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82nd

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ANNUAL

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REPORT

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2015-2016



*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 Singhanian 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](mailto:udsm_shamli@sirshadilal.com), Website : [www.sirshadilal.com](http://www.sirshadilal.com)

### **NOTICE FOR THE 82ND ANNUAL GENERAL MEETING**

Notice is hereby given that the 82nd Annual General Meeting of the Shareholders of Sir Shadi Lal Enterprises Limited will be held on Monday, the 26th September, 2016 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 2016, 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. Vivek Viswanathan, (DIN: 00141053) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Smt. Radhika Viswanathan Hoon, (DIN: 06436444) who retires by rotation and being eligible, offers herself 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 81st 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 2016-17, 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 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 Explanatory 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, 2017 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

**Akhilesh Kumar Singh**

Company Secretary

ACS- 21730

Place : New Delhi

Dated : 29th July, 2016

#### **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. Vivek Viswanathan and Smt. Radhika Viswanathan Hoon, 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 Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2), 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 14th September 2016 to the 26th September, 2016 (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 28th September, 2015 (date of

last Annual General Meeting) on the website of the Company ([www.sirshadilal.com](http://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 or Registrar and Transfer Agent, M/s Alankit Assignments Limited.
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/

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## SIR SHADI LAL ENTERPRISES LIMITED

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](http://www.sirshadilal.com) in the Investors Relations section.
25. In compliance with the provisions of section 108 of the 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](mailto:sunil.jain.sk@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and

### NOTICE CONTD.....

e-voting user manual - Shareholders, available at the downloads section of [www.evoting.nsdl.com](http://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 23rd September, 2016 (9.00 a.m. IST) and ends on 25th September, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 19th September, 2016 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 19th September, 2016.
  - 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](http://www.sirshadilal.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the 82nd AGM of the Company on and communicated to the 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, 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, 2017 as per the following details:

#### Remuneration of Cost Auditor

##### For the product "Sugar" for Upper Doab Sugar Mills

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

##### 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/ per day  
Board Meeting(s)

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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

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. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 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.**

Place : New Delhi  
Dated : 29th July, 2016

By order of the Board  
**Akhilesh Kumar Singh**  
Company Secretary  
ACS 21730

## ANNEXURE TO THE A.G.M. NOTICE

### INFORMATION PURSUANT TO REGULATION 36(3) OF THE LISTING REGULATIONS AND IN TERMS OF SECRETARIAL STANDARDS ON GENERAL MEETINGS( SS-2) REGARDING APPOINTMENT OF A NEW DIRECTOR OR RE-APPOINTMENT OF A DIRECTOR

Name of the Director	Sh. Vivek Viswanathan	Smt. Radhika Viswanathan Hoon
DIN of Director	00141053	06436444
Date of Birth	07.11.1970	22.01.1967
Age	46	49
Date of Appointment	24.03.2001	30.10.2012
Qualification and Nature of Expertise	B.A (Hons.) Post Graduate Programme in Management, MBA (USA) 15 years in Sugar and Distillery business. He has over 8 years of work experience with VST Industries (British American Tobacco) and Coca-Cola India in various functions including Sales, Marketing, Brand management.	S.Y.J.C. Diploma Holder in French  General Management as Chairperson of the Natya Ballet Centre, New Delhi
Directorship held in other Companies	VRD Power Project Limited Akshaysiddhi Investment Pvt. Ltd.	Nil
Membership / Chairmanship in committees	1	1
No. of Shares held in the Company	1296004	39132
Relationship	Brother of Smt. Radhika Viswanathan Hoon	Sister of Sh. Vivek Viswanathan & Wife of Sh. Ajit Hoon

Place : New Delhi  
Dated : 29th July, 2016

By order of the Board  
**Akhilesh Kumar Singh**  
Company Secretary  
ACS 21730





## SIR SHADI LAL ENTERPRISES LIMITED

### DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors hereby present the 82nd Annual Report and the audited accounts of the Company for the year ended 31st March, 2016.

### FINANCIAL RESULTS:

Our Directors wish to inform that after a long period, the Company has been able to achieve nominal profit during the year. The financial results for the year under review are as follows:

	For the Year ended March 31, 2016 (Rs. in Lacs)	For the Year ended March 31, 2015* (Rs. in Lacs)
Total Revenue	27774.19	40251.97#
Profit before providing For Exceptional Item and Depreciation	(+) 550.83	(-)6327.61
Less : Exceptional item	192.21	1483.88
Cash Profit	(+) 358.62	(-)4843.72
Less/Add : provision for depreciation	157.41	327.62
Less: 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 Profit(+)/Loss (-) before Tax	(+) 201.21	(-) 5018.23
Less refund of Income tax	-	28.59
Less: provision for deferred Tax Assets	-	1895.56
Net Profit (+)/Loss (-): after Tax transferred to general Reserve	(+) 201.21	(-) 3094.08
Basic earnings per share of Rs.10/- each	3.833	(58.935)
Diluted earnings per share of Rs.10/- each	3.833	(58.935)
Transferred to Reserves: Profit for the year transferred to General reserve	Rs.201.21 Lacs	

\* Inclusive of financial figures of Unn Sugar unit for the period from 01.04.2014 to 30.09.2014.

# Turnover of Unn Sugar unit for the period from 01.04.2014 to 30.09.2014.

Rs. 10191.90 Lacs

### DIVIDEND

In view of the previous carry forward losses, negative net worth and liquidity position, the company's financial conditions do not permit for payment of any dividend for the year ended 31st March, 2016.

### REFERENCE TO BIFR

The Company over the last few years has been incurring losses

due to which its net worth has been completely eroded. At the close of F.Y ended 31st March, 2014 the company has become sick industrial company under the provisions of Sick Industrial Companies (Special Provisions) Act 1985. This fact was reported to BIFR. Consequently the company has been registered with BIFR on 3rd February, 2016 as case No.23/2016.

### 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 SBI had 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 31.03.2016, therefore the amount of Rs.60.35 Crores standing in the company's account is shown under the CC limit. The PNB has already renewed the limit of Rs.20 Crores for the year 2015-16. The District Coop. Bank, Ghaziabad have extended their CC limit of Rs.30 Crores for the season 2015-16. In this way the company got Rs.110.67 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 farmers have the first right over the realization from sugar 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 or other collateral securities. Besides due to provision of NPA accounts in the bankers balance sheet, their losses are increasing and bankers are not increasing their exposures in the sugar industry.

### 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. However, with a view to improve the financial position, the Company has entered into an MOU/Agreement with M/s. VRD Power Projects Ltd., for installation of a Power Project in the premises of Company's sugar unit at Shamli after approval of Board and shareholders by Postal Ballot.

### STATE OF THE COMPANY'S AFFAIRS

During the year under review, both the segments of your Company i.e. sugar and alcohol have shown profit after a long period.

The Sugar Industry in U.P. which has suffered heavy losses during the last five years due to combination of extraneous factors such as high sugarcane price and un-remunerative sugar price have now shown improvement due to improvement in the recovery percentage of sugar from the cane and increase in the sugar sale price realization during the season 2015-16. The all India sugar production in season 2015-16 is also expected to be around 252 Lac tonnes as against 283 Lac tonnes in the previous sugar season. The consumption of sugar in 2015-16 is expected at 256 Lac tonnes and export of 15 Lac tonnes the expected sugar stock at the close of September, 2016 is around 72 Lacs tonnes. The excess stock of sugar has come down which has also effect on the price of the sugar. The Ethanol price in distillery segment has also been increased which has positive effect on the overall results of the company.



## REVIEW OF OPERATIONS

The manufacturing results of the sugar unit Upper Doab Sugar Mills for the crushing season 2015-16 as compared to the last crushing season are as under:

	2015-16	2014-15
Gross working days	162	178
Cane crushed (Qtls)	8096851	9182539
Average Cane Crush per		
Crop Day (Qtls.)	49981	51587
Manufacturing losses (%)	1.90	1.89
Steam Consumption Cane (%)	54.74	53.55
Average sugar recovery (%)	10.11	9.34
Downtime (%)	4.10	7.21
Total Sugar production (Qtls.)	818886	857602

The recovery % Cane during the season 2015-16 is higher as compared to sugar season 2014-15 by 0.77% mainly due to increase in the early variety of cane and discouragement of rejected variety cane as compared to last season and other Cane Development activities.

## 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 from 19% to 45% 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 fertilizers in the season 2015-16. Pol% cane has increased by 0.78% i.e. from 11.23% to 12.01% this year. We are further making efforts to increase the area under high sugar variety cane from 45% to 75% as well as replacement of rejected varieties in the next season 2016-17. With this varietal balance cane cut to crush would be improved and supply of cane would be increased from 76.31% to 78.99% at Gate. Extraneous materials such as trashes, green tops, diseased cane, mud with cane supplies were closely monitored and extraneous material % is lower by 1.80%. By these efforts the Pol% cane would further increase to 12.70% in the coming season 2016-17.

## DISTILLERY UNIT

The production in the unit Shamli Distillery & Chemical Works is 5304161 AL as compared to 6060484 AL during the F.Y.2014-15. The fall in the production is mainly due to closure of distillery unit for three months from July, 2015 to September, 2015 due to rainy season and pollution and due to off-take problem of spirits. The Board have approved the expansion in the capacity of Distillery Unit from 25 KL per day to 45 KL per day which will help to improve the financial position of the Company.

Further analysis of operating performance for sugar and distillery segments are covered under "Management Discussion and Analysis" which form part of this Report.

## DIRECTORS

With profound grief the board places on record the sad demise of Sh.R.L.Srivastava, Director who passed away on 23.9.2015. His association with the company in the capacity of Director and Chairman of the Audit Committee since 1998 was valuable contribution to the growth of the Company.

The term of appointment of Sh. Onke Aggarwal as Chairman of the Board of Directors was expiring on 10.3.2016. The board of directors

of the company in their meeting held on 5th February, 2016 have re-appointed Sh.Onke Aggarwal as Chairman of Board of Directors of the Company for a period of one year from 11th March 2016.

In accordance with the provisions of Companies Act, 2013 (the Act) and the Company's Article of Association Sh.Vivek Viswanathan and Smt.Radhika Viswanathan Hoon who retire by rotation under section 152 of the Act, and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

The required information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 and SS-2 providing their experiences, qualifications, name of the companies in which the above directors hold 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 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

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2. Sh. Vivek Viswanathan, Jt. Managing Director
3. Sh. P.K.Goyal, Chief Financial Officer
4. Sh. Akhilesh Kr. Singh, Company Secretary

#### **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 Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the performance evaluation of Non Independent Directors, Board and Committee 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 in Annexure 5 of this Report.

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 judgements 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 director's 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 on the recommendations 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 Annexure 5 of this report.

#### **MEETINGS**

The Calendar of the meeting is prepared and circulated in advance to the directors.

During the Financial Year 2015-16 Five Board Meetings were held on 29.05.2015, 25.07.2015, 28.09.2015, 30.10.2015 and 05.02.2016. 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 requirement 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, 2016 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, except change in the method of calculation of cost price for valuation of closing stock of sugar.
- ii) they have selected such accounting policies and applied them consistently and made judgements 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 31st March, 2016 and of the profit of the Company for the financial year ended on that date, except change in policy of valuation of bagasse at the close of financial year.
- 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 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 (b) 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 length basis.**

SL. No.	Particulars	Details
a)	Names(s) of the related party & nature of relationship	NA
b)	Nature of contracts /arrangements/transaction	NA
c)	Duration of the contracts/arrangements/ transactions	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 material contracts or arrangements or transactions at arm 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 Notice- 3 months from either side.
e)	Date of approval by the Board	27.04.2013 / 28.05.2016
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 2015-16. A copy of Code of Conduct has 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 and forms part of this report.

**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 complaints 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 Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information 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 other operating revenue includes reimbursement of society commission of Rs.1,60,30,339/- relating to Unn Sugar Complex, a former unit of the Company for the season 2012-13.

Note No. 3.8 is self-explanatory and does not require any further explanation.

CONTD.....



2. Reply to Paragraph No.2 of "Emphasis of Matters" in Auditor's Report regarding potential sickness of the company.  
The Auditors have referred to note No.3.9 regarding potential sickness of the Company and reference to the BIFR under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985. The note itself is self explanatory and on the basis of revised Form "A" showing financial position of the Company as on 31st March, 2015, the Company has been registered under BIFR on 3rd February, 2016 as case No.23/2016.
3. Reply to paragraph No.3 of "Emphasis of Matters" in Auditor's Report regarding non maintenance of accounts on accrual basis.
  - (i) The Company has not provided towards interest liability of late payment of cane price for the current year Rs. 153314560/- and also reversed Rs. 19220618/- provided during last year in this account. Based on the representation made by UP Sugar Mills Association for waiver of this liability the association is expecting positive results as the State Govt. has already waived this interest in earlier years.
  - (ii) As stated in Note No.3.7 of the financial statement in respect of bonus liability, due to amendment in Payment of Bonus (Amendment) Act 2015, in terms of which the ceiling of payment of bonus has been revised w.e.f. 1st April 2014. Certain High Courts have stayed implementation of revision of bonus Act from retrospective effect. Indian Sugar Mills Association have also filed Writ against implementation of the order regard to retrospective effect from 1st April, 2014. The matter is subjudice.
4. Reply to point No.1 under the head basis for qualified opinion of the Auditors Report
  - (i) As stated in No. 3.1 of financial statement 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.
  - (ii) Reply to point No. 2 of basis of qualified opinion as stated in Note No.3.3 of the aforesaid financial statements, the Company has adopted the policy of stock of sugar at "lower of cost and net realizable value". During the year cost price of sugar is lower than prevailing market price at the close of the year, therefore stock of sugar has been valued at cost price. But while arriving the cost of production of sugar the company has loaded interest paid/accrued on CC account as part of the cost of production of sugar. This change in method has resulted in higher valuation of stock of sugar.
  - (iii) Reply to point No. 3, 4 & 5 of basis of qualified opinion  
The note itself is self explanatory
5. As stated in para (viii) of Annexure to Independent Reports as

regards the unpaid balance of SBI Rs. 60.35 crores 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 Crore which was subsequently to be converted into WCTL of Rs. 70 Crore. Due to security related issues the conversion of CC limit to WCTL could not be completed upto 31.03.2016 and the amount of Rs. 603545634/- could not be converted into WCTL upto 31.03.2016.

#### **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. 2015-16.

The Cost Audit Report for the last audited accounts for the Financial Year ended 31.03.2015 was filed by the Cost Auditor with respect to Sugar and Industrial Alcohol business on 24.09.2015 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 K. Jain and Associates, Company Secretaries (FCS4089; C.P.No.4079), to conduct the secretarial audit for the financial year ended 31st March, 2016.

The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed as "Annexure -I to the Directors' Report.

#### **COMMENTS ON SECRETARIAL AUDITORS' OBSERVATIONS**

1. Some of the provisions could not be complied which are of procedural nature. However the SS-1 & SS-2 are being fully implemented during the current year.
2. The uniform listing Agreement as required under Regulation 109 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completely executed in June, 2016.

#### **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, SWEAT 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.

#### **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 Board's 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 Report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Due to 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 are 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, 2016 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. The annual listing fee for the year 2016-17 has been paid to Bombay Stock Exchange Limited.

The Delhi Stock Exchange where the equity shares were listed had advised the companies not to make payment of listing fee.

#### **DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN 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 2015-16.

#### **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 : 29.07.2016





## **ANNEXURE '1' TO DIRECTORS' REPORT**

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016**

**[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, BARAKHAMBHA 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, 2016 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, 2016, according to provisions of:-

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment; (Not Applicable)
- (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, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable)
- (e) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; (Not Applicable)
- (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, 1998; (Not Applicable)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable)
- (vi) Other laws applicable to the Company: -
  - (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 (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to our observations given below :

1. The Company has not complied with some of the provisions of Secretarial Standard on Meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2).
2. The Company was required to execute the 'Uniform Listing Agreement' with Bombay Stock Exchange as per requirements of Regulation 109 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on or before 1st March, 2016; the same has been executed in the month of June, 2016.

#### **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 change since the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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:-**

On 26.11.2015 the Company has filed revised reference

in Form A U/s 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, as per advice of BIFR. The reference filed U/s 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 has been registered on 03.02.2016.

For SUNIL K. JAIN & ASSOCIATES  
Company Secretaries

Place : New Delhi

Dated : 29.07.2016

**S.K.JAIN**

Proprietor

FCS4089; C.P. No. 4079

This Report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

## ‘ANNEXURE A’

To,

The Members

Sir Shadi Lal Enterprises Limited

4A, Hansalaya

15, Barakhamba Road,

New Delhi -110001

Our Secretarial Audit Report for the financial year ended 31st March, 2016 of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For SUNIL K. JAIN & ASSOCIATES  
Company Secretaries

Place : New Delhi

Dated : 29.07.2016

**S.K.JAIN**

Proprietor

FCS4089; C.P. No. 4079



## SIR SHADI LAL ENTERPRISES LIMITED

### ANNEXURE '2' TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2016

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	81.63
2	ALCOHOL	1101	7.98

#### 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



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (A) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the beginning of the year [As on 31-March-2016]				% Change the year during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2889843	—	2889843	55.04	2895032	—	2895032	55.14	0.10
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	—	—	—	—	—	—	—	—	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
<b>Sub Total (A)(1)</b>	<b>2889843</b>	<b>—</b>	<b>2889843</b>	<b>55.04</b>	<b>2895032</b>	<b>—</b>	<b>2895032</b>	<b>55.14</b>	<b>0.10</b>
<b>(2) Foreign</b>									
a) NRI Individuals	—	—	—	—	—	—	—	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub Total (A)(2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Total shareholding of Promoter (A)	2889843	—	2889843	55.04	2895032	—	2895032	55.14	0.10
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	371057	—	371057	7.07	348470	—	348470	6.64	0.43
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(1):-</b>	<b>371057</b>	<b>—</b>	<b>371057</b>	<b>7.07</b>	<b>348470</b>	<b>—</b>	<b>348470</b>	<b>6.64</b>	<b>0.43</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	222866	18676	241542	4.60	311939	18676	330615	6.30	1.70
i) Indian	—	—	—	—	—	—	—	—	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	683229	398936	1082165	20.61	1085951	—	1085951	20.68	0.07
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	467184	172019	639203	12.18	560046	—	660046	10.67	1.51
c) Others (specify)	—	—	—	—	—	—	—	—	—
Non Resident Indians	—	—	—	—	—	—	—	—	—
Overseas Corporate Bodies	—	—	—	—	—	—	—	—	—
Foreign Nationals	23913	2277	26190	0.50	27609	2277	29886	0.57	0.07
Clearing Members	—	—	—	—	—	—	—	—	—
Trusts	—	—	—	—	—	—	—	—	—
Foreign Bodies – D R	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(2):-</b>	<b>1397192</b>	<b>591908</b>	<b>1989100</b>	<b>37.89</b>	<b>1985545</b>	<b>20953</b>	<b>2006498</b>	<b>38.22</b>	<b>0.16</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1768249	591908	2360157	44.96	2334015	—	2354968	44.86	0.16
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>4658092</b>	<b>591908</b>	<b>5250000</b>	<b>100.00</b>	<b>5229047</b>	<b>20953</b>	<b>5250000</b>	<b>100.00</b>	<b>—</b>

CONTD.....



## SIR SHADI LAL ENTERPRISES LIMITED

ANNEXURE TO DIRECTORS' REPORT CONTD.....

### B) Shareholding of Promoters-

S.N.	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	-	943421	17.970	-	<b>0.099</b>
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	Smt. Sudha Singhania	46167	0.879	-	46167	0.879	-	-
6	Sh. Vivek Viswanathan	1290816	24.587	-	1290816	24.587	-	-
7	Smt. Radhika Viswanathan Hoon Sister of Sh. Vivek Viswanathan	39132	0.746	-	39132	0.746	-	-
	<b>Total</b>	<b>2889843</b>	<b>55.045</b>	<b>-</b>	<b>2895032</b>	<b>55.144</b>	<b>-</b>	<b>0.099</b>

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

S.N.	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 :	-	-	-	-
	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	-	-	-	-

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

S.N.	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 31.03.2015	340026	6.477	340026	6.477
	At the end of the year 31.03.2016	340026	6.477	340026	6.477
2	Indianivesh Capitals Limited				
	At the beginning of the year 31.03.2015	0	0	0	0
	At the end of the year 31.03.2016	82722	1.576	82722	1.576
3	Sh. Mahendra Girdhari Lal				
	At the beginning of the year 31.03.2015	34996	0.667	34996	0.667
	At the end of the year 31.03.2016	34996	0.667	34996	0.667
4	ASK Securities Advisory Services P. Ltd.				
	At the beginning of the year 31.03.2015	42190	0.804	42190	0.804
	At the end of the year 31.03.2016	42190	0.804	42190	0.804
5	Vinod Chandra Mansukh Lal Shah				
	At the beginning of the year 31.03.2015	24161	0.460	24161	0.460
	At the end of the year 31.03.2016	24161	0.460	24161	0.460
6	Amar Alliance Consultants Pvt. Ltd.,				
	At the beginning of the year 31.03.2015	30000	0.571	30000	0.571
	At the end of the year 31.03.2016	30000	0.571	30000	0.571
7	Sh. Arun Nahar				
	At the beginning of the year 31.03.2015	48750	0.929	48750	0.929
	At the end of the year 31.03.2016	48750	0.929	48750	0.929
8	Sh. Onke Aggarwal				
	At the beginning of the year 31.03.2015	31710	0.604	31710	0.604
	At the end of the year 31.03.2016	31710	0.604	31710	0.604
9	Sh. Pankaj Garg				
	At the beginning of the year 31.03.2015	28423	0.541	28423	0.541
	At the end of the year 31.03.2016	27273	0.519	27273	0.519
10	Vinodchandra Mansukhlal Parekh				
	At the beginning of the year 31.03.2015	24161	0.460	24161	0.460
	At the end of the year 31.03.2016	24161	0.460	24161	0.460

CONTD.....





# SIR SHADI LAL ENTERPRISES LIMITED

ANNEXURE TO DIRECTORS' REPORT CONTD.....

## 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	943421	17.970
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
	<b>Total</b>	<b>2587636</b>	<b>49.288</b>	<b>2592825</b>	<b>49.387</b>
	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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	11769.19	1673.92	75.02	13518.13
ii) Interest due but not paid	123.18	6.00	-	129.18
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>11892.37</b>	<b>1679.92</b>	<b>75.02</b>	<b>13947.31</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	514.94	-	5.00	519.94
Reduction	-	-623.06	-	-623.06
<b>Net Change</b>	<b>514.94</b>	<b>-623.06</b>	<b>5.00</b>	<b>-103.12</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	12282.15	1056.87	80.02	13419.04
ii) Interest due but not paid	125.16	-	-	125.16
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>12407.31</b>	<b>1056.87</b>	<b>80.02</b>	<b>13544.20</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Name	Sh. Rajat Lal,	Sh. Vivek Viswanathan	Sh. Rahul Lal	(Rs.)
1	Designation	M.D.	Jt. M.D.	E.D.	
	Gross salary	1440000	1320000	720000	3480000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	997913	883444	499480	2380837
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	388800	356400	194400	939600
	(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)	2826713	2559844	1413880	6800437
	Ceiling as per the Act	3000000	3000000	3000000	

### B. REMUNERATION TO OTHER DIRECTORS

Sl No.	Particulars of Remuneration	Name of Directors			Total Amount
		Sh. Onke Aggarwal	Sh. R.C. Sharma	Sh. Hemantpat Singhania	(Rs.)
1	Independent Directors	240000	220000	180000	640000
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	240000	220000	180000	640000
2	Other Non-Executive Directors	Sh. R.L. Srivastava*	Smt. Radhika Viswanathan Hoon	Sh. Ajit Hoon	
	Fee for attending board committee meetings	40000	180000	100000	320000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	40000	180000	100000	320000
	Total (B)=(1+2)	280000	400000	280000	960000
	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 accumulated loss during the year calculated in terms of the said section.			

\*Sh R.L.Srivastava has expired on 23.09.2015.

CONTD.....



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

Sl No.	Particulars of Remuneration	Key Managerial Personnel		
		Sh. P.K. Goyal	Sh. Akhilesh Kumar Singh	Total Amount
	Name			
	Designation	CFO	CS	(Rs/Lac)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1800000	927012	2727012
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	78600	39000	117600
	(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	-	-	-
	<b>Total</b>	<b>1878600</b>	<b>966012</b>	<b>2844612</b>

**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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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 : 29.07.2016



## 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:

Sl. No.	Name of Directors	Commission	Sitting Fee*	Salary	Perquisite	Total	Ratio (Times)
A	Median Employee	274613*					
1	Sh. Rajat Lal	NIL	-	1440000	1386713	2826713	10.29
2	Sh. Vivek Viswanathan	-	-	1320000	1239844	2559844	9.32
3	Sh. Rahul Lal	-	-	720000	693880	1413880	5.15
4	Sh. Onke Aggarwal	-	240000	-	-	-	0.87
5	Sh. H P Singhania	-	180000	-	-	-	0.66
6	Sh. R L Srivastava	-	40000	-	-	-	0.14
7	Sh. R C Sharma	-	220000	-	-	-	0.80
8	Smt. Radhika Viswanathan Hoon	-	180000	-	-	-	0.66
9	Sh. Ajit Hoon	-	100000	-	-	-	0.36

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

\*Median salary of employee is the average of the median salary of officers and workers

ii) Percentage increase in remuneration of Directors/ Key Managerial Personnel's

Sl. No.	Name of Directors/KMPs	% increase in Remuneration*
1	Sh. Rajat Lal, MD	0.67
2	Sh. Vivek Viswanathan, Jt. MD	15.57*
3	Sh. Rahul Lal, ED	0.19
4	Sh. Onke Agarwal, Director	20.00
5	Sh. H P Singhania, Director	25.00
6	Sh. R L Srivastava, Director	-66.67
7	Sh. R C Sharma, Director	17.07
8	Smt. Radhika Viswanathan Hoon, Director	25.00
9	Sh. Ajit Hoon, Director	400.00#
10	Sh. P K Goyal, CFO	7.71
11	Sh. Akhilesh Kumar Singh, CS	NIL

\* Salary of Sh. Vivek Viswanathan increased from 1st January, 2015.

\*\* Extra Committee meetings of Directors.

#Sitting Fee for Sh. Ajit Hoon was for part of the year during Financial Year 2014-15.

The Percentage increase in median remuneration of Employees in the financial year 19.83%

iii) Total Number of permanent employees as on 31.03.2016 – 1139

iv) 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 has accumulated losses, but it takes into account the inflation rate in the market, and package offered by other companies of industry.

v) 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 in past years, 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.

vi) 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	2015-16	2014-15	% Change
Market Capitalisation (Rs. In Lacs)	2189.25	1076.25	103.41
Price Earnings Ratio	0.0919	NIL	9.19

CONTD.....



## SIR SHADI LAL ENTERPRISES LIMITED

- vii) 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	31.03.2016	Public Offer (Buy Back ) EGM 27th May, 1999 (in Rs)	% Change
Market Price (BSE) in Rs.	41.70	40	4.25%
Market Price (DSE) in Rs.	NA	40	NA

- viii) 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.

- ix) 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 has accumulated losses; hence no such commission is paid during the year.

- x) 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.

- xi) 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, 2016.

- i) EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION IN AGGREGATE OF NOT LESS THAN Rs. 1,02,00,000 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. 8,50,000 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 THERE OF, 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 : 29.07.2016





## 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, 2016.

### 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 2015-16 at the units are provided as below.

#### Upper Doab Sugar Mills

Rs. 9.86 Lacs expenditure incurred on Energy Conservation during the year 2015-16 on installation of condensate cooling tower.

#### Shamli Distillery & Chemical Works

No expenditure incurred on Conservation of Energy during the Year 2015-16.

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

#### Upper Doab Sugar Mills

- i) Installation of one new Batch centrifugal machine of 1750 kg.
- ii) Installation of 6 nos high flow pumps of molasses.

#### Shamli Distillery & Chemical Works

Work started on capacity expansion from 25 KLPD to 45 KLPD wash to RS Plant with implementation of Pollution Norms and RS to absolute Alcohol 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 cooling tower saving is 75000 unit of electricity.
2. After installation of centrifugal machine there will be saving of 1.6 lac unit of electricity.
3. After installation of High flow pumps there will be saving of 1.2 lacs unit of electricity.

#### Shamli Distillery & Chemical Works

By increasing 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 will be approx. 40%.

With new Multi pressure wash to RS Distillation Technology and Molecular Sieve Dehydration Technology, steam-consumption for production of RS will be 2.2 Kg/Lit and for production of Ethanol will be 0.6 Kg/Lit. Net saving of Steam will be 1.0 Kg/Lit.

Due to increase in capacity, there will be an increase in Bio Gas Generation, which will save the fuel. The increase in capacity of distillery will reduce cost of production of Ethanol and more production will give better margin of profit in distillery.

### B. TECHNOLOGY ABSORPTION

#### EFFORTS MADE IN TECHNOLOGY ABSORPTION

#### I) Research & Development (R&D)

Cane Development

#### 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

CONTD.....



*ANNEXURE TO DIRECTORS' REPORT CONTD.....*

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

- 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 from 19% to 45% for the season 2015-16
- Replacement of reject & low POL varieties with other improved varieties from 41% to 26% for the season 2015-16
- Supply of insect pest, disease & tresh free quality of cane to the factory-maintaining optimum level.
- In the current season 2015-16 pol in cane increase by 0.78% comparing in to season 2014-15 & we are hope that POL in cane would be 12.70% in coming season 2016-17.
- With this varietal balance cut to crush would also be improved in coming season.
- Reduction in supply of dried cane comparing previous season from 2.92% to 1.38%

**Upper Doab Sugar Mills**

- Balancing of plant capacity at 6250 TCD with improvement in average crush per day by 300 TCD i.e. from 5200 TCD to 5500 TCD, reduction in steam consumption up to 4% on Cane i.e. from 52% to 48% by modification in 3800 surface area, FSSC 22000 certification.
- Increase area under high sugar varieties from 45% to 75%.
- Replacement of reject & low POL varieties with other improved varieties from 26% to 8%
- Maximize the pol in cane upto 12.70% with 11% recovery
- Supply of insect, pest, disease & tresh free quality cane to the factory – maintaining optimum level.

**Shamli Distillery & Chemical Works**

By installation of multi pressure distillation plant during expansion of the Distillery Capacity, there will be 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:**

In compliance to the directions of UP Pollution Control Board to install cooling tower and online monitoring system for treating the effluent water and to install mini cooling tower for cooling excess condensed effluent for recycling consumption has been installed.

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 Pressure Distillation with Integrated Multi Effect Evaporator to concentrate spent wash and finally use this spent wash for producing Bio Compost to achieve Zero Liquid Discharge with time bound programme of U.P. Pollution Control Board. We are in the process to install the system as per guidelines.

3. Future plan of action



4. Expenditure on R & D: (Cane Development)
- |  |             |
|--|-------------|
| a) Capital   | NIL         |
| b) Recurring   | Rs. 45 Lacs |
| c) Total   | Rs. 45 Lacs |
| d) Total R & D expenditure as a percentage of total turnover | 0.16%       |

#### Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology Absorption, adaptation and innovation

#### Upper Doab Sugar Mills

1. Installation of one number semi kastner will increase in crush rate by 300 TCD per day.
2. Reduction in Steam consumption by 4% in Ist phase and 8% in IInd phase.
3. FSSC 22000 certification for sugar sale to institution.
4. MOU/ Agreement with VRD Power Project Ltd., for installation of 33 MW Co-gen plant in the premises of Sugar Unit at Shamli.

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

The extra revenue of about Rs. 32 to Rs. 35 crores per season which will help to increase the net profit of the sugar unit and the quality of sugar will improve which will better realization.

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 : 29.07.2016



## 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 Regulation 15 of SEBI (LODR) Regulations, 2015 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 8, 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 28/09/2015	No. of other Directorship held		Membership/ Chairmanship in Committees of other Companies	
					Public	Private	Chairman	Member
1.	Sh. Onke Aggarwal Chairman #	Non-Executive Independent	5	Yes	—	—	—	—
2.	Sh. Rajat Lal Managing Director	Promoter Executive	4	Yes	—	—	—	—
3.	Sh. Vivek Viswanathan Joint Managing Director	Promoter Executive	5	Yes	1	1	—	—
4.	Sh. Rahul Lal Executive Director	Promoter Executive	5	Yes	1	1	—	—
5.	Sh. Hemantpat Singhania #	Non-Executive Independent	5	Yes	1	3	3	—
6.	Sh. R.L. Srivastava**	Non-Executive	2	No	—	—	—	—
7.	Sh. R.C. Sharma #	Non-Executive Independent	5	No	5	—	1	4
8.	Smt. Radhika Viswanathan Hoon	Non-Executive	5	Yes	—	—	—	—
9.	Sh. Ajit Hoon	Non-Executive	5	Yes	—	—	—	—

\*During the financial year 2015-16 five Board Meetings were held on 29.05.2015, 25.07.2015, 28.09.2015, 30.10.2015, and 05.02.2016.  
# 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](http://www.sirshadilal.com)

\*\* Shri R,L,Srivastava has expired on 23.09.2015

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 Key functions and responsibilities of the Board are as under:-  
Functions:-

1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
2. Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
3. Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
4. Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders.
5. Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
6. Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
7. Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, and compliance with the law and relevant standards.
8. Overseeing the process of disclosure and communications.
9. Monitoring and reviewing board of director's evaluation framework.

### Responsibilities:-

1. Members of board of directors and key managerial personnel disclose to the board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.

2. The board of directors and senior management conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.
3. The board of directors provides strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
4. The board of directors set a corporate culture and the values by which executives throughout a group shall behave.
5. Members of the board of directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
6. The board of directors encourage continuing directors training to ensure that the members of board of directors are kept up to date.
7. Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
8. The board of directors maintain high ethical standards and shall take into account the interests of stakeholders.
9. The board of directors exercise objective independent judgement on corporate affairs.
10. The board of directors consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
11. The board of directors ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the listed entity to excessive risk.

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 Schedule- II, Corporate Governance Part A of Regulation 17 (7) of SEBI (LODR) Regulation, 2015 / 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

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## SIR SHADI LAL ENTERPRISES LIMITED

### CORPORATE GOVERNANCE CONTD.....

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 2015-16 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](http://www.sirshadilal.com).

#### **DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT**

As provided under Regulation 17(5) of the SEBI (LODR) Regulations, 2015 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, 2016.

For and on behalf of the Board

**RAJAT LAL**

Managing Director  
(DIN 00112489)

Place : New Delhi  
Dated : 29.07.2016



## 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	Chairman Independent Director	4
2.	Sh. Onke Aggarwal, Member	Non-Executive	Member Independent Director	4
3.	Smt. Radhika Viswanathan Hoon	Non- Executive	Member	4

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 was not present on the day of Annual General Meeting held on 28.09.2015 after taking leave of absence from the Board.

The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013.

\*During the year four meetings of Audit Committee were held on 29.05.2015, 25.07.2015, 30.10.2015 and 05.02.2016.

#### (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 exercising powers and discharge functions as stipulated in Regulation 18 of SEBI (LODR) Regulations, 2015 / 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, Cost Auditors Reports Capital Expenditures, Internal Auditor Reports which thereafter goes to Board for approval.

The Audit Committee also reviews Management discussion and analysis 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.

The role of Audit Committee shall include the following:

- oversight financial report process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing with the Management, the Annual Financial Statement and Auditors reports thereon before submission to the board for approval with particular reference to :
  - Matters required to be included in the Director's Responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings

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- e) Compliance with listing and other legal requirements relating to financial statements
- f) Disclosure of any related party transactions
- g) Qualifications in the draft audit report
- 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 6. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.
- 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process
- 8. Approval or any subsequent modification of transactions of the company with related parties
- 9. Scrutiny of inter-corporate loans and investments
- 10. Valuation of undertakings or assets of the company, wherever it is necessary
- 11. Evaluation of internal financial controls and risk management systems
- 12. Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems.
- 13. Reviewing the adequacy of internal audit function
- 14. Discussion with internal auditors of any significant findings and follow up thereon
- 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- 17. To look into the reasons for substantial defaults
- 18. To review the functioning of the Whistle Blower mechanism
- 19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate
- 20. Carrying out any other function as is mentioned in the terms of reference of the audit committee

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.



#### (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. The chairman of the nomination committee shall be independent directors other than chairman of the company.

Sl.No	Name of the Director	Category	Designation	Attendance at Nomination & Remuneration Committee Meeting*
1.	Sh. R.C. Sharma	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	2

\*\*During the year two meetings of Nomination & Remuneration Committee were held on 25.07.2015 and 05.02.2016.

#### TERMS OF REFERENCE:

The term of reference of the Nomination and remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 which inter alia, includes to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. Formulate of criteria for evaluation of independent Directors and the Board. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

##### b) Remuneration Policy:

The policy of remuneration to directors key managerial personnel and senior management which involves a balance between fixed and incentive pay reflecting short term and long term performance objectives appropriate to the working of the company and its both.

##### Non-Executive Directors

On the recommendation of the nomination and remuneration Committee, the remuneration to the Non-executive Directors is decided and approved 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) Rules, 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 entitled for equal commission. Those who have worked for part of the year would be entitled for commission proportionately.

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

##### Executive Directors and Key Managerial Personnel

The nomination and remuneration committee 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 nomination and Remuneration Committee also consider, approve and recommend to the Board of Directors the designation and increase in salaries for the Executive Directors and KMPs, 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 and KMPs 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.

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**c. Details of Remuneration to all the Directors for the year ended March 31, 2016**

**(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 Shares Held
1.	Sh. Onke Aggarwal Chairman	Non-Executive Independent	-	240000	240000	Five Years	31710
2.	Sh. Hemantpat Singhania	Non-Executive Independent	-	180000	180000	Five Years	-
3.	Sh. R. L. Srivastava	Non-Executive	-	40000	40000	Ceased to be Director due to death	-
4.	Sh. R.C. Sharma	Non-Executive Independent	-	220000	220000	Five Years	-
5.	Smt. Radhika Viswanathan Hoon	Non-Executive	-	180000	180000	Retirement by Rotation	39132
6.	Sh. Ajit Hoon	Non-Executive	-	100000	100000	Retirement by Rotation	-
	<b>Total</b>			<b>960000</b>	<b>960000</b>		

**(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	1386713	-	2826713	Contractual**	5 Years
2.	Sh. Vivek Viswanathan, Joint Managing Director	Executive	1320000	1239844	-	2559844	Contractual**	3 Years
3.	Sh. Rahul Lal, Executive Director	Executive	720000	693880	-	1413880	Contractual**	5 Years
	<b>Total</b>		<b>3480000</b>	<b>3320437</b>	<b>-</b>	<b>6800437</b>		

\* 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.

**(iii) Key Managerial Personnel other than 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 P K Goyal	CFO	1800000	78600	-	1878600	Contractual**	3 Years
2.	Sh. Akhilesh Kumar Singh	CS	927012	39000	-	966012	Regular	
	<b>Total</b>		<b>2727012</b>	<b>117600</b>	<b>-</b>	<b>2844612</b>		

\* Perquisites include Company's Contribution to provident Fund

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



### 5) INDEPENDENT DIRECTORS MEETING

The meeting of Independent Directors was held on 05.02.2016 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 05.02.2016 before the Board of Directors on matters relating to performance of the Non Independent Directors and affairs of the Company

### 6) EVALUATION AND PERFORMANCE OF INDEPENDENT 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.
- Understanding of risks associated with the business.
- Understanding the nature and Directors' role.
- Commitment to role & fiduciary responsibilities as a Board member.
- Leadership & Initiative
- Application of knowledge for rendering advice to management for resolution of business issues and competition Challenges
- Independent Judgment.
- Non-partisan appraisal of issues.
- Compliance, due diligence and financial Control.
- Safeguarding the interest of the Company and its minority shareholders.

### 7) CORPORATE SOCIAL RESPONSIBILITY

Your Company is suffering losses for the last five years and having marginal profit during the current financial year 2015-16. 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 2015-16.

### 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
3.	Sh. Vivek Viswanathan	Executive Director	Member	1
2.	Sh. Rahul Lal	Executive Director	Member	1

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\*During the year one meeting of Shareholder/Investor Grievances Committee was held on 05.02.2016. There was one investor complaint pending as on 31.03.2016.

Shri Akhilesh Kumar Singh has been appointed as Secretary of the Company and Secretary/ Compliance officer of the Shareholders/Investors Grievance Committee.

**b) Share Transfer Committee**

Sl. No.	Name of the Director	Category	Designation	Attendance Committee Meeting*
01	Sh. Rajat Lal	Managing Director	Chairman	15
02	Sh. Vivek Viswanathan	Joint Managing Director	Member	2
03	Sh. Rahul Lal	Executive Director	Member	16

\*During the year Sixteen meetings of Share Transfer Committee were held on 22.04.2015, 06.05.2015, 22.06.2015, 06.07.2015, 18.07.2015, 02.09.2015, 15.09.2015, 03.10.2015, 07.10.2015, 12.10.2015, 12.11.2015, 23.11.2015, 16.12.2015, 21.01.2016, 19.02.2016 and 03.03.2016

Shri Akhilesh Kumar Singh has been appointed as Secretary of the Company and act as Secretary/Compliance officer of the Share Transfer Committee.

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 31.03.2016.

**(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 Secretary of the Company is working as Secretary of the Risk Management Committee

\* During the year one meeting of Risk Management Committee was held on 05.03.2016..

**(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 is working as Vigilance officer of the Company

\* During the year one meeting of Vigilance Committee was held on 05.03.2016.

**(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.	79th A.G.M. in respect of the year 2012-2013	23.09.2013	P.H.D. House, Opp. Asian Games Village, New Delhi – 110 016.	11.30A.M.
02.	80th A.G.M. in respect of the year 2013-2014	22.09.2014	P.H.D. House, Opp. Asian Games Village, New Delhi – 110 016.	11.00A.M.
03.	81st A.G.M. in respect of the year 2014-2015	28.09.2015	P.H.D. House, Opp. Asian Games Village, New Delhi – 110 016.	11.00A.M.

In the last Annual General Meeting, no Special Resolution was passed.

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

- To adopt the Audited Balance Sheet as at 31.03.2015 and Statement of P & L and Cash flow Statement for the year ended 31.03.2015.
- 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.
- To appoint a director in place of Sh. Rahul Lal (DIN:06575738) who retires 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.
- To Appointment of Sh. Ajit Hoon (DIN: 00540300) as Additional Director
- Appointment of Sh. Rishi Mohan Bansal, Cost Accountants as Cost Auditors of the Company for the year 2015-16.

Following special resolutions were passed through postal ballot including e-voting for seeking consent of shareholders in the notice of postal ballot dated 28.05.2016.

- Authorized the Director (s) / officer (s) for execution of the Power Project Development MOU/agreement and Lease Rent Agreement.
- Authorized the Director (s) / Officer (s) for sale of surplus land of the Company.

On the basis of the report of scrutinizer the both the above special resolutions as set out in the notice dated 16.05.2016 have been passed by shareholders with the requisite majority on 18.06.2016.

#### (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 related party transaction with the related party transaction in the main Directors report and note no. 3.13 in 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 Regulation 21 of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has 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.
- The internal risks would cover operating risks, financial risks, human risk, system risk, and 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

- Raw Material Risk
- Sugar Price Risk
- 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:-

Cane cultivation area and availability of irrigation facility.

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- 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 and other neighboring factories etc.
- v) Adverse weather conditions, crop disease
- vi) Cane procurement price declared by the State Government and/or Central Government.
- vii) Cane Price Payment to the growers.

#### **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, to pay timely cane price payment to the growers so that there is no fear among the growers for cultivation/agitation and to check diversion of the cane from area.

#### **b. SUGAR PRICE RISK**

Sugar Price in the Domestic and international markets depend primarily on the supply and demand situation. Global prices influence and affect 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. During the season 2015-16 the Company has produced 77.33 % of M 31 sugar up to 29.02.2016. From the start of the season 2015-16 the sugar price, which has dipped to the lowest of Rs. 2100 per qtl. In the month of July & August have shown improvement in the price in the month of March, 2016, the prices hovering around Rs. 3200 per qtl. This will impact the financial position of the Company.

#### **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 Board 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 litres per tonnes of cane crush and installation of cooling tower. In recent order Central Pollution Control Board has revised waste water generation to 200 litres for sugar unit per tone. 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 especially in distillery unit. 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 the cost of installation of pollution control system is very high. In present scenario such in huge investment raise the cost of production too high, resulting in the lower 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. In distillery unit we are expending the capacity from 25 KLPD to 45 KLPD. The equipment installed in expansion will also meet the norms of pollution.

#### **II. GOVERNMENT POLICY RELATED RISKS**

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

- i) State Advised Price (SAP) and Fair Remuneration Price (FMP) 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

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. The Government should declare minimum support price of Sugar as it declares for other crop like wheat paddy etc.

#### **2. CONTROLLABLE RISKS:**

- 1. Productivity
- 2. Drawal rate
- 3. Management bandwidth.



Selection of appropriate machinery and maintenance of the same is critical for continuous operations during the crushing season.

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.

The Company has undertaken the vigorous Cane development activities by encouraging high yield variety Cane (CO 0239), CO 98014m and (CO 0118) and discouraging the rejected variety of cane (COSE 92423 & CO 1148). Earlier the early variety of cane was 20% which is now improved to 47% in this season. This has resulted in the improvement in the sugar pol % from 11.24 to 12.00%. The overall recovery in the Sugar has improved from 9.34% to 11.29%. It is expected we will achieve recovery @11.20%. The increase in the recovery by 0.86% will help to reduce the cost of production.

#### 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 for 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 the requirement of the Central Pollution Control / U.P. Pollution Control Board to run the industry. Further there is also risk associated with the assets of the Company due to loss of fire, riot, strikes, malicious damages, thunder, storm, flood, theft, burglary, earthquake etc.

#### DE-RISKING STRATEGY

The Company have taken insurance policies of buildings, machineries contents and Sugar Stocks against the risk of fire riot, strike, malicious damages flood and hail storm whereas for cash in safe, cash in transit and fidelity guarantee against the risk of theft, burglary and malicious damages.

The bagasse, molasses, spirit and alcohol are also insured against fire, flood, hailstone, strike, riot, internal RSMD and spontaneous combustion. All the vehicles are insured under the comprehensive risk of third party fire, riot, strike, accident etc.

A part 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 as 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 processes efficiency which can be taken up in phases over a period for 2 to 3 years. We have already taken up expansion of capacity of our distillery unit from

25 KL per day to 45 KL per day. After completion of the project the profit from the distillery unit will improve. The Company has entered into an MOU /Agreement with M/s VRD Power Project Ltd for installation of 33 MW power Project in the premises of the Sugar factory.

#### EXPECTED BENEFITS TO THE COMPANY'S SUGAR UNIT:

1. Overall saving due to improved quality and availability of steam and power from M/s.VRD Power Projects Ltd. to Sugar Unit.
2. Saving in maintenance cost of Boiler and Turbines D.G. Set of the sugar unit.
3. Saving in manpower by creating surplus manpower pool from the existing manpower.
4. Net cash accruals received from M/s.VRD Power Projects Ltd will improve the cash inflow of the sugar unit.

It is hoped that due to higher recovery and better realization of sugar the position of the industry including our Company will improve in the current financial Year 2016-17.

#### 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 realization 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

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 organized 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 1051 employees.

#### 6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

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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 Regulation 22 of SEBI (LODR) Regulations, 2015, 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. COMPLIANCE**

1. 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.
2. 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.
3. Adoption of non-mandatory requirements of Regulation 15 of SEBI (LODR) Regulations, 2015 of the Listing Agreement is being reviewed by the Board from time to time. The Company has adopted non-mandatory requirement of Regulation 15 of SEBI (LODR) Regulations, 2015 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.

#### **F. SUBSIDIARY COMPANIES**

The Company does not have any subsidiary Company.

#### **(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](http://www.sirshadilal.com) as per the requirements of under Regulation 29(1)(a) of the SEBI (LODR) Regulation, 2015, all the data related to quarterly financial results, shareholding pattern etc. is posted on corpfiling website i.e. [www.corpfiling.co.in](http://www.corpfiling.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. 3.14 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 2015-16, Shamli Factory started crushing on 13.11.2015 and closed on 22.04.2016. The factory crushed 8096851 quintals of cane at an average recovery of 10.11% producing 822850 quintals of sugar in 162 days of working

The last Crushing Season 2014-15 was started on 21.11.2014 and closed on 17.05.2015. The factory crushed 9182539 quintals of cane at an average recovery of 9.34% producing 857570 quintals of sugar in 178 days of working.

The average cost of Cane for the financial year 2015-16 is Rs.277.37 per quintal as against Rs. 282.99 per quintal for the financial year 2014-15. The average sugar realization during the financial year 2015-16 is Rs.2589.91 per quintal as against Rs. 2919.42 per quintal during the last financial year 2014-15.

#### UNIT – SHAMLI DISTILLERY & CHEMICAL WORKS, SHAMLI

In Shamli Distillery, the production is 5304161 BL during the year 2015-16 as against 6060484 BL during the last financial year 2014-15. During the year 2015-16, Fermentation % was 89.05% as against 89.12% during 2014-15 Distillation % was 98.03% as against 98.07% during last year. Overall % was 86.97% as against 87.08% during 2014-15. During the year 2015-16 the recovery in AL was 23.23% as against 23.04% during last year. Molasses rate was Rs. 398.87 per quintal during the year 2015-16 as against Rs.415.63 per quintal during the year 2014-15. Shamli Distillery earned profit of Rs.169.86 Lacs during the year 2015-16 as against Rs. 303.87 Lacs during last year in 2014-15

#### SUGAR PRODUCTION AND CONSUMPTION:

The all India sugar production upto 30th April, 2016 is around 246.03 Lac MT as against 276.04 Lac MT in the corresponding period of previous season which is down by 11% as compared to previous year. Maharashtra has produced 83.75 Lac MT of sugar upto 30.4.2016 as against 103.45 Lac MT in the same corresponding period in the previous season. U.P. has produced 68 Lac MT of sugar upto 30.4.2016 as against 70.42 Lac MT in the same corresponding period last season. Due to good weather condition in the state and substantial improvement in the cane varieties and their acreage in the state, the average sugar recovery in U.P. is higher than that of the last year by around 1%. Karnataka has produced 40.37 Lac MT of sugar upto 30.4.2016 as against 48.06 Lac MT in the same

corresponding period of last year. Gujarat, Tamil Nadu, Andhra Pradesh and other states have produced 53.91 Lac MT upto 30.4.2016 as against 54.79 Lac MT in the corresponding period of last year. Due to less rain fall and lower water availability in some districts of Maharashtra and north Karnataka, sugar production was less as compared to last year.

The current season sugar production is expected to the 251 Lac MT as against 283 Lac MT in the previous season. Last year's carry forward stock of sugar was 90 Lac MT and the total availability of sugar in the country will be 342 Lac MT net. The consumption in season 2015-16 is expected at 255 Lac MT and export is around 15 lac tonnes. Still the expected stock at the close of 2015-16 in September, 2016 will be around 71 Lac MT. In the next season, due to drought and less rain fall in Maharashtra and Karnataka the acreage for sugar cane available for harvesting in 2016-17 season will be lower.

In U.P. the acreage of early variety of cane i.e. Co Sugar 0238 will go up and average sugar % recovery will be higher as compared to the season 2015-16. The production from Maharashtra and Karnataka is expected to be lower due to less rain fall and drought situation. According to the primary estimates the production in season 2016-17 is expected to be at 240 lac tones..

#### OPPORTUNITIES AND THREAT

##### TREND IN THE DOMESTIC SUGAR PRICE:

Due to expected less sugar production and announcement of export of 40 Lac MT of sugar in 2015-16, the sugar prices which have fallen continuously from April, 2015 to August, 2015 have now improved from November, 2015 onwards. The average sugar realization of our sugar unit for the season 2014-15 was Rs.2511.40 per qtl. while the average realization from December, 2015 to 15th July, 2016 is Rs.3258.67 per qtl. The price of sugar are ruling around Rs.3500 - Rs. 3600 per qtl. Due to increase in the prices of sugar the Govt. imposed restriction on stock holding and turn over limit to stabilize the price. Further the Govt. has imposed 20% export duty on export of sugar. It is hoped that the price will be maintained around Rs.3400- 3500/- per qtl in the balance period.

##### CANE PRICE:

The U.P. Govt. has announced State Advisory Price (SAP) for the sugar season 2015-16 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. 230/- per qtl. of Central Govt. As a temporary and immediate relief, the State Govt. did not enhance the SAP of sugarcane for the year 2015-16 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.230/- per qtl is payable within 14 days of the purchase of cane and balance Rs.50/- per qtl. will be paid within three months after close of the season. Out of the balance of Rs.50/- per qtl. a relief of Rs.35/- per qtl. was announced by the State Govt. by way of Society Commission, Purchase tax, Entry tax on sugar Rs. 11.70 per qtl of cane and additional relief of Rs.23.30 per qtl. will be made available.

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If the average price of sugar, molasses, bagasse and press mud remain below Rs.3193/- Rs.402/- Rs.172 and Rs.27/- per qtl respectively during the period from 1st October, 2015 to 31st May, 2016 on the average recovery of sugar of 9.54% , molasses at 4.93%, bagasse at 8% and press mud at 3% per qtl. If the price of sugar, molasses, bagasse and press mud calculated above on the average recovery of sugar and molasses remain above by products, the additional relief will not be allowed. As mentioned earlier, the sugar prices and the average recovery of sugar in U.P. remained higher than the notified parameters, therefore it is expected that sugar mills in U.P. will not be entitled for additional relief of Rs.23.30 per qtl.

**CANE PRICE ARREAR:**

The total cane arrears in Uttar Pradesh are estimated at about Rs. 2100 Crores of this, four sugar companies between them have owed dues worth Rs.1800 crores. At the start of the season 2015-16 the cane price arrears for the season 2014-15 in respect of our sugar unit was Rs.65 Crores Out of the production of sugar season 2015-16 the Company has paid the entire cane price for the season 2014-15 by taking CC limit of Rs.20 Crores. from PNB and Rs.19.50 Crores from, DCB, Ghaziabad and the balance Rs.25.50 Crores out of the sale of sugar of 2015-16 production. During the season 2015-16 the cane price @Rs.280/- per qtl. is Rs. 227.91 Crores out of which we have paid Rs.114.37 Crores upto 15.07.2016 and balance Rs.113.54 Crores is to be paid partly sale of balance sugar stock and balance will be carried forward to the next season.

**OUTLOOK AND CHALLENGES BEFORE THE SUGAR MILLS:**

The Sugar industry which is the largest agro based industry in the country for the last five years are 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 phenomenon 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.

In the next crushing season 2016-17 due to State Assembly elections, it is expected that the State Advise Cane price will increase substantially.

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 clear the cane price. 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 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 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 Judgement 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. 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 five consecutive years and mills are finding it difficult to meet the requirement of margin money. Investors are losing 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 2015-16.

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 payments 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 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.

#### **ALCOHOL & ETHANOL BLENDING**

Ethanol, produced from the by-product of the sugar industry, viz, Molasses is by product in the sugar manufacturing process. Alcohol output from sugar mills is sold as rectified spirits (for industrial uses or as potable alcohol), fuel ethanol (for blending with petrol) or as extra neutral alcohol (to liquor manufacturers). In addition, some sugar mills, which have requisite licenses, also sell alcohol as country liquor or as IMFL.

The Ethanol Blending Programme (EBP) was launched to promote green fuel and reduce the country's oil import bill; the Government of India (GoI) mandated a minimum ethanol blending of 5% with petrol from June 2013. However, till date, EBP has continued to fall short of its targets due to several challenges, the major one being delays in the completion of the tendering process due to the pricing issues between the producers and OMCs. Other challenges include, levies imposed by various states on the inter-state movement of ethanol despite it being a central subject, mandatory requirement of various excise permits, often to be submitted manually, and fixed prices of ethanol for supplies even beyond 300 kilometers that adds to transportation costs.

Recently, The Government of India also modified the policy for procurement of ethanol under the EBP, providing a new process that smoothen the entire ethanol supply chain and fixed the ex-depot price of ethanol in the range of Rs. 48.50 to Rs. 49.50 per litre for SY15, based on the distance between the mill and OMC depot/ installation (<100 km – Rs. 48.50/ litre; 101-300 kms- Rs. 49.00/ litre and beyond 300 kms- Rs. 49.50/ litre). This rate is based on an underlying ex-mill realization of Rs. 42.02/litre, which is linked to the FRP of sugarcane as fixed by the central government. While this rate is higher than the average rate of ~ Rs. 35/litre paid for petrol to refiners by OMCs, lower excise duties payable on ethanol will lead to lower delivered costs at the pumps, thereby resulting in a saving of Rs. 2/- 2.50/ litre for the OMCs.

The new mechanism is expected to result in faster ordering and supplies of ethanol to OMCs (against around 8-9 months in the earlier system of price discovery through tenders), thereby enabling sugar mills to plan their ethanol production in advance. Linkage of ethanol prices with cane price has also led to insulation of mills and cane growers against any vagaries in the prices of global crude oil prices. Further, with ethanol realizations under the new mechanism being 1.5-1.6 times that of sugar mills will be incentivized to produce ethanol from B-grade molasses as compared to C-grade molasses. Lower sugar production due to more production of B heavy molasses could also ease the pressure on industry which is saddled with significant existing stockpiles. Lack of incentives to sugar mills had resulted in a poor response

to the tenders floated during the last fiscal year. This is due to the fact that even after a depot price of Rs. 48.50-49.50/litre, the operating margins for the sugar mills were thin after the various levies & taxes and logistic costs, as a result of which ethanol was being diverted at higher prices to potable alcohol manufacturers.

In order to help cash-stressed sugar mills clear their dues towards farmers and improve the availability of ethanol for blending with petrol, the government has scrapped the central excise duty levied on ethanol for supplies to public sector oil marketing companies. The central excise duty on ethanol stood at 12.36%. The Central Board of Excise and Customs (CBEC) has notified withdrawal of this duty on ethanol produced from molasses generated from cane crushed in the sugar season 2015-16, i.e. October, 1, 2015, onwards.

The withdrawal of duty will help sugar mills to get Rs. 5/litre extra on ethanol they produce from sugarcane, which will help sugar industry to price ethanol competitively without compromising on margins to get better deals from the oil companies. The duty withdrawal will also help the sugar industry to improve their liquidity, which will help on clearing cane arrears.

The overall domestic distillation capacity currently stands at 2.24 million KL of alcohol annually; the major procurers are the chemical industry with 0.60 million KL requirement, potable alcohol industry with 1.10 million KL and OMCs with 2.60 million KL annual requirement (under mandatory 10% EBP).

The overall domestic distillation capacity is thus around 14% lower than the quantity needed to achieve the targeted 10% blending. Also, with a normal capacity utilization of 85-90%, the existing capacity would be able to meet ~75% of the procured quantity, thus leaving a shortfall of ~0.65-0.70 million KL. Additional investments would be required to create additional distillation capacity to fulfill the requirements.

OMC have floated tender on 27.08.2015 for 2660 million litre for the year December, 2015 to November, 2016 out of which 1196 million litre finalized and contract made for 1108 million litre. We are submitted our offer for 4200 KL against which we were allotted 3453 KL of ethanol by the oil marketing company against the said contracted quantity 1638 KL of ethanol up to June, 2016 and balance quantity of 1815 KL ethanol is to be completed by November, 2016.

#### **POWER PROJECT DEVELOPMENT MOU / AGREEMENT**

In the present scenario the business module has been completely changed and the growth of the Company is possible when we move towards an integrated business model i.e. Sugar, Co-gen and Distillery. In the present circumstances the Co-gen plant cannot be taken up in the existing Company because of losses during the last 5-6 years and negative net worth of the Company facing financial problems in getting funds from banks and financial institutions. The promoters of the Company have formed a separate SPV Company/ Joint Venture company namely VRD Power Project Ltd for taking up of power project.

The approx. cost of the power project is Rs. 175 Crores and the project is expected to be commissioned within eighteen months from the date of execution of the Agreement. Funds for the power

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project will be raised from IREDA. The Company has entered into MOU with VRD Power Project Ltd. on 08.04.2016 after the approval of Audit Committee at its meeting held on 02.04.2016 and Board Meeting held on 05.04.2016 has unanimously approved the MOU. The shareholders approval has also been obtained by way of postal ballot on 18.06.2016.

**EXPECTED BENEFITS TO THE COMPANY'S SUGAR UNIT:**

1. Overall saving due to improved quality and availability of steam and power from M/s. VRD Power Projects Ltd. to Sugar Unit.
2. Saving in maintenance cost of Boiler and Turbines D.G. Set of the sugar unit.
3. Saving in manpower by creating surplus manpower pool

from the existing manpower.

4. Net cash accruals received from M/s. VRD Power Projects Ltd will improve the cash inflow of the sugar unit.

The proposed power project will improve the financial position of the company.

Your Company's Management is of the opinion that considering the cyclical nature of the sugar industry and the losses suffered by the Company to meet the challenging times as a part of the Company's business strategy, the board assessed various restructuring options to optimize and streamline the operations for effective Management of the company. It has been decided by the Board to consolidate, expand and integrate operations of the sugar and distillery units by entering into agreement with VRD Power Projects Ltd. in power sector also.

**(14) GENERAL SHAREHOLDERS INFORMATION:**

- |   |   |
|---|---|
| a) <b>Annual General Meeting:</b>         |   |
| Date, Time and Venue of                   | : 26th September, 2016 at 11.00 A.M.  |
| Next Annual General Meeting               | P.H.D. House, 4/2, Siri Institutional Area, August Kranti Marg, Opposite Asian Games Village, New Delhi - 110 016   |
| b) <b>Financial Calendar (2016-17):</b>   |   |
| Financial reporting for the               |   |
| quarter ending 30th June, 2016            | : Upto 15th August, 2016  |
| Financial reporting for the quarter       |   |
| ending 30th September, 2016               | : Upto 15th November, 2016  |
| Financial reporting for the               |   |
| quarter ending 31st December, 2016        | : Upto 15th February, 2017  |
| Financial reporting for the               |   |
| quarter ending 31st March, 2017           | : 30th May, 2017  |
| c) <b>Date of Books closure</b>           | : 14th September, 2016 to 26th September, 2016 (Both days inclusive)  |
| d) <b>Dividend payment date</b>           | : NIL   |
| e) <b>Listing on Stock Exchange</b>       | : Bombay Stock Exchange Ltd.<br>25th Floor, P.J. Tower, Dalal Street,<br>Mumbai – 400 001<br>: The Company has paid the listing fee to<br>Bombay Stock Exchange Ltd. for the<br>financial year 2016-17. |
| f) <b>Stock Code</b>                      | : 532879 of Bombay Stock Exchange Ltd.  |
| g) <b>Corporate Identity Number (CIN)</b> | : Our Corporate Identity No. is L51909DL1933PLC009509,<br>allotted by the Ministry of Company Affairs, Government of<br>India and our Company Registration No. is 9509                                  |



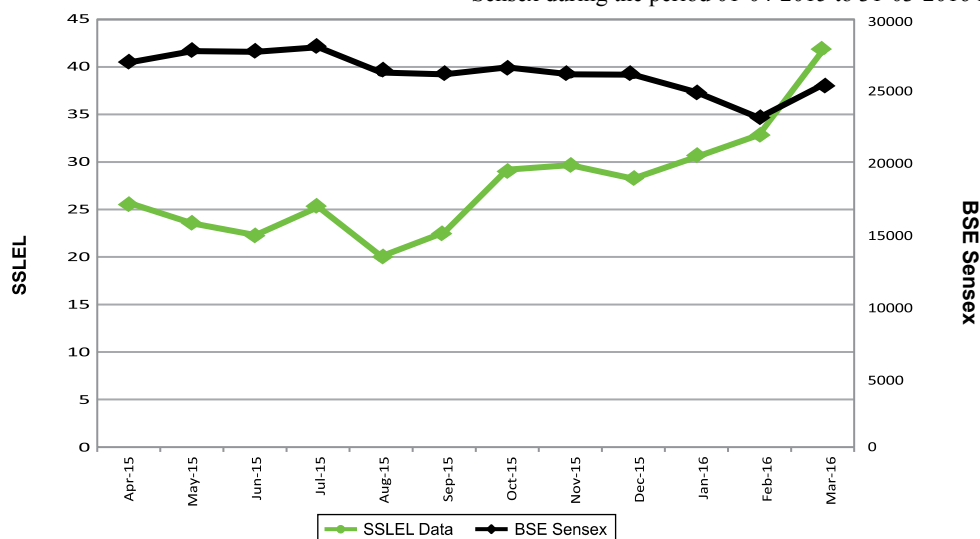
#### h) Market Price Data :

The Market Price Data and Volume from 1st April, 2015 to 31st March, 2016 on the Bombay Stock Exchange Limited, Mumbai is given below:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded
April, 2015	25.60	21.40	1052
May, 2015	25.95	21.30	1190
June, 2015	25.65	22.20	1194
July, 2015	25.20	19.00	1596
August, 2015	26.45	18.50	3627
September, 2015	22.50	19.00	583
October, 2015	29.25	22.50	14102
November, 2015	36.00	29.50	40592
December, 2015	33.40	25.50	13356
January, 2016	35.70	28.70	22405
February, 2016	33.00	25.10	10558
March, 2016	41.70	30.50	129877

#### i) BSE Sensex, Crisil Index etc

: Performance of share price of your company in comparison to BSE Sensex during the period 01-04-2015 to 31-03-2016 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.

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## SIR SHADI LAL ENTERPRISES LIMITED

CORPORATE GOVERNANCE CONTD.....

### 1) Distribution of Shareholding and Shareholding pattern as on 31.03.2016

#### (i) Distribution of Shareholding:

Category	No. of Shareholders	%age	Physical	NSDL Demat	CDSL Demat	Total No. of Shares	%age
1 – 500	6466	92.213	84232	90820	43278	218330	4.159
501 to 1000	220	3.137	57251	66231	28242	151724	2.890
1001 to 2000	128	1.825	55329	86883	39910	182122	3.469
2001 to 3000	60	0.857	48148	53823	47311	149282	2.843
3001 to 4000	30	0.428	21663	53717	31194	106574	2.03
4001 to 5000	16	0.228	13190	46911	13378	73479	1.40
5001 to 10000	42	0.599	108859	128499	40756	278114	5.297
10001 and above	50	0.713	180119	2872129	1038127	4090375	77.912
<b>Total</b>	<b>7012</b>	<b>100.000</b>	<b>568791</b>	<b>3399013</b>	<b>1282196</b>	<b>5250000</b>	<b>100.000</b>

#### (ii) Shareholding Pattern:

	Physical Form		Demat Form		Total	
	No. of Shares	(%age)	No. of Shares	(%age)	No. of Shares	(%age)
<b>A. Promoters' Holding</b>						
1. Indian Promoters	–	–	2895032	55.143	2895032	55.143
2. Foreign Promoters	–	–	–	–	–	–
<b>Total (A)</b>	<b>–</b>	<b>–</b>	<b>2895032</b>	<b>55.143</b>	<b>2895032</b>	<b>55.143</b>
<b>B. Non-Promoters Holding</b>						
<b>(i) Institutional Investors</b>						
1. Mutual Funds and UTI	–	–	–	–	–	–
2. Banks, Financial Institutions, Insurance Companies, (Central/State Government Institutions, Non-Government Institutions)	–	–	348470	6.638	348470	6.638
3. FIIs	–	–	–	–	–	–
<b>Sub-total (B-i)</b>	<b>–</b>	<b>–</b>	<b>348470</b>	<b>6.638</b>	<b>348470</b>	<b>6.638</b>
<b>(ii) Non-Institutional</b>						
1. Private Corporate Bodies	18676	0.356	311939	5.941	330615	6.297
2. Indian Public	547838	10.436	1098159	20.917	1645997	31.353
3. NRIs	2277	0.043	27609	0.526	29886	0.569
<b>Sub total (B-ii)</b>	<b>568791</b>	<b>10.835</b>	<b>1437707</b>	<b>27.384</b>	<b>2006498</b>	<b>38.219</b>
<b>Total (B)</b>	<b>568791</b>	<b>10.835</b>	<b>1786177</b>	<b>34.022</b>	<b>2354968</b>	<b>44.857</b>
<b>Grand Total (A+B)</b>	<b>568791</b>	<b>10.835</b>	<b>4681209</b>	<b>89.165</b>	<b>5250000</b>	<b>100.000</b>

#### (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 31.3.2016, 89.166% of the Equity Shares of the company were in dematerialized form and the balance 10.834% shares in physical form.

#### Status of Dematerialization as on March 31, 2016

Particulars	No. of Shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	3399013	64.743	1895
Central Depository Services (India) Limited	1282196	24.422	955
<b>TOTAL DEMATERIALIZED</b>	<b>4681209</b>	<b>89.165</b>	<b>2850</b>
PHYSICAL	568791	10.835	4162
<b>GRAND TOTAL</b>	<b>5250000</b>	<b>100.000</b>	<b>7012</b>



**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 205C of the Companies Act, 1956. 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 166 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) (<http://www.iepf.gov.in>).

Pursuant to Section 205C of the Companies Act, 1956, 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, 2015	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, 2016	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, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

**q) Plant Location**

- |     |  |  |
|-----|--|--|
| i)  | Upper Doab Sugar Mills,<br>SHAMLI – 247 776 (U.P.)             | Ph. No. : 01398 - 250064<br>Fax No. : 01398 - 250032 |
| ii) | Shamli Distillery & Chemical Works,<br>SHAMLI – 247 776 (U.P.) | Ph. No. : 01398 - 250100<br>Fax No. : 01398 - 250097 |

**r) Address for Correspondence**

**REGISTERED OFFICE**

4-A, Hansalaya,  
15, Barakhamba Road,  
NEW DELHI-110 001

Telephones:  
011-23316409  
011-23310414  
Fax: 011-23722193

**SHARE TRANSFER AGENT**

M/s.Alankit Assignments Ltd.,  
'Alankit House' 2-E/21,  
Jhandewalan Extn.  
NEW DELHI-110 055.

Telephones:  
011-23541234  
011-42541234  
Fax: 011-42540064

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

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## SIR SHADI LAL ENTERPRISES LIMITED

- s) **Secretarial Auditor** : As a measure of good corporate governance practice, 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, 2016.
- 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 Exchange 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** : Mr. Akhilesh Kumar Singh is 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 Auditors 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 SEBI (LODR) Regulations, 2015 and the same is annexed to the Directors' Report on Corporate Governance.  
The certificate from the Statutory Auditors will be sent to the listed Stock Exchanges along with Annual Report of the Company.
- (17) **CEO/CFO Certification** : Pursuant to SEBI (LODR) Regulations, 2015, 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 28th May, 2016.

For and On Behalf of the Board of Directors of

Sir Shadi Lal Enterprises Ltd

**Onke Aggarwal**

Chairman

(DIN-00141124)

Place : New Delhi

Dated : 29.07.2016

**CEO/CFO CERTIFICATION**

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

- A) We have reviewed the Balance Sheet as at 31st March, 2016, Statement of Profit & Loss for the year ended on that date along with its notes, notes to accounts and the Cash Flow Statement for the year and 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 .

Place : New Delhi  
Dated : 28th May, 2016

P. K. Goyal  
Chief Financial Officer

Rajat Lal  
Managing Director





## SIR SHADI LAL ENTERPRISES LIMITED

### CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

Sir Shadi Lal Enterprises Limited,

4- A, Hansalaya, 15, Barakhamba Road, New Delhi- 110 001

We have examined the compliance of the conditions of Corporate Governance by Sir Shadi Lal Enterprises Limited ("the Company") for the year ended on 31st March 2016 as stipulated in clause 49 of the listing agreement ("Listing Agreement") of the Company with stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period 1st December, 2015 to 31st March, 2016.

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. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the 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 above mentioned Listing Agreement/ Listing Regulations, as applicable.

We further 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 : 29th July, 2016

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, 2016, the Statement of Profit & Loss and the 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 and presentation 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 on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial

control relevant to the Company's preparation of the financial statements that give a true & 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 on the financial statements.

### Emphasis of matter

1. "Other Operating Revenue include reimbursement of Society Commission Rs. 1,60,30,339/- relating to erstwhile "UNN Sugar Unit" of the company, for the season 2012-13, which is being pursued for recovery/adjustment, as stated in Note No. 3.8 of the aforesaid Financial Statement.
2. Attention is invited to note no. 3.9 to 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. At the close of financial year ended on 31.03. 2014, the Company has become Sick Industrial Company under provision of Sick Industrial Company (Special Provisions) Act, 1985. This fact was reported to BIFR, consequently the Company has been registered under BIFR on 03.02.2016 as Case no. 23/2016.
3. The Company has not maintained accounts on "Accrual Basis" to the extent:
  - i) of Rs.17,25,35,188/- as stated in Note No. 3.5 of the aforesaid Financial Statement in respect of interest on late payment of cane price, and
  - ii) as stated in Note No. 3.7 of the aforesaid Financial Statement in respect of liability (not determined by the company) towards bonus relating to financial year 2014-15 in accordance with revised Bonus Notification dated 1st January, 2016.

### Basis for Qualified Opinion

1. As stated in Note No. 3.1 provision for bad & doubtful debts has been short provided by Rs. 1,50,37,693/-. Had this provision been made the profit for the year would have been lower to that extent.
2. As stated in Note No. 3.3 of the aforesaid financial statement, the method for arriving cost of sugar

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production has been changed this year, resulting in increase in value of closing stock of sugar by Rs. 2,45,03,240/-. Had there been no deviation in method of arriving cost of production of sugar, the profit for the year would have been lower by Rs. 2,45,03,240/- and deficit appearing under the head "Reserves & Surplus" would have been higher to that extent.

3. As stated in Note No. 3.6 of the aforesaid Financial Statement, the Company has decided that in deviation of past practice, to book the value of the closing stock of Bagasse at the close of the year by Rs. 1,06,61,786/-. Had there been no deviation the profit for the year would have been lower to that extent and deficit appearing under the head "Reserves & Surplus" would have been higher to that extent in the Balance Sheet.
4. In view of carry forward losses and also that the company has become a sick company, the Deferred Tax Asset Rs. 68,81,11,332/-, which was provided in earlier years, in absence of virtual certainty about future profitability, the recovery of which is uncertain, in our opinion, the decision of management in continuing the carry forward of the aforesaid Deferred Tax Asset, in terms of Accounting Standard-22, is not desirable. Had the impact of aforesaid Deferred Tax Asset been reversed, the deficit appearing under "Reserves & Surplus" would have been Rs. 1,25,02,67,430/- as against the reported figure of Rs. 56,21,56,098/- in the balance sheet.

As stated in Note No.3.10 to the Financial Statements, the management has however decided, not to account for the effect of Deferred Taxation for the current year.

5. The aggregate impact of aforesaid para 1-4 results in increase in profit for the year by Rs.5,02,02,719/-. Had the aforesaid adjustments not been made by the company the figure of profit for the year Rs.2,01,20,944/- would have been converted into a loss for the year to Rs. 3,00,81,775/ and the deficit appearing under the head "Reserves & Surplus" would have been higher by Rs. 73,83,13,051/- in the Balance Sheet.

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, except for the effect of matters stated in the Basis for Qualified Opinion paragraph above, 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, 2016, and its profit 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, 2016 ("the Order") as amended, 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" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, except as stated herein above.
  - e) on the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements, (Refer Note No. 2.30 of the Financial Statements);
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
    - iii) 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*

Place : New Delhi  
Dated : 28th May, 2016

Membership No. 6470



## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

### Report of even date on the financial statements of Sir Shadi Lal Enterprises Limited for the year ended on 31st March, 2016:

- 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.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are stated to be held in the name of the Company. The original Title Deeds were not produced to us for our verification and we were told that same are deposited as security with IFCL.
- 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) 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. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees, and security.
- 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 2016, 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 information & explanations given to us and on the basis of our examination of the records of the Company, there is no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, value added 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, value added 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.
- viii. 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 State Bank of India. Balance due to State Bank of India since the beginning of the year Rs.60,35,45,834/- was not paid during the year, however the Company is regular in payment of interest on said loan.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

H. K. Chadha

Partner

Membership No. 6470

Place : New Delhi  
Dated : 28th May, 2016

CONTD.....





**“Annexure B” to Independent Auditors’ Report of even date on the financial statements of Sir Shadi Lal Enterprises Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Sir Shadi Lal Enterprises Limited (“the Company”) as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over



financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

H. K. Chadha  
Partner

Membership No. 6470

Place : New Delhi  
Dated : 28th May, 2016

**(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, 2016).**

Following are the particulars of disputed dues (provided/considered contingent liability, as appropriate) as on 31.03.2016 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	3.98	2012-2013	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/ Service Tax	4.01 10.92 3.94 55.63 55.73	2007 – 2008 2008 – 2009 2008 – 2009 2011 – 2012 2011 – 2012	CESTAT CESTAT CESTAT CESTAT (Demand) CESTAT (Penalty)
Central Excise Act	Penalty/Reversal of Modvat Credit/ Service Tax	0.68 0.03	2005 – 2006 2014 – 2015	Commissioner/(Asst. Commissioner) Commissioner Appeal, (Penalty)
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	2001 – 2002	High Court, 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 : 28th May, 2016





# SIR SHADI LAL ENTERPRISES LIMITED

## BALANCE SHEET

AS AT 31ST MARCH, 2016

	Note No.	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	5,25,00,000	5,25,00,000
Reserves and surplus	2.2	(56,21,56,098)	(58,22,77,042)
		<b>(50,96,56,098)</b>	<b>(52,97,77,042)</b>
<b>Non-current liabilities</b>			
Long - term borrowings	2.3	13,40,43,000	18,55,98,000
Other long term liabilities	2.4	80,01,500	75,01,500
Long-term provisions	2.5	4,86,90,640	4,80,54,158
<b>Total non-current liabilities</b>		<b>19,07,35,140</b>	<b>24,11,53,658</b>
<b>Current liabilities</b>			
Short - term borrowings	2.6	1,21,23,75,423	1,17,16,31,928
Trade payables	2.7	1,94,43,67,961	1,42,56,58,645
Other current liabilities	2.8	16,58,97,673	10,37,81,138
Short-term provisions	2.9	11,42,43,862	7,89,23,459
<b>Total current liabilities</b>		<b>3,43,68,84,919</b>	<b>2,77,99,95,170</b>
<b>Total</b>		<b>3,11,79,63,961</b>	<b>2,49,13,71,786</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	2.10	14,11,98,925	14,91,98,982
- Capital Work in Progress		17,18,648	17,18,648
Non - Current Investments	2.11	20	20
Deferred tax assets (net)	2.12	68,81,11,332	68,81,11,332
Long - term loans and advances	2.13	1,70,08,840	35,13,840
Other non - current Assets	2.14	16,97,826	40,97,826
<b>Total non - current assets</b>		<b>84,97,35,591</b>	<b>84,66,40,648</b>
<b>Current assets</b>			
Current Investments	2.15	-	3,00,00,000
Inventories	2.16	1,85,59,02,483	1,18,87,63,802
Trade Receivables	2.17	3,13,30,485	3,81,23,853
Cash and cash equivalents	2.18	26,04,36,279	25,70,95,343
Short - term loans and advances	2.19	7,91,16,578	7,71,86,838
Other current assets	2.20	4,14,42,545	5,35,61,302
<b>Total current assets</b>		<b>2,26,82,28,370</b>	<b>1,64,47,31,138</b>
<b>Total</b>		<b>3,11,79,63,961</b>	<b>2,49,13,71,786</b>

### 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.C. Sharma (DIN : 00023274)

Radhika Viswanathan Hoon (DIN : 06436444)

Ajit Hoon (DIN : 00540300)

H.K. CHADHA  
Partner  
Membership No. 6470  
Place : New Delhi  
Date : 28th May, 2016

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, 2016

	Note No.	For the year ended March 31, 2016 Rs.	For the year ended March 31, 2015 Rs.
Revenue from operations	2.21	2,74,88,75,264	3,99,74,87,252
Other Income	2.22	2,85,43,946	2,77,09,611
<b>Total Revenue</b>		<b>2,77,74,19,210</b>	<b>4,02,51,96,863</b>
<b>Expenses</b>			
Cost of material consumed	2.23	2,71,04,09,532	3,10,75,02,320
Changes in Inventories of Finished goods, Work in progress & Stock in trade	2.24	(59,83,13,680)	74,00,94,391
Employee benefits expense	2.25	26,56,89,771	30,62,77,387
Finance cost	2.26	15,06,84,660	22,53,33,249
Depreciation	2.27	1,57,41,456	3,27,62,328
Other expenses	2.28	23,23,07,155	27,87,49,720
<b>Total Expenses</b>		<b>2,77,65,18,894</b>	<b>4,69,07,19,395</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>9,00,316</b>	<b>(66,55,22,532)</b>
<b>Exceptional items</b>	2.29	1,92,20,628	16,36,99,600
<b>Profit / (Loss) before tax</b>		<b>2,01,20,944</b>	<b>(50,18,22,932)</b>
<b>Tax expense:</b>			
Current tax (Refund of Income Tax relating to earlier years)		-	28,59,100
Deferred tax Assets (Refer Note No. 3.10)		-	18,95,55,563
<b>Profit / (Loss) for the year</b>		<b>2,01,20,944</b>	<b>(30,94,08,269)</b>
<b>Number of Shares</b>		<b>52,50,000</b>	<b>52,50,000</b>
<b>Earnings per equity share</b>			
– Basic		3.833	(58.935)
– Diluted		3.833	(58.935)

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

H.K. CHADHA  
Partner  
Membership No. 6470  
Place : New Delhi  
Date : 28th May, 2016

RAHUL LAL  
Executive Director  
(DIN : 06575738)

VIVEK VISWANATHAN  
Joint Managing Director  
(DIN : 00141053)

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

RAJAT LAL  
Managing Director  
(DIN : 00112489)

#### Directors :

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

CONTD.....



**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**

Depreciation on Fixed Assets is provided on the written down value method in accordance with Schedule II of the Company Act 2013 and adopted useful life as stated in Schedule II alongwith residual value of 5% of the cost of assets except, fixed assets individually costing upto Rs. 5000 is being fully depreciated in the year of purchase.

**1.4** Upto last year closing stock of Bagasse, being not material, was not incorporated in books of accounts, whereas this year the same has been valued at estimated realizable value and has been treated as stock in hand at the close of the year.

**1.5 Inventory Valuation**

- a) Raw materials and stores & spares are valued at average cost.
- b) Work-in-Progress 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 and Bagasse has been valued at net realisable value because their cost price is not ascertainable.

**1.6 Other Current Assets**

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

**1.7 Investments**

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

**1.8 Sales**

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

**1.9 Recognition of Income/ Expenditure**

Income/Expenditure are accounted for on accrual basis, except as specifically stated otherwise in financial statements.

**1.10 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.

**1.11 Employee Benefits**

**a) Short term employee benefits:**

All employees 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, 2016 Rs.	As at March 31, 2015 Rs.
<b>2.1.1 Authorised</b>		
2,00,00,000 (Previous year 2,00,00,000) Equity Shares of Rs.10/- each.	20,00,00,000	20,00,00,000
	<b>20,00,00,000</b>	<b>20,00,00,000</b>
<b>2.1.2 Issued, subscribed and fully paid up</b>		
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
	<b>5,25,00,000</b>	<b>5,25,00,000</b>
<b>2.1.3 Reconciliation of the number of shares :</b>	<b>Nos.</b>	<b>Nos.</b>
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, 2016		As at March 31, 2015	
	No. of Shares	%	No. of Shares	%
<b>Promoters Holding</b>				
i. Sh. Rajat Lal	943421	17.970	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
<b>Other Shareholders</b>				
i. LIC of India	340026	6.477	340026	6.477

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<b>2.2 RESERVES &amp; SURPLUS</b>		
<b>Capital Redemption Reserve</b>		
Opening balance	35,70,180	35,70,180
<b>General Reserve</b>		
Opening balance	—	—
Surplus / (Deficit) as per last Balance Sheet	(58,58,47,222)	(27,64,38,953)
<b>Surplus/(Loss) as per Statement of Profit &amp; Loss</b>	2,01,20,944	(30,94,08,269)
Total Deficit	(56,57,26,278)	(58,58,47,222)
<b>Net Reserves / (Deficit)</b>	<b>(56,21,56,098)</b>	<b>(58,22,77,042)</b>
- Figures in bracket ( ) denote minus figures		

CONTD.....



## SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO ACCOUNTS CONTD.....

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<b>2.3 LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>Term Loans</b>		
<b>From Banks :</b>		
(i) Punjab National Bank (SEFASU LOAN)	10,53,00,000	14,58,00,000
(ii) District Co-Operative Bank, Ghaziabad (SEFASU LOAN)	2,87,43,000 <b>13,40,43,000</b>	3,97,98,000 <b>18,55,98,000</b>
2.3.1 SEFASU Loan from PNB, Shamli Secured against FDR of Rs. 15,81,89,989/- and Hypothecation of Current Assets of finished and semi-finished stock of sugar, molasses, raw materials & stores and also first pari passu charge on the fixed assets of the Company unit at Shamli.		
2.3.2 SEFASU Loan from DCB, Ghaziabad Secured against FDR of Rs. 3,00,00,000/- and also residual charge on Fixed Assets.		
<b>2.3.3 Repayment Schedule</b>		
	<b>SEFASU Loan from PNB, Shamli</b>	<b>SEFASU Loan from DCB Ghaziabad</b>
<b>Repayable in :</b>		
F.Y. 2017-18	4,86,00,000	1,32,66,000
F.Y. 2018-19	4,86,00,000	1,32,66,000
F.Y. 2019-20	81,00,000	22,11,000
	<b>10,53,00,000</b>	<b>2,87,43,000</b>
<b>2.4 OTHER LONG TERM LIABILITIES</b>		
Earnest Money and Security Deposits	80,01,500	75,01,500
	<b>80,01,500</b>	<b>75,01,500</b>
<b>2.5 LONG TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
– Gratuity	4,15,12,250	3,89,42,176
– Leave salary	61,51,971	79,97,144
– Expenses	10,26,419	11,14,838
	<b>4,86,90,640</b>	<b>4,80,54,158</b>
<b>2.6 SHORT TERM BORROWINGS</b>		
<b>Loan Repayable on Demand :</b>		
<b>From Banks :</b>		
– Secured (Cash Credit)		
State Bank of India	60,35,45,834	59,78,32,747
Punjab National Bank	20,02,20,286	20,24,21,244
District Co-Operative Bank	30,29,22,116	1,10,66,88,236
– Unsecured (Cash Credit)	–	20,33,85,431
		1,00,36,39,422
<b>From Related Parties :</b>		
– Unsecured	10,56,87,187	4,87,43,634
	<b>1,21,23,75,423</b>	<b>11,92,48,872</b>
	<b>1,21,23,75,423</b>	<b>1,17,16,31,928</b>



2.6.1 Loan from State Bank of India of Rs. 60,35,45,834/- secured against by way of Hypothecation of the current assets including Finished & Semi-finished stocks, raw materials, stores and spares of Sugar Unit of the Company of the book value of Rs. 93,69,58,214/- and also 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. 20,02,20,286/- from Punjab National Bank, Shamli is secured by way of pledging of Sugar stock of the book value of Rs. 24,77,41,094/- and also by way of Collateral Security on second pari passu charge on the fixed assets including extension of Equitable Mortgage of land and building of the Company at Shamli.

The working capital loan of Rs. 30,29,22,116/- from District Co-Operative Bank, Ghaziabad is secured by way of pledging of Sugar stock of the book value of Rs. 39,92,03,446/-.

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<b>2.7 TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	12,19,875	—
Others	1,94,31,48,086	1,42,56,58,645
	<b>1,94,43,67,961</b>	<b>1,42,56,58,645</b>

2.7.1 Parties covered under “The Micro, Small and Medium Enterprises Development Act, 2006” (MSMED Act, 2006) have been identified on the basis of intimation received by the Company from its suppliers.

Based upon the information available, the balance due to the Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs. 12.20 Lacs (Previous Year Nil). Further no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.

## 2.8 OTHER CURRENT LIABILITIES

### Current Maturities of Term Loans

#### From Banks : Secured

(i) Punjab National Bank (SEFASU LOAN) (Refer Note No. 2.3.1)	4,05,00,000	—
(ii) District Co-Operative Bank, Ghaziabad (SEFASU LOAN) (Refer Note No. 2.3.2)	1,10,55,000	—
Unpaid Dividends *	4,06,084	4,36,962
Earnest Money and Security Deposits	68,58,570	68,90,125
Other Payables		
(i) Statutory Dues	40,16,242	87,41,739
(ii) Advances from Customers	1,97,39,462	1,62,88,527
(iii) Others	8,33,22,315	7,14,23,785
	<b>10,70,78,019</b>	<b>9,64,54,051</b>
	<b>16,58,97,673</b>	<b>10,37,81,138</b>

\* There are no amounts as at the end of the year which are due and outstanding to be credited to the Investors Education and Protection Fund.

## 2.9 SHORT TERM PROVISIONS

### Provision for Employee Benefits

— Leave salary	16,30,257	38,68,499
<b>Others Provisions :</b>		
— Expenses	19,78,930	2,59,89,535
— Excise Duty on Closing stock of Finished Goods	11,06,34,675	4,90,65,425
	<b>11,42,43,862</b>	<b>7,89,23,459</b>

CONTD.....





# SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO ACCOUNTS CONTD.....

## NOTE 2.10 : FIXED ASSETS

Nature of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As per last balance sheet 31.03.2015	Addition during the year	Sales & Adjustments during the year	Total Cost as on 31.03.2016	Depreciation written off upto 31.03.2015	Provided during the year	Deduction/ Adjustment during the year	Depreciation written off upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>FIXED ASSETS</b>										
Land (Free hold)	1,38,917	-	-	1,38,917	-	-	-	-	1,38,917	1,38,917
Land (Lease hold)	-	-	-	-	-	-	-	-	-	-
Buildings	7,80,03,611	-	-	7,80,03,611	5,08,42,879	31,03,930	-	5,39,46,809	2,40,56,802	2,71,60,732
Plant & Equipments	69,91,26,988	72,03,777	18,55,337	70,44,75,428	58,26,71,722	1,08,32,882	17,29,181	59,17,75,423	11,27,00,005	11,64,55,266
Electric Installation	62,85,448	1,14,442	13,148	63,86,742	52,58,914	3,18,964	10,606	55,67,272	8,19,470	10,26,534
Office Equipments	16,33,413	3,92,614	-	20,26,027	13,64,191	2,11,011	-	15,75,202	4,50,825	2,69,222
Laboratory Equipments	9,06,408	-	-	9,06,408	2,34,669	1,73,913	-	4,08,582	4,97,826	6,71,739
Computer	93,56,679	1,57,478	51,000	94,63,157	84,76,872	3,36,080	31,536	87,81,416	6,81,741	8,79,807
Railway sidings & Trolley lines	19,202	-	-	19,202	18,241	-	-	18,241	961	961
Furniture & Fixtures	28,66,662	22,900	45,327	28,44,235	26,80,309	57,448	43,692	26,94,065	1,50,170	1,86,353
Vehicles	65,73,712	-	313	65,73,399	41,64,261	7,07,228	298	48,71,191	17,02,208	24,09,451
Structure on rented Land	1,10,28,505	-	-	1,10,28,505	1,10,28,505	-	-	1,10,28,505	-	-
<b>Total :</b>	<b>81,59,39,545</b>	<b>78,91,211</b>	<b>19,65,125</b>	<b>82,18,65,631</b>	<b>66,67,40,563</b>	<b>1,57,41,456</b>	<b>18,15,313</b>	<b>68,06,66,706</b>	<b>14,11,98,925</b>	<b>14,91,98,982</b>
<b>Previous Year</b>	<b>1,85,74,89,137</b>	<b>1,77,65,109</b>	<b>1,05,93,14,701</b>	<b>81,59,39,545</b>	<b>1,20,84,00,337</b>	<b>3,27,62,328</b>	<b>57,44,22,102</b>	<b>66,67,40,563</b>		
<b>Total :</b>									<b>14,11,98,925</b>	<b>14,91,98,982</b>

Note:

2.10.1 Title deeds of land are with IFCL Limited, which are in the process of delivery to the Company.

# SIR SHADI LAL ENTERPRISES LIMITED



	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<b>2.11 NON CURRENT INVESTMENTS</b>		
<b>In Equity Shares Fully paid-up (at cost) :</b>		
a) Shamli Co-operative Cane Development Union Limited (One Share)	10	10
b) Saharanpur Co-operative Cane Development Union Limited (One Share)	10	10
	<b>20</b>	<b>20</b>
2.11.1 All the above investments are unquoted.		
<b>2.12 DEFERRED TAX ASSETS</b>		
At the year end comprising timing difference on account of :		
Depreciation	2,36,51,405	2,36,51,405
Less:Expenditure/Provisions allowable on account of :		
Employees Benefits	57,39,914	57,39,914
Taxes, duties, cess etc	1,31,73,444	1,31,73,444
Assessed loss under Income Tax Act' 1961.	69,28,49,379	69,28,49,379
Net deferred tax assets	<b>68,81,11,332</b>	<b>68,81,11,332</b>
Note :- Refer Note No. 3.10 to Financial Statement		
<b>2.13 LONG TERM LOANS AND ADVANCES</b>		
Capital Advance	1,32,30,000	—
<b>Unsecured, Considered good</b>		
Security Lodged	37,28,840	34,63,840
<b>Other Loans and Advances :</b>		
Loan to a Co-operative Society bearing no interest	50,000	50,000
<b>Unsecured, Considered doubtful</b>		
Advances recoverable in cash or in kind	1,87,192	1,87,192
Less : Provision for doubtful advances	1,87,192	—
	<b>1,70,08,840</b>	<b>35,13,840</b>
2.13.1 Confirmation of Securities Lodged with different government departments are awaited.		
<b>2.14 OTHER NON CURRENT ASSETS</b>		
Trade Receivable (Unsecured Considered Good)	10,34,427	34,34,427
Stores & Spares	6,63,399	6,63,399
	<b>16,97,826</b>	<b>40,97,826</b>
<b>2.15 CURRENT INVESTMENTS</b>		
<b>Quoted</b>		
Investment in Mutual Fund Birla Sunlife – Unit 1447032.95	—	3,00,00,000
	<b>—</b>	<b>3,00,00,000</b>

CONTD.....



## SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO ACCOUNTS CONTD.....

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<b>2.16 INVENTORIES</b>		
Raw materials at average cost	1,94,42,839	1,45,06,145
Semi-finished stocks at estimated cost	4,26,63,787	2,62,47,520
Finished Stocks at lower of cost and net realizable value	1,75,47,73,335	1,11,13,06,672
Stores and Spares at average cost	3,88,91,363	3,65,68,933
Loose Tools and Implements at average cost	1,31,159	1,34,532
	<b>1,85,59,02,483</b>	<b>1,18,87,63,802</b>
<b>2.17 TRADE RECEIVABLE</b>		
<b>Debts outstanding for a period more than six months</b>		
Unsecured, Considered good	56,34,670	35,61,936
Considered doubtful	5,69,697	5,69,697
Less : Provision for doubtful debts	<u>5,69,697</u>	<u>5,69,697</u>
	—	—
<b>Other Debts</b>		
Unsecured, Considered Good	2,56,95,815	3,45,61,917
	<b>3,13,30,485</b>	<b>3,81,23,853</b>
<b>2.18 CASH AND CASH EQUIVALENTS</b>		
Balance with Banks	3,67,24,569	1,37,48,092
Balance in :		
Dividend Account	4,06,084	4,36,962
Molasses Storage Facility Fund	28,31,491	25,76,731
Liquid Fund	17,105	17,735
Dharmada Account	<u>3,68,191</u>	<u>4,49,729</u>
Fixed Deposits Lodged as Security / Margin Money		
– Maturity after 31st March, 2017	4,03,34,070	3,86,37,000
– Maturity before 31st March, 2017	<u>17,88,77,538</u>	<u>16,04,21,309</u>
Fixed Deposits with PNB Housing Finance	—	4,00,00,000
Cash, Drafts and Stamps	8,77,231	8,07,785
	<b>26,04,36,279</b>	<b>25,70,95,343</b>

2.18.1 Fixed Deposits lodged as Security includes Rs. 18,81,89,989/- pledged with bank as security against SEFASU Loan (Previous year Rs. 17,60,00,000/-) and Rs. 1,20,01,570/- pledged with bank against Guarantee given by bank on behalf of the Company (Previous year Rs. 1,95,30,000/-)

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



		As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<b>2.19 SHORT TERM LOANS AND ADVANCES</b>			
<b>Unsecured, Considered good Loans and Advances :</b>			
Advances recoverable in cash or in kind		1,25,10,488	33,90,563
Advances with Government Authorities (Including Excise, Service Tax, Vat and Income Tax etc.)			
Against subjudices Claims	33,75,865		57,98,467
Others	6,32,30,225	6,66,06,090	6,79,97,808
		<b>7,91,16,578</b>	<b>7,71,86,838</b>
<b>2.20 OTHER CURRENT ASSETS</b>			
Interest accrued		1,47,44,161	1,53,29,153
Interest on Excise Loan Recoverable		1,77,199	1,17,10,964
Other Receivables :			
Good	1,14,83,492		1,14,83,492
Doubtful	1,50,37,693	2,65,21,185	1,50,37,693
		<b>4,14,42,545</b>	<b>5,35,61,302</b>
		<b>For the year ended March 31, 2016 Rs.</b>	<b>For the year ended March 31, 2015 Rs.</b>
<b>2.21 REVENUE FROM OPERATIONS</b>			
Sale of Products		2,63,92,01,472	4,10,14,63,165
Less: Excise Duty		13,66,88,473	16,14,03,029
		2,50,25,12,999	3,94,00,60,136
Other Operating Revenues		24,63,62,265	5,74,27,116
Revenue from Operations		<b>2,74,88,75,264</b>	<b>3,99,74,87,252</b>
<b>2.21.1 Sale of Products</b>			
Sale of Sugar		2,15,43,46,135	3,39,62,87,447
Sale of Molasses		20,34,41,371	30,96,74,714
Sale of Bagasse		5,39,67,864	13,40,91,263
Sale of Press Mud		1,20,60,739	1,36,44,716
Sale of Distillery products		21,06,62,979	24,32,19,857
Sale of Bio-Compost		47,22,384	45,45,168
		<b>2,63,92,01,472</b>	<b>4,10,14,63,165</b>
<b>2.21.2 Other Operating Revenues</b>			
Sale of Scrap		39,79,661	40,80,300
Subsidy on Cane Price relating to previous year from State Government		19,95,09,835	5,27,57,618
Remission of Society Commission on purchase of Cane relating to season 2012-13		4,28,72,769	—
Remission of Administrative Charges on Molasses relating to earlier years		—	5,89,198
		<b>24,63,62,265</b>	<b>5,74,27,116</b>

2.21.3 Turnover includes inter-unit sales of Rs. 11,59,23,016/- (Previous year Rs. 14,03,09,964/-).

CONTD.....



## SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO ACCOUNTS CONTD.....

	For the year ended March 31, 2016 Rs.	For the year ended March 31, 2015 Rs.
<b>2.22 OTHER INCOME</b>		
Interest income	1,86,12,940	2,32,98,914
Profit on sale of Fixed Assets/Stores	23,843	22,678
Income from agricultural activity (Net)	—	2,45,942
Refund of Excise Duty/Sales Tax paid in earlier years	81,919	—
Provision for bad & doubtful debts provided in earlier years written back	—	8,55,847
Other Non-Operating Income	98,25,244	32,86,230
	<b>2,85,43,946</b>	<b>2,77,09,611</b>

2.22.1 Tax deducted at source on Interest income Rs. 18,53,890/- (Previous year Rs. 57,15,156/-)

### 2.23 COST OF MATERIALS CONSUMED

Raw Materials at Commencement	1,45,06,145	1,98,45,615
Add : Purchases during the year <sup>1</sup>	2,71,53,46,226	3,10,21,62,850
	2,72,98,52,371	3,12,20,08,465
Less : At Close	1,94,42,839	1,45,06,145
Raw Materials consumed	<b>2,71,04,09,532</b>	<b>3,10,75,02,320</b>

1 Purchases include Rs. 9,79,01,682/- Inter - unit transfers (Previous Year Rs. 11,39,79,942/-)

#### 2.23.1 Particulars of Materials Consumed

	Quantity Qtls.		Quantity Qtls.	
i) Sugarcane (100% indigenous)	94,11,539	2,61,04,76,240	1,05,52,385	2,99,00,50,245
ii) Molasses (100% indigenous)	2,29,136	9,35,14,721	2,68,300	11,15,14,568
iii) Press Mud (100 % indigenous)	1,50,000	64,18,571	1,50,000	59,37,507
		<b>2,71,04,09,532</b>		<b>3,10,75,02,320</b>

### 2.24 INCREASE / (DECREASE) IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

#### Stocks at commencement :

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

#### Stocks at Close :

Work-in-Progress	4,26,63,787	2,62,47,520
Finished Goods	1,75,47,73,335	1,11,13,06,672
	<b>1,79,74,37,122</b>	<b>1,13,75,54,192</b>

Add / (Less) : Impact of excise duty on finished goods	6,15,69,250	(2,42,86,638)
<b>Net Increase / (Decrease)</b>	<b>(59,83,13,680)</b>	<b>74,00,94,391</b>



	For the year ended March 31, 2016 Rs.	For the year ended March 31, 2015 Rs.
<b>Details of Work in Progress</b>		
Sugar	4,19,17,337	2,52,67,871
Alcohol	7,46,450	9,79,649
	<b>4,26,63,787</b>	<b>2,62,47,520</b>
<b>Details of Finished Goods</b>		
Sugar	1,64,91,93,585	1,00,15,63,120
Molasses	6,06,84,715	7,98,95,018
Bagasse	1,06,61,786	-
Alcohol	3,05,98,397	2,54,51,298
Bio-Compost	36,34,852	43,97,236
	<b>1,75,47,73,335</b>	<b>1,11,13,06,672</b>
<b>2.25 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries & Wages	21,86,69,828	23,57,62,181
Bonus	82,41,333	34,67,438
Leave Wages paid/provided	63,04,650	1,51,13,124
Contribution to Provident Fund and Family Pension Fund	2,16,98,504	2,43,46,163
Contribution to Approved Superannuation Fund for Managerial Personnel	5,22,000	4,95,000
Provision/Contribution to Approved Gratuity Fund	81,00,350	2,39,10,255
Staff Welfare	21,53,106	31,83,226
	<b>26,56,89,771</b>	<b>30,62,77,387</b>

2.25.1 Salary & Wages includes Rs. 58,60,837/- paid to Managerial Personnel (Previous year Rs. 55,43,625/-).

2.25.2 Provident Fund includes Rs. 4,17,600/- for Managerial Personnel (Previous year Rs. 3,96,000/-)

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

PARTICULARS	2015 – 16	2014 – 15
Employer contribution to Provident fund	83,84,964	96,35,142
Employer contribution to Family Pension fund	1,09,68,977	1,09,33,906
Employer contribution to Superannuation fund	5,22,000	4,95,000

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.4,03,33,317/- as compared to Gratuity Scheme managed by the Life Insurance Corporation of India. The difference has been fully provided in the books of Company.

CONTD.....



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

**For the year ended  
March 31, 2016  
Rs.**

**For the year ended  
March 31, 2015  
Rs.**

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

**PARTICULARS****A KEY ASSUMPTIONS**

Mortality Table	IAL 2006– 08 Ultimate	IAL 2006– 08 Ultimate
Attrition Rate	05.00 % p.a.	05.00 % p.a.
Imputed Rate of Interest	07.70 % p.a.	07.80 % p.a.
Salary Rise	05.00 % p.a.	05.00 % p.a.
Return on Plan Assets	08.50 % p.a.	09.00 % p.a.
Remaining Working Life	13.21 Years	13.03 Years

**B GRATUITY LIABILITY****1 CHANGES IN PRESENT VALUE OF OBLIGATIONS**

Present value of obligation at the beginning of the year	11,82,47,713	11,94,13,303
Interest Cost	86,64,592	89,57,414
Current Service Cost	51,96,963	50,23,907
Benefit Paid	(1,14,41,088)	(91,49,334)
Actuarial Gain/Loss on obligation	3,25,766	(59,97,577)
Present value of obligation as on 31st March	12,09,93,946	11,82,47,713

**2 CHANGES IN THE PRESENT VALUE OF PLAN ASSETS**

Fair value of Plan Assets at the beginning of the I.V.P.	7,93,05,537	7,88,61,848
Expected Return on Plan Assets	64,85,720	68,63,388
Contribution	54,35,180	1,85,34,296
Withdrawal	(1,14,41,088)	(2,37,38,258)
Actuarial Gain/Loss on Plan Assets	8,75,280	(12,15,737)
Fair value of plan Asset at 31st March	8,06,60,629	7,93,05,537

**3 FAIR VALUE OF PLAN ASSETS**

Fair value of Plan Assets at the beginning of the I.V.P.	7,93,05,537	7,88,61,848
Actuarial Return on Plan Assets	73,61,000	56,47,651
Contribution	54,35,180	1,85,34,296
Withdrawal	(1,14,41,088)	(2,37,38,258)
Fair Value of Plan Assets at the end of the I.V.P.	80,66,06,629	7,93,05,537
Present value of obligation at the end of the I.V.P.	12,09,93,946	11,82,47,713
Funded Status/Net Liability recognised in Balance Sheet	(4,03,33,317)	(3,89,42,176)

**4 EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS**

Current Service Cost	51,96,963	50,23,907
Interest Cost	86,64,592	89,57,414
Expected Return on Plan Assets	(64,85,720)	(68,63,388)
Actuarial (Gain)/Loss recognised in the I.V.P.	(5,49,514)	(47,81,840)
Expenses Recognised in the statement of Profit & Loss	68,26,321	23,36,093



**NOTE :-** To match the figures with Actuarial liability as on 31.3.2016 amount of Rs. 12,74,029/- has been charged to statement of Profit & Loss (Previous year charged to statement of Profit & loss Rs. 2,15,74,162/-).

		For the year ended March 31, 2016 Rs.	For the year ended March 31, 2015 Rs.
<b>C</b>	<b>LEAVE LIABILITY</b>		
<b>1</b>	Present value of obligation at the beginning of the year	79,97,144	73,66,053
	Interest Cost	2,15,870	1,74,778
	Current Service Cost	57,87,326	67,32,794
	Benefit Paid	(1,03,87,266)	(1,02,50,631)
	Actuarial Gain/Loss	25,38,897	39,74,150
	Present value of obligation long term as on 31st March,	61,51,971	79,97,144
	Present value of obligation short term as on 31st March,	16,30,257	38,68,499
	Net Liability recognized in Balance Sheet as on 31st March	77,82,228	1,18,65,643
<b>2</b>	<b>EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT &amp; LOSS</b>		
	Current Service Cost	57,87,326	67,32,794
	Interest Cost	2,15,870	1,74,778
	Actuarial (Gain)/Loss recognised in the I.V.P.	25,38,897	39,74,150
	Expenses Recognised in the statement of Profit & Loss	85,42,093	1,08,81,722
	Termination Benefits – Voluntary Retirement Scheme		

**NOTE :-** To match the figures with Actuarial liability as on 31.3.2016 amount of Rs. 22,37,443/- has been reversed to statement of Profit & Loss (Previous year charged to statement of Profit & loss Rs. 42,31,402/-).

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

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015		For the year ended March 31, 2014		For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity Scheme	Privilege Leaves	Gratuity Scheme	Privilege Leaves	Gratuity Scheme	Privilege Leaves	Gratuity Scheme	Privilege Leaves	Gratuity Scheme	Privilege Leaves
Present value of obligation as at the end of the year	12,09,93,946	77,82,228	11,82,47,713	1,18,65,643	11,94,13,303	1,04,08,886	11,72,48,136	90,86,952	10,64,54,699	1,55,55,366
Fair value of plan assets at the end of the year	8,06,60,629	-	7,93,05,537	-	7,88,57,486	-	7,17,11,336	-	7,40,28,583	-
Surplus / (Deficit) in plan assets	(4,03,33,317)	77,82,228	(3,89,42,176)	1,18,65,643	(4,05,55,817)	1,04,08,886	(4,55,36,800)	90,86,952	(3,24,26,116)	1,55,55,366
Actuarial Gain/(Loss) on plan assets	8,75,280	-	(12,15,737)	-	(7,96,808)	-	(4,14,186)	-	(4,00,369)	-
Actuarial Gain/(Loss) on obligation	3,25,766	25,38,897	(59,97,577)	39,74,150	(41,23,610)	72,63,219	1,03,78,416	64,96,087	(17,95,416)	22,63,881

## 2.26 FINANCE COST

Interest Expenses	14,69,03,010	21,97,88,399
Other Borrowing cost	37,81,650	55,44,850
	<b>15,06,84,660</b>	<b>22,53,33,249</b>

2.26.1 Interest Includes Rs. 97,85,613/- paid to Managerial Personnel (Previous Year Rs. 1,57,50,918/-)

## 2.27 DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation on Tangible Assets	1,57,41,456	3,27,62,328
	<b>1,57,41,456</b>	<b>3,27,62,328</b>

CONTD.....



## SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO ACCOUNTS CONTD.....

		For the year ended March 31, 2016 Rs.	For the year ended March 31, 2015 Rs.
<b>2.28 OTHER EXPENSES</b>			
<b>(A) Manufacturing / Operating Expenses</b>			
Store consumed		3,43,03,356	3,67,17,488
Power and Fuel		4,27,62,305	6,16,01,399
Packing & Forwarding		3,69,59,100	4,33,09,557
Cane & Road Development		45,00,045	33,23,073
Repairs :			
Plant and machinery	6,04,96,421		6,05,88,278
Buildings	30,21,532		57,73,925
Others	26,47,435	6,61,65,388	28,88,419
		<b>18,46,90,194</b>	<b>21,42,02,139</b>
<b>(B) Administration Expenses</b>			
Rent		34,86,100	36,24,980
Rates & Taxes		51,75,466	38,41,493
Insurance		4,74,585	17,57,537
Travelling & Vehicles		55,01,337	70,37,236
Legal & Professional		82,50,480	1,42,71,596
Postage, Telegram and Telephones		10,11,691	10,90,223
Stationery & Printing		15,48,746	16,80,068
Bank Charges		2,70,473	2,80,509
Subscription and Advertisement		8,38,129	12,65,616
General Charges		44,94,619	44,84,725
Directors Fee		9,60,000	8,16,000
Directors Travelling		4,15,767	3,54,271
Charity & Donations		2,100	22,300
Bad Debts & Claims written off		—	9,16,350
Fines & Penalties		22,400	2,35,838
Audit Fee		3,30,000	3,00,000
Excise Duty & Bottling Fee		52,410	76,486
Loss on Sale & Disposal of :			
Fixed Assets		1,572	2,14,657
Other Assets		1,63,361	25,28,179
		<b>3,29,99,236</b>	<b>4,47,98,064</b>
<b>(C) Transportation and Selling Expenses</b>			
Transportation & Selling		66,27,627	90,15,370
Commission on Sales		77,82,760	97,71,430
Commitment harges paid under Contractual Agreement		2,07,338	9,62,717
		<b>1,46,17,725</b>	<b>1,97,49,517</b>
<b>Total Other Expenses</b>		<b>23,23,07,155</b>	<b>27,87,49,720</b>

2.28.1 General charges is net of previous year income over expenses of Rs. 2,09,378/- (Previous year income over expenses Rs. 4,91,898/-)



		For the year ended March 31, 2016 Rs.	For the year ended March 31, 2015 Rs.
<b>2.28.2 Particulars of Spare Parts and components :</b>			
	<b>% of total consumption</b>		<b>% of total consumption</b>
i) Indigenous	100	2,22,26,965	100
ii) Imported	NIL	NIL	NIL
<b>2.28.3 Auditors' Remuneration :</b>			
<b>(I) Statutory Auditors</b>			
a) For Statutory Audit		3,30,000	3,00,000
b) For Tax Audit		75,000	75,000
c) For Certification & other services		1,25,000	1,25,000
		<b>5,30,000</b>	<b>5,00,000</b>
d) Service Tax on auditors remuneration		70,100	61,800
<b>(II) Cost Auditor</b>			
a) For cost Audit		45,000	45,000
		<b>45,000</b>	<b>45,000</b>
b) Service Tax on remuneration		6,300	5,562
c) Out of pocket Expenses (Travelling Expenses)		19,700	24,570
<b>2.28.4 Other Information :</b>			
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
<b>2.29 EXCEPTIONAL ITEMS</b>			
Profit on sale of Unit Unn Sugar Complex		—	14,83,88,764
Interest on Late Payment of Cane price relating to previous year	1,92,20,628		—
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
	<b>1,92,20,628</b>		<b>16,36,99,600</b>

CONTD.....

**SIR SHADI LAL ENTERPRISES LIMITED***NOTES TO ACCOUNTS CONTD.....***As at March 31, 2016**  
**Rs.****As at March 31, 2015**  
**Rs.****2.30 CONTINGENT LIABILITIES NOT PROVIDED FOR :****a) In Respect of Statutory Liabilities :**

i) Subjudice, Income Tax/Penalty determined by Income tax department	11,24,661	34,83,320
ii) Subjudice, Sales tax and Entry Tax including interest thereon	14,94,567	52,01,658
iii) Subjudice, Excise Duty and penalty thereon	1,35,71,820	56,53,452
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. 1,20,01,570/- in favour of Oil Companies and Government Department (Previous year Rs. 1,95,93,000/-)		
c) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 13,23,00,000/- against which advances have been paid Rs. 13,23,000/- (Previous year Rs. Nil)		

**NOTE :-** The above amount in-respect of contingent liabilities represents best estimates arrived at on the basis of available information as the actual liability can not be predicted accurately and Company has relied upon expert legal advise against the such disputed liabilities.

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.C. Sharma (DIN : 00023274)  
Radhika Viswanathan  
Hoon (DIN : 06436444)  
Ajit Hoon (DIN : 00540300)

H.K. CHADHA  
*Partner*  
Membership No. 6470  
Place : New Delhi  
Date : 28th May, 2016

RAHUL LAL  
*Executive Director*  
(DIN : 06575738)

VIVEK VISWANATHAN  
*Joint Managing Director*  
(DIN : 00141053)

RAJAT LAL  
*Managing Director*  
(DIN : 00112489)



### NOTE 3 : ADDITIONAL INFORMATION

- 3.1 In absence of balance confirmations from certain creditors, debtors and securities lodged included in 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. No provision of doubtful debts amounting to Rs. 1,50,37,693/- appearing under the head, other current assets have been made.
- 3.2 Income Tax assessments (regular u/s 143(3)) have been completed upto the Accounting year 2012-2013 (Assessment Year 2013-2014). The Company has gone in appeal against tax demand certain assessment orders. The Company has been legally advised that in view of expected reliefs, no further provision for income tax liability is required.
- 3.3 Like previous year the closing stock of sugar has been valued at "Lower of cost and net realizable value". This year Cost price of sugar is lower than the prevailing Market price at the close of the year. Till last year, interest expense was never treated as cost component while calculating cost of production of sugar, whereas the Company has this year changed, the method of arriving at cost of production of sugar and have loaded interest paid/accrued on loans (cash credit accounts), as part of the cost of production of sugar. This change in policy (treatment of interest expense) has resulted in higher valuation of closing stocks of sugar. Had there been no change in treatment of said interest while arriving at "cost of production of sugar", the closing stock would have been lower by Rs. 2,45,03,240/-, and consequently profit for the year would have been lower to that extent.
- 3.4 The Company has reviewed impairment of assets of the Company to identify the impairment loss, if any. The review has not revealed any material impairment of assets. However, impairment loss determined and recognized in accordance with the Accounting Standard – 28 issued by the Institute of Chartered Accountants of India.
- 3.5 The Sahakari Ganna Vikas Samitti Limited, Shamli had claimed interest on late payment of cane dues pursuance to U.P. State Government Press release dated 12th November, 2014 and Order No. 2970 – CD/46-3-14(48) 98-99 dated 24.12.2014. The Company has not provided towards this liability for the current year amounting to Rs. 15,33,14,560/- and has also reversed Rs. 1,92,20,628/- provided last year on this account. This decision was taken by the Company, based on the representation made by U.P. Sugar Mills Association for waiver of this liability and Association is expecting positive result, as the State Government had agreed to waive this interest in certain earlier years. However, on account of this decision accounts are not maintained on accrual basis to the extent of Rs. 17,25,35,188/-.
- 3.6 On account of change in accounting policy in respect of incorporating closing stock of Bagasse at the end of the year has resulted in increase in profit for the year to the extent of Rs. 1,06,61,786/-.
- 3.7 The Central Govt. Ministry of Law & Justice, have issued Notification No.6/2016 dated 1.1.2016 regarding payment of bonus (Amendment Act 2015) in terms of which the ceiling for payment of bonus has been revised w.e.f. 1st April, 2014. Certain High Courts have stayed the implementation of revision of Bonus from retrospective effect. ISMA has also filed writ against implementation of the order with regard to its retrospective effect from 1st April, 2014 and the matter is subjudice. Therefore the Company has provided its liability towards bonus keeping in view the effect of aforesaid notification pertaining to this year, but has not made provision for this liability for previous year.
- 3.8 The U.P. Government vide Notification No. 4/2015/620 dated 12.6.2015 has notified that the Society Commission on purchase of cane for the season 2012-13 shall be reduced to Rs. 2/- per quintal, as against earlier declaration @ 3% of FRP (Rs. 5.10 per quintal of cane purchased). As such the excess amount of Rs. 3.10 per quintal has since been got adjusted by Upper Doab Sugar Mills, Shamli from its cane price dues for the season 2014-15.  
  
The Company had crushed sugar cane for the season 2012-13 at its then owned sugar unit at Unn, on which the aforesaid refund/adjustment of excess amount of Society Commission on purchase of cane for the season 2012-13 works to Rs. 1,60,30,339/-. The Company has sold its UNN Sugar Unit during September, 2014 to M/s Superior Food Grains Private Limited, when the entire dues upto the season 2013-14 towards Cane price including Society Commission was paid by the Company. It was agreed by M/s Superior Food Grains Private Limited, at the time of sale of UNN Unit that any refund in respect of Cane Society Commission or any other refund/benefit accruing on UNN Unit from U.P. Government to the date of transfer, shall be retained by the Company as the relevant commission was earlier paid by the Company. Based on the aforesaid mutual agreement the Company has lodged claim of Rs. 1,60,30,339/- with the Cane Society, and accordingly booked as Other Operating Revenue during the year. The matter of recovery of Rs. 1,60,30,339/- is being pursued with the Cane Societies for adjustment / recovery.
- 3.9 The Company has over the last few years incurring losses, due to which its net worth has been completely eroded. The Company has become Sick Industrial company since the financial year ended on 31.03.14 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 revised Form A has since been submitted to BIFR on the basis of accounts of the Company for the year ended 31.03.2015. The BIFR has registered the Company under BIFR on 03.02.2016 as case no. 23/2016.
- 3.10 In view of carry forward losses, the Board have decided not to make any provision for Deferred Tax Assets for the current financial year as per Accounting Standard-22.
- 3.11 Certain previous year figures have been rearranged to make them comparable with current figures. Figures have been rounded off nearest to rupee.





## SIR SHADI LAL ENTERPRISES LIMITED

### 3.12 Particulars of Stocks, Purchases and Sales of Products :

PARTICULARS	OPENING STOCKS		PURCHASES		TURNOVER		CLOSING STOCKS	
	QUANTITY QTLs.	VALUE Rs.	QUANTITY QTLs.	VALUE Rs.	QUANTITY QTLs.	VALUE Rs.	QUANTITY QTLs.	VALUE Rs.
<b>FOR THE YEAR ENDED MARCH 31, 2016</b>								
<b>Finished Goods</b>								
Sugar	3,82,276	1,00,15,63,120	-	-	7,98,951	2,15,43,46,135	5,16,060	1,64,91,93,585
Molasses	1,69,989	7,98,95,018	-	-	4,91,410	20,34,41,371	1,33,373	6,06,84,715
Bagasse	-	-	-	-	2,96,869	5,39,67,864	56,576	1,06,61,786
Distillery Products	-	2,54,51,298	-	-	-	21,06,62,979	-	3,05,98,397
Bio-Compost	-	43,97,236	-	-	-	47,22,384	-	36,34,852
<b>Others</b>	-	-	-	-	-	1,20,60,739*	-	-
<b>FOR THE YEAR ENDED MARCH 31, 2015</b>								
<b>Finished Goods</b>								
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
<b>Distillery Products</b>	-	1,86,56,769	-	-	-	24,32,19,857	-	2,54,51,298
<b>Bio-Compost</b>	-	40,82,404	-	-	-	45,45,168	-	43,97,236
<b>Others</b>	-	-	-	-	-	14,77,35,979*	-	-

#### NOTES :

- 3.12.1 Quantitative figures of Distillery products are not ascertainable, because the basic product of spirits is converted later into various strengths with water dilution.
- 3.12.2 Closing stock of Molasses arrived at after adjustment of wastage of 1199.10 Qtls. (Previous year 2,101 Qtls.)
- 3.12.3 Turnover includes inter-unit sales of Rs. 11,59,23,016/- (Previous year Rs. 14,03,09,964/-).
- 3.12.4\* Others includes Sale of Press Mud and Bagasse.
- 3.12.5 Sale of Sugar includes Nil bags of BISS (Previous year Rs. 6,445 bags)

### 3.13 Related parties' Disclosures :

#### I Relationship

##### A Key Management Personnel : (Directors)

- Sh. Rajat Lal
- Sh. Vivek Viswanathan
- Sh. Rahul Lal

##### Designation

- Managing Director  
Joint Managing Director  
Executive Director

##### B Key Management Personnel : (Other than Directors)

- Sh. P. K. Goyal
- Sh. A. K. Singh

- Chief Financial Officer  
Company Secretary

##### C Relatives of Key Management Personnel : (Directors)

- Smt. Sudha Singhanian
- Smt. Poonam Lal
- Miss Pooja Lal
- Smt. Radhika Viswanathan Hoon

##### Relation with Key Management Personnel

- Sister of Shri Rajat Lal  
Wife of Shri Rajat Lal  
Daughter of Shri Rajat Lal  
Sister of Shri Vivek Viswanathan

##### D Relatives of Key Management Personnel : (Other than Directors)

- Smt. Madhu Goyal
- Sh. Siddharth Goyal
- Smt. Garima Mittal
- Sh. Lakshman Singh
- Smt. Tara Devi

- Wife of Shri P. K. Goyal  
Son of Shri P. K. Goyal  
Daughter of Shri P. K. Goyal  
Father of Shri A. K. Singh  
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.
<b>A Key Management Personnel (Directors)</b>	68,00,437	–	23,99,400	97,85,613	1,89,85,450
	(64,34,625)	(–)	(23,99,400)	(1,57,50,918)	(2,45,84,943)
<b>B Key Management Personnel (Other than Directors)</b>	27,27,012	–	–	–	27,27,012
	(20,48,554)	(–)	(–)	(–)	(20,48,554)
<b>C Relatives of Key Management Personnel (Directors)</b>	–	1,80,000	–	1,46,352	3,26,352
	(–)	(1,44,000)	(–)	(3,24,691)	(4,68,691)
<b>D Relatives of Key Management Personnel (Other than Directors)</b>	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)
<b>TOTAL A+B+C+D</b>	<b>95,27,449</b>	<b>1,80,000</b>	<b>23,99,400</b>	<b>99,31,965</b>	<b>2,20,38,814</b>
	(84,83,179)	(1,44,000)	(23,99,400)	(1,60,75,609)	(2,71,02,188)

**III Transactions of Loans and Deposits during the year :**

	Opening Balance As on 01.04.2015	Received	Repaid	Closing Balance As on 31.03.2016
	Rs.	Rs.	Rs.	Rs.
<b>1 Loans</b>				
– Key Management Personnel (Directors)	11,77,60,013	2,33,48,413	3,70,41,814	10,40,66,612
	(1,04,63,707)	(17,56,91,146)	(6,83,94,840)	(11,77,60,013)
– Relatives of Key Management Personnel (Directors)	14,88,858	1,46,352	14,635	16,20,575
	(13,68,084)	(1,34,194)	(13,420)	(14,88,858)
– Relatives of Key Management Personnel (Other than Directors and their relatives)	–	–	–	–
	(–)	(–)	(–)	(–)
<b>2 Deposits</b>				
– Key Management Personnel (Directors)	–	–	–	–
	(15,89,94,000)	(1,00,00,000)	(16,89,94,000)	(–)
– Relatives of Key Management Personnel (Directors)	–	–	–	–
	(36,84,000)	(–)	(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

### 3.14 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	2,53,52,31,951	21,54,48,245	2,75,06,80,196
	(3,74,96,52,271)	(24,78,77,490)	(3,99,75,29,761)
Inter-segment	13,48,83,541	–	13,48,83,541
	(16,13,60,520)	(–)	(16,13,60,520)
<b>Total</b>	<b>2,67,01,15,492</b>	<b>21,54,48,245</b>	<b>2,88,55,63,737</b>
	<b>(3,91,10,12,791)</b>	<b>(24,78,77,490)</b>	<b>(4,15,88,90,281)</b>
–Segment Result before interest & tax and exceptional item - Profit/Loss(–)	16,52,98,246	1,97,15,068	18,50,13,314
	(–)(43,88,17,557)	(3,24,51,171)	(–)(40,63,66,386)
Less : Unallocated expenses (Net of Unallocable Income)			3,34,28,338
			(3,38,22,897)
Less : Finance Charge			15,06,84,660
			(22,53,33,249)
Profit/(Loss) (–) before tax & exceptional item			9,00,316
			(–)(66,55,22,532)
Add : Exceptional Item			1,92,20,628
			(16,36,99,600)
Profit/(Loss) (–) before tax			<b>2,01,20,944</b>
			<b>(–)(50,18,22,932)</b>
– Segment Assets	2,17,66,39,035	19,72,94,633	2,37,39,33,668
	(1,52,51,44,954)	(14,71,15,710)	(1,67,22,60,664)
Unallocated Assets			74,40,30,293
			(81,91,11,122)
<b>Total Assets</b>			<b>3,11,79,63,961</b>
			<b>(2,49,13,71,786)</b>
– Segment Liabilities	3,49,27,59,622	1,85,75,796	3,51,13,35,418
	(2,87,09,91,091)	(1,55,12,232)	(2,88,65,03,323)
Unallocated Liabilities			11,62,84,641
			(13,46,45,505)
<b>Total Liabilities</b>			<b>3,62,76,20,059</b>
			<b>(3,02,11,48,828)</b>
Segment Capital Expenditure	74,30,760	3,92,614	78,23,374
	(1,16,52,107)	(52,17,022)	(1,68,69,129)
Unallocated Capital Expenditure			67,837
			(8,95,980)
<b>Total Capital Expenditure</b>			<b>78,91,211</b>
			<b>(1,77,65,109)</b>
–Segment Depreciation	1,06,20,497	42,14,951	1,48,35,448
	(2,70,05,641)	(44,87,852)	(3,14,93,493)
Unallocated Depreciation			9,06,008
			(12,68,835)
<b>Total Depreciation</b>			<b>1,57,41,456</b>
			<b>(3,27,62,328)</b>

3.14.1 Unallocated Assets include Deferred Tax Assets.

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

3.14.3 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.C. Sharma (DIN : 00023274)

Radhika Viswanathan

Hoon (DIN : 06436444)

Ajit Hoon (DIN : 00540300)

H.K. CHADHA  
Partner  
Membership No. 6470  
Place : New Delhi  
Date : 28th May, 2016

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**

	<b>For the Year ended 31st March, 2016 (Rs. in lacs)</b>	<b>For the Year ended 31st March, 2015 (Rs. in lacs)</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before tax and exceptional item as per Profit & Loss Account	9.00	(6,655.22)
Adjustments for : Depreciation	157.41	327.62
Interest (Net)	1,282.90	1,964.89
Bad debts & claims written off (Net)	—	0.60
(Profit)/Loss on sale & Disposal of Fixed Assets (Net)	(0.22)	1.92
Prior period adjustment (Net)	(2.09)	(4.92)
Unclaimed Credit Balances Written Back	(63.14)	(0.86)
Stores Written off	1.63	25.28
Operating Profit before working capital changes	1,385.49	(4,340.69)
Adjustment for : Trade and other receivables	211.63	80.81
Inventories	(6,673.01)	8,044.52
Trade Payables	6,263.78	(7,989.39)
Cash generated from operations	1,187.89	(4,204.75)
Prior period adjustment (Net)	2.09	4.92
Interest paid	(1,369.71)	(2,032.07)
Direct tax paid (Net)	(26.31)	(8.83)
Net Cash from operating activities	(206.04)	(6,240.73)
<b>B. CASH FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets (net of advance)	(78.91)	(194.84)
Capital Advance	(132.30)	—
Sale of fixed assets	1.72	(148.31)
Sale of Fixed Assets at Unn	—	5650.00
Exceptional item (Refer Note No. 2.29)	192.21	—
Interest received	191.98	100.59
Investment in Securities	300.00	(300.00)
Net Cash used in investing activities	474.70	5,107.44
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Fixed Deposit/Directors Loan	(135.62)	(666.82)
Proceeds from Term Loan/Repayment of Finance Liability	—	1,590.38
Dividend paid	(0.31)	—
Interest paid	(99.32)	(273.55)
Net Cash used in Financing Activities	(235.25)	650.01
Net increase in Cash and Cash equivalents	33.41	(483.28)
Opening balance of Cash and Cash equivalents	2,570.95	3,054.23
Closing balance of Cash and Cash equivalents	2,604.36	2,570.95

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.C. Sharma (DIN : 00023274)

H.K. CHADHA  
Partner  
Membership No. 6470  
Place : New Delhi  
Date : 28th May, 2016

RAHUL LAL  
Executive Director  
(DIN : 06575738)

VIVEK VISWANATHAN  
Joint Managing Director  
(DIN : 00141053)

RAJAT LAL  
Managing Director  
(DIN : 00112489)

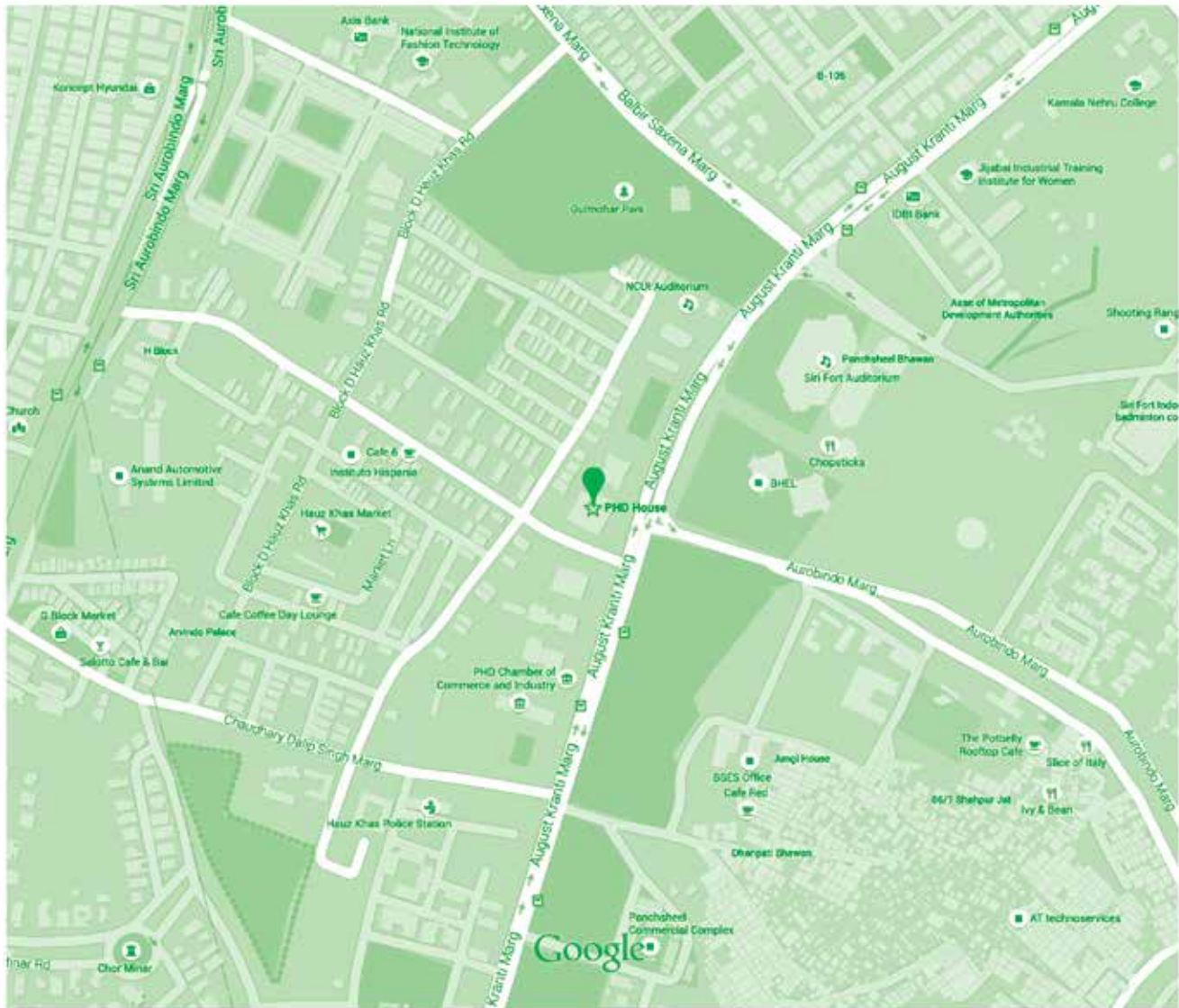
Radhika Viswanathan  
Hoon (DIN : 06436444)  
Ajit Hoon (DIN : 00540300)



SIR SHADI LAL ENTERPRISES LIMITED



Google PHD House



**Address :**

**P.H.D. HOUSE**

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August Kranti Marg,  
Opposite Asian Games Village,  
New Delhi - 110 016**

