

Policy on Material Subsidiary

The Board of Directors (the "Board") of Simbhaoli Sugars Limited (hereinafter referred to as 'SSL' or 'the Company') has adopted the policy on disclosure of material subsidiary and procedures contained therein under the provisions of the Companies Act, 2013 (hereinafter referred as "Act") read with Clause 49 of the Listing Agreement with the Stock Exchanges with regard to determination of Material Subsidiary companies. The Board may review and amend this policy from time to time. This Policy will be applicable to the Company effective 1 October 2014.

1. Definitions & Interpretation

In this Policy, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

"Act" means the Companies Act, 2013 and rules made thereunder as amended from time to time.

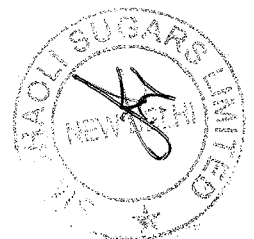
"Audit Committee" means the Committee of the Board constituted from time to time under the provisions of Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with the Stock Exchanges.

"Board" means the Board of Directors of the Company for the time being in force.

"Company" shall mean Simbhaoli Sugars Limited having its registered office situated at Simbhaoli - 245207, Distt- Hapur.

2. Policy

1. A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:
 - a. A subsidiary Company in which the Investment of the Company/proposed investment, exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or
 - b. Which have generated twenty per cent of the consolidated income of the Company during the previous financial year.



2. At least one Independent Director on the Board of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
3. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.
4. The minutes of the meetings of the Board of the unlisted subsidiary companies shall be placed before the Board of the Company on an half-yearly basis.
5. The management shall on a half-yearly basis bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the material unlisted subsidiary company.
6. The term "significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.
7. The management shall present to the Audit Committee and Board annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee may also review the aforesaid list and make suitable recommendations to the Board including recommendation for appointment of Independent Directors on the Board of material un-listed Indian subsidiary company.

3. Disposal of Material Subsidiary

The Board, without the prior approval of the members of the Company by Special Resolution, shall not:

- a. dispose-off the shares held in the Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b. ceases to exercise the control over such Subsidiary Company; or
- c. sell, dispose-off or lease the assets amounting to more than twenty percent of the assets of the material subsidiary.

4. Disclosure and reporting

The Company Secretary of material unlisted Indian Subsidiary Company shall be responsible to ensure compliance of the provisions as applicable to it under the provisions of the Act read with clause 49 of the Listing Agreement with stock exchanges.


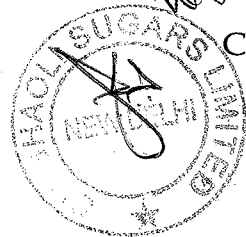


Every Transaction, as applicable in this policy, entered into by the material subsidiary Company shall be referred to the Board along with justification for entering into such transaction. The Company Secretary and the Chief Financial Officer of the Company shall be, responsible for such disclosure. The Company Secretary shall also make necessary entries in the Statutory Registers required to be maintained under the provisions of the Act.

This policy has been issued under the authority of the Board of Directors of Simbhaoli Sugars Limited and shall remain in force unless Board resolve otherwise or issue a cancellation or modification thereof.

Date: Nov 14, 2014

Place New Delhi


 Chairman