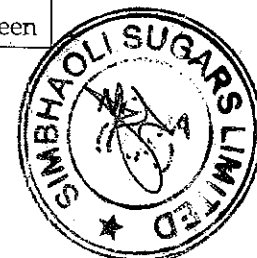


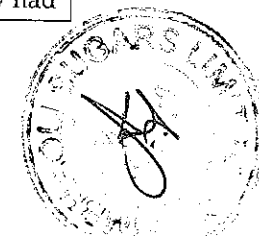
## FORM A

## (Pursuant to Clause 31(a) of Listing Agreement)

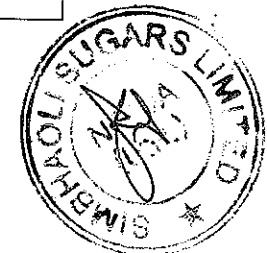
Name of the Company:	Simbhaoli Sugars Limited
Annual Standalone financial statements for the year ended	March 31, 2015
Type of Audit observation	<p><b>1. Emphasis of Matter</b></p> <p><u>As per the independent Auditors' Report:</u></p> <p>We draw attention to Note 20 in the financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 20, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.</p> <p>Our opinion is not qualified in respect of this matter.</p> <p><b>Management Contention</b></p> <p>A Scheme of Amalgamation of the Company with Simbhaoli Spirits Limited (SISPL), the wholly owned subsidiary company (the Scheme), as approved by the Board of both the companies, was filed with the Hon'ble High Court of Judicature at Allahabad (the Court). With effect from the Appointed Date i.e. the close of the business hours on March 31, 2014 or such other date as may be fixed or approved by the Court, the entire business and undertaking of the Company, shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in SISPL, as a going concern without any further act and deed. The share holders and unsecured creditors of the Company have approved the Scheme on September 20, 2014. The Company and SISPL are in process to seek approval from their respective secured creditors. Pending sanction of the Scheme by the Court, no financial effect has been</p>

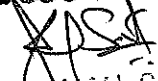


	<p>considered in these financial statements and further, based upon expert advice and pending necessary clarification from Board for Industrial and Financial Reconstruction (BIFR), no requisite steps as applicable to the sick companies have been initiated under the prevailing laws.</p> <p>Over the last few years, the Company has been incurring cash losses due to which its net worth has been eroded and its current liabilities are significantly higher than its current assets. The Uttar Pradesh based sugar companies have been facing financial difficulties on account of higher sugar cane prices, lower realization of sugar and high finance cost in last 3-4 years. In the previous years, the Company has implemented various initiatives which included business and financial restructuring of its business divisions into new SPVs and planned growth in operations and disinvestments of the shares in such SPVs, etc. for de-risking its businesses and improving its financial position. Also, the State and Central Government, recognizing the importance of the sugar industry are taking necessary steps as in the previous year to strengthen the sugar industry. In view of the above and also considering the Scheme as stated above, these financial results have been prepared by the Company on a going concern basis.</p>
	<p><b>2. Emphasis of Matter</b></p> <p><u>As per the independent Auditors' Report:</u></p> <p>We draw attention to Note 4 to the financial statements relating to sale of power co-generation divisions of the Company in an earlier year and the balance interest bearing consideration of Rs. 8,180.15 lacs outstanding as on March 31, 2015, which would be discharged in the manner laid down under the Business Transfer Agreements (BTAs). Out of this, consideration amounting to Rs. 5,682.19 lacs is to be discharged in cash on or before the date falling forty eight months from the date of the BTAs or on achieving the closing in terms of the Joint Venture Agreement with Sindicatum Captive Energy Pte Limited, whichever is earlier.</p> <p>Our opinion is not qualified in respect of this matter.</p> <p><b>Management Contention</b></p> <p>In the year 2013, pursuant to the Business Transfer Agreements (BTA) dated January 25, 2013 and subsequent amendments thereto, executed between the Company and Simbhaoli Power Private Limited (SPPL), the Company had</p>



	<p>transferred the Power Cogeneration divisions at Simbhaoli and Chilwaria with all properties, assets, liabilities, rights and obligations which have vested in the Company for an aggregate consideration receivable of Rs. 15,978.62 lacs. At the year end, the BTA consideration outstanding of Rs. 8,180.15 lacs (previous year Rs. 11,204.33 lacs) is to be discharged in the following manner as laid down under the BTA :</p> <ol style="list-style-type: none"> <li>i. Allotment of securities having an aggregate value of Rs. 2,497.96 lacs (previous year Rs. 3,330.61 lacs) in tranches and in the manner agreed to by the SPPL and the Company.</li> <li>ii. Payment of balance interest bearing liability of Rs. 5,682.19 lacs (previous year Rs. 7,873.72 lacs) in cash on or before the date falling 48 (forty eight) months from the date of BTA, or on achieving the closing in terms of the Joint Venture Agreement with Syndicatum Captive Energy Pte Limited, whichever is earlier.</li> </ol> <p>The outstanding consideration payable has been disclosed under other current assets and other non-current assets.</p>
	<p><b>3. Emphasis of Matter</b></p> <p>We draw attention to Note 20 (b) which sets out the position regarding sugarcane subsidy aggregating Rs. 4,738.67 lacs accounted by the Company in these financial statements. As indicated in this note, necessary adjustments to subsidy so accounted for would be made on settlement and receipt thereof from the State Government.</p> <p>Our opinion is not qualified in respect of this matter.</p> <p><b>Management Contention</b></p> <p>The Government of Uttar Pradesh (U.P.) has announced subsidy on sugar cane purchases during the sugar season 2014-15 linked to the average selling price of sugar and its by-products during the period October 1, 2014 to May 31, 2015 to be finalised by a Committee to be constituted by the Government of U.P. Based on the prevailing and expected prices the Company is confident of realising the full subsidy of Rs. 28.60 per quintal aggregating to Rs. 5,742.63 lacs for the year. Pending final determination of the amount of subsidy and interest charge on delayed payments if any, the Company has on a conservative basis accounted for Rs. 4,738.67 lacs for the year in the Statement of Profit &amp; Loss by adjustment of cost of materials consumed. Necessary adjustments would be made on final determination of the amount of subsidy.</p>



<p><i>Frequency of observation</i></p>	<ol style="list-style-type: none"> <li>1. First observation is appearing since period 2010-12 i.e. period ended March 31, 2012.</li> <li>2. Second observation is appearing since financial year 2009-10.</li> <li>3. Third observation is appearing for the first time in the current financial year 2014-15.</li> </ol>
<p><i>To be signed by-</i></p> <p>Audit committee <i>Chairman</i></p> <p><i>Managing Director</i></p> <p><i>Chief Financial Officer</i></p> <p>Place :</p> <p>Date:</p> <p>Refer our Audit Report dated May 30, 2015 on the standalone financial statements of the Company</p> <p>For Deloitte Haskins &amp; Sells Chartered Accountants (Firm Registration No.015125N)</p> <p style="text-align: right;">Jaideep Bhargava Partner (Membership No. 090925) Gurgaon, May 30, 2015</p>	<p>B. K. Goswami</p> <p>Gursimran Kaur Mann</p> <p>Sanjay Tapriya</p> <p>Noida May 30, 2015</p> <p style="text-align: center;"><b>Certified True Copy</b></p> <p style="text-align: center;"><b>For SINGHAOLI SUGARS LIMITED</b></p> <p style="text-align: center;">   <b>KAMAL SAMTANI</b>          Company Secretary          FCS 5140     </p>



## FORM A

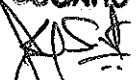
## (Pursuant to Clause 31(a) of Listing Agreement)

<i>Name of the Company:</i>	Simbhaoli Sugars Limited
<i>Annual Consolidated financial statements for the year ended</i>	March 31, 2015
<i>Type of Audit observation</i>	<p><b>1. Emphasis of Matter</b></p> <p><u>As per the independent Auditors' Report:</u></p> <p>We draw attention to Note 17 to the consolidated financial statement which indicates that the Holding Company has accumulated losses and its net worth has been fully eroded, the Holding Company has incurred a net cash loss during the current and previous year(s) and, the Holding Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in the said Note, indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, the financial statements of the Holding Company have been prepared on a going concern basis for the reasons stated in the said Note.</p> <p>Our opinion is not qualified in respect of this matter.</p> <p><b>Management Contention</b></p> <p>A Scheme of Amalgamation of the Company with Simbhaoli Spirits Limited (SISPL), the wholly owned subsidiary company (the Scheme), as approved by the Board of both the companies, was filed with the Hon'ble High Court of Judicature at Allahabad (the Court). With effect from the Appointed Date i.e. the close of the business hours on March 31, 2014 or such other date as may be fixed or approved by the Court, the entire business and undertaking of the Company, shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in SISPL, as a going concern without any further act and deed. The shareholders and unsecured creditors of the Company have approved the Scheme on September 20, 2014. The Company and SISPL are in process to seek approval</p>



	<p>from their respective secured creditors. Pending sanction of the Scheme by the Court, no financial effect has been considered in these financial statements and further, based upon expert advice and pending necessary clarification from Board for Industrial and Financial Reconstruction (BIFR), no requisite steps as applicable to the sick companies have been initiated under the prevailing laws.</p> <p>Over the last few years, the Company has been incurring cash losses due to which its net worth has been eroded and its current liabilities are significantly higher than its current assets. The Uttar Pradesh based sugar companies have been facing financial difficulties on account of higher sugar cane prices, lower realization of sugar and high finance cost in last 3-4 years. In the previous years, the Company has implemented various initiatives which included business and financial restructuring of its business divisions into new SPVs and planned growth in operations and disinvestments of the shares in such SPVs, etc. for de-risking its businesses and improving its financial position. Also, the State and Central Government, recognizing the importance of the sugar industry are taking necessary steps as in the previous year to strengthen the sugar industry. In view of the above and also considering the Scheme as stated above, these financial results have been prepared by the Company on a going concern basis.</p>
	<p><b>2. Emphasis of Matter</b></p> <p>We draw attention to Note 17 (b) to the consolidated financial statements which sets out the position regarding sugarcane subsidy aggregating Rs. 4,738.67 lacs accounted by the Holding Company in these consolidated financial statements. As indicated in this note, necessary adjustments to subsidy so accounted for would be made on final determination.</p> <p>Our opinion is not qualified in respect of this matter.</p> <p><b>Management Contention</b></p> <p>The Government of Uttar Pradesh (U.P.) has announced subsidy on sugar cane purchases during the sugar season 2014-15 linked to the average selling price of sugar and its by-products during the period October 1, 2014 to May 31, 2015 to be finalised by a Committee to be constituted by the Government of U.P. Based on the prevailing and expected prices the Company is confident of realising the full subsidy of Rs. 28.60 per quintal aggregating to Rs. 5,742.63 lacs for the year. Pending final determination of the amount of subsidy and interest charge on delayed payments if any, the Company has on a conservative basis accounted for Rs. 4,738.67 lacs for the year in the Statement</p>



	of Profit & Loss by adjustment of cost of materials consumed. Necessary adjustments would be made on final determination of the amount of subsidy.
Frequency of observation	<ol style="list-style-type: none"> <li>1. First observation is appearing since period 2010-12 i.e. period ended March 31, 2012.</li> <li>2. Second observation is appearing for the first time in the current financial year 2014-15.</li> </ol>
<p>To be signed by-</p> <p>Audit committee Chairman</p> <p>Managing Director</p> <p>Chief Financial Officer</p> <p>Place :</p> <p>Date:</p> <p>Refer our Audit Report dated May 30, 2015 on the consolidated financial statements of the Company</p> <p>For Deloitte Haskins &amp; Sells Chartered Accountants (Firm Registration No.015125N)</p> <p>Jaideep Bhargava Partner (Membership No. 090925) Gurgaon, May 30, 2015</p>	<p>B. K. Goswami</p> <p>Gursimran Kaur Mann</p> <p>Sanjay Tapriya</p> <p>Noida May 30, 2015</p> <p style="text-align: center;"><b>Certified True Copy</b></p> <p style="text-align: center;">For <b>SIMBHAOLI SUGARS LIMITED</b></p> <p style="text-align: center;">   <b>KAMAL SAMTANI</b>              Company Secretary              FCS-5140         </p>

