

SIEL INDUSTRIAL ESTATE LIMITED

CIN No. - U45209DL1994PLC057359 REGD. OFFICE - 5th Floor, Kirti Mahal,
PHONE NO. - 011-25739103 19, Rajendra Place,
New Delhi-110008

DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting their 21st Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31st, 2015.

1. PERFORMANCE OF THE COMPANY

FINANCIAL RESULTS

The summary of the financial results of the Company is as under:

	(Rs./Lacs)	
Particulars	2014-15	2013-14
Profit/Loss before exceptional and extraordinary items and tax	(47.76)	(24.98)
Interest	-	-
Depreciation	-	0.00
Profit/(Loss) before tax	(47.76)	(24.98)
Provision for tax	-	-
Advance Income tax/ Adjustment written off	0.74	-
Profit/(Loss) after tax	(48.50)	(24.98)

2. DIVIDEND

In view of absence of divisible profits, Board regrets its inability to recommend any dividend for the financial year 2014-15.

4

3. RESERVES

In view of the loss incurred during the year, there is no transfer of surplus to reserve and surplus.

4. STATE OF COMPANY'S AFFAIR

Progress of the Project

Legal challenges on the litigated land were finally overcome and the unencumbered possession of the land has been achieved on 5th October, 2011 upon final conclusion of all pending legal cases in the Punjab and Haryana Court in relation to the Industrial Estate land.

The work on Site clearance activities is being carried out. The basic design work on various options of the Master Plan for the development of the Estate has been drafted.

The Company had appointed M/s Jones Lang LaSalle (JLL), which is one of the leading international consultancy firm for development of real estates. JLL was engaged to prepare feasibility study for the development of Industrial Estate Land of the Company at Rajpura, Punjab.

M/s JLL have completed the above feasibility study based on which our Principal Architect M/s Ranjit Sabikhi Architect have finalised the Master Plan of the complete industrial estate. This is now being submitted to Punjab Urban Development Agency for their approval. In addition to the above M/s JLL have now commenced work on Marketing Strategy formulation and have also started finalising the format of the collaterals for marketing of the industrial estate.

Order of Hon'ble High Court of Punjab & Haryana

Some of the land owners had filed writ petitions in Punjab & Haryana High Court seeking further enhancement of compensation for their land over and above Rs. 175,000 per acre granted by the reference court. Your company had also filed writ petition in the same Court challenging the enhanced compensation awarded by the reference court. The Hon'ble High court vide its order dated 15.7.2015 rejected the writ petition of the Company and partially accepted the writ petitions filed by the land owners and has revised the market price of the acquired land from Rs.175,000 per acre to Rs. 210,000 per acre. Your Company has been advised that in compliance with the order of Hon'ble High Court, the amount of enhanced compensation be deposited

4

with the district collector of Patiala and also challenge the revision of the market price of the land by the High Court before the Hon'ble Supreme court of India.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY

No Change in the nature of the business of the Company during the year.

6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

There are no material changes and commitments in the business operations of the Company since the close of the financial year on 31st March 2015 to the date of this report.

7. DETAILS OF SUBSIDIARY /JOINT VENTURES/ ASSOCIATE COMPANIES

The Company does not have any Subsidiaries, joint ventures or associate company.

8. DEPOSITS

During the period under review, the Company has not accepted any deposits from Public and Shareholders of the Company under Section 73 of the Companies Act, 2013.

9. STATUTORY AUDITORS

M/s S. S. Kothari Mehta & Co., Chartered Accountants (Firm Registration no. 000756N), the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting. As required under the provision of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s S. S. Kothari Mehta & Co., Chartered Accountants that their appointment, if made, would be in conformity with the Companies Act, 2013. Your directors recommend the re-appointment of M/s S. S. Kothari Mehta & Co., Chartered Accountants, as Auditors of the Company for the financial year 2015-16.

4

10. AUDITORS' REPORT

The Board has duly reviewed the Statutory Auditor's Report on the accounts for the year ended 31st March, 2015 and has noted that the same does not have any reservation, qualification or adverse remarks.

11. SHARE CAPITAL

The authorized capital of the Company stands at Rs. 500,000,000/- divided into 50,000,000 equity shares of Rs. 10/- each and the paid-up capital of the Company stands at Rs. 276,546,910/- divided into 27,654,691 equity shares of Rs. 10/- each.

Further there is no issue of securities during the year.

12. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT - 9 is enclosed as "Annexure-I".

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A) Conservation of energy:

The requirements of disclosures with regard to conservation of Energy in terms of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are not applicable to the Company since it doesn't own any manufacturing facility.

B) Technology absorption:

- | | |
|---|-------|
| 1. Research & Development (R&D) | : Nil |
| 2. Technology absorption, adoption and innovation | : Nil |

C) Foreign exchange earnings and Outgo:

- | | |
|------------------------------|-------|
| 1. Foreign Exchange Earnings | : Nil |
| 2. Foreign Exchange Outgo | : Nil |

5

14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Section 135 of the Companies Act, 2013 has imposed CSR mandate on companies having minimum threshold limit of net worth, turnover or net profit as prescribed. Since the Company does not meet any one of these criterion, it remains outside the purview of section 135 and consequently the reporting requirements there under do not at present apply to the Company.

15. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 Mr. Siddharth Shriram, Director of the Company is liable to retire by rotation and being eligible offer himself for re-appointment at the ensuing Annual General Meeting.

Mr. Harjeet Singh Sandhu was co-opted as an Additional Director of the Company w.e.f. 28.07.2015 to hold office upto the date of forthcoming Annual General Meeting.

During the year under review, Mr. Rajendra Khanna has been resigned from the directorship of the Company w.e.f. 28th July, 2015.

16. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 5 (five) times during the year on 20.06.2014, 26.06.2014, 27.08.2014, 31.12.2014 and 30.03.2015 and a resolution also passed by circulation dated 01.08.2014 .

17. AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

- | | | |
|----|--------------------------|------------|
| 1. | Mr. Siddharth Shriram | - Chairman |
| 2. | Mr. A.K. Mehra | - Member |
| 3. | Mr. Harjeet Singh Sandhu | - Member |

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 of the Companies Act, 2013

Your company has not given any Loans, Guarantees or made any investments under the provisions of section 186 of the Companies Act, 2013 during the year under review.

4

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

There is no related party transaction during the financial year.

The company has given corporate guarantee of Rs. 5,295,000,000/- (previous year Rs. 5,295,000,000/-) and equitable mortgage of its industrial estate land measuring 455.23 acres (previous year 455.23 acres) as a collateral security to the lenders of the Company's holding company (Mawana Sugars Limited) to secure the repayment of all monies due by the holding company to its lenders.

20. EMPLOYEES:

There is no employee in the Company whose particulars are required to be given pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

21. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors Responsibility Statement, it is hereby confirmed:

- (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year ended on that period;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the directors had prepared the annual accounts on a going concern basis;

5

- (e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. ACKNOWLEDGEMENTS

Your Directors sincerely thank business associates , Banks Center Government and State Government of Punjab for the faith reposed in your company and its management.

By Order of the Board
For SIEL Industrial Estate Limited



(Siddharth Shriram)
Chairman

Din No. 0027750

Shrira

Place: New Delhi

Date: 13.08.2015

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	U45209DL1994PLC057359
2	Registration Date	11.02.1994
3	Name of the Company	Siel Industrial Estate Limited
4	Category / Sub-Category of the Company	I. Company Limited by Shares II. Indian Non-Government Company
5	Address of the Registered Office and contact details	Address: 5 th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi-110 008 Contact Details: 011-25739103
6	Whether listed company Yes / No	No
7	Name, address and contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company is doing business of Development of Industrial Estate at Rajpura, Punjab and acquired 455.23 acres of Land at Rajpura, District Patiala, Punjab as per Memorandum of understanding signed between the Company and State Government of Punjab

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	To develop Industrial Estate	42909	

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
1	Mawana Sugars Ltd.	L74100DL1961PLC003413	Holding CO.	50.71	2 (46)
2	Siel Financial Services Ltd.	L65999MP1990PLC007674	Fellow Subsidiary	Nil	2(46)
3	Siel Infrastructure & Estate Developers Pvt. Ltd.	U74899DL1985PTC021191	Holding Co.	49.29	2 (46)

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

i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	27654685	-	27654685	100	27654685	-	27654685	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):	27654685	-	27654685	100	27654685	-	27654685	100	0
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	27654685	-	27654685	100	27654685	-	27654685	100	0

c) Others (specify)									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI / OCBs	-	-	-	-	-	-	-	-	-
v) Clearing Members / Clearing House	-	-	-	-	-	-	-	-	-
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	-	6	6	0.00	-	6	6	0.00	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	6	6	0.00	-	6	6	0.00	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	27654685	6	27654691	100.00	27654685	6	27654691	100.00	0

ii) Shareholding of promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total share	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total share	
1	Mawana Sugars Limited	14024994	50.71	0	14024994	50.71	0	Nil
2	Siel Infrastructure & Estate Developers Pvt. Ltd.	13629691	49.29	0	13629691	49.29	0	Nil

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

(iv) There is no change in the Promoters' Shareholding during the year under review.

Sl. No.		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	27654685	100.00	27654685	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There is no change in the Promoters' Shareholding during the year under review			
	At the End of the year	27654685	100.00	27654685	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year
---------	---	---

	For Each of the Top 10 Shareholders	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 Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There is no change in the Promoters' Shareholding during the year under review			
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There is no change in the Promoters' Shareholding during the year under review			
	At the End of the year	1	0.00	1	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
--	----------------------------------	-----------------	----------	--------------------

Indebtedness at the beginning of the financial year:				
i) Principal Amount	Nil		-	
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)			-	
Change in Indebtedness during the financial year:				
• Addition		-	-	
• Reduction	-		-	
Net Change			-	
Indebtedness at the end of the financial year:				
i) Principal Amount		-	-	
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		-	-	

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 (in Rs.)
		At Present No MD/WTD/Manager are employed in the Company	

1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(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)		
	Ceiling as per the Act		

B. Remuneration to other Directors:

No Remuneration/Sitting fee Paid to the Directors

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	-	-	-	-	-
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2.	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

At present there are no Key Managerial Personnel in the Company.



Sl. no.	Particulars of Remuneration	Key Managerial Personnel	Total Amount (In Rupees)
---------	-----------------------------	--------------------------	--------------------------

1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(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		

VII. PENALTIES / PUNISHMENT / COMPUNDING OF OFFENCES; Nil

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

Sign : _____
Nirbhay Kumar
Practising Company Secretary
Membership No.21093

Sign: 
Siddharth Shriram
Director
Din No. 00027750


Date: 13.08.2015
Place : New Delhi

SS KOTHARI MEHTA & CO

CHARTERED ACCOUNTANTS

146-148 Tribhuvan Complex
Ishwar Nagar
Mathura Road,
New Delhi-110065
Phones : +91-11-4670 8888
Fax : +91-11-6662 8889
E-mail : delhi@sskmin.com

Independent Auditors' Report **To The Members of SIEL INDUSTRIAL ESTATE LIMITED**

Report On the Financial Statements

We have audited the accompanying financial statements of **SIEL INDUSTRIAL ESTATE LIMITED** ("the Company") which comprises the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, 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 Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

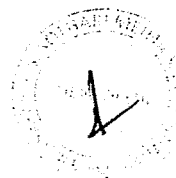
Auditor's Responsibility

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 the matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 misstatement.

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 financial statement that gives a true and 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 operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We, draw attention to note no. 11.g.C.i and 11.g.C.ii of the financial statements regarding the matter that the Company has given Corporate Guarantees of Rs. 5,295,000,000 and equitable mortgage of its industrial estate land admeasuring 455.23 acres as a collateral security to the lenders of the Company's Holding Company Mawana Sugars Limited (MSL) to secure the repayment of all monies due to lenders up to Rs. 7,869,848,000. MSL has got registered with the BIFR in September 2013 under the provisions of section 15(1) of the Sick Industrial Companies (Special Provisions), Act, 1985 (SICA). Based on an internal assessment and valuation done by an independent valuer, the Management of MSL is confident that the current fair market value of the assets of MSL is sufficient to discharge its financial obligations as envisaged in the BIFR scheme and there would be no liability on assets of the company. In view of this, the financial statements of the company have been prepared on a going concern basis.

Our report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements


1. As required by the Companies (Auditor's Report) Order, 2015 (the Order) issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 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 purposes 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 Statement of Profit and Loss, and the Cash Flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31st March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included, in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and accordingly 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 11(b) (iii).
 - ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No. 000756N




(Kamal Kishore)
Partner
Membership No. 078017

Place: New Delhi

Date: *August 13, 2015*

**Re: SIEL INDUSTRIAL ESTATE LIMITED ('the Company')
Annexure to Independent Auditors' Report**

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As part of this programme, the management has physically verified certain fixed assets during the year. No material discrepancies were noticed on such verification.
- (ii) (a) The Company does not have any stocks of raw materials, stores, spares and finished goods except for stock of land in industrial estate. Thus, clause 3(ii) of the order is not applicable.
- (b) In respect of stock of land in industrial estate, as informed to us, physical verification has been conducted by the management at reasonable intervals during the year, the procedures for which, in our opinion, are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (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 clause 3(iii) (a) & (b) of the Order are not applicable.
- (iv) According to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have been informed of any instance of a continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits in terms of Sections 73 to 76 of the Act and / or directives issued by the Reserve Bank of India or any other relevant provisions of the Act and the Rules framed thereunder.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013, for any of the activities involved by the Company.
- (vii)(a) According to the information and explanations given to us and according to the records of the Company, examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues,



as applicable, with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, value added tax, sales tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (c) The company does not have any amount which is required to be transferred to Investor Education and Protection Fund in accordance with relevant provisions of Companies Act, 1956 and Rules made thereunder.
- (viii) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth. The company has incurred cash losses during the financial year under report and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
- (x) According to the information and explanations given to us, the Company has given a Corporate guarantee of Rs.5,295,000,000 and provided security of its industrial estate land admeasuring 455.32 acres as mortgage in favour of lenders of its holding company Mawana Sugars Limited as a collateral security, the terms and conditions whereof are not, prima facie, prejudicial to the interest of the Company. (Refer Note 11.g.C.i of the financial statements and Emphasis of Matter paragraph as mentioned above)
- (xi) In our opinion and according to the information and explanations given to us, the Company has not raised any term loan during the financial year, hence the related reporting requirement of the Order is not applicable.
- (xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the management.

For S. S. KOTHARI MEHTA & CO.

Chartered Accountants

Firm Registration No. 000756N



Kamal Kishore
(Kamal Kishore)

Partner

Membership No. 078017

Place: New Delhi

Date: *August 13, 2015*


Siel INDUSTRIAL ESTATE LIMITED			
BALANCE SHEET AS AT 31st March 2015			
Particulars	Note no.	As at 31st March 2015	Amount Rs. As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
a) Share Capital	2	27,65,46,910	27,65,46,910
b) Reserves and Surplus	3	(2,42,54,215)	(1,94,03,941)
		<u>25,22,92,695</u>	<u>25,71,42,969</u>
Current liabilities			
a) Other current liabilities	4	5,52,367	17,94,868
		<u>5,52,367</u>	<u>17,94,868</u>
TOTAL		<u>25,28,45,062</u>	<u>25,89,37,837</u>
ASSETS			
Non-current assets	5		
a) Fixed assets			
-Tangible assets		5,97,367	5,97,367
b) Other non-current assets		1,22,255	1,12,149
c) Long-term loans and advances		1,76,862	3,83,929
		<u>8,96,484</u>	<u>10,93,445</u>
Current assets	6		
a) Inventories		22,84,12,017	22,45,92,291
b) Cash and cash equivalents		2,25,37,687	1,89,98,832
c) Short-term loans and advances		4,000	1,32,84,839
d) Other current assets		9,94,873	9,68,429
		<u>25,19,48,577</u>	<u>25,78,44,391</u>
TOTAL		<u>25,28,45,062</u>	<u>25,89,37,837</u>

Significant accounting policies 1

The notes referred to above form an integral part of the financial statements

This is the balance sheet referred to
in our report of even date

For S.S. Kothari Mehta & Co.,
Chartered Accountants
Firm Registration No.: 000756N


(Kamal Kishore)
Partner
Membership No.078017

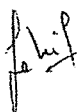
PLACE : New Delhi
DATED : August 13, 2015



For and on behalf of the Board of Directors of
Siel Industrial Estate Limited


Director


Director



Siel INDUSTRIAL ESTATE LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2015

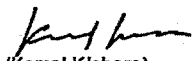
			Amount Rs.
	Note	12 Months Ended 31st March 2015	12 Months Ended 31st March 2014
Revenue from operations		-	-
Less: Excise Duty		-	-
Other income	7	17,91,007	44,41,182
Total Revenue		17,91,007	44,41,182
Expenses :			
Purchase of Land		38,19,726	24,75,200
(Increase) / Decrease in Stock of Land	8	(38,19,726)	(24,75,200)
Employee Benefit Expenses	9	-	25,21,669
Depreciation and amortisation	5	-	4,680
Other expenses	10	65,66,821	44,12,284
TOTAL		65,66,821	69,38,634
Profit before exceptional and extraordinary items and tax		(47,75,814)	(24,97,452)
Profit before extraordinary items and tax		(47,75,814)	(24,97,452)
Less : Extraordinary items		-	-
Profit before tax		(47,75,814)	(24,97,452)
Less: Provisions for:-			
- Income Tax/MAT		-	-
- Income tax adjustment for earlier years		74,460	-
Profit for the period from continuing operations		(48,50,274)	(24,97,452)
Profit from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
Profit from discontinuing operations after tax		(48,50,274)	(24,97,452)
Profit for the period		(48,50,274)	(24,97,452)
Earning Per Share			
(Nominal value of equity share Rs. 10/-)			
- Basic		(0.18)	(0.09)
- Diluted		(0.18)	(0.09)

Significant accounting policies 1

The notes referred to above form an integral part of the financial statements

This is the statement of profit and loss referred to in our report of even date

For S.S. Kothari Mehta & Co.,
Chartered Accountants
Firm Registration No.: 000756N


(Kamal Kishore)
Partner
Membership No.078017



PLACE : New Delhi
DATED : August 13, 2015

For and on behalf of the Board of Directors of
Siel Industrial Estate Limited


Director


Director



Siel INDUSTRIAL ESTATE LIMITED
Cash Flow Statement for the year ended 31st March 2015

	Year ended 31.03.2015 Amount (Rs.)	Year ended 31.03.2014 Amount (Rs.)
A. Cash flow from operating activities :		
Net Profit before Tax	(47,75,814)	(24,97,452)
Add: Depreciation	-	4,680
Less: Interest income	(17,88,749)	(18,11,725)
Less: Excess provisions written back	(2,258)	-
Advance recoverable written off	10,47,452	-
Operating Profit before Working Capital Changes	(55,19,369)	(43,04,496)
Adjustment for:-		
(Increase)/ Decrease in trade / other receivables (net)	-	-
(Increase)/ Decrease in inventories	(38,19,726)	(24,75,200)
(Increase)/ Decrease in loans and advances	1,22,33,387	(37,368)
(Decrease) / Increase in trade / other payables	(12,40,243)	(15,37,955)
Cash generated from operations	16,54,049	(83,55,019)
Direct taxes/MAT(paid)/ refund received	1,32,606	(1,88,442)
Net cash Inflow from operations	17,86,655	(85,43,461)
B. Cash flow from investing activities :		
Interest received	17,52,199	19,57,171
Purchase of office equipment.	-	(4,590)
Net cash inflow from investing activities	17,52,199	19,52,581
C. Cash flow from financing activities :		
Issue of Share Capital at premium	-	-
Interest paid	-	-
Net cash Inflow from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	35,38,854	(65,90,880)
Cash and cash equivalents as at opening		
Cash and bank balances *	1,89,98,832	2,55,89,712
Cash and cash equivalents as at closing		
Cash and bank balances *	2,25,37,687	1,89,98,832
	35,38,854	(65,90,880)
	(0)	
* Excludes balances with banks on margin money account Rs 104,036 (Previous year Rs.104,036)		

As per our report of even date attached
for S.S.KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No.: 000756N

For and on behalf of the Board of Directors of
Siel Industrial Estate Limited

(Kamal Kishore).
Partner
Membership No. 078017



New Delhi
Dated: August 13, 2015

Jahid

[Signature]
Director

[Signature]
Director

Siel INDUSTRIAL ESTATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st March 2015
(Figures in Rs.)

2 SHARE CAPITAL	As At 31st March 2015	As At 31st March 2014
Authorised		
50,000,000 (Previous Year 50,000,000) Equity Share of Rs. 10 each	50,00,00,000	50,00,00,000
	<u>50,00,00,000</u>	<u>50,00,00,000</u>
Issued, Subscribed and Fully Paid-up		
27,654,691 (Previous Year 27,654,691) equity shares of Rs. 10 each	27,65,46,910	27,65,46,910
	<u>27,65,46,910</u>	<u>27,65,46,910</u>
Total Share Capital	27,65,46,910	27,65,46,910

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	No of shares	No of shares
Equity Shares outstanding as at the beginning of the year	2,76,54,691	2,76,54,691
Add: Equity Shares issued during the year #		
Equity Shares outstanding as at the close of the year	2,76,54,691	2,76,54,691

The company on 25th September, 2012 had issued 1,54,691 Equity shares of Rs. 10/- each at a premium of Rs. 90.20 per shares to Siel Infrastructure & Estate Developers Private Limited on right basis.

b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares dividends in Indian rupees. The dividend proposed by the board of Directors is subject to the approval of the Shareholders in the ensuing Annual General meeting, except interim dividend

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company

Out of equity issued by the company, shares held by its holding company, Subsidiary of holding company are as below:

- Mawana Sugars Limited (formerly Siel Limited)		
14,025,000 (31st March' 14 : 14,025,000) equity shares of Rs. 10 each fully paid up	14,02,50,000	14,02,50,000
- Siel Infrastructure & Estate Developers Pvt. Ltd. (Formerly Avro Sales Pvt. Ltd.)		
13,629,691 (31st March' 14 : 13,629,691) equity shares of Rs. 10 each fully paid up	13,62,96,910	13,62,96,910
	<u>27,65,46,910</u>	<u>27,65,46,910</u>

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	31st March 2015		31st March 2014	
	No of Shares	% holding	No of Shares	% holding
Mawana Sugars Limited (formerly Siel Limited)	1,40,25,000	50.71%	1,40,25,000	50.71%
Siel Infrastructure & Estate Developers Pvt. Ltd.	1,36,29,691	49.29%	1,36,29,691	49.29%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years

Immediately preceding the reporting date :

The Company has neither issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31st March 2014.



2

	As At 31st March 2015		As At 31st March 2014	
3 RESERVES AND SURPLUS				
Surplus/ (deficit) in the statement of profit and loss				
As per last financial statements		(3,33,57,070)		(3,08,59,619)
Add : During the year		(48,50,274)		(24,97,452)
Less: Appropriations				
- Transfer to General Reserve		-		-
Net surplus in the statement of profit and loss		<u>(3,82,07,344)</u>		<u>(3,33,57,070)</u>
Share Premium A/c				
Opening as per last financial year	1,39,53,129		1,39,53,129	
Additions during the year				
Closing balance	1,39,53,129	<u>1,39,53,129</u>	1,39,53,129	<u>1,39,53,129</u>
Total Reserves and Surplus		<u>(2,42,54,215)</u>		<u>(1,94,03,941)</u>
4 CURRENT LIABILITIES				
Other current liabilities :				
Advance from customers		2,50,000		2,50,000
Other Payables				
- Statutory Dues		1,09,817		32,500
- Security Deposits		3,678		3,678
- Trade Payables				
Bank Overdraft		34,312		-
Dues of other than micro and small enterprises				
Dues of micro and small enterprises				
- Outstanding Liabilities:				
Related Party			11,19,102	
Others	1,54,560	1,54,560	3,89,588	15,08,690
Total Other Current Liability		<u>5,52,367</u>		<u>17,94,868</u>
5 NON-CURRENT ASSETS				
Other Non- Current Assets				
- Fixed deposits against bank guarantee		1,04,036		1,04,036
- Interest receivable on Fixed deposits		18,219		8,113
Total Non-Current Assets		<u>1,22,255</u>		<u>1,12,149</u>
Long-term loans and advances				
Advance income tax and TDS (net of provision)		<u>1,76,862</u>		<u>3,83,929</u>
6 CURRENT ASSETS				
a) Inventories				
Stock in Trade				
Land under development/held for sale				
At the beginning of the year		22,45,92,291		22,21,17,091
Increase / (Decrease) in Land		38,19,726		24,75,200
Add: Change in valuation as per AS-2 [Refer Note 11(g)]		-		-
Less: Sales during the year		-		-
		<u>22,84,12,017</u>		<u>22,45,92,291</u>
b) Cash and Cash equivalents				
	Non-Current		Current	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Cash on hand				
Balances with banks				
- On current accounts			1,37,687	5,80,544
- Deposits with original maturity of less than 12 months			2,24,00,000	1,84,18,288
			<u>2,25,37,687</u>	<u>1,89,98,832</u>
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months				
Deposits with original maturity for more than 12 months	1,04,036	1,04,036		
	<u>1,04,036</u>	<u>1,04,036</u>		
Amount disclosed under non-current assets (Note 5)	<u>1,04,036</u>	<u>1,04,036</u>		
			<u>2,25,37,687</u>	<u>1,89,98,832</u>

de



c) Loans and advances				
Security deposits				
Unsecured, considered good				
	-	-	4,000	4,000
	-	-	4,000	4,000
Other Loans and Advances				
(Unsecured, considered good)				
Deposit with government for land procurement				
Advance income tax and TDS (net of provision)				
	1,76,862	3,83,929	-	1,32,80,839
	1,76,862	3,83,929	-	1,32,80,839
Amount disclosed under non-current assets (Note 5)				
	1,76,862	3,83,929	-	1,32,80,839
Total loans and advances				
	-	-	4,000	1,32,84,839
d) Interest Receivable				
- Interest on Fixed Deposits				
	18,219	8,113	9,94,873	9,68,429
	18,219	8,113	9,94,873	9,68,429
Amount disclosed under non-current assets (Note 5)				
	18,219	8,113	-	-
Other Current Assets				
	-	-	9,94,873	9,68,429

- Includes Rs. 33,62,421/- being adjustment of amount recoverable from Collector Land Aquisition against denotified land and Rs. 4,57,305/- as purchase of Land
 @ - Includes Rs. 10,47,452/- written off proportionately against amount recoverable from Collector Land Aquisition.

26



Siel INDUSTRIAL ESTATE LIMITED
NOTE 5: FIXED ASSETS AS AT 31.03.2015

Tangible assets					
	Land	Office Equipment	Furniture and fixtures	Vehicle	Total
Cost					
At 01 April 2013	5,97,367	5,22,483	19,697	3,17,380	14,56,927
Additions	-	4,590	-	-	4,590
Disposals	-	-	-	-	-
At 01st April 2014	<u>5,97,367</u>	<u>5,27,073</u>	<u>19,697</u>	<u>3,17,380</u>	<u>14,61,517</u>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31st March 2015	<u>5,97,367</u>	<u>5,27,073</u>	<u>19,697</u>	<u>3,17,380</u>	<u>14,61,517</u>
Depreciation					
At 01 April 2013	-	5,22,483	19,608	3,17,380	8,59,471
Charge for the year	-	4,590	90	-	4,680
Disposals	-	-	-	-	-
At 01st April 2014	<u>-</u>	<u>5,27,073</u>	<u>19,697</u>	<u>3,17,380</u>	<u>8,64,150</u>
Charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
At 31st March 2015	<u>-</u>	<u>5,27,073</u>	<u>19,697</u>	<u>3,17,380</u>	<u>8,64,150</u>
Net Block					
At 31st March 2015	<u>5,97,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,97,367</u>



[Handwritten signature]

SIEL INDUSTRIAL ESTATE LIMITED

Notes to the Financial Statements as at and for the Year Ended 31st March 2015

1. Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, on-going concern basis and in terms of the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 in compliance of Section 133 read with Rule (7) of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles in India.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognised in the period in which the results are known/ materialized.

c) Fixed Assets

Fixed Assets are stated at cost. The cost of an asset comprises its purchase price and other attributable expenses.

d) Depreciation

- i. The Company follows the straight-line method of depreciation on fixed assets.
- ii. The rates of depreciation are calculated considering the useful life prescribed in Schedule II of Companies Act, 2013.
- iii. Depreciation has been calculated on pro-rata basis from the month of acquisition/ installation of the assets.
- iv. In respect of fixed assets sold/discarded during the period, depreciation is provided upto the date of sale/discard.



e) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Previously recognised impairment losses are reversed to the extent the recoverable amount exceeds the carrying amounts.

f) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

h) Segment reporting

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

i) Revenue recognition

- (i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (ii) Income from sale of land is recognized on receipt of full consideration from customers and significant risks and rewards of ownership have been transferred which coincides with the entering into a legally binding agreement.



j) Stock in trade

Stock of land in Industrial Estate is valued at lower of cost and estimated realisable value.

k) Land under Development

Land under Development represents construction work in progress which are stated at the lower of cost and net realizable value. This comprises of cost of land, construction related overhead expenditure and other net costs incurred during the year of development.

l) Income Taxes

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier periods.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

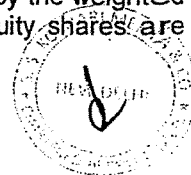
At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified year. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

m) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are



treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are shown by way of Notes to Accounts in respect of obligations where based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets are neither recognized nor disclosed in the accounts

o) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(This space is intentionally left blank)



de

Note 11.

Contingent Liabilities and Commitments

	31 st Mar.' 2015	31 st Mar. 2014
a) Contingent liabilities not provided for in respect of:		
i) Claims against the Company not acknowledged as debt (Refer point b(iii) of Note 11)	—	—
ii) Bank Guarantees issued (in Rs.)	50,000	50,000
b) Other Commitments	—	—
i) The Company has mortgaged its Industrial estate land measuring 455.23 acres (Previous year 455.23 acre) as a collateral security in favour of lenders of holding company (Mawana Sugars Limited) to secure the repayment of all monies due to lenders upto Rs.7,869,848,000 (Previous year Rs. 7,869,848,000).		
ii) The Company has given a Corporate Guarantees of Rs. 5,295,000,000 (Previous year Rs. 5,295,000,000) as collateral security on behalf of the holding company (Mawana Sugars Limited) in favour of lenders of Mawana Sugars Limited.		
iii) Pursuant to MOU signed with Govt. of Punjab, as at the close of the year, the Company has possession of 455.57 acres (Previous year 455.53 acres) of land, which has been conveyed in the name of the Company. The land of 58.01 acres which is under litigation has been denotified in the previous financial years, against which the Company has deposited an amount of Rs. Nil (Previous year Rs.13, 280,839), which was shown as recoverable under 'Short Term Loans and Advances' (Note 6c). This amount has been received/ adjusted in the books of accounts in the current financial year.		
<p>The Additional District Judge, Patiala has, vide Order dated 12.11.2005, enhanced an amount of Rs. 30,000 per acre in the basic land price compensation. Further, compensation for Abadi land, Loss of Income, Superstructures, trees, etc has also been granted. The Company has filed an appeal against the above Order in the Punjab & Haryana High Court in April'06, and previous land owners/ farmers has also filed the case claiming enhancement amount of compensation against the company, which is still pending.</p> <p>The Collector, Land Acquisition has confirmed a total liability of Rs. 71,598,497 towards the said enhancement and the Company has deposited this entire enhanced amount with the Additional District Judge, Patiala. Suitable adjustment entries in this regard have been made in the books of accounts of the Company.</p>		
c) The State Government has exempted the Company from all the provisions of Punjab Apartment and Property Regulation Act, 1995 'PAPRA' subject to the terms and conditions as stated in Notification No. 2/14/2000-2HG(2)/895 dated 12.2.2004 and 2/14/2000-2HG(2)/3395-98 dated 25.5.2004.		
d) The legal challenges on 58.01 acres of land deterred potential customers and therefore the development of the land. These legal challenges were finally overcome and the unencumbered possession of the land has been achieved on October, 2011 upon final conclusion of all pending legal cases in the Punjab and Haryana Court in relation to the said land.		

[Handwritten signature]



Accordingly, the Company is now in a position to undertake the development of the land in synchronization with the evolving needs of the State and customer interest, as earlier envisaged. The MOU mandates the development of the estate within ten years of receiving the unencumbered possession of the land. A letter has been received from the Government of Punjab, Department of Industries & Commerce (Land Acquisition Branch) confirming the period of ten years for development of Industrial Estate begins from 05th Oct. 2011 i.e. the date on which the company received clear & unencumbered possession of land.

- e) During the previous years, The Holding Company i.e., M/s Mawana Sugars Ltd, has sold 49% stake (13,475,000 equity shares of Rs. 10/- each) in the Company to another wholly owned subsidiary i.e. M/s Siel Infrastructure and Estate Developers Private Limited for Rs. 1,350,195,000/-. This consideration has been discharged by issuing of 13,501,950 equity shares of Rs. 100/- each of M/s Siel Infrastructure and Estate Developers Private Limited to M/s Mawana Sugars Limited.
- f) As per the accounting policy of the Company, inventories are valued at lower of cost or estimated realizable value. During the accounting year ended 31st Mar. 2015, as the estimated realizable value of land was higher than cost, the Company valued its inventories at cost Rs. 228,412,017 (previous year 224,592,291) which is inclusive of enhanced compensation as per the Order of Additional District Judge, Patiala referred to in c above. For the current year, in view of the current prevailing market condition, the value indicated by the valuer is higher than the cost hence, the Company valued its inventories at cost.
- g) Related Party transactions: The list of related parties and transactions with them is as under:

	31 st Mar.' 2015	31 st Mar. 2014
(A)		
Usha International Limited (UIL) (Enterprise over which key management personnel have significant influence) - Ultimate Holding Company upto June 20, 2013)		
- Expenses reimbursed	NIL	2,534,389
- Balance outstanding	NIL	549,226
(B)		
Mawana Sugars Limited (Holding Company)		
Expenses reimbursed	NIL	136,205
Balance outstanding	NIL	569,876
Outstanding Corporate Guarantee	5,295,000,000	5,295,000,000

Handwritten signature



(C)

- i) The Company has given Corporate Guarantees of Rs. 5,295,000,000 (Previous year Rs. 5,295,000,000) and equitable mortgage of its industrial estate land measuring 455.23 acres (Previous year 455.23 acres) as a collateral security to the lenders of the Company's Holding Company (Mawana Sugars Limited) to secure the repayment of all monies due to lenders upto Rs.7,869,848,000.
- ii) The Holding Company Mawana Sugars Ltd. (MSL) over the last few years has been incurring cash losses due to which its net worth has been completely eroded. MSL got registered with the BIFR on 10th September 2013 under the provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions), Act, 1985 (SICA). The process for revival/rehabilitation of MSL is under way in line with the prescribed procedure and rules under SICA.

MSL has made Draft Rehabilitation Scheme (DRS) which envisaged besides others, disinvestment of its investment in company to the extent of 50% and bring in the joint venture partner for development of industrial estate. The proceeds shall be utilized partially for development of SIEL IE and remaining for repayment to MSL's lenders.

Based on an internal assessment and valuation done by an independent Valuer, the Management of MSL is confident that the current fair market value of the assets of MSL is sufficient to discharge its financial obligations as envisaged in the BIFR scheme.

Meanwhile, Company has engaged M/s Jones Lang Lasalle (JLL), an international real estate consulting firm for carrying the feasibility study of the development of the Industrial estate. Their scope of work includes Industry identification, development norms & policy review, demand assessment, product -mix derivation, pricing strategy formulation, development scheduling and phasing strategy, financial analysis and related matters. Architects have been appointed for developing the concept Master plan. Company has also approached PWD for widening of approach road. Other related work for developing initial infrastructure work has commenced.

M/s JLL have completed the above feasibility study based on which our Principal Architect M/s Ranjit Sabikhi Architect have finalised the Master Plan of the complete industrial estate. This is now being submitted to Punjab Urban Development Agency for their approval.

In addition to the above M/s JLL have now commenced work on Marketing Strategy formulation and have also started finalising the format of the collaterals for marketing of the industrial estate.

In view of the above, the Board of Directors of the Company is confident that there would not be any liability on the assets of Company due to the corporate guarantees given by company to lenders of MSL. Accordingly, these financial statements have been prepared on a going concern basis.

(D) Fellow Subsidiaries of the Holding Company

Siel Financial Services Limited	NIL	NIL
Siel Infrastructure & Estate Developers Private Limited (Formerly known as Avro Sales Private Ltd.)	NIL	NIL

Key Management personnel and their relatives

Mr. Siddharth Shriram (Chairman)	NIL	NIL
Mr. A. K. Mehra	NIL	NIL
Mr. Rajendra Khanna (w.e.f. 26.06.2014)	NIL	NIL

[Signature]



Mr. P. K. Bhalla (till 26.06.2014)

NIL

NIL

h) Earnings per share (EPS) in terms of Accounting Standard – 20

	31 st Mar.' 2015	31 st Mar.'2014
(i) Profit/(Loss) as per P&L A/c (in Rs.)	(4,850,274)	(2,497,452)
Total Profit/(Loss) after tax attributable to equity shareholders	(4,850,274)	(2,497,452)
(ii) Weighted average number of equity shares of Rs.10/- each outstanding during the year (in nos.)	27,654,691	27,654,691
(iii) Earnings/ (Loss) per share - Basic & Diluted (in Rs.)	(0.18)	(0.09)

Deferred Tax

The components of Deferred Tax balances as on 31st March 2015 are as follow:-

Particulars	31 st Mar'15	31 st Mar'14
Deferred Tax Liability-	NIL	NIL
Total (A)	NIL	NIL
Deferred Tax Assets-		
Fixed Assets (in Rs.)	12,915	14,136
Brought forward losses (in Rs.)	3,838,407	2,189,121
Total (B) (in Rs.)	3,851,322	2,203,257
Net Deferred Tax Assets (B-A) (in Rs.)	3,851,322	2,203,257
Amount Recognized in Statement of Profit & Loss Account*	-	-

*As at 31st March 2015 the Company has tax losses/ unabsorbed depreciation as per tax laws. In view of virtual uncertainty of realization of tax losses / unabsorbed depreciation, no deferred tax assets have been recognized by the company as at 31st March 2015.

- i) In the opinion of the management, current assets, loans and advances have a value on realization in the ordinary course of business, not less than the amount at which they are stated in the Balance Sheet.
- j) The Company has only one segment of business i.e. to conceive, design, promote, built, develop, consult, establish, sell manage and maintain integrated Industrial Estate, Science Parks, Business Parks etc. Therefore, no segment is required to be disclosed as per Accounting Standard (AS) – 17 on "Segment Reporting" notified by Companies (Accounting Standards) Rules, 2006 (as amended).

- k) Figures are rounded off to the nearest rupee.

P




l) Additional information required by para 5 of part II of Schedule III of the Companies Act, 2013:

Particulars of opening and closing stock, purchases and sales

	31 st Mar' 2015	31 st Mar' 2014
Description	(Acres)	(Acres)
Opening stock	455.53	455.32
Purchases	0.04	0.21
Adjustments	-	-
Sales	-	-
Closing stock	455.57	455.53

Signatures to Notes 1 to 11 inclusive


As per our report of even date attached
for S.S.Kothari Mehta & Co.,
Chartered Accountants
Firm Registration No.: 000756N


(Kamal Kishore)
Partner
Membership No. 078017

New Delhi
Dated: August 13, 2015



For and on behalf of the Board of Directors of
Siel INDUSTRIAL ESTATE LIMITED


Director


Director

