (mmtrv) from an earlier expected small deficit or balanced year for the sugar year 2014-15 due to higher cane crushed in India, Center-South Brazil and Thailand. There is a likely fall in production from China and South Africa. In Brazil over all sugar production is expected to be higher by about 2.0 mmt, with about 43% of cane being utilized for sugar production, and balance for making ethanol. Despite, sugar prices in dollar terms are amongst their lowest in six years; weakness in Brazilian currency (Real) has improved the return from selling sugar leading to higher expectation for sugar output in Brazil. (Source: Kingsman, CONAB and UNICA data).



During the same period, Thailand sugar production at 11.04 mmtrv is comparable to the year 2013-14, when a record sugar production of 11.29 mmtrv was achieved. Indian production is also seen up by 3.8 mmtrv to 29.9 mmtrv playing a pivotal role in influencing the global market. Thus, the world remains in surplus for the fifth consecutive year.

Agri commodity prices index has declined by nearly 34 per cent in the year 2014-15, Sugar also posted a decline of 25 per cent to trade to \$358 a tonne in last one year. The sugar prices in the year 2014-15 remained bearish, with a low of less than 12 cents per pound in Mar 2015. The white sugar premium also remained low, but for marginal rise in May 2015 on account of Chinese import demand.



#### Domestic Sugar Industry Scenario

The country's sugar production is likely to reach at 28 mmt (white value) in the current sugar season with sugar surplus of about 10.2 mmt by the end of the year, which is on the higher side. Sugar industry in India is going through unprecedented crisis due to the mismatch in the price of raw material i.e. sugarcane and the finished product. The

wide gap between the high cost of sugarcane and low realization from sugar, have severely impacted the financial conditions of the sugar mills. The production has been consistently surpassing the domestic consumption and lower international prices are not providing enough opportunity for consistent exports.

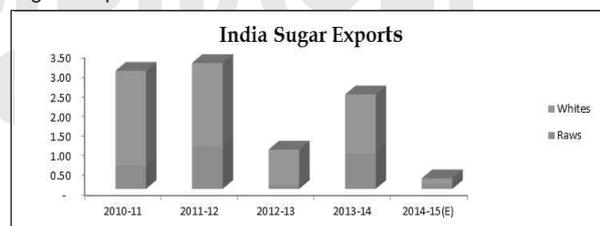
(in mmt)

Particulars/SugarYear	2013-14	2014-15 E	Change %
Opening Stock as on 1st Oct	9.3	7.5	(24.0)
Production during the Season	24.4	28.0	12.9
Imports	0.10	-	-
Total Availability	33.8	35.5	4.8
Consumption	24.1	24.8	2.8
Exports	2.2	0.5	-
Closing Stock as on 30th Sept	7.5	10.2	26.5
Stock as % of Off-taker	31.1	41.1	-

Source: ISMA and SSL estimates

Sugar production in Maharashtra, the country's leading producer reaches at an all-time high of 10.35 mmt in this year. The production in Uttar Pradesh and Karnataka is expected to reach at 7.01 mmt and 4.85 mmt respectively.

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



#### Price Trend

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

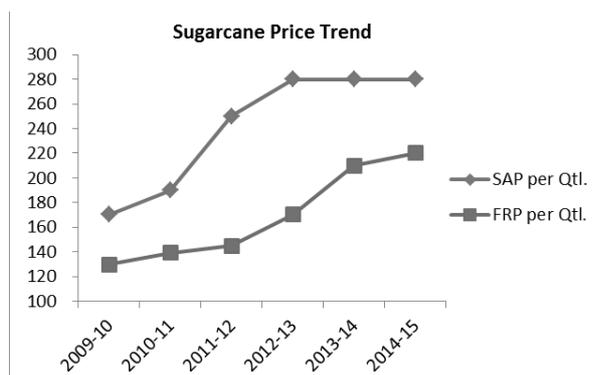
With higher sugar production in the current season, against the estimated consumption of 24.8 mmt, carryover stocks at the beginning of 2015-16 season is estimated at 10.2 mmt, 4.2 million tones higher than the normative requirement of 6 mmt which, has worsen the conditions of Indian sugar industry.

#### Sugarcane

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

Major producers such as Uttar Pradesh, Tamilnadu, Haryana, Punjab and Uttarakhand continued with their

sugarcane pricing policies as per the past practices of announcing SAPs, whereas states like Maharashtra and Karnataka are considering rationalization of their sugarcane pricing by linking it to the sugar prices. In the current year, sugar mills are finding it difficult to pay even the FRP and this mismatch between sugar and sugarcane prices has led to mounting arrears to be paid to sugarcane farmers, which stands at INR 2100 crore at the end of April, 2015.



The monsoon in India is stated to be below normal for a second year as the event develops. Australian scientists have forecasted a substantial El Nino weather phenomenon for 2015, while it increases the risk of drought in Australia, it's not likely to affect India. Sugarcane is still more lucrative to farmers than other crops and despite the accumulating cane arrears, preliminary data are showing 0.2 percent increase in the cane acreage.

As per third advance estimates for sugar year 2014-15, production of sugarcane is estimated at 357 mmt, which is higher by 4 mmt as compared to last year. As per the crop coverage in the kharif season for 2015-16 released by Agriculture Ministry in May 2015, 40.18 lakh hectares (LH) had been sown across the key sugarcane growing States in the country against 39.98 LH during the corresponding period of the previous year.

### Domestic Ethanol Industry

Ethanol Blended Programme (EPB) was launched in the year 2003, which was extended to the entire country except NE States, J&K, A&N Islands and Lakshdweep, w.e.f, the year 2006. Oil Marketing Companies (OMCs) were directed to sell 5% ethanol blended petrol, subject to commercial viability. The national policy on bio-fuels was also notified by the Government in the year 2009 with the objective to ensure that minimum level of bio-fuels is readily available to meet the demand at any given time.

The contracts made during 2013-14, were valid till May 2015 and about 83% of the quantity were lifted out of 68.20 crore ltrs contracted during that year.

For the 2014-15 season, OMCs have come out with tenders for ethanol in July 2014, January 2015 and March 2015 and have sought around 156 crore litres of ethanol, against that the procurement for 80.70 crore litres were finalised. However, only 12.90 crore litres were lifted at the year-end, which is 16% of the quantity accepted. The Government, sugar mills and OMCs are making constant efforts for carrying on the blending program.

In December 2014, Government replaced procurement of ethanol based on a benchmark price decided by OMCs by a new mechanism of uniform price of ethanol declared for each sugar year. The delivered price of ethanol has been fixed in the range of Rs. 48.50 per litre to Rs.49.50 per litre,

depending upon the distance of sugar mill from the depot/ installation of the OMCs. The government has removed the excise duty on ethanol supplied for blending for 2015-16 onward. This would increase in net realization by around Rs.5/litre of ethanol. This step may incentivize the composite sugar and ethanol producers to divert B-heavy molasses or cane juice into ethanol.

### Government Policies

Policy related decisions taken during the year under review are:

- (i) July 2014: With a view to increase production of Ethanol, Central Government is providing soft loans up to 40% of the project cost to the sugar mills from SDF for setting up ethanol projects.
- (ii) December 2014: The Cabinet Committee on Economic Affairs (CCEA), has given its approval to ratify the methodology adopted to recalculate the export incentive rate.
- (iii) January 2015: FRP of sugarcane for 2015-16 sugar season has been fixed at Rs. 230 per quintal, linked to basic recovery rate of 9.5% subject to premium of Rs.2.42 per qtl for every 0.1% increase in recovery above that level.
- (iv) February 2015: Continuation of the incentive scheme for marketing and promotion services of raw sugar production during current sugar season 2014-15 (Oct-Sept) for a qty upto 1.4 mmt at Rs.4000 per MT.

### 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 crushing capacity of 19,500 TCD and refining capacity of 3,00,000 mt of raw sugar annually.

(in mmt)

Facilities	Cane Sugar (TCD)	Raw Sugar Processing (TPD)	Alcohol/ ethanol (KLD)	Power (MWH)	Bio-Manure (MMT/day)
Simbhaoli (Western UP)	9,500	850	90#	34\$	17
Brijnathpur (Western UP)	4,000	600	60	8	9
Chilwaria (Eastern UP)	6,000	600	60	38\$	9
<b>Total</b>	<b>19,500</b>	<b>2,050</b>	<b>210</b>	<b>80</b>	<b>35</b>

*#Simbhaoli Spirits Limited, subsidiary company*

*\$Simbhaoli Power Private Limited, subsidiary company*

The sugar business is integrated with alcohol and power. The co-generation units of Simbhaoli Power Private Limited (SPL), a subsidiary company, located within the Simbhaoli and Chilwaria complexes are capable to generate bio-mass based power aggregating to 72 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. Simbhaoli Spirits Limited, a wholly owned subsidiary company is capable to produce 90 KI/day of potable alcohol and ethanol.

### Sugarcane price arrears

The Uttar Pradesh based sugar companies have been facing financial difficulties on account of high sugar cane prices and low realization of sugar and high finance cost during the last 4 years. This disparity has resulted in huge cane price arrears at the end of the 2013-14 crushing season, which has been placed before the Hon'ble High Court of the State in a legal matter. The Hon'ble Court, while giving importance to the payment of cane price to the farmers, directed the State to take appropriate steps under the State cane laws to recover the outstanding cane payments as statutory liabilities. In implementation of the order, and without



considering the related economic factors, the State directed the mills to sell the sugar stock and initiated multiple coercive actions against the Company and its officers. A large amount of sugar stocks has been sold under the instructions of the State administration, which brought down the sugar prices, even below basic cost of production leading to further delays in cane price payment. The sugar prices have come down to an extraordinary low level, which is the lowest in last five years.

The Company is facing day-to-day issues resulting from pending cane payment. The coercive actions by the local administration often affect the operations, dispatches of sugar and inconsistency in cash flows.

During the season, there has been substantial diversion of sugarcane to other sweeteners because of delayed payments to the farmers. The entire sugar industry has been facing financial crunch on account of over production, high cost and mounting pressure of cane price payments. However, the Company's current sugar operations have improved over the previous seasons and are expected to improve further in the coming season on account of the development initiatives taken.

The Company has paid sugarcane price dues for the sugar year 2013-14 by selling sugar at current market prices. The sugar prices can improve in future once large physical export of sugar takes place.

#### **Outstanding dues of the financial institutions**

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

#### **Business Restructuring and Scheme of Amalgamation**

The business of the Company, mainly pertaining to the Sugar, has been incurring cash losses, which has led to erosion of its net-worth. The current liabilities are higher than the current assets. In previous years, the Company has initiated a number of steps, including business and financial restructuring of its divisions for de-risking the businesses.

A Scheme of Amalgamation of the Company with Simbhaoli Spirits Limited (SISPL), its wholly owned subsidiary company (the Scheme), as approved by the Board of both the companies, was filed with the Hon'ble High Court of Judicature at Allahabad (the Court). With effect from the Appointed Date, the entire business and undertaking of the Company, shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in SISPL, as a going concern without any further act and deed. The shareholders and unsecured creditors of the Company have

approved the Scheme on September 20, 2014. The meetings of the secured creditors of both the companies have been convened by Hon'ble Court on July 11, 2015, and the Company and SISPL have also received the letters of no objection from secured creditors, having substantial values. Pending sanction of the Scheme by the Court, no financial effect has been considered in these financial statements and further, as advised by eminent legal counsel, considering the pendency of the Scheme and resultant positive net worth after sanction of Scheme, no further steps as applicable to the sick companies have been initiated.

#### **Distillery Operations**

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

The Company has taken all the requisite steps and again applied for the necessary consents from the Pollution Control Boards to re-start the plant. Your directors are confident that, the Company is expected to resume operations soon on receipt of necessary consent from the Uttar Pradesh pollution Control Board (UPPCB) and other regulatory authorities.

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

#### **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.

#### **International Trading**

During the year, the international trade was limited due to weak international prices vis-à-vis domestic market. However, the Company has continued trade with selected markets like Nepal, Canada, Pacific Islands, Seychelles and Middle-east. Trust branded sugar has been receiving favorable response from the destinations like Canada and pacific islands. In pacific islands, volume of retail sugar doubled to 240 MT in FY 2014-15. L-Grade sugar has established unique place in Canadian market and its volume is growing every year.

The Company has exported 6,281 MT of refined sugar under the advance authorization scheme (AAS) and there is a

pending obligation of 11,616 MT. During the year, the Company has also exported 1352 MT under Open General License Scheme.

#### **Human resources**

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

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

#### **SWOT**

The areas of operations of the Company and its subsidiary companies are well diversified, with multi products and services spanning over a number of geographical locations. Each of the business segments has its own strengths and weaknesses and is subject to a variety of opportunities and threats. The management is consistently strategizing and planning about the re-structuring exercises for the business revival. The group has the following SWOT attributes broadly:

##### **Strengths**

1. Sugar units are located in the sugarcane-rich Indian state of Uttar Pradesh
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 sugar with improved yields; attracting premium 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

##### **Weaknesses**

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

##### **Opportunities**

1. To command high sugarcane recovery and yields in its reserved zone
2. To further improve sugarcane productivity and quality by varietal changes and development program
3. To be flexible in to refining raw sugar for improving capacity utilisation
4. To achieve growth in the refined sugar business through a port based refinery under an associate company Uniworld Sugars Private Limited

5. To be a regular exporter on account of quality, brands and product mix whenever there is a viability

#### **Threats**

1. Adversities in agro-climatic conditions may impact
2. Volatile commodities 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 currencies
5. Directions of the Hon'ble Courts and coercive actions by the State administration

#### **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. The Chilwaria Distillery of the Company has also been accredited with the ISO 9001 and ISO 14001.

#### **Internal control system**

The Company has adequate systems of internal control commensurate to its size and nature of business to safeguard the assets against loss and from any unwarranted use. All transactions are authorized, recorded and reported correctly. Internal audit and checks are carried out regularly at various units, projects and activities centers to ensure the adequacy of control system and its monitoring. The internal control procedures and information flow is transparent, predetermined and regulated. The evaluation of internal financial controls and risk management systems is a continuous process in the Company.

During the previous year, the exceptional item of Rs. 1,058 lacs represents write off of inventory shortage arising due to irregularities/ misappropriation committed by certain former senior executives of the Company against whom legal proceedings are in progress.

#### **Risk assessment and mitigation policy**

SSL has adopted a system based approach for risk management, with the clear objectives of identification, evaluation, monitoring and minimization of the identifiable risks. The policies have been formulated and adopted by the management for controlling the risks. The management periodically reviews the risk management framework to identify major business risks as applicable to the Company and works out their mitigation strategy. Business and currency volatility have also affected the risk profile of the Company. The following are the major risks associated with the businesses of the Company:

1. Risk of raw material: availability and pricing, particularly of sugarcane.
2. Pricing risks related to finished goods:
  - a. Sugar: The sugar prices are highly volatile based on the demand and surplus availability of sugar in the Country as well as in the international market. The market prices are therefore determined by the market forces.
  - b. Alcohol: Government policies affect the prices of ethanol and potable alcohol in international and domestic markets. The licensing of potable alcohol business is controlled by the state governments.
  - c. Power: The price is determined and payable by the state power corporations.

3. Agro climatic conditions: The sugar production depends on the volume and sucrose contents of sugarcane that is supplied to the mill. Various agro-climatic conditions such as unfavourable weather, irrigation facilities, crop disease, cane seed varieties etc adversely affect sugarcane crop and sugar yield.
4. Foreign exchange fluctuations affect the viability of international trade transactions.
5. Market risks: The demand and supply in the international markets and as a result, the price of the sugar, keep fluctuating for various reasons including changes in government policies in relation to the sugar industry.
6. Environment risk: The sugar and alcohol businesses are subject to Indian environmental laws and regulations, which require substantial capital expenditures and may also lead to closure of the plant by the regulatory authorities.
7. Competition: Competition in the sugar and alcohol sectors based upon a number of considerations, including location, product quality, brands, product innovation, distribution capabilities and price, may affect business.
8. Financial risks: The availability of funds to discharge obligations and continued finance from the Bankers for running the operations of the Company.
9. Legal risks: The business is subject to the litigation arising out of contractual liabilities and related dues, which may affect the running of the operations of the Company.

Besides, the Company is also subject to a number of internal and external risk factors, which affect its profitability. These include risks related to financing and reporting risks, contractual compliance, compliance with local laws, quality and project management, and human resource management.

#### **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 Company has also taken steps with reference to the distillery plant of its wholly owned subsidiary for the action plans as per the directions of the Hon'ble National Green Tribunal.

#### **Corporate social responsibility (CSR)**

The Company has a corporate social responsibility (CSR) policy indicating the guidelines for social welfare activities to be undertaken. It is implementing programs in the fields of education, healthcare, clean water, social welfare, village infrastructure development in reserved areas of its sugar mills. The Company, on its own, is meeting its social responsibility obligations by encouraging cleaner surroundings, improving village level infrastructure, unclogged drains and to learn the value of good hygiene and sanitation. The employees are also important stakeholders in the SIF, and have been contributing funds.

The Company is disseminating information on its CSR policies, activities and progress to all their stakeholders and the public at large through its website, annual reports, and other communication media. 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. During the year, initiatives have been taken to bring operations of newly formed

subsidiary/joint venture companies also into SAP environment. All the business units of the Company are now integrated through SAP modules.

#### **Operations of Subsidiary/ Associate companies**

- I. Simbhaoli Spirits Limited (SISPL), a wholly owned subsidiary of SSL, has the business of operating a potable distillery at Simbhaoli. It has 90 kld capacity to manufacture rectified spirit, and interchangeable 60 kld capacity to manufacture extra neutral alcohol and ethanol. During the year, the Company's operations are adversely affected on account of the closure of distillery plant and the Company was not able to meet the fixed costs. Simbhaoli Sugars Limited, the holding Company has been providing necessary support during this financial crunch. The gross revenues earned by the Company during the year have been Rs. 10.60 crore (Previous year Rs. 94.64 crore) with a pre-tax loss after exceptional item Rs. 24.87 crore (Previous year Rs. 14.99 crore).
- II. Simbhaoli Power Private Limited (SPL) is a 51% subsidiary, with a joint venture (JV) with Sindicatum Captive Energy Singapore Pte Limited (SCES). During the year, the expansion project of Simbhaoli cogeneration plant by 28 mw from existing 34 mw to 62 mw with a total project cost of Rs. 144 crore has been pursued. This will take the total power generation capacity to 100 mw. The gross revenues earned by the Company during the year have been Rs. 59.49 crore (Previous year Rs. 40.82 crore) with a pre-tax profit after exceptional item of Rs. 3.10 crore (Previous year loss Rs. 28.56 crore).  
In the year 2013, Simbhaoli Sugars Limited had transferred its power business to SPL under Business Transfer Agreement(s) (BTA). At the end of the financial year 2014-15, the outstanding BTA consideration stands at Rs. 8,180.15 lacs (previous year Rs. 11,204.33 lacs), which is proposed to be discharged in the manner as prescribed in Note 4 of the financial statements. The outstanding consideration payable has been disclosed under other current assets and other non-current assets. The management is hopeful that the entire liability will be discharged by SPL in the manner as agreed in BTAs.
- III. Integrated Casetech Consultants Private Limited (ICCPL), an 85% subsidiary and the technology vertical of SSL has executed number of projects in India and overseas. In addition to the ongoing work in India, the projects at Zimbabwe and Philippines have been accomplished. ICCPL has earned gross revenues of Rs. 24.06 crore (Previous year Rs. 44.03 crore) with a pre-tax profit of Rs. 1.05 crore (Previous year Rs. 2.14 crore) for the year 2014-15.
- IV. Uniworld Sugars Private Limited (USL) is a joint venture company between Simbhaoli Sugars Limited and ED&F Man Sugar Ltd, having a 1,000 tpd (3,00,000 mt per annum) capacity sugar refinery near Kandla Port, Gujarat. The share capital has been subscribed equally by the Company and ED & F Man, along with their affiliates. The refinery started commercial operations in August 2014 and is producing the international quality sugar for export. The gross revenues earned by the Company during the year have been Rs. 237.80 crore (Previous year Rs. 0.14 crore) with a pre-tax loss of Rs. 41.09 crore (Previous year Rs. 0.39 crore).
- V. Simbhaoli Global Commodities DMCC, Dubai, is the wholly owned subsidiary. During the year, DMCC has earned revenue of Rs. 416.37 lacs (Previous year Rs. 1.43 Lacs) with a pre-tax loss of Rs. 32.73 lacs (Previous

year Rs. 6.29 Lacs). It is proposed to close this company as there is no business opportunities envisaged in the near future.

VI. The name of 'Resham Packaging Private Limited', a wholly owned subsidiary company has been changed to 'Simbhaoli Speciality Sugars Private Limited'. No major business activities have been carried out in this Company during the year.

## OPERATIONS

A summary of the physical operations of all the business units of the Company for the year 2014-15 is stated as under:

Manufacturing Facilities	Unit	Simbhaoli		Chilwaria		Brijnathpur		Total	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Year/ Sugar Facilities		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Sugarcane crushed	Lacs MT	12.95	11.19	6.02	6.37	4.73	4.46	23.70	22.02
Sugar recovery*	%	10.80	9.91	9.25	8.99	9.35	8.60	10.12	9.12
Raw/ below grade sugar refined	Lacs MT	0.24	0.20	-	-	0.006	0.07	0.25	0.27
White Sugar produced†	000' MT	139.90	119.79	55.66	57.30	44.18	45.01	239.74	222.10
Gross season for sugar plant	Days	163	141	136	136	163	142	NA	NA
Date of start of the Sugar plant	-	14.11.14	07.12.13	10.12.14	11.12.13	14.11.14	10.12.13	NA	NA
Date of closure of Sugar plants	-	26.04.15	26.04.14	05.04.15	25.04.14	26.03.15	30.04.14	NA	NA
Days of operations of distillery	days			187	171	182	194	NA	NA
Alcohol/ Ethanol produced	B.L (Lacs)			92.00	97.69	120.74	132.95	212.74	230.64

\* recoveries have been affected on account of climatic conditions.

† including conversion of raw and below grade white sugar, into refined sugar

During the year, 23.97 lacs qtl (previous year 22.2 lacs qtl) of white sugar was produced and 25.11 lacs qtl (previous year 23.15 lacs qtl) of sugar from both sugarcane and refining of raw sugar, was sold at an average price realization of Rs. 2,980 per qtl (previous year, Rs.3,170 per qtl). The average realization of sugar was lower by Rs. 190 per qtl on account of depressed market scenario.

## FINANCIAL RESULTS, ANALYSIS AND REVIEW

A summary of the standalone financial results of the Company for the year ended March 31, 2015 is stated as under.

(Rs in lakh)

Particulars	Year ended Mar 31, 2015	Year ended Mar 31, 2014
Net Sales/Income from operations	85,626	83,578
Other Income	2,831	2,812
Profit/(Loss) before Interest, depreciation and exceptional items	(1,268)	835
Interest expense	12,481	14,181
Depreciation	2,221	2,795
(Loss) before tax & exceptional items	(15,970)	(16,142)
Exceptional Gains/(Loss)	0	(1,058)
Tax expense	0	23
Net (Loss) after Tax	(15,970)	(17,223)

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

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

The Company is implementing a Scheme of Amalgamation with Simbhaoli Spirits Limited, having appointed date as March 31, 2014 (the Scheme). The financial figures of the

amalgamated entity after implementation of the Scheme will significantly vary particularly with reference to the share capital structure, reserves and surplus, and net worth. The impact of these changes pending final approval of the Scheme has not been considered in these accounts and therefore, not commented. The following is the summary of financial review for the year:

**Share Capital:** There was no movement in share capital during the year.

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

- Revaluation reserve: Deduction of Rs.124.52 lacs, (previous year Rs. 37.42 lacs) being amount transferred to Profit and Loss Account.
- Capital grant in aid: Adjustment for amount utilised during the year, Rs. 7.27 lacs (previous year Rs. 7.11 lacs).

Pending completion of restructuring under the Scheme, the net worth of the Company shows a negative balance of Rs. 32,616.55 lacs, (previous year Rs. 16,346.40 lacs). However, on implementation of the Scheme, the net worth will turn into positive.

**Long term borrowings:** Long term borrowings have increased by Rs. 551.54 lacs during the year. The Company has submitted a proposal to its lenders for rescheduling its loan accounts.

**Short term borrowings:** Un-secured short term borrowings have reduced by Rs. 3,333.28 lacs (net).

**Fixed assets :** Addition to the fixed assets aggregating to Rs. 612.15 lacs (previous year Rs. 1,609.61 lacs) includes the following:

- Rs. 167.67 lacs for 4th Mill -AC VFD drive with planetary gear box in CSD,
- Rs. 74.55 lacs for Brine recovery system and Rs. 73.48 lacs for furniture and fixtures in SSD,
- Rs. 369.93 lacs on account of miscellaneous assets.

The Company has deducted Rs. 221.80 lacs (previous year Rs. 282.91 lacs) from fixed assets:

- Land at Noida of Rs. 217.96 lacs,
- Rs. 3.84 lacs on account of miscellaneous assets.

**Investments:** The Company has following investments as on March 31, 2015:

(Rs in Lacs)

Particulars	Opening balance as on April 1, 2014	Additions during the year	Balance as on March 31, 2015
(i) 2,00,800 equity shares of Rs. 10 each in Integrated Casetech Consultants Private Limited	38	0	38
(ii) 2,76,53,770 Equity shares of Rs. 10 each in Uniworld Sugars Pvt. Ltd	7,226	106	7,333
(iii) 300 Equity Shares of AED 1000 each in Simbhaoli Global Commodities DMCC	40	0	40
(iv) 3,18,00,000 Equity shares of Rs. 10 each in Simbhaoli Spirits Ltd	25,405	0	25,405
(v) 22,62,766 Equity shares of Rs. 10 each in Simbhaoli Power Pvt Ltd	1,885	333	2,218
(vi) 33,94,165 debentures of Rs. 100 each of Simbhaoli Powers Pvt. Ltd.	2,894	500	3,394
(vii) 19,000 equity shares of Rs. 10 each of Simbhaoli Speciality Sugar Private Limited	0	190	190
(viii) Others	2	1	3
<b>Investments at the end of the year</b>	<b>37,490</b>	<b>1,130</b>	<b>38,620</b>

**Inventories:** Inventory amounting to Rs. 35,389.42 lacs (previous year Rs. 45,659.34 lacs) includes finished goods, raw material, process stocks, and store items. The sugar at the year end is valued at net realizable value of Rs. 2,600 per qtl (previous year Rs. 3,231 per qtl).

**Sundry debtors:** Sundry debtors (net) amounting to Rs. 8,426.94

lacs (previous year Rs. 6,499.50 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 9.54% (previous year 7.53%) of gross revenues, representing an outstanding of 35 days (previous year 27 days).

**Cash and Bank Balance:** Cash and bank balance of Rs. 1,571.26 lacs (previous year Rs. 3,431.44 lacs) includes fixed deposits of Rs. 653.99 lacs out of which an amount of Rs. 430.52 lacs are pledged with banks for securing certain loans, letters of credit, guarantees and other facilities.

**Other Current Assets:** Other current assets of Rs. 10,460.90 lacs (previous year Rs. 15,308.13 lacs) comprise a receivable of Rs. 8,640.48 lacs (previous year Rs.13,473.78 lacs) against slump sale of Power business of the Company to Simbhaoli Power Private Limited.

**Trade payables, other current liabilities, and provisions:** Trade payables at Rs. 53,478.35 lacs (previous year Rs. 45,358.20 lacs) are increased by Rs. 8,120.15 lacs, on account of cane dues. The liability includes amount payable against sugarcane supply, other raw materials, stores and services. The other current liabilities of Rs. 18,655.36 lacs (previous year Rs. 15,277.45 lacs) reflect amount payable against finance charges and other miscellaneous liabilities.

**Sales and other income:** Sales and other income (net of excise) is Rs. 88,456.34 lacs (previous year Rs. 86,390.03 lacs). The segment wise allocation of revenues for the year 2014-15 and for proceeding two accounting years is as under:

Years	Sugar		Alcohol		Power	
	Turnover	%age	Turnover	%age	Turnover	%age
2012-13	80,841	88.65	8,258	9.06	2087	2.29
2013-14	78,331	90.68	8,050.40	9.32	-	-
2014-15	80,423	91.00	7,952	9.00	-	-

The other income of Rs. 2,830.57 lacs (previous year Rs. 2,812.10 lacs) comprises interest, rent, dividend from subsidiary companies, foreign exchange fluctuation, liabilities/provisions which are no longer required and written back and miscellaneous earnings.

**Raw Material Consumption:** Sugarcane, molasses and raw sugar are the principal raw materials purchased by the Company. There has been a reduction of Rs. 3,635.20 lacs in raw material consumption on account of accounting of benefits announced by the State Government related to sugarcane price.

**Employees cost:** The employee cost at Rs. 4,213.37 lacs (previous year Rs. 4,677.23 lacs), has decreased by Rs. 463.86 lacs on account of fall in the number of manpower employed.

**Finance cost:** Finance costs of Rs. 12,480.65 lacs (previous year Rs. 14,180.82 lacs) has decreased by Rs. 1,700.17 lacs on account of impact of repayment of loans and less utilization of working capital limits.

**Other Expenses:** Other expenses at Rs. 8,969.52 lacs are showing an increase of Rs. 695.01 lacs, on account of provision made for amount of interest receivable on sunk ship.

#### Accounting policies

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

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

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

The particulars of Loans, guarantees or investments made under Section 186 of the Companies Act, 2013 and rules made there under is 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 is 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. Discussions are underway with them for the realignment of the debt structure of the Company.

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

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

#### 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 higher sugarcane price and lower sugar realization. The detail has been reported elsewhere in this report.

#### AUDITORS' REPORT

The comments on the statement of account referred to in the report of the auditors are self-explanatory, and explained in the appropriate notes to accounts.

#### DIRECTORS

At the forthcoming 78th Annual General Meeting (AGM) of the Company, Ms. Gursimran Kaur Mann and Mr. Gurpal Singh, Directors on the Board of the Company, are retiring by rotation and being eligible, have offered themselves for re-appointment.

During the year, State Bank of India has withdrawn the nomination of Mr. Abhay Kumar Singh. The Board of Directors places on record its appreciation for the advices and guidance extended by the outgoing director to the Company.

#### Declaration of independent directors

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013.

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

The Company's Policy 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 is has been disseminated at the Company's website at link-[http://www.simbhaolisugars.com/company\\_policies.asp](http://www.simbhaolisugars.com/company_policies.asp).

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

Total 6 meetings of the Board of Directors of the Company were held during the year 2014-15 and detail is furnished in Report on the Corporate Governance forming part of this report.

#### **Board Evaluation**

The Company has devised the principles for review of the performance of the non-independent whole-time directors, based on the various criterion as approved by the independent directors of the Company in their meeting held in pursuance to the provisions of the Para VII (1) of schedule IV to the Companies Act, 2013 and Rules made there under.

The Company is also in process to adopt the best industry practices for the evaluation of the performance of non-independent directors and the Board as a whole and the Committees thereof.

Key Managerial Personnel: The Company has the following persons as the key managerial personnel:

1. Mr. Gurmit Singh Mann, Executive Chairman
2. Mr. Gural Singh, Managing Director
3. Ms. Gursimran Kaur Mann, Managing Director
4. Mr. Sanjay Tapriya, Chief Financial Officer
5. Mr. S N Misra, Chief Operating Officer
6. Mr. Kamal Samtani, Company Secretary

#### **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. 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 2014-15.

#### **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 is furnished in Annexure-2 and is attached to this Report.

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

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

#### **EMPLOYEE STOCK OPTION SCHEME**

Under Simbhaoli Sugars Limited-Employee Stock Option Scheme 2007, all the balance stock options have lapsed on expiry of vesting period. No fresh stock options have been introduced during the year.

#### **CORPORATE GOVERNANCE**

The report on corporate governance along-with certificate from the practicing company secretary and certificate from Chairman, Managing Directors, Chief Financial Officer and Chief Operating Officer form part of this annual report.

#### **VIGIL MECHANISM**

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

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

#### **LISTING OF SECURITIES**

The equity shares of the Company are listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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

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

#### **PARTICULARS OF EMPLOYEES**

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

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

#### **AUDITORS**

The Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, New Delhi, (the statutory auditors), have been appointed for the three financial years, 2014-15, 2015-16 and 2016-17 subject to the ratification at each annual general meeting of the members of the Company. The Companies Act, 2013 has also prescribed the provisions for the rotation of the statutory auditors. Your directors are in discussions with them and appropriate steps in this regard shall be taken in cohesion with the prescribed guidelines.

#### **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 and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;

- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems were adequate and operating effectively.

#### CAUTIONARY STATEMENT

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

Noida  
May 30, 2015

Gurmit Singh Mann  
Chairman  
DIN - 00066653

#### Annexure-1

**FORM NO. MR.3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**  
[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,  
(CIN - L24231UP1936PLC000740)  
Hapur Road, Simbhaoli, Uttar Pradesh

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion

- i. The Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also
- ii. That 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, 2015 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;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable as the Company has not made any public offer of securities during the period under review;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable as the Company has not granted any options during the financial year under review
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the securities issued by Company were not listed during the period under review;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review.
- vi. The following other laws as may be applicable specifically to the Company:

- (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 -Not applicable as the standards were not notified during the period under review; 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 clause 49 of the Listing agreement, the Company's Board is required to maintain the mix of 50% Independent Directors, which has not been maintained.
- (ii) Whereas in terms of the provisions of the Para VII (1) of schedule IV to the Companies Act, 2013 (the Act) and Rules made there under, the Independent Directors were required to undertake an evaluation of the performance of Non-independent Directors, the Company has started the process of evaluation. The Company has devised the principles for review of the performance of the non-independent whole-time directors, based on the various criterion as approved by the independent directors of the Company in their meeting held in pursuance to the provisions of the Para VII (1) of schedule IV to the Companies Act, 2013 and Rules made there under. However, review of the performance of Independent Directors in terms of the requirement of revised clause 49 of the Listing agreement (effective from 01.10.2014) and evaluation of the Board as per the requirement of the provisions of section 134(3)(p) of the Companies Act, 2013 is pending. The management of the Company has informed that the Company is in process to adopt the best industry practices for the evaluation of the performance of non-independent directors and the Board as a whole and the Committees thereof and aforesaid evaluations shall be concluded soon.
- (iii) The Company has not filed/filed with delay certain forms/returns/documents etc. with the Registrar of Companies, Ministry of Corporate Affairs, Kanpur under the provisions of the Companies Act, 2013.
- (iv) The Hon'ble National Green Tribunal (NGT), Principal Bench, New Delhi has passed an order imposing monetary penalty on the Company on the complaint alleging non-fulfillment of

certain conditions on pollution and effluent discharge against the Company. The NGT in its order had issued directions for mandatory compliance before re-start of the distillery operations. However, as explained by the Company the matter relates to the year 2013-14 in respect of its wholly owned subsidiary M/s Simbhaoli Spirits Limited on account of withdrawal of consent by the pollution control authorities due to non-fulfillment of certain conditions of their consent.

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, needs to maintain the mix of 50% Independent Directors on its Board which has not been maintained. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance. However, we have noted delay in sending agenda papers in few cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

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

- (i) Initiated a Scheme of Amalgamation of the Company with Simbhaoli Spirits Limited (SISPL), the wholly owned subsidiary company (the Scheme) and filed the same with the Hon'ble High Court of Judicature at Allahabad (the Court). The shareholders and unsecured creditors of the Company have approved the Scheme and the meetings of the secured creditors of both the companies have been convened as per the directions of Hon'ble Court on July 11, 2015. Based on record and as explained to us, pending sanction of the Scheme by the Court, no financial effect has been considered in financial statements for the year ended at 31st March, 2015 and considering the pendency of the Scheme, whereby Net worth of the Company becomes positive, no further steps in terms of the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) have been initiated.

For Amit Gupta & Associates  
Company Secretaries

(Amit Gupta)  
Proprietor

Place: Lucknow  
Date: 30.05.2015

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

Note: This report should be read with the letter of even date by the Secretarial Auditors.

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

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

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

- Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Amit Gupta & Associates**  
**Company Secretaries**

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

Date: 30.05.2015  
Place: Lucknow

### Annexure-2

#### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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	L24231UP1936PLC000740
2.	Registration Date	29/06/1936
3.	Name of the Company	Simbhaoli Sugars Limited
4.	Category/Sub-category of the Company	Listed Company
5.	Address of the Registered office & contact details	Simbhaoli, District- Hapur, Uttar Pradesh-245207 Ph: 05731 226410/11
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

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

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

S. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1	Sugar	1072	91.05
2	Alcohol	1101	8.05

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

S. No	Name and Address of the Company	CIN/GLN	Holding/subsidiary /associate	% of shares held	Applicable section
1	Simbhaoli Spirits Limited	U15122UP2011PLC044210	Wholly owned subsidiary	100%	2(87) ii
2	Simbhaoli Speciality Sugars Pvt. Limited	U21015DL1995PTC069925	Wholly owned subsidiary	100%	2(87) ii
3	Integrated Casetech Consultants Pvt Ltd	U74140DL2008PTC184876	Subsidiary	85.16%	2(87) i& ii
4	Simbhaoli Power Private Limited	U40300UP2011PTC045360	Subsidiary	51%	2(87) ii
5	Uniwold Sugars Pvt Ltd	U15422UP2009PTC038540	Associate	50%	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-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	63,01,656	-	6,301,656	22.32	72,01,656	-	72,01,656	25.51	3.19
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	66,07,213	-	66,07,213	23.41	68,97,213	-	68,97,213	24.43	1.02
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>1,29,08,869</b>	<b>-</b>	<b>1,29,08,869</b>	<b>45.73</b>	<b>1,40,98,869</b>	<b>-</b>	<b>1,40,98,869</b>	<b>49.95</b>	<b>4.22</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	1,500	1,500	0.01	-	1,500	1,500	0.01	-
b) Banks / FI	1,000	-	1,000	-	1,000	-	1,000	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	22,39,643	-	22,39,643	7.93	10,45,737	-	10,45,737	3.71	-4.22
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>22,40,643</b>	<b>1,500</b>	<b>22,42,143</b>	<b>7.94</b>	<b>10,46,737</b>	<b>1,500</b>	<b>10,48,237</b>	<b>3.81</b>	<b>-4.13</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	61,23,971	6,266	61,30,237	21.72	60,01,139	6,266	60,07,405	21.28	-0.44
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	47,14,436	5,44,101	52,58,537	18.63	46,81,753	5,35,263	52,17,016	18.48	-0.15
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13,52,669	-	13,52,669	4.79	15,84,357	-	15,84,357	5.61	0.82
c) Others (specify)									
Non Resident Indians	1,94,307	-	1,94,307	0.69	1,80,796	-	1,80,796	0.64	-0.05
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	1,41,848	-	1,41,848	0.50	91,830	-	91,830	0.33	-0.17
Trusts	200	-	200	-	300	-	300	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>1,25,27,431</b>	<b>5,50,367</b>	<b>1,30,77,798</b>	<b>46.33</b>	<b>1,25,40,175</b>	<b>5,41,529</b>	<b>1,30,81,704</b>	<b>46.34</b>	<b>0.01</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1,47,68,074</b>	<b>5,51,867</b>	<b>1,53,19,941</b>	<b>54.27</b>	<b>1,35,86,912</b>	<b>5,43,029</b>	<b>1,41,29,941</b>	<b>50.06</b>	<b>-4.21</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>2,76,76,943</b>	<b>5,51,867</b>	<b>2,82,28,810</b>	<b>100</b>	<b>2,76,85,781</b>	<b>5,43,029</b>	<b>2,82,28,810</b>	<b>100</b>	<b>14.7</b>

## (ii) Shareholding of Promoter-

SN	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	Gurmit Singh Mann	22,84,747	8.09	0	31,84,747	11.28	0	3.19
2	Gurpal Singh	20,53,649	7.28	0	20,53,649	7.28	0	0
3	Gursimran Kaur Mann	9,71,514	3.44	0	9,71,514	3.44	0	0
4	Govind Singh Sandhu	6,26,614	2.22	0	6,26,614	2.22	0	0
5	Jai Inder Kaur	3,56,714	1.26	1.14	3,56,714	1.26	1.14	0
6	Angad Singh	8,418	0.03	0	8,418	0.03	0	0
7	Dholadhar Investments Pvt Ltd	53,06,585	18.80	4.87	55,96,585	19.83	4.87	1.03
8	Pritam Singh Sandhu Associates Private Limited	13,00,628	4.61	1.95	13,00,628	4.61	1.95	0
Total		1,29,08,869	45.73	7.97	1,40,98,869	49.95	7.97	4.22

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

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>A. Mr. Gurmit Singh Mann</b>					
1	At the beginning of the year	22,84,747	8.093	22,84,747	8.093
2	Increase in shareholding by inter say transfer among the promoters dated 25.03.2015	9,00,000	3.188	31,84,747	11.281
3	At the end of the year	31,84,747	11.281	31,84,747	11.281
<b>B. M/s Dholadhar Investments Private Limited</b>					
1	At the beginning of the year	53,06,585	18.80	53,06,585	18.80
2	Increase in holding by purchase in open market on 17.03.2015	11,90,000	4.21	64,96,585	23.01
	Decrease in shareholding by inter say transfer among the promoters dated 25.03.2015	9,00,000	3.188	55,96,585	19.83
3	At the end of the year	55,96,585	19.83	55,96,585	19.83

(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
<b>1. M/s India Max Investment Fund Limited</b>					
	At the beginning of the year	22,20,687	7.93	22,20,687	7.93
	Sale of shares on 17.03.2015 in open market	11,74,950	4.16	10,45,737	3.77
	At the End of the year	10,45,737	3.77	10,45,737	3.77
<b>2. M/s Monica Realtors &amp; Investments Private Limited</b>					
	At the beginning of the year	12,00,000	4.25	12,00,000	4.25
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease	Nil		Nil	
	At the End of the year	12,00,000	4.25	12,00,000	4.25
<b>3. M/s U K Paints (India) Private Limited</b>					
	At the beginning of the year	8,09,377	2.86	8,09,377	2.86
	Shares purchased from open market on 23.05.2014	2,95,388	1.046	11,04,765	3.91
	At the End of the year	11,04,765	3.91	11,04,765	3.91
<b>4. M/s Pearl Innovative Marketing Private Limited</b>					
	At the beginning of the year	7,95,404	2.81	7,95,404	2.81
	Date wise Increase/Decrease in Shareholding during the year	Nil			
	At the End of the year (or on the date of separation, if separated during the year)	7,95,404	2.81	7,95,404	2.81
<b>5. M/s Shri Vatsala Traders Private Limited</b>					
	At the beginning of the year	7,90,969	2.80	7,90,969	2.80
	Date wise Increase/Decrease in Shareholding during the years specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Nil		Nil	
	At the End of the year (or on the date of separation, if separated during the year)	7,90,969	2.80	7,90,969	2.80
<b>6. M/s Wang Investment Finance Private Limited</b>					
	At the beginning of the year	5,37,269	1.90	5,37,269	1.90
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease	Nil		Nil	
	At the End of the year (or on the date of separation, if separated during the year)	5,37,269	1.90	5,37,269	1.90
<b>7. M/s Citland Commercial Credits Limited</b>					
	At the beginning of the year	3,03,544	1.07	3,03,544	1.07
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease	Nil		Nil	
	At the End of the year (or on the date of separation, if separated during the year)	3,03,544	1.07	3,03,544	1.07
<b>8. M/s Vignette Investments Private Limited</b>					
	At the beginning of the year	2,95,388	1.046	2,95,388	1.046

	Open Market sale on 23.05.2014	2,95,388	1.046	0.00	0.00
	Date of separation May 23, 2014 at the end of year	Nil	0.00		
<b>9. Mr. Yogesh Kumar</b>					
	At the beginning of the year	1,50,000	0.531	1,50,000	0.531
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease	Nil			
	At the End of the year	1,50,000	0.531	1,50,000	0.531
<b>10. Mr. Shivinder Pal Singh Mann</b>					
	At the beginning of the year	1,25,000	0.442	1,25,000	0.442
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease	Nil			
	At the End of the year	1,25,000	0.442	1,25,000	0.442

a. Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel

S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>A. Mr. Gurmit Singh Mann</b>					
1	At the beginning of the year	22,84,747	8.093	22,84,747	8.093
2	Increase in shareholding by inter say transfer among the promoters dated 25.03.2015	9,00,000	3.188	31,84,747	11.281
3	At the end of the year	31,84,747	11.281	31,84,747	11.281
<b>B. Mr. Gurpal Singh</b>					
1.	At the beginning of the year	20,53,649	7.275	20,53,649	7.275
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	Nil			
3.	At the end of the year	20,53,649	7.275	20,53,649	7.275
<b>C. Ms. Gursimran Kaur Mann</b>					
1.	At the beginning of the year	9,71,514	3.44	9,71,514	3.44
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	Nil			
3.	At the end of the year	9,71,514	3.44	9,71,514	3.44
<b>D. Mr. Sanjay Tapiya</b>					
1.	At the beginning of the year	2,070	0.007	2,070	0.007
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	Nil			
3.	At the end of the year	2,070	0.007	2,070	0.007
<b>E. Mr. S N Misra</b>					
1.	At the beginning of the year	1,280	0.004	1,280	0.004
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	Nil			
3.	At the end of the year	1,280	0.004	1,280	0.004
<b>F. Mr. S K Ganguli</b>					
1.	At the beginning of the year	500	0.001	500	0.001
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	Nil			
3.	At the end of the year	500	0.001	500	0.001
<b>G. Mr. B K Goswami</b>					
	At the beginning of the year	Nil		Nil	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	Nil		Nil	
	At the end of the year	Nil		Nil	
<b>H. Mr. C K Mahajan</b>					
1.	At the beginning of the year	Nil		Nil	
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	Nil		Nil	
3.	At the end of the year	Nil		Nil	
<b>I. Mr. S C Kumar</b>					
1.	At the beginning of the year	Nil		Nil	
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	Nil		Nil	

3.	At the end of the year	Nil	Nil	Nil	Nil
<b>J.</b>	<b>Mr. Kamal Samtani</b>				
1.	At the beginning of the year	515	0.001	515	0.001
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	Nil			
3	At the end of the year	515	0.001	515	0.001

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

(Rs. In lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	60269.35	51395.08	-	111,664.43
ii) Interest due but not paid	137.10	5235.43	-	5,372.53
iii) Interest accrued but not due	162	-	-	162
<b>Total (i+ii+iii)</b>	<b>60,568.45</b>	<b>56630.51</b>	<b>-</b>	<b>117,198.96</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	6,414.20	-	6,414.20
* Reduction	8,879.52	3,695.21	-	12,574.74
Net Change	(8,879.52)	2,718.99	-	(6160.54)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	50,270.73	54,304.70	-	1,04,575.43
ii) Interest due but not paid	1,399.82	3,454.97	-	4,854.78
iii) Interest accrued but not due	18.38	1,589.83	-	1,608.22
<b>Total (i+ii+iii)</b>	<b>51,688.93</b>	<b>89,349.50</b>	<b>-</b>	<b>1,11,038.43</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL\*-**

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

(Rs in Lacs)

S. No	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Mr. Gurmit Singh Mann (Chairman)	Mr. Gurpal Singh (MD)	Ms. Gursimran Kaur Mann (Managing Director)	Mr. Sanjay Tapriya (CFO)	Mr. S N Misra	
1	Gross salary	48.00	33.00	24.08	24.12	42.05	171.25
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.00	31.35	23.41	23.20	32.22	158.18
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1.65	0.67	0.92	9.83	13.07
	(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)	48.00	33.00	24.08	24.12	42.05	171.25
	Ceiling as per the Act	48.00	48.00	48.00	48.00	48.00	-

\* Standalone figures from the company

**B. Remuneration to other directors: Nil**

(Rs in Lacs)

S. No	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. S K Ganguli	Mr. S C Kumar	Mr. B K Goswami	Mr. C K Mahajan	Mr. Abhay Kumar Singh	
1	<b>Independent Directors</b>						
	Fee for attending board committee meetings	1.695	1.695	1.695	0.68	0.645	6.41
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)						
2	<b>Other Non-Executive Directors</b>						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)						
	Total (B)=(1+2)	1.695					
	Total Managerial Remuneration	1.695	1.695	1.695	0.68	0.645	6.41

Overall Ceiling as per the Act: As per Rule 4 of the Company Rules (Appointment and Remuneration of Managerial Personnel) 2014 there is prescribed ceiling of Rs. One lac per meeting of the Board or Committees thereof in a financial year.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CS	CFO	
1	Gross salary	-	15.80	-	15.80
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	14.25	-	14.25
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1.55	-	1.55
	(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	-	15.80	-	15.80

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

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

**Annexure-3**

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

**(a) Energy conservation measures taken**

- Modification of the Centralized Lubrication System in all three sugar units has resulted savings in lubricant cost.
- Brine Recovery System at Simbhaoli Sugar Division (SSD) reduces effluent quantity substantially and recovers salt and caustic.
- Exhaust condensate heat recovery improves the steam savings at SSD and CSD.
- Condensate Cooling System has been modified for reduction in effluent generation, ground water saving and steam saving by heating DM water at SSD and CSD.
- Installation of Planetary Drive with rope coupling on last mill in CSD has reduced loss in bagasse which translated into equivalent gain in sugar recovery.
- Installation of Magma Mixer at CSD has used for reprocessing of moist sugar.
- Installation of PRDS, Which improved efficiency of plant working and avoided unwanted stoppages at CSD.
- Chopper Hood Modification in BSD has reduced load and stoppages at mills.

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

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

**(c) Impact of above measures**

The above measures have reduced the power consumption at all the sugar units and bagasse saving in all the units has increased. SSD and CSD are able to utilize the saved bagasse for off-season power generation and raw sugar processing. Bagasse saved at BSD is utilized for off season consumption.

**TECHNOLOGY ABSORPTION, ADAPTATION AND RESEARCH AND DEVELOPMENT**
**1. Efforts made**

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

**2. Benefits**

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

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

Not applicable

Disclosure of particulars with respect to technology absorption for the year ended March 31, 2015.

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

- 1) The heating of condensate for superheated wash water through exhaust condensate has been introduced to reduce the steam consumption.
- 2) Steam saving is planned by automation at evaporator to achieve constant syrup brix.
- 3) VFD has been provided on boiler feed pump motor to be minimise the running load.
- 4) Capacitors are provided on raw water pump motor to increase the power factor.
- 5) Condensate cooling is being adopted this year, which is expected to reduce bore well water and energy consumption.

**II Benefit derived**

- (i) Power consumption reduced significantly while sale of power increased.
- (ii) Company saved bagasse that will be helpful in off season raw processing and power generation.

**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, 2015

**A. Power and fuel consumption**

S.No	Particulars	Unit	Year ending March 31, 2015	Year ending March 31, 2014
1	<b>Electricity</b>			
	Purchased			
	Units	Kwh ('000)	1752	1454
	Total Amount	Rs Lacs	86.38	77.08
	Rate/Unit	Rs/Kwh	4.93	5.30
	Own Generation			
	(i) Through diesel generator			
	Units	Kwh ('000)	313	362
	Unit per ltr. of diesel oil	Kwh	3.05	3.24
	Total Amount	Rs Lacs	64.13	73.55
	Cost/Unit	Rs/Kwh	20.49	20.34
	(ii) Through steam turbine			
Units	Kwh ('000)	93650	83549	
Units per ltr. of fuel/gas	Kwh	N.A.	N.A.	
Total Amount	Rs in lacs	820.29	743.31	
Cost/Unit	Rs/Kwh	0.88	0.89	
2	<b>Coal/Coke</b>			
	Quantity	Tonnes	2.75	Nil
	Total Cost	Rs Lacs	0.38	Nil
	Average Rate	Rs/MT	13832	N.A.
3	<b>Furnaceoil/L.D.O</b>			
	Quantity	Kilo Ltrs.	Nil	Nil
	Total Cost	Rs Lacs	Nil	Nil

	Average Rate	Rs/K Ltrs	N.A.	N.A.
4	<b>Others</b>			
	<b>Fire Wood</b>			
	Quantity	Tonnes	Nil	508
	Total Cost	Rs in Lacs	Nil	18.00
	Average Rate	Rs/MT	N.A.	3545
	<b>Bagasse/Husk (Purchased)</b>			
	Quantity	Tonnes	7983	7905
	Total Cost	Rs. Lacs	174.97	146.91
	Average Rate	Rs./MT	2192	1858

**B. Consumption per MT of Sugar Production**

	Particulars	Unit	Year ending March 31, 2015	Year ending March 31, 2014
1	Electricity	Kwh	369	362
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**

	Particulars	Unit	Year ending March 31, 2015	Year ending March 31, 2014
1	Electricity	Kwh	318	232
2	F.O./L.D.O	K.Ltrs.	0.000	0.000
3	Bagasse/Husk (Purchased)	Tonnes	0.352	0.343

**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 under the Cost Accounting Records Rules, 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. Total foreign exchange used and earned for the year ended March 31, 2015: Mentioned in the Directors Report.

**Annexure - 4**
**Information pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5(1) 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 1586 permanent employees inclusive of workers on rolls as on March 31, 2015. The median remuneration as on March 31, 2015 is Rs. 15,775 per month which is increased by 5.61% from Rs. 14,937 per month during the financial year 2014-15.

**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 2014-15	Rs.15,775* Per Month
The percentage increase in the median remuneration of employees in the Financial year	5.61
The number of permanent employees on the rolls of Company as on 31 march 2015	1,586

\*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 2014-15. The details are as follows:

Name of Director	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2014-15
Executive Directors		
Mr. Gurmit Singh Mann, Chairman	25.35	-
Mr. Gurpal Singh, Managing Director	18.80	-
Ms. Gursimran Kaur Mann, Managing Director	13.71	10%
Mr. Sanjay Tapriya, Director-CFO.	14.70	10%
Mr. S N Misra, Chief Operating Officer	23.25	10%
Mr. Kamal Samtani-Company Secretary	8.24	7.5%

Notes:

- The ratio of remuneration median remuneration is based on remuneration paid during the period April 1, 2014 to March 31, 2015
- 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 2014-15 is Rs. 856.26 crore as compared to Rs. 835.78 crore for the year 2013-14. Although, there is no direct relationship between remuneration and company performance as the remuneration is paid at par with the industrial norms for retention of employees with the Company.

**comparison of the remuneration of the Key Managerial Personnel against the performance of the company;**

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

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

On account of continued losses of four consecutive years, market capitalization of the Company as on March 31, 2014 was 46.01 Crore and March 31, 2015 was 31.05 Crore. With a decrease of 32.5%. Since earning per share (EPS) is negative no comparative data is available for comparison.

**average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**  
There was no substantial increase on the remuneration of the employees during the year.

**comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;**

As aforementioned, the Company is continuously suffering losses, with erosion of substantial part of its net-worth and increased dependency on the Government policy change. The Company has been paying for retention of KMPs within the permissible limits as prescribed in schedule V of the Companies Act, 2013.

As regarding the Company Secretary, he has been paid the remuneration as per the contractual arrangement and sharing of responsibilities with the management.

**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.

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

#### Annexure -5

#### FORM AOC-1

(Pursuant to first proviso to sub - section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014. Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures.

(Amount in Lacs)

Part "A" : Subsidiaries					
Name of subsidiary	Integrated Casetech Consultants Pvt Ltd	Simbhaoli Global Commodities, DMCC	Simbhaoli power Limited	Simbhaoli Sprints Limited	Simbhaoli Speciality Sugars Pvt Ltd
Particular	Year ended 31.03.2015	Year ended 31.03.2015	Year ended 31.03.2015	Year ended 31.03.2015	Year ended 31.03.2015
Reporting currency and Exchange rate	N.A.	USD and Exchange Rate is taken as INR 61.22 for Statement of Profit & Loss items, INR 62.59 for Balance Sheet items and Share Capital at INR 48.86 Per US\$	N.A.	N.A.	N.A.
Share Capital	23.58	39.94	443.68	3,180.00	1.90
Reserve & Surplus	700.36	(71.54)	1,389.63	15,720.69	89.07
Total Assets	1,529.56	107.89	28,977.25	29,223.39	100.53
Total Liabilities	1,529.56	107.89	28,977.25	29,223.39	100.53
Investments	150.15	-	214.08	-	-
Turnover	2,355.01	416.08	5,560.05	942.06	-
Profit before taxation	105.05	(32.73)	310.31	(2,486.54)	(10.12)
Provision for taxation	51.48	-	925.63	-	-
Profit after taxation	53.57	(32.73)	(615.32)	(2,486.54)	(10.12)

**Part "B" : Associates and Joint ventures Considered in Consolidation**

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

Name of Joint Ventures	Uniworld Sugars Private Limited
1. Latest audited Balances Sheet Date	31.03.2015
2. Shares of Joint Ventures held by the company on the year end	
No.	27653770
Amount of Investment in Joint Venture	7,332.50
Extend of Holding %	43.67%
3. Description of how there is significant influence	As Company along with its affiliates holds 50% shares
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Networth attributable to Shareholding as per latest audited Balance Sheet	5153.65
6. Profit / Loss for the year	(2,054.59)

# CORPORATE GOVERNANCE REPORT

[Pursuant to Clause 49 of the Listing Agreement]

## 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, 2015 (hereinafter referred as 'the year').

The Company has an in-built system of corporate governance practices, which involve checks and balances at all levels within the organization. The interests of all the stakeholders are taken care of with adequate disclosure standards. Adherence to corporate governance norms and guidelines makes the Company more responsible in all the spheres of its activities. It is a continuous process, which involves creating and implementing a structure to ensure a transparency in the business dealings internally as well as with outside parties.

With the changing times, the Company has prepared itself for the next level of corporate governance standards and is in process of implementing business and financial restructuring. It has redesigned its strategies for sustainable business environment 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.

## BOARD OF DIRECTORS

### Composition and category

As on March 31, 2015, the Board of directors of the Company ('Board') consists of 9 directors; out of which 5 are executive and remaining 4 are non-executive directors. Executive directors consist of an Executive Chairman and two Managing Directors, Chief Financial Officer and Chief Operating Officer. 3 out of 9 directors belong to the promoters' group and are executive directors. All the non-executive directors are independent. The composition of the Board and the number of other directorship(s) and committee membership/ chairmanship(s) held by the directors are as follows:

Name of Director & Category	No. of other Directorships*	No. of other committee** Memberships/Chairmanships	
		Member	Chairman
<b>Executive Directors</b>			
Mr. Gurmit Singh Mann Chairman/Promoter	1	None	None
Mr. Gurpal Singh Managing Director, Promoter	1	1	None
Ms. Gursimran Kaur Mann Managing Director, Promoter	1	1	None
Mr. Sanjay Tapriya Chief Financial Officer	1	None	None
Mr. Sachchida Nand Misra Chief Operating Officer	None	None	None
<b>Non-Executive/ Independent Directors</b>			
Mr. Samir Kumar Ganguli	1	1	None
Mr. Samir Chandra Kumar	2	1	1
Mr. Basant Kumar Goswami	7	4	None
<b>Mr. Chander Krishan Mahajan</b>	2	3	None

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

\*\*Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships. The nomination of Mr. Abhay Kumar Singh was withdrawn and accordingly he ceased to be a director w.e.f. 13/08/2014.

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

Reason for non fulfillment of appointment of Independent Director as per the requirement of clause 49 of Listing Agreement revised w.e.f. October 1, 2014.

1. At the start of the year 2014-15, Mr. Abhay Kumar Singh, was the nominee director appointed by SBI. He was the independent director within the meaning of earlier clause 49 of the Listing Agreement. The Company received mandate letter from the State Bank of India for the withdrawal of nomination of Mr. Abhay Kumar Singh, and accordingly he ceased to be a director w.e.f. 13/08/2014.
2. Ms. Gursimran Kaur Mann is a director and the Company has been complying with the provisions of clause 49 II (A) (1) i.e. 'at least one woman director on its Board.'
3. The Company has been complying with the provisions of section 149(4) of the Companies Act, 2013.

### Broad responsibilities of executive directors

The Company has 5 executive directors, and their responsibilities and authorities are as follows:

- Mr. Gurmit Singh Mann, Chairman is responsible for laying down broad strategic management policies, approving the growth plans, approving the business and financial restructuring, implementing corporate governance policies, allocation of the work amongst the managing directors and set out their reporting / review structures, and apprising the Board on various business matters and development plans thereof.
- Mr. Gurpal Singh, Managing Director is responsible for carrying out the management affairs in the Company, as directed by the Board of directors and the Chairman, in the areas related to the boundary management, management of the operating plants of the manufacturing units of the Company, policies implementation, looking after affairs of subsidiary companies, setting out, implementation and review of the governance standards and internal control functions.
- Ms. Gursimran Kaur Mann, Managing Director is responsible for carrying out the management affairs in the Company, as directed by the Board of directors and the Chairman, in the areas related to supervision, review and regulation of the commercial, financial and legal functions of the Company, restructuring and growth strategies, planning, joint venture management, implementation and review of policies along with budgetary controls and forecasting functions.
- Mr. Sanjay Tapriya, Chief Financial Officer is responsible for the work assigned by the Managing Directors including supervision of areas related to finance, accounts, taxation, and all the affairs related to joint ventures. He is also the Chief Executive officer and whole time director in a joint venture associate company.

- *Mr. Sachchida Nand Misra, Chief Operating Officer is responsible for the work assigned by the Managing Directors including 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.*

#### **Pecuniary relationship and transactions with non-executive directors**

All the non-executive directors are independent and do not have any material pecuniary relationship or transaction during the last 3 years.

#### **Appointment of Independent Director as at the AGM held on 23.12.2014 and familiarisation program**

Pursuant to Sections 149 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Mr. Samir Kumar Ganguli (DIN- 00058198), Mr. Samir Chandra Kumar (DIN- 00064453), Mr. Basant Kumar Goswami (DIN- 00003782), Mr. Chander Krishan Mahajan (DIN- 00039060) were appointed as the Independent Directors on the Board of the Company to hold office for a period of 5 (five) consecutive years up to March 31, 2019.

Their Brief profiles, 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 inter-se are given below:

<b>Name of the Directors</b>	<b>Mr. Samir Kumar Ganguli</b>	<b>Mr. Samir Chandra Kumar</b>	<b>Mr. Basant Kumar Goswami</b>	<b>Mr. Chander Krishan Mahajan</b>
<b>Date of Birth</b>	Dec 21, 1938	May 04, 1943	Jan 29, 1935	May 31, 1943
<b>Date of Appointment</b>	Sept 30, 2004	May 8, 2002	June 11, 2010	May 28, 2013
<b>Qualification</b>	FCA	FCMA, Diploma in Mechanical Engineering	IAS, M.A.(English)	M.A.LL.B
<b>Expertise</b>	Mr. Ganguli is a commerce graduate and qualified chartered accountant, who has been in the accounting and audit profession for last 42 years.	Mr. Kumar is a bank professional and has over 41 years of experience in commercial and development of banking/ project financing	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	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.
<b>Shareholding of Directors in the Company</b>	500	Nil	Nil	Nil

#### **BOARD PROCEDURES**

##### **Board Meetings and Attendance**

During the year, six Board meetings were held. The meetings of Board of Directors of the Company were held with a time gap of not exceeding one hundred and twenty days. The details are as follows:

<b>Dates of Board Meeting</b>	<b>Board Strength</b>	<b>Directors Present</b>
April 1, 2014	10	10
May 27, 2014	10	9
August 13, 2014	10	10
November 14, 2014	9	9
February 13, 2015	9	9
March 11, 2015	9	8

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

<b>Name of the Directors</b>	<b>No. of Board Meetings Attended</b>	<b>Attendance at the last AGM held on, December 23, 2014</b>
Mr. Gurmit Singh Mann	6	Yes
Mr. Gурpal Singh	5	Yes
Ms. Gursimran Kaur Mann	6	Yes
Mr. Sanjay Tapriya	6	Yes
Mr. Sachchida Nand Misra	6	Yes
Mr. Samir Kumar Ganguli	6	No
Mr. Samir Chandra Kumar	6	No
Mr. Basant Kumar Goswami	6	Yes
Mr. Chander Krishan Mahajan	5	No
Mr. Abhay Kumar Singh*	3*	No

\*Mr. Abhay Kumar Singh, ceased to be a director w.e.f. 13/08/2014.

#### **Information to Board**

The major decisions 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 appointments etc are placed before the Board and Board is authorized to approve them, take decision in this regard. This also include quarterly/ half yearly/periodical financial and operational results, business or financial restructuring, 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 matters, senior level appointments, labour relationship, accidents/mishaps, information technology strategies, insider trading compliances, and general notices of interest etc. The Chairman and both the Managing Directors are responsible to make full disclosure to the Board regarding these matters.

#### **BOARD COMMITTEES**

Board has constituted eight committees viz Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Restructuring Committee, Allotment Committee, Finance Committee and Risk Management Committee.

The Company Secretary acts as the Secretary to all the committees.

##### **I. Audit Committee**

The Audit Committee comprises of three non-executive independent directors. Mr. Basant Kumar Goswami acts as the Chairman of the Committee. The whole time directors and the statutory and internal auditors of the Company are the regular invitees.

During the year, four meetings of this Committee were held. The details are as follows:

Member	Meetings held	Meetings attended
Mr. Samir Kumar Ganguli	4	4
Mr. Samir Chandra Kumar	4	4
Mr. Basant Kumar Goswami	4	4
Mr. Abhay Kumar Singh*	2*	2

\* 2 Meetings of Committee held till his appointment.

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

### II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (name changed from Remuneration and Compensation Committee) is in compliance with the Section 178 of the Companies Act, 2013 and rules and made thereunder read with Clause 49 under the Listing Agreement. The objective of this committee is to lay down a framework in relation to remuneration to the directors, KMP, senior management personnel and other employees. The Committee shall guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management; formulate the criteria for determining qualifications, positive attributes and independence of director/KMP/senior employees and recommend to the Board policies relating to the remuneration, role responsibilities and other terms of Directors, key managerial personnel and other employees; recommend to the Board continuing evaluation process and suitable mechanism to ensure that; consider the grievance if any raised by such persons and take steps as considered necessary; suggest ways to harmonies working amongst the working directors; seek such reports and compliances as considered necessary and submit report to Board.

The Nomination and Remuneration Committee of the Board comprises of four directors; out of which one is executive and three are non-executive independent directors. Mr. Basant Kumar Goswami acts as the Chairman of the Committee. During the year, one meeting of this Committee was convened. The details are as follows:

Member	Meetings Held	Meetings Attended
Mr. Basant Kumar Goswami	1	1
Mr. Samir Kumar Ganguli	1	1
Mr. Samir Chandra Kumar	1	1
Mr. Gurmit Singh Mann	1	1

### III. Stakeholders Relationship Committee

The Stakeholders Relationship Committee (Name changed from Investors' Grievance Committee) is in compliance with the Section

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

The Stakeholders Relationship Committee comprises of one executive director and two non-executive independent directors. Mr. Samir Kumar Ganguli acts as the Chairman of the Committee. The Committee deals with redressal of the shareholders grievances relating but not limiting to transfer of shares, non-receipt of annual reports, change of addresses, non-receipt of dividend etc. The meetings of this committee are held on quarterly basis. During the year, four meetings of this Committee were held. The details 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, three investors' complaints were received and all complaints were redressed. There was no pending complaint as on March 31, 2015.

### IV. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted in accordance with the requirements laid down in Section 135 of the Companies Act, 2013 and the Rules framed there under, comprising of three directors. Mr. Samir Chandra Kumar acts as the Chairman of the Committee. The Committee deals with the formulation and recommendation to the Board, the plans for CSR activities, amount of expenditure to be incurred; and monitor the implementation of the CSR Policy and to take such necessary steps to strengthen the social awareness and improve the hygienic environment in the vicinity of the plants and provide help to the poor in mills command area. Since, the company has been incurring losses, no meeting of their committee was held during the year.

### V. Finance Committee

The Finance Committee comprises of four executive directors for taking decisions in respect of consideration of financial conditions of the Company, opening and closing bank accounts, change of signatories in existing accounts, acceptance of terms of loans/facilities within the policies set out and borrowing limits laid down by the Shareholders/Board and to do such other things, which are required for carrying out the day to day financial activities of the Company. The Committee works under the guidance of the Board and its decisions are ratified in the subsequent Board meeting. Mr. Gurmit Singh Mann is the Chairman of this Committee. During the year, one meeting of this committee was held.

Member	Meetings Held	Meetings Attended
Mr. Gurmit Singh Mann	1	1
Mr. Gurpal Singh	1	1
Ms. Gursimran Kaur Mann	1	1
Mr. Sanjay Tapriya	1	1

### VI. Restructuring Committee

The Restructuring Committee comprises of one non-executive independent director and three executive directors. Mr. Samir Kumar Ganguli acts as the Chairman of the Committee. The Committee is formed for the purpose of implementation of the Scheme of Amalgamation and deals with finalizing and giving

effect to the acts and deeds as may be required including the filing of the Scheme with the Stock Exchanges and the High Court etc. During the year, one meeting of this Committee was held.

Member	Meetings held	Meetings attended
Mr. Samir Kumar Ganguli	1	1
Mr. Gурpal Singh	1	1
Mr. Gursimran Kaur Mann	1	1
Mr. Sanjay Tapriya	1	1

#### VII. Securities Allotment Committee

The Securities Allotment Committee (name changed from Allotment Committee) comprises of one executive director and one non-executive independent director. Mr. Samir Kumar Ganguli acts as the Chairman of the Committee. The Committee is constituted to issue and allot securities including conversion of bonds, debentures, preference shares, warrants and options into equity shares/other securities. The Committee works under the guidance of the Board and its decisions are ratified in the subsequent Board meeting. During the year, no meeting of this Committee was held.

#### VIII. Risk Management Committee

The Risk Management Committee comprises of four executive directors. Mr. Gурpal Singh, Ms. Gursimran Kaur Mann, Mr. Sanjay Tapriya and Mr. Sachchida Nand Misra. The Committee is constituted to improve business performance and resulting better decision making and planning, promote more innovative less risk averse venture benefit the organization and to provide a sound basis for integrated risk management and internal control.

#### Meeting of Independent Directors

The meeting of Independent Directors of the Company was held on March 20, 2015 under the provisions of Schedule IV to the Companies Act, 2013.

#### Remuneration policy as applicable to executive/non-executive directors

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

- The executive directors are paid remuneration as per their respective terms of employment in accordance with the provisions of the Companies Act, 1956 and there after applicability of the provisions under schedule V to the Companies Act, 2013. No sitting fee is payable to executive directors. Details of remuneration paid to them for the year are as follows:

(Rs. in lakh)

Name of the Director	Salary		Benefits*		Total
	Parent Company	Subsidiary/ Associate Companies	Parent Company	Subsidiary/ Associate Companies	
Mr. Gurmit Singh Mann	48.00	-	-	-	48.00
Mr. Gурpal Singh	21.60	15.00	13.99	-	50.59
Mr. Sanjay Tapriya	21.93	18.06	5.91	11.31	57.21
Ms. Gursimran Kaur Mann	15.61	-	10.35	-	25.96
Mr. Sachchida Nand Misra	16.51	-	27.52	-	44.03

#including provident fund and other retirement benefits

- Sitting fee of Rs. 15,000 per meeting is being paid to non-executive directors for attending meetings of the Board and Committees thereof. The details of sitting fee paid for the year and equity shares and other convertible instruments held by them are as follows:

Name of Director	Sitting fees (Rs. In Lakh)	Equity Shares <sup>^</sup> held (Nos.)
Mr. S K Ganguli	1.695	500
Mr. S C Kumar	1.695	-
Mr. B K Goswami	1.695	-
Mr. C K Mahajan	0.68	-
Mr. Abhay Kumar Singh	0.645	-

<sup>^</sup> Convertible instrument - Nil

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

Mr. Gurmit Singh Mann, Chairman; Mr. Gурpal Singh, Managing Director; Ms. Gursimran Kaur Mann, Managing Director, Mr. Sanjay Tapriya, Chief Financial Officer and Mr. Sachchida Nand Misra, Chief Operating Officer are the whole-time directors of the Company.

Mr. Gurmit Singh Mann, Mr. Gурpal Singh and Ms. Gursimran Kaur Mann are the promoter directors and holding beneficial interest in the share capital of the Company. Mr. Sanjay Tapriya, and Mr. Sachchida Nand Misra are the professional directors and not holding any beneficial interest in the share capital of the Company. Mr Sanjay Tapriya, is also holding the position of whole time director in Uniworld Sugars Private Limited, an associate company.

During the year, the aggregate remuneration paid to these directors is within the limits of Schedule V to the Companies Act, 2013.

The appointment of the aforesaid directors is liable to be terminated on a notice of three/two months or payment of salary in lieu thereof. 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 aforesaid directors.

#### Compliance officer

Mr. Kamal Samtani, Company Secretary is the Compliance Officer.

#### 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

##### 78th Annual General Meeting

The date of 78th annual general meeting will be fixed and book closure will be announced accordingly. The last three AGMs were held as follows:

AGM	Day, Date & Time	Venue
75th	Thursday, 25-10-2012 at 10.00 A.M.	Simbhaoli-245 207, Distt. Hapur, Uttar Pradesh
76th	Wednesday, 31-07-2013 at 10:00 A.M.	
77th	Tuesday, 23-12-2014 at 10:00 A.M.	

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

In pursuance to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company offered E-voting facility to the members to cast their vote electronically on all resolutions set forth in the Notice of 77th AGM beginning on December 17, 2014 at 09.00 a.m. and ended on December 19, 2014 at 06.00 p.m.

### Special resolutions passed at the last three annual general meetings

AGM	Date	Subject matter of special resolution
75th	25.10.2012	Payment of remuneration to CEO and CFO, being whole time directors under the provisions of schedule XIII to the Companies Act, 1956 in terms of General Circular No. 46/2011 dated July 14, 2011 read with clarification dated August 16, 2012.
76th	31.07.2013	Payment of remuneration to the Chairman and Managing Director(s) under the provisions of Sections 198, 269, 309, 310, 311 read with schedule XIII to the Companies Act, 1956 including any statutory modifications or enactments thereof for the time being in force.
77th	23.12.2014	Authorization to the Board of Directors of the Company to borrow monies, from time to time, upto the total amount of monies borrowed at any time, Rs. 1600 crore under the provisions of Section 180(1)(c) of the Companies Act, 2013

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. The holding company's Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies. The Company has also formulated a policy for determining the Material Subsidiary. The Company has not disposed off/reduced its shareholding in subsidiary companies during the year.

### WHISTLE BLOWER POLICY

Vigil (Whistle Blower) mechanism is in place to provide a channel to the employees and Directors to report to the management, their concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc if any. No person has been denied access to the audit committee.

### DISCLOSURES

#### Related party transactions and their basis

In terms of Accounting Standards (AS) 18 "Related Party Disclosure" issued by 'The Institute of Chartered Accountants of India', the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed at para no. 11 to the notes forming part of accounts for the year ended on March 31, 2015. The minutes/ transactions of the subsidiary companies have been taken on record in the Board Meetings of the Company. There were no transactions of material nature with the directors or the management or their relatives or subsidiary companies etc. during the year that had potential conflict with the interest of the Company at large. A policy has been formulated on Related Party Transactions.

#### Disclosure of accounting treatment

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

#### 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. The Company has issued codes of conduct for its Board and senior management in compliance with SEBI regulations and listing agreement 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.

#### 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. This has been detailed elsewhere in the Directors' Report.

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

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

### Extra-Ordinary General Meeting

During the year under report no Extra Ordinary General Meeting held.

### Postal Ballot

Pursuant to Section 110 of the Companies Act, 2013 and Rules made there under read with SEBI Circulars dated February 4, 2013 and May 21, 2013 and under relevant provisions of applicable laws by the public equity shareholders of the Company, Postal Ballot and e-voting process was conducted for the Scheme of Amalgamation pending before the Hon'ble Allahabad High Court.

The resolution was approved by the public equity shareholders of the Company by the requisite majority.

The voting through postal ballot and e-voting began at 10:01 hours on August 21, 2014 and ended at 17:00 hour on Friday September 19, 2014.

### Court Convened Meeting

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

### Information on appointment of directors

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

### SUBSIDIARY COMPANIES

The financials of the subsidiary companies have regularly been

honesty and personal integrity will not be compromised under any circumstances. As provided under clause 49 of the listing agreement with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2014-2015.

### Communication

The quarterly financial results of the Company are published in reputed national and regional newspapers mainly in Business Standard. The quarterly results are sent to the stock exchanges, immediately after their approval from the Board. 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 above mentioned policies are available at the link [http://simbhaolisugars.com/company\\_policies.asp](http://simbhaolisugars.com/company_policies.asp).

### Compliance Certificate of the Auditors

Certificate from the Company's Auditors, M/s. Amit Gupta and Associates, confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

### ISSUE PROCEEDS

Not Applicable

### 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 Agreement.

### 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: 507446	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 :SIMBHSUGAR
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Listing fee for the financial year 2015-16 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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International Securities Identification Number is ISIN-INE 270C01017

### 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 (Rs.)		Sensex		Share Price (Rs.)		S&PCNX Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr-14	18.95	15.5	22939	22197	19.40	15.00	6869	6650
May-14	19.20	14.15	25375	22277	19.10	14.25	7563	6638
Jun-14	26.10	16.90	25725	24270	26.00	17.00	7700	7239
Jul-14	24.65	18.25	26300	24892	25.50	18.00	7840	7422
Aug-14	21.90	15.20	26674	25232	20.00	15.20	7968	7540
Sep-14	15.80	13.45	27354	26220	15.95	13.05	8180	7841
Oct-14	15.00	12.67	27894	25910	15.55	12.20	8330	7723
Nov-14	19.00	13.30	28822	27739	18.35	13.15	8617	8290
Dec-14	16.92	12.90	28809	26469	16.85	12.60	8626	7961
Jan-15	14.57	12.10	29844	26776	15.45	12.25	8996	8065
Feb-15	14.80	11.60	29560	28044	14.40	11.80	8941	8470
Mar-15	12.80	9.09	30024	27248	12.50	8.90	9119	8269

### Distribution of share holding as at March 31, 2015:

Category	No. of Shareholders	% of no. of shareholders	No. of shares	% of capital
Upto 10,000	13952	92.70	2906072	10.29
10001 to 30,000	701	4.66	1254574	4.44
30001 to 50000	176	1.17	721627	2.56
50001 to 100000	119	0.79	855989	3.03
100001 and above	103	0.68	22490548	79.67
<b>Total</b>	<b>15051</b>	<b>100.00</b>	<b>28228810</b>	<b>100.00</b>

As on March 31, 2015; 2,76,85,781 equity shares constituting 98.06% of total equity share capital were under demat category with NSDL and CDSL.

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### Shareholding Pattern As on March 31, 2015

#### Equity Shares:

Category	No. of Shares held	% age
<b>A: Indian Promoters</b>	<b>14098869</b>	<b>49.94</b>
<b>Sub-Total (A)</b>	<b>14098869</b>	<b>49.94</b>
<b>B: Non - Promoters Holding:</b>		
Mutual Funds	1500	0.01
Foreign Institutional Investors (FII)	1045737	3.70
Financial Institutions and Banks	1000	0.00
Private Corporate Bodies	6007405	21.28
Indian Public (individuals )	6801373	24.09
NRIs / OCBs	180796	0.64
Any other (Clearing Members)	92130	0.33
<b>Sub-Total (B)</b>	<b>14129941</b>	<b>50.06</b>
<b>GrandTotal (A+B)</b>	<b>28228810</b>	<b>100.00</b>

### 8% Cumulative Redeemable Preference Shares:

Particulars	No. of Shares held	% age
A. Indian Promoters	1200000	37.50
B. Non-Promoters	2000000	62.50
<b>Total</b>	<b>3200000</b>	<b>100</b>

### Share warrants/ESOP/Convertible Securities

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

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

<b>Simbhaoli Complex</b>	Simbhaoli, District Hapur Uttar Pradesh - 245 207	Tel.No. +91 5731-23117/8/9 Fax No. +91 5731-223039/42
<b>Chilwaria Complex</b>	Chilwaria, Distt. Bahraich, Uttar Pradesh - 271 801	Tel.No. +91 5252-244251/2 Fax No. +91 5252-244253
<b>Brijnathpur Complex</b>	Brijnathpur, District Hapur Uttar Pradesh - 245 101	Tel. No. +91 9837790990 Tel. No. +91 9917473169
<b>*Gandhidham Complex</b>	Village Versamedi, Tehsil Anjar, Gandhidham, District Bhuj -Kachchh, Gujarat -370201	Tel. No. +91 283-6294594

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

**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 Service Limited, the Registrar and share transfer agent. Investor's correspondence can be made at any of the following address:

- i) 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
- ii) Registered Office: Simbhaoli - 245 207, District Hapur, Uttar Pradesh  
Phone No. +91-5731-226411/223118  
E-mail: kamal@simbhaolisugars.com

**Non-mandatory requirements**

Non-mandatory requirements of the Listing Agreement have been adopted by the Company to the extent they are in line with the nature of business activities of the Company. However, steps have been taken to implement the other requirements in a phased manner.

**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 and the amount of dividend/debenture installment or interest thereon remaining un-claimed for a period of 7 years have been transferred to the credit of investors' education and protection fund.

**CEO AND CFO CERTIFICATION**

The Chairman, Managing Directors, Chief Financial Officer and Chief Operating Officer of the Company give annual certificate on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. They also give quarterly certificates on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The annual certificates given by the Chairman and both the Managing Directors, Chief Financial Officer and Chief Operating Officer are forming part of this Report.

**Certificate on Compliance with Code of Conduct**

We hereby confirm that the Company has obtained from all the members of the Board and management personnel, affirmation that they have complied with the Code of Conduct for the financial year 2014-15.

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

Noida  
May 30, 2015

**Gurmit Singh Mann**  
Chairman  
DIN - 00066653

**CERTIFICATE ON CORPORATE GOVERNANCE**

To The Members of  
**Simbhaoli Sugars Limited**

We have reviewed the implementation of Corporate Governance procedures by Simbhaoli Sugars Limited for the financial year ended on March 31, 2015 as stipulated in the Clause 49 of the Listing agreement of the said Company with the Stock Exchanges, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliances of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the information and explanations given to us, and the representations made by directors and the management, the Company has complied with the conditions of Corporate Governance except the provisions of Clause 49 II A regarding a mix of independent and non-independent directors on the Board, as stipulated in the above mentioned Listing Agreement(s).

We further state that such compliances is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Amit Gupta & Associates**  
Company Secretaries

Place: Lucknow  
Date: 30.05.2015

**(Amit Gupta)**  
Proprietor  
C.P. No. 4682

## CEO/CFO CERTIFICATION

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

### Re: Certification by CEO/CFO for the year ended on March 31, 2015

We, Gurmit Singh Mann, Chairman, Gurpal Singh, Managing Director, Gursimran Kaur Mann, Managing Director, Sanjay Tapriya, Chief Financial Officer, and S N Misra, Chief Operating Officer of Simbhaoli Sugars Limited to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statement comprising of the balance sheet as on March 31, 2015, profit and loss account, the cash flow statement and the directors' report for the year ended March 31, 2015 and based upon our knowledge and information confirm that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We accept responsibility for establishing and maintaining internal controls for financial reporting for the Company and we have
- (i) evaluated the effectiveness of the internal control systems of the Company,
  - (ii) disclosed to the auditors and the audit committee of the Board, deficiencies in the design or operation of internal controls, if any, of which we are aware, and
- (iii) taken necessary steps or proposed to take to rectify these deficiencies.
- (c) We have indicated to auditors and the audit committee of the Board that there have been:
- (i) no significant changes in internal control over the financial reporting during the year and the quality of internal control is improved with the implementation of SAP ;
  - (ii) no significant changes in accounting policies during the year;
  - (iii) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
- (d) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- 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.

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Gurpal Singh  
Managing Director  
DIN -00064807

Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

Sanjay Tapriya  
Chief Financial Officer  
DIN -00064703

S N Misra  
Chief Operating Officer  
DIN -06714324

New Delhi  
May 26, 2015

# 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 March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## 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 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 thereunder.

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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- Note 20 in the financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 20, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.
- Note 4 to the financial statements relating to sale of power co-generation divisions of the Company in an earlier year and the balance interest bearing consideration of Rs. 8,180.15 lacs outstanding as on March 31, 2015, which would be discharged in the manner laid down under the Business Transfer Agreements (BTAs). Out of this, consideration amounting to Rs. 5,682.19 lacs is to be discharged in cash on or before the date falling forty eight months from the date of the BTAs or on achieving the closing in terms of the Joint Venture Agreement with Sindicatum Captive Energy Pte Limited, whichever is earlier.
- Note 20(b) which sets out the position regarding sugarcane subsidy aggregating Rs. 4,738.67 lacs accounted by the Company in these financial statements. As indicated in this note, necessary adjustments to subsidy so accounted for would be made on settlement and receipt thereof from the State Government.

Our opinion is not qualified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by Section 143 (3) of the Act, we report that:
  - 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.
  - 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 matter described in sub-paragraph (1) 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 March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according

to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 6 and note 18 to the financial statements;
- ii. The Company 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 Company.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.015125N)

GURGAON  
May 30, 2015

**Jaideep Bhargava**  
Partner  
(Membership No.090925)

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a programme of physically verifying all its fixed assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. In accordance with this programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us the discrepancies noticed on such verification between the physical balances and the fixed assets records were not material and have been properly dealt with in the books of account.
- (ii) In respect of the Company's inventories:
  - (a) Inventories have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has, during the year, granted interest free unsecured loans aggregating Rs 1,515.46 lacs to a wholly owned subsidiary covered in the register maintained under section 189 of the Act. At the year end, the outstanding loan granted to a wholly owned subsidiary aggregates to Rs 2,394.81 lacs. In respect of such loans:
  - (a) According to the information and explanations given to us, the above loan is repayable on demand and has not been recalled during the year.
  - (b) According to the information and explanations given to us, there are no overdue amount remaining outstanding as at the year end.
  - (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
  - (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
  - (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records 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) According to the information and explanations given to us, in respect of statutory dues:
    - (a) The Company has generally been regular in depositing undisputed statutory dues, including Wealth Tax, Sales Tax, Value Added Tax and other material statutory dues applicable to it and not been regular in depositing dues of Provident Fund, Income-tax, Service Tax, Customs Duty, Excise Duty and Cess with the appropriate authorities. As explained to us, the provisions of the

Employees' State Insurance Act, 1948 are not applicable to the Company.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Excise Duty, Service Tax, Value Added Tax and Sales Tax (Trade Tax) which have not been deposited as on March 31, 2015 on account of disputes are given below:

Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount* involved (Rs. lacs)	Amount paid under protest (Rs. lacs)
U. P. Trade Act	Trade tax	Trade Tax Appellate Tribunal	1984-1985	0.43	0.43
			1995-1996	3.18	-
Central Excise Act	Excise duty	Commissioner (Appeals)	2006-2007	390.99	45.03
			2012-2013	5.58	-
			2002-2003	0.70	0.70
			2004-2005	0.28	0.28
			2005-2006	2.77	2.77
			2010-2011	9.37	6.56
			2007-2011	0.37	-
Finance Act, 1994	Service Tax	High Court, Allahabad	2005-2006	2.78	-
			1979-1980	11.01	11.01
State Excise Duty	Excise Duty	High Court, Allahabad	2001-2002	9.26	-

\* Amount as per demand orders including interest and penalty wherever indicated in the order.

We are informed that there are no disputed dues in respect of Income-tax, Customs Duty, Wealth Tax and Cess.

In the following instances the concerned statutory authority is in appeal against the favourable order received by the Company.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. lacs)
Central Excise Act	Excise Duty	Customs, Excise & Service tax Appellate Tribunal	2008-09	71.69
		High Court, Allahabad	1995-1996	9.92
U. P. Trade Tax Act	Trade tax	High Court, Allahabad	1996-97	59.96
Finance Act, 1994	Service tax	Customs, Excise & Service tax Appellate Tribunal	2006-07	0.42

(d) In our opinion and according to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

- (viii) The accumulated losses of the Company at the end of the current year are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) On the basis of our audit procedures and as per the information and explanations given by the management, the Company has delayed repayment of dues to banks and financial institutions in respect of term loans, working capital demand loans and interest liabilities.

Lenders	Amount (including interest) (Rs. lacs)	Period of delays
Banks and financial institutions	1,399.15	01-30 days
	848.30	31-60 days
	649.29	61-90 days
	551.02	Above 90 days
	34,102.57	Not yet paid

The Company has not issued any debentures during the year.

- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loan taken by others from banks is not, *prima facie*, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

**Jaideep Bhargava**  
Partner  
(Membership No. 090925)

GURGAON  
May 30, 2015

**SIMBHAOLI SUGARS LIMITED**  
**BALANCE SHEET**  
**AS AT MARCH 31, 2015**

	Notes	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3.1	6,035.88	6,035.88
Reserves and surplus	3.2	(38,652.43)	(22,382.28)
		<b>(32,316.55)</b>	<b>(16,346.40)</b>
<b>Non-current liabilities</b>			
Long-term borrowings	3.3	8,374.99	7,823.45
Other long-term liabilities	3.4	-	38.64
Long-term provisions	3.5	220.60	191.98
		<b>8,595.59</b>	<b>8,054.07</b>
<b>Current liabilities</b>			
Short-term borrowings	3.6	87,220.01	96,620.79
Trade payables	3.7	58,243.42	45,358.20
Other current liabilities	3.8	18,655.36	15,277.45
Short-term provisions	3.9	59.40	54.20
		<b>164,178.19</b>	<b>157,310.64</b>
<b>Total</b>		<b>140,157.23</b>	<b>149,018.31</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	3.10		
Tangible assets		31,455.63	33,574.91
Intangible assets		88.17	92.37
Capital work-in-progress		338.09	300.20
		<b>31,881.89</b>	<b>33,967.48</b>
Non-current investments	3.11	38,619.40	37,489.81
Long-term loans and advances	3.12	1,621.98	1,035.10
Other non-current assets	3.13	704.53	1,081.41
		<b>72,827.80</b>	<b>73,573.80</b>
<b>Current assets</b>			
Inventories	3.14	35,389.42	45,659.34
Trade receivables	3.15	8,426.94	6,499.50
Cash and cash equivalents	3.16	1,571.26	3,431.44
Short-term loans and advances	3.17	6,715.84	4,546.10
Other current assets	3.18	15,225.97	15,308.13
		<b>67,329.43</b>	<b>75,444.51</b>
<b>Total</b>		<b>140,157.23</b>	<b>149,018.31</b>

See accompanying notes forming part of the financial statements 1 to 28

In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Gurpal Singh  
Managing Director  
DIN -00064807

Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

Sanjay Tapriya  
Chief Financial Officer  
DIN -00064703

Jaideep Bhargava  
Partner

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

Anshul Jain  
GM- Finance  
FCA - 505973

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Gurgaon  
Date : May 30, 2015

Place: Noida  
Date : May 30, 2015

**SIMBHAOLI SUGARS LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

Notes	Year ended March 31, 2015 Rs. lacs	Year ended March 31, 2014 Rs. lacs
<b>Revenue from operations</b>		
Sale of products	26(a) 88,374.97	86,381.51
Less: Excise duty	3,231.69	3,171.85
	<b>85,143.28</b>	<b>83,209.66</b>
Other operating revenues	3.19 482.49	368.27
<b>Revenue from operations</b>	<b>85,625.77</b>	<b>83,577.93</b>
Other income	3.20 2,830.57	2,812.10
<b>Total Revenue</b>	<b>88,456.34</b>	<b>86,390.03</b>
<b>Expenses</b>		
Cost of materials consumed	26(c) 65,041.07	68,676.27
Purchases of stock-in-trade	26(d) 1,335.50	19.08
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.21 10,164.87	3,908.27
Employee benefits expense	3.22 4,213.37	4,677.23
Finance costs	3.23 12,480.65	14,180.82
Depreciation and amortization expense	3.24 2,221.04	2,795.40
Other expenses	3.25 8,969.52	8,274.51
<b>Total Expenses</b>	<b>104,426.02</b>	<b>102,531.58</b>
<b>Profit/(loss) before exceptional items and tax</b>	<b>(15,969.68)</b>	<b>(16,141.55)</b>
Exceptional items (Net)	3.26 -	(1,058.36)
<b>Profit/(loss) before tax</b>	<b>(15,969.68)</b>	<b>(17,199.91)</b>
Tax expense:-		
Tax relating to previous year	-	23.34
<b>Profit/(loss) after tax</b>	<b>(15,969.68)</b>	<b>(17,223.25)</b>
<b>Earnings per equity share-basic/diluted (Rs.)</b>	22	
Basic/ Diluted before exceptional items	(57.64)	(58.32)
Basic/ Diluted after exceptional items	(57.64)	(62.07)

See accompanying notes forming part of the financial statements 1 to 28

In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Gurpal Singh  
Managing Director  
DIN -00064807

Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

Sanjay Tapriya  
Chief Financial Officer  
DIN -00064703

Jaideep Bhargava  
Partner

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

Anshul Jain  
GM- Finance  
FCA - 505973

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Gurgaon  
Date : May 30, 2015

Place: Noida  
Date : May 30, 2015

**SIMBHAOLI SUGARS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

	Year ended March 31, 2015 Rs. lacs	Year ended March 31, 2014 Rs. lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit/(loss) before tax and exceptional items	(15,969.68)	(16,141.55)
Adjustments for:		
Depreciation and amortization (net of revaluation reserve)	2,221.04	2,795.40
Dividend income from subsidiary Company	-	(10.04)
Finance costs	12,480.65	14,180.82
Loss/(profit) on sale of fixed assets (net)	9.91	20.61
Interest income	(1,904.63)	(2,034.20)
Transfer from Capital-grant-in-aids	(7.27)	(7.11)
<b>Operating profit/(loss) before working capital changes</b>	<b>(3,169.98)</b>	<b>(1,196.07)</b>
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(1,927.44)	903.93
Short term and long term loans and advances	(2,233.14)	(336.83)
Other current and non current assets	(4,166.00)	6.90
Inventories	10,269.92	7,698.35
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	12,885.22	6,125.91
Other current liabilities	743.01	(866.25)
Short term and long term provisions	33.82	45.70
<b>Cash (used)/generated from operations</b>	<b>12,435.41</b>	<b>12,381.64</b>
Direct taxes (paid)/refund	(251.23)	(223.07)
<b>Net cash (used) / from operating activities</b>	<b>12,184.18</b>	<b>12,158.57</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(595.86)	(1,027.18)
Sale of fixed assets	210.25	146.70
Investment made in subsidiaries	(190.00)	-
Investment made in government securities	(0.50)	-
Investment made in joint venture	(486.66)	(232.29)
Finance lease received	505.98	481.86
Consideration received from sale of power undertaking	2,191.52	-
Margin money	1,728.24	56.63
Dividend income from subsidiary Company	-	10.04
Interest received	2,999.50	754.92
Capital grant in aid received	-	120.00
<b>Net cash used in investing activities</b>	<b>6,362.47</b>	<b>310.68</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from right issue (including share premium, net of issue expenses)	6,242.90	-
Proceeds from long term borrowings	(3,931.12)	(4,637.74)
Repayment of long term borrowings	(9,400.78)	(1,599.57)
Changes in short term borrowings	(11,590.82)	(11,070.50)
Interest paid	-	(8.95)
Dividend paid	1.23	1.84
Contribution toward charity reserve received	-	-
<b>Net cash from financing activities</b>	<b>(18,678.59)</b>	<b>(17,314.92)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents</b>	<b>(131.94)</b>	<b>(4,845.67)</b>
<b>E. Cash and cash equivalents (opening balance)</b>	<b>1,049.21</b>	<b>5,894.88</b>
<b>F. Cash and cash equivalents (closing balance) (Refer note 3.16) (D+E)</b>	<b>917.27</b>	<b>1,049.21</b>

The above Cash flow statement has been prepared under the "indirect method" set out in Accounting Standard-3.

In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Gurpal Singh  
Managing Director  
DIN -00064807

Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

Sanjay Tapriya  
Chief Financial Officer  
DIN -00064703

Jaideep Bhargava  
Partner

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

Anshul Jain  
GM- Finance  
FCA - 505973

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Gurgaon  
Date : May 30, 2015

Place: Noida  
Date : May 30, 2015

# SIMBHAOLI SUGARS LIMITED

## NOTES FORMING PART OF THE ACCOUNTS

### 1. Background

Simbhaoli Sugars Limited ('the Company') is a public limited company registered with Registrar of Companies, Kanpur Uttar Pradesh on 29th June 1936. The Company has three sugar complexes - Simbhaoli (western Uttar Pradesh), Chilwaria (eastern Uttar Pradesh) and Brijnathpur (western Uttar Pradesh) having an aggregate crushing capacity of 19,500 TCD. The Company is technology driven with a business mix that spans from refined (sulphurless) sugar, specialty sugars, extra neutral alcohol (ENA), ethanol and bio-manure. The Company is engaged in sugar refining (Defeco Remelt Phosphotation and Ion Exchange technology), high value, niche products (specialty sugars) and clean energy (ethanol). The Company sells international standard refined, pharmaceutical grade and specialty sugars to the retail and bulk institutional consumer segments.

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

S. No.	Name of subsidiary/ Jointly Controlled Entity	Business	% voting power held as at March 31, 2015	% voting power held as at March 31, 2014
1.	Simbhaoli Sprints Limited	Potable Alcohol Business	100.00	100.00
2.	Simbhaoli Power Private Limited	Generation of green power	51.00	51.00
3.	Integrated Casetech Consultants Limited	Consultancy business	85.16	85.16
4.	Simbhaoli Global Commodities DMCC	Trading of sugar & alcohol	100.00	100.00
5.	Uniwold Sugars Private Limited	Raw sugar refinery	50.00	50.00
6.	Simbhaoli Specialty Sugars Private Limited	Packaging	100.00	-

### 2. Significant accounting policies

#### i) Accounting convention

'The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 2014, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 2(vi) below.

#### ii) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Example of such estimates

include provisions for doubtful debts, future obligations under employee retirement benefit plans, provision for income taxes and the useful lives of fixed assets. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### iii) Fixed assets

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

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

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

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

#### v) Impairment

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

#### vi) Depreciation/ Amortisation

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

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

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

except in the case Roads where the life of the assets has been assessed 10 years based on past history, technical evaluation.

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

**vii) Leases**

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

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

**viii) Investments**

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

**ix) Inventories**

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

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

**x) Cash and cash equivalent**

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

**xi) State excise duty**

The state excise duty payable on finished goods is accounted for on the clearance of goods from the factory premises or bonded warehouses. The amount of state excise duty payable on alcohol not cleared from the factory premises and bonded warehouses as at the

year end is not determinable as it varies according to the places to which the goods will be dispatched. However, non provision of this liability does not affect the profit/loss of the year.

**xii) Employee benefits**

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

**xiii) Revenue recognition**

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

Management fee income is accrued as per contractual terms.

**xiv) Other Income**

Interest income is recognized on a time proportion basis.

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

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

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currency are restated using the closing exchange rate on each balance sheet date and exchange difference are recognised as loss or gain in the statement of profit and loss.

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

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

**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 over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the

cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active / continuous development on the qualifying assets is interrupted.

#### xvii) Government grants and Export incentives

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

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

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

#### 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. (Refer note 17)

#### xix) Securities issue expenses

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

#### xx) Provisions and contingencies

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

#### xxi) Operating Cycle

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

### 3.1 SHARE CAPITAL

	As at March 31, 2015		As at March 31, 2014	
	(No. of Shares)	Rs. lacs	(No. of Shares)	Rs. lacs
<b>Authorized</b>				
Equity shares of Rs. 10 each with voting rights	35,000,000	3,500.00	35,000,000	3,500.00
8% cumulative redeemable preference share of Rs. 100 each	4,000,000	4,000.00	4,000,000	4,000.00
	<b>39,000,000</b>	<b>7,500.00</b>	<b>39,000,000</b>	<b>7,500.00</b>
<b>Issued</b>				
Equity shares of Rs. 10 each with voting rights	28,433,435	2,843.34	28,433,435	2,843.34
8% cumulative redeemable preference shares of Rs. 100 each	3,200,000	3,200.00	3,200,000	3,200.00
	<b>31,633,435</b>	<b>6,043.34</b>	<b>31,633,435</b>	<b>6,043.34</b>
<b>Subscribed and paid up</b>				
Equity shares of Rs. 10 each with voting rights fully paid up	28,228,810	2,822.88	28,228,810	2,822.88
Add: Forfeited shares amount originally paid up	204,625	13.00	204,625	13.00
8% cumulative redeemable preference shares of Rs. 100 each fully paid up	3,200,000	3,200.00	3,200,000	3,200.00
	<b>31,633,435</b>	<b>6,035.88</b>	<b>31,633,435</b>	<b>6,035.88</b>

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

	As at March 31, 2015		As at March 31, 2014	
	(No. of Shares)	Rs. lacs	(No. of Shares)	Rs. lacs
<b>Equity shares with voting rights (one per share)</b>				
As at beginning/ end of the year	28,228,810	2,822.88	28,228,810	2,822.88
<b>8% cumulative redeemable preference shares</b>				
As at beginning/ end of the year (Refer note 2 below)	3,200,000	3,200.00	3,200,000	3,200.00

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

	As at March 31, 2015		As at March 31, 2014	
	(No. of Shares)	"% of Share holding"	(No. of Shares)	"% of Share holding"
<b>Equity shares with voting rights</b>				
1 Dholadhar Investments Private Limited	5,596,585	19.83	5,306,585	18.80
2 Mr. Gurmit Singh Mann	3,184,747	11.28	2,284,747	8.09
3 Mr. Gurpal Singh	2,053,649	7.28	2,053,649	7.28
4 India Max Investment Fund Limited	1,045,737	3.71	2,239,643	7.93
<b>8% cumulative redeemable preference shares</b>				
1 Dholadhar Investments Private Limited	800,000	25.00	800,000	25.00
2 Pritam Singh Sandhu Associates	400,000	12.50	400,000	12.50
3 Shri Vatsala Traders Private Limited	1,000,000	31.25	1,000,000	31.25
4 Pearl Innovative Marketing Private Limited	1,000,000	31.25	1,000,000	31.25

**Note:**

- The Company has issued 3,200,000 (previous year 3,200,000) 8% Cumulative Redeemable Preference shares (CRPS) of Rs 100 each aggregating Rs. 3,200.00 lacs (previous year Rs. 3,200.00 lacs) for consideration other than cash in aggregate in the last five financial years.
  - Arrears of fixed cumulative dividends on 8% cumulative preference shares as at March 31, 2015 Rs.516.21 lacs (previous year Rs. 260.21 lacs).
  - Rights, preference and restriction attached to shares:
 

**Equity shares of Rs. 10 each:**

    - Voting right shall be in same proportion as the capital paid upon such equity share.
    - The dividend proposed by the Board of Directors which is subject to the approval of the shareholders in the Annual General Meeting shall be in the same proportion as the capital paid upon such equity share.
    - In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to capital paid upon such equity share.

**8% cumulative redeemable preference shares (CRPS) of Rs. 100 each:**

    - Voting right shall be in same proportion as the capital paid upon such preference share since dividend in respect of these CRPS is outstanding of more than two years.
    - The CRPS shall carry a fixed cumulative dividend coupon rate of 8% and shall be redeemed on the expiry of 12 years from the date of allotment i.e. March 26, 2013.
  - Under Simbhaoli Sugars Limited - Employee Stock Option Scheme 2007, the Company has granted :
    - 81,300 options on May 18, 2009 exercisable over a period of three years after vesting on May 18, 2010 at an exercise price of Rs. 39 (including premium of Rs. 29) per option.
    - 5,16,500 options on August 10, 2009 exercisable in three tranches over a period of three years after vesting on August 10, 2010 at an exercise price of Rs. 49 (including premium of Rs. 39) per option.
- Note:-** No options were exercised during the vesting period therefore balance options have lapsed and have been transferred to the balance in Statement of Profit and Loss during the previous year.

**3.2 RESERVES AND SURPLUS**

		As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>Revaluation reserve</b>			
Opening balance		158.08	195.50
Less: Deductions during the year	(1) (7)	<u>124.52</u>	<u>37.42</u>
		<b>33.56</b>	<b>158.08</b>
<b>Reconstruction reserve</b>			
Opening/closing balance		<u>430.16</u>	<u>430.16</u>
		<b>430.16</b>	<b>430.16</b>
<b>Capital grant-in-aid</b>			
Opening balance		144.96	32.07
Add: Additions during the year	(2)	-	120.00
Less: Utilized during the year	(3)	<u>7.27</u>	<u>7.11</u>
		<b>137.69</b>	<b>144.96</b>
<b>Capital reserve</b>			
Opening/closing balance		<u>288.76</u>	<u>288.76</u>
		<b>288.76</b>	<b>288.76</b>
<b>Securities premium account</b>			
Opening/closing balance		<u>1,904.36</u>	<u>1,904.36</u>
		<b>1,904.36</b>	<b>1,904.36</b>
<b>Charity Reserve</b>			
Opening balance		5.38	4.02
Add: Additions during the year	(4)	1.23	1.84
Less: Deductions during the year	(5)	<u>-</u>	<u>0.48</u>
		<b>6.61</b>	<b>5.38</b>
<b>Share options outstanding account</b>			
Opening balance		-	37.11
Less: Transferred to balance in Statement of Profit and Loss during the year	(3) (6)	<u>-</u>	<u>37.11</u>
		-	-
<b>Balance in Statement of Profit and Loss</b>			
Opening balance		(25,313.98)	(8,127.84)
Add: Profit/(loss) during the year		(15,969.68)	(17,223.25)
Amount transferred from:			
Share Options outstanding account		-	37.11
Amount available for appropriation		<u>(41,283.66)</u>	<u>(25,313.98)</u>
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible assets with nil remaining life [net of revaluation reserve of Rs. 124.52 lacs (previous year Nil)]	(7)	169.91	-
		<u>(41,453.57)</u>	<u>(25,313.98)</u>
		<b>(38,652.43)</b>	<b>(22,382.28)</b>

(1) Rs. 124.52 lacs (previous year Rs. 37.42 lacs) transferred to Statement of Profit and Loss.

(2) Government grant received during the previous year towards subsidies.

(3) Transferred to Statement of Profit and Loss.

(4) Rs. 1.23 lacs (previous year Rs. 1.84 lacs) received during the year.

(5) Rs. Nil (previous year Rs. 0.48 lacs) disbursed during the year.

(6) Refer foot note 4 of note 3.1.

(7) Refer note 16.

**NON-CURRENT LIABILITIES**

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.3 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Term loans		
From banks [refer note 9A(b)]	1,161.42	5,733.18
From others [refer note 9A(c)]	970.67	2,090.27
	<u>2,132.09</u>	<u>7,823.45</u>
<b>Unsecured</b>		
Term loans		
From banks [refer note 9B(a)]	6242.90	-
	<u>6242.90</u>	<u>-</u>
	<u>8,374.99</u>	<u>7,823.45</u>
<b>3.4 OTHER LONG TERM LIABILITIES</b>		
Interest accrued but not due on borrowings	-	38.64
	<u>-</u>	<u>38.64</u>
<b>3.5 LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
Compensated absences	220.60	191.98
	<u>220.60</u>	<u>191.98</u>
<b>CURRENT LIABILITIES</b>		
	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.6 SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Loans repayable on demand		
From banks [refer note 9A(a)]	39,158.21	45,225.71
	<u>39,158.21</u>	<u>45,225.71</u>
<b>Unsecured</b>		
Loans repayable on demand		
From banks		
- Book overdraft	146.44	2,610.81
- Other than book overdraft #	47,171.02	47,583.66
From directors	676.57	1,200.61
From shareholders	67.77	-
	<u>48,061.80</u>	<u>51,395.08</u>
	<u>87,220.01</u>	<u>96,620.79</u>
#Refer note 7 and note 9B(b).		
<b>3.7 TRADE PAYABLES</b>		
Total outstanding dues of micro and small enterprise *	12.09	14.30
Total outstanding dues of creditors other than micro and small enterprise	58,231.33	45,343.90
	<u>58,243.42</u>	<u>45,358.20</u>
* Refer note 8.		

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.8 OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Secured)		
From banks [refer note 9A(b)]	6,793.62	5,652.66
From others [refer note 9A(c)]	2,186.81	1,567.53
Interest accrued but not due on borrowings	1,608.22	162.00
Interest accrued and due on borrowings	4,854.78	5,372.53
Advances received from customers	403.07	355.40
Security deposits	121.64	81.05
Creditors for capital goods	285.67	339.48
Statutory dues payable	2,323.36	1,695.65
Others miscellaneous payable	78.19	51.15
	<b>18,655.36</b>	<b>15,277.45</b>
<b>3.9 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits :		
Compensated absences	59.40	54.20
	<b>59.40</b>	<b>54.20</b>

**3.10 FIXED ASSETS**

(Rs. In lacs)

Particulars	GROSS BLOCK				DEPRECIATION/ AMORTISATION					NET BLOCK	
	As at March 31, 2014	Additions	Disposals	As at March 31, 2015	As at March 31, 2014	For the year	On Disposals	Transition Adjustment*	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Tangibles (Owned)</b>											
Land - freehold	1,990.55	11.00	217.96	1,783.59	-	-	-	-	-	1,783.59	1,990.55
Buildings	8,119.18	94.13	-	8,213.31	3,083.59	559.08	-	104.34	3,747.01	4,466.30	5,035.59
Railway siding	0.39	-	-	0.39	0.38	-	-	-	0.38	0.01	0.01
Plant and machinery	48,573.89	399.22	3.84	48,969.27	22,730.90	1,502.70	1.64	115.84	24,347.80	24,621.47	25,842.99
Furniture and fixtures	211.52	77.08	-	288.60	177.00	24.33	-	0.24	201.57	87.03	34.52
Vehicles	488.01	13.12	-	501.13	358.62	54.40	-	12.74	425.76	75.37	129.39
Office equipment	941.10	4.77	-	945.87	399.24	63.50	-	61.27	524.01	421.86	541.86
Subtotal Tangibles	60,324.64	599.32	221.80	60,702.16	26,749.73	2,204.01	1.64	294.43	29,246.53	31,455.63	
Previous year	58,997.94	1,609.61	282.91	60,324.64	24,071.00	2,794.33	115.60	-	26,749.73		33,574.91
<b>Intangibles (Owned)</b>											
Software	224.13	12.83	-	236.96	131.76	17.03	-	-	148.79	88.17	92.37
Subtotal Intangibles	224.13	12.83	-	236.96	131.76	17.03	-	-	148.79	88.17	
Previous year	224.13	-	-	224.13	93.27	38.49	-	-	131.76		92.37
<b>Total this year</b>	<b>60,548.77</b>	<b>612.15</b>	<b>221.80</b>	<b>60,939.12</b>	<b>26,881.49</b>	<b>2,221.04</b>	<b>1.64</b>	<b>294.43</b>	<b>29,395.32</b>	<b>31,543.80</b>	
Total previous year	59,222.07	1,609.61	282.91	60,548.77	24,164.27	2,832.82	115.60	-	26,881.49		33,667.28
Capital work in progress										338.09	300.20
										<b>31,881.89</b>	<b>33,967.48</b>

! Includes Rs. 8.62 lacs (previous year Rs. 8.62 lacs) pertaining to land situated at Brijnathpur pending registration in favour of the Company.

\* Transition adjustment recorded against balance in Statement of Profit and Loss. Refer note 16

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.11 NON-CURRENT INVESTMENTS</b>		
(Valued at cost unless there is permanent diminution in value there of)		
<b>Trade Investment</b>		
Unquoted		
One share of Rs. 20 fully paid up in Simbhaoli Co-operative Cane Development Union Limited (*Rs. 20)	*	*
<b>Government securities</b>		
6-Years Post Office National Savings Certificate	2.11	1.61
<b>Investment in subsidiaries</b>		
Investments in equity instruments -Unquoted		
200,800 (previous year 200,800) equity shares of Rs.10 each fully paid up of Integrated Casetech Consultants Private Limited	37.90	37.90
300 (previous year 300) equity shares of AED 1000 each fully paid up of Simbhaoli Global Commodities DMCC	39.94	39.94
31,800,000 (previous year 31,800,000) equity shares of Rs.10 each fully paid up of Simbhaoli Spirits Limited **	25,405.00	25,405.00
2,262,766 (previous year 1,929,705) equity shares of Rs.10 each fully paid up of Simbhaoli Power Private Limited#	2,217.78	1,884.71
19,000 (previous year Nil) equity shares of Rs. 10 each of Simbhaoli Speciality Sugar Private Limited (formerly known as Resham Packaging Private Limited)	190.00	-
<b>Investments in Debentures</b>		
3,394,165 (previous year 2,894,573) Debentures of Rs. 100 each of Simbhaoli Power Private Limited	3,394.17	2,894.57
<b>Investment in joint venture</b>		
Investments in equity instruments -Unquoted		
27,653,770 (previous year 27,456,690) equity shares of Rs. 10 each fully paid up of Uniworld Sugars Private Limited @ ! [Refer note 19]	7,332.50	7,226.08
	<b>38,619.40</b>	<b>37,489.81</b>
Aggregate book value		
- Unquoted	38,619.40	37,489.81

\*\* First pari passu charge on pledge of 8,695,900 (previous year 8,695,900) equity shares of the Company in favour of bankers of Simbhaoli Spirits Limited.

# First pari passu charge on pledge of 1,929,655 (previous year 1,929,655) equity shares of the Company in favour of bankers of Simbhaoli Power Private Limited.

@ First pari passu charge on pledge of 27,653,770 (previous year 27,456,690) equity shares of the Company in favour of bankers of Uniworld Sugars Private Limited .

! 45,15,000 (previous year 45,15,000) equity shares have been transferred in favor of the Company 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.

### 3.12 LONG-TERM LOANS AND ADVANCES

(Unsecured considered good unless otherwise stated)

Capital advances	85.25	193.24
Security deposit	72.10	21.60
Loans and advances to related parties #	380.24	-
Others loans and advances	287.05	274.15
Tax Payments (Net)	797.34	546.11
	<b>1,621.98</b>	<b>1,035.10</b>

# Loans and advances includes:

Name of the Joint venture	Amount outstanding as at		Maximum amount outstanding during	
	March 31, 2015	March 31, 2014	Current year	Previous year
Uniworld Sugars Private Limited*	380.24	-	380.24	-

\*Represents share application money, against which 1,358,000 equity shares of Rs. 10 each has been allotted subsequent to year end at the premium of Rs. 18 per equity share.

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.13 OTHER NON-CURRENT ASSETS</b>		
Consideration receivable against slump sale of Power Undertaking (Refer to note 4)	45.00	45.00
Finance lease receivable from Simbhaoli Power Private Limited [Refer to note 5]	659.53	1,036.41
	<b>704.53</b>	<b>1,081.41</b>

#### CURRENT ASSETS

##### 3.14 INVENTORIES

(At lower of cost and net realisable value)

Raw materials	1,440.75	1,035.64
Work-in-progress [refer note 26(b)]	725.72	1,272.22
Finished goods [refer note 26(a)]	31,896.42	41,725.92
Stock-in-trade [refer note 26(a)]	211.13	-
Stores and spares	1,106.80	1,616.04
Loose tools	8.60	9.52
	<b>35,389.42</b>	<b>45,659.34</b>

##### 3.15 TRADE RECEIVABLES

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

Unsecured - considered good **	3,476.23	2,632.51
- Considered doubtful	86.86	110.70
	<b>3,563.09</b>	<b>2,743.21</b>
Less: Provision for doubtful receivables	86.86	110.70
	<b>3,476.23</b>	<b>2,632.51</b>

Other debts

Unsecured - considered good **	4,950.71	3,866.99
	<b>8,426.94</b>	<b>6,499.50</b>

\*\* Trade Receivable includes:

Name of Subsidiaries	Amount outstanding as at		Maximum amount outstanding during	
	March 31, 2015	March 31, 2014	Current year	Previous year
Simbhaoli Global Commodities DMCC	124.68	-	406.00	-
Simbhaoli Spirits Limited	3,200.14	2,697.62	3,200.14	2,697.62
Simbhaoli Speciality Sugars Private Limited	5.75	-	12.74	-
Simbhaoli Power Private Limited	955.62	619.55	955.62	619.55

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.16 CASH AND CASH EQUIVALENTS</b>		
<b>(A) Cash and cash equivalent</b>		
Balances with banks on		
-current account	900.77	839.12
-deposit account within upto 3 months maturity	-	200.00
Cash on hand	16.50	10.09
	<u>917.27</u>	<u>1,049.21</u>
<b>(B) Other bank balances - Margin money / cash collateral</b>		
With original maturity of 3 months or less	118.45	168.74
With original maturity of more than 3 months but less than 12 months	230.21	193.96
With original maturity of more than 12 months	81.86	1,867.19
	<u>430.52</u>	<u>2,229.89</u>
<b>(C) Other bank balances - Other deposits #</b>		
With original maturity of 3 months or less	46.47	9.90
With original maturity of more than 3 months but less than 12 months	127.25	114.42
With original maturity of more than 12 months	49.75	28.02
	<u>223.47</u>	<u>152.34</u>
<b>Total (A+B+C)</b>	<u>1,571.26</u>	<u>3,431.44</u>
# Includes pledged with excise authorities and civil courts Rs. 223.47 lacs (previous year Rs. 152.34 lacs)		
<b>3.17 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	2,523.17	1,580.73
Considered doubtful	267.57	147.33
	<u>2,790.74</u>	<u>1,728.06</u>
Less: Provision for doubtful advances	267.57	147.33
	<u>2,523.17</u>	<u>1,580.73</u>
Loans and advances to related parties #	2,545.72	1,150.98
Loans and advances to employees	44.82	40.67
Security deposits	127.64	200.21
Balances with customs, excise etc.	1,474.49	1,573.51
	<u>6,715.84</u>	<u>4,546.10</u>

# Loans and advances includes:

Name of the Subsidiaries	Amount outstanding as at		Maximum amount outstanding during	
	March 31, 2015	March 31, 2014	Current year	Previous years
Simbhaoli Global Commodities DMCC	6.99	6.82	6.99	6.82
Integrated Casetech Consultants Private Limited	63.36	154.92	156.32	156.32
Simbhaoli Spirits Limited*	2,394.91	879.35	2,394.91	1,017.51
<b>Name of the Joint venture</b>				
Uniworld Sugars Private Limited	80.46	109.89	80.46	109.89

\* This loan is given under section 186 of the Companies Act, 2013 and for purpose of working capital and discharge of its loan liability.

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.18 OTHER CURRENT ASSETS</b>		
(Unsecured and considered good unless otherwise stated)		
Claims receivables		
Considered good	5,669.33	1,503.33
Considered doubtful	768.96	42.50
	<u>6,438.29</u>	<u>1,545.83</u>
Less: Provision for doubtful claims	768.96	42.50
	<b>5,669.33</b>	<b>1,503.33</b>
Interest accrued on investments, deposits etc.	916.16	331.02
Consideration receivable against slump sale of Power Undertaking * [Refer to note 4]	8,263.60	12,967.80
Finance lease receivable from Simbhaoli Power Private Limited # [Refer to note 5]	376.88	505.98
	<u><b>15,225.97</b></u>	<u><b>15,308.13</b></u>

\* Includes interest receivable of Rs. 128.45 lacs (previous year Rs. 1,808.47 lacs) on balance consideration receivable.

# Includes amount due as on March 31, 2015 of Rs. Nil (previous year Rs. 129.11 lacs).

	Year ended March 31, 2015 Rs. lacs	Year ended March 31, 2014 Rs. lacs
<b>3.19 OTHER OPERATING REVENUES</b>		
Transfer from 'Capital grant-in-aid'	7.27	7.11
Miscellaneous	475.22	361.16
	<u><b>482.49</b></u>	<u><b>368.27</b></u>
<b>3.20 OTHER INCOME</b>		
Interest		
Bank deposits	56.18	199.62
Income Tax refund	4.91	-
Others	1,843.54	1,834.58
Rent	21.09	5.32
Dividend from subsidiary company on long term trade investment	-	10.04
Liabilities/provisions no longer required written back	71.97	-
Foreign exchange fluctuation	7.48	26.57
Miscellaneous	825.40	735.97
	<u><b>2,830.57</b></u>	<u><b>2,812.10</b></u>
<b>3.21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening stock		
Finished goods	41,725.92	45,795.21
Work-in-progress	1,272.22	2,169.56
Stock-in-trade	-	-
	<u><b>42,998.14</b></u>	<u><b>47,964.77</b></u>
Closing stock		
Finished goods	31,896.42	41,725.92
Work-in-progress	725.72	1,272.22
Stock-in-trade	211.13	-
	<u><b>32,833.27</b></u>	<u><b>42,998.14</b></u>
Less: Adjustment relating to finished goods write off [Refer note 15]	-	1,058.36
Net decrease in inventories	<u><b>10,164.87</b></u>	<u><b>3,908.27</b></u>

	Year ended March 31, 2015 Rs. lacs	Year ended March 31, 2014 Rs. lacs
<b>3.22 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages, bonus, commission, etc.	3,767.39	3,708.71
Contribution to provident and other funds #	321.44	838.57
Staff welfare expenses	124.54	129.95
	<u>4,213.37</u>	<u>4,677.23</u>
#Includes gratuity expense refer to note 21		
<b>3.23 FINANCE COSTS</b>		
Interest expense	12,346.75	13,996.74
Other borrowing costs	133.90	184.08
	<u>12,480.65</u>	<u>14,180.82</u>
<b>3.24 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation expense (refer note 3.10)	2,221.04	2,832.82
Transfer from revaluation reserve	-	(37.42)
	<u>2,221.04</u>	<u>2,795.40</u>

	Year ended March 31, 2015 Rs. lacs	Year ended March 31, 2014 Rs. lacs
<b>3.25 OTHER EXPENSES</b>		
Sugar cane development	338.55	231.64
Consumption of stores and spare parts #	2,468.21	2,531.20
Power and fuel	820.85	913.18
Repairs		
- Machinery	1,150.09	1,655.53
- Buildings	53.11	82.32
- Others	94.29	114.02
Insurance	109.83	132.03
Rent	244.00	237.08
Rates and taxes	63.44	73.90
Donations	-	0.94
Travelling and conveyance	180.89	147.49
Marketing expense	559.85	567.88
Sugar export expenses	238.31	161.29
Commission to selling agents	332.45	341.62
Loss on sale of fixed assets	9.91	20.61
Bad debts and advances written off	171.29	76.63
Less : adjusted against provision for doubtful debts and advances	<u>152.60</u>	<u>-</u>
Provision for doubtful debts and advances	975.46	124.44
Increase/ (decrease) in excise duty on finished goods	37.39	(211.90)
Loss on derivative transactions	152.40	1.70
Legal and professional expense (Refer note 23)	414.55	321.29
Miscellaneous expenses	707.25	751.62
	<u>8,969.52</u>	<u>8,274.51</u>

# Stores, oils and chemicals allocated to other revenue heads Rs 946.21 lacs (previous year Rs. 1,305.14 lacs)

	Year ended March 31, 2015 Rs. lacs	Year ended March 31, 2014 Rs. lacs
<b>3.26 EXCEPTIONAL ITEMS (NET)</b>		
Adjustment relating to finished goods write off [Refer note 15]	-	(1,058.36)
	-	<b>(1,058.36)</b>

4. In the year 2013, pursuant to the Business Transfer Agreements (BTA) dated January 25, 2013 and subsequent amendments thereto, executed between the Company and Simbhaoli Power Private Limited (SPPL), the Company had transferred the Power Cogeneration divisions at Simbhaoli and Chilwaria with all properties, assets, liabilities, rights and obligations which have vested in the Company for an aggregate consideration receivable of Rs. 15,978.62 lacs. At the year end, the BTA consideration outstanding of Rs. 8,180.15 lacs (previous year Rs. 11,204.33 lacs) is to be discharged in the following manner as laid down under the BTA :

- i) Allotment of securities having an aggregate value of Rs. 2,497.96 lacs (previous year Rs. 3,330.61 lacs) in tranches and in the manner agreed to by the SPPL and the Company.
- ii) Payment of balance interest bearing liability of Rs. 5,682.19 lacs (previous year Rs. 7,873.72 lacs) in cash on or before the date falling 48 (forty eight) months from the date of BTA, or on achieving the closing in terms of the Joint Venture Agreement with Syndicatum Captive Energy Pte Limited, whichever is earlier.

The outstanding consideration payable has been disclosed under other current assets and other non-current assets.

5. The Company has entered into finance lease arrangement with Simbhaoli Power Private Limited for one of the equipments at its Simbhaoli Sugar Division.

Reconciliation of future minimum lease payments and gross investment in the lease and present value of minimum lease payments are as follows: (Rs. in lacs)

Description	Current year	Previous year
Future minimum lease payments		
Not later than one year	439.53	466.86
Later than one year and not later than five years	703.39	1,142.91
Later than five year	-	-
	<b>1,142.92</b>	<b>1,609.77</b>
Less: Unearned finance income	106.51	196.49
Present value of minimum lease payments receivable		
Not later than one year	376.88	376.87
Later than one year and not later than five years	659.53	1,036.41
Later than five years	-	-

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

Claims against the Company not acknowledged as debts Rs. 987.20 lacs (previous year Rs. 1,065.22 lacs).

(Rs. lacs)

Description	As at March 31, 2015	As at March 31, 2014
Sales Tax/Trade Tax Act	3.61	3.61
State Excise Act	-	17.34
Central Excise Act	423.86	437.10
Finance Act, 1994	83.06	83.06
Others	476.67	524.11
<b>Total</b>	<b>987.20</b>	<b>1,065.22</b>

All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not in the opinion of the management, have a material effect on results of operations or financial position of the Company.

ii) Arrears of dividend on 8% cumulative preference shares Rs. 516.21 lacs (previous year Rs. 260.21 lacs).

iii) The Company together with its affiliates have to invest Rs. Nil (previous year Rs. 930 lacs) in Uniworld Sugars Private Limited (Joint venture). Also refer note 3.12.

iv) Capital and other commitment

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. The Company has facilitated agri loans from certain commercial banks to its sugarcane farmers under the management and collection agreements and provided Corporate Guarantee and post dated cheques as security. These loans were distributed to the farmers against the payment to be made to them against supply of sugarcane to the Company in previous years and the Company facilitating the repayment of these loans along with interest to the banks. Accordingly these loans have been accounted for by the Company as its liability and are shown as "Short term borrowings from banks" as loans repayable on demand. The Company is in discussions with the banks for raising long term loan(s) to retire these liabilities.

8. Based on the information available with the Company, the balance due to Micro and Small Enterprises as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) is Rs. 12.09 lacs (previous year Rs. 14.30 lacs). Further interest of Rs. 0.70 lacs (Previous year Rs. Nil) during the year is payable under the terms of MSMED Act, 2006. 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. **(A) Secured loan**

a. **Short term borrowings - Loan repayable on demand from banks:**

1. Cash Credit facilities\* from Commercial Banks of each business division are secured by way of first pari passu charge created by hypothecation of all current assets, both present and future, of the concerned business division of the company. These facilities are collaterally secured by way of third pari passu charge on the entire fixed assets of the Company.
2. Cash credit facilities from Co-operative Banks of each business division are secured by pledge of sugar stocks of the respective business divisions of the Company.

<b>b. Long term borrowings from banks:</b>	
<b>Nature of security</b>	<b>Terms of repayment</b>
1. Term loans from banks of Rs. 7,955.04 lacs *(previous year Rs. 11,385.84 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.	- Rs. 6,793.62 lacs repayable in FY 2015-16 - Rs. 1,161.42 lacs repayable in FY 2016-17

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

(Rs. lacs)

<b>Particulars</b>	<b>As at March 31, 2015</b>			<b>As at March 31, 2014</b>		
	<b>Interest</b>	<b>Principal repayment</b>	<b>Due for days</b>	<b>Interest</b>	<b>Principal repayment</b>	<b>Due for days</b>
Due on Cash Credit facilities from commercial banks	356.24	-	0-90	-	-	0-90
Due on term loans from banks	267.25	1,588.85	0-90	141.64	388.19	0-90
	62.76	380.01	91-150			91-150
	52.21	533.75	Above 150			Above 150
<b>Total</b>	<b>738.46</b>	<b>2,502.61</b>		<b>141.64</b>	<b>388.19</b>	

**c. Long term borrowings from others:**

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

# includes overdue as on March 31, 2015 as follows:

(Rs. lacs)

<b>Particulars</b>	<b>As at March 31, 2015</b>			<b>As at March 31, 2014</b>		
	<b>Interest</b>	<b>Principal repayment</b>	<b>Due for days</b>	<b>Interest</b>	<b>Principal repayment</b>	<b>Due for days</b>
Due on term loans from Others	86.57	382.28	0-90	74.90	374.32	0-90
	74.10	372.07	91-150	-	-	91-150
	52.66	303.06	Above 150			Above 150
<b>Total</b>	<b>213.33</b>	<b>1,043.41</b>		<b>74.90</b>	<b>374.32</b>	

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

- First pari passu charge on pledge of 22.50 lacs equity shares of the Company held by promoters.
- Pledge of 86,95,500 equity shares of Simbhaoli Spirits Limited held by the Company.

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

**(B) Unsecured loan**

<b>a. Long term borrowings from banks:</b>	
<b>Nature of security</b>	<b>Terms of repayment</b>
1. Term Loan (unsecured) of Rs. 6,242.90 lacs (previous year NIL) is secured by way of mortgage of residential property of Promoter Directors. Personal guarantee of Mr. Gurmit Singh Mann, Chairman and Mr. Gural Singh, Managing Director of the Company.	- Rs. 2,080.97 lacs repayable in FY 2016-17 - Rs. 2,080.97 lacs repayable in FY 2017-18 - Rs. 2,080.96 lacs repayable in FY 2018-19

**b. Short term borrowings from bank other than book overdraft includes overdue as follows:**
**(Rs. lacs)**

Particulars	As at March 31, 2015			As at March 31, 2014		
	Interest	Principal repayment	Due for days	Interest	Principal repayment	Due for days
Due on from bank other than overdraft	2,922.49	16,628.11	0-365	-	11,651.67	0-365
	-	10,054.16	Above 365	-	-	Above 365
<b>Total</b>	<b>2,922.49</b>	<b>26,682.27</b>		<b>-</b>	<b>11,651.67</b>	

**10. Detail of loans and advances in the nature of loans, as per clause 32 of Listing Agreement where there is no repayment schedule:**
**(Rs. lacs)**

S. No.	Name of the party	Amount outstanding as at		Maximum amount outstanding during	
		March 31, 2015	March 31, 2014	Current year	Previous year
1).	Integrated Casetech Consultants Private Limited	-	47.95	47.95	50.00
2).	Simbhaoli Spirits Limited	2,394.81	879.35	2,394.81	1,017.51
	<b>Total</b>	<b>2,394.81</b>	<b>927.30</b>	<b>2,442.76</b>	<b>1,067.51</b>

**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 Spirits Limited (SISPL).
- Simbhaoli Speciality Sugars Private Limited (SSSPL) (formerly known as Resham Packaging Private Limited).

**Joint Venture Entity:** Uniworld Sugars Private Limited (USPL).

**Co-venturer:** : ED & F Man Asia Holdings Pte Ltd. (ED & F Man)

**Key Management Personnel:** Mr.G.M.S.Mann, Mr.Gurpal Singh, Dr.G.S.C.Rao (ceased to be key management personnel w.e.f. September 11, 2013), Mr. Sanjay Tapriya, Ms. Gursimran Kaur Mann and Mr. S.N. Misra (w.e.f. October 8, 2013).

**Relatives of Key management personnel:**

Mrs. G.R.Lakshmi (wife of Dr.G.S.C.Rao, ceased to be key management personnel w.e.f. September 11, 2013), Mrs. Mamta Tapriya (wife of Mr. Sanjay Tapriya), Mr. B.D.Tapriya (father of Mr. Sanjay Tapriya), Mr. Govind Singh Sandhu (brother of Mr. Gurpal Singh), Mrs. Usha Misra and Mr. Angad Singh (son of Mr. Gurpal Singh).

**Enterprise over which key management personnel exercise significant influence:**

- Dholadhar Investments Private Limited (enterprise over which Mr.G.M.S.Mann and Ms. Gursimran Kaur Mann exercise significant influence).
- Pritam Singh Sandhu Associates Private Limited (enterprise over which Mr. Gurpal Singh exercises significant influence).

**B) Transactions with the above parties:**
**(Rs. in lacs)**

Description	Subsidiaries		Joint venture/Co-venturer		Key management personnel		Relatives of key management personnel		Enterprise over which key management personnel exercise significant influence	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
<b>Rent Paid</b>	<b>22.50</b>	-	-	-	-	-	<b>41.91</b>	<b>38.95</b>	-	-
Mrs. G.R. Lakshmi	-	-	-	-	-	-	-	6.18	-	-
Mrs. Mamta Tapriya	-	-	-	-	-	-	1.08	6.71	-	-
Mr. Govind Singh Sandhu	-	-	-	-	-	-	32.57	26.06	-	-
Mrs. Usha Misra	-	-	-	-	-	-	8.26	-	-	-
SSSPL	22.50	-	-	-	-	-	-	-	-	-
<b>Rent Income</b>	<b>10.80</b>	-	<b>3.60</b>	-	-	-	-	-	-	-
USPL	-	-	3.60	-	-	-	-	-	-	-
ICCPL	10.80	-	-	-	-	-	-	-	-	-
<b>Salary/stipend</b>	-	-	-	-	-	-	-	<b>6.96</b>	-	-
Mr. Angad Singh	-	-	-	-	-	-	-	6.96	-	-
<b>Managerial Remuneration</b>	-	-	-	-	<b>171.26</b>	<b>184.69</b>	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	48.00	49.35	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	33.00	39.88	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	-	22.65	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	24.12	36.40	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	-	-	24.09	23.66	-	-	-	-
Mr. S.N.Misra	-	-	-	-	42.05	12.75	-	-	-	-
<b>Loan taken</b>	-	-	-	-	<b>106.30</b>	-	-	-	<b>65.00</b>	-
Mr. G.M.S. Mann	-	-	-	-	106.30	-	-	-	-	-
Dholadhar Investments Private Limited	-	-	-	-	-	-	-	-	65.00	-
<b>Loans repaid</b>	-	-	-	-	<b>632.00</b>	<b>635.00</b>	-	-	-	-
Mr. G.M.S. Mann	-	-	-	-	632.00	635.00	-	-	-	-

<b>Expenses paid</b>	<b>244.54</b>	<b>257.41</b>	-	-	-	-	-	-	-	-	-
SPPL	227.73	257.41	-	-	-	-	-	-	-	-	-
SISPL	16.68	-	-	-	-	-	-	-	-	-	-
ICCPL	0.13	-	-	-	-	-	-	-	-	-	-
<b>Interest paid</b>	-	-	-	-	1.84	-	-	-	-	3.28	-
Mr. G.M.S. Mann	-	-	-	-	1.84	-	-	-	-	-	-
Dholadhar Investments Private Limited	-	-	-	-	-	-	-	-	-	3.28	-
<b>Sale of finished goods</b>	<b>1,887.23</b>	<b>1,999.92</b>	-	-	-	-	-	-	-	-	-
DMCC	405.80	-	-	-	-	-	-	-	-	-	-
SISPL	515.73	1,518.33	-	-	-	-	-	-	-	-	-
SPPL	965.70	481.59	-	-	-	-	-	-	-	-	-
<b>Expenses recovered</b>	<b>207.39</b>	<b>520.87</b>	<b>16.02</b>	<b>38.81</b>	-	-	-	-	-	-	-
ICCPL	65.39	138.83	-	-	-	-	-	-	-	-	-
DMCC	0.17	0.37	-	-	-	-	-	-	-	-	-
SPPL	97.07	51.00	-	-	-	-	-	-	-	-	-
SISPL	20.58	330.67	-	-	-	-	-	-	-	-	-
USPL	-	-	16.02	38.81	-	-	-	-	-	-	-
SSSPL	24.18	-	-	-	-	-	-	-	-	-	-
<b>Interest Income</b>	<b>1,797.93</b>	<b>1,834.58</b>	-	-	-	-	-	-	-	-	-
SPPL	1,797.93	1,834.58	-	-	-	-	-	-	-	-	-
<b>Loan given</b>	<b>1,515.46</b>	<b>485.66</b>	-	<b>147.00</b>	-	-	-	-	-	-	-
ICCPL	-	50.00	-	-	-	-	-	-	-	-	-
USPL	-	-	-	147.00	-	-	-	-	-	-	-
SISPL	1,515.46	201.01	-	-	-	-	-	-	-	-	-
SPPL	-	234.65	-	-	-	-	-	-	-	-	-
<b>Advances given</b>	-	-	<b>25.67</b>	<b>380.49</b>	-	-	-	-	-	-	-
ED & F Man	-	-	25.67	380.49	-	-	-	-	-	-	-
<b>Purchase of goods/ finished goods</b>	-	-	<b>911.94</b>	<b>658.61</b>	-	-	-	-	-	-	-
ED & F Man	-	-	911.94	658.61	-	-	-	-	-	-	-
<b>Loan received back</b>	<b>47.95</b>	<b>255.68</b>	-	<b>203.28</b>	-	-	-	-	-	-	-
ICCPL	47.95	2.05	-	-	-	-	-	-	-	-	-
USPL	-	-	109.89	203.28	-	-	-	-	-	-	-
SISPL	-	253.63	-	-	-	-	-	-	-	-	-
<b>Payment/Advance made</b>	-	-	-	<b>74.04</b>	-	-	-	-	-	-	-
ED & F Man	-	-	-	74.04	-	-	-	-	-	-	-
<b>Investments made in</b>	<b>1,022.65</b>	<b>4,262.25</b>	<b>106.42</b>	<b>232.29</b>	-	-	-	-	-	-	-
SPPL	832.65	4,262.25	-	-	-	-	-	-	-	-	-
USPL	-	-	106.42	232.29	-	-	-	-	-	-	-
SSSPL	190.00	-	-	-	-	-	-	-	-	-	-
<b>Share Application Money paid</b>	-	-	<b>380.24</b>	-	-	-	-	-	-	-	-
USPL	-	-	380.24	-	-	-	-	-	-	-	-
<b>Dividend received</b>	-	<b>10.04</b>	-	-	-	-	-	-	-	-	-
ICCPL	-	10.04	-	-	-	-	-	-	-	-	-
<b>Cane development expense</b>	<b>90.29</b>	<b>90.16</b>	-	-	-	-	-	-	-	-	-
SISPL	90.29	90.16	-	-	-	-	-	-	-	-	-
<b>Purchase of stores/ assets</b>	-	-	-	<b>3.51</b>	-	-	-	-	-	-	-
USPL	-	-	-	3.51	-	-	-	-	-	-	-
<b>Sale of stores</b>	-	-	-	<b>0.31</b>	-	-	-	-	-	-	-
USPL	-	-	-	0.31	-	-	-	-	-	-	-
<b>Management fees charged</b>	<b>465.88</b>	<b>786.81</b>	<b>428.40</b>	<b>100.00</b>	-	-	-	-	-	-	-
ICCPL	-	6.30	-	-	-	-	-	-	-	-	-
SISPL	-	48.00	-	-	-	-	-	-	-	-	-
SPPL	465.88	732.51	-	-	-	-	-	-	-	-	-
USPL	-	-	428.40	100.00	-	-	-	-	-	-	-
<b>Operation and job work charges paid</b>	<b>461.90</b>	<b>444.74</b>	-	-	-	-	-	-	-	-	-
ICCPL	159.00	175.50	-	-	-	-	-	-	-	-	-
SPPL	302.90	269.24	-	-	-	-	-	-	-	-	-
<b>Other income</b>	<b>39.91</b>	-	-	-	-	-	-	-	-	-	-
SISPL	39.91	-	-	-	-	-	-	-	-	-	-
<b>Balance outstanding at the end of the year</b>											
<b>Other current assets</b>	<b>9,559.80</b>	<b>13,897.65</b>	-	-	-	-	-	-	-	-	-
SPPL	9,559.80	13,897.65	-	-	-	-	-	-	-	-	-
<b>Other non-current assets</b>	<b>704.53</b>	<b>1,081.41</b>	-	-	-	-	-	-	-	-	-
SPPL	704.53	1,081.41	-	-	-	-	-	-	-	-	-
<b>Trade payables</b>	-	-	-	-	<b>46.89</b>	<b>41.81</b>	<b>35.37</b>	<b>23.05</b>	-	-	-
Mr. G.M.S. Mann	-	-	-	-	8.88	11.55	-	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	7.14	10.49	-	-	-	-	-
Dr. G.S.C.Rao	-	-	-	-	9.94	9.94	-	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	-	4.35	0.88	-	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	-	-	8.74	8.95	-	-	-	-	-
Mr. S.N.Misra	-	-	-	-	7.84	-	-	-	-	-	-
Mrs. Mamta Tapriya	-	-	-	-	-	0.41	0.49	-	-	-	-
Mr. Govind Singh Sandhu	-	-	-	-	-	26.35	15.67	-	-	-	-
Mrs. Usha Misra	-	-	-	-	-	1.73	-	-	-	-	-
Mr. Angad Singh	-	-	-	-	-	1.32	1.33	-	-	-	-
Mrs. G.R. Lakshmi	-	-	-	-	-	5.56	5.56	-	-	-	-
<b>Short-term borrowings</b>	-	-	-	-	<b>676.57</b>	<b>1,200.61</b>	-	-	-	<b>67.77</b>	-
Mr. G.M.S. Mann	-	-	-	-	657.45	1,181.49	-	-	-	-	-
Mr. Gurpal Singh	-	-	-	-	19.12	19.12	-	-	-	-	-
Dholadhar Investments Private Limited	-	-	-	-	-	-	-	-	-	67.77	-
<b>Short Term Loans and advances</b>	<b>2,465.16</b>	<b>1,041.09</b>	<b>106.13</b>	<b>109.89</b>	-	-	-	-	-	-	-
DMCC	6.99	6.82	-	-	-	-	-	-	-	-	-
ICCPL	63.36	154.92	-	-	-	-	-	-	-	-	-

USPL	-	-	80.46	109.89	-	-	-	-	-	-
SISPL	2,394.81	879.35	-	-	-	-	-	-	-	-
ED & F Man	-	-	25.67	-	-	-	-	-	-	-
<b>Long Term Loans and advances</b>	-	-	<b>380.24</b>	-	-	-	-	-	-	-
USPL	-	-	380.24	-	-	-	-	-	-	-
<b>Trade Receivable</b>	<b>4,286.19</b>	<b>3,317.17</b>	<b>125.18</b>	<b>170.20</b>	-	-	-	-	-	-
DMCC	124.68	-	-	-	-	-	-	-	-	-
SISPL	3,200.14	2,697.62	-	-	-	-	-	-	-	-
SPPL	955.62	619.55	-	-	-	-	-	-	-	-
SSSPL	5.75	-	-	-	-	-	-	-	-	-
ED & F Man	-	-	125.18	170.20	-	-	-	-	-	-
<b>Guarantee given on behalf of Company by Mr. G M S Mann &amp; Mr. Gurpal Singh for loan taken from banks</b>	-	-	-	-	<b>53,356.15</b>	<b>56,611.55</b>	-	-	-	-
<b>Pledge of Investments (no. of shares)</b>	<b>10,625,555</b>	<b>10,625,555</b>	<b>27,653,770</b>	<b>27,456,690</b>	-	-	-	-	-	-
SPPL	1,929,655	1,929,655	-	-	-	-	-	-	-	-
SISPL	8,695,900	8,695,900	-	-	-	-	-	-	-	-
USPL	-	-	27,653,770	27,456,690	-	-	-	-	-	-

## 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

(Rs. Lacs)

Particulars	Sugar		Alcohol		Elimination		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Segment revenue</b>										
External sales	80,422.98	78,331.11	7,951.99	8,050.40	-	-	-	-	88,374.97	86,381.51
Inter segment sales	4,442.62	3,549.70	1.96	15.45	(4,444.58)	(3,565.15)	-	-	-	-
Other operating Revenue	475.67	360.60	6.82	7.67	-	-	-	-	482.49	368.27
<b>Total revenue</b>	<b>85,341.27</b>	<b>82,241.41</b>	<b>7,960.77</b>	<b>8,073.52</b>	<b>(4,444.58)</b>	<b>(3,565.15)</b>	-	-	<b>88,857.46</b>	<b>86,749.78</b>
<b>Segment results</b>										
Unallocated expenses (net of income)	(6,427.67)	(4,859.78)	1,209.32	1,331.12	-	-	(1,729.32)	(1,567.93)	(1,729.32)	(1,567.93)
<b>Operating profit/(loss)</b>										
Finance cost	-	-	-	-	-	-	12,480.65	14,180.82	(3,489.03)	(1,960.73)
Exceptional items (net)	-	-	-	-	-	-	-	(1,058.36)	-	(1,058.36)
Provision for taxes	-	-	-	-	-	-	-	-	-	-
- Tax relating to previous year	-	-	-	-	-	-	-	23.34	-	23.34
- Current tax (MAT charged off)	-	-	-	-	-	-	-	-	-	-
- Deferred tax charge / (benefit)	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(loss)</b>									<b>(15,969.68)</b>	<b>(17,223.25)</b>
<b>Other information</b>										
Segment assets	85,652.21	95,418.34	11,153.18	10,830.80	-	-	-	-	96,805.39	106,249.14
Unallocated assets	-	-	-	-	-	-	4,732.44	5,279.36	4,732.44	5,279.36
Investment	-	-	-	-	-	-	38,619.40	37,489.81	38,619.40	37,489.81
<b>Total assets</b>	<b>85,652.21</b>	<b>95,418.34</b>	<b>11,153.18</b>	<b>10,830.80</b>	-	-	<b>43,351.84</b>	<b>42,769.17</b>	<b>140,157.23</b>	<b>149,018.31</b>
Segment liabilities	60,242.64	46,600.47	997.10	858.08	-	-	-	-	61,239.74	47,458.55
Shares capital and reserves	-	-	-	-	-	-	(32,616.55)	(16,346.40)	(32,616.55)	(16,346.40)
Secured and unsecured loans	-	-	-	-	-	-	104,575.43	111,703.07	104,575.43	111,703.07
Unallocated liabilities	-	-	-	-	-	-	6,958.61	6,203.09	6,958.61	6,203.09
<b>Total liabilities</b>	<b>60,242.64</b>	<b>46,600.47</b>	<b>997.10</b>	<b>858.08</b>	-	-	<b>78,917.49</b>	<b>101,559.76</b>	<b>140,157.23</b>	<b>149,018.31</b>
Capital expenditure	586.85	876.38	31.88	97.14	-	-	31.31	15.87	650.04	989.40
Depreciation and amortization expense (net of revaluation reserve)	1,723.60	2,240.35	430.65	479.84	-	-	66.79	75.21	2,221.04	2,795.41
Non cash expenses other than depreciation #	794.13	1,257.05	0.02	22.74	-	-	209.91	0.25	1,004.06	1,280.04

# Loss on sale of fixed assets, bad debts and advances written off, provision for doubtful debts and advances and exceptional item.

13. As at March 31, 2015 outstanding export obligation against advance license scheme (ALS) is 11,616 metric tons (previous year 17,897 metric tons). The management is confident that the export obligation shall be fully met and possible loss expected in complying with such obligation has been accounted for in the financial statements.
14. A vessel carrying raw sugar purchased by the Company sank in July 2009 for which an insurance claim was repudiated against cargo insurers. Subsequent to completion of recovery proceedings against ship owner, the Company is continuing to pursue its ongoing legal proceedings against the Cargo insurers for balance claim amount of Rs. 768.96 lacs. However, as abundant caution, management has provided the amount in the financial statement.
15. Exceptional item of Rs. 1,058.36 lacs in the previous year represents write off of inventory shortage arising due to irregularities/ misappropriation committed by certain former senior executives of the Company against whom legal proceedings are in progress.
16. With effect from April 1, 2014, depreciation on the opening block of assets has been provided as per the useful life prescribed in Schedule II of the Companies Act 2013. Consequent thereto, depreciation charge for the year is lower by Rs. 510.56 lacs and depreciation amounting to Rs.169.91 lacs (net of revaluation reserve of Rs. 124.52 lacs) has been adjusted from the opening balance of retained earnings. As regards additions during the year, depreciation has been charged as per the Schedule II of the Act.
17. The Company follows Accounting Standard (AS-22) "Accounting for taxes on income", and in consideration of prudence, has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses, as at March 31, 2015 only to the extent of deferred tax liability on difference between book balance and tax balance of fixed assets of Rs. 8,119.91 lacs (previous year Rs. 8,161.56 lacs) out of total deferred tax assets of Rs. 22,616.59 lacs (previous year Rs. 18,019.03 lacs).
18. (a) The following are the particulars of disputed dues on account of sales tax (trade tax) and excise duty matters that have not been deposited by the Company as at March 31, 2015.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount* involved (Rs. lacs)	Amount paid under protest (Rs. lacs)
U. P. Trade Tax Act	Trade tax	Trade Tax Appellate Tribunal	1984-1985	0.43	0.43
			1995-1996	3.18	-
Central Excise Act	Excise Duty	Commissioner (Appeals)	2006-2007	390.99	45.03
			2012-2013	5.58	-
		Customs, Excise & Service tax Appellate Tribunal	2002-2003	0.70	0.70
			2004-2005	0.28	0.28
			2005-2006	2.77	2.77
			2010-2011	9.37	6.56
			2007-2011	0.37	-
		High Court, Allahabad	1979-1980	11.01	11.01
			2005-2006	2.78	-
Finance Act, 1994	Service Tax	Customs, Excise & Service tax Appellate Tribunal	2006-2007	83.06	14.87
State Excise Act	Excise Duty	High Court, Allahabad	2001-2002	9.26	-

\* Amount as per demand orders including interest and penalty wherever indicated in order.

- (b) In the following instances the concerned statutory authority is in appeal against favorable orders received by the Company.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. lacs)
Central Excise Act	Excise Duty	Customs, Excise & Service tax Appellate Tribunal	2008-09	71.69
U.P. Trade Tax Act	Trade Tax	High Court, Allahabad	1995-96	9.92
		High Court, Allahabad	1996-97	59.96
Finance Act, 1994	Service tax	Customs, Excise & Service tax Appellate Tribunal	2006-07	0.42

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.

#### 19. Disclosure related to Joint venture:

Name	Country of incorporation	Nature of interest	Percentage of ownership as at	
			March 31, 2015	March 31, 2014
Uniwold Sugars Private Limited	India	Equity share holding	50%	50%

Uniwold Sugars Private Limited is a 50:50 Jointly controlled entity between E D & F Man Holdings BV, The Netherlands (EDFM) 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, 2015 and Income and Expenditure for the year ended March 31, 2015 (Without elimination of the effect of transactions between the Company and the joint venture) are given below:

Description	(Rs. lacs)	
	As at March 31, 2015 (Based on ownership interest of 50%)	As at March 31, 2014 (Based on ownership interest of 50%)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Fixed assets	13,501.47	11,736.63
Long term loan and advances	59.58	70.89
<b>Current Assets</b>		
Current Investment	122.28	1.72
Inventories	4,350.35	517.27
Cash and bank balances	1,445.15	613.34
Short term loan and advances	643.64	838.48
Other current asset	33.69	3.03
<b>LIABILITIES</b>		
<b>Non Current Liabilities</b>		
Long term borrowing	3,758.06	4,000.00
Long term provision	14.40	8.71
<b>Current Liabilities</b>		
Short term borrowing	2,304.28	239.19
Trade payable	554.53	145.42
Other current liabilities	8,070.63	2,231.68
Short term provision	3.80	1.32
	<b>Year ended</b>	<b>Year ended</b>
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>INCOME</b>		
Revenue from operations (Net)	11,798.09	-
Other income	91.86	7.00

EXPENSES		
Cost of material consumed	11,683.66	-
Purchase of stock in trade (traded goods)	-	28.58
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,237.05)	(28.58)
Employee benefit expenses	239.13	4.13
Finance cost	714.12	0.03
Depreciation and amortization expense	548.95	-
Others expenses	1,995.73	22.43
Note : Capital Commitments	37.12	195.45

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

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

(c) Over the last few years, the Company has been incurring cash losses due to which its net worth has been eroded and its current liabilities are significantly higher than its current assets. The Uttar Pradesh based sugar companies have been facing financial difficulties on account of higher sugar cane prices, lower realization of sugar and high finance cost in last 3-4 years. In the previous years, the Company has implemented various initiatives which included business and financial restructuring of its business divisions into new SPVs and planned growth in operations and disinvestments of the shares in such SPVs, etc. for de-risking its

businesses and improving its financial position. Also, the State and Central Government, recognizing the importance of the sugar industry are taking necessary steps as in the previous year to strengthen the sugar industry. In view of the above and also considering the Scheme as stated in Note 20 (a) above, these financial results have been prepared by the Company on a going concern basis.

## 21. Employee Benefits

The Company has classified the various benefits provided to employees as under:-

### a) Defined contribution plans:

- Superannuation fund
- Provident fund

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

	Current year	Previous year
- Employers' Contribution to Provident Fund	292.21	293.27
- Employers' Contribution to Superannuation Fund	14.61	19.77

### 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:

	Gratuity (Funded)		Compensated absences (Not Funded)	
	2014-15	2013-14	2014-15	2013-14
Discount rate (per annum)	8%	8%	8%	8%
Future salary increase	5%	5%	5%	5%
Expected rate of return on plan assets	8%	8%	N/A	N/A
In service mortality	#	#	#	#
<b>I. Expense recognized in profit and loss account</b>				
Current service cost	131.52	127.71	47.22	46.48
Interest cost	102.89	60.31	17.43	12.09
Expected return on plan assets	(72.03)	(69.29)	-	-
Net actuarial (gain)/loss recognized in the year	(158.84)	420.65	25.72	85.77
<b>Total expense</b>	<b>3.54</b>	<b>539.38</b>	<b>90.37</b>	<b>144.34</b>
<b>II Net asset/(liability) recognized in the balance sheet as at the end of the year</b>				
Present value of Defined benefits obligation	1,391.93	1,336.27	280.00	246.18
Fair value of plan assets	(933.14)	(867.52)	-	-
Funded status [surplus/(deficit)]	(458.79)	(468.75)	(280.00)	(246.18)
<b>Net asset/(liability) as at the end of the year</b>	<b>(458.79)</b>	<b>(468.75)</b>	<b>(280.00)</b>	<b>(246.18)</b>
Current	(458.79)	(468.75)	59.40	54.20
Non current	-	-	220.60	191.98
<b>III Change in the present value of obligation during the year</b>				
Present value of the obligation as at the beginning of the year	1,336.27	796.91	246.18	200.48
Interest cost	102.89	60.31	17.43	12.09
Current service cost	131.52	127.71	47.22	46.48
Benefits paid	(100.35)	(86.19)	(56.55)	(98.64)
Actuarial (gains)/losses on obligation	(78.40)	437.53	25.72	85.77
<b>Present value of obligation as at the end of the year</b>	<b>1,391.93</b>	<b>1,336.27</b>	<b>280.00</b>	<b>246.18</b>

<b>IV Change in fair value of plan assets during the year</b>				
Fair value of plan assets as at the beginning of the year	867.52	864.78	-	-
Expected return on plan assets	72.03	69.29	-	-
Contributions	13.50	2.75	-	-
Benefits paid	(100.35)	(86.19)	-	-
Actuarial gains/(losses)	80.44	16.89	-	-
<b>Fair value of plan assets as at the end of the year</b>	<b>933.14</b>	<b>867.52</b>	-	-
<b>V Detail of plan Assets</b>	<b>Funded with ICICI*</b>		<b>NA</b>	

# Indian Assured Lives Mortality (2006-08) Ultimate

\* The plan assets are maintained with ICICI Prudential Life Insurance Company Ltd. The details of investments maintained by the ICICI Prudential Life Insurance Company Ltd have not been made available to the Company and have therefore not been disclosed.

The Company's best estimate of contributions expected to be paid during the annual year beginning after balance sheet date is Rs. 1,391.93 lacs for gratuity and Rs. 280.00 lacs for Compensated absences.

Disclosure relating to present value of defined benefit obligation and fair value of plan assets and net actuarial gain/ loss (Experience Adjustments):

Particulars	Gratuity (Funded)					Compensated absences (Non funded)				
	2014-15	2013-14	2012-13	2010-12	2009-10	2014-15	2013-14	2012-13	2010-12	2009-10
Present value of obligation as at the end of the year	1,391.93	1,336.27	796.91	872.69	949.49	280.00	246.18	200.48	146.84	167.57
Fair value of plan assets as at the end of the year	933.14	867.52	864.78	763.34	768.23	-	-	-	-	-
Net asset/(liability) recognized in the balance sheet	(458.79)	(468.75)	67.87	(109.35)	(181.26)	(280.00)	(246.18)	(200.48)	(146.84)	(167.57)
Net actuarial (gain)/loss recognized	(158.84)	420.65	(112.55)	(24.27)	(38.15)	25.72	85.77	120.29	50.01	59.94

## 22. Earnings per share

	(Rs. lacs)	
	Current Year	Previous Year
I. Profit/(loss) after tax and exceptional items as per Statement of Profit and Loss	(15,969.68)	(17,223.25)
Preference Share dividend (inclusive of tax thereon)	302.53	297.53
Profit/(loss) after tax and exceptional item (A)	(16,272.21)	(17,520.78)
Less: Exceptional Items net of taxes of Rs. Nil (previous year Rs. Nil)	-	(1,058.36)
Profit/(loss) after tax and before exceptional items (B)	(16,272.21)	(16,462.42)
II. Weighted average number of equity shares outstanding (Par value Rs. 10 per share)		
(i) For basic earnings per share (Nos.) (C)	28,228,810	28,228,810
(ii) For diluted earnings per share (Nos.)		
Shares for basic earnings per share as per II (i) (Nos.)	28,228,810	28,228,810
Shares for diluted earnings per share (Nos.) (D)	28,228,810	28,228,810
III. Earnings per share (Rs.)		
- Basic / diluted EPS before exceptional item (B/C)	(57.64)	(58.32)
- Basic / diluted EPS after exceptional item (A/D)	(57.64)	(62.07)

## 23. Auditors' remuneration (excluding service tax):

- Statutory audit	21.00	21.00
- Consolidated financial statements	5.00	5.00
- Limited review of unaudited financial results	37.50	37.50
- Transfer pricing fees	3.75	7.50
- Certification and others	13.00	-
- Reimbursement of out of pocket expense for statutory audit and others	0.88	1.43

## 24. Income in foreign currency (export on FOB basis)

	2,297.72	1,990.92
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## 25. Expenditure in foreign currency

- Travelling	3.29	-
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## 26. Statement of additional information

### (a) Particulars of stocks and sales

Description	Stocks (Rs. in lacs)				Sales (Rs. lacs)	
	Opening		Closing		Current year	Previous year
	Current year	Previous year	Current year	Previous year		
<b>(i) Manufactured</b>						
Sugar	38,279.06	42,641.65	28,765.69	38,279.06	76,550.43	75,046.39
Rectified spirit and country spirit	827.08	650.00	684.17	827.08	4,710.99	4,403.90
Denatured spirit	259.33	155.41	939.89	259.33	3,118.49	3,568.64
Power	-	24.04	-	-	-	-
Others	2,360.45	2,324.11	1,506.67	2,360.45	3,332.24	3,343.54
<b>Total manufactured</b>	<b>41,725.92</b>	<b>45,795.21</b>	<b>31,896.42</b>	<b>41,725.92</b>	<b>87,712.15</b>	<b>86,362.47</b>
<b>(ii) Traded</b>						
Sugar	-	-	211.13	-	662.82	19.04
<b>Total traded</b>	<b>-</b>	<b>-</b>	<b>211.13</b>	<b>-</b>	<b>662.82</b>	<b>19.04</b>
<b>Total (i) and (ii)</b>	<b>41,725.92</b>	<b>45,795.21</b>	<b>32,107.55</b>	<b>41,725.92</b>	<b>88,374.97</b>	<b>86,381.51</b>

### (b) Detail of work-in-progress:

Description	Current year (Rs. lacs)	Previous year (Rs. lacs)
Sugar	667.74	1,238.51
Rectified spirit, country spirit and denatured spirit	57.98	33.71
<b>Total</b>	<b>725.72</b>	<b>1,272.22</b>

### (c) Details of raw materials:

Description	Current year (Rs. lacs)	Previous year (Rs. lacs)
<b>Opening stock</b>	1,035.64	4,856.53
<b>Add: Purchases</b>	65,446.18	64,855.38
<b>Less: Closing stock</b>	1,440.75	1,035.64
<b>Cost of materials consumed</b>	<b>65,041.07</b>	<b>68,676.27</b>
<b>Raw materials consumed comprise:</b>		
<b>(i) Indigenous</b>		
Sugar cane	64,159.77	63,708.16
Molasses	700.79	1,857.19
Others	180.51	14.62
	<b>65,041.07</b>	<b>65,579.97</b>
<b>(ii) Imported</b>		
Raw sugar	-	3,096.30
	-	<b>3,096.30</b>
<b>Total</b>	<b>65,041.07</b>	<b>68,676.27</b>

**(d) Purchase of stock in trade:**

Description	Current year (Rs. in lacs)	Previous year (Rs. in lacs)
Sugar	1,335.50	19.08
<b>Total</b>	<b>1,335.50</b>	<b>19.08</b>

**(e) Stores and spares consumed:**

Description	Current year (Rs. in lacs)	Previous year (Rs. in lacs)
Indigenous	3,414.42	3,836.34
Imported	-	-
<b>Total</b>	<b>3,414.42</b>	<b>3,836.34</b>

**27. Foreign Currency exposures that are not hedged by derivative instruments or otherwise are as follows:**

Particulars	Current year		Previous year	
	Amount in foreign currency (USD lacs)	Amount (Rs. lacs)	Amount in foreign currency (USD lacs)	Amount (Rs. lacs)
Trade Receivables	7.00	438.32	3.15	174.13

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

Signatures to Notes 1 to 28.

Gurmit Singh Mann      Guralp Singh  
Chairman                    Managing Director  
DIN - 00066653            DIN - 00064807

Gursimran Kaur Mann      Sanjay Tapiya  
Managing Director            Chief Financial Officer  
DIN - 00642094              DIN - 00064703

Sachchida Nand Misra      Anshul Jain                    Kamal Samtani  
Chief Operating Officer      GM- Finance                  Company Secretary  
DIN -06714324                  FCA - 505973                  FCS - 5140

Place : Noida  
Date : May 30, 2015

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIMBHAOLI SUGARS LIMITED

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SIMBHAOLI SUGARS LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and 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 these 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, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its 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 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 misstatement, 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 thereunder.

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 consolidated financial statements are free from material misstatement.

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 misstatement 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to:

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

Our opinion is not modified in respect of these matters.

## Other Matter

We did not audit the financial statements of the subsidiaries viz., Simbhaoli Global Commodities DMCC and Simbhaoli Specialty Sugar Private Limited, whose financial statements reflect total assets of Rs. 208 lacs as at March 31, 2015, total revenues of Rs. 416 lacs and net cash inflows amounting to Rs. 2 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been

audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and jointly controlled entity incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial 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 matter described in sub-paragraph (1) 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, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled entity incorporated in India, none of the directors of the Group company and its jointly controlled entity incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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. Refer Note 4 and Note 20 to the consolidated financial statements.
  - ii. The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies and jointly controlled entity incorporated in India.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

**Jaideep Bhargava**  
Partner  
(Membership No. 090295)

GURGAON  
May 30, 2015

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes one subsidiary company incorporated in India, to which the Order is applicable, which have been audited by other auditor and our report in respect of this entity is based solely on the report of the other auditor, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company, subsidiary companies and a jointly controlled entity incorporated in India:
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification
- (ii) In respect of the inventories of the Holding Company, subsidiary companies and a jointly controlled entity incorporated in India:
  - (a) (1) As explained to us, (other than a subsidiary referred to in (ii)(a)(2) below) the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals except for stock lying with third parties for a subsidiary viz., Simbhaoli Spirits Limited, where out of

which, in our opinion and opinion of the other auditor provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us and the other auditor, no material discrepancies were noticed on such verification.

inventories aggregating Rs. 289 lacs as at year end, confirmations have been received in case of inventories aggregating Rs. 139 lacs.

- (2) In case of a subsidiary viz., Simbhaoli Speciality Sugar Private Limited, the entity does not have any inventory and therefore, provisions of clause 3(ii) of the Companies (Auditor's Report) Order, 2015 are not applicable to these subsidiaries. As regards Integrated Casetech Consultants Private Limited, in terms of supply arrangements under the contracts entered with the customers, goods purchased by the entity are directly transported to them by the supplier. Accordingly, there are no inventories as at year end.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the respective entities (other than those reported in (ii) (a)(2) above) were reasonable and adequate in relation to the size of the respective entities and the nature of their business except in respect of the jointly controlled entity, where procedures of physical verification of raw sugar inventory needs to be strengthened.
- (c) In our opinion and according to the information and explanations given to us, the respective entities have maintained proper records of their inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) The Holding Company, subsidiary companies and a jointly controlled entity incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- (iv) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, there is an adequate internal control system in the Holding Company, subsidiary companies and a jointly controlled entity incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our and the other auditor audit, no major weaknesses in such internal control system has been observed.
- (v) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the Holding Company, subsidiary companies and a jointly controlled entity incorporated in India have not accepted any deposit during the year.
- (vi) (a) According to the information and explanations given to us, in our opinion, the Holding Company, subsidiary companies (other than those referred to in (vi) (b) below) and a jointly controlled entity incorporated in India, have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Section 148(1) of the Companies Act, 2013. Neither we nor the other auditor have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (b) In the case of two subsidiaries viz. Integrated Casetech Consultants Private Limited and Simbhaoli Speciality

Sugar Private Limited, we and the other auditor have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 are not applicable.

- (vii) According to the information and explanations given to us and the other auditor, in respect of statutory dues of the Holding Company, subsidiary companies and a jointly controlled entity incorporated in India:

- (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities other than the Holding Company which has not been regular in depositing dues of Provident Fund, Income-tax, Service Tax, Customs Duty, Excise Duty and Cess and a subsidiary viz., Simbhaoli Speciality Sugar Private Limited which has not been regular in depositing dues of Income-tax and Service Tax with the appropriate authorities.

As explained to us, the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Group and a jointly controlled entity. In the case of following subsidiaries viz. Integrated Casetech Consultants Private Limited, Simbhaoli Spirits Limited, Simbhaoli Power Private Limited and a jointly controlled entity, the operations of these companies during the year did not give rise to any dues in respect of Wealth Tax and Cess. In case of Simbhaoli Power Private Limited, the operations of the company during the year also did not give rise to any dues in respect of Customs Duty, Excise Duty and Value Added Tax.

- (b) Apart from Provident fund (excluding interest thereon) aggregating to Rs. 1.94 lacs payable by a subsidiary viz., Integrated Casetech Consultants Private Limited, there were no undisputed amounts payable by the respective entities in respect of Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (c) Details of dues of Sales Tax (Trade Tax), Excise Duty, Service Tax and Value Added Tax which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved* (Rs. lacs)	Amount paid under protest (Rs. lacs)
U. P. Trade Tax Act, 1948	Trade tax	Trade Tax Appellate Tribunal	1984-1985	0.43	0.43
		Appellate authority up to Commissioner's Level	1995-1996	3.18	-
			2005-06	6.16	3.10
Kerala General Sales Tax Act, 1963	Trade Tax	Appellate authority up to Commissioner's Level	2000-01	2.17	1.08
Central Excise Act	Excise Duty	Commissioner (Appeals)	2006-2007	390.99	45.03
		Customs, Excise & Service tax Appellate Tribunal	2012-2013	5.58	-
			2002-2003	0.70	0.70
		2004-2005	0.28	0.28	
			2005-2006	2.77	2.77
		2010-2011	9.37	6.56	
		2007-2011	0.37	-	
Finance Act, 1994	Service Tax	High Court, Allahabad	2005-2006	2.78	-
		Customs, Excise & Service tax Appellate Tribunal	1979-1980	11.01	11.01
			2006-2007	83.06	14.87
State Excise Duty	Excise Duty	High Court, Allahabad	2001-2002	9.26	-

\*Amount as per demand orders including interest and penalty wherever indicated in the demand.

Further, in respect of following matters, the concerned authority is in appeal against favourable orders received by the Holding Company:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. lacs)
Central Excise Act	Excise Duty	Customs, Excise & Service tax Appellate Tribunal	2008-09	71.69
		High Court, Allahabad	1995-1996	9.92
U. P. Trade Tax Act, 1948	Trade tax	High Court, Allahabad	1996-97	59.96
Finance Act, 1994	Service tax	Customs, Excise & Service tax Appellate Tribunal	2006-07	0.42

We have been further informed that there are no dues in respect of Income-tax, Wealth Tax, Customs Duty, and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities.

(d) The Holding Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time. There are no amounts that are due to be transferred by the subsidiary companies and a jointly controlled entity to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

(viii) The consolidated accumulated losses of the Group and its jointly controlled entity at the end of the financial year are not less than fifty percent of consolidated net worth and the Group and its jointly controlled entity have incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, Holding Company, one subsidiary company, viz., Simbhaoli Spirits Limited and a jointly controlled entity incorporated in India has delayed repayment of dues to banks and financial institutions in respect of term loans, working capital demand loans and interest liabilities.

The following are the details of the delays:

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

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

(x) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the terms and conditions of the guarantees given by the Holding Company for loans taken by others from banks are not, prima facie, prejudicial to the interests of the holding company and no such guarantees have been given by subsidiary companies and a jointly controlled entity incorporated in India.

(xi) (a) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company, subsidiaries companies (other than those referred to in (xi) (b) below) and jointly controlled entity incorporated in India during the year for the purposes for which they were obtained other than temporary deployment of such loans pending application by a subsidiary, viz., Simbhaoli Power Private Limited.

(b) In the case of following subsidiaries, viz., Simbhaoli Spirits Limited, Simbhaoli Speciality Sugar Private Limited and Integrated Casetech Consultants Private Limited, the entities have not taken any term loans during the year and therefore, the provisions of clause 3 (xi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the respective entities.

(xii) To the best of our knowledge and according to the information and explanations given to us and the other auditor, no fraud by the Holding Company, its subsidiary companies and a jointly controlled entity incorporated in India and no material fraud on the Holding Company, its subsidiary companies and a jointly controlled entity incorporated in India has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

GURGAON  
May 30, 2015

**Jaideep Bhargava**  
Partner  
(Membership No. 090925)

**SIMBHAOLI SUGARS LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT MARCH 31, 2015**

	Notes	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3.1	6,035.88	6,035.88
Reserves and surplus	3.2	(77,072.08)	(54,471.79)
		<u>(71,036.20)</u>	<u>(48,435.91)</u>
<b>Minority interest</b>		2,422.64	2,444.24
<b>Non-current liabilities</b>			
Long-term borrowings	3.3	22,397.99	16,209.16
Other long-term liabilities	3.4	-	38.64
Long-term provisions	3.5	359.04	296.61
		<u>22,757.03</u>	<u>16,544.41</u>
<b>Current liabilities</b>			
Short-term borrowings	3.6	91,305.54	99,419.52
Trade payables	3.7	61,360.10	48,382.59
Other current liabilities	3.8	29,797.35	19,551.38
Short-term provisions	3.9	598.67	662.18
		<u>183,061.66</u>	<u>168,015.67</u>
<b>Total</b>		<u>137,205.13</u>	<u>138,568.41</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	3.10	64,138.44	49,195.21
Intangible assets		20.68	9.07
Capital work in progress		2,535.77	12,987.32
		<u>66,694.89</u>	<u>62,191.60</u>
Pre-operative expenditure pending allocation	3.11	521.61	3,201.93
Goodwill on consolidation		1,699.00	1,600.00
Non-current investments	3.12	2.26	1.76
Deferred tax assets	3.13	59.84	952.31
Long-term loans and advances	3.14	2,581.28	1,988.35
		<u>71,558.88</u>	<u>69,935.95</u>
<b>Current assets</b>			
Current investments	3.15	336.36	1.72
Inventories	3.16	41,160.07	47,650.10
Trade receivables	3.17	7,963.96	7,346.60
Cash and cash equivalents	3.18	4,058.59	6,637.82
Short-term loans and advances	3.19	5,733.35	5,094.86
Other current assets	3.20	6,393.92	1,901.36
		<u>65,646.25</u>	<u>68,632.46</u>
<b>Total</b>		<u>137,205.13</u>	<u>138,568.41</u>

Significant accounting policies and Notes to the consolidated accounts 1 to 26

In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Gurpal Singh  
Managing Director  
DIN -00064807

Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

Sanjay Tapriya  
Chief Financial Officer  
DIN -00064703

Jaideep Bhargava  
Partner

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

Anshul Jain  
GM- Finance  
FCA - 505973

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Gurgaon  
Date : May 30, 2015

Place: Noida  
Date : May 30, 2015

**SIMBHAOLI SUGARS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE**  
**YEAR ENDED MARCH 31, 2015**

	Notes	Year ended March 31, 2015 Rs. lacs	Year ended March 31, 2014 Rs. lacs
<b>Revenue from operations</b>			
Sale of products	3.21	105,225.70	122,742.45
Less: Excise duty		<u>3,317.26</u>	<u>26,986.32</u>
		101,908.44	95,756.13
Sale of services	3.22	1,880.21	2,188.39
Other operating revenues	3.23	407.65	240.41
<b>Revenue from operations</b>		<u>104,196.30</u>	<u>98,184.93</u>
Other income	3.24	714.51	484.85
<b>Total Revenue</b>		<u><b>104,910.81</b></u>	<u><b>98,669.78</b></u>
<b>Expenses</b>			
Cost of materials consumed	3.25	77,487.81	70,987.92
Purchases of stock-in-trade	3.26	1,463.17	1,451.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.27	8,885.48	4,125.42
Employee benefits expense	3.28	6,209.90	6,410.53
Finance costs	3.29	14,677.90	14,804.15
Depreciation and amortization expense	3.30	3,535.96	4,144.38
Other expenses	3.31	<u>13,531.85</u>	<u>15,432.97</u>
<b>Total Expenses</b>		<u><b>125,792.07</b></u>	<u><b>117,356.93</b></u>
<b>Loss before exceptional items and tax</b>		(20,881.26)	(18,687.15)
Exceptional items	21	500.00	1,058.36
<b>Loss before tax</b>		<u><b>(21,381.26)</b></u>	<u><b>(19,745.51)</b></u>
Tax expense:-			
Tax expense:-			
Tax relating to previous year		14.01	23.64
Current tax		70.41	105.13
Deferred tax charge/ (benefit)		<u>892.69</u>	<u>(952.06)</u>
		<u><b>(22,358.37)</b></u>	<u><b>(18,922.22)</b></u>
Minority interest		(293.54)	(927.78)
<b>Loss after tax and minority interest</b>		<u><b>(22,064.83)</b></u>	<u><b>(17,994.44)</b></u>
<b>Earnings per equity share-basic/diluted (Rs.)</b>			
Basic/ Diluted before exceptional items	12	(77.48)	(61.05)
Basic/ Diluted after exceptional items		(79.25)	(64.80)

Significant accounting policies and Notes to the consolidated accounts 1 to 26

In terms of our report attached

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

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Gurpal Singh  
Managing Director  
DIN -00064807

Gursimran Kaur Mann  
Managing Director  
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Sanjay Tapriya  
Chief Financial Officer  
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Jaideep Bhargava  
Partner

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

Anshul Jain  
GM- Finance  
FCA - 505973

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Gurgaon  
Date : May 30, 2015

Place: Noida  
Date : May 30, 2015

**SIMBHAOLI SUGARS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT OF SIMBHAOLI SUGARS LIMITED**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	Year ended March 31, 2015 Rs. lacs	Year ended March 31, 2014 Rs. lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit/(loss) before tax and exceptional items	(20,881.26)	(18,687.15)
Adjustments for:		
Depreciation and amortisation(net of revaluation reserve)	3,535.96	4,144.38
Fixed Assets written off	37.32	-
Finance Cost	14,677.90	14,804.15
Profit on sale of non trade unquoted current investment	(22.64)	(1.72)
Loss/(Profit) on sale of fixed assets (net)	14.17	20.61
Interest income	(266.26)	(312.18)
Transfer from Capital-grant-in-aids'	(7.27)	(7.11)
<b>Operating profit/(loss) before working capital changes</b>	<b>(2,912.08)</b>	<b>(39.02)</b>
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(6,275.49)	4,257.28
Short term and long term loan and advances	(4,689.89)	541.74
Other Current Assets	(17,178.60)	14,872.36
Inventories	6,490.03	7,702.67
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	18,910.48	4,994.57
Other current liabilities	16,131.61	(14,783.06)
Short term and long term provisions	(23.24)	179.26
<b>Cash (used in)/generated from operations</b>	<b>10,452.82</b>	<b>17,725.80</b>
Direct taxes (paid)/ refund	(392.00)	(365.01)
<b>Net Cash flow from operating activities before exceptional items</b>	<b>10,060.82</b>	<b>17,360.79</b>
Exceptional item	(500.00)	-
<b>Net cash (used in) / from operating activities</b>	<b>9,560.82</b>	<b>17,360.79</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(5,988.76)	(10,913.68)
Sale of fixed assets	213.62	149.82
Investment made in government securities	(0.50)	-
Purchase of mutual funds	(1,895.00)	(250.00)
Sale of mutual funds	1,583.00	250.00
Change in margin money	994.91	793.16
Interest received	1,337.71	(889.91)
Capital grant in aid received	-	120.00
<b>Net cash (used in)/from investing activities</b>	<b>(3,755.02)</b>	<b>(10,740.61)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of equity shares to minority shareholders	320.00	2,256.04
Proceeds from long term borrowings	13,564.43	3,764.74
Repayment of long term borrowings	(4,737.85)	(5,280.14)
Changes in short term borrowing	(4,191.62)	(2,296.63)
Share Application Money pending for allotment	106.68	146.21
Finance Cost	(12,452.35)	(10,862.22)
Dividend paid	-	(10.70)
Tax on dividend	-	(1.91)
Foreign currency Translation	(0.65)	-
Contribution toward charity reserve received	1.23	1.84
<b>Net cash (used in)/from financing activities</b>	<b>(7,390.13)</b>	<b>(12,282.77)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,584.33)</b>	<b>(5,662.59)</b>
<b>E. Cash and cash equivalents (opening balance)</b>	<b>3,554.16</b>	<b>9,216.75</b>
<b>F. Cash and cash equivalents (closing balance) (Refer note 3.18) (D+E)</b>	<b>1,969.83</b>	<b>3,554.16</b>

The above Cash flow statement has been prepared under the "indirect method" set out in Accounting Standard-3.

In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Gurpal Singh  
Managing Director  
DIN -00064807

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Anshul Jain  
GM- Finance  
FCA - 505973

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Gurgaon  
Date : May 30, 2015

Place: Noida  
Date : May 30, 2015

## NOTES TO THE CONSOLIDATED ACCOUNTS

### 1. Background

Simbhaoli Sugars Limited ('the Company') is a public limited company registered with Registrar of Companies, Kanpur Uttar Pradesh on 29th June 1936. The Company has three sugar complexes - Simbhaoli (western Uttar Pradesh), Chilwaria (eastern Uttar Pradesh) and Brijnathpur (western Uttar Pradesh) having an aggregate crushing capacity of 19,500 TCD. The Company is technology driven with a business mix that spans from refined (sulphurless) sugar, specialty sugars, extra neutral alcohol (ENA), ethanol, bio-manure and technology consultancy. 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	Business
1.	Simbhaoli Spirits Limited (SISPL)	Potable Alcohol business
2.	Simbhaoli Power Private Limited (SPPL)	Generation of green power
3.	Integrated Casetech Consultants Private Limited (ICCPL)	Consultancy business
4.	Simbhaoli Global Commodities DMCC (DMCC)	Trading of sugar & alcohol
5.	Uniwold Sugars Private Limited (USPL)	Raw sugar refinery
6.	Simbhaoli Speciality Sugars Private Limited (SSSPL)	Packaging

### 2. Basis of consolidation and significant accounting policies

#### i) Basis of accounting and preparation of Consolidated financial statements

'The Consolidated financial statements of the Company and its subsidiaries and joint controlled entity (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 2014, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 2(vii) below.

#### 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.

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

B) The financial statement of the subsidiary companies/ joint controlled entity is drawn up to the same reporting date as of the Company, i.e. year ended March 31, 2015.

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

Name of Company	Country of incorporation	% voting power held as at March 31, 2015	% voting power held as at March 31, 2014
Simbhaoli Spirits Limited	India	100.00	99.99
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	-

D) The joint controlled entity considered in the consolidated financial statements is:

Name of Company	Country of incorporation	% voting power held as at March 31, 2015	% voting power held as at March 31, 2014
Uniwold Sugars Private Limited	India	50.00	50.00

#### iii) Use of Estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the

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

**iv) Fixed assets**

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

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

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

**vii) Depreciation/Amortisation**

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

B) In respect of other assets, the depreciation is provided by applying the following method at the rates specified in Schedule II to the Companies Act, 2013 :

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

and office equipment/  
furniture and fixtures/ motor  
lorries and vehicles

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

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

**viii) Investments**

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

**ix) Inventories**

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

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

**x) Cash and cash equivalent**

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

**xi) State excise duty**

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

**xii) Employee benefits**

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

**xiii) Revenue recognition**

Sales are recognized on transfer of significant risk and

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

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

Management fees income is accrued as per contractual terms.

**xiv) Other income**

Interest income is recognized on a time proportion basis.

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

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

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

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

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

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

**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 Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is

added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active / continuous development on the qualifying assets is interrupted.

**xvii) Government grants and Export Incentives.**

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

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

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

**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. (Refer note 19)

**xix) Securities issue expenses**

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

**xx) Provisions and contingencies**

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

**xxi) Operating Cycle**

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

3.1 SHARE CAPITAL

	As at March 31, 2015 (No. of Shares)	As at March 31, 2015 Rs. lacs	As at March 31, 2014 (No. of Shares)	As at March 31, 2014 Rs. lacs
<b>Authorized</b>				
Equity shares of Rs. 10 each with voting rights	35,000,000	3,500.00	35,000,000	3,500.00
8% cumulative redeemable preference share of Rs. 100 each	4,000,000	4,000.00	4,000,000	4,000.00
	<b>39,000,000</b>	<b>7,500.00</b>	<b>39,000,000</b>	<b>7,500.00</b>
<b>Issued</b>				
Equity shares of Rs. 10 each with voting rights	28,433,435	2,843.34	28,433,435	2,843.34
8% cumulative redeemable preference shares of Rs. 100 each	3,200,000	3,200.00	3,200,000	3,200.00
	<b>31,633,435</b>	<b>6,043.34</b>	<b>31,633,435</b>	<b>6,043.34</b>
<b>Subscribed and paid up</b>				
Equity shares of Rs. 10 each with voting rights fully paid up	28,228,810	2,822.88	28,228,810	2,822.88
Add: Forfeited shares amount originally paid up	204,625	13.00	204,625	13.00
8% cumulative redeemable preference shares of Rs. 100 each fully paid up	3,200,000	3,200.00	3,200,000	3,200.00
	<b>31,633,435</b>	<b>6,035.88</b>	<b>31,633,435</b>	<b>6,035.88</b>

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

Equity shares with voting rights (one per share)

As at beginning of the year/end of the year 28,228,810 2,822.88 28,228,810 2,822.88

8% cumulative redeemable preference shares

As at beginning/end of the year (Refer note 2 below) 3,200,000 3,200.00 3,200,000 3,200.00

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

	As at March 31, 2015 (No. of Shares)	As at March 31, 2015 % Share Holding	As at March 31, 2014 (No. of Shares)	As at March 31, 2014 % Share Holding
<b>Equity shares holders with voting rights</b>				
1 Dholadhar Investments Private Limited	5,596,585	19.83	5,306,585	18.80
2 Mr. Gurmit Singh Mann	3,184,747	11.28	2,284,747	8.09
3 Mr. Guralp Singh	2,053,649	7.28	2,053,649	7.28
4 India Max Investment Fund Limited	1,045,737	3.71	2,239,643	7.93
<b>8% cumulative redeemable preference shares</b>				
1 Dholadhar Investments Private Limited	800,000	25.00	800,000	25.00
2 Pritam Singh Sandhu Associates	400,000	12.50	400,000	12.50
3 Shri Vatsala Traders Private Limited	1,000,000	31.25	1,000,000	31.25
4 Pearl Innovative Marketing Pvt Limited	1,000,000	31.25	1,000,000	31.25

Note :-

1 The Company has issued 3,200,000 (previous year 3,200,000) 8% Cumulative Redeemable Preference shares (CRPS) of Rs 100 each aggregating Rs. 3,200.00 lacs (previous year Rs. 3,200.00 lacs) for consideration other than cash in aggregate in the last five financial years.

2 Arrears of fixed cumulative dividends on 8% cumulative preference shares as at March 31, 2015 Rs. 516.21 lacs (previous year Rs. 260.21 lacs).

3 Rights, preference and restriction attached to shares:

**Equity shares of Rs. 10 each:**

a) Voting right shall be in same proportion as the capital paid upon such equity share.

b) 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.

c) 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.

**8% cumulative redeemable preference shares (CRPS) of Rs. 100 each:**

a) Voting right shall be in same proportion as the capital paid upon such preference share since dividend in respect of these CRPS is outstanding of more than two years.

b) The CRPS shall carry a fixed cumulative dividend coupon rate of 8% and shall be redeemed on the expiry of 12 years from the date of allotment i.e. March 26, 2013

4 Under Simbhaoli Sugars Limited - Employee Stock Option Scheme 2007, the Company has granted :

a) 81,300 options on May 18, 2009 exercisable over a period of three years after vesting on May 18, 2010 at an exercise price of Rs. 39 (including premium of Rs. 29) per option.

b) 5,16,500 options on August 10, 2009 exercisable in three tranches over a period of three years after vesting on August 10, 2010 at an exercise price of Rs. 49 (including premium of Rs. 39) per option.

Note:- No options were exercised during the vesting period therefore balance options have lapsed and have been transferred to the Statement of Profit and Loss during the previous year.

		As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.2 RESERVES AND SURPLUS</b>			
<b>Revaluation reserve</b>			
Opening Balance		158.08	195.50
Less: deduction during the year	(1)	124.52	37.42
		<b>33.56</b>	<b>158.08</b>
<b>Reconstruction reserve</b>			
Opening/Closing Balance		430.16	430.16
		<b>430.16</b>	<b>430.16</b>
<b>Capital grant-in-aid</b>			
Opening Balance		144.96	32.07
Add: Addition during the year	(2)	-	120.00
Less: Utilised during the year	(3)	7.27	7.11
		<b>137.69</b>	<b>144.96</b>
<b>Capital reserve</b>			
Opening/Closing Balance		288.76	288.76
		<b>288.76</b>	<b>288.76</b>
<b>Securities premium account</b>			
Opening/Closing Balance		1,904.36	1,904.36
		<b>1,904.36</b>	<b>1,904.36</b>
<b>Charity Reserve</b>			
Opening Balance		5.38	4.02
Add: Addition during the year	(4)	1.23	1.84
Less: Utilised during the year	(5)	-	0.48
		<b>6.61</b>	<b>5.38</b>
<b>General Reserve</b>			
Opening/Closing Balance		70.87	70.87
		<b>70.87</b>	<b>70.87</b>
<b>Capital reserve on consolidation</b>			
Opening/Closing Balance		84.92	84.92
		<b>84.92</b>	<b>84.92</b>
<b>Foreign currency translation reserve</b>			
Opening Balance		0.01	(0.84)
Add: Addition during the year		(0.66)	0.85
		<b>(0.65)</b>	<b>0.01</b>
<b>Share options outstanding account</b>			
Opening Balance		-	37.11
Less: Transferred to balance in Consolidated Statement of Profit and Loss during the year	(6)		37.11
		-	-
<b>Balance in Statement of Profit and loss</b>			
Opening Balance		(57,559.29)	(39,601.96)
Add: Profit/(loss) during the year		(22,064.83)	(17,994.44)
Amount transferred from Share Options outstanding account	(3)	-	37.11
Amount available for Appropriations:		<b>(79,624.12)</b>	<b>(57,559.29)</b>
Less: Depreciation on transition to Schedule II of the depreciation as per Companies Act 2013	(7)	404.24	-
[net of revaluation reserve of Rs. 124.52 lacs (previous year Nil)]			
		<b>(80,028.36)</b>	<b>(57,559.29)</b>
		<b>(77,072.08)</b>	<b>(54,471.79)</b>

(1) Rs. 124.52 lacs (previous year Rs. 37.42 lacs) transferred to Consolidated Statement of Profit and Loss.

(2) Government grant received during the previous year towards subsidies.

(3) Transferred to Consolidated Statement of Profit and Loss.

(4) Rs.1.23 lacs (previous year Rs. 1.84 lacs) received during the year

(5) Rs. Nil (previous year Rs. 0.48 lacs) disbursed during the year.

(6) Refer foot note 4 of note 3.1.

(7) Refer note 18.

NON-CURRENT LIABILITIES

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.3 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Term loans		
From banks [Refer note 10(A)b]	8,165.30	7,337.83
From others [Refer note 10(A)c]	970.67	2,090.27
<b>Unsecured</b>		
Term loans		
From banks [Refer note 10(B)a]	6,242.90	-
Compulsorily Convertible debentures [Refer note 11]	3,261.06	2,781.06
Total	<u>18,639.93</u>	<u>12,209.16</u>
Share of Joint Venture [Refer note 2(ii) (D)]	3,758.06	4,000.00
	<b><u>22,397.99</u></b>	<b><u>16,209.16</u></b>
<b>3.4 OTHER LONG TERM LIABILITIES</b>		
Interest accrued but not due on loans	-	38.64
	<u>-</u>	<u>38.64</u>
<b>3.5 LONG-TERM PROVISIONS</b>		
Provision for employee benefits Compensated absences	294.44	287.90
Provision for warranties [refer note 24]	50.20	-
Total	<u>344.64</u>	<u>287.90</u>
Share of Joint Venture [Refer note 2(ii) (D)]	14.40	8.71
	<b><u>359.04</u></b>	<b><u>296.61</u></b>
<b>CURRENT LIABILITIES</b>		
<b>3.6 SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Loans repayable on demand		
From banks [Refer note 10(A)a]	41,062.66	47,758.41
	<u>41,062.66</u>	<u>47,758.41</u>
Share of joint venture [refer note 10 (A)a] [(Refer note 2(ii) (D))]	175.00	-
	<u>41,237.66</u>	<u>47,758.41</u>
<b>Unsecured</b>		
Loans repayable on demand		
From banks		
- Book overdraft	146.44	2,610.81
- Other than book overdraft #	47,171.02	47,673.66
From directors	676.57	1,200.61
From shareholders	67.77	-
	<u>48,061.80</u>	<u>51,485.08</u>
Share of Joint Venture [Refer note 2(ii) (D)]	2,006.08	176.03
	<u>50,067.88</u>	<u>51,661.11</u>
	<b><u>91,305.54</u></b>	<b><u>99,419.52</u></b>

# Refer Note 5 and Note 10 (B)b

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.7 TRADE PAYABLES</b>		
Trade payables	60,850.14	48,237.34
Total	60,850.14	48,237.34
Share of Joint Venture [Refer note 2(ii) (D)]	509.96	145.25
	<b>61,360.10</b>	<b>48,382.59</b>
<b>3.8 OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Secured)		
From banks [refer note 10(A)b]	7,770.57	6,456.65
From others [refer note 10(A)c]	2,186.81	1,567.53
Interest accrued but not due on borrowings	2,241.79	162.01
Interest accrued and due on borrowings	4,920.21	5,395.50
Advances received from customers*	626.78	915.68
Security deposits	149.63	149.90
Creditors for capital goods	554.91	405.14
Statutory dues payable	2,697.10	2,231.49
Others miscellaneous payable	578.92	51.01
Total	21,726.72	17,334.91
Share of Joint Venture [Refer note 2(ii) (D)]	8,070.63	2,216.47
	<b>29,797.35</b>	<b>19,551.38</b>
<b>3.9 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	76.43	76.05
Compensated absences	518.44	515.44
Provision for tax	-	69.37
Provision for warranty [Refer note 24]	594.87	660.86
Total	3.80	1.32
Share of Joint Venture [Refer note 2(ii) (D)]	<b>598.67</b>	<b>662.18</b>

\* Includes advance billing to customers Rs.Nil (previous year Rs.16.13 lacs)

**3.10 FIXED ASSETS**

(Rs. In lacs)

Particulars	GROSS BLOCK			DEPRECIATION/ AMORTISATION					NET BLOCK		
	As at March 31, 2014	Additions	Disposals	As at March 31, 2015	As at March 31, 2014	For the year	On Disposals	Transition Adjustment *	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangibles (Owned)											
Land - freehold	2,304.38	11.00	217.96	2,097.42	-	-	-	-	-	2,097.42	2,304.38
Buildings	9,403.96	1,143.38	-	10,547.34	3,732.49	768.23	-	119.31	4,620.03	5,927.31	5,671.47
Railway siding	1.60	-	-	1.60	1.59	-	-	-	1.59	0.01	0.01
Plant and machinery	72,955.62	5,305.73	14.20	78,247.15	32,487.07	2,100.73	5.27	334.06	34,916.59	43,330.56	40,468.55
Furniture and fixtures	250.46	85.52	2.09	333.89	212.10	25.06	1.32	0.96	236.80	97.09	38.36
Vehicles	568.90	21.38	-	590.28	410.21	67.39	-	12.74	490.34	99.94	158.69
Office Equipment	596.54	7.65	5.50	598.69	314.06	72.22	1.82	61.27	445.73	152.96	282.48
Leasehold Improvements	42.73	-	42.73	-	5.50	3.45	8.95	-	-	-	37.23
Subtotal tangibles	86,124.19	6,574.66	282.48	92,416.37	37,163.02	3,037.08	17.36	528.34	40,711.08	51,705.29	
Previous year	84,693.68	1,713.42	282.91	86,124.19	33,181.08	4,097.54	115.60	-	37,163.02		48,961.17
<b>Share of Joint Venture</b>											
Current year	240.22	12,677.23	-	12,917.45	6.18	478.12	-	-	484.30	12,433.15	

GROSS BLOCK				DEPRECIATION/ AMORTISATION					NET BLOCK		
Particulars	As at March 31, 2014	Additions	Disposals	As at March 31, 2015	As at March 31, 2014	For the year	On Disposals	Transition Adjustment *	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Previous year	227.09	17.28	4.15	240.22	2.73	4.48	1.03	-	6.18	-	234.04
<b>Total tangibles current year</b>	<b>86,364.41</b>	<b>19,251.89</b>	<b>282.48</b>	<b>105,333.82</b>	<b>37,169.20</b>	<b>3,515.20</b>	<b>17.36</b>	<b>528.34</b>	<b>41,195.38</b>	<b>64,138.44</b>	
Total tangibles previous year	84,920.77	1,730.70	287.06	86,364.41	33,183.81	4,102.02	116.63	-	37,169.20	-	49,195.21
<b>Intangibles (Owned)</b>											
Software	234.72	35.90	-	270.62	225.65	25.00	-	0.42	251.07	19.55	9.07
Subtotal Intangibles	234.72	35.90	-	270.62	225.65	25.00	-	0.42	251.07	19.55	
Previous year	234.72	-	-	234.72	141.39	84.26	-	-	225.65	-	9.07
<b>Share of Joint Venture</b>											
Current year	-	1.16	-	1.16	-	0.03	-	-	0.03	1.13	
Previous year	-	-	-	-	-	-	-	-	-	-	-
<b>Total intangibles current year</b>	<b>234.72</b>	<b>37.06</b>	<b>-</b>	<b>271.78</b>	<b>225.65</b>	<b>25.03</b>	<b>-</b>	<b>0.42</b>	<b>251.10</b>	<b>20.68</b>	
Total intangibles previous year	234.72	-	-	234.72	141.39	84.26	-	-	225.65	-	9.07
<b>Total current year</b>	<b>86,599.13</b>	<b>19,288.95</b>	<b>282.48</b>	<b>105,605.60</b>	<b>37,394.85</b>	<b>3,540.23</b>	<b>17.36</b>	<b>528.76</b>	<b>41,446.48</b>	<b>64,159.12</b>	
Total previous year	85,155.49	1,730.70	287.06	86,599.13	33,325.20	4,186.28	116.63	-	37,394.85	-	49,204.28
Capital work in progress										2,426.22	4,717.91
Share of Joint Venture (Refer note 2(ii)(D))										109.55	8,269.41
<b>Total capital work in progress</b>										<b>2,535.77</b>	<b>12,987.32</b>
										<b>66,694.89</b>	<b>62,191.60</b>

! Includes Rs. 8.62 lacs (previous year Rs. 8.62 lacs) pertaining to land situated at Brijnathpur pending registration in favour of the Company.

\* Transition adjustment recorded against balance in Statement of Profit and Loss. Refer note 18

### 3.11 PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
Finance costs	352.86	237.15
Legal and professional	19.79	329.30
Technical knowhow and management services	-	399.90
Consumption of stores and spare parts #	18.83	-
Repair & Maintenance -Others	10.34	-
Insurance	25.62	-
Travelling and conveyance	41.90	9.68
Printing and stationery	0.08	-
Freight Loading, Unloading & Material shifting	9.90	-
Miscellaneous expenses	16.44	12.80
	495.76	988.83
Less :- Gross sales	248.91	-
	246.85	988.83
Add: Brought forward from previous period	988.83	-
	1,235.68	988.83
Add: Cost of material consumed	257.59	-
Less :- Capitalised during the year	971.66	-
	<b>521.61</b>	<b>988.83</b>
Share of Joint Venture	3,127.32	2,213.10
Less :- Capitalised during the year	3,127.32	-
[Refer note 2(ii) (D)]		
	<b>521.61</b>	<b>3,201.93</b>

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.12 NON-CURRENT INVESTMENTS</b>		
(Valued at cost unless there is permanent diminution in value there of)		
<b>Trade Investment</b>		
<b>Investment in shares</b>		
Unquoted		
One share of Rs. 20 fully paid up in Simbhaoli Co-operative Cane Development Union Limited (*Rs. 20)	*	*
<b>Other Investments</b>		
<b>Investment in Government securities</b>		
<b>Unquoted</b>		
6-Years Post Office National Savings Certificate	2.11	1.61
<b>Others</b>		
<b>Unquoted</b>		
Casetech employee share plan trust	0.15	0.15
	<b>2.26</b>	<b>1.76</b>
Aggregate book value - Unquoted	2.26	1.76
<b>3.13 DEFERRED TAX ASSETS</b>		
<b>Deferred tax assets</b>		
Unabsorbed depreciation/Brought forward business loss	4,528.04	3,706.29
Accrued expenses deductible on payment	31.36	25.55
Others	51.24	30.08
	<b>4,610.64</b>	<b>3,761.92</b>
<b>Deferred tax liabilities</b>		
Depreciation	4,550.80	2,809.61
	<b>4,550.80</b>	<b>2,809.61</b>
<b>Deferred tax assets #</b>	<b>59.84</b>	<b>952.31</b>
# Refer note 19		
<b>3.14 LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good unless otherwise stated)		
Capital advances	714.88	403.02
Security deposit	82.83	111.98
Tax payments	1,436.93	1,128.31
Others loans and advances	287.06	274.15
Total	<b>2,521.70</b>	<b>1,917.46</b>
Share of joint venture	59.58	70.89
[Refer note 2(ii) (D)]		
	<b>2,581.28</b>	<b>1,988.35</b>

**CURRENT ASSETS**

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.15 CURENT INVESTMENTS</b>		
Investment in Mutual Fund(unquoted)*	214.08	-
Total	<b>214.08</b>	<b>-</b>
Share of joint venture**	122.28	1.72
[Refer note 2(ii) (D)]		
	<b>336.36</b>	<b>1.72</b>

\*Aggregate market value of unquoted investment Rs. 219.83 (previous year Rs. Nil)

\*\* Net Realisable value of unquoted non-trade current investment in Mutual funds amounting to Rs. 125.56 lacs ( previous year Rs. 1.84 lacs)

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.16 INVENTORIES</b>		
(At lower of cost and net realisable value)		
Raw materials	1,850.13	1,372.94
Work-in-progress	991.21	1,272.22
Finished goods	32,063.48	42,033.92
Stock-in-trade *	234.28	105.36
Stores and spares	1,662.03	2,338.87
Loose tools	8.59	9.52
	<b>36,809.72</b>	<b>47,132.83</b>
Share of Joint Venture [Refer note 2(ii) (D)]	4,350.35	517.27
	<b>41,160.07</b>	<b>47,650.10</b>

\* Includes stock in transit of Rs.Nil (previous year Rs. 82.21 lacs)

<b>3.17 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from due date for payment		
Unsecured		
- considered good	1,275.01	1,301.66
- considered doubtful	429.78	196.68
	1,704.79	1,498.34
Less: Provision for doubtful receivables	429.78	196.68
	1,275.01	1,301.66
Other debts *		
Unsecured - considered good	6,688.95	6,044.94
	<b>7,963.96</b>	<b>7,346.60</b>

\*Including retention amounting to Rs.200.74 lacs (previous year Rs. 179.76 lacs)

<b>3.18 CASH AND CASH EQUIVALENTS</b>		
<b>(A) Cash and cash equivalents</b>		
Balances with banks		
-current account	1,605.82	1,992.09
-EEFC account	-	18.06
- deposit account within upto 3 months maturity	-	1,400.00
- deposit account within upto 12 months maturity	170.47	-
Cash on hand	26.35	20.67
	1,802.64	3,430.82
Share of Joint Venture [Refer note 2(ii) (D)]	167.19	113.34
	1,969.83	3,544.16
<b>(B) Other bank balances - Margin money / cash collateral</b>		
With original maturity of 3 months or less	118.45	168.74
With original maturity of more than 3 months but less than 12 months	257.98	219.59
With original maturity of more than 12 months	103.86	1,887.19
	480.29	2,275.52
<b>(C) Other bank balances - Other deposits #</b>		
With original maturity of 3 months or less	46.47	9.90
With original maturity of more than 3 months but less than 12 months	149.52	218.45
With original maturity of more than 12 months	134.52	89.79
	330.51	318.14
Total (A+B+C)	2,780.63	6,137.82
Share of Joint Venture in other bank balance as margin money [Refer note 2(ii) (D)]	1,277.96	500.00
	<b>4,058.59</b>	<b>6,637.82</b>

# Pledged with excise authorities and civil court Rs. 330.51 lacs (previous year Rs. 318.14 lacs )

	As at March 31, 2015 Rs. lacs	As at March 31, 2014 Rs. lacs
<b>3.19 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	3,144.83	2,123.14
Considered doubtful	388.22	248.45
	<u>3,533.05</u>	<u>2,371.59</u>
Less: Provision for doubtful advances	388.22	248.45
	<u>3,144.83</u>	<u>2,123.14</u>
Loans and advances to employees		
Considered good	87.15	80.82
Considered doubtful	3.18	-
	<u>90.33</u>	<u>80.82</u>
Less: Provision for doubtful advances	3.18	-
	<u>87.15</u>	<u>80.82</u>
Security Deposits		
Considered good	201.02	292.17
Considered doubtful	81.36	7.36
	<u>282.38</u>	<u>299.53</u>
Less: Provision for doubtful deposits	81.36	7.36
	<u>201.02</u>	<u>292.17</u>
Balances with customs, excise etc.	1,662.94	1,760.25
	<u>5,095.94</u>	<u>4,256.38</u>
Share of Joint Venture [Refer note 2(ii) (D)]	637.41	838.48
	<u>5,733.35</u>	<u>5,094.86</u>
<b>3.20 OTHER CURRENT ASSETS</b>		
(Unsecured and considered good unless otherwise stated)		
Claim receivable		
Considered good	5,486.40	1,317.54
Considered doubtful	768.96	42.50
	<u>6,255.36</u>	<u>1,360.04</u>
Less: Provision for doubtful claims	768.96	42.50
	<u>5,486.40</u>	<u>1,317.54</u>
Interest accrued on investments, deposits etc.	243.02	131.56
Export incentive receivable	23.23	52.20
Unbilled revenue	607.58	397.03
	<u>6,360.23</u>	<u>1,898.33</u>
Share of Joint Venture [Refer note 2(ii) (D)]	33.69	3.03
	<u>6,393.92</u>	<u>1,901.36</u>
	<b>Year ended March 31, 2015 Rs. Lacs</b>	<b>Year ended March 31, 2014 Rs. Lacs</b>
<b>3.21 SALES OF PRODUCTS</b>		
Sales of products	93,468.58	122,742.45
	<u>93,468.58</u>	<u>122,742.45</u>
Share of Joint Venture* [Refer note 2(ii) (D)]	11,757.12	-
	<u>105,225.70</u>	<u>122,742.45</u>

\* Net odd excise duty of Rs. 13.25 lacs (previous year Rs. Nil)

## CONSOLIDATED

	Year ended March 31, 2015 Rs. Lacs	Year ended March 31, 2014 Rs. Lacs
<b>3.22 SALES OF SERVICES</b>		
Sales of services	1,827.71	2,188.39
	<b>1,827.71</b>	<b>2,188.39</b>
Share of Joint Venture [Refer note 2(ii) (D)]	52.50	-
	<b>1,880.21</b>	<b>2,188.39</b>
<b>3.23 OTHER OPERATING REVENUES</b>		
Transfer from 'Capital grant-in-aid'	7.27	7.11
Export incentives	19.34	35.76
Miscellaneous	379.32	197.54
	<b>405.93</b>	<b>240.41</b>
Share of Joint Venture [Refer note 2(ii) (D)]	1.72	-
	<b>407.65</b>	<b>240.41</b>
<b>3.24 OTHER INCOME</b>		
Interest on:		
Bank deposits	149.10	312.18
Income Tax refund	4.91	-
Others	45.60	-
Rent	8.49	5.32
Profit on sale of fixed assets	0.23	-
Liability/provisions no longer required written back	161.96	-
Foreign exchange fluctuation	-	17.98
Miscellaneous	252.36	142.37
	<b>622.65</b>	<b>477.85</b>
Share of Joint Venture [Refer note 2(ii) (D)]	91.86	7.00
	<b>714.51</b>	<b>484.85</b>
<b>3.25 COST OF MATERIALS CONSUMED</b>		
Cost of Material Consumed	65,804.15	70,987.92
	<b>65,804.15</b>	<b>70,987.92</b>
Share of Joint Venture [Refer note 2(ii) (D)]	11,683.66	-
	<b>77,487.81</b>	<b>70,987.92</b>
<b>3.26 PURCHASE OF STOCK-IN-TRADE</b>		
Purchase of stock for resale	1,463.17	1,422.98
	<b>1,463.17</b>	<b>1,422.98</b>
Share of Joint Venture [Refer note 2(ii) (D)]	-	28.58
	<b>1,463.17</b>	<b>1,451.56</b>
<b>3.27 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK -IN -PROCESS AND STOCK-IN-TRADE</b>		
Opening stock		
Finished goods	42,033.92	46,405.18
Work-in-progress	1,272.22	2,209.55
Stock-in-trade	105.36	9.13
	<b>43,411.50</b>	<b>48,623.86</b>

	Year ended March 31, 2015 Rs. Lacs	Year ended March 31, 2014 Rs. Lacs
Closing stock		
Finished goods	32,063.48	42,033.92
Work-in-progress	991.21	1,272.22
Stock-in-trade	234.28	105.36
	<u>33,288.97</u>	<u>43,411.50</u>
Less: Adjustment relating to finished goods write off [Refer note 21(b)]	-	1,058.36
	<b>10,122.53</b>	<b>4,154.00</b>
Share of Joint Venture [Refer note 2(ii) (D)]	(1,237.05)	(28.58)
	<b>8,885.48</b>	<b>4,125.42</b>
<b>3.28 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages, bonus, commission, etc.	5,373.92	5,154.92
Provident and other funds*	423.74	1,006.38
Welfare	173.12	245.10
	<u>5,970.78</u>	<u>6,406.40</u>
Share of Joint Venture [Refer note 2(ii) (D)]	239.13	4.13
	<b>6,209.90</b>	<b>6,410.53</b>
* Includes gratuity expense refer to Note 7		
<b>3.29 FINANCE COSTS</b>		
Interest expense	13,812.02	14,593.78
Other borrowing costs	151.76	210.34
	<u>13,963.78</u>	<u>14,804.12</u>
Share of Joint Venture [Refer note 2(ii) (D)]	714.12	0.03
	<b>14,677.90</b>	<b>14,804.15</b>
<b>3.30 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation expense	3,062.08	4,181.80
Transfer from revaluation reserve	-	(37.42)
	<u>3,062.08</u>	<u>4,144.38</u>
Share of Joint Venture* [Refer note 2(ii) (D)]	473.88	-
	<b>3,535.96</b>	<b>4,144.38</b>
*net of depreciation capitalised Rs.4.27 lacs (previous year Rs. Nil)		
<b>3.31 OTHER EXPENSES</b>		
Sugar cane development	248.25	150.66
Consumption of stores and spare parts #	3,037.43	5,693.44
Power and fuel	387.37	999.71
Repairs		
- Machinery	1,473.74	1,972.94
- Buildings	56.80	87.82
- Others	111.46	145.95
Insurance	165.47	170.19
Rent	274.92	305.94
Rates and taxes	224.36	326.23
Donations	-	0.94
Travelling and conveyance	400.37	669.92
Marketing expense	714.70	1,083.55
Export expenses	340.70	376.22
Commission to selling agents	341.03	394.18

	Year ended March 31, 2015 Rs. Lacs	Year ended March 31, 2014 Rs. Lacs
Loss on sale of fixed assets	14.40	20.61
Bad debts and advance	21.62	92.30
Provision for doubtful debts and advances	1,324.70	202.40
Increase/ (decrease) in excise duty on finished goods	60.66	(155.40)
Foreign exchange fluctuation	8.00	-
Loss on derivative transactions	152.40	1.70
Prior Period Expenses*	-	89.25
Miscellaneous expenses ** [Refer note 13]	2,212.76	2,958.69
	11,571.14	15,587.24
Less:- Expenses capitalised	35.02	176.70
	11,536.12	15,410.54
Share of Joint Venture [Refer note 2(ii) (D)]	1,995.73	22.43
	<b>13,531.85</b>	<b>15,432.97</b>

# Stores, oil and chemical allocated to other revenue head Rs.955.47 lacs (previous year Rs.1,316.55 lacs)

\* Includes Consumption of stores and spares Rs.Nil (previous year Rs.33.99 lacs) and Marketing and selling expenses Rs.Nil (previous year Rs. 55.26 lacs)

\*\*Includes provision for warranty Rs. Nil (previous year Rs.69.37 lacs) (refer note 24)

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

Claims against the Group not acknowledged as debts Rs. 994.86 lacs (previous year Rs. 1,077.51 lacs).

Description	(Rs. in lacs)	
	As at March 31, 2015	As at March 31, 2014
Sales Tax/Trade Tax Act	9.77	14.40
State Excise Act	-	17.34
Central Excise Act	423.86	437.10
Finance Act, 1994	83.06	83.06
Others	478.17	525.61
<b>Total</b>	<b>994.86</b>	<b>1,077.51</b>

All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not in the opinion of the management, have a material effect on results of operations or financial position of the Group.

ii) Arrears of dividend on 8% cumulative preference shares Rs. 516.21 lacs (previous year Rs. 260.21 lacs)

**iii) Capital and other commitments**

Estimated amount of contracts (net of advances) remaining to be executed on capital account Rs. 4,779.26 lacs (previous year Rs. 342.69 lacs). The Group 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 Group 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.

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

**6. Foreign Currency exposures that are not hedged by derivative instruments or otherwise is as follows:**

Particulars	Current year		Previous year	
	Amount in foreign currency (Rs. lacs)	Amount (Rs. lacs)	Amount in foreign currency (Rs. lacs)	Amount (Rs. lacs)
Trade receivables	USD 16.95	1,061.17	USD 23.40	1,391.43
Cash and bank	USD 0.36	22.23	USD 0.23	13.85
	AED 0.18	3.04	AED 0.14	2.28
Balance in Non-converted FC account	-	-	USD 0.03	1.87
Trade payables	EURO 0.16	10.71	EURO 0.16	13.11
	USD 1.72	107.66	-	-
Advance from Customer	USD 110.98	6,946.24	USD 18.73	1126.28

**7. Employee Benefits**

The Group has classified the various benefits provided to employees as under:-

**a) Defined contribution plans:**

- i) Superannuation fund
- ii) Provident fund

During the year, the Group has recognised the following amounts in the Consolidated Statement of Profit and Loss:

	(Rs. lacs)	
	Current year	Previous year
Employers' Contribution to Provident Fund@	395.33	390.94
- Employers' Contribution to Superannuation Fund@	19.72	25.29

@ Includes Rs. 4.14 lacs (previous year Rs. 4.21 lacs) pertaining to share of joint venture which has been capitalised.

**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:

	Gratuity (Funded)		Compensated absences (Not Funded)	
	2014-15	2013-14	2014-15	2013-14
Discount rate (per annum)	8%	8%	8%	8%
Future salary increase	5%	5%	5%	5%
Expected rate of return on plan assets	8%	8%	N/A	N/A
In service mortality	#	#	#	#
<b>I. Expense recognized in profit and loss account</b>				
Current service cost	168.08	161.14	62.70	68.22
Interest cost	124.92	77.74	26.50	16.51
Expected return on plan assets	(91.71)	(87.75)	-	-
Net actuarial (gain)/loss recognized in the year	(170.05)	449.75	11.60	138.72

Total expense #	31.24	600.88	100.80	223.45
<b>II Net asset/(liability) recognized in the balance sheet as at the end of the year</b>				
Present value of Defined benefits obligation	1,714.30	1,630.94	389.07	373.98
Fair value of plan assets	(1,140.02)	(1,046.21)	-	-
Funded status [surplus/(deficit)]	(574.28)	(584.73)	(389.07)	(373.98)
<b>Net asset/(liability) as at the end of the year</b>	(574.28)	(584.73)	(389.07)	(373.98)
Current	(574.28)	(584.73)	80.23	77.37
Non current	-	-	308.84	296.61
<b>III Change in the present value of obligation during the year</b>				
Present value of the obligation as at the beginning of the year	1,630.94	1,025.36	373.98	262.24
Liability on acquisition	-	-	-	-
Interest cost	124.92	77.74	26.50	16.51
Current service cost	168.08	161.14	62.70	68.22
Benefits paid	(131.18)	(99.49)	(85.71)	(111.71)
Actuarial (gains)/ losses on obligation	(78.46)	466.19	11.60	138.72
<b>Present value of obligation as at the end of the year</b>	1,714.30	1,630.94	389.07	373.98
<b>IV Change in present value of fair value of plan Assets</b>				
Fair value of plan assets as at the beginning of the year	1,046.21	1,038.76	-	-
Expected return on plan assets	91.71	87.75	-	-
Contributions	41.69	2.75	-	-
Benefits paid	(131.18)	(99.49)	-	-
Actuarial gains/(losses)	91.59	16.44	-	-
<b>Fair value of plan assets as at the end of the year</b>	1,140.02	1,046.21	-	-
<b>V Detail of plan Assets</b>	<b>Funded with ICICI*</b>		<b>NA</b>	

# Indian Assured Lives Mortality (2006-08) ultimate.

## Includes Rs. 5.60 lacs (previous year Rs. 6.52 lacs) pertaining to share of joint venture which has been capitalised.

\* 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.

The Company's best estimate of contributions expected to be paid during the annual year beginning after balance sheet date is Rs. 574.28 lacs for gratuity and Rs. 389.07 lacs for Compensated absences.

Disclosure relating to present value of defined benefit obligation and fair value of plan assets and net actuarial gain/ loss:-

(Rs. Lacs)

Particulars	Gratuity (Funded)					Compensated absences (Not Funded)				
	2014-15	2013-14	2012-13	2012-10	2009-10	2014-15	2013-14	2012-13	2012-10	2009-10
Present value of obligation as at the end of the year / period	1,714.30	1,630.94	1,025.36	1,001.58	935.90	389.07	373.98	262.24	184.39	197.16
Fair value of plan assets as at the end of the year / period	1,140.02	1,046.21	1,038.76	872.60	772.71	-	-	-	-	-
Net asset/(liability) recognized in the balance sheet	(574.28)	(584.73)	13.40	(128.98)	(163.19)	(389.07)	(373.98)	(262.24)	(184.39)	(197.16)
Net actuarial (gain)/loss recognized	(170.05)	449.75	(72.85)	(69.10)	61.47	11.60	138.72	131.50	64.65	70.12

**8. Related Party disclosure under Accounting Standard 18**

A. Name of related party and nature of related party relationship.

**Key Management Personnel:** Mr.G.M.S.Mann, Mr.Gurpal Singh, Dr.G.S.C.Rao (ceased to be key management personnel w.e.f. September 11, 2013), Mr. Sanjay Tapriya, Ms. Gursimran Kaur Mann and Mr. S.N. Misra (w.e.f. October 8, 2013).

**Relatives of Key management personnel:**

Mrs. G.R.Lakshmi (wife of Dr.G.S.C.Rao, ceased to be key management personnel w.e.f. September 11, 2013), Mrs. Mamta Tapriya (wife of Mr. Sanjay Tapriya), Mr. B.D.Tapriya (father of Mr. Sanjay Tapriya), Mr. Govind Singh Sandhu (brother of Mr. Gurpal Singh) and Mr. Angad Singh (son of Mr.

Gurpal Singh).

**Enterprise over which key management personnel exercise significant influence:**

- Dholadhar Investments Private Limited (enterprise over which Mr. G.M.S. Mann and Ms. Gursimran Kaur Mann exercise significant influence).
- Pritam Singh Sandhu Associates Private Limited (enterprise over which Mr. Gurpal Singh exercises significant influence).

**Joint Venture Entity:** Uniworld Sugars Private Limited (USPL)

**Co-venturer:** ED & F Man Holdings BV ( ED & F Man) and Sindicatum Captive Energy Singapore Pte Limited (SCES), Co-venturer in a subsidiary.

B) Transactions with the above parties:

(Rs. in lacs)

Description	Joint venture/Co-venturer		Key management personnel		Relatives of key management personnel		Enterprise over which key management personnel exercise significant influence	
	Current year	Previous period	Current year	Previous period	Current year	Previous period	Current year	Previous period
<b>Rent expense</b>	-	-	-	-	46.28	41.65	-	-
Mrs. G.R. Lakshmi	-	-	-	-	-	6.18	-	-
Mrs. Mamta Tapriya	-	-	-	-	5.45	9.41	-	-
Mr. Govind Singh Sandhu	-	-	-	-	32.57	26.06	-	-
Mrs. Usha Misra	-	-	-	-	8.26	-	-	-
<b>Rent Income</b>	1.80	-	-	-	-	-	-	-
USPL	1.80	-	-	-	-	-	-	-
<b>Salary/stipend</b>	-	-	-	-	-	6.96	-	-
Mr. Angad Singh	-	-	-	-	-	6.96	-	-
<b>Allotment of Equity Shares</b>	320.00	1,314.04	-	-	-	-	-	-
SCES	320.00	1,314.04	-	-	-	-	-	-
<b>Allotment of Debentures</b>	480.00	2,781.06	-	-	-	-	-	-
SCES	480.00	2,781.06	-	-	-	-	-	-
<b>Managerial Remuneration</b>	-	-	196.58	203.14	-	-	-	-
Mr. G.M.S. Mann	-	-	48.00	49.35	-	-	-	-
Mr. Gurpal Singh	-	-	48.00	51.13	-	-	-	-
Dr. G.S.C.Rao	-	-	-	22.65	-	-	-	-
Mr. Sanjay Tapriya	-	-	34.44	43.60	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	24.09	23.66	-	-	-	-
Mr. S.N.Misra	-	-	42.05	12.75	-	-	-	-
<b>Loan taken</b>	-	-	106.30	-	-	-	65.00	-
Mr. G.M.S. Mann	-	-	106.30	-	-	-	-	-
Dholadhar Investments Private Limited	-	-	-	-	-	-	65.00	-
<b>Loans repaid</b>	-	-	632.00	635.00	-	-	-	-
Mr. G.M.S. Mann	-	-	632.00	635.00	-	-	-	-
<b>Loans given</b>	-	73.50	-	-	-	-	-	-
USPL	-	73.50	-	-	-	-	-	-
Interest paid	497.93	275.32	1.84	-	-	-	3.28	-
Mr. G.M.S. Mann	-	-	1.84	-	-	-	-	-
Dholadhar Investments Private Limited	-	-	-	-	-	-	3.28	-
SCES	497.93	275.32	-	-	-	-	-	-
<b>Expenses recovered</b>	8.01	19.41	-	-	-	-	-	-
USPL	8.01	19.41	-	-	-	-	-	-
ED & F Man	-	-	-	-	-	-	-	-
<b>Dividend paid</b>	-	-	-	0.80	-	-	-	-
Dr. G.S.C.Rao	-	-	-	0.40	-	-	-	-
Mr. Sanjay Tapriya	-	-	-	0.40	-	-	-	-
<b>Advances given</b>	25.67	380.49	-	-	-	-	-	-
ED & F Man	25.67	380.49	-	-	-	-	-	-
<b>Purchase of goods/ finished goods</b>	14,484.77	658.61	-	-	-	-	-	-
ED & F Man	911.94	658.61	-	-	-	-	-	-
ED & F Man Commodities	13,572.83	-	-	-	-	-	-	-
<b>Payment/advance received</b>	54.95	175.68	-	-	-	-	-	-
USPL	54.95	101.64	-	-	-	-	-	-
ED & F Man	-	74.04	-	-	-	-	-	-
<b>Management fees charged</b>	214.20	50.00	-	-	-	-	-	-
USPL	214.20	50.00	-	-	-	-	-	-
<b>Purchase of stores/ assets</b>	-	1.76	-	-	-	-	-	-
USPL	-	1.76	-	-	-	-	-	-
<b>Income from sale of service</b>	-	76.88	-	-	-	-	-	-
USPL	-	76.88	-	-	-	-	-	-
<b>Sale of stores/ assets</b>	-	0.15	-	-	-	-	-	-
USPL	-	0.15	-	-	-	-	-	-
<b>Management fees paid</b>	401.62	244.98	-	-	-	-	-	-
SCES	125.06	244.98	-	-	-	-	-	-
<b>ED&amp; F Man Sugar Ltd.</b>	62.36	-	-	-	-	-	-	-
USPL	214.20	-	-	-	-	-	-	-
<b>Balance outstanding at the year end</b>								
<b>Trade payables</b>	268.98	226.65	60.59	43.92	38.12	24.55	-	-
Mr. G.M.S. Mann	-	-	8.88	11.55	-	-	-	-
Mr. Gurpal Singh	-	-	19.31	10.49	-	-	-	-
Dr. G.S.C.Rao	-	-	9.94	9.94	-	-	-	-
Mr. Sanjay Tapriya	-	-	5.88	2.99	-	-	-	-
Ms. Gursimran Kaur Mann	-	-	8.74	8.95	-	-	-	-
Mr. S.N.Misra	-	-	7.84	-	-	-	-	-
Mr. Angad Singh	-	-	-	-	1.32	1.33	-	-
Mr. B.D. Tapriya	-	-	-	-	-	-	-	-
ED & F Man	-	-	-	-	-	-	-	-
Mrs Mamta Tapriya	-	-	-	-	3.16	1.99	-	-
Mr. Govind Singh Sandhu	-	-	-	-	26.35	15.67	-	-
Mrs. Usha Misra	-	-	-	-	1.73	-	-	-
Mrs. G.R. Lakshmi	-	-	-	-	5.56	5.56	-	-
SCES	268.98	226.65	-	-	-	-	-	-
<b>Other Current liabilities</b>	633.57	214.12	-	-	-	-	-	-
SCES	633.57	214.12	-	-	-	-	-	-
<b>Short term borrowings</b>	-	-	676.57	1,200.61	-	-	67.95	-
Mr. G.M.S. Mann	-	-	657.45	1,181.49	-	-	-	-
Mr. Gurpal Singh	-	-	19.12	19.12	-	-	-	-
Dholadhar Investments Private Limited	-	-	-	-	-	-	67.95	-
<b>Loans and advance</b>	65.90	78.53	-	-	-	-	-	-
USPL	40.23	78.53	-	-	-	-	-	-
ED & F Man	25.67	-	-	-	-	-	-	-
<b>Trade Receivables</b>	125.18	170.20	-	-	-	-	-	-
ED & F Man	125.18	170.20	-	-	-	-	-	-
<b>Guarantee given on behalf of Group by Mr. G M S Mann &amp; Mr. Gurpal Singh</b>	-	-	91,501.62	100,664.25	-	-	-	-

## 9. Segment reporting

### A. Business segments:

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting", the Group's primary segment is business segments, viz. Sugar, Alcohol, Power and Others (technical services).

### B. Geographical segments:

Since the Group's activities/operations are primarily within the country and considering the nature of products it deals in, the risks and returns are same and as such there is only one geographical segment.

### C. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 2 above, the accounting policies in relation to segment accounting are as under:

#### a) Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All

other segment revenue and expenses are directly attributable to the segments.

#### b) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include income taxes. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amount of certain assets/liabilities pertaining to two or more segments is allocated to the segments on a reasonable basis.

#### c) Inter segment sales:

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated on consolidation.

### D) Information About Business Segments

(Rs. in 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
<b>Segment revenue</b>														
External sales:	90,920.95	76,346.98	8,715.08	41,064.30	5,332.31	3,463.78	2,137.57	4,055.78	-	-	-	-	107,105.91	124,930.84
Inter segment sales	5,764.54	5,533.83	92.26	96.43	227.73	257.41	217.44	308.38	(6,301.97)	(6,196.05)	-	-	-	-
Other operating Revenue	361.64	179.10	40.83	30.45	-	-	5.18	30.86	-	-	-	-	407.65	240.41
<b>Total revenue</b>	<b>97,047.13</b>	<b>82,059.91</b>	<b>8,848.17</b>	<b>41,191.18</b>	<b>5,560.04</b>	<b>3,721.19</b>	<b>2,360.19</b>	<b>4,395.02</b>	<b>(6,301.97)</b>	<b>(6,196.05)</b>	-	-	<b>107,513.56</b>	<b>125,171.25</b>
<b>Segment results</b>	(7,817.23)	(6,042.95)	(38.02)	423.96	1,363.22	512.76	28.51	258.35	-	-	-	-	(6,463.52)	(4,847.88)
Unallocated expenses (net of income)											(260.16)	(964.88)	(260.16)	(964.88)
<b>Operating profit/(loss)</b>													<b>(6,203.36)</b>	<b>(3,883.00)</b>
Finance cost											14,677.90	14,804.15	14,677.90	14,804.15
Exceptional items											500.00	1,058.36	500.00	1,058.36
Provision for taxes														
- Tax relating to previous year											14.01	23.64	14.01	23.64
- Current tax											70.41	105.13	70.41	105.13
- Deferred tax benefit											892.69	(952.06)	892.69	(952.06)
<b>Net Profit/(loss)</b>													<b>(22,358.37)</b>	<b>(18,922.22)</b>
<b>Other information</b>														
Segment assets	104,771.39	107,168.91	12,204.34	15,305.20	23,930.05	19,824.44	1,173.06	1,845.36	-	-	-	-	142,078.84	144,143.91
Unallocated assets											(5,212.33)	(5,578.98)	(5,212.33)	(5,578.98)
Investment											338.62	3.48	338.62	3.48
<b>Total assets</b>	<b>104,771.39</b>	<b>107,168.91</b>	<b>12,204.34</b>	<b>15,305.20</b>	<b>23,930.05</b>	<b>19,824.44</b>	<b>1,173.06</b>	<b>1,845.36</b>			<b>(4,873.71)</b>	<b>(5,575.50)</b>	<b>137,205.13</b>	<b>138,568.41</b>
Segment liabilities	67,758.58	47,877.92	2,809.61	2,446.38	1,490.64	1,461.91	705.62	1,239.16	-	-	-	-	72,764.45	53,025.37
Shares capital and reserves											(71,036.20)	(48,435.91)	(71,036.20)	(48,435.91)
Minority interest											2,422.64	2,444.24	2,422.64	2,444.24
Secured and unsecured loans											124,662.63	124,691.52	124,662.63	124,691.52
Unallocated liabilities											8,391.61	6,843.19	8,391.61	6,843.19
<b>Total liabilities</b>	<b>62,993.51</b>	<b>47,877.92</b>	<b>2,809.61</b>	<b>2,446.38</b>	<b>1,490.64</b>	<b>1,461.91</b>	<b>705.62</b>	<b>1,239.16</b>			<b>64,440.68</b>	<b>85,543.04</b>	<b>137,205.13</b>	<b>138,568.41</b>
Capital expenditure	2,972.62	5,901.63	102.98	97.13	1,963.60	5,434.25	1.80	69.41	-	-	29.81	15.87	5,070.81	11,518.29
Depreciation and amortization expense (net of revaluation reserve)	2,197.48	2,240.35	631.00	800.73	614.57	1,013.37	26.11	14.71	-	-	66.80	75.22	3,535.96	4,144.38
Non cash expenses other than depreciation #	794.13	1,257.05	302.02	105.02	-	-	54.67	11.35	-	-	209.91	0.25	1,360.73	1,373.67

# Loss on sale of fixed assets, bad debts and advances written off, provision for doubtful debts and advances and exceptional item.

## 10. (A) Secured Loan

a.	Short term borrowings - Loan repayable on demand from banks:
1.	Cash Credit facilities* from Commercial Banks of each business division of Simbhaoli Sugars Limited (SSL) (other than co-operative banks referred to herein-below) are secured by way of first pari passu charge created by hypothecation of all current assets, both present and future, of the business division of the company. These facilities are collaterally secured by way of third pari passu charge on the entire fixed assets of the company.
2.	Cash Credit facilities of Simbhaoli Spirits Limited (SISPL) are secured by way of exclusive first charge on the current assets, both present and future, of the SISPL. These facilities are additionally secured by way of second pari passu charge on the fixed assets of SISPL. They are also secured by Personal Guarantees of Mr. Gurmit Singh Mann and Mr. Gural Singh, Promoter Directors of SISPL.
3.	Cash Credit facilities of Integrated Casetech Consultants ( ICCPL) are secured against fixed deposits with bank.
4.	Cash credit facilities from Co-operative Bank of each business division of SSL are secured by pledge of sugar stocks of the respective division of the company.
5.	Loan repayable on demand of Uniworld Sugars Private Limited (USPL) is secured against fixed deposit held for collateral under Term Loan shown under Long Term Borrowings.

**b. Long term borrowings from banks:**

	Name of security	Terms of repayment
1.	Term loans from banks of Rs. 7,955.04 lacs* of SSL (previous year Rs. 11,385.84 lacs) are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land of the Company.	- Rs. 6,793.62 lacs repayable in FY 2015-16 - Rs. 1,161.42 lacs repayable in FY 2016-17
2.	Term loans from banks of Rs. 975.46 lacs* (previous year Rs. 1,538.66 lacs) of SISPL are secured by way of first pari passu charge created on all movable and immovable fixed assets, both present and future, including equitable mortgage on land, of SISPL.	- Rs. 975.46 lacs repayable in FY 2015-16
3.	Term loan of Rs. 4,750.00 lacs* (previous year Rs. 5,000.00 lacs) of Uniworld Sugars Private Limited (USPL) are secured by way of - First pari passu charge created on all movable and immovable properties, both present and future, of USPL. - An irrevocable and unconditional guarantee(s) from Mr. Gurmit Singh Mann and Mr. Gural Singh, the Indian Promoters of USPL. - Pledge of 100% shareholding held by Simbhaoli Sugars Limited in USPL on pari passu basis. - Pledge of 100% shareholding held by Integrated Casetech Consultants Private Limited in USPL on pari passu basis. - Fixed Deposit of Rs 1,000.00 lacs with IDBI Bank with IDBI's lien noted thereon on pari passu basis.	- Rs. 1,000.00 lacs repayable in FY 2015-16 - Rs. 1,000.00 lacs repayable in FY 2016-17 - Rs. 1,000.00 lacs repayable in FY 2017-18 - Rs. 1,000.00 lacs repayable in FY 2018-19 - Rs. 750.00 lacs repayable in FY 2019-20
4.	Term loan of Rs. 7,000.00 lacs (previous year Rs. 863 lacs) of Simbhaoli Power Private Limited (SPPL) from a Cooperative Bank is secured by way of : - First charge on all the present and future fixed assets and current assets of SPPL. - Assignment of leasehold rights over land, taken on lease by the Company situated at Simbhaoli and Chilwaria, where its power plants are located, in favour of the bank. - Pledge of 100% shareholding held by SSL in the SPPL. - First Charge on receivables from UPPCL by way of escrow account Mechanism. - [Due within one year Rs. Nil (previous year Rs. Nil)]	- Rs. 1,000 lacs repayable in FY 2016-17 - Rs. 1,000 lacs repayable in FY 2017-18 - Rs. 1,000 lacs repayable in FY 2018-19 - Rs. 1,000 lacs repayable in FY 2019-20 - Rs. 1,000 lacs repayable in FY 2020-21 - Rs. 1,000 lacs repayable in FY 2021-22 - Rs. 1,000 lacs repayable in FY 2022-23
5.	Car loan of Rs. 5.37 lacs (previous year Rs. 6.98 lacs) of SPPL from bank secured by way of hypothecation of the specific vehicle. [Due within one year Rs. 1.50 lacs (previous year Rs.1.28 lacs)]	- Rs. 1.49 lacs repayable in FY 2015-16 - Rs. 1.67 lacs repayable in FY 2016-17 - Rs. 1.85 lacs repayable in FY 2017-18 - Rs. 0.36 lacs repayable in FY 2018-19
6.	Car loan of Rs. 9.77 lacs (previous year Rs.Nil) of USPL from bank secured by way of hypothecation of the specific vehicle. [Due within one year Rs. 1.72 lacs (previous year Rs.Nil)]	5 years with 60 monthly installments.

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

(Rs. lacs.)

Particulars	As at March 31, 2015			As at March 31, 2014		
	Interest	Principal repayment	Due for days	Interest	Principal repayment	Due for days
Due on Cash Credit facilities from commercial banks	356.24	-	0-90	-	-	0-90
Due on term loans from banks	328.35	1950.24	0-90	432.37	461.50	0-90
	62.76	380.01	91-150	-	-	91-150
	52.21	533.75	Above 150	-	-	Above 150
<b>Total</b>	<b>799.56</b>	<b>2864.00</b>		<b>432.37</b>	<b>461.50</b>	

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

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

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

(Rs. lacs.)

Particulars	As at March 31, 2015			As at March 31, 2014		
	Interest	Principal repayment	Due for days	Interest	Principal repayment	Due for days
Due on term loans from Others	86.57	382.28	0-90	74.90	374.32	0-90
	74.09	372.07	91-150	-	-	91-150
	52.66	303.06	Above 151			Above 151
<b>Total</b>	<b>213.32</b>	<b>1,057.41</b>		<b>74.90</b>	<b>374.32</b>	

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

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

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

#### (B) Unsecured loan

a.	Long term borrowings from banks:	
	Name of security	Terms of repayment
1.	Term loan (unsecured) of Rs. 6,242.90 lacs (previous year Rs. Nil) is secured by way of mortgage of residential property of Promoter Directors. Personal guarantee of Mr. Gurmit Singh Mann, Chairman and Mr. Gural Singh, Managing Director of the Company.	- Rs. 2,080.97 lacs repayable in FY 2016-17 - Rs. 2,080.97 lacs repayable in FY 2017-18 - Rs. 2,080.96 lacs repayable in FY 2018-19

#### b. Short term borrowings from bank other than book overdraft includes overdue as follows:

Particulars	As at March 31, 2015			As at March 31, 2014		
	Interest	Principal repayment	Due for days	Interest	Principal repayment	Due for days
Due on from bank other than overdraft	2,922.49	16,628.11	0-365	-	11,615.67	0-365
	-	10,054.16	Above 365	-	-	Above 365
<b>Total</b>	<b>2,922.49</b>	<b>26,682.27</b>		<b>-</b>	<b>11,615.67</b>	

11. During the year the Simbhaoli Power Private Limited (SPPL) has issued unsecured Compulsorily Convertible Debentures (CCD) of Rs. 480 lacs (previous year Rs. 2781.06 lacs) to Sindicatum Captive Energy Singapore Pte Ltd., Joint Venturer (SCES). The terms of debenture are as under:

#### a. Fixed Interest rate

Interest shall be payable on each series of CCDs (so far as not converted) at a rate of:

- 14.5% per annum for the first 48 months from the date of issue; and
- 16% per annum thereafter.

In the event however the above rates in respect of any CCDs are higher than any ceiling prescribed under applicable Law, the CCD Interest Rate will be equal to the maximum applicable rate.

b. Interest on CCDs shall accrue from the date of issuance of the CCD and accumulate for the first 15 months from the date of issuance of such CCD. Subsequently, the interest shall be paid bi-annually on 1 July and 1 January of each calendar year.

c. 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:

Proportion of CCDs (issued but not yet converted) to be converted by SCES	Conversion Date (number of years from the First Closing Date)	Tranche/ Conversion Date	Series I (Equity Shares)
10%	6 years	25.01.2019	3.26 lacs
10%	7 years	25.01.2020	3.26 lacs
10%	8 years	25.01.2021	3.26 lacs
10%	9 years	25.01.2022	3.26 lacs
60%	10 years	25.01.2023	19.57 lacs

#### 12. Earnings per share

(Rs. Lacs)

	Current year	Previous year
I. Profit/(loss) after tax and exceptional items as per Consolidated Statement of Profit and Loss (Rs. lacs)	(22,064.83)	(17,994.44)
Less: Preference Share dividend (inclusive of tax thereon)	305.57	297.53
Profit/(loss) after tax and exceptional items (A)	(22,370.40)	(18,291.97)
Less: Exceptional Items net of taxes of Rs. Nil (Previous year Rs. Nil) (Rs. lacs)	(500.00)	(1,058.36)
Profit/(loss) after tax and before exceptional items (B)	(21,870.40)	(17,233.61)
II. Weighted average number of equity shares outstanding (Par value Rs 10 per share)		

(i)	For basic earnings per share(Nos.) (C)	2,82,28,810	2,82,28,810
(ii)	For diluted earnings per share (Nos.)		
	Shares for basic earnings per share as per II (i) (Nos.)	2,82,28,810	2,82,28,810
	Shares for diluted earnings per share (Nos.) (D)	<u>2,82,28,810</u>	<u>2,82,28,810</u>
III.	Earnings per share (Rs.)		
	- Basic/diluted EPS before exceptional item (B/C)	(77.48)	(61.05)
	- Basic/diluted EPS after (A/D)	(79.25)	(64.80)

**13. Auditors' remuneration (excluding service tax):**

- Statutory audit	48.50	44.75
- Consolidated Financial Statement	5.00	-
- Limited review of unaudited financial results	48.00	50.00
- Transfer Pricing fees	9.88	15.00
- Certification and others	14.75	5.00
- Reimbursement of out of pocket expense for statutory audit and others	1.16	1.77

**14. Operating Lease arrangement**

The Integrated Casetech Consultants Private Limited has entered into operating lease arrangements for office premises. The leases are non-cancellable and are for a period of 3 years and may be renewed for a further period based on mutual agreement of the parties.

Future minimum lease payments under non-cancellable leases	(Rs. in lacs)	
	Current year	Previous year
Not later than one year	-	3.60
Later than one year and not later than five years	-	3.60
Letter than five years	-	-
Total	-	7.20

Lease payments for previous year recognised in the Consolidated Statement of Profit and Loss in Note 3.31.

15. As at March 31, 2015 outstanding export obligation against advance license scheme (ALS) is 11,616 metric tons (previous year 17,897 metric tons). The management is confident that the export obligation shall be fully met and possible loss expected in complying with such obligation has been accounted for in the Consolidated financial statements.
16. A vessel carrying raw sugar purchased by the Company sank in July 2009 for which an insurance claim was repudiated against cargo insurers. Subsequent to completion of recovery proceedings against ship owner, the Company is continuing to pursue its ongoing legal proceedings against the Cargo insurers for balance claim amount of Rs. 768.96 lacs. However, as abundant caution, management has provided the amount in the Consolidated financial statement.
17. (a) AScheme of Amalgamation of the Company with Simbhaoli Spirits Limited (SISPL), the wholly owned subsidiary company (the Scheme), as approved by the Board of both the companies, was filed with the Hon'ble High Court of Judicature at Allahabad (the Court). With effect from the Appointed Date i.e. the close of the business hours on March 31, 2014 or such other date as may be fixed or approved by the Court, the entire business and undertaking of the Company, shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in SISPL, as a going concern without any further act and deed. The share holders and unsecured creditors of the Company have approved the Scheme on September 20, 2014. The Company and SISPL are in process to seek approval from their respective secured creditors. Pending sanction of the Scheme by the Court, no financial effect has been considered in these financial statements and further, based upon expert advice and pending necessary

clarification from Board for Industrial and Financial Reconstruction (BIFR), no requisite steps as applicable to the sick companies have been initiated under the prevailing laws.

- (b) The Government of Uttar Pradesh (U.P.) has announced subsidy on sugar cane purchases during the sugar season 2014-15 linked to the average selling price of sugar and its by-products during the period October 1, 2014 to May 31, 2015 to be finalised by a Committee to be constituted by the Government of U.P. Based on the prevailing and expected prices the Company is confident of realising the full subsidy of Rs. 28.60 per quintal aggregating to Rs. 5,742.63 lacs for the year. Pending final determination of the amount of subsidy and interest charge on delayed payments if any, the Company has on a conservative basis accounted for Rs. 4,738.67 lacs for the year in the Statement of Profit & Loss by adjustment of cost of materials consumed. Necessary adjustments would be made on final determination of the amount of subsidy.
- (c) Over the last few years, the Company has been incurring cash losses due to which its net worth has been eroded and its current liabilities are significantly higher than its current assets. The Uttar Pradesh based sugar companies have been facing financial difficulties on account of higher sugar cane prices, lower realization of sugar and high finance cost in last 3-4 years. In the previous years, the Company has implemented various initiatives which included business and financial restructuring of its business divisions into new SPVs and planned growth in operations and disinvestments of the shares in such SPVs, etc. for de-risking its businesses and improving its financial position. Also, the State and Central Government, recognizing the importance of the sugar industry are taking necessary steps as in the previous year to strengthen the sugar industry. In view of the above and also considering the Scheme as stated in Note 17 (a) above, these financial results have been prepared by the Company on a going concern basis.
18. With effect from April 1, 2014, depreciation on the opening block of assets has been provided as per the useful life prescribed in Schedule II of the Companies Act, 2013 (the Act), except in case of certain plant and machinery items of Simbhaoli Power Private Limited, on which depreciation has been provided for on the basis of useful life determined by an independent valuer. Consequent thereto, depreciation charge for the year ended March 31, 2015 is lower by Rs. 929 lacs and depreciation amounting to Rs. 404.24 lacs (net of revaluation reserve of Rs. 124.52 lacs) has been adjusted from the opening balance of retained earnings. As regards additions during the year, depreciation has been charged as per the provisions of the Schedule II of the Act.
19. The Company follows Accounting Standard (AS-22) "Accounting for taxes on income", and in consideration of prudence, has recognised deferred tax asset, as at March 31, 2015 only to the extent of deferred tax liability of Rs. 8,119.91 lacs (previous year Rs. 8,161.56 lacs) on unabsorbed depreciation and brought forward business losses out of total deferred tax assets of Rs. 22,616.59 lacs (previous year Rs. 18,019.03 lacs). However, current year figures in note 3.13 does not includes the aforesaid DTA/DTL as net impact of the same is Rs. Nil.
20. (a) Following are the particulars of disputed dues on account of sales tax (trade tax) and excise duty matters that have not been deposited by the Company as at March 31, 2015.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved* (Rs. lacs)	Amount paid under protest (Rs. lacs)
U. P. Trade Tax Act	Trade tax	Trade Tax Appellate Tribunal	1984-1985	0.43	0.43
			1995-1996	3.18	-
			2005-2006	6.16	3.11
Kerela General Sales Tax Act	Trade Tax	Appellate authority up to commissioner level	2000-01	2.17	1.08
			Appellate authority up to commissioner level		
Central Excise Act	Excise Duty	Commissioner (Appeals)	2006-2007	390.99	45.03
			2012-2013	5.58	-
			2002-2003	0.70	0.70
			2004-2005	0.28	0.28
			2005-2006	2.77	2.77
			2010-2011	9.37	6.56
			2007-2011	0.37	-
Finance Act, 1994	Service Tax	High Court, Allahabad	1979-1980	11.01	11.01
			2005-2006	2.78	-
			2006-2007	83.06	14.87
State Excise Act	Excise Duty	High Court, Allahabad	2001-2002	9.26	-

\* Amount as per demand orders including interest and penalty wherever indicated in order.

(b) In the following instances the concerned statutory authority is in appeal against favorable orders received by the Company.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved* (Rs. lacs)
Central Excise Act	Excise Duty	Customs, Excise & Service tax Appellate Tribunal	2008-09	71.69
U. P. Trade Tax Act	Trade Tax	High Court, Allahabad	1995-96	9.92
			1996-97	59.96
Finance Act, 1994	Service tax	Customs, Excise & Service tax Appellate Tribunal	2006-07	0.42

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.

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

(b) For the year ended March 31, 2014, exceptional item includes Rs. 1,058.36 lacs written off as shortage of finished goods in the sugar units of the Company.

22. During the previous year, the Management of the Company became aware of certain malafide activities resulting from breach of fiduciary duties committed by its certain directors/ senior executives by making false representations and setting-up parallel business entities in competitive areas. Following the internal inquiries and investigations considered

necessary, the ICCPL has terminated the services of the aforesaid directors/ senior executives. The nominations of these directors had also been withdrawn from the Board of Directors of all the group companies by Simbhaoli Sugars Limited.

The ICCPL has initiated legal proceedings to make recoveries from such directors/ senior executives in the appropriate legal forums. However, the said directors/ senior executives have also initiated a legal case before the Hon'ble Company Law Board (CLB) against the ICCPL and sought certain reliefs i.e. instructing the ICCPL to maintain status quo of the Board of Directors, shareholding and the fixed assets of the ICCPL, which as an interim measure has been allowed by the CLB. Against this order the ICCPL approached the Hon'ble High Court of Delhi which has provided interim relief to the ICCPL for running its operations in the normal course and has directed the CLB to consider the matter on merit. The ICCPL has also filed a suit with the Hon'ble High Court of Delhi and obtained injunctions to refrain these directors/ senior executives from making any misrepresentations, that they are associated with the ICCPL in any manner, to the public at large. The aforesaid matters are sub-judice and the proceedings at various forums are in progress.

### 23. Disclosure related to Joint venture:

Name	Country of incorporation	Nature of interest	Percentage of ownership as at	
			March 31, 2015	March 31, 2014
Uniworld Sugars Private Limited	India	Equity share holding	50%	50%

Uniworld Sugars Private Limited is a 50:50 Jointly controlled entity between Volcafe Pte. Ltd. (formerly known ED & F Man Asia Holdings Pte Ltd.) 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, 2015 and Income and Expenditure for the year ended March 31, 2015 (Without elimination of the effect of transactions between the Company and the joint venture) are given below:

Description	(Rs. In lacs)	
	As at March 31, 2015 (Based on ownership interest of 50%)	As at March 31, 2014 (Based on ownership interest of 50%)
<b>Assets</b>		
<b>Non Current Assets</b>		
Fixed assets	13,501.47	11,736.63
Long term loan and advances	59.58	70.89
<b>Current Assets</b>		
Current Investment	122.28	1.72
Inventories	4,350.35	517.27
Cash and bank balances	1,445.15	613.34
Short term loan and advances	643.64	838.48
Other current asset	33.69	3.03
<b>LIABILITIES</b>		
<b>Non Current Liabilities</b>		
Long term borrowing	3,758.06	4,000.00
Long term provision	14.40	8.71

<b>Current Liabilities</b>		
Short term borrowing	2,304.28	239.19
Trade payable	554.53	145.42
Other current liabilities	8,070.63	2,231.68
Short term provision	3.80	1.32
	<b>year ended</b>	<b>year ended</b>
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>INCOME</b>		
Revenue from Operation(Net)	11,798.09	-
Other Income	91.86	7.00
<b>EXPENSES</b>		
Cost of Material Consumed	11,683.66	-
Purchase of stock in trade/(traded goods)	-	28.58
Change in inventories of finished goods, work- in-progress and stock in trade	(1,237.05)	(28.58)
Employee benefit expenses	239.13	4.13
Finance cost	714.12	0.03
Depreciation and amortization expenses	548.95	-
Others expense	1,995.73	22.43
Note : Capital Commitments	37.12	195.45

24. (a) The details for provision for warranties are as under:

Certain equipments sales are covered by warranty for 12 months from date of commissioning

**(Rs. lacs)**

Particulars	Current year	Previous year
Provision at the beginning of the year	69.37	-
Additional provisions made during the year	-	69.37
Amount reversed during the year	19.17	-
Provisions at the end of the year	50.20	69.37

(b) Classification into current and non-current liability

**(Rs. lacs)**

Particulars	Current year	Previous Year
Current liability	-	69.37
Non-current liability	50.20	-

**25. Additional information pursuant to Schedule III of the Companies Act 2013, of subsidiaries and joint venture as per standalone financial statement of each entity:**

Particulars	Net Assets (Total assets-Total liabilities)		Share in (Loss)	
	As % of Consolidated Net Assets	Rs. in lacs	As % of Consolidated Loss	Rs. in lacs
i) Parent				
1. Simbhaoli Sugars Limited	47.54	(32,616.55)	72.38	(15,969.68)
ii) Subsidiaries				
a) Indian				
1. Simbhaoli Sugars Speciality Sugars Private Limited	(0.13)	90.97	0.05	(10.12)
2. Simbhaoli Power Private Limited	(2.67)	1,833.35	2.79	(615.30)
3. Simbhaoli Spirits Limited	(27.55)	18,900.70	11.27	(2,486.54)
4. Integrated Casetech Consultants Private Limited	(1.06)	723.94	(0.24)	53.57
b) Foreign				
1. Simbhaoli Global Commodities, DMCC	0.05	(31.60)	0.15	(32.73)
iii) Joint Venture (as per proportionate consolidation method)				
Indian				
1. Uniwold Sugars Private Limited	(7.94)	5,450.45	9.31	(2,054.59)
Minority interests	(3.53)	2,422.64	1.33	(293.54)
Eliminations (inter company transactions)	95.29	(65,387.46)	2.96	(655.90)
Total	100.00	(68,613.56)	100.00	(22,064.83)

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

Signatures to Notes 1 to 26.

Gurmit Singh Mann Chairman DIN - 00066653	Gurpal Singh Managing Director DIN - 00064807
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Gursimran Kaur Mann Managing Director DIN - 00642094	Sanjay Tapriya Chief Financial Officer DIN - 00064703
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Sachchida Nand Misra Chief Operating Officer DIN -06714324	Anshul Jain GM- Finance FCA - 505973	Kamal Samtani Company Secretary FCS - 5140
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Place: Noida  
Date : May 30, 2015



# SIMBHAOLI SUGARS LIMITED

CIN: L24231UP1936PLC000740  
Regd Off: Simbhaoli - 245 207, District Hapur, Uttar Pradesh  
Email: info@simbhaolisugars.com; Website: www.simbhaolisugars.com;  
Phone: 0120-4806666, Fax: 0120-2427166,

## 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 Rs. 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 78th annual general meeting of the members of the Company, to be held at 10:00 a.m. on the 30th day of September, 2015 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:

#### Resolution No.

- To receive, consider and adopt the Financial Statements of the Company for the year 2014-15 and the Reports of the Board of Directors and Auditors thereon.
- To appoint a director in place of Ms. Gursimran Kaur Mann, who retires by rotation and being eligible offers herself for re-appointment.
- To appoint a director in place of Mr. Gurpal Singh, who retires by rotation and being eligible offers himself for re-appointment.
- To appoint M/s Mittal Gupta and Company, Chartered Accountants as statutory auditors of the Company and fix their remuneration in place of M/s Deloitte Haskins and Sells, Chartered Accountants, the existing auditors.
- To appoint Mr. Gurmit Singh Mann as the Executive Chairman of the Company, and fix his remuneration.

- To appoint Mr. Gurpal Singh as the Managing Director of the Company, and fix his remuneration.
- To appoint Ms. Gursimran Kaur Mann as the Managing Director of the Company, and fix her remuneration.
- To appoint Mr. Sanjay Tapriya as the Chief Financial Officer and fix his remuneration.
- To appoint Mr Satnam Singh Saggi as the cost auditors and fix his remuneration.



Signed this \_\_\_\_\_ day of September, 2015

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