
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

Shareholders who have not so far encashed/claimed their dividend warrants for the financial year 2009-2010 are requested to approach the Company for re-validation of dividend warrants or for obtaining duplicate dividend warrants. Shareholders are requested to note that no claim shall lie against the company or the said fund in respect of any amounts, from the aforementioned respective date of transfer.
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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SIR SHADI LAL ENTERPRISES LIMITED

NOTICE CONTD.....

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.

- 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
- 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.



- 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	Rs. 30,000
(inclusive of all incidental and traveling expenses)	per annum

For the product "Industrial Alcohol"

for Shamli Distillery & Chemical Works

Cost Audit Fee	Rs. 20,000
	per annum

Extra Travelling Expenses and	Actual
Incidental Expenses	Rs. 2,000
for attending Audit Committee / Board Meeting(s)	per day

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

Akhilesh Kumar Singh
Company Secretary

Place : New Delhi
Dated : 25th July, 2015

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**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
	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.	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.	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.
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:

	For the Year ended March 31, 2015	(Rs. in Lacs) For the Year ended 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 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.	327.62	767.98
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.

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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:

	2014-15	2013-14
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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