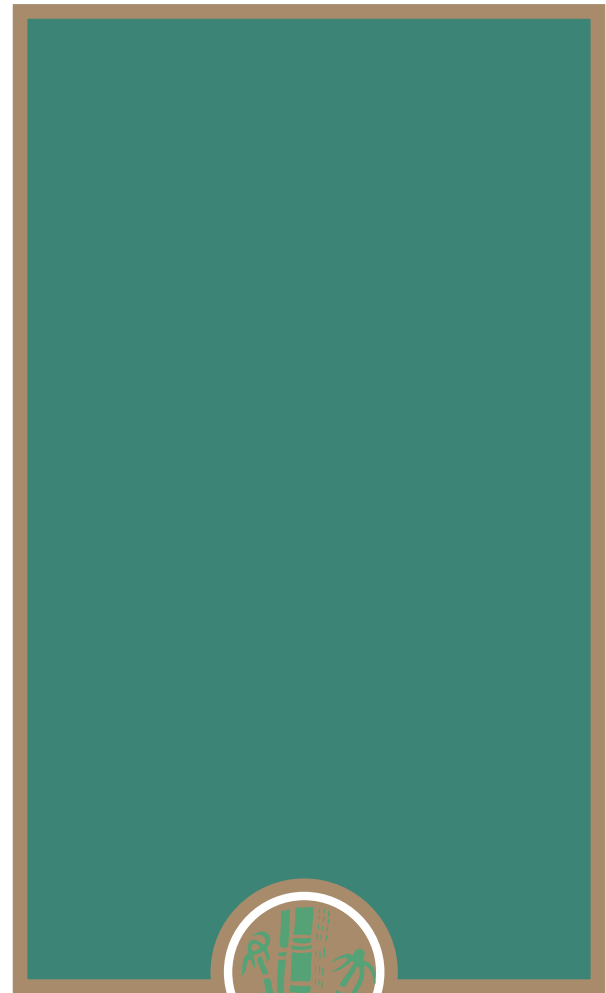

81st

ANNUAL

REPORT

2014-2015



*Sir Shadi Lal
Enterprises Ltd.*



SIR SHADI LAL ENTERPRISES LIMITED

BOARD OF DIRECTORS	:	Shri Onke Aggarwal– Chairman Shri Rajat Lal– Managing Director Shri Vivek Viswanathan– Joint Managing Director Shri Rahul Lal– Executive Director Shri Hemantpat Singhania Shri R.L. Srivastava Shri R.C. Sharma Smt. Radhika Viswanathan Hoon Shri Ajit Hoon
CHIEF FINANCIAL OFFICER	:	Shri P.K. Goyal
COMPANY SECRETARY	:	Shri Akhilesh Kumar Singh
BANKERS	:	State Bank of India Punjab National Bank
AUDITORS	:	Messrs Basant Ram & Sons, Chartered Accountants, A– 18, Nizamuddin East, Murli Marg, New Delhi– 110 013
REGISTERED OFFICE	:	4– A, Hansalaya, 15, Barakhamba Road, New Delhi– 110 001
MANUFACTURING UNITS	:	Upper Doab Sugar Mills, Shamli– 247 776 (U.P.) Shamli Distillery & Chemical Works, Shamli– 247 776 (U.P.)



SIR SHADI LAL ENTERPRISES LIMITED

SIR SHADI LAL ENTERPRISES LIMITED

(Corporate Identity No. L51909DL1933PLC009509)

Regd. Office: 4 – A, Hansalaya, 15, Barakhamba Road, New Delhi– 110 001

Ph. 011– 23316409, Fax No. : 011-23722193 Email Id udsm_shamli@sirshadilal.com, Website : www.sirshadilal.com

NOTICE FOR THE 81ST ANNUAL GENERAL MEETING

Notice is hereby given that the 81st Annual General Meeting of the Shareholders of Sir Shadi Lal Enterprises Limited will be held on Monday, the 28th September, 2015 at 11.00 a.m. at P.H.D. House, 4/2, Siri Institutional Area, August Kranti Marg, Opposite Asian Games Village, New Delhi - 110 016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015, Statement of Profit and Loss account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. R.L. Srivastava, (DIN: 00150105) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Rahul Lal, (DIN: 06575738) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time the appointment of M/s. Basant Ram & Sons, Chartered Accountants (Firm Registration No. 000569N), who were appointed as Auditors of the Company to hold office from the conclusion of 80th Annual General Meeting (AGM) till the conclusion of the eighty third AGM of the Company to be held in the year 2017 be and is hereby ratified for the year 2015-16, at such remuneration plus service tax, out-of-pocket and traveling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT Sh. Ajit Hoon (DIN-00540300), who was appointed as an Additional Director with effect from 01.11.2014 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article 98 of Article of Association of the Company and who holds office upto

the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the Company, who will be liable to retire by rotation.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), payment of remuneration as set out in the Statement annexed to the Notice convening this Meeting to M/s Rishi Mohan Bansal, & Company (Firm Registration No. 000022) Cost Auditors who were appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016 be and is hereby ratified and approved .”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

By order of the Board

Place : New Delhi

Dated : 25th July, 2015

Akhilesh Kumar Singh
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (“Meeting”) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The Proxy form duly completed and signed, in order to be effective must be received at the registered office of the company not less than 48 hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.



3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. In terms of Article 98 of the Articles of Association of the Company, read with section 152 of the Companies Act, 2013 Sh. R.L. Srivastava and Sh. Rahul Lal, Directors, retire by rotation at this meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their re-appointment.
5. As per Clause 49 of the Listing Agreement with Stock Exchanges, the brief resume and functional expertise of directors proposed for appointment/re-appointment are annexed to this notice along with the details of the Companies in which they are Directors and the Board Committees of which they are members.
6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
7. The Register of Members and Share Transfer Books of the Company will remain closed from the 16th September 2015 to the 28th September, 2015 (both days inclusive).
8. Shareholders are requested to intimate to the Company/Registrar and Transfer Agent, M/s Alankit Assignments Limited, change if any, in their registered addresses.
9. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
11. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company or to the Share Transfer Agents of the Company, M/s Alankit Assignments Limited, to enable it to consolidate their holdings in one folio.
12. Members are requested to bring their copies of the Report and Accounts to the meeting.
13. Members, who hold shares in dematerialized form, are requested to bring their depository account number (Client ID No.) for easier identification and recording of attendance at the meeting.
14. Members who require any information about the accounts to be explained in the meeting are requested to inform the Company about their intended query at least seven days in advance of the meeting.
15. Pursuant to Section 205A of the Companies Act, 1956, all unpaid/unclaimed dividends declared for and up to the financial year ended 31st March 1995 have been transferred to the General Revenue Account of Central Government. Members, who have not yet encashed their dividend warrants for the said period, are requested to claim the amount from the Registrar of Companies, National Capital Territory of Delhi & Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019.
16. Pursuant to Section 205A and 205C of the Companies Act, 1956, unpaid/ unclaimed dividends for the year 1995-96, 1996-97, 1997-98, 1998-99, interim and final dividend of 1999-2000, 2000-2001, 2001-2002, 2003-04, 2004-05 & 2005-06 have been transferred by the Company to “Investor Education & Protection Fund”(IEPF) constituted by the Central Government under Section 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim shall lie for the unclaimed Dividend from IEPF by the shareholders. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 22nd September, 2014 (date of last Annual General Meeting) on the website of the Company (www.sirshadilal.com).
17. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2010 which remain unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013 as detailed below:

Financial Year	Date of Declaration of Dividend	Due date for the transfer to IEPF
2009-10	24.09.2010	30.10.2017
18. Section 72 of the Companies Act, 2013, has extended nomination facility to individuals holding shares in Companies. Shareholders, in particular, those holding shares in single name, are requested to avail of the above facility by furnishing to the company Form SH-13. Shareholders may please write to the company for the prescribed Nomination Form SH-13.
19. The Securities and Exchange Board of India (SEBI) has mandated that the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Transfer Agent, M/s Alankit Assignments Limited.

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20. Members are requested to provide us the following information which is mandatory to maintain the Register of Members pursuant to provision of section 88 (1)(a) of the Companies Act, 2013 and rule 3(1) of the Companies (Management and Administration) Rules, 2014, Email ID, CIN/ Registration No., Unique Identification No., Father's/Mother's/Spouse's Name, Status, Occupation, PAN No., in case member is a minor, name of the guardian, Date of Birth of minor, details of membership, date of becoming member, date of declaration under section 89, if applicable.
 21. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
 22. Entry to the Auditorium will be strictly against entry slip available at the counters at the venue against exchange of Attendance Slip. Photocopy of the Attendance Slip will not be entertained.
 23. For the security and safety of the Shareholders, no articles/baggage will be allowed at the venue of the meeting. The Members/Attendees are strictly requested not to bring any article/baggage etc. at the venue of the meeting.
 24. Annual Report is also available at the website of the Company at www.sirshadilal.com in the Investors Relations section.
 25. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:
 - A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
 - i. Open the e-mail and also open PDF file namely "SSLEL e-voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
 - iii. Click on Shareholder – Login.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
 - i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.
 - C. Other Instructions:
 - i. The e-voting period commences on 25th September, 2015 (9.00 a.m. IST) and ends on 27th September, 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
 - ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 22nd September, 2015.
 - iii. Shri Sunil K. Jain, Prop. Sunil K. Jain & Associates Company Secretaries (Membership No. FCS 4089; C.P.No.4079), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
 - viii. Select "EVEN" (E-Voting Event Number) of Sir Shadi Lal Enterprises Limited. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. 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 sunil.jain.sk@gmail.com, with a copy marked to evoting@nsdl.co.in.
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com



- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sirshadilal.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the 81st AGM of the Company on 28th September, 2015 and communicated to the DSE Limited and BSE Limited, where the shares of the Company are listed.

ANNEXURE TO NOTICE

(Explanatory statement under Section 102 (1) of the Companies Act, 2013)

ITEM NO. 5

The Board of Directors of the Company had appointed Sh. Ajit Hoon as an Additional Director w.e.f. 01.11.2014 u/s 161 of the Companies Act, 2013. Sh. Ajit Hoon holds office only upto the date of 81st Annual General Meeting of the Company. The Company has received a notice in writing alongwith a deposit of Rs. 1 Lac from a member, u/s 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Sh. Ajit Hoon as a Director of the Company, subject to retirement by rotation.

Your Directors recommend the appointment of Sh. Ajit Hoon as the Director of the Company.

Smt. Radhika Viswanathan Hoon being relatives of Sh. Ajit Hoon are deemed to be concerned or interested in this resolution. None of the other directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

ITEM NO. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors

to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016 as per the following details:

Remuneration of Cost Auditor

For the product "Sugar"

Upper Doab Sugar Mills

Cost Audit Fee (inclusive of all incidental and traveling expenses)	Rs. 30,000 per annum
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For the product "Industrial Alcohol"

for Shamli Distillery & Chemical Works

Cost Audit Fee	Rs. 20,000 per annum
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Extra Travelling Expenses and Incidental Expenses	Actual Rs. 2,000
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for attending Audit Committee / Board Meeting(s)	per day
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In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

MEMBERS MAY PLEASE NOTE THAT NO GIFTS/GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.

By order of the Board

Place : New Delhi

Dated : 25th July, 2015

Akhilesh Kumar Singh
Company Secretary

CONTD.....



ANNEXURE TO THE A.G.M. NOTICE

INFORMATION PURSUANT TO CLAUSE 49 IV (G) OF THE LISTING AGREEMENT REGARDING APPOINTMENT OF A NEW DIRECTOR OR RE-APPOINTMENT OF A DIRECTOR

Name of the Director	Sh. R L Srivastava	Sh. Rahul Lal	Sh Ajit Hoon
DIN of Director	00150105	06575738	00540300
Date of Birth	16.07.1939	18.07.1989	06.01.1959
Age	75	26	56
Date of Appointment	28.09.1998	27.04.2013	01.11.2014
Qualification and Nature of Expertise	M.Sc.	B Com, MBA	Bachelors in economics Masters in Business Management
	<p>He had been Executive Director of IFCI Ltd. He has rich and varied experience in the different fields of Corporate Finance and various aspects of Sugar Industry during his long and distinguished career with IFCI Ltd. He was also the nominee director of IFCI Ltd. In our Company for two years.</p>	<p>He has done his Graduation (B.Com.) from Delhi University in 2011. He has completed his MBA from New Haven University, USA. He has 16 months experience with M/s KPMG, Mumbai, Earnest & Young, Gurgaon, J.P. Morgan, Mumbai and as Management Trainee with our Company.</p>	<p>He started his career with JWT Mumbai in 1980 working on the Unilever Business. In 1985 joined Everest Advertising. In the year 1990 he had left Everest to join Mudra Communications as brand director and later General Manager. In 1994, he set up Dhar & Hoon, India's first creative and strategic consultancy and worked on numerous brands prominent among them being BPL, Nestle, Pepsi, Real juice, Honda Cars, Pantaloon, Business standard, BPCL, Platinum Guild. Here he honed his skills as a communication strategist, working on brand strategy as an integral part of the overall offering. Today he runs D & H Blurb Communications Ltd. with equity participation with the future group.</p>
Directorship held in other Companies	Regency Hospitals Limited, Kanpur (U.P.)	NIL	D & H Blurb Communication Ltd
Membership / Chairmanship in committees	Regency Hospitals Limited, Kanpur (U.P.) Chairman - Remuneration Committee Member - Audit Committee	NIL	NIL
No. of Shares held in the Company	NIL	287746	NIL
Relationship		Son of Sh. Rajat Lal	Husband of Smt. Radhika Viswanathan Hoon

Place : New Delhi
Dated : 25th July, 2015

By order of the Board
Akhilesh Kumar Singh
Company Secretary



DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors hereby present the 81st Annual Report and the audited accounts of the Company for the year ended 31st March, 2015.

FINANCIAL RESULTS:

The financial results for the year under review are as follows:

	(Rs. in Lacs)	
	For the Year ended	For the Year ended
	March 31, 2015	March 31, 2014
Total Revenue	40251.97	47012.19
Loss before providing for Exceptional Item and Depreciation	6327.61	6172.95
Less: Exceptional Item	1483.89	423.09
Cash Loss	4843.72	5749.86
Add: Provision for depreciation as per Companies Act	327.62	767.98
Adjustment of depreciation relating to prior year on account of reversing excess depreciation already charged on the assets to comply with the requirement of Schedule II of the Companies Act, 2013.	153.11	-
Net Loss before Tax	5018.23	6517.84
Add: Refund of Income Tax	28.59	106.18
Less: Provisional Deferred Tax Assets	1895.56	2154.89
Net Loss transferred	3094.08	4256.77
Basic earnings per share of Rs 10/- each	(58.935)	(81.081)
Diluted earnings per share of Rs 10/- each	(58.935)	(81.081)

STATE OF THE COMPANY'S AFFAIRS

During the year under review, both the segments of your Company i.e. sugar and alcohol passed through a very difficult and painful period.

The Sugar Industry in U.P. suffered heavy loss during the year due to combination of extraneous factors such as high sugarcane price, unremunerative sugar price, higher production of sugar on all India basis in the last 5 years i.e 244 Lac tones in 2010-11, 263 Lac tones in 2011-12, 251 Lac tones in 2012-13 and 244 lac tones in 2013-14. The production for sugar season 2014-15 is also expected to be around 280 Lac tones. With this excess production in 2014-15 season and carry-forward stock of 95 Lac tones as on 1st October, 2014, the sugar price fell by about Rs.700-800 per quintal resulting in heavy losses of Rs.65 Crores in Shamli Sugar Mill Unit.

In the existing scenario sugar units are not covering the cost of production.

REFERENCE TO BIFR

Last year the accumulated losses of the Company have exceeded its entire net worth. Therefore the Company has become sick industrial Company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 and the fact was reported to the BIFR as required under the provisions of section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 and relevant Form "A" was duly filed with The Registrar of BIFR, who had asked the Company to file revised form "A" along with balance sheet in which assets and liabilities of unit Unn Sugar Complex are not depicted. The relevant adjustment entries regarding sale of unit Unn Sugar Complex are recorded in the books appearing in the accounts for the year ended 31.03.2015. The revised Form "A" shall be/has been submitted after the approval of the accounts of the company for the year ended 31st March, 2015 by the Board of Directors of the Company.

FINANCE

The Bankers have a view that in the absence of reasonable cane price formula which has made sugar production unviable in U.P. was mainly due to industry's inability to pay their debts. During the year 2014-15 the SBI have approved renewal cum reduction proposal to reduce the working capital limit from Rs.104 Crores to Rs.70 Crores which was to be converted into WCTL. Due to security related issues, the conversion of CC limit of Rs.70 Crores into WCTL could not be completed by 31.03.2015, therefore the amount of Rs.64.66 Crores standing in the company's account is shown under the Cash Credit limit. The PNB has only reviewed the limit of Rs.41 Crores for the year 2014-15, out of which only Rs.20 Crores was disbursed to us and declined to disburse the balance Rs.21 Crores. The District Coop.Bank Ghaziabad and Bulandshahr from whom we have taken Rs.50 Crores during last season 2013-14 only DCB, Ghaziabad have extended their Cash Credit Limit of Rs.30 Crores for the year 2014-15 against their outstanding balance amount of Rs.20.34 Crores pertaining to balance of last season. In this way the Company can get cash credit limit of only Rs.105.24 Crores as against the total requirement of Rs.160 Crores. The bankers fear about the increase in Non Performing Assets (NPA) after the Supreme Court order in October, 2014 up-holding the High Court decisions that farmer's have the first right over the realization from sugar cane and not the bankers. After the Supreme Court verdict the bankers are virtually forced not to recon sugar as security and are asking promoters and directors of the sugar mills to give their personal guarantee.

The State Bank of India and Punjab National Bank Chairpersons have also written to the U.P. Govt. to finalise the cane pricing formula keeping in view the interest of entire stake holders i.e. Farmers, Sugar Mills and Bankers.

SALE OF UNIT UNN SUGAR COMPLEX

The Company has sold its unit Unn Sugar Complex by execution of slum sale deed on 07.09.2014 to M/s.Superior Foodgrains Pvt. Ltd., Chandigarh for a consideration of Rs. 75.50 Crores. The sale of the unit Unn Sugar Complex was approved by the Board of Directors of the Company in their meeting held on 04.01.2014 and by the shareholders' approval by postal Ballot was taken on 27th February, 2014.

The exceptional item above represents net of capital profit of Rs.16.51 Crores after adjusting loss of Rs.1.67 Crores on transfer of stores.

CONTD.....



TRANSFER TO RESERVES

Loss for the year Rs. 30,94,08, 269/- has been transferred to General Reserves.

DIVIDEND

In view of the present financial crisis of the company, your directors regret their inability to recommend any dividend for the year ended 31st March, 2015.

FIXED DEPOSITS

The total amount of fixed deposits as on 31.03.2014 was Rs.1740.99 Lacs and the same has been repaid by the Company to the Depositors during the financial year 2014-15.

Material changes and Commitments affecting financial position between end of the financial year and date of the report.

There have been no material changes and commitments affecting financial position between end of the Financial year and date of report.

REVIEW OF OPERATIONS

The manufacturing results of the sugar unit Upper Doab Sugar Mills for the crushing season 2014-15 as compared to the last crushing season are as under:

	<u>2014-15</u>	<u>2013-14</u>
Gross working days	178	162
Cane crushed (Qtls)	9182539	8792035
Average Cane Crush per		
Crop Day (Qtls.)	51587	54272
Manufacturing losses (%)	1.89	1.92
Steam Consumption Cane(%)	53.55	53.20
Average sugar recovery (%)	9.34	9.02
Total Sugar production (Qtls.)	857602	792876

The recovery %cane during the season 2014-15 is higher as compared to sugar season 2013-14.

CANE DEVELOPMENT

Due to vigorous efforts made by the Management and action plan made for sugarcane development, area under cultivation of high sugar varieties of cane has increased in unit Upper Doab Sugar Mills. Further due to increased area under improved variety, ensuring cane crop free from insects, pests, diseases and optimum uses of Phosphatic and pottasic fertilizers in the season 2014-15, Pol% cane has increased by 0.29% comparing with season 2013-14. This has resulted in higher % of average sugar recovery in current season as compared to previous season 2013-14. We are further making efforts to increase area under high sugar varieties from 19% to 45% as well as replacement of rejected and low pol varieties from 41% to 26% in the next season 2015-16. With this varietal balance, cane cut to crush would be improved and supply of dried cane in the coming season will be reduced. By these efforts the Pol% cane would be increased to 11.90% in the coming season 2015-16.

DISTILLERY UNIT

The production in the unit Shamli Distillery & Chemical Works in the financial year 2014-15 was 6428526 BL as compared to 70,66,191 BL during F.Y.2013-14. The fall in the production is mainly due to

closure of distillery unit for 4 months from July, 2014 to October, 2014 by agitating cane growers who were demanding cane price payment of the season 2013-14.

There was a profit of Rs.303.87 Lacs in the F.Y. 2014-15 as against the profit of Rs. 451.22 Lacs in the FY 2013-14 in the distillery unit. Further analysis of operating performance for sugar and distillery segments is covered under "Management Discretion and Analysis", which form part of this report.

DIRECTORS:

In the last Annual General Meeting held on 22.09.2014 shareholders appointed Sh. Onke Aggarwal, Sh. R.C.Sharma and Sh. Hemant Pat Singhania as Independent Directors of the Company for a period of five consecutive years from 22.09.2014 to 21.09.2019 in terms of section 149 and 152 of the Companies Act, 2013 and Companies (Appointment and qualification of Directors) rules 2014 and clause 49 of the Listing Agreement.

The term of appointment of Sh. Onke Aggarwal as Chairman of the Board of Directors of the Company was expiring on 10.03.2015. The Board of Directors of the Company re-appointed Sh.Onke Aggarwal as Chairman of the Board of Directors of the Company for a further period of one year w.e.f.11.03.2015.

In accordance with the provisions of Companies Act, 2013(the Act) and the Company's Article of Association, Sh. R.L.Srivastava and Sh. Rahul Lal retire by rotation under section 152 of the Act, and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

The Board of Directors of the Company had appointed Sh. Ajit Hoon as an Additional Director w.e.f. 01.11.2014 u/s 161 of the Companies Act, 2013. Sh. Ajit Hoon holds office only upto the date of 81st Annual General Meeting of the Company. The Company has received a notice in writing alongwith a deposit of Rs. 1 Lac from a member, u/s 160 of the Companies Act, 2013, signifying the intention to propose the candidature of Sh. Ajit Hoon as a Director of the Company, subject to retirement by rotation.

The required information pursuant to clause 49 of the Listing Agreement providing their experiences, qualifications, name of the company in which the above directors' board directorship and membership of the committee of the board are detailed in the notice convening the annual general meeting against the relevant items of the agenda which forms part of this annual report.

Necessary Resolutions for appointment/re-appointment of aforesaid directors have been included in the notice convening the ensuing Annual General Meeting.

None of the directors of the company is disqualified from being appointed as director as specified in terms of section 164 (1) and (2) of the Companies Act, 2013.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The guidelines for selection of director are set out below:

The Board's Nomination and Remuneration Committee oversees the Company's nomination process for directors. The Committee identifies and review individual qualified candidate to serve as a director on the board. The Committee may act on its own identifying the potential candidate. The Committee review and discuss details pertaining to the candidate and conduct evaluation of candidates in accordance with the process that it seems fit and appropriate, discuss with



the promoters, and send its recommendation for nomination to the board based on the following guidelines.

ATTRIBUTES

1. For Independent Directors the Committee seeks candidate who is not a nominee or related to promoter of the company. Such candidates shall possess integrity, leadership, skill, managerial qualities, foresight abilities and competency required to direct and oversee the Company's management in the best interest of stake holders i.e. shareholders, consumers, employees and the community it serves.
2. The candidate must be willing to regularly attend the meeting of the board and develop a strong understanding of the Company, its business and its need. He must contribute his/her time and knowledge in the Company and be prepared to exercise his/her duties with skill and care. Candidates should have understanding of governance concept and legal duties of a director.
3. The Candidate should preferably have sufficient experience on the board of a listed company.
4. For appointment of Executive Directors the Committee also seeks opinion of promoters.

KEY MANAGERIAL PERSONNEL

The board of directors have appointed following Key Managerial Personnel as provided under section 203 of the Companies Act, 2013.

1. Sh. Rajat Lal, Managing Director
2. Sh. P.K.Goyal, Chief Financial Officer.
3. Sh. Akhilesh Kr.Singh, Company Secretary.

Sh. P.K.Goyal, who was earlier discharging the responsibilities of Company Secretary and Chief Financial Officer has been appointed as Chief Financial Officer w.e.f. 01.11.2014 and Sh. Akhilesh Kumar Singh has been appointed as Company Secretary w.e.f. 01.11.2014

INDEPENDENT DIRECTORS' DECLARATIONS

The declaration, from independent directors under section 149 (6) of Companies Act 2013 and clause 49 of the listing agreement with the stock exchanges, have been received.

INDEPENDENT DIRECTORS MEETING

A separate meeting of the independent directors (Annual Independent Directors Meeting) was convened which reviewed the performance of Board as a whole and the non independent directors on the basis of Nomination and Remuneration Committee Report. The collective feed back of each independent director was discussed with the board covering performance of the board as a whole and performance of non independent directors.

PERFORMANCE EVALUATION OF CHAIRMAN, DIRECTORS, BOARD AND COMMITTEES

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the performance evaluation of Non Independent Directors, Board and Committees was undertaken by the Nomination and Remuneration Committee for the year under review. The report of non independent directors as done by the Nomination and Remuneration Committee is reviewed by Independent Directors.

The Performance Evaluation of Chairman and Independent Directors is done by the board and the report of nomination and

remuneration committee for non independent director as reviewed by the independent director is placed before the board of directors. The criteria for Performance and evaluation is mentioned in the Corporate Governance.

The Evaluation frame work for assessing the performance of Directors, Board and Committee is done on the following parameters:

A. Board Evaluation

1. Attendance and active participation.
2. Knowledge of working of industry, experience in related issues.
3. Leadership and initiative.
4. Independent judgments on the board discussions utilizing his knowledge and experience especially on issues related strategy, operational performance and risk management.
5. Commitment to role and fiduciary responsibility as a board member.
6. Understanding the nature in directors role, demonstrate awareness and concern about norms related to corporate governance, disclosure and legal compliance.
7. Contribute new ideas/advise to management on business issues based on the management

B. Committee Performance

1. The Committee is delivering on the defined objectives.
2. The Committee has the right composition to deliver its objective.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the financial year 2014-15 six Board Meetings were held on 27.05.2014, 26.07.2014, 02.08.2014, 22.09.2014, 01.11.2014 and 06.02.2015. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of sub-section 134(5) of the Act with respect to Directors' Responsibility Statement, the Directors confirm that:

- i) in the preparation of the Annual Accounts for the year ended March 31, 2015, the applicable Accounting Standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- ii) they have 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 as at March 31, 2014

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and of the loss of the Company for the financial year ended on that date;

- iii) they have taken proper and sufficient care for the 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 fraud and other irregularities; and
- iv) they have prepared the Annual Accounts of the Company on a 'going concern' basis.
- v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTIES TRANSACTIONS

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel and other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee and also Board for approval. The form for disclosure of particulars of Contract / arrangements entered into by the Company with related parties referred to sub section (1) of Section 188 of the Companies Act 2013 in form AOC-2 is given below:

FORM NO. AOC -2

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vivek Vishwanathan – Jt MD
b)	Nature of contracts/arrangements/transaction	Tenancy agreement
c)	Duration of the contracts/arrangements/transaction	3 Years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Area – 1333 Sq feet Rent Per month Rs.150 per Sq feet Increase - 20% increase after 3 years Notice - 3 months from either side
e)	Date of approval by the Board	27.04.2013
f)	Amount paid as advances, if any	NIL

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

The Company has not made any loans or investment or given any guarantee during the year under review.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary, joint venture or associate Company.

CODE OF CONDUCT

Code of Conduct for the Directors as well as for the members of the Senior Management of the company was adopted in the Board Meeting held on 4th April, 2005 which was subsequently amended from time to time. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct states that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The said Code of Conduct has been circulated to all the Directors and Members of Senior Management and the compliance of the same has been affirmed by them in respect of the Financial Year 2014-15 and a declaration to that effect signed by the Managing Director is detailed below and forms part of this report. A copy of Code of Conduct has also been put up on the Company's Website – www.sirshadilal.com A declaration regarding compliance of Code of Conduct is given by the Managing Director under the head Code of Conduct that Board Members and Senior Management team have complied with the same, under Corporate Governance.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Whistle Blower Policy/ Vigil Mechanism to deal with instance of fraud and mismanagement, if any.

A Vigilance Committee has been constituted which looks into the complains raised. The Committee reports to the audit committee and the Board.

The details are given in Corporate Governance.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the



Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Directors and the designated employees have confirmed compliance with the Code.

AUDITORS

In terms of section 139 of the Companies Act, 2013 and rules made thereunder, M/s. Basant Ram & Sons, Chartered Accountants, (firm registration No.000569N) were appointed as Auditors of the Company from the closure of 80th Annual General Meeting of the Company held on 22nd September, 2014 for a period of three years upto 83rd Annual General Meeting of the company to be held in the year 2017. The appointment of Auditors is subject to ratification on every Annual General Meeting of the Company. M/s. Basant Ram & Sons, Chartered Accountants, New Delhi are eligible for ratification of their appointment in this Annual General Meetings. They have furnished certificate to the effect that ratification of their appointment will be within the limits specified under section 159 of the Act.

COMMENTS ON AUDITOR'S OBSERVATIONS

- (i) Reply to Paragraph No 1 of "Emphasis of Matters" in Auditor's Report

The Auditors have referred to note No.3.8 regarding potential sickness of the company and reference to the BIFR under section 15(1) of the Sick Industrial Companies (Special Provision) Act, 1985. The note itself is self explanatory. The revised Form A shall be submitted to the Registrar, BIFR shortly.

- (ii) Reply to Paragraph No. 2 of "Emphasis of Matters" in Auditor's Report regarding Deferred Tax Assets.

The Company has recognized the deferred Tax Assets in accounts to comply the requirement of "Accounting Standard-22". As the Company has been incurring continuous losses for the last five years, and in the absence of future projections of Profitability, the recovery of deferred Tax Assets at Rs.68.81 Crores is uncertain. The Board has decided that in future the Company will not make provision for Deferred Tax Assets, until the Company accumulated deferred Tax Assets of Rs.68.81 Crores is recovered.

- (iii) Reply under the head opinion of the Auditors Report

The Company have taken legal opinion from its lawyers regarding recovery of Rs. 150.38 Lacs from M/s. Sainov Spirits Pvt Ltd. against the sale of unit Pilkhani Distillery & Chemical Works as a going concern. As per opinion of the Solicitor there is no legal basis to construe Company's entitlement to the said amount of Rs. 150.38 Lacs as irrevocable and if the company treat it doubtful of recovery at any stage and make any treatment in the books of accounts, it may affect adversely the legal proceedings of recovery of debt. Therefore in view of the above opinion, the Company has not made any provision for bad and doubtful debts in the books of accounts.

- (iv) Reply to Point No. IX in annexure to Independent Auditors Report referred to paragraph no. 1 under the heading of report on other legal and regulatory requirements

- (a) As regards the unpaid balance of SBI Rs.646576381/- to the SBI the bank has approved renewal cum reduction proposal of Company on 17.04.2014 to reduce the working capital from Rs.104 Crore to Rs.70 Crores which was subsequently to be converted into WCTL of Rs. 70 Crores. Due to security related issues the conversion of CC limit to WCTL could not be completed upto 31.03.2015 and the amount of Rs. 643576381/- could not be converted into WCTL upto 31.03.2015.
- (b) As per Hon'ble High Court Allahabad decision dated 5th September, 2014 the cane price for the season 2013-14 was to be paid upto 31.10.2014. The court for this purpose directed the District Magistrate of the concerned districts to ensure the payments of cane price arrears. After the Supreme Court upholding High Court Decision that farmers have the first right over the realization from sugar sale and not the bankers, the district administration sold the stock of sugar pledged to the District Cooperative Bank, Ghaziabad for payment of cane arrear. Therefore the amount of Rs. 20,33,85,431/- could not be paid to the bank on due date.

COST AUDITORS

The Shareholders of the Company approved appointment of Sh.Rishi Mohan Bansal, Cost Auditor for conducting the Cost Audit for Sugar and Industrial Alcohol business for the F.Y. 2014-15.

The Cost Audit Report for the last audited accounts for the Financial Year ended 31.03.2014 was filed by the Cost Auditor with respect to Sugar and Industrial Alcohol business on 07.08.2014 which is within the due date. There is no adverse or negative remark in the Cost Audit Reports.

SECRETARIAL AUDIT REPORT

The Board of Directors of the Company appointed M/s. Sunil Kumar Jain and Associates, Company Secretaries, to conduct the secretarial audit for the financial year ended 31st March, 2015.

The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed as "Annexure - 1" to the Directors' Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in form MGT-9 is annexed with "Annexure-2"

DISCLOSURE OF RATIO OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As required under Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the ratio of the remuneration of each director to the median employee's remuneration and such other details as prescribed therein are given in "Annexure - 3", which is attached hereto and forms part of the Directors' Report.

PARTICULARS OF EMPLOYEES

The information required pursuant to section 197 (12) read with rule 5 of the companies (Appointment and remuneration of managerial personnel) rules, 2014 in respect of the employees of the company are given in "Annexure - 3" and forms part of this report.

DETAIL OF SHARES WITH DIFFERENTIAL VOTING RIGHT, SWEAR EQUITY SHARE AND ESOP SCHEME

The Company has not issued shares with differential voting right and sweat equity shares. There is no scheme of ESOP Scheme during the financial year.

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SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a business risk management committee. The details of the committee and its terms of reference and risk associated and their mitigation are set out in the corporate governance report forming part of the Boards report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size, scale and complexity of its operations to maintain its objectivity and independence, the Internal Audit Department reports to the Audit Committee of the Board. The details of the Internal Control System and their adequacy are given in the Corporate Governance.

CORPORATE SOCIAL RESPONSIBILITY

Due to the continuous losses to the Company in the last five years the provisions of Corporate Social Responsibility Policy under section 135 of the Companies Act, 2013 is not applicable to our Company.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required to be disclosed under Section 134(3)(m) of the Companies Act 2013, read with Companies (Accounts), Rules, 2014 are provided in "Annexure -4" and forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The performance of both the business segments i.e. sugar and alcohol segments of the Company for the year ended 31st March, 2015 and current year prospects as required under Clause 49 of the Listing Agreement has been detailed in the "Management Discussion and Analysis Report" in the section on Corporate Governance.

CORPORATE GOVERNANCE

The company complies with all the mandatory requirements as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges. The separate section on "Corporate Governance"

including a certificate from the Practicing Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges is given in "Annexure-5" and forms part of this Report.

LISTING ARRANGEMENT

The shares of the Company are listed with the Bombay Stock Exchange Limited and Delhi Stock Exchange Limited. The annual listing fee for the year 2015-16 has been paid to Bombay Stock Exchange Limited.

The Delhi Stock Exchange has advised the companies not to make payment of listing fee for the Financial Year 2015-16.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORK AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company confirms that there is no complaint / case has been filed / pending with the Company during the financial year 2014-15.

INDUSTRIAL RELATIONS

The Industrial relations remained cordial at both the plants of the Company during the year.

APPRECIATION:

Your Directors wish to place on record their sincere thanks and appreciation for the devoted services rendered by the employees of the Company at all levels. We also place on record our appreciation to the Financial Institutions, State Bank of India, Punjab National Bank, Zila Sahkari Bank Ltd., other business associates and Government Authorities for their valuable co-operation and support from time to time. We would also like to express our thanks to our Shareholders for their continued confidence in the company.

For and on behalf of the Board of Directors of
Sir Shadi Lal Enterprises Ltd

Onke Aggarwal
Chairman
(DIN-00141124)

Place : New Delhi
Dated : 25.07.2015



ANNEXURE '1' TO DIRECTORS' REPORT 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 of Managerial Personnel) Rules, 2014]

To,

The Members'
Sir Shadi Lal Enterprises Limited
4A, HANSALAYA
15, BARAKHAMBA ROAD,
NEW DELHI-110001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sir Shadi Lal Enterprises 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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliances – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined books, papers, minute books, forms and returns filed and other records maintained by Sir Shadi Lal Enterprises Limited ("the Company") for the financial Year ended 31st March, 2015, according to provisions of:-

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz: -

- (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;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws specifically applicable to the Companies: -
 - (a) Sugar Cess Act, 1982,
 - (b) Food Safety and Standards Act, 2006,
 - (c) Essential Commodities Act, 1955,
 - (d) Sugar Development Fund Act, 1982, and
 - (e) Sick Industrial Companies (Special Provisions) Act, 1985

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and Delhi Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

CONTD.....



SIR SHADI LAL ENTERPRISES LIMITED

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

WE FURTHER REPORT THAT there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

WE FURTHER REPORT THAT during the audit period the:-

- (i) The Company has transferred/sold "Unn Sugar Complex" unit as a 'going concern' by way of slump sale in terms of the Special Resolution passed by the shareholders by Postal Ballot pursuant to provision of Section 180(1) (a) of the companies Act, 2013 and section 192A of the Companies Act, 1956 read with companies (passing of Resolution by Postal Ballot) Rules, 2011 (Notice of Postal ballot dated 4th January, 2014).
- (ii) The Company has filed a reference in Form-A, U/s 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 as the Company has become a sick Industrial Company based on the audited results for the financial results ending 31.03.2014. The Company has been asked by BIFR to file a revised Form-A, after excluding Assets and Liabilities of "Unn Sugar Complex".

For SUNIL K. JAIN & ASSOCIATES

Company Secretaries

Place : New Delhi

Dated : 25.07.2015

S.K.JAIN

Proprietor

(FCS 4089) C.P. No. 4079



ANNEXURE '2' TO DIRECTORS' REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 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	L51909DL1933PLC009509
2.	Registration Date	13.01.1933
3.	Name of the Company	SIR SHADI LAL ENTERPRISES LIMITED
4.	Category/Sub-category of the Company	PUBLIC LIMITED
5.	Address of the Registered office & contact details	4-A, Hansalaya, 15, Barakhamba Road, NEW DELHI 110 001 Tel. No. 011-23316409. 23310414, Fax No. 011-23722193 Website-www.sirshadilal.com E-mail: udsm_shamli@sirshadilal.com
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Alankit Assignments Ltd., 'Alankit House, 2-E/21, Jhanedewalan Extn. NEW DELHI 110 055 Tel. No. 011-42541956 & 42541234 Fax No. 011-23722193

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	10721	82.81
2	ALCOHOL	1101	6.04

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section
	NO	NO	NO	NO	NO

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III. VI. 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 beginning of the year [As on 31-March-2015]				% Change the year during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	2898421	-	2898421	55.21	2889843	-	2889843	55.04	0.17
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	2898421	-	2898421	55.21	2889843	-	2889843	55.04	0.17
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	2898421	-	2898421	55.21	2889843	-	2889843	55.04	0.17
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	371057	-	371057	7.07	371057	-	371057	7.07	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	371057	-	371057	7.07	371057	-	371057	7.07	-
2. Non-Institutions									
a) Bodies Corp.	312394	18676	331070	6.31	222866	18676	241542	4.60	1.71
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	672650	412868	1085518	20.68	683229	398936	1082165	20.61	0.07
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	348261	189483	537744	10.24	467184	172019	639203	12.18	1.94
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	23913	2277	26190	0.50	23913	2277	26190	0.50	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1357218	623304	1980522	37.72	1373279	589631	1962910	37.89	0.17
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1728275	623304	2351579	44.79	1744336	589631	2333967	44.96	0.17
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	4626696	623304	5250000	100.00	4658092	591908	5250000	100.00	-

**B) Shareholding of Promoters-**

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	Sh. Rajat Lal	938232	17.871	-	938232	17.871	-	-
2	Smt. Poonam Lal W/o Sh. Rajat Lal	287745	5.481	-	287745	5.481	-	-
3	Sh. Rahul Lal S/o Sh. Rajat Lal	287746	5.481	-	287746	5.481	-	-
4	Miss. Pooja lal D/o sh. Rajat Lal	5	0.000	-	5	0.000	-	-
5	Sh. Suresh Kumar Father-in-law-of Sh. Rajat Lal	8578	0.163	-	-	-	-	0.163
6	Smt. Sudha Singhania	46167	0.879	-	46167	0.879	-	-
7	Sh. Vivek Viswanathan	1290816	24.587	-	1290816	24.587	-	-
8	Smt. Radhika Viswanathan Hoon Sister of Sh. Vivek Viswanathan	39132	0.746	-	39132	0.746	-	-
	Total	2898421	55.208	-	2889843	55.045	-	0.163

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

SN	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
	At the beginning of the year : Sh. Suresh Kumar	8578	0.163	8578	0.163
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

Note : The definition of father-in-law being the relative of promoter has now been deleted from the new Companies Act, 2013.

CONTD.....

**D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS:****(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India				
	At the beginning of the year	340026	6.477	340026	6.477
	At the end of the year	340026	6.477	340026	6.477
2	Smt Snehlata Rajesh Nuwal				
	At the beginning of the year	0	0	0	0
	Purchase	82722	1.576	82722	1.367
	Sale	0	0	0	0
	At the end of the year	82722	1.576	82722	1.367
3	Sh. Arun Nahar				
	At the beginning of the year	48750	0.929	48750	0.929
	At the end of the year	48750	0.929	48750	0.929
4	ASK Securities Advisory Services P. Ltd.				
	At the beginning of the year	42190	0.804	42190	0.804
	At the end of the year	42190	0.804	42190	0.804
5	Sh. Mahendra Girdhari Lal				
	At the beginning of the year	34996	0.667	34996	0.667
	At the end of the year	34996	0.667	34996	0.667
6	Amar Alliance Consultants Pvt. Ltd.,				
	At the beginning of the year	30000	0.571	30000	0.571
	At the end of the year	30000	0.571	30000	0.571
7	Sh. Pankaj Garg				
	At the beginning of the year	28023	0.534	28023	0.534
	Purchase	400	0.007	28423	0.541
	At the end of the year	28423	0.541	28423	0.541
8	Vinod Chandra Mansukh Lal Shah				
	At the beginning of the year	24161	0.460	24161	0.460
	At the end of the year	24161	0.460	24161	0.460
9	Mani Capitals Ltd.,				
	At the beginning of the year	23941	0.456	23941	0.46
	At the end of the year	23941	0.456	23941	0.46
10	SKK Financial Advisory Services Pvt. Ltd.				
	At the beginning of the year	21095	0.402	21095	0.402
	At the end of the year	21095	0.402	21095	0.402

**E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sl 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
1	Name of the Directors				
2	Sh. Rajat Lal	938232	17.871	938232	17.871
3	Sh. Vivek Viswanathan	1290816	24.587	1290816	24.587
4	Sh. Rahul Lal	287746	5.481	287746	5.481
5	Sh. Onke Aggarwal	31710	0.604	31710	0.604
6	Smt. Radhika Viswanathan Hoon	39132	0.745	39132	0.745
	Total	2587636	49.288	2587636	49.288
	Shareholding of KMP Other than MD/Manager /WTD				
	Sh. P.K. Goyal	70	0.001	70	0.001
	Sh. Akhilesh Kumar Singh	-	-	-	-

V) INDEBTEDNESS -INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13806.98	118.32	1800.99	15726.29
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	63.04	63.04
Total (i+ii+iii)	13806.98	118.32	1869.03	15789.33
Change in Indebtedness during the financial year				
Addition	1855.98	1561.61	-	3417.59
Reduction	3770.59	-	1789.01	5559.60
Net Change	(1914.61)	1561.61	1789.01	2142.01
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	75.02	75.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	11892.37	1679.93	75.02	13647.32

CONTD.....



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

SI No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs.)
		Name	Sh. Rajat Lal,	Sh. Vivek Viswanathan	
	Designation	M.D.	Jt. M.D.	E.D.	
1	Gross salary	1440000	1140000	720000	3300000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	979140	767081	497404	2243625
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	388800	307800	194400	891000
	(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)	2807940	2214881	1411804	6434625
	Ceiling as per the Act (as per schedule V)	3000000	3000000	3000000	

B. REMUNERATION TO OTHER DIRECTORS

SI No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
		Sh. Onke Aggarwal	Sh. R.C. Sharma	Sh. Hemantpat Singhania	
1	Independent Directors	200000	188000	144000	532000
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	200000	188000	144000	532000
2	Other Non-Executive Directors	Sh. R.L. Srivastava	Smt. Radhika Viswanathan Hoon	Sh. Ajit Hoon	
	Fee for attending board committee meetings	120000	144000	20000	284000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	120000	144000	20000	284000
	Total (B)=(1+2)	320000	332000	164000	816000
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Overall ceiling for Non-Executive Directors is 1% of the net profit calculated as per section 198 of the Companies Act 2013. There was loss during the year calculated in terms of said section.			



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

SI No.	Particulars of Remuneration	Key Managerial Personnel		
		Sh. P.K. Goyal	Sh. Akhilesh Kumar Singh	Total Amount
	Name	CFO	CS	(Rs/Lac)
1	Designation	CFO	CS	(Rs/Lac)
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1671100	446019	2117119
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	21600	21600
	(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	1671100	467619	2138719

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For On Behalf of the Board of Directors of
Sir Shadi Lal Enterprises Ltd

Onke Aggarwal

Chairman

(DIN-00141124)

Place : New Delhi
Dated : 25.07.2015

**ANNEXURE '3' TO THE DIRECTORS' REPORT**

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial Year

Sr. No	Name of Directors	Commission	Sitting Fee*	Salary	Perquisite	Total	Ratio (Times)
A	Median Employee	229160					
1	Sh. Rajat Lal	-	-	1440000	1367940	2807940	12.25
2	Sh. Vivek Viswanathan	-	-	1140000	1074881	2214881	9.66
3	Sh. Rahul Lal	-	-	720000	691804	1411094	6.16
4	Sh. Onke Aggarwal	-	200000	-	-	-	0.87
5	Sh. H P Singhania	-	144000	-	-	-	0.63
6	Sh. R L Srivastava	-	120000	-	-	-	0.52
7	Sh. R C Sharma	-	188000	-	-	-	0.82
8	Smt. Radhika Viswanathan Hoon	-	144000	-	-	-	0.63
9	Sh. Ajit Hoon	-	20000	-	-	-	0.08

Perquisites include HRA, Electricity & Fuel Charges, Medical reimbursement, Mediclaim and personal accident insurance premium, Company's Contribution to P.F. and Superannuation Fund.

ii) Percentage increase in remuneration of Directors/ Key Managerial Personnels

Sr. No	Name of Directors/KMPs	% increase in Remuneration*
1	Sh. Rajat Lal, MD	14.36
2	Sh. Vivek Viswanathan, Jt. MD	3.35
3	Sh. Rahul Lal, ED	31.82
4	Sh. Onke Aggarwal, Director	-7.41
5	Sh. H P Singhania, Director	33.33
6	Sh. R L Srivastava, Director	-23.07
7	Sh. R C Sharma, Director	20.51
8	Smt. Radhika Viswanathan Hoon, Director	140.00
9	Sh. Ajit Hoon, Director	NA
10	Sh. P K Goyal, CFO	39.26
11	Sh. Akhilesh Kumar Singh, CS	NA

* Remuneration of Sh. Rahul Lal was for part of the year financial year 2013-14. The sitting fee of Directors increased from Rs. 12,000 to Rs. 20,000 w.e.f. 01.08.2014.

iii) The Percentage increase in median remuneration of Employees in the financial year 20.06%

iv) Total No. of permanent employees as on 31.03.2015 – 1167

v) The Explanation on the relationship between average increase in remuneration and Company Performance-

The average increase in remuneration cannot be compared with the revenue/profit of the Company, as the Company is incurring losses, but it takes into account the inflation rate in the market, and package offered by other Companies of Industry.

vi) Comparison of remuneration of Key Managerial Personnel against the performance of the Company:

The average increase in remuneration cannot be compared with the revenue/profit of the Company as the Company is incurring losses, but it takes into account the inflation rate in the market as well as keeping in view remuneration package offered by the other corporate houses of the industry and increase in the responsibility.

vii) Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	2014-15	2013-14	% Change
Market Capitalisation (Rs. In Lacs)	10762.50	11943.75	-10.98
Price Earnings Ratio	Negative		



- viii) Price 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, the variations in the net worth of the company as at the close of the current financial year and previous financial year.

Particulars	31.03.2015	Public Offer (Buy Back) EGM 27th May, 1999 in Rs	% Change
Market Price (BSE) in Rs.	20.50	40	-48.75%
Market Price (DSE) in Rs.	NA	40	NA

- ix) 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:

No such differentiation was followed in giving the increment during the last financial year. The average increment in salary was on the basis of individual performance.

- x) The Key parameters for any variable component of remuneration availed by the directors:

The Members had, at the AGM of the Company held on 30th September, 2002 approved payment of commission to the non-executive directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act. In case of profit the said commission is decided each year by the Board of Directors. The Company is incurring losses, hence no such commission is paid during the year.

- xi) 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:

The highest paid Director is the Managing Director. No employee has received remuneration in excess of the Managing Director.

- xii) Affirmation that the remuneration is as per the Remuneration Policy of the Company

The Company's Remuneration Policy is based on the principle of internal equity, competence and experience of the employee and industry standards. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce and engaged workforce. The Company follows a compensation of Salary and perquisites on the basis of individual performance through annual appraisal process and business performance. The Company affirms remuneration is as per the Remuneration Policy of the Company.

STATEMENT CONTAINING INFORMATION AS PER SECTION 197 READ WITH THE RULE 5(2) COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014, AS AMENDED UP-TO-DATE AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015.

- i) EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION IN AGGREGATE OF NOT LESS THAN Rs. 60,00,000 PER ANNUM.

Sl. No.	Name	Age/ Years	Designation/ Nature of Duties	Qualification	Experience (Years)	Date of commencement of employment	Remuneration paid (Rs.)	Previous Employer
NIL								

- ii) EMPLOYED FOR PART OF THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION AT A RATE NOT LESS THAN Rs. 5,00,000 PER MONTH.

Sl. No.	Name	Age/ Years	Designation/ Nature of Duties	Qualification	Experience (Years)	Date of commencement of employment	Remuneration paid (Rs.)	Previous Employer
NIL								

- iii) EMPLOYED THROUGHOUT THE FINANCIAL YEAR OR PART THEREOF, WAS IN RECEIPT OF REMUNERATION IN THAT YEAR WHICH, IN THE AGGREGATE, OR AS THE CASE MAY BE, AT A RATE WHICH, IN THE AGGREGATE, IS IN EXCESS OF THAT DRAWN BY THE MANAGING DIRECTOR OR WHOLE TIME DIRECTOR OR MANAGER AND HOLDS BY HIMSELF OR ALONG WITH THE SPOUSE AND DEPENDENT CHILDREN, NOT LESS THAN TWO PERCENT OF THE EQUITY SHARES OF THE COMPANY.

Sl. No.	Name	Age/ Years	Designation/ Nature of Duties	Qualification	Experience (Years)	Date of commencement of employment	Remuneration paid (Rs.)	Previous Employer
NIL								

For On Behalf of the Board of Directors of

Sir Shadi Lal Enterprises Ltd

Onke Aggarwal

Chairman

(DIN-00141124)

Place : New Delhi

Dated : 25.07.2015



ANNEXURE '4' TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 134 (3) (m) AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

Energy conservation is an on-going activity in the Company and the efforts to conserve energy through improved operational methods and other means are continuing on a regular basis. Details of measures taken for energy conservation during the financial year 2014-15 at the units are provided as below.

Upper Doab Sugar Mills

Rs.117.57 Lacs expenditure incurred on Energy Conversion during the year 2014-15 on following heads:

1. To convert fibrizer fixed tube hammer to swing type to improve P.I. from 80-81 to 84-85
2. Installation of nine VFD on cane carrier and juice pump
3. To increase the back pressure of three power turbines
4. To do the synchronizing of Triveni and Kessel Power Turbines.

Shamli Distillery & Chemical Works

No expenditure incurred on Conversion of Energy during the Season 2014-15.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

Upper Doab Sugar Mills

We are planning to install Two VFD on Cane unloaders

Shamli Distillery & Chemical Works

Proposal is under consideration for plant capacity expansion from 25 KLPD to 45 KLPD. There is also plan to install Wash to E.N.A. Multi Pressure Distillation Plant and 20 KLPD R.S. to Absolute Alcohol Plant with Molecular Sieve Dehydration Technology.

c) Impact of the measure at (a) & (b) above for reduction of energy consumption and consequent impact on the Cost of production of goods.

Upper Doab Sugar Mills

1. After installation of VFD power saving total electric units saved will be approx. 12 lac units.
2. After changing the fibrizer hammer improvement in RME & DME have been achieved. Due to increase in RME & DME by 0.19 unit & 1.22 unit respectively gained in recovery by less loss in bagasse of 0.03%.

Shamli Distillery & Chemical Works

By increasing our capacity from 25 KLPD to 45 KLPD, there will be an increase in production by 80%. However with the introduction of new technology increase in power consumption only by approx. 40 %.

With new Multi Pressure Wash to E.N.A. Distillation Technology overall consumption of Steam for production of E.N.A. will be approx 3.4 Kg/Liter. Therefore, there will be net saving of Steam by approx. 4.0 Kg/Liter.

With new Molecular Sieve Dehydration Technology, steam consumption will be 0.6 Kg/Liter. There will be a Net Saving of Steam by 1.0 Kg/Liter.

Due to increase in capacity, there will be an increase in Bio Gas Generation, which will save the fuel.



B. TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION

1) Research & Development (R&D)

1. Specific Areas

Upper Doab Sugar Mills

- Varietal balance – Increase area under high sugar varieties
- Replacement of rejected & low Pol varieties – increase area under improved varieties
- Crop health – Ensuring cane crop free from insect, pest & diseases.
- Soil health – Optimum use phosphatic & potassic fertilizers
- Farm mechanization – improving cane crop geometry

Upper Doab Sugar Mills

- Increase in area under early varieties - 19% > 45% for the season 2015-16
- Replacement of reject & low POL varieties with other improved varieties 41% > 26% for the season 2015-16
- Supply of insect pest, disease & tresh free quality cane to the factory-maintaining up to optimum level.
- In the current season 2014-15 pol in cane increase by 0.29% comparing season 2013-14 & we are hoping that POL in cane would be 11.90% in coming season 2015-16.
- With this varietal balance cut to crush would also be improved in coming season.
- Reduction in supply of dried cane comparing previous season – 2.92% > 1.38%

Upper Doab Sugar Mills

- Increase area under high sugar varieties from - 45% > 60%.
- Replacement of reject & low POL varieties with other improved varieties – 26% < 10%
- Maximize the pol in cane – 11.90% > 12.40%
- Supply of insect pest, disease & tresh free quality cane to the factory – maintaining up to optimum level.

Shamli Distillery & Chemical Works

By installation of multi pressure distillation plant during expansion of the Distillery Capacity, there will be sharp improvement in E.N.A. quality which will be used for I.M.F.L. Bottling and export of E.N.A.

Pollution Control Measures in Sugar and Distillery Units:

The U.P. Pollution Control Board has directed to Sugar Mills to establish Mini Cooling Tower for recycling the excess condensed water and installation of on line monitoring system for Water Pollution Control.

For distillery- effluent- treatment- system for achieving Zero Liquid Discharge and the Central Pollution Control Board/U.P. Pollution Control Board have directed to adopt Multi Distillation with Integrated Evaporator-Multi effect Evaporator to concentrate spent wash and finally incinerating the concentrated spent wash in specifically designed Boiler to achieve Zero Liquid Discharge with time bound programme of U.P. Pollution Control Board. We are trying to undertake the system as per the guidelines

CONTD.....

2) Benefits derived as a results of the above R & D

3. Future plan of action



SIR SHADI LAL ENTERPRISES LIMITED

- | | |
|--|-------------|
| 4. Expenditure on R & D: (Cane Development) | NIL |
| a) Capital | Rs. 3323073 |
| b) Recurring | Rs. 3323073 |
| c) Total | |
| d) Total R & D expenditure as a percentage of total turnover | 0.08% |

II. Technology absorption, adaptation and innovation:

- | | |
|--|---|
| 1. Efforts, in brief, made towards technology Absorption, adaptation and innovation. | Upper Doab Sugar Mills
Planning to adopt the technology of Co-gen |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. | Upper Doab Sugar Mills
Reduction in Steam consumption and better operational efficiencies |
| 3. In case of imported technology (imported during last five years reckoned from the beginning of the financial year), following information may be furnished: | |
| a) Technology imported | } No Technology has been imported during the last five years. |
| b) Year of import | |
| c) Has technology been fully absorbed? | |
| d) If not fully absorbed, areas where this has not taken place, reasons there for, and future plans of action | |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|---|--|
| a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and service and export plans. | There was no export of Company's own products during the year. |
| b) Total Foreign Exchange used and earned: | |
| Used | Rs. NIL |
| Earned | Rs. NIL |

For On Behalf of the Board of Directors of
Sir Shadi Lal Enterprises Ltd

Onke Aggarwal

Chairman

(DIN-00141124)

Place : New Delhi
Dated : 25.07.2015



ANNEXURE-‘5’ TO THE DIRECTORS’ REPORT ON CORPORATE GOVERNANCE FORMING PART OF THE DIRECTOR’S REPORT

CORPORATE GOVERNANCE IS BASED ON THE PRINCIPLES OF INTEGRITY, FAIRNESS, EQUITY, TRANSPARENCY, ACCOUNTABILITY AND COMMITMENT TO VALUES. THE DETAILED REPORT ON CORPORATE GOVERNANCE AS PRESCRIBED BY SEBI AND INCORPORATED IN CLAUSE 49 OF THE LISTING AGREEMENT IS SET OUT BELOW.

(1) COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company continues to believe that good corporate governance is the function of adherence to ethical business practices and introduction of value based systems and procedures in the organization. The corporate governance in this way shall usher in an era of enhancement of intrinsic strength of the organization as also to its stake holders. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company makes its best endeavor to uphold and nurture these core values in all aspects of its operations.

(2) BOARD OF DIRECTORS:

Composition and Category:

The policy of the Company is to maintain optimum combination of Executive and Non-Executive Directors. The present strength of the Board of Directors is 9, out of which 3 are independent directors. The Chairman of the Board is the Independent Director. The Board meets the requirement of not less than one- third being independent directors. All our Directors inform the Company Secretary every year about the Board membership and Board Committee membership the Directors occupy in other companies including Chairmanship. They notify us of any change as and when it takes place. Our Company Secretary places these disclosures before the Board. The category, composition, attendance of each director at the Board Meetings, last annual general meeting and number of other directorship and chairmanship/ membership of committees of each director in various Companies is given hereunder:

Sl.No.	Name of Director	Category	Attendance at Board Meetings*	Attendance at last AGMHeld on 22/09/2014	No. of other Directorship Held in other Companies		Membership/ Chairmanship in Committees of other Companies	
					Public	Private	Chairman	Member
1.	Sh. Onke Aggarwal Chairman#	Non-Executive Independent	6	Yes	-	-	-	-
2.	Sh.Rajat Lal Managing Director	Promoter Executive	6	Yes	-	-	-	-
3.	Sh.Vivek Viswanathan Joint Managing Director	Promoter Executive	6	Yes	-	-	-	-
4.	Sh. Rahul Lal Executive Director	Promoter Executive	5	Yes	-	-	-	-
5.	Sh. Hemantpat Singhania #	Non-Executive Independent	6	Yes	1	3	3	-
6.	Sh. R.L. Srivastava	Non-Executive	5	Yes	1	-	1	1
7.	Sh.R.C. Sharma #	Non-Executive Independent	5	Yes	4	-	1	4
8.	Smt. Radhika Viswanathan Hoon	Non-Executive	6	Yes	-	-	-	-
9.	Sh. Ajit Hoon**	Non-Executive	1	N.A.	-	-	-	-

*During the financial year 2014-15 six Board Meetings were held on 27.05.2014, 26.07.2014, 02.08.2014, 22.09.2014, 01.11.2014, and 06.02.2015.

** Shri Ajit Hoon has been appointed as Additional Director in the Board Meeting held on 01.11.2014.

The Company has held at least one Board Meeting in every three months with maximum time gap of 120 days between any two meetings.

Shri Onke Aggarwal, Shri Hemant pat Singhania and Shri R.C.Sharma were appointed as Independent Directors of the Company in the Annual General Meeting of the Company held on 22.09.2014 for five consecutive years from 22.09.2014 to 21.09.2019.

Brief profile of all the Directors, nature of their expertise in specific functional area etc. have been put (available) on the Company’s Website www.sirshadilal.com

CONTD.....



The composition and structure of the Board is reviewed regularly by the Board keeping in mind the overall size of the Board, the balance between non-executive, independent and executive directors, age, experience and other attributes of the directors and changes in the Board.

BOARD PROCEDURE

All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions/approval/ decisions in the Board and Committee Meetings. All such matters are communicated to the Secretary in advance by the Departments /Divisions. Secretary segregates the ones that can be discussed and decided internally and ones which need to be put up before the board, in consultation with the Chairman, Managing Director and/ or Joint Managing Director.

The Board meets atleast once a quarter to review the quarterly performance, operational performance and the financial results of the company. The Board and Committee meetings are scheduled well in advance and a Calendar for the year of Board and Committee Meetings are circulated. The Notice and Agenda of each Board and Committee meeting is given in writing to each Director. All the items on the Agenda are accompanied by supporting papers giving comprehensive information on the related subject. The Agenda and the relevant supporting papers are sent in advance separately to each Director. The Agenda papers submitted to the Board clearly indicate what decision is required. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted with the permission of Chairman.

The Board's Nomination and Remuneration Committee oversees the Company's nomination process for directors and in that connection to identify and review individual qualified to serve as a director on the board.

The information as specified in Annexure I to clause 49 of the Listing Agreement is regularly made available to the Board. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board meeting on the overall performance of the company. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, capital expenditure budgets, new investments, compliance with statutory / regulatory requirements etc., are considered by the Board. The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliance.

The Chairman and/or Managing Director or Joint Managing Director explains the proposal put up before the Board, the background and the expectations of the proposal in the short as well as the long term to contribute to the growth of the company. If needed, a presentation be made by the concerned executive and clarifications given. The Board then deliberates all these issues and come to a decision. The Chairman encourages participation and considers the views of all the Directors.

Secretary records the minutes of the proceedings of each Board and Committee meeting. The minutes recorded are self

explanatory and decision arrived at the meeting are properly recorded. Draft minutes are circulated to all the members of the Board/ Committee for their comments. The minutes are entered in the Minute Book within 30 days from conclusion of the meeting and are confirmed at the subsequent meeting.

Board decisions are promptly and clearly communicated to the operating management for implementation. An Action Taken Report is submitted to the Board/Committee at the subsequent meetings till the decisions are fully implemented.

The Secretary while preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956/2013 read with the Rules issued there under, any amendment thereof and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING.

In respect of Directors seeking appointment or re-appointment, the Notice for the Annual General Meeting contains all the relevant information, like brief resume of the Directors, nature of their expertise in specific functional areas and name of the companies in which they hold Directorship and Membership of any Committee of the Board.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT TEAM

Code of Conduct for the Directors as well as for the members of the Senior Management of the company was adopted in the Board Meeting held on 4th April, 2005 and amended subsequently from time to time. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct states that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The said Code of Conduct has been circulated to all the Directors and Members of Senior Management and the compliance of the same has been affirmed by them in respect of the Financial Year 2014-15 and a declaration to that effect signed by the Managing Director is detailed below and forms part of this report. A copy of Code of Conduct has also been put on the Company's Website - www.sirshadilal.com

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with Sir Shadi Lal Enterprises Limited, Code of Business Conduct and Ethics for the year ended March 31, 2015.

For and on behalf of the Board

Place : New Delhi
Dated : 25.07.2015

RAJAT LAL
Managing Director



COMMITTEES OF THE BOARD

The Company has constituted following Board level Committees:

(3) AUDIT COMMITTEE:

(A) COMPOSITION:

The Board has constituted Audit Committee consisting of following Directors:-

Sl.No	Name of the Director	Category	Designation	Attendance at Audit Committee Meeting*
1.	Sh. R.C. Sharma, Chairman	Non-Executive Independent Director	Chairman	4
2.	Sh. Onke Aggarwal, Member	Non-Executive Independent Director	Member	4
3.	Smt. Radhika Viswanathan Hoon	Non- Executive	Member	2

All the members of the Audit Committee are financially literate and more than one member possesses accounting and related financial management expertise. The concerned officials responsible for the finance function, the head of internal audit are invitees to the Audit Committee.

The Chairman of the Audit Committee attended the Annual General Meeting held on 22.09.2014 to answer shareholders' queries.

The Board of Directors of the Company has re-constituted Audit Committee of the Company in its meeting held on 22.09.2014 consisting of three members viz. sh. R.C.Sharma, Chairman, Onke Aggarwal, Member and Smt. Radhika Viswanathan Hoon, Member.

Sh. R L Srivastava was the Chairman of the Committee till 22.09.2014 thereafter Sh R C Sharma was appointed as Chairman of the Committee by the Board.

Sh. P.K. Goyal who was working as Secretary and Chief Financial Officer of the Company acted as Secretary of the Audit Committee upto 31.10.2014. Thereafter Shri Akhilesh Kumar Singh has been appointed as Secretary of the Company and Audit Committee w,e,f, 01.11.2014 and Shri P.K.Goyal is working as Chief Financial Officer of the Company.

The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

*During the year four meetings of Audit Committee were held on 26.05.2014, 25.07.2014, 31.10.2014 and 06.02.2015.

(B) TERMS OF REFERENCE:

The Audit Committee has powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary. The terms of reference of the Audit Committee includes to exercise powers and discharge functions as stipulated in clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013.

The primary purpose of the Audit Committee is to monitor and provide effective supervision of the Company's financial reporting processes in order to ensure timely, accurate and proper disclosure and the transparency, integrity and quality of financial reporting. The Audit Committee besides other activities reviews the quarterly/Annual Financial Results which thereafter goes to Board for consideration of Unaudited/Audited quarterly financial results for approval.

The Audit Committee also reviews Management discussion and analyses of financial conditions and results of operations, Statement of significant related party transactions appointment of Auditors, Cost Auditors, Chief Financial Officer and Chief Internal Auditors. Directors responsibility statement included in the Board's Report in terms of Clause (3c) of Section 134 of the Companies Act 2013, Management Letters/ Letters of Internal Control Weaknesses issued by the Statutory Auditors and Internal Audit Reports relating to Internal Control Weaknesses. Audit Committee also review Risk Management Policy and Vigilance Mechanism/Whistle Blower Policy.

The Audit Committee also recommends the appointment of Cost Auditor pursuant to the Notification No. 774 dated March 27, 2014 of Government of India, Ministry of Corporate Affairs, New Delhi. Audit Committee also ensures that the Cost Auditor is free from any disqualification u/s 148 read with Sub Section (3) or Sub Section (4) of Section 141 of the Companies Act, 2013. The Audit Committee also obtains a Certificate from the Cost Auditor certifying its independence and arms length relationship with the company.

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**(4) NOMINATION & REMUNERATION COMMITTEE:****a) Composition & Terms of Reference:**

The Nomination & Remuneration Committee consisting of the following Non-Executive Independent Directors was constituted/ reconstituted to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration package for Executive Directors.

Sl.No	Name of the Director	Category	Designation	Attendance at Audit Committee Meeting*
1.	Sh. R.C. Sharma, Chairman	Non-Executive Independent Director	Chairman	2
2.	Sh. Onke Aggarwal,	Non-Executive Independent Director	Member	2
3.	Sh. Hemantpat Singhania	Non- Executive Independent Director	Member	1

*During the year two meetings of Nomination & Remuneration Committee were held on 12.07.2014 and 01.11.2014.

The Board of Directors of the Company has re-constituted Nomination & Remuneration Committee of the Company in its meeting held on 22.09.2014 consisting of three members viz. sh. R.C.Sharma, Chairman Sh. , Onke Aggarwal, Member and Sh. Hemantpat Singhania, Member Sh. P.K. Goyal who was working as Secretary and Chief Financial Officer of the Company acted as Secretary of the Nomination & Remuneration Committee upto 31.10.2014. Thereafter Shri Akhilesh Kumar Singh has been appointed as Secretary of the Company and Nomination & Remuneration Committee w,e,f. 01.11.2014 and Shri P.K.Goyal is working as Chief Financial Officer of the Company.

TERMS OF REFERENCE:

The Nomination and remuneration Committee oversees the Company's nomination process for independent director and in that connection to identify and review individual qualified to serve as a director on the board. The Committee may act on its own identifying the potential candidate. The Committee review and discuss details pertaining to the candidate and will conduct evaluation of candidates in accordance with the process that it seems fit and appropriate, discuss with the promoters, and recommend and send its recommendation for nomination to the board.

b) Remuneration Policy:**Non-Executive Directors**

The remuneration to the Non-executive Directors is decided and approved unanimously by the Board of Directors. The Non-Executive Directors are paid remuneration by way of sitting fees and commission not to exceed limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014..

The Non-Executive Directors are entitled to commission @ 1% of the Net Profit as approved by the shareholders and sitting fees @ Rs.20,000/- w.e.f. 01.08.2014 for each meeting of the Board or any Committee thereof attended by them. All the non-executive Directors are paid equal commission. Those who have worked for part of the year are being paid proportionately.

No commission was paid to the Non-Executive Directors during the year because of/losses.

Executive Directors

The remuneration committee has been constituted to frame and implement on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors. The Remuneration Committee also consider, approve and recommend to the Board of Directors the designation and increase in salaries for the Executive Directors, keeping in view the remuneration package offered by the other Corporate Houses of the industry. The policy, inter-alia, provides for the following:

- Salary and commission not to exceed limits prescribed under the Companies Act, 2013
- Revision from time to time depending upon the performance of the company, individual Director's performance and prevailing industry norms.
- No sitting fees.

The remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Remuneration Committee.



Presently, as the Company does not have any scheme of stock option plan, therefore the incentive by way of commission on profits is considered for the Directors/Executive Directors in remuneration package.

c) Details of Remuneration to all the Directors for the year ended March 31, 2015

(i) Remuneration to Non-Executive Directors

During the Financial Year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors.

Sl. No.	Name of the Director	Category	Commission (Rs.)	Sitting fee (Rs.)	Total (Rs.)	For Service contract/ Notice period/ Severance fees	No. of Sharea Held
1.	Sh. Onke Aggarwal Chairman	Non-Executive Independent	-	200000	200000	Retirement by Rotation	31710
2.	Sh. Hemantpat Singhania	Non-Executive Independent	-	144000	144000	Retirement by Rotation	-
3.	Sh. R. L. Srivastava	Non-Executive	-	120000	120000	Retirement by Rotation	-
4.	Sh. R.C. Sharma	Non-Executive Independent	-	188000	188000	Retirement by Rotation	-
5.	Smt. Radhika Viswanathan Hoon	Non-Executive	-	144000	144000		39132
6.	Sh. Ajit Hoon*	Non-Executive	-	20000	20000		-
	Total			816000	816000		

*Shri Ajit Hoon has been appointed as Additional Director w.e.f. 01.11.2014.

(ii) Managing and Whole-time Directors

Sl. No.	Name of the Director	Category	Salary (Rs.)	Perquisites* (Rs.)	Commission (Rs.)	Total (Rs.)	Service Contract/ Notice Period Severance fees	Period for Appointment
1.	Sh. Rajat Lal, Managing Director #	Executive	1440000	1367940	-	2807940	Contractual**	5 Years
2.	Sh. Vivek Viswanathan, Joint Managing Director	Executive	1140000	1074881	-	2214881	Contractual**	3 Years
3.	Sh. Rahul Lal, Executive Director	Executive	720000	691804	-	1411804	Contractual**	5 Years
	Total		3300000	3134625	-	6434625		

* Perquisites include house rent allowance, electricity & fuel charges, medical reimbursement, medi-claim and personal accident insurance premium, Company's Contribution to provident fund and superannuation fund.

** Notice period is six calendar months, on either side.

Revision in the remuneration of Shri Rajat Lal, Managing Director for a period of three years w.e.f. 01.04.2014 to 31.03.2017

(iii) Key Managerial Personnel other than Directors

Sl. No.	Name of KMP	Category	Salary (Rs.)	Perquisites* (Rs.)	Commission (Rs.)	Total (Rs.)	Service Contract/ Notice Period Severance fees	Period for Appointment
1.	Sh P K Goyal	CFO	1671100	-	-	1671100	Contractual**	3 Years
2.	Sh. Akhilesh Kumar Singh***	CS	446019	21600	-	467619	Regular	
	Total		2117119	21600	-	2138719		

* Perquisites include Company's Contribution to provident fund.

** Notice period is one calendar month for Sh. P K Goyal and three calendar months for Sh. Akhilesh Kumar Singh, on either side.

*** Sh. Akhilesh Kumar Singh has been appointed as Company Secretary w.e.f. 01.11.2014.

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5) INDEPENDENT DIRECTORS MEETING

The meeting of Independent Directors was held on 25.07.2015 to review the performance of non independent directors/members of the management without the attendance of Non Independent directors and the Board as a whole on parameters of active participation, effectiveness and to assess the promptness of flow of information between the Management and the Board.

Sh. Onke Agarwal, Chairman of the Meeting placed the proceedings of meeting of the Independent directors held on 25.07.2015 before the Board Directors on matters relating to performance of the Non Independent Directors and affairs of the Company

6) EVALUATION AND PERFORMANCE OF DIRECTORS

The performance evaluation of the Independent Directors is done by the Board except the directors concerned being evaluated including the Chairman of the Company. The criteria for performance evaluation are as follows:

Role & Accountability

- Understanding the nature and role of Independent Directors’ position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

Objectivity

- Attendance and active participation.
- Knowledge of the working of industry, experience and related issues.
- Leadership & Initiative
- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.
- Commitment to role & fiduciary responsibilities as a Board Member.
- Proactive, strategic and lateral thinking.

7) CORPORATE SOCIAL RESPONSIBILITY

Your Company is suffering losses for the last five years including current financial year 2014-15. Therefore the eligibility criteria for CSR under the Act do not apply to your Company. Therefore your Company has not constituted the CSR Committee during the year 2014-15

8) SHAREHOLDERS GRIEVANCE COMMITTEES/STAKE HOLDERS RELATIONSHIP COMMITTEE:

The Board of Directors has constituted the following Committees of shareholders:

- a) Shareholders/Investors Grievance Committee/ Stakeholders relationship Committee.
- b) Share Transfer Committee.

The Shareholders/Investors Grievance Committee looks after the cordial investor relations and oversees the mechanism for redressing of shareholders and investors complaints like non-receipt of Annual Report, non-receipt of declared dividend warrants and transfer of shares. Share transfers/transmissions are approved by the Share Transfer Committee and are placed at the Board Meeting from time to time.

- a) Shareholders/Investors Grievance Committee/ Stakeholders Relationship Committee:

Sl. No.	Name of the Director	Category	Designation	Attendance at Shareholders/ Investors Grievance Committee Meeting*
1.	Sh. Hemantpat Singhania,	Non-Executive Independent Director	Chairman	1
2.	Sh. Rahul Lal	Executive Director	Member	1
3.	Sh. Vivek Viswanathan	Executive Director	Member	1



*During the year one meeting of Shareholder/Investor Grievances Committee was held on 06.02.2015. There was one investor complaint pending as on 31.03.2015.

Sh. P.K. Goyal was working as Secretary of the Company and act as Secretary/Compliance Officer of the Shareholders/Investors Grievance Committee upto 31.10.2014. Thereafter Shri Akhilesh Kumar Singh has been appointed as Secretary/Compliance officer of the Company of the Shareholders/Investors Grievance Committee w,e,f. 01.11.2014

b) Share Transfer Committee

Sl. No.	Name of the Director	Category	Designation	Attendance Committee Meeting*
01	Sh. Rajat Lal	Managing Director	Chairman	18
02	Sh. Vivek Viswanathan	Joint Managing Director	Member	11
03	Sh. Rahul Lal	Executive Director	Member	18

*During the year eighteen meetings of Share Transfer Committee were held on 16.4.2014, 30.04.2014, 20.05.2014, 31.05.2014, 10.06.2014, 30.06.2014, 10.07.2014, 09.08.2014, 20.08.2014, 17.09.2014, 18.11.2014, 03.12.2014, 26.12.2014, 10.01.2015, 21.01.2015, 19.02.2015, 09.03.2015 and 23.03.2015

Sh. P.K. Goyal was working as Secretary of the Company and act as Secretary/Compliance Officer of the Share Transfer Committee upto 01.11.2014. Thereafter, Shri Akhilesh Kumar Singh has been appointed as Secretary/Compliance officer of the Company of the Share Transfer Committee w.e.f. 01.11.2014

The Company has registered and delivered to the shareholders all the valid applications received for transfer/transmission/remat/ split/consolidation of shares during the year within the stipulated time, and there were no shares pending for transfer as on 31.03.2015.

(9) (A) RISK MANAGEMENT COMMITTEE:

The Board of Directors has constituted Risk Management Committee of following Directors/member.

Sl. No.	Name of the Director	Category	Designation	Attendance at Risk Management Committee Meeting.*
1.	Sh. Rajat Lal	Managing Director	Member	1
2.	Sh. Vivek Viswanathan	Joint Managing Director	Member	1
3.	Sh. Rahul Lal	Executive Director	Member	1
4.	Sh. P.K.Goyal	Chief Financial Officer	Member	1

Shri Akhilesh Kumar Singh has been appointed as Secretary of the Company of the Risk Management Committee

* During the year one meeting of Risk Management Committee was held on 30.03.2015.

(B) VIGILANCE COMMITTEE:

The Board of Directors has constituted Vigilance Committee of following Directors/member

Sl. No.	Name of the Director	Category	Designation	Attendance at Vigilance Committee Meeting.*
1.	Sh. Rajat Lal	Managing Director	Member	1
2.	Sh. Vivek Viswanathan	Joint Managing Director	Member	1
3.	Sh. Rahul Lal	Executive Director	Member	1
4.	Sh. P.K.Goyal	Chief Financial Officer	Vigilance Officer	1

Shri P.K.Goyal has been appointed as Vigilance officer of the Company of the Vigilance Committee

* During the year one meeting of Vigilance Committee was held on 30.03.2015.

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**(10) GENERAL BODY MEETINGS:**

Location and time where last three Annual General Meetings were held as given below:-

Sl.No.	Particulars of Annual General Meeting	Date	Location of the Meeting	Time
01.	78th A.G.M. in respect of the year 2011-2012	10.09.2012	P.H.D.House, Opp. AsianGames Village, New Delhi – 110 016.	11.30A.M.
02.	79th A.G.M. in respect of the year 2012-2013	23.09.2013	P.H.D.House, Opp. AsianGames Village, New Delhi – 110 016.	11.30A.M.
03.	80th A.G.M. in respect of the year 2013-2014	22.09.2014	P.H.D.House, Opp. AsianGames Village, New Delhi – 110 016.	11.00A.M.

In the last Annual General Meeting, following Resolutions were passed through postal ballot:

- To adopt the Audited Balance Sheet as at 31.03.2014 and Statement of P & L and Cashflow Statement for the year ended 31.03.2014.
- To appoint a directors in place of Smt. Radhika Viswanathan Hoon (DIN:06436444) who retire by rotation and being eligible, offers herself for re-appointment.
- To appoint a directors in place of Sh. Vivek Viswanathan (DIN:00141053) who retire by rotation and being eligible, offers himself for re-appointment.
- To re-appoint Basant Ram & Sons, Chartered Accountants (Firm Reg. No. 000569N) as Statutory Auditors of the Company.
- Appointment of Sh. Onke Agarwal as Independent Director for 5 consecutive years.
- Appointment of Sh. R C Sharma as Independent Director for 5 consecutive years.
- Appointment of Sh. Hemantpat Snghania as Independent Director for 5 consecutive years.
- Revision of remuneration of Sh, Rajat Lal, Managing Director of the Company w.e.f. 01.04.2014 to 31.03.2017.
- Re-appointment of Sh. Vivek Viswanathan as Jt. Managing Director of the Company and fix the remuneration for a period of three years w.e.f. 01.01.2015 to 31.12.2017.
- Appointment of Sh. R M Bansal, Cost Accountants as Cost Auditors of the Company for the year 2014-15.
- Authorisation to Board for Borrowing Power of the Company up to Rs. 500 Cr. Under section 180 (1)(c)
- To mortgage, hypothecate the property of the Company for securing the Loan & Borrowing from Bank and Financial Institutions.

Out of the total 12 resolutions passed in last AGM four special resolutions were passed which are as follows:

- Revision of remuneration of Sh, Rajat Lal, Managing Director of the Company w.e.f. 01.04.2014 to 31.03.2017.
- Re-appointment of Sh. Vivek Viswanathan as

Jt. Managing Director of the Company and fix the remuneration for a period of three years w.e.f. 01.01.2015 to 31.12.2017.

- Authorisation for Borrowing Power of the Company up to Rs. 500 Cr. Under section 180 (1)(c)
- To mortgage, hypothecate the property of the Company for securing the Loan & Borrowing from Bank and Financial Institutions

(11) OTHER DISCLOSURES:**A) Related Party Transactions**

There are no transactions of the company of material nature with promoters, directors, management, subsidiaries or relatives etc. which would have potential conflict with the interests of the company at large. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 3.10 of the Financial Statement.

B) Disclosure of Accounting Treatment in preparation of Financial Statements

In the preparation of the financial statements, the Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India. There are no cases, wherein treatment different from that prescribed in Accounting Standards has been followed.

C) Risk Management

To comply with the requirement of Companies Act 2013 and clause 49(VI) of the Listing Agreement, the Board of Directors of the Company have approved the Risk Management Policy and constituted a Risk Management Committee to assess and minimize the risks faced by the Company as under:

- Risk Management is a part of the strategic management of the Company.
- Risk assessment and minimization procedures involve identification of risk, analyzing the risks, deciding on the transfer and retention of risks and actions to be initiated to mitigate the risks.
- Risks faced by the Company to be classified into external risks and internal risks.
- The external risks would cover the political environment,



Government policies, technological obsolescence and product obsolescence.

- (e) The internal risks would cover operating risks, financial risks, human risk system risk, credit risk.

The members discussed that sugar industry being agro based is a cyclical in nature and primarily faces the following risks:

1. External Risks or Uncontrollable Risk

- a. Raw Material Risk
- b. Sugar Price Risk
- c. Regulatory Risk

a) RAW MATERIAL RISK

Sugarcane is the principal raw material used for the production of sugar. Business depends on the availability of sugarcane and any storage of sugarcane may adversely affect operations. A variety of factors beyond our control may contribute to a shortage of sugarcane in any given harvest period. Some of the main factors that could contribute to a shortage of sugarcane are set forth below:-

- i) Cane cultivation area and availability of irrigation facility.
- ii) Availability of higher yielding crop.
- iii) Diversion from cane production to other cash crops
- iv) Diversion of sugarcane to other industries like khandsari or Gur etc.
- v) Adverse weather conditions, crop disease
- vi) Cane procurement price declared by the State Government and/or Central Government.

RISK MITIGATION

The risk can be mitigated by steps such as Government encouragement for promotion of various irrigation schemes such as Lift irrigation, Drip irrigation, improved canal system etc. Cane Development Schemes, improved infrastructure for road and communication, provision of better quality and higher yielding seeds as well as fertilizers and pesticides, prompt clearance of cane dues of farmers and steps to improve their goodwill by adoption of social development measures. As regard Cane Procurement Price by the State Govt. and / Central Govt. , this is a systematic risk which cannot be alleviated unless the sugar cane price has linkage with the sugar price on the basis of established and recognized formula and the Govt. announces subsidy and relief to the Sugar Industry.

b) SUGAR PRICE RISK

Sugar Price in the Domestic and international markets depend primarily on the supply and demand situation. Global prices influence and effect the domestic prices directly. Fluctuations in demand and supply arise on account of the changes in the availability and price of sugarcane, variance in the production capacities of our competitors, availability of substitutes for the

sugar products and international demand and supply position.

RISK MITIGATION

We are unable to mitigate this risk because we don't have control on the market forces and the regulatory prices. The wholesale price of sugar has a significant impact on our profits. Like other agricultural commodities, sugar is subject to price fluctuations resulting from weather, natural disasters, domestic and foreign trade policies, shift in supply and demand and other factors beyond our control. Additionally 15% to 30% of the total Global sugar production is traded on commodity exchanges which are speculative in nature and can adversely affect the global sugar prices and in turn the operations of our Company. However Sugar Price can be improved by producing better quality of Sugar to some extent.

c) REGULATORY RISK

i. Environmental risks

The Industry & Company is subject to environmental regulations and may be exposed to liability as a result of our handling of hazardous materials. Recently for Ganga Pollution control the Central Pollution Control Board directed to the state pollution control board to ensure Zero Liquid Discharge in Sugar and Distilleries. It involves installation of Advance process technology with Multi Pressure distillation and integrated evaporator, incineration system in distillery unit by 31st March, 2016. In the Sugar Unit the Central Pollution control board directed to reduce waste water generation to 40 litre per ton of cane crush and installation of cooling tower. The implementation is to be done by 15th November, 2015 or before start of crushing season 2015-16. The Company has already been directed online monitoring system for Pollution. The regulations of pollution control become extremely stringent along with time bound implementation plan and non compliance includes non renewal of the annual factory license. It involves potential cost for installation of pollution control system in Distillery and Sugar Unit.

RISK MITIGATION

The only way is to follow the instruction of pollution control board and the cost of installation of pollution control system is very high. In present scenario such a huge investment raise the cost of production too high resulting in lower the margin on sales. More over raising of money for installation of these equipment from banks is very difficult due to financial crisis being faced by the Sugar Industry.

ii. Government Policy related risks

The Industry is regulated and the Company operates in a regulated environment. Central and State Government policies and regulations such as:

- i) State Advisory Price (SAP) and Fair and Remunerative Price (FRP) for sugarcane.
- ii) Control on sale of molasses.
- iii) High weightage of sugar (3.63%) in wholesale price index vis-à-vis with other commodities.

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These affect the agricultural sector and related industries and affect our operations and our profitability. Ethanol business is highly dependent on Government Policy. Sugarcane price is controlled by the State Government and Central Government.

RISK MITIGATION

This is a systematic risk which cannot be alleviated unless the sugar cane price has linkage with the sugar price on the basis of established and recognized formula.

2. Controllable Risks:

- i. Productivity
- ii. Drawal rate
- iii. Management bandwidth.

Selection of appropriate machinery and maintenance of the same is critical for continuous operations during the crushing season. The Company has consistently operated at an optimum capacity of around 90% to 95% in most of the years.

With its leadership position in the industry and professional work practices, the Company is able to hire and retain appropriate talent.

De-Risking Strategy

The key recommendations of the Rangrajan Committee on Sugar decontrol have garnered, positive responses and are in line with industry expectations. The Govt has already implanted a number of steps barring the cane pricing policy. The linkage of the sugarcane price with sugar realization will bring in structural changes in the industry.

3. FINANCE RISK:

The industry is highly dependent on the timely availability of working capital as well as long term finance for day to day operation, timely cane payment, cane development as well as modernization, technology development and capacity enhancement at competitive rate of interest for the sugar, cogeneration and Distillery expansion and installation of pollution control system to comply with the requirement of the central pollution control / U.P. Pollution Control Board. Our Company is facing severe financial problem due to continuous losses for the last five years, therefore it is very difficult to arrange funds in the present situation. The U.P. Sugar Industry is having heavy cane price arrears as the banks are not willing to extend credit facilities to the sugar industry more particularly in U.P.

DE-RISKING STRATEGY

Apart from the external reasons the loss is due to internal reason i.e. old plant & machinery and no cogeneration facility, low capacity of Distillery, low recovery in comparison of Central and Eastern Sugar Mills and higher conversion cost due to higher wage bill and higher maintenance cost. We are working on various options for taking up small projects in sugar unit, for improvement of sugar quality, saving in steam & bagasse consumption, sugar cane development and improvement in process efficiency which can be taken up in

phases over a period for 2 to 3 years. We also plan to expand capacity of our distillery unit from 25 KL per day to 45 KL per day. The business module for the industry has changed and unless & until we are fully integrated having cogeneration and distillery with higher capacity and increase in the recovery % of cane over a period of three years, survival is not possible.

4. CYCLICAL RISK

Being an agro based industry the production and realization is very much dependent on the monsoon and other environmental factors which is cyclic in nature at the same time switchover of the farmers from sugarcane to some other cash crops for better realisation badly affect the industry.

Although we have no control over the environment but results can be better if proper irrigation arrangements are made for the farmers which can be facilitated through State Govt. agencies.

5. HUMAN RESOURCES INITIATIVES AND INDUSTRIAL RELATIONS

The Company has, as always, stood by its commitment of harnessing and developing its people resources in the best possible manner for achievement of its business goals and objectives. All through the year the level of people engagement has been of the highest order, which has impacted the process of business growth and up-gradation of various systems in a significant way.

Continuous learning represents the cornerstone of the Company's human resource policy. The Company adopted a progressive human resource policy to meet the aspirations of employees. It organised training programmes and motivated its employees to attain greater efficiency and competence, leading to effective retention. Value-centric management helped enhance loyalty. The Company provided various compensation packages and performance-based incentives. The Company is committed to provide equal employment opportunities and working conditions for attracting and retaining best available talent ensuring cosmopolitan workforce and does not make any discrimination on any basis. The Company had a workforce comprising of 1167 employees.

6. TRAINING AND DEVELOPMENT OF EMPLOYEES

The process of training and development has continued with a view to upgrading skills and competencies of people. Employees across all levels including Senior, and Middle Management have been through various developmental programs customized to meet the individual and organizational needs. The organization has continuously worked towards providing an enabling work environment, which encourages people to acquire newer skills and knowledge so as to make them more effective, productive and tuned to the environmental changes.

7. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company is conscious of the importance of internal processes and controls. Your company has designed internal



control systems to handle the requirements of businesses of the company across various locations in regard to all business transactions – sales order to collections, purchase orders to payments, employee payments, expense payments, material and assets accounting etc.

We have an in-house internal audit department who carry out internal audit of all business areas of its units Upper Doab Sugar Mills and Shamli Distillery & Chemical Works. The Internal Audit Department assesses the design and implementation of all business processes and systems, in addition to the transaction audit.

The Company's internal control system is aimed at proper utilization and safeguarding of the Company's resources and promoting operational efficiency. The internal audit process reviews the in-system checks, covering significant operational areas regularly. The Company's Audit Committee is responsible for reviewing the Audit Report submitted by the internal Auditors. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the Statutory and Internal Auditors for regular meetings to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its observations from time to time.

The prime responsibility of the internal audit department is :-

1. Coordination with firms, Auditors to whom internal Audit work has been outsourced, for facilitating Audit works, Unit Comments & Implementation of Audit recommendations.
2. Cane Centre Visits:
 - (a) Review of Cane balances at Centre.
 - (b) Review of extraneous matters in Cane.
3. Checking of log books maintained for vehicles & diesel consumption.
4. Physical verification of Store inventory 100% annually.
5. Surprise check of dispatchs- Sugar, Mollasses, Bagasse, Pressmud, Ethanol etc.
6. Physical Verification of Sugar Stocks annually.
7. Checking of Sugar Bagging, weighment and handling.
8. Periodic review of Scrap generation and disposal.
9. Fire & other safety measures.
10. Physical Verification of Fixed Assets.
11. Physically Verification of Cash on monthly basis.
12. Verification of Insurance- Sufficient Coverage and timely renewal of insurance policies.
13. Social assignments and Audits assigned from time to time.
14. Targets vs actual and its financial impact on the company
15. Evaluations of efficacies and financial impact of modernization job.

16. Approval of budgets' for various departments.
17. Scrutiny of General Ledger
18. Verification and timely payment of statutory liability of the Company. etc

The internal audit department periodically submits their report to the Audit Committee of the Board of Directors. The Audit Committee suggests changes whenever necessary and the internal audit department takes the follow-up action. Further the Board of directors in their meeting ensures, due and proper compliance with applicable laws.

D) WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Vigilance committee has been constituted by the Board of Directors as per statutory provisions of section 177(9) & (10) of the Companies Act, 2013 and clause 49 (F) of the of the Listing Agreement .i.e. every listed Company or such class or classes of Companies, as may be prescribed, to establish a vigil mechanism and formulate a Whistle Blower Policy for directors and employees to report genuine concerns in such manner as may be prescribed to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy which is applicable from 1st October, 2014.

The vigil mechanism under sub-section (9) of Section 177 of the Companies Act, 2013, shall provides adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases, provided that the details of establishment of such mechanism shall be disclosed by the Company on the website, if any, and in the Board's report.

E) There have been no instances of non-compliance, penalties, structures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

F) The Company has fully complied with all the mandatory requirement of clause 49 of the Listing Agreement of the Stock Exchange. The company has submitted the quarterly compliance status report to the Stock Exchanges within the prescribed time limit.

G) Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time. The Company has adopted non-mandatory requirement of Clause 49 of Listing Agreement viz. (i) Remuneration Committee of the Board which has been constituted to recommend/review the remuneration package for the Executive Directors (ii) Nomination Committee to consider proposals for searching, evaluating and recommending appropriate and Independent Directors and Non-Executive Directors to the Board based on an objective and transparent set of guidelines.

H) The Company does not have any subsidiary Company.

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(12) MEANS OF COMMUNICATIONS:

Quarterly Results: The Company’s quarterly financial results are normally published in the “Emerging World” in English and “Naya India” in Hindi, News Papers. The quarterly/half yearly/annual financial results of the Company are regularly submitted to the Delhi Stock Exchange Limited and Bombay Stock Exchange Limited where the shares of the Company are listed.

Website : The Company’s financial results are also displayed on the Company’s website – www.sirshadilal.com as per the requirements of Clause 52 and 54 of the Listing Agreement, all the data related to quarterly financial results, shareholding pattern etc. is posted on corpfilng website i.e. www.corpfilng.co.in and also on the company’s website. The website also provides the basic information about the company e.g. details of its business, financial information, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances. The information provided on the website is being updated regularly.

In pursuance of circular bearing no.17/2012 dated 21.04.2012 and 18/2012 dated 29.04.2012 issued by the Ministry, various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors’ Report, Auditors’ Report, etc) are being sent to the shareholders through electronic mode to the registered e-mail addresses of the shareholders.

(13) MANAGEMENT DISCUSSION & ANALYSIS

An Overview

Your Company’s operations are broadly divided into two business segments i.e. “Sugar” and “Alcohol.” The by-product molasses is used in the distilleries for manufacture of alcohol & ethanol. The segment-wise performance has already been reported vide Note No. 3.12 of Notes attached to the Annual Accounts under report.

The segment-wise detailed management discussion and analysis is stated below:

UNIT - UPPER DOAB SUGAR MILLS, SHAMLI

The Crushing Season 2014-15 was started on 12.11.2014 and closed on 17.05.2015. We crushed 9182539 quintals of cane at an average recovery of 9.34% producing 857602 of sugar in 178 days of working.

In the last Crushing Season 2013-14, Shamli Factory started crushing on 11.12.2013 and closed on 21.05.2014. The factory crushed 8792035 quintals of cane at an average recovery of 9.02% producing 792886 quintals of sugar in 162 days of working.

The average cost of Cane for the financial year 2014-15 is Rs.282.99 per quintal as against Rs. 284.22 per quintal for the financial year 2013-14.

The average sugar realization during the financial year 2014-15 is Rs.2919.42 per quintal as against Rs. 2994.70 per quintal during the last financial year 2013-14.

UNIT – UNN SUGAR COMPLEX, UNN

Since the unit has been sold out on 07.09.2014 the Crushing Season 2014-2015 was run by the purchaser M/s Superior Food-grains Pvt. Ltd., Chandigarh.

In the last Crushing Season 2013-14, Unn Sugar Unit started crushing on 08.12.2013 and closed on 30.04.2014. The factory has crushed 5176350 quintals of cane at an average recovery of 8.47%, producing 438319 quintals of sugar in 144 days of working.

The average cost of Cane for the financial year 2013-14 was Rs.288.02 per quintal.

UNIT – SHAMLI DISTILLERY & CHEMICAL WORKS, SHAMLI

In Shamli Distillery, the production is 6060484 BL during the year 2014-15 as against 7066191 BL during the last financial year 2013-14. During the year 2013-14, Fermentation % was 89.12% as against 89.04 during 2013-14 Distillation % was 98.07% as against 98.05 during last year. Overall % was 87.05% as against 86.95 during 2013-14. During the year 2014-15 the recovery in AL was 23.04% as against 21.80% during last year. Molasses rate was Rs. 415.63 per quintal during the year 2014-15 as against Rs.388.03 per quintal during the year 2013-14. Shamli Distillery earned profit of Rs.301.98 Lacs during the year 2014-15 as against Rs. 451.22 Lacs during last year in 2013-14

SUGAR PRODUCTION AND CONSUMPTION:

The Indian Sugar Industry has been passing through the worst financial crisis ever. The All India Sugar production in the current sugar season 2014-15 is expected to be around 283 Lac tonnes, the second highest ever (the previous highest was 284 Lac tones in 2006-07 sugar season). The situation is worst now because this is the fifth continuous year of sugar production) whereas the surplus sugar in 2006-07 has come up after a couple of years of low production. The sugar production in the last five sugar seasons are as under:

Sugar Season	Production (Lac tonnes)
2010-11	243.94
2011-12	263.42
2012-13	251.40
2013-14	243.96
2014-15	283.00 (Estimated)

Last year carry forward stock of sugar was 75 Lac MT. The total availability of sugar in the country will be 358 Lac MT which will be more than the maximum consumption of 245 Lac MT leaving a balance of 113 Lac MT. The total export not to exceed 10 Lac tonnes, still the country will start the



next sugar 2015-16 year with around 103 Lac MT., one of the highest ever.

The excess production of sugar is putting pressure on the sugar and sugar prices have therefore crashed to Rs.2250 to Rs.2300 per qtl. ,and are at the lowest in the last seven years. Further due to the pressure from the Govt. to clear cane price arrears the factories are forced to dispose off sugar stock at a lower price. At such lower price sugar mills are not able to pay the cane price fixed by the Govt. and therefore there are heavy cane price arrears approx.Rs.21000 Crores in the country.

OPPORTUNITIES AND THREAT

TREND IN THE DOMESTIC SUGAR PRICE:

The surplus sugar is putting pressure on the domestic ex-mill sugar price which has been falling continuously. The sugar price which were Rs.3100/-per qtl. in September, 2014 are falling continuously in the subsequent months and come down to Rs.2500/- qtl in the month of February/March, 2015 and Rs.2300/-per qtl. at present in June, 2015. The present international sugar price is around \$345 to \$350 per MT. The average realization of sugar in the financial year 2014-15 in unit Upper Doab Sugar Mills is Rs.2919.42 per qtl.as against Rs.2994.70 per qtl. during the last financial year 2013-14. The average realization of sugar for the season 2014-15 is Rs.2561.68 per qtl. upto June, 2015.

CANE PRICE

The U.P.Govt. has announced State Advisory Price (SAP) for the sugar season 2014-15 at Rs.280/- per qtl for general variety, Rs.290/- per qtl. for early maturing variety and Rs. 275/- per qtl. for rejected variety as against the Fair and Remunerative Price (FRP) of Rs.220/- per qtl.of Central Govt. As a temporary and immediate relief, the State Govt. did not enhance the SAP of sugarcane for the year 2014-15 and it was agreed and notified by the State Govt. that the mills would make the payment of cane price in two installments. 1st installment of Rs.240/- per quintal is payable within 14 days of the purchase of cane and balance Rs.40/- per quintal will be paid within three months after close of the season. Out of the balance of Rs.40/- a relief of Rs.20/- per quintal was committed to be paid to the sugar mills by the State Govt. by way of Society Commission, Purchase Tax, Entry Tax on sugar and additional relief of Rs.8.60 per qtl. Besides this the Government will grant further relief of Rs.20/- per quintal to the Sugar Mills, if the average price of Sugar, Molasses, Bagasse and Press-mud remains below Rs.3100/- per quintal, Rs.390/- per quintal, Rs.167/- per quintal & Rs.26/- per quintal respectively during the period from 1st October, 2014 to 31st May, 2015. At this cane price the cost of production in U.P. is Rs.3400/- per qtl. for the season 2014-15 while the average realization of sugar is Rs.2667/-per qtl. from October 2014 to May 2015. There is loss of around Rs.700/- per qtl.

Most of the Sugar Mills in U.P. could not clear the cane price @240/- per quintal within 14 days of the purchase of cane.

There are arrears of Rs.6088 Crores of cane prices as on 22nd June, 2015.

The Hon'ble High Court of Allahabad, in the public interest litigation filed by Sh.V.M.Singh, passed orders on 27th May, 2015 that the State Govt. must make necessary arrangements to pay 25% of the outstanding cane price on the basis of SAP of Rs.280/- per qtl. on or before 15/6/2015 and ensure atleast 75% of outstanding are cleared by 15th July, 2015.

The U.P.Govt. has further announced that those sugar mills which clear cane price @240/- per qtl by 15th of July, 2015 will be entitled to subsidy of Rs.8.60 per qtl of cane purchased. Most of the sugar mills in U.P. could not pay the first installment of 25% due on 15/6/2015 and it will be very difficult for the sugar mills to pay 75% of the amount or payment @Rs.240/- per qtl. by 15th July, 2015. Even the payment of current Fair and Remunerative Price (FRP) of Rs.220/- per qtl. of sugarcane will be difficult.

OUTLOOK AND CHALLENGES BEFORE THE SUGAR MILLS:

The sugar industry which is the largest agro based industry in the country is being trounced by deep financial crisis, caused by continuously falling ex-mill sugar prices and increasing cost of sugar production due to higher cane price. The mis-match between high cost of sugar production and low realization from sale of sugar have caused an unbearable situation for the sugar mills and it is very difficult for the sugar mills to continue to run the operations in losses and arrange funds for operations. The mills are simply not able to discharge obligation of making payment of cane price to the farmers.

This phenomena is not just a one-time occurrence but has been recurring in every successive sugar season. It has become a vicious cycle where inevitably the cane arrears of the last season spill over to the next season. The position of sugar mills in U.P. is the worst which are incurring heavy losses during the last few years.

The losses suffered by mills during four years upto 2013-14 are Rs.10160 Crores and further loss of Rs.5500 Crores is estimated for 2014-15. In fact much before the start of the season 2014-15, seeing the past scenario, the sugar mills were not prepared to start crushing operations for the season 2014-15. The mill never wanted a situation of not being able to make the payment of cane price and to face uncalled consequences for no fault of theirs.

Even though the Govt. has announced few measures for the industry but the mills are still not able to recover their cost. On one side the cane price arrears of the farmers have reached at an all time high while on the other side the sugar mills are defaulted in the payments of their loans leading several sugar mills becoming Non Performing Assets (NPA) or are filing Corporate Debt Re-structuring (CDR). Due to defective cane price policy in U.P. the bankers have asked the promoters and directors of the Sugar Mills to give their personal guarantee besides the sugar stock as collateral

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security and to get working capital. The bankers held that in the absence of reasonable cane price formula which has made sugar production unviable in U.P. was mainly for the industry's inability to pay their debts. The bankers fear about the spurt in Non Performing Assets (NPA) after the Supreme Court in October, 2014 upholding the High Court decision that farmer has first right over the realization from sugar sales and not the Bankers. After the Supreme Court verdict the bankers are virtually forced not to recon sugar as security. The SBI and PNB, the two main lenders to the U.P.Sugar Industry are having exposure of Rs.5000 to Rs.6000 Crores, have written to the U.P.Govt. to finalize the cane pricing formula keeping in view the interest of the entire stake holders i.e. farmers, sugar mills and bankers. Since the banks are reluctant to advance money to the sugar industry most of the sugar mills in U.P. are not getting adequate cash credit limits from banks for payment of cane price as well as loans for modernization of their Plant.

An independent report from Grant Thornton titled as Operations for Sugar Industry in U.P, in October 2014 mentioned the industry is facing net losses and hence the EBITA margin ratio and ROCE are much lower and showing downward trend. The debt equity ratio is nearing 1 showing huge debt burden for the sugar mills. The working capital requirement is increasing every day as return on working capital is negative for the last four consecutive years and mills are finding it difficult to meet the requirement of margin money. Investors are loosing confidence visible through falling share price of sugar companies in U.P.

ICRA Ltd., a leading credit rating agency in its report published in December, 2014 mentioned that Indian Sugar sector with range-bound sugar realization and high cane price continued with govt.support will remain critical for viability in 2014-15. High cost of production continued to put pressure on the profitability in sugar year 2014-15.

The root cause of the problem lies apathetic attitude of the Central and State Govt. The State Govt.have been arbitrarily increasing the price of sugar cane and passing it on the sugar mills who are forced to pay that high amount to the farmers even though the mills are not in a position to afford it simply because the revenue generated from selling sugar is poor and un-remunerative to the mills. The Central and State Govt.have to accept the reality and fix the cane price which would be acceptable and affordable to the sugar mills. The best way to ensure that interest of the industry and farmers are taken care of by bringing in a formula whereby the cost of cane could be determined and fixed in accordance with the price of sugar and its primary by-products. This will align the price of cane to that of the sugar and its by-products and the industry would not be burdened with unaffordable cane payments. This will also ensure timely cane payment to the farmers and improve the financial condition of the mills. Some states like Karnataka and Maharashtra have already rationalized their cane pricing policy and adopted the revenue sharing model by which cane price will be determined at 75%

of revenue from sugar or on 70% of revenue from sugar and primary by-products. The State Govt. is fully aware of the precarious financial situation of the sugar mills in U.P. The state Govt., as per promise, could not formulate a long term economically sound and rationalized sugar cane pricing policy based on well established transparent economic and business principle, so that the sugar mills of U.P. could withstand the competition with other major sugar producing states and would not suffer losses and be able to get atleast fair and reasonable returns from the sugar business.

It is therefore essential that revenue sharing model for cane price determination is declared from the next sugar season.

The Central Govt. has taken the following decision to clear the cane price arrears in the country:

- 1) Raising of custom duty of sugar from 25% to 40% on import of sugar to discourage cheaper import of sugar.
- 2) The Duty Free Import Authorization (DFIA) scheme for sugar would be withdrawn, the period for discharging export obligation under the advance authorization scheme would be reduced to six months to prevent leaking into domestic market.
- 3) Removal of 12.36% Excise Duty on Ethanol meant for blending with petrol from the next crushing season 1st October, 2015 to improve net realization of Ethanol which should be incentive for some sugar mills to divert B Heavy Molasses or Cane Juice to Ethanol.
- 4) Interest free loan of Rs.6000 Crores for a period of one year to those sugar mills which clears 50% of the cane price calculated FRP upto 30th June, 2015.

The Central Govt. has not taken decision for creation of Buffer Stock of sugar to the tune of 10% of the country's production and Export Subsidy on white sugar.

Of course these are welcome steps taken by the Union Govt. which could help the cash starved sugar industry but the Govt. should find a permanent solution for fixing cane price which would be acceptable and affordable to the sugar Industry.

ALCOHOL & ETHANOL BLENDING

At present it is mandatory for the Oil Manufacturing Companies (OMC) to mix 5% ethanol in Petrol. Though the Govt. has allowed raising the level from 5% to 10% where it is available. With the present supply of ethanol, mixing is about 2-3% only, mainly due to resistance from the Oil marketing companies. Due to fall in crude oil prices the OMCs have cancelled 1200 Million ltr ethanol procurement tenders, seeking a cut in the accepted price of green fuel.

OMC floated tender in July 2014 seeking ethanol supply of 1560 Million ltrs, from the sugar mills, Mills/Distilleries offered 622 Million Ltrs. out of which the OMCs accepted to lift 355 Million Ltrs.at Rs.47.50 per Ltrs. The deal was made when the Crude Oil price was hovering at about \$114 per Barrel. Since then the crude oil price has fallen



by 58% to the current price of \$ 46 per barrel. The OMCs now wanted to re-negotiate the prices. Since the terms for 355 Million ltrs have already been finalized, therefore the industry's stand was that OMCs cannot change them now.

The Sugar Industry asked the OMCs to come out with an Expression of Interest (EOI) for procurement of balance 1200 Million ltrs, ethanol which was scheduled to open in November, 2014 which got cancelled by OMCs.

Falling crude oil prices had raised question over the viability of ethanol procurement at Rs. 44 to 48 a litre, Therefore, the OMCs has scrapped an October tender for procurement of 1200 million litres. Therefore, OMCs has floated the EOI-1 and EOI-2 from December 2014 to March 2015 to procure balance quantity for the season, 2014-15 (From November, 2014 to October, 2015) seeking participation from ethanol manufacturers.

The Distilleries have offered 657 million litres of ethanol to oil marketing companies, in response to both EOI, out of which 452 million ltrs. Ethanol was accepted by OMC up to 31.03.2015 and balance quantity left over was 753 million ltrs.

The cabinet committee on economic affairs on 10th December, 2014 has fixed the ethanol price for this purpose at Rs. 48.50 per ltr. to Rs. 49.50 per ltr. depending on the Oil depot's distance from the Distilleries. This price is higher than the price fixed for the July, 2014 tender. However, the OMCs had procured ethanol at Rs. 39 to Rs. 45 a litre between December, 2013 and November, 2014. Further, the Union Cabinet, Chaired by the Prime Minister, in its meeting held on 29th April, 2015, has approved removal of Central Excise Duty (CED) @ 12.50% on ethanol produced from molasses generated during the next sugar season and supplied for blending and that the price benefit would be passed on to the sugar mills/ distilleries.

We have contracted with OMCs for supply of ethanol 2914 KL for F.Y. 2013-14 and 1500 KL for F.Y. 2014-15 through our Shamli Distillery. Against the above we have supplied 2242 KL during the F.Y. 2013-14 and 2620 KL during the F.Y. 2014-15 The Balance quantity for 2014-15 and earlier years of 929 KL will be supplied from April 2015 to October, 2015.

(14) GENERAL SHAREHOLDERS INFORMATION:

- | | | | |
|----|---|---|---|
| a) | Annual General Meeting:
Date, Time and Venue of
Next Annual General Meeting | : | 28th September, 2015 at 11.00 A.M.
P.H.D. House, 4/2, Siri Institutional Area, August Kranti Marg,
Opposite Asian Games Village, New Delhi - 110 016 |
| b) | Financial Calendar (2015-16):
Financial reporting for the
quarter ending 30th June, 2015
Financial reporting for the quarter
ending 30th September, 2015
Financial reporting for the
quarter ending 31st December, 2015
Financial reporting for the
quarter ending 31st March, 2016 | : | Upto 15th August, 2015
Upto 15th November, 2015
Upto 15th February, 2016
30th May, 2016 |
| c) | Date of Books closure | : | 16th September, 2015 to 28th September, 2015
(Both days inclusive) |
| d) | Dividend payment date | : | NA |
| e) | Listing on Stock Exchange | : | Delhi Stock Exchange Ltd.
DSE House, 3/1, Asaf Ali Road,
New Delhi- 110 002.
Bombay Stock Exchange Ltd.
25th Floor, P.J. Tower, Dalal Street,
Mumbai – 400 001.
The Company has paid the listing fee to Bombay Stock Exchange
Ltd. for the financial year 2015-16. |
| f) | Stock Code | : | 19174 of the Delhi Stock Exchange Ltd.
532879 of Bombay Stock Exchange Ltd. |
| g) | Corporate Identity Number (CIN) | : | Our Corporate Identity No. is L51909DL1933PLC009509,
allotted by the Ministry of Company Affairs, Government of
India and our Company Registration No. is 9509. |

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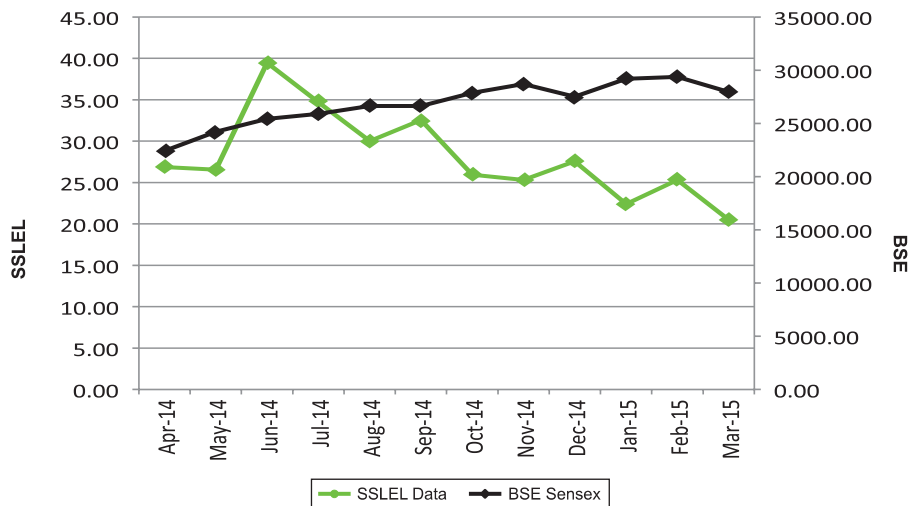
h) Market Price Data :

The Market Price Data and Volume from 1st April, 2014 to 31st March, 2015 on the Bombay Stock Exchange Limited, Mumbai is given below:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded
April, 2014	30.00	23.95	14272
May, 2014	27.85	21.85	11296
June, 2014	39.45	25.55	13712
July, 2014	41.10	30.95	3650
August, 2014	36.00	28.95	2335
September, 2014	34.65	25.95	1536
October, 2014	31.05	23.30	5167
November, 2014	30.00	24.70	1750
December, 2014	30.85	23.00	14864
January, 2015	28.85	22.10	7161
February, 2015	25.75	21.35	4796
March, 2015	26.55	20.20	7881

i) BSE Sensex, Crisil Index etc

: Performance of share price of your company in comparison to BSE Sensex during the period 01-04-2014 to 31-03-2015 is given below:



j) Registrar & Transfer Agent

: M/s Alankit Assignment Ltd., Alankit House, 2E/21, Jhandewalan Extension, New Delhi- 110 055 have been acting as the Registrar and Share Transfer Agent for shares of the company.

k) Share Transfer System

: The transfer of shares in physical form is processed by the Secretarial Department of the Company on the basis of data forwarded by the Share Transfer Agent, M/s Alankit Assignment Ltd. within the prescribed time. The Share Transfer Committee/Board of Directors approves transfer of shares in physical form, transmission of shares, transposition of name, consolidation/split of share certificates, remat of shares and issue of duplicate share certificates in lieu of the lost/misplaced share certificates. The Share Transfer Committee of the Board of Directors meet as and when required to consider and approve the share transfer/transmission applications.

In case of shares in Electronic form the transfers are processed through Share Transfer Agent by NSDL/CDSL through respective Depository participants and the details on a regular basis are placed before the Share Transfer Committee of the Board of Directors.

1) **Distribution of Shareholding and Shareholding pattern as on 31.03.2015**(i) **Distribution of Shareholding:**

Category	No. of Shareholders	%age	Physical	NSDL Demat	CDSL Demat	Total No. of Shares	%age
1 - 500	4485	89.130	85779	88459	39769	214007	4.076
501 to 1000	231	4.591	60101	74321	26631	161053	3.068
1001 to 2000	119	2.365	57353	78965	31613	167931	3.199
2001 to 3000	60	1.192	51092	53917	45603	150612	2.869
3001 to 4000	31	0.616	25038	57295	27493	109826	2.092
4001 to 5000	14	0.278	13190	41961	8970	64121	1.221
5001 to 10000	41	0.815	108859	113109	48032	270000	5.143
10001 and above	51	1.014	190496	2890329	1031625	4112450	78.332
Total	5032	100.000	591908	3398356	1259736	5250000	100.000

(ii) **Shareholding Pattern:**

	Physical Form		Demat Form		Total	
	No. of Shares	(%age)	No. of Shares	(%age)	No. of Shares	(%age)
A. Promoters' Holding						
1. Indian Promoters	-	-	2889843	55.045	2889843	55.045
2. Foreign Promoters	-	-	-	-	-	-
Total (A)	-	-	2889843	55.045	2889843	55.045
B. Non-Promoters Holding						
(i) Institutional Investors						
1. Mutual Funds and UTI	-	-	-	-	-	-
2. Banks, Financial Institutions, Insurance Companies, (Central/State Government Institutions, Non-Government Institutions)	-	-	371057	7.068	371057	7.068
3. FIIs	-	-	-	-	-	-
Sub-total (B-i)	-	-	371057	7.068	371057	7.068
(ii) Non-Institutional						
1. Private Corporate Bodies	18676	0.356	222866	4.244	241542	4.600
2. Indian Public	570955	10.875	1150413	21.913	1721368	32.788
3. NRIs	2277	0.043	23913	0.456	26190	0.499
Sub total (B-ii)	591908	11.274	1397192	26.613	1989100	37.887
Total (B)	591908	11.274	1768249	33.681	2360157	44.955
Grand Total (A+B)	591908	11.274	4658092	88.726	5250000	100.000

(m) **Dematerialization**

The Shares of the Company can be held in dematerialized mode with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN No. of the Company is INE 117 H 01019. as on 31.3.2015, 88.726% of the Equity Shares of the company were in dematerialized form and the balance 11.274% shares in physical form.

Status of Dematerialization as on March 31, 2015

Particulars	No. of Shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	3398356	64.731	1806
Central Depository Services (India) Limited	1259736	23.995	900
TOTAL DEMATERIALIZED	4658092	88.726	2706
PHYSICAL	591908	11.274	2326
GRAND TOTAL	5250000	100.000	5032

CONTD.....



- n) **Outstanding GDRs/ADRs/warrants or any convertible Instruments, Conversion Dates and likely impact on equity** : The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments

o) Unclaimed Dividend:

Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2013 has mandated every company (including Non-banking Financial Companies and Residuary Non-banking Companies) to file the information of unclaimed and unpaid amounts as referred to in sub-section (2) and (3) of section 125 of the Companies Act, 2013. This information is required to be filed every year within a period of 90 days after the holding of Annual General Meeting or the date on which it should have been held as per the provisions of Section 96 of the Act, and every year thereafter till completion of the seven years' period. The information is to be filed in Form 5- INV as per the above mentioned rules and thereafter an excel sheet containing detailed investor wise details is to be filed separately. The e-Form, the excel template and detailed steps are provided in the IEPF application link on the portal www.iepf.gov.in (<http://www.iepf.gov.in>).

Pursuant to Section 125 of the Companies Act, 2013, dividends that are unpaid/unclaimed for a period of 7 years from the date they became due for payment are required to be transferred by the Company to the Investor Education & Protection Fund (IEPF) administered by the Central Government, given below, are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
2009-10	24.09.2010	30.10.2017

p) Equity Shares in the Suspense Account

In terms of Clause 5A(I) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense account which were issued to the shareholders of the Company:

	Number of shareholders	Number of equity shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2014	141	27524
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from the suspense account during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2015	141	27524

No share was transferred from the suspense account to the shareholders accounts, during the year.

The voting rights on the shares outstanding in the suspense account as on March 31, 2015 shall remain frozen till the rightful owner of such shares claims the shares.

- q) **Plant Location** :
- i) Upper Doab Sugar Mills, SHAMLI – 247 776 (U.P.) Ph. No. : 01398 - 250064 Fax No. : 01398 - 250032
 - ii) Shamli Distillery & Chemical Works, SHAMLI – 247 776 (U.P.) Ph. No. : 01398 - 250100 Fax No. : 01398 - 250097

- r) **Address for Correspondence**
- | | |
|--|---|
| <p>REGISTERED OFFICE</p> <p>4-A, Hansalaya,
15, Barakhamba Road,
NEW DELHI-110 001</p> <p>Telephones:
011-23316409
011-23310414
Fax: 011-23322473</p> | <p>SHARE TRANSFER AGENT</p> <p>M/s.Alankit Assignments Ltd.,
'Alankit House' 2-E/21,
Jhandewalan Extn.
NEW DELHI-110 055.</p> <p>Telephones:
011-23541234
011-42541234
Fax: 011-42540064</p> |
|--|---|

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.



- s) Secretarial Auditor : The Board of Directors of the Company appointed M/s Sunil K Jain & Associates, Company Secretaries, to conduct the Secretarial Audit for the financial year ended March 31, 2015.
- t) Secretarial Audit for reconciliation of capital : As stipulated by SEBI, a practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the shares of the Company are listed.
- The said Audit Reports confirm that the total issue / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- (15) Compliance Officer : Sh. Akhilesh Kumar Singh is the Compliance Officer for complying with the requirement of Listing Agreements with the Stock Exchanges since 01.11.2014. Before his tenure Sh. P. K. Goyal was the Compliance Officer for complying with the requirement of Listing Agreements with the Stock Exchanges.
- (16) Compliance Certificate of the Secretarial Auditor's : The Secretarial Auditor's have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors' Report on Corporate Governance.
- The certificate from the Secretarial Auditor's will be sent to the listed Stock Exchanges alongwith Annual Report of the Company
- (17) CEO/CFO Certification : Pursuant to Clause 49 of the Listing Agreement, the CEO/ CFO have submitted the desired certificate to the Board of Directors & the same has been taken on record by the Board of Directors in their meeting held on 29th May, 2015.

For and On Behalf of the Board of Directors of

Sir Shadi Lal Enterprises Ltd

Onke Aggarwal

Chairman

(DIN-00141124)

Place : New Delhi

Dated : 25.07.2015



CEO/CFO CERTIFICATION

We Rajat Lal, Managing Director and P K Goyal, CFO of Sir Shadi Lal Enterprises Limited, hereby certify that to the best of our knowledge and belief.

- A) We have reviewed the Balance Sheet as at 31st March, 2015, Statement of Profit & Loss for the year ended on that along with its schedules, notes to accounts and also the Cash Flow Statement for the year and based on 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) 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.
- C) We accept responsibility for establishing and maintaining internal control systems for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of the internal controls, if any of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- D) We along with Company's other certifying officers, have indicated to the auditors and the Audit Committee of the Company, the following :
- i) Significant changes in the internal control over financial reporting during the year :
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - iii) 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 over financial reporting .

P. K. Goyal
Chief Financial Officer

Rajat Lal
Managing Director

Place : New Delhi

Dated : 29th May, 2015



CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Sir Shadi Lal Enterprises Limited,
4- A, Hansalaya, 15, Barakhamba Road, New Delhi- 110 001

1. We have examined the compliance of the conditions of Corporate Governance by Sir Shadi Lal Enterprises Limited (the “Company”) for the year ended 31st March 2015 as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management, we certify that Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the state of affairs of the Company.

For SUNIL K. JAIN & ASSOCIATES
Company Secretaries

Place : New Delhi
Dated : 25th July, 2015

S.K.JAIN
Proprietor
(FCS 4089, C.P. No. 4079)



INDEPENDENT AUDITORS' REPORT

To,
The Members of
Sir Shadi Lal Enterprises Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sir Shadi Lal Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Profit & Loss Statement and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon 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 & 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 operative effectiveness of such controls. An audit also includes evaluating the appropriateness of 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.

Emphasis of matter

1. Attention is invited to note no. 3.8 of Financial Statement regarding potential sickness of the Company. The Company, over the last few years, has been incurring losses, due to which its net worth has been completely eroded. Last year the Company has become Sick Industrial Company under provision of Sick Industrial Company (Special Provisions) Act, 1985, and this fact was reported to BIFR. This year further losses have been suffered.
2. In view of the aforesaid facts "deferred tax" assets Rs. 68.81 crore, the recovery of which is uncertain, in absence of future projections for profitability. In our opinion recognition in accounts of deferred tax assets is not desirable.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements subject to Note No. 3.1, in respect of bad and doubtful debts short provided by Rs.150.38 lacs 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.

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 sub-section(11) of section 143 of the Companies Act, 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 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 purpose of our audit;



- b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the aforesaid 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) 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.
- f) 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 :
1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, (Refer Note No. 2.30 of the Financial Statements);
 2. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
 3. There has been no delay in transferring amounts, required to be transferred, to investor Education and Protection fund by the company.

For BASANT RAM & SONS
Chartered Accountants
(Firm Regn. No. 000569N)

H. K. Chadha

Partner

Membership No. 6470

Place : New Delhi

Dated : 29th May, 2015

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Sir Shadi Lal Enterprises Limited on financial statements for the year ended 31st March, 2015.

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- b) The Company's programme of physical verification of all its fixed assets once in three years, is in our opinion, reasonable having regard to the size of the Company and the nature of its fixed assets. We are informed that in accordance with the programme, no physical verification of fixed assets was carried out during the year under report.
- ii. a) During the year, the inventories have been physically verified by the management except Material sent for job work and lying with third party. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory, followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and the book records were not material, however, the discrepancies noticed have been properly accounted for in the books of account.
- iii. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013.
- b) The Company has taken demand loans/fixed deposits, from companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013, which were taken from eight parties and the maximum amount involved during the year was Rs.17.57 crores and the year end balance was Rs.11.93 crores. As no other demand loans were taken by the company, therefore the rate of interest and other terms and conditions of such demand loans are not comparable.

CONTD.....



SIR SHADI LAL ENTERPRISES LIMITED

ANNEXURES TO AUDITORS' REPORT CONTD.....

- c) The Company is regular in repayment of principal amount of demand loans/fixed deposits and interest thereon.
- 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 for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and information and as per the explanations given to us, we have neither come across nor have been informed of any instance of continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year, therefore, the provisions of clause (v) of paragraph 3 of the CARO 2015, are not applicable to the Company. .
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under Section 148 (1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a) According to the records of the Company and information and explanations given to us, there is no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end for a period of more than six months from the date of becoming payable.
- b) According to the records of the Company and the information and explanations given to us, there are no amounts in respect of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess, which have not been deposited with the appropriate authorities on account of any dispute, other than mentioned in 'Annexure- 1' to this report.
- c) According to the records of the company and information and explanations given to us, there are no amounts that are due to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- viii. The Company has accumulated losses of Rs. 58,22,77,042/- as at the end of the financial year 31st March, 2015, after reducing there from Deferred Tax Assets of Rs. 68,81,11,332/. The Company has incurred cash losses amounting to Rs. 48,43,71,440/- during the financial year ended 31st March, 2015, the Company has also incurred cash losses amounting to Rs. 57,49,85,408/- during the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations furnished to us by the management of the company, the Company has defaulted in repayment of dues payable to its bankers. The loans (cash credit account) due to Zila Sahkari Bank, Gaziabad Rs. 20,33,85,431/-, was not paid on due dates during the period from November, 2014 till 30th March, 2015 and another unpaid balance due to State Bank of India since the beginning of the year Rs. 64,65,76,381/- was not paid during the year.
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Banks or Financial Institutions.
- xi. The Company has not raised fresh term loans during the year. The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
- xii. In our opinion and according to the information & 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 BASANT RAM & SONS
Chartered Accountants
(Firm Regn. No. 000569N)

H. K. Chadha

Partner

Membership No. 6470

Place : New Delhi
Dated : 29th May, 2015



(Annexure– 1 as referred to in para ix. (b) of Annexure ‘A’ to the Auditors’ Report of even date to the members of Sir Shadi Lal Enterprises Limited on the accounts for the year ended 31st March, 2015).

Following are the particulars of disputed dues (provided/considered contingent liability, as appropriate) as on 31.03.2015 on account of Income-Tax Sales Tax and Excise matters that have not been deposited on account of dispute:-

Name of the Statute	Nature of the Dues	Amount (Rs.in lacs)	Period to which the Amount relates	Forum where dispute is pending
Sales Tax Act	Entry Tax	12.28	2010 – 2011	Addl. Commissioner Appeal, M.nagar
Central Excise Tax	Modvat Credit	0.41	2003 – 2004 2004 – 2005	High Court at Allahabad/ Lucknow
Central Excise Act	Duty/Penalty	30.35 4.01 10.92 3.94	2008 – 2009 2007 – 2008 2008 – 2009 2008 – 2009	CESTAT CESTAT CESTAT CESTAT
Central Excise Act	Penalty/Reversal of Modvat Credit/ Service Tax	0.68 1.86	2005 – 2006 2012 – 2013	Commissioner/(Asst. Commissioner) Commissioner/(Asst. Commissioner)
U.P. Excise Act	Penalty for Low Recovery Duty/Penalty	1.85 55.42	1991 – 1992 1988 – 1989	Excise Commissioner, Allahabad Weight & Measurement Department Saharanpur, High Court, Allahabad
Income Tax Act	Pending Demand	11.25 23.59	2001 – 2002 2005 – 2006	High Court, Delhi ITAT, Delhi

We have been informed that apart from above, there are no dues in respect of Wealth– tax, Service– tax , Custom Duty which have not been deposited on account of any dispute.

For BASANT RAM & SONS
Chartered Accountants
(Firm Regn. No. 000569N)

H. K. Chadha
Partner

Membership No. 6470

Place : New Delhi
Dated : 29th May, 2015



SIR SHADI LAL ENTERPRISES LIMITED

BALANCE SHEET
AS AT 31ST MARCH, 2015

	Note No.	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	5,25,00,000	5,25,00,000
Reserves and surplus	2.2	(58,22,77,042)	(27,28,68,773)
		(52,97,77,042)	(22,03,68,773)
Non- current liabilities			
Long - term borrowings	2.3	18,55,98,000	14,22,32,000
Other long term liabilities	2.4	75,01,500	1,23,03,683
Long - term provisions	2.5	4,80,54,158	4,80,27,260
Total non - current liabilities		24,11,53,658	20,25,62,943
Current liabilities			
Short - term borrowings	2.6	1,17,16,31,928	1,42,43,96,365
Trade payables	2.7	1,42,56,58,645	1,92,17,95,863
Other current liabilities	2.8	10,37,81,138	20,63,76,937
Short - term provisions	2.9	7,89,23,459	8,54,32,220
Total current liabilities		2,77,99,95,170	3,63,80,01,385
Total		2,49,13,71,786	3,62,01,95,555
ASSETS			
Non- current assets			
Fixed assets			
- Tangible assets	2.10	14,91,98,982	64,90,88,800
- Capital Work in Progress		17,18,648	-
Non - Current Investments	2.11	20	20
Deferred tax assets (net)	2.12	68,81,11,332	49,85,55,769
Long - term loans and advances	2.13	53,38,478	59,29,150
Other non - current Assets	2.14	40,97,826	67,85,165
Total non - current assets		84,84,65,286	1,16,03,58,904
Current assets			
Current Investments	2.15	3,00,00,000	-
Inventories	2.16	1,18,87,63,802	1,99,57,44,832
Trade Receivables	2.17	3,81,23,853	2,50,55,789
Cash and cash equivalents	2.18	25,70,95,343	30,54,22,895
Short - term loans and advances	2.19	7,53,62,200	11,64,85,631
Other current assets	2.20	5,35,61,302	1,71,27,504
Total current assets		1,64,29,06,500	2,45,98,36,651
Total		2,49,13,71,786	3,62,01,95,555

Significant Accounting Policies & Notes on Financial Statements

1 to 4

As per our report of even date for BASANT RAM & SONS Chartered Accountants Firm Registration No. 000569N

P.K. GOYAL
Chief Financial Officer
(M. No. FCA70139)

A.K. SINGH
Company Secretary
(M. No. ACS21730)

Directors :

Onke Aggarwal (DIN : 00141124)
Hemantpat Singhania (DIN : 00141096)
R.L. Srivastava (DIN : 00150105)
R.C. Sharma (DIN : 00023274)
Radhika Viswanathan
Hoon (DIN : 06436444)
Ajit Hoon (DIN : 00540300)

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 29th May, 2015

RAHUL LAL
Executive Director
(DIN : 06575738)

VIVEK VISWANATHAN
Joint Managing Director
(DIN : 00141053)

RAJAT LAL
Managing Director
(DIN : 00112489)



STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.
Revenue from operations	2.21	3,99,34,06,952	4,67,36,07,747
Other Income	2.22	3,17,89,911	2,76,11,173
Total Revenue		4,02,51,96,863	4,70,12,18,920
Expenses			
Cost of material consumed	2.23	3,10,75,02,320	3,79,46,84,467
Changes in Inventories of Finished goods, Work in progress & Stock in trade	2.24	74,00,94,391	59,68,94,087
Employee benefits expense	2.25	30,62,77,387	32,62,44,809
Finance cost	2.26	22,53,33,249	28,54,79,820
Depreciation	2.27	3,27,62,328	7,67,98,251
Other expenses	2.28	27,87,49,720	31,52,10,137
Total Expenses		4,69,07,19,395	5,39,53,11,571
Loss before exceptional items and tax		66,55,22,532	69,40,92,651
Exceptional items	2.29	16,36,99,600	4,23,08,992
Loss before tax		50,18,22,932	65,17,83,659
Tax expense:			
Current tax (Refund of Income Tax relating to earlier years)		(28,59,100)	(1,06,18,438)
Deferred tax Assets (Refer Note No. 2.12.1)		(18,95,55,563)	(21,54,88,309)
Loss for the year		30,94,08,269	42,56,76,912
Number of Shares		52,50,000	52,50,000
Earnings per equity share			
– Basic		(58.935)	(81.081)
– Diluted		(58.935)	(81.081)

Figures in bracket () denote minus figures.

Significant Accounting Policies & Notes on Financial Statements

1 to 4

As per our report of even date for BASANT RAM & SONS Chartered Accountants Firm Registration No. 000569N

P.K. GOYAL
Chief Financial Officer
(M. No. FCA70139)

A.K. SINGH
Company Secretary
(M. No. ACS21730)

Directors :

Onke Aggarwal (DIN : 00141124)
Hemantpat Singhania (DIN : 00141096)
R.L. Srivastava (DIN : 00150105)
R.C. Sharma (DIN : 00023274)
Radhika Viswanathan Hoon (DIN : 06436444)
Ajit Hoon (DIN : 00540300)

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 29th May, 2015

RAHUL LAL
Executive Director
(DIN : 06575738)

VIVEK VISWANATHAN
Joint Managing Director
(DIN : 00141053)

RAJAT LAL
Managing Director
(DIN : 00112489)



NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

These financial statements 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 financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

1.2 Fixed Assets

Fixed assets are recorded at acquisition/ construction cost less depreciation thereon. Interest on the term loans related to acquisition of fixed assets is capitalized upto the period such assets are ready for use.

1.3 Depreciation

a) Depreciation on Fixed Assets (Other than Free Hold and Capital work in progress) acquired during the year is charged on written down value method so as to write off 95% of the cost of the assets over the useful life and for the assets acquired prior to 01.04.2014, the carrying amount as on 01.04.2014 is depreciated over the remaining useful life retaining 5% cost of the assets as the residual value to comply with the requirement of Schedule II of the Companies Act, 2013.

b) Fixed Assets individually costing upto Rs. 5000 is being fully depreciated in the year of purchase.

1.4 Inventory Valuation

a) Raw materials and stores & spares are valued at average cost.

b) Stock-in-process is valued at estimated cost.

c) Finished stocks are valued at "Lower of Cost and net Realisable Value" as prescribed by Accounting Standard-2 issued by the Institute of Chartered Accountants of India except that the by product of Molasses has been valued at lower of estimated cost and net realisable value because its cost price is not ascertainable.

1.5 Other Current Assets

Current Assets, Loans and Advances are accounted for at their net realizable value.

1.6 Investments

Current Investments comprising Investment in Mutual Funds are Stated at lower of cost or market value /net assets value.

1.7 Sales

Sales are recognized when supply of goods takes place and include Excise Duty but exclude Sales Tax, thereon.

1.8 Recognition of Income/ Expenditure

Income/Expenditure are accounted for on accrual basis.

1.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.10 Employee Benefits

a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences and performance incentives and are recognised as expenditure at the undiscounted value in the period in which the employee renders the related service.

b) Post-employment benefits :

Contributions to defined contribution schemes such as Provident Fund, Pension Fund etc. are recognised as expenses in the period in which the employee renders the related service in respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

c) Govt. administered fund, company has no further obligations beyond its monthly contributions.

d) The Company is also contributing to superannuation fund for certain key managerial personnel, at pre determined rates to the Superannuation Fund Trust, which is recognized as expenses in the period in which employee renders the related service, and there are no other obligations with regard to superannuation fund of key managerial personnel.

**NOTE 2 : NOTES TO ACCOUNTS****2.1 SHARE CAPITAL**

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
2.1.1 Authorised		
2,00,00,000 (Previous year 2,00,00,000) Equity Shares of Rs.10/- each.	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000
2.1.2 Issued, subscribed and fully paid up		
52,50,000 (Previous year 52,50,000) Equity Shares of Rs. 10/- each, Fully Paid up	5,25,00,000	5,25,00,000
	5,25,00,000	5,25,00,000
2.1.3 Reconciliation of the number of shares :	Nos.	Nos.
Number of shares outstanding at the beginning and end of the year	52,50,000	52,50,000

2.1.4 Shares in the company held by each shareholder holding more than 5%Shares :

Name	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	%	No. of Shares	%
Promoters Holding				
i. Sh. Rajat Lal	938232	17.871	938232	17.871
ii. Sh. Vivek Viswanathan	1290816	24.587	1290816	24.587
iii. Smt. Poonam Lal	287745	5.481	287745	5.481
iv. Sh. Rahul Lal	287746	5.481	287746	5.481
Other Shareholders				
i. LIC of India	340026	6.477	340026	6.477

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
2.2 RESERVES & SURPLUS		
Capital Redemption Reserve		
Opening balance	35,70,180	35,70,180
General Reserve		
Opening balance	-	14,92,37,959
Surplus / (Deficit) as per last Balance Sheet	(27,64,38,953)	-
Surplus/(Loss) as per Statement of Profit & Loss	(30,94,08,269)	(42,56,76,912)
Total Deficit	(58,58,47,222)	(27,64,38,953)
Net Reserves / (Deficit)	(58,22,77,042)	(27,28,68,773)
- Figures in bracket () denote minus figures		

CONTD.....



SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO ACCOUNTS CONTD.....

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
2.3 LONG TERM BORROWINGS		
SECURED		
Term Loans		
From Banks :		
(i) District Co-Operative Bank, Ghaziabad (SEFASU LOAN)	3,97,98,000	-
(ii) Punjab National Bank (SEFASU LOAN)	14,58,00,000	-
Sugar Development Fund	-	1,99,20,000
	18,55,98,000	1,99,20,000
UNSECURED		
Fixed Deposits		
- Related Parties	-	12,00,00,000
- Others	-	23,12,000
	-	12,23,12,000
	18,55,98,000	14,22,32,000

2.3.1 SEFASU Loan from DCB, Ghaziabad Secured against FDR of Rs. 300.00 Lacs and SEFASU Loan from PNB, Shamli Secured against FDR of Rs. 1460.00 Lacs and also residual charge on Fixed Assets.

2.3.2 Loan from Sugar Development Fund Secured against first pari passu charge on the immovable properties of the Company situated at Shamli.

2.3.3 Repayment Schedule

	SEFASU Loan from DCB, Ghaziabad	SEFASU Loan from PNB, Shamli
Repayable in :		
F.Y. 2016-17	1,10,55,000	4,05,00,000
F.Y. 2017-18	1,32,66,000	4,86,00,000
F.Y. 2018-19	1,32,66,000	4,86,00,000
F.Y. 2019-20	22,11,000	81,00,000
	3,97,98,000	14,58,00,000

2.4 OTHER LONG TERM LIABILITIES

Interest accrued but not due	-	63,03,683
Earnest Money and Security Deposits	75,01,500	60,00,000
	75,01,500	1,23,03,683

2.5 LONG TERM PROVISIONS

Provision for Employee Benefits		
- Gratuity	3,89,42,176	4,05,55,817
- Leave salary	79,97,144	64,45,024
- Expenses	11,14,838	10,26,419
	4,80,54,158	4,80,27,260



	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
2.6 SHORT TERM BORROWINGS		
Loan Repayable on Demand :		
From Banks :		
– Secured (Cash Credit)	1,00,36,39,422	1,36,07,77,574
– Unsecured (Cash Credit)	4,87,43,634	–
From Related Parties :		
– Unsecured	11,92,48,872	1,18,31,791
Fixed Deposits :		
– Unsecured :		
– Related Parties		4,26,78,000
– Others		91,09,000
	1,17,16,31,928	1,42,43,96,365
2.6.1 Loan from Banks (Cash Credit) Secured against first pari passu charge by way of Hypothecation/ pledged of the entire current assets including Finished & Semi-finished stocks, raw materials, stores and receivables of the Company in favour of State Bank of India and Punjab National Bank and by way of Collateral Security on second pari passu charge on fixed assets including extension of Equitable Mortgage of land and building of the Company at Shamli.		
The working capital loan of Rs. 2,033.85 lacs from District Co-operative Bank, Ghaziabad is secured by way of pledging of Sugar stock of the book value of Rs. 2,601.23 Lacs.		
2.7 TRADE PAYABLES		
Micro, Small and Medium Enterprises	–	–
Others	1,42,56,58,645	1,92,17,95,863
	1,42,56,58,645	1,92,17,95,863
2.8 OTHER CURRENT LIABILITIES		
Current Maturities of Term Loans		
From Banks :		
Sugar Development Fund (Refer Note No. 2.3.2)	–	66,40,000
From Others :		
Unclaimed Dividends	4,36,962	4,36,962
Earnest Money and Security Deposits	68,90,125	99,12,445
Interest accrued and due on Borrowings	–	44,70,414
Advance Received against sale of Unit	–	10,00,00,000
Other Payables	9,64,54,051	8,49,17,116
	10,37,81,138	20,63,76,937
2.9 SHORT TERM PROVISIONS		
Provision for Employee Benefits		
– Leave salary	38,68,499	39,63,862
Others Provisions :		
– Taxation	–	19,72,942
– Expenses	2,59,89,535	61,43,353
– Excise Duty on Closing stock of Finished Goods	4,90,65,425	7,33,52,063
	7,89,23,459	8,54,32,220

CONTD.....



NOTE 2.10 : FIXED ASSETS

Nature of Assets	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Cost As per last balance sheet 31.03.2014	Addition during the year	Sales & Adjustments during the year	Total Cost as on 31.03.2015	Depreciation written off upto 31.03.2014	Provided during the year	Deduction/ Adjustment during the year	Depreciation written off upto 31.03.2015	As at 31.03.2015	As at 31.03.2014	Rs.	Rs.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
FIXED ASSETS												
Land (Free hold)	2,47,80,216	-	2,46,41,299	1,38,917	-	-	-	-	1,38,917	2,47,80,216		
Land (Lease hold)	13,97,05,665	-	13,97,05,665	-	-	-	-	-	-	13,97,05,665		
Buildings	21,21,33,584	52,77,644	13,94,07,617	7,80,03,611	9,76,65,835	68,85,732	5,37,08,688	5,08,42,879	2,71,60,732	11,44,67,750		
Plant & Equipments	1,43,56,86,160	99,26,817	74,64,85,989	69,91,26,988	1,07,37,23,356	2,27,42,573	51,37,94,207	58,26,71,722	11,64,55,266	36,19,62,804		
Electric Installation	80,56,921	2,28,182	19,99,655	62,85,448	59,38,610	6,36,279	13,15,975	52,58,914	10,26,534	21,18,310		
Office Equipments	31,76,197	43,940	15,86,724	16,33,413	17,56,850	3,51,919	7,44,578	13,64,191	2,69,222	14,19,347		
Laboratory Equipments	-	9,06,408	-	9,06,408	-	2,34,669	-	2,34,669	6,71,739	-		
Computer	1,16,93,924	4,91,100	28,28,345	93,56,679	1,01,84,686	7,35,344	24,43,158	84,76,872	8,79,807	15,09,238		
Railway sidings & Trolley lines	19,202	-	-	19,202	19,076	-	835	18,241	961	126		
Furniture & Fixtures	36,94,913	29,838	8,58,089	28,66,662	33,54,161	1,18,148	7,92,000	26,80,309	1,86,353	3,40,752		
Vehicles	75,13,850	8,61,180	18,01,318	65,73,712	47,29,258	10,57,664	16,22,661	41,64,261	24,09,451	27,84,592		
Structure on rented Land	1,10,28,505	-	-	1,10,28,505	1,10,28,505	-	-	1,10,28,505	-	-		
Total :	1,85,74,89,137	1,77,65,109	1,05,93,14,701	81,59,39,545	1,20,84,00,337	3,27,62,328	57,44,22,102	66,67,40,563	14,91,98,982	64,90,88,800		
Previous Year	1,86,65,55,134	1,03,72,028	1,94,38,025	1,85,74,89,137	1,14,75,47,380	7,67,98,251	1,59,45,294	1,20,84,00,337				
Total :									14,91,98,982	64,90,88,800		

Note:

2.10. I Title deeds of land of the aggregate face value of Rs. 1,38,917 at Shamli are lodged as security with IFCI Ltd.



	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
2.11 NON CURRENT INVESTMENTS		
In Equity Shares Fully paid-up (at cost) :		
a) Shamli Co-operative Cane Development Union Limited (One Share)	10	10
b) Saharanpur Co-operative Cane Development Union Limited (One Share)	10	10
	20	20
2.11.1 All the above investments are unquoted.		
2.12 DEFERRED TAX ASSETS		
At the year end comprising timing difference on account of :		
Depreciation	2,36,51,405	4,95,56,131
Less: Expenditure/Provisions allowable on account of :		
Employee Benefits	57,39,914	57,14,621
Taxes, duties, cess etc	1,31,73,444	1,66,41,813
Assessed loss under Income Tax Act' 1961.	69,28,49,379	52,57,55,466
Net deferred tax Assets	68,81,11,332	49,85,55,769
2.12.1 In accordance with "Accounting Standard-22" the company has recognized the deferred tax Assets Rs. 18,95,55,563/- Which has been adjusted in statement of Profit and Loss. The recognition of deferred tax assets (Net) Rs. 68.81 crores, the recovery of which is uncertain in absence of future projections of profitability		
2.13 LONG TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Security Lodged	34,63,840	45,54,740
Other Loans and Advances :-		
Loan to a Co-operative Society bearing no interest	50,000	50,000
Excise Duty	18,24,638	13,24,410
Unsecured, Considered doubtful		
Advances recoverable in cash or in kind	1,87,192	1,87,192
Less : Provision for doubtful advances	1,87,192	-
	53,38,478	59,29,150
2.13.1 Confirmation of Securities Lodged with different government departments are awaited.		
2.14 OTHER NON CURRENT ASSETS		
Trade Receivable (Unsecured Considered Good)	34,34,427	61,21,766
Stores & Spares	6,63,399	6,63,399
	40,97,826	67,85,165
2.15 CURRENT INVESTMENTS		
Quoted		
Investment in Mutual Fund Birla Sunlife – Unit 1447032.95	3,00,00,000	-
	3,00,00,000	-

CONTD.....

**SIR SHADI LAL ENTERPRISES LIMITED***NOTES TO ACCOUNTS CONTD.....*

	As at March 31, 2015	As at March 31, 2014	
	Rs.	Rs.	
2.16 INVENTORIES			
Raw materials at average cost	1,45,06,145	1,98,45,615	
Semi-finished stocks at estimated cost	2,62,47,520	5,89,61,225	
Finished Stocks at lower of cost and net realizable value	1,11,13,06,672	1,84,29,73,996	
Stores and Spares at average cost	3,65,68,933	7,17,51,086	
Loose Tools and Implements at average cost	1,34,532	22,12,910	
	1,18,87,63,802	1,99,57,44,832	
2.17 TRADE RECEIVABLE			
Debts outstanding for a period more than six months			
Unsecured, Considered good	35,61,936	37,34,500	
Considered doubtful	5,69,697	14,25,544	
Less : Provision for doubtful debts	5,69,697	14,25,544	
	–	–	
Other Debts			
Unsecured, Considered Good	3,45,61,917	2,13,21,289	
	3,81,23,853	2,50,55,789	
2.18 CASH AND CASH EQUIVALENTS			
Balance with Banks	1,37,48,092	38,55,61,121	
Less : Cheques issued but not presented	–	1,37,48,092	29,14,19,609
Balance in Dividend Account	4,36,962	4,36,962	
Molasses Storage Facility Fund	25,76,731	21,39,010	
Fixed Deposit Liquid Fund	17,735	58,33,602	
Dharmada Account	4,49,729	4,83,271	
Fixed Deposits Lodged as Security / Margin Money			
– Maturity after 31st March, 2016	3,86,37,000	16,06,500	
– Maturity before 31st March, 2016	16,04,21,309	19,90,58,309	19,60,871
Fixed Deposits with PNB Housing Finance	4,00,00,000	–	
Cash, Drafts and Stamps	8,07,785	31,49,570	
	25,70,95,343	30,54,22,895	

2.18.1 Fixed Deposits lodged as Security includes Rs. 17,60,00,000/- pledged with bank as security against SEFASU Loan (Previous year NIL) and Rs. 1,95,30,000/- pledged with bank against Guarantee given by bank on behalf of the Company (Previous year Rs. 95,562/-)

2.18.2 Confirmation of Fixed Deposits Lodged as Securities with different government departments are awaited.



	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
2.19 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Loans and Advances :		
Advances recoverable in cash or in kind	14,03,444	52,13,282
Excise, Service Tax, Vat and other balances with Government Authorities	7,39,58,756	11,12,72,349
	7,53,62,200	11,64,85,631
2.20 OTHER CURRENT ASSETS		
Interest accrued	1,53,29,153	20,89,811
Interest on Excise Loan Recoverable	1,17,10,964	-
Other Receivables :		
Good	1,14,83,492	-
Doubtful	1,50,37,693	1,50,37,693
	5,35,61,302	1,71,27,504
	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rs.	Rs.
2.21 REVENUE FROM OPERATIONS		
Sale of Products	4,10,14,63,165	4,79,86,48,097
Less: Excise Duty	16,14,03,029	19,09,52,403
	3,94,00,60,136	4,60,76,95,694
Other Operating Revenues	5,33,46,816	6,59,12,053
Revenue from Operations	3,99,34,06,952	4,67,36,07,747
2.21.1 Sale of Products		
Sale of Sugar	3,39,62,87,447	4,10,76,78,486
Sale of Molasses	30,96,74,714	25,07,38,085
Sale of Bagasse	13,40,91,263	16,15,63,807
Sale of Press Mud	1,36,44,716	1,27,63,950
Sale of Distillery products	24,32,19,857	26,11,89,749
Sale of Bio-Compost	45,45,168	47,14,020
	4,10,14,63,165	4,79,86,48,097
2.21.2 Other Operating Revenues		
Subsidy Received from State Government	5,27,57,618	-
Remission of Purchase Tax	-	2,28,19,916
Remission of Administrative Charges on Molasses	5,89,198	4,30,92,137
	5,33,46,816	6,59,12,053

2.21.3 Turnover includes inter-unit sales of Rs. 14,03,09,964/- (Previous year Rs. 14,92,60,131/-).

CONTD.....

**SIR SHADI LAL ENTERPRISES LIMITED***NOTES TO ACCOUNTS CONTD.....*

	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.
2.22 OTHER INCOME		
Interest income	2,32,98,914	1,51,63,574
Profit on sale of Fixed Assets/Stores	22,678	42,543
Income from agricultural activity (Net)	2,45,942	2,90,370
Provision for bad & doubtful debts provided in earlier years written back	8,55,847	-
Other Non-Operating Income	73,66,530	1,21,14,686
	<u>3,17,89,911</u>	<u>2,76,11,173</u>

2.22.1 Tax deducted at source on Interest income Rs. 57,15,156/- (Previous year Rs. 12,74,945/-)

2.23 COST OF MATERIALS CONSUMED

Raw Materials at Commencement	1,98,45,615	1,52,16,471
Add : Purchases during the year ¹	3,10,21,62,850	3,79,93,13,611
	<u>3,12,20,08,465</u>	<u>3,81,45,30,082</u>
Less : At Close	1,45,06,145	1,98,45,615
Raw Materials consumed	<u>3,10,75,02,320</u>	<u>3,79,46,84,467</u>

1 Purchases include Rs. 11,39,79,942 /- Inter-unit transfers (Previous Year Rs. 11,41,73,968/-)

2.23.1 Particulars of Materials Consumed

	Quantity Qtls.		Quantity Qtls.	
i) Sugarcane (100% indigenous)	1,05,52,385	2,99,00,50,245	1,28,51,579	3,67,09,58,431
ii) Molasses (100% indigenous)	2,68,300	11,15,14,568	3,06,678	11,90,00,123
iii) Press Mud (100 % indigenous)	1,50,000	59,37,507	1,35,000	47,25,913
		<u>3,10,75,02,320</u>		<u>3,79,46,84,467</u>

2.24 CHANGES IN INVENTORY OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE**Stocks at commencement :**

Finished Goods	1,84,29,73,996	2,46,08,72,510
Semi- finished Goods	5,89,61,225	5,00,34,893
	<u>1,90,19,35,221</u>	<u>2,51,09,07,403</u>

Less : Stocks at Close :

Finished Goods	1,11,13,06,672	1,84,29,73,996
Semi-finished Goods	2,62,47,520	5,89,61,225
	<u>1,13,75,54,192</u>	<u>1,90,19,35,221</u>

Excess of Opening Stocks over Closing Stocks	76,43,81,029	60,89,72,182
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Less :

Variation in Excise Duty of Opening Stocks over Closing Stocks	(2,42,86,638)	(1,20,78,095)
--	---------------	---------------

Net variation in Opening & Closing Stocks of Finished & Semi-Finished Goods	<u>74,00,94,391</u>	<u>59,68,94,087</u>
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	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.
2.25 EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	23,57,62,181	26,76,49,805
Bonus	34,67,438	95,14,747
Leave Wages paid/provided	1,51,13,124	1,36,01,474
Contribution to Provident Fund and Family Pension Fund	2,43,46,163	2,71,81,274
Contribution to Approved Superannuation Fund for Managerial Personnel	4,95,000	4,23,000
Provision/Contribution to Approved Gratuity Fund	2,39,10,255	46,33,412
Staff Welfare	31,83,226	32,41,097
	30,62,77,387	32,62,44,809

2.25.1 Salary & Wages includes Rs. 55,43,625 /- paid to Managerial Personnel (Previous year Rs. 49,07,983/-).

2.25.2 Provident Fund includes Rs. 3,96,000/- for Managerial Personnel (Previous year Rs. 3,38,400/-)

2.25.3 Contribution to Provident fund, Superannuation fund and Family Pension Fund charged off during the year are as under :

PARTICULARS	2014– 15	2013– 14
Employer contribution to Provident fund	96,35,142	1,35,59,359
Employer contribution to Family pension fund	1,09,33,906	97,18,013
Employer contribution to Superannuation fund	4,95,000	4,23,000

The Company also provides for post employment defined benefit in the form of gratuity and leave liability. The Employee's Gratuity Scheme is managed by Life Insurance Corporation of India defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit Method at each Balance sheet date, which works to more by Rs. 3,89,42,176/- as compared to Gratuity Scheme managed by the Life Insurance Corporation of India. The difference has been fully provided in the books of Company.

The details provided by Actuary in respect of Gratuity and Leave liability are as under :

PARTICULARS

A KEY ASSUMPTIONS

	IAL 2006– 08 Ultimate	IAL 2006– 08 Ultimate
Mortality Table		
Attrition Rate	05.00 % p.a.	05.00 % p.a.
Imputed Rate of Interest	07.80 % p.a.	09.15 % p.a.
Salary Rise	05.00 % p.a.	05.00 % p.a.
Return on Plan Assets	09.00 % p.a.	09.30 % p.a.
Remaining Working Life	13.03 Years	14.75 Years

CONTD.....

**SIR SHADI LAL ENTERPRISES LIMITED***NOTES TO ACCOUNTS CONTD.....*

	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.
B		
GRATUITY LIABILITY		
1		
CHANGES IN PRESENT VALUE OF OBLIGATIONS		
Present value of obligation at the beginning of the year	11,94,13,303	11,72,48,136
Interest Cost	89,57,414	1,02,79,652
Current Service Cost	50,23,907	58,13,559
Benefit Paid	(91,49,334)	(98,04,434)
Actuarial Gain/Loss on obligation	(59,97,577)	(41,23,610)
Present value of obligation as on 31st March	11,82,47,713	11,94,13,303
2		
CHANGES IN THE PRESENT VALUE OF PLAN ASSETS		
Fair value of Plan Assets at the beginning of the I.V.P.	7,88,61,848	7,19,44,957
Expected Return on Plan Assets	68,63,388	67,36,135
Contribution	1,85,34,296	1,07,77,636
Withdrawal	(2,37,38,258)	(98,04,434)
Actuarial Gain/Loss on Plan Assets	(12,15,737)	(7,96,808)
Fair value of plan Assets at 31st March	7,93,05,537	7,88,57,486
3		
FAIR VALUE OF PLAN ASSETS		
Fair value of Plan Assets at the beginning of the I.V.P.	7,88,61,848	7,19,44,957
Actuarial Return on Plan Assets	56,47,651	59,39,327
Contribution	1,85,34,296	1,07,77,636
Withdrawal	(2,37,38,258)	(98,04,434)
Fair Value of Plan Assets at the end of the I.V.P.	7,93,05,537	7,88,57,486
Present value of obligation at the end of the I.V.P.	11,82,47,713	11,94,13,303
Funded Status/Net Liability recognised in Balance Sheet	(3,89,42,176)	(4,05,55,817)
4		
EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS		
Current Service Cost	50,23,907	58,13,559
Interest Cost	89,57,414	1,02,79,652
Expected Return on Plan Assets	(68,63,388)	(67,36,135)
Actuarial (Gain)/Loss recognised in the I.V.P.	(47,81,840)	(33,26,802)
Expenses Recognised in the statement of Profit & Loss	23,36,093	60,30,274

NOTE :- To match the figures with Actuarial liability as on 31.3.2015 amount of Rs. 2,15,74,162/- has been charged to statement of Profit & Loss (Previous year reversed to statement of Profit & Loss Rs. 13,96,862/-).



	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.
C LEAVE LIABILITY		
1 Present value of obligation at the beginning of the year	73,66,053	70,12,170
Interest Cost	1,74,778	79,825
Current Service Cost	67,32,794	52,90,379
Benefit Paid	(1,02,50,631)	(1,22,79,540)
Actuarial Gain/Loss for the I.V.P.	39,74,150	72,63,219
Present value of obligation long term as on 31st March,	79,97,144	73,66,053
Present value of obligation short term as on 31st March,	38,68,499	30,42,833
Net Liability recognized in Balance Sheet as on 31st March	1,18,65,643	1,04,08,886
2 EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS		
Current Service Cost	67,32,794	52,90,379
Interest Cost	1,74,778	79,825
Actuarial (Gain)/Loss recognised in the I.V.P.	39,74,150	72,63,219
Expenses Recognised in the statement of Profit & Loss	1,08,81,722	1,26,33,423
Termination Benefits - Voluntary Retirement Scheme		
2.26 FINANCE COST		
Interest Expenses	21,97,88,399	28,10,15,834
Other Borrowing cost	55,44,850	44,63,986
	22,53,33,249	28,54,79,820
2.26.1 Interest Includes Rs. 1,57,50,918/- paid to Managerial Personnel (Previous Year Rs. 1,81,52,301/-)		
2.27 DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Tangible Assets	3,27,62,328	7,67,98,251
	3,27,62,328	7,67,98,251
2.28 OTHER EXPENSES		
Store consumed	3,67,17,488	3,72,93,569
Power and Fuel	6,16,01,399	5,99,29,139
Packing & Forwarding	4,33,09,557	6,01,09,247
Repairs :		
Plant and machinery	6,05,88,278	7,44,66,280
Buildings	57,73,925	59,93,341
Others	28,88,419	41,05,138
	6,92,50,622	8,45,64,759
Cane & Road Development	33,23,073	62,04,943
Rent	36,24,980	41,44,400
Sub Total Carried Over	21,78,27,119	25,22,46,057

CONTD.....

**SIR SHADI LAL ENTERPRISES LIMITED***NOTES TO ACCOUNTS CONTD.....*

	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.
Sub Total Brought Forward	21,78,27,119	25,22,46,057
Rates & Taxes	38,41,493	50,56,376
Insurance	17,57,537	26,64,099
Travelling & Vehicles	70,37,236	94,53,599
Legal & Professional	1,42,71,596	47,70,969
Postage, Telegram and Telephones	10,90,223	13,43,873
Stationery & Printing	16,80,068	21,84,332
Bank Charges	2,80,509	6,70,775
Subscription and Advertisement	12,65,616	20,63,038
General Charges	44,84,725	60,41,827
Directors Fee	8,16,000	6,96,000
Directors Travelling	3,54,271	3,63,971
Charity & Donations	22,300	7,100
Bad Debts & Claims written off	9,16,350	4,222
Fines & Penalties	2,35,838	99,300
Audit Fee	3,00,000	3,00,000
Loss on Sale & Disposal of :		
Fixed Assets	2,14,657	28,97,114
Other Assets	25,28,179	6,20,090
Excise Duty & Bottling Fee	76,486	7,18,269
Transportation & Selling	90,15,370	94,38,684
Commission on Sales	97,71,430	1,33,55,902
Rebate on Sales	-	2,14,540
Commitment charges paid under Contractual Agreement	9,62,717	-
	<u>27,87,49,720</u>	<u>31,52,10,137</u>

2.28.1 General charges is net of previous year income over expenses of Rs. 4,91,898/- (Previous year expenses over income Rs. 2,03,443/-)

2.28.2 Particulars of Spare Parts and components :

	<u>% of total consumption</u>		<u>% of total consumption</u>	
i) Indigenous	100	1,83,68,682	100	1,98,78,616
ii) Imported	NIL	NIL	NIL	NIL

2.28.3 Auditors' Remuneration :**(I) Statutory Auditors**

a) For Statutory Audit	3,00,000	3,00,000
b) For Tax Audit	75,000	75,000
c) For Certification & other services	1,25,000	1,20,000
	<u>5,00,000</u>	<u>4,95,000</u>
d) Service Tax on auditors remuneration	61,800	58,710



	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.
(II) Cost Auditor		
a) For cost Audit	45,000	45,000
b) For other services	-	10,000
	<u>45,000</u>	<u>55,000</u>
c) Service Tax on remuneration	5,562	6,798
d) Out of pocket Expenses (Travelling Expenses)	24,570	33,470
2.28.4 Other Information :		
a) Value or imports calculated on CIF basis during the year	NIL	NIL
b) Expenditure in Foreign Currency	NIL	NIL
c) Amount remitted during the year in Foreign Exchange on account of Dividend	NIL	NIL
d) Earning in Foreign Currency	NIL	NIL
2.29 EXCEPTIONAL ITEMS		
Profit on sale of Unit Unn Sugar Complex	14,83,88,764	-
Profit on sale of Land at Shamli	-	4,23,08,992
Depreciation difference relating to prior years on account of reversing the excess already charged on the assets to bring to its useful life to comply with Schedule II of Companies Act, 2013	1,53,10,836	-
	<u>16,36,99,600</u>	<u>4,23,08,992</u>
	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
2.30 CONTINGENT LIABILITIES NOT PROVIDED FOR :		
a) In Respect of Statutory Liabilities :		
i) Subjudice, Income Tax/Penalty determined by Income tax department	34,83,320	34,83,320
ii) Subjudice, Sales tax and Entry Tax including interest thereon	52,01,658	59,94,685
iii) Subjudice, Excise Duty and penalty thereon	56,53,452	65,24,049
iv) Subjudice, In respect of alleged claim of Stamping fee on vats	55,42,460	55,42,460
b) In respect of Other Liabilities :		
i) Alleged claim of interest on arrears of late payment of cane price	73,08,696	73,08,696
ii) In respect of labour cases in dispute, the amount of which is not ascertainable.		
iii) Bank Guarantees for Rs. 1,95,93,000/- in favour of Oil Companies and Government Department (Previous year Rs. 1,60,34,000/-)		

CONTD.....



NOTE 3 : ADDITIONAL INFORMATION

- 3.1 In absence of balance confirmations from certain creditors, debtors and securities lodged shown in Notes of Trade payable, Other current liabilities, Long - term loans and advances, Trade Receivables, Short-term loans and advances and Other current assets the Auditors have relied upon the figures appearing in the books of the Company. However, no provisions of doubtful debts amounting to Rs. 150.38 Lacs appearing in Note No. 2.20 has been made.
- 3.2 Income Tax assessments (regular u/s 143(3)) have been completed upto the Accounting year 2011-2012 (Assessment Year 2012-2013). The Company has gone to appeal against tax demanded as a result of certain assessment order. The Company has been legally advised that in view of expected reliefs, no further provision for income tax liability is required.
- 3.3 Certain 'C' forms in respect of inter-state sale will be collected in due course of time. Liability on account of Sales-Tax may arise on such inter-state sales relating to which 'C' forms are not received.
- 3.4 The Company, during the year has reviewed impairment of major Fixed Assets of the Company to identify the impairment loss, if any. The review has not revealed any impairment of assets in terms of Accounting standard-28 issued by the Institute of Chartered Accountants of India.
- 3.5 During the year Company has disposed off its Sugar Unit "Unn Sugar Complex" as slump sale after prior approval of Shareholders for consideration of Rs. 75.50 Crores. The exceptional item in note no. 2.29 represents net of capital profit of Rs. 16.51 crores after adjusting the loss of Rs. 1.67 crores on transfer of stores.
- 3.6 Pursuant to the Companies Act, 2013, the Company had during the year, revised remaining useful life of its Fixed Assets. The carrying amount as on 01.04.2014 is depreciated over the revised remaining useful life of the assets. The revised depreciation for the period prior to 01.04.2014 results in excess depreciation charged by Rs. 1.53 crores (excluding its effect of Rs. 0.47 crores on the figure of deferred tax which has been adjusted in the current year) and shown as income in note no. 2.29 under the head exceptional item in the statement of Profit & Loss.
- 3.7 During the financial year 2012-13 Company has accepted/ renewed deposits in excess of Rs. 42.34 lacs under rule 3 (2)(I) and Rs. 190.93 lacs under rule 3(2)(II) of the provision of section 58 A and other relevant provision of the Companies Act, 1956, and Companies (Acceptance of Deposits) Rules 1975. However, the Company has since refunded the entire amount of fixed deposits.
- 3.8 The Company has over the last few years incurring losses, due to which its net worth has been completely eroded. Last year the Company has become Sick Industrial company under provision of Sick Industrial Company (Special Provisions) Act, 1985 and the fact was reported to the BIFR as required under the provisions of section 15(1) of Sick Industrial Company (Special Provisions) Act, 1985 and relevant Form A was duly filed with the Registrar of BIFR, who had asked the Company, to file a revised Form A along with Balance Sheet in which assets and liability of Unn Sugar Complex are not depicted.
The relevant adjustment entry regarding sale of Unn Sugar Complex are recorded in the books which will be appearing in the accounts for the year ended 31.03.2015
The revised Form A shall be submitted after the approval of the accounts of the Company of year ended 31.03.2015 by the Board of Director of Company.
- 3.9 Certain previous year figures have been rearranged to make them comparable with current figures. Figures have been rounded off nearest to rupee.
- 3.10 **Particulars of Stocks, Purchases and Sales of Products :**

PARTICULARS	OPENING STOCKS		PURCHASES		TURNOVER		CLOSING STOCKS	
	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
	QTLs.	Rs.	QTLs.	Rs.	QTLs.	Rs.	QTLs.	Rs.
FOR THE YEAR ENDED MARCH 31, 2015								
Finished Goods								
Sugar	5,05,806	1,66,93,77,583	-	-	11,06,828	3,39,62,87,447	3,82,276	1,00,15,63,120
Molasses	2,94,976	15,08,57,240	-	-	6,73,063	30,96,74,714	1,69,989	7,98,95,018
Distillery Products	-	1,86,56,769	-	-	-	24,32,19,857	-	2,54,51,298
Other Sales	-	40,82,404	-	-	-	15,22,81,147	-	43,97,236
FOR THE YEAR ENDED MARCH 31, 2014								
Finished Goods								
Sugar	6,91,465	2,35,78,72,321	-	-	13,32,892	4,10,76,78,486	5,05,806	1,66,93,77,583
Molasses	2,27,498	8,03,59,149	-	-	5,74,224	25,07,38,085	2,94,976	15,08,57,240
Distillery Products	-	1,92,29,017	-	-	-	26,11,89,749	-	1,86,56,769
Other Sales	-	34,12,023	-	-	-	17,90,41,777	-	40,82,404

NOTES :

- 3.10.1 Quantitative figures of Distillery products are not ascertainable, because the basic product of spirits is converted later into various strengths with water dilution.
- 3.10.2 Closing stock of Molasses arrived at after adjustment of wastage of 2,101 Qtls. (Previous year 3,484 Qtls.)
- 3.10.3 Turnover includes inter-unit sales of Rs. 14,03,09,964/- (Previous year Rs. 14,92,60,131/-).
- 3.10.4 Other Sales includes Sale of Bagasse, Press Mud and Bio Compost.
- 3.10.5 Sale of Sugar includes 6,445 bags of BISS (Previous year Rs. 2,453 bags)



3.11 Related parties' Disclosures :

I Relationship

A Key Management personnel : (Directors)	Designation
i. Sh. Rajat Lal	Managing Director
ii. Sh. Vivek Viswanathan	Joint Managing Director
iii. Sh. Rahul Lal	Executive Director
B Key Management personnel : (Other than Directors)	Designation
1. Sh. P. K. Goyal	Chief Financial Officer
2. Sh. A. K. Singh	Company Secretary
C Relatives of Key Management Personnel : (Directors)	Relation with Key Management Personnel
1. Smt. Sudha Singhanian	Sister of Shri Rajat Lal
2. Smt. Poonam Lal	Wife of Shri Rajat Lal
3. Ms. Pooja Lal	Daughter of Shri Rajat Lal
4. Smt. Radhika Viswanathan Hoon	Sister of Shri Vivek Viswanathan
D Relatives of Key Management Personnel : (Other than Directors)	Designation
1. Smt. Madhu Goyal	Wife of Shri P. K. Goyal
2. Sh. Siddharth Goyal	Son of Shri P. K. Goyal
3. Smt. Garima Mittal	Daughter of Shri P. K. Goyal
4. Sh. Lakshman Singh	Father of Shri A. K. Singh
5. Smt. Tara Devi	Mother of Shri A. K. Singh

II Transactions of Expense/Income carried out during the year :

	Remuneration	Directors' Fee	Rent Paid	Interest on Deposits/Loans	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
A Key Management Personnel (Directors)	64,34,625 (56,69,383)	– (–)	23,99,400 (23,99,600)	1,57,50,918 (1,81,52,301)	2,45,84,943 (2,62,21,284)
B Key Management Personnel (Other than Directors)	21,38,719 (–)	– (–)	– (–)	– (–)	21,38,719 (–)
C Relatives of Key Management Personnel (Directors)	– (–)	1,44,000 (60,000)	– (–)	3,24,691 (7,47,989)	4,68,691 (8,07,989)
D Relatives of Key Management Personnel (Other than Directors)	– (–)	– (–)	– (–)	– (–)	– (–)
TOTAL A+B+C+D	85,73,344 (56,69,383)	1,44,000 (60,000)	23,99,400 (23,99,600)	1,60,75,609 (1,89,00,290)	2,71,92,353 (2,70,29,273)

III Transactions of Loans and Deposits during the year :

	Opening Balance As on 01.04.2014	Received	Repaid	Closing Balance As on 31.03.2015
	Rs.	Rs.	Rs.	Rs.
1 Loans				
– Key Management Personnel (Directors)	1,04,63,707 (97,41,250)	17,56,91,146 (3,77,04,840)	6,83,94,840 (3,69,82,383)	11,77,60,013 (1,04,63,707)
– Relatives of Key Management Personnel (Directors)	13,68,084 (12,76,119)	1,34,194 (1,24,407)	13,420 (32,442)	14,88,858 (13,68,084)
– Relatives of Key Management Personnel (Other than Directors and their relatives)	– (–)	– (–)	– (–)	– (–)
2 Deposits				
– Key Management Personnel (Directors)	15,89,94,000 (16,70,00,000)	1,00,00,000 (2,14,54,000)	16,89,94,000 (2,94,60,000)	– (15,89,94,000)
– Relatives of Key Management Personnel (Directors)	36,84,000 (1,26,42,000)	– (–)	36,84,000 (89,58,000)	– (36,84,000)
– Relatives of Key Management Personnel (Other than Directors and their relatives)	– (–)	– (–)	– (–)	– (–)

Note : Figures in () denote Previous Year figures.



SIR SHADI LAL ENTERPRISES LIMITED

3.12 Segment Reporting :

The Company's operation predominantly relates to manufacture and sale of Sugar and Alcohol products. Accordingly the Sugar and Alcohol products primarily comprises the basis for primary and secondary for segment information :

SEGMENT INFORMATION- BUSINESS SEGMENT :

Particulars	Sugar Amount (Rs.)	Alcohol Amount (Rs.)	Total Amount (Rs.)
-Segment Revenue including Excise Duty			
External Revenue	3,74,56,84,436	24,77,65,025	3,99,34,49,461
	(4,42,56,34,305)	(26,59,03,769)	(4,69,15,38,074)
Inter-segment	16,13,60,520	-	16,13,60,520
	(17,30,22,076)	(-)	(17,30,22,076)
Total	3,90,70,44,956	24,77,65,025	4,15,48,09,981
	(4,59,86,56,381)	(26,59,03,769)	(4,86,45,60,150)
-Segment Result before interest & tax and exceptional item - Profit/Loss(-)	(-43,88,17,557)	3,24,51,171	(-40,63,66,386)
	(-)(43,43,30,387)	(4,62,77,764)	(-)(38,80,52,623)
Less : Unallocated expenses (Net of Unallocable Income)			3,38,22,897
			(2,05,60,208)
Less : Finance Charge			22,53,33,249
			(28,54,79,820)
Profit/(Loss) (-) before tax & exceptional item			(-66,55,22,532)
			(-)(69,40,92,651)
Add : Exceptional Item			16,36,99,600
			(4,23,08,992)
Profit/(Loss) (-) before tax			(-50,18,22,932)
			(-)(65,17,83,659)
- Segment Assets	1,52,51,44,954	14,71,15,710	1,67,22,60,664
	(2,72,55,11,403)	(20,74,28,326)	(2,93,29,39,729)
Unallocated Assets			81,91,11,122
			(68,72,55,826)
Total Assets			2,49,13,71,786
			(3,62,01,95,555)
- Segment Liabilities	2,87,09,91,091	1,55,12,232	2,88,65,03,323
	(3,52,45,15,243)	(1,25,61,444)	(3,53,70,76,687)
Unallocated Liabilities			13,46,45,505
			(30,34,87,641)
Total Liabilities			3,02,11,48,828
			(3,84,05,64,328)
Segment capital expenditure	1,16,52,107	52,17,022	1,68,69,129
	(77,43,204)	(76,500)	(78,19,704)
Unallocated capital Expenditure			8,95,980
			(25,52,324)
Total capital expenditure			1,77,65,109
			(1,03,72,028)
-Segment Depreciation	2,70,05,641	44,87,852	3,14,93,493
	(6,89,95,747)	(73,70,411)	(7,63,66,158)
Unallocated Depreciation			12,68,835
			(4,32,093)
Total Depreciation			3,27,62,328
			(7,67,98,251)

3.12.1 Unallocated Assets include Deferred Tax Assets.

3.12.2 Segment Liabilities represent total of current & non current liabilities.

3.12.3 Figures in () denote Previous year figures.

As per our report of even date
for BASANT RAM & SONS
Chartered Accountants
Firm Registration No. 000569N

P.K. GOYAL
Chief Financial Officer
(M. No. FCA70139)

A.K. SINGH
Company Secretary
(M. No. ACS21730)

Directors :

Onke Aggarwal (DIN : 00141124)
Hemantpat Singhania (DIN : 00141096)
R.L. Srivastava (DIN : 00150105)
R.C. Sharma (DIN : 00023274)
Radhika Viswanathan
Hoon (DIN : 06436444)
Ajit Hoon (DIN : 00540300)

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 29th May, 2015

RAHUL LAL
Executive Director
(DIN : 06575738)

VIVEK VISWANATHAN
Joint Managing Director
(DIN : 00141053)

RAJAT LAL
Managing Director
(DIN : 00112489)

**NOTE NO. 4: CASH FLOW STATEMENT**

	For the Year ended 31st March, 2015 (Rs. in lacs)	For the Year ended 31st March, 2014 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax and exceptional item as per Profit & Loss Account	(6,655.22)	(6,940.93)
Adjustments for : Depreciation	327.62	767.98
Interest (Net)	1,964.89	2,658.52
Bad debts & claims written off (Net)	0.60	0.04
(Profit)/Loss on sale & Disposal of Fixed Assets (Net)	1.92	28.54
Prior period adjustment (Net)	(4.92)	(2.03)
Unclaimed Credit Balances Written Back	(0.86)	(3.46)
Stores Written off	25.28	6.20
Operating Profit before working capital changes	(4,340.69)	(3,485.14)
Adjustment for : Trade and other receivables	80.81	(1,056.01)
Inventories	8,044.52	5,959.79
Trade Payables	(7,989.39)	2,636.15
Cash generated from operations	(4,204.75)	4,054.79
Prior period adjustment (Net)	4.92	2.03
Interest paid	(2,032.07)	(2,551.65)
Direct tax paid (Net)	(8.83)	93.40
Net Cash from operating activities	(6,240.73)	1,598.57
B. CASH FROM INVESTING ACTIVITIES :		
Purchase of fixed assets (net of advance)	(194.84)	(103.72)
Advance received against sale of Unit	-	1,000.00
Capital Advance	-	-
Sale of fixed assets	(148.31)	6.39
Sale of Fixed Assets at Unn	5,650.00	-
Exceptional item (Refer Note No. 2.29)	-	423.09
Interest received	100.59	142.03
Investment in Securities	(300.00)	-
Net Cash used in investing activities	5,107.44	1,467.79
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Fixed Deposit/Directors Loan	(666.82)	(631.09)
Proceeds from Term Loan/Repayment of Finance Liability	1,590.38	(737.04)
Dividend paid	-	(3.87)
Interest paid	(273.55)	(318.40)
Net Cash used in Financing Activities	650.01	(1,690.40)
Net increase in Cash and Cash equivalents	(483.28)	1,375.96
Opening balance of Cash and Cash equivalents	3,054.23	1,678.27
Closing balance of Cash and Cash equivalents	2,570.95	3,054.23

Note : Figures in () denote Cash Outgo

As per our report of even date
for BASANT RAM & SONS
Chartered Accountants
Firm Registration No. 000569N

P.K. GOYAL
Chief Financial Officer
(M. No. FCA70139)

A.K. SINGH
Company Secretary
(M. No. ACS21730)

Directors :
Onke Aggarwal (DIN : 00141124)
Hemantpat Singhania (DIN : 00141096)
R.L. Srivastava (DIN : 00150105)
R.C. Sharma (DIN : 00023274)
Radhika Viswanathan
Hoon (DIN : 06436444)
Ajit Hoon (DIN : 00540300)

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 29th May, 2015

RAHUL LAL
Executive Director
(DIN : 06575738)

VIVEK VISWANATHAN
Joint Managing Director
(DIN : 00141053)

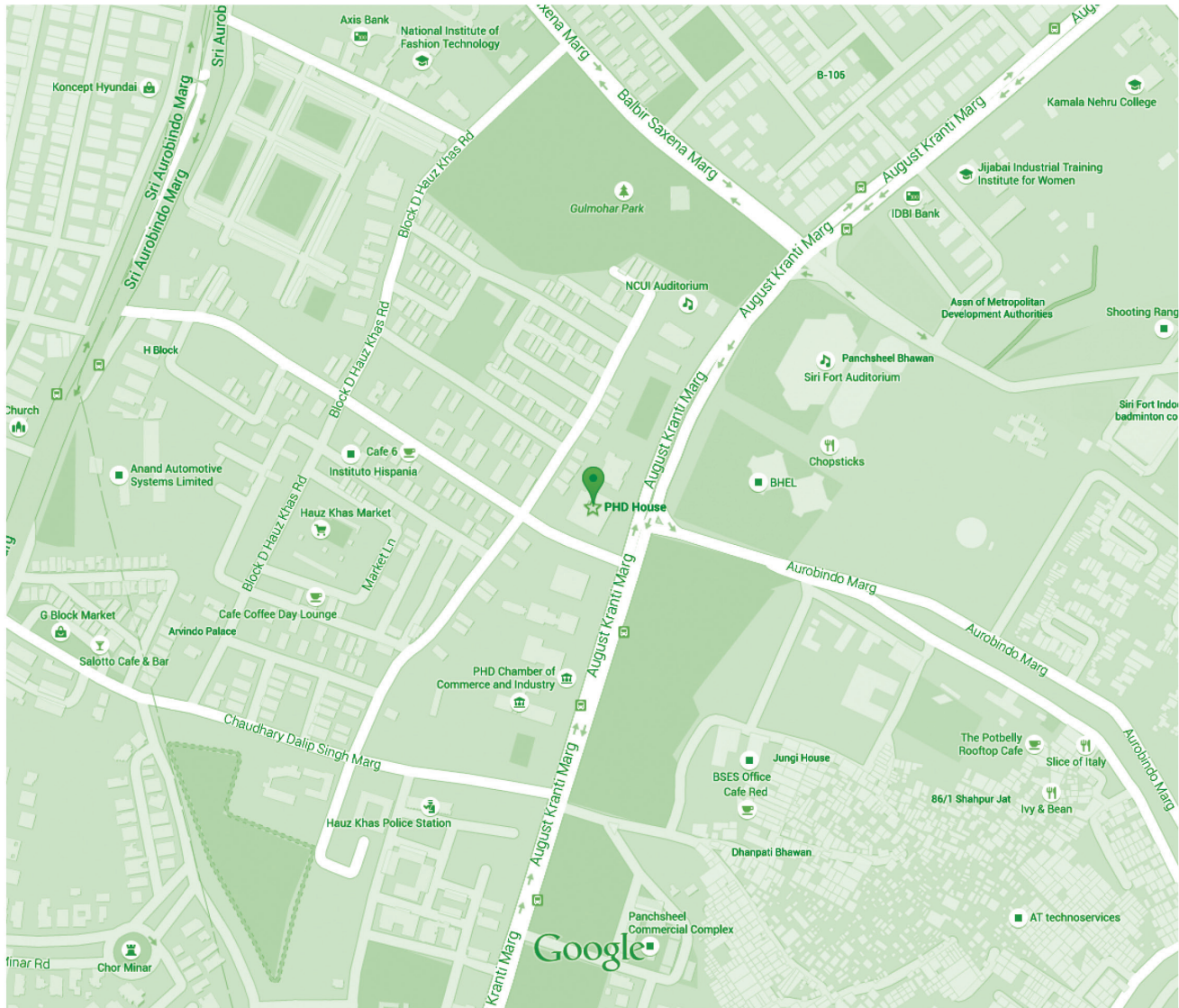
RAJAT LAL
Managing Director
(DIN : 00112489)



SIR SHADI LAL ENTERPRISES LIMITED



Google PHD House



Address :

P.H.D. HOUSE

**4/2, Siri Institutional Area,
August Kranti Marg,
Opposite Asian Games Village,
New Delhi - 110 016**



SIR SHADI LAL ENTERPRISES LTD.

UNITS : UPPER DOAB SUGAR MILLS, SHAMLI • UNN SUGAR COMPLEX, UNN • SHAMLI DISTILLERY & CHEMICAL WORKS, SHAMLI

CIN: L51909DL1933PLC009509, website: wwwsirshadilal.com, Email: udsm_shamli@sirshadilal.com

FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Sir Shadi Lal Enterprises Ltd.
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit qualification	Except for.....
4.	Frequency of qualification	Second Time
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>The Independent Auditors' in their report have given following opinion at Page No 48 of Annual Report for the Financial Year 2014-15</p> <p><u>Emphasis of matter</u></p> <ol style="list-style-type: none">1. Attention is invited to note no. 3.8 of Financial Statement regarding potential sickness of the Company. The Company, over the last few years, has been incurring losses, due to which its net worth has been completely eroded. Last year the Company has become Sick Industrial Company under provision of Sick Industrial Company (Special Provisions) Act, 1985, and this fact was reported to BIFR. This year further losses have been suffered.2. In view of the aforesaid facts "deferred tax" assets Rs. 68.81 crore, the recovery of which is uncertain, in absence of future projections for profitability. In our opinion recognition in accounts of deferred tax assets is not desirable.



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opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements subject to Note No. 3.1, in respect of bad and doubtful debts short provided by Rs.150.38 lacs 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

Management response to the qualification in the Directors Report on page no. 11 of Annual Report for the Financial Year 2014-15

REPLY ON AUDITOR'S OBSERVATIONS

- (i) Reply to Paragraph No 1 of "Emphasis of Matters" in Auditor's Report

The Auditors have referred to note No.3.8 regarding potential sickness of the company and reference to the BIFR under section 15(1) of the Sick Industrial Companies (Special Provision) Act,1985. The note itself is self explanatory. The revised Form A shall be submitted to the Registrar, BIFR shortly.

- (ii) Reply to Paragraph No. 2 of "Emphasis of Matters" in Auditor's Report regarding Deferred Tax Assets.

The Company has recognized the deferred Tax Assets in accounts to comply the requirement of "Accounting Standard-22". As the Company has been incurring continuous losses for the last five years, and in the absence of future projections of Profitability, the recovery of deferred Tax Assets at Rs.68.81 Crores is uncertain. The Board has



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decided that in future the Company will not make provision for Deferred Tax Assets, until the Company accumulated deferred Tax Assets of Rs.68.81 Crores is recovered.

(iii) Reply under the head opinion of the Auditors Report

The Company have taken legal opinion from its lawyers regarding recovery of Rs. 150.38 Lacs from M/s. Sainov Spirits Pvt Ltd. against the sale of unit Pilkhani Distillery & Chemical Works as a going concern. As per opinion of the Solicitor there is no legal basis to construe Company's entitlement to the said amount of Rs. 150.38 Lacs as irrevocable and if the company treat it doubtful of recovery at any stage and make any treatment in the books of accounts, it may affect adversely the legal proceedings of recovery of debt. Therefore in view of the above opinion, the Company has not made any provision for bad and doubtful debts in the books of accounts.


(iv) Reply to Point No. IX in annexure to Independent Auditors Report referred to paragraph no. 1 under the heading of report on other legal and regulatory requirements

(a) As regards the unpaid balance of SBI Rs.646576381/- to the SBI the bank has approved renewal cum reduction proposal of Company on 17.04.2014 to reduce the working capital from Rs.104 Crore to Rs.70 Crores which was subsequently to be converted into WCTL of Rs. 70 Crores. Due to security related issues the conversion of CC limit to WCTL could not be completed upto 31.03.2015 and the amount of Rs. 643576381/- could not be converted into WCTL upto 31.03.2015.



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		<p>(b) As per Hon'ble High Court Allahabad decision dated 5th September, 2014 the cane price for the season 2013-14 was to be paid upto 31.10.2014. The court for this purpose directed the District Magistrate of the concerned districts to ensure the payments of cane price arrears. After the Supreme Court upholding High Court Decision that farmers have the first right over the realization from sugar sale and not the bankers, the district administration sold the stock of sugar pledged to the District Cooperative Bank, Ghaziabad for payment of cane arrear. Therefore the amount of Rs. 20,33,85,431/- could not be paid to the bank on due date.</p>
6.	Additional comments from the board/audit committee chair:	NA
7.	<p>To be signed by-</p> <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	<p><i>Rajal</i> (RAJAT LAL)</p> <p><i>P.K. GOYAL</i> (P.K. GOYAL)</p> <p><i>H.K. CHADHA</i> (H.K. CHADHA) PARTER M/S BASANT RAM & SONS CHARTERED ACCOUNTANTS</p>  <p><i>R.C. SHARMA</i> (R.C. SHARMA) DIRECTOR</p>

