

# **SIEL INDUSTRIAL ESTATE LIMITED**

**CIN No. - U45209DL1994PLC057359**

**PHONE NO. - 011-25739103**

**Fax No. 91-11-25743659**

**Email: secretarialdeptt@mawanasugars.com**

**REGD. OFFICE - 5th Floor, KirtiMahal,  
19, Rajendra Place, New Delhi-110008**

## **DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure in presenting their 22nd Annual Report on the business and operations of the Company and the accounts for the financial year ended 31st March, 2016.

### **1. PERFORMANCE OF THE COMPANY**

#### **FINANCIAL RESULTS**

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

	<b>(Rs./Lacs)</b>	
<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Profit/Loss before exceptional and extraordinary items and tax	(122.61)	(47.76)
Interest	-	-
Depreciation	0.05	-
Profit/(Loss) before tax	(122.66)	(47.76)
Provision for tax	-	-
Advance Income tax/ Adjustment written off	-	0.74
Profit/(Loss) after tax	(122.66)	(48.50)

### **2. DIVIDEND**

In view of losses incurred during the year under review, the board regrets its inability to recommend any dividend for the financial year 2015-16.

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### **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 5<sup>th</sup> 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 firms 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. Work on the basic infrastructure e.g. landscaping of the 29-meter approach road, entrance gate and command centre has also commenced.

#### **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.

The Landowners have filed appeals against the order of Hon'ble High Court, Punjab & Haryana before the Hon'ble Supreme Court of India seeking further enhancement of compensation. Your Company has also filed an appeal in the Hon'ble Supreme Court of India challenging the order of Hon'ble High Court, Punjab & Haryana. The same are pending for hearing.

On 26.08.2016 the Collector of Land Acquisitions had issued a letter to the Company for deposit of a sum of Rs.10,75,23,756/- (Rupees Ten Crore Seventy Five Lacs Twenty Three Thousand Seven Hundred Fifty Six Only) towards enhanced basic compensation, CAC, AMV and interest. Out of this the Company has already deposited a sum of Rs.2,08,98,500/- (Rupees Two Crore Eight Lacs Ninety Eight Thousand Five Hundred Only) towards basic compensation on 21.1.2016.

**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 material changes and commitments in the business operations of the Company since the close of the financial year on 31<sup>st</sup> March, 2015 to the date of this report as given below:

- On 26.08.2016 the Collector of Land Acquisitions had issued a letter to the Company for deposit of a sum of Rs.10,75,23,756/- (Rupees Ten Crore Seventy Five Lacs Twenty Three Thousand Seven Hundred Fifty Six Only) towards enhanced basic compensation, CAC, AMV and interest. Out of this the Company has already deposited a sum of Rs.2,08,98,500/- (Rupees Two Crore Eight Lacs Ninety Eight Thousand Five Hundred Only) towards basic compensation on 21.1.2016.

**7. DETAILS OF SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANY:**

The Company does not have any subsidiary, joint venture or associate company.

## **8. DEPOSITS**

During the year 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 (Firm Registration no. 000756N) 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 (Firm Registration no. 000756N), as Auditors of the Company for the financial year 2016-17.

## **10. AUDITORS' REPORT**

The Board has duly reviewed the Statutory Auditors' Report on the accounts for the year ended 31st March, 2016 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 38,000,000 equity shares of Rs. 10/- each and 1,20,00,000 -5% Redeemable Cumulative Preference shares of Rs.10/- each and the paid-up capital of the Company stands at Rs. 316,546,910/- divided into 27,654,691 equity shares of Rs. 10/- each and 4,000,000 -5% Redeemable Cumulative Preference shares of Rs.10/- each.

During the year the Company had issued 4,000,000-5% Redeemable Cumulative Preference shares of Rs.10/- each amounting to Rs.40,000,000/- (Rupees Four Crore only).

## **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:**

Adequate measures have been taken to conserve energy wherever possible by using energy efficient machines, computers and purchase of energy efficient equipment.

#### **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 |

### **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. Ashwani Kumar Mehra, Director of the Company is liable to retire by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. Ravinder Singh Bedi was appointed as an additional independent director of the Company w.e.f. 17.03.2016 to hold office upto the date of forthcoming Annual General Meeting.

### **16. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors met 8 times during the year on 29.06.2015, 28.07.2015, 13.08.2015, 09.10.2015, 19.10.2015, 30.11.2015, 18.12.2015 and 17.03.2016.

## **17. AUDIT COMMITTEE**

The composition of the Audit Committee is as follows:

- |    |                          |            |
|----|--------------------------|------------|
| 1. | Mr. Siddharth Shriram    | - Chairman |
| 2. | Mr. Ashwani Kumar 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.

## **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 Rule 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;
- (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, Central 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. 00027750**

**Place: New Delhi  
Date: 29.08.2016**

**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended 31.03.2016

[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 <sup>th</sup> Floor, Kirti Mahal, 19, Rajendra Place, New Delhi-110 008 Contact Details: Tel No. 011-25739103 Fax No. 91-11-25743659 Email: <a href="mailto:secretarialdeptt@mawanasugars.com">secretarialdeptt@mawanasugars.com</a>
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, District Patiala, Punjab and acquired 455.23 acres of Land at Rajpura, District Patiala, Punjab as per Memorandum of Understanding signed between Mawana Sugars Limited (formerly known as Shriram Industrial Enterprises Limited. The holding 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	Real Estate Activities	68	Not Applicable

**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 Company	50.71	2 (46)
2	Siel Financial Services Ltd.	L65999MP1990PLC007674	Fellow Subsidiary	Nil	2(46)
3	Siel Infrastructure & Estate Developers Pvt. Ltd.	U74899DL1985PTC021191	Holding Company	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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1):</b>	27654685	-	27654685	100	27654685	-	27654685	100	0
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-								-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	-					-			-
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	27654685	-	27654685	100	27654685	-	27654685	100	0



<b>c) Others (specify)</b>									
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	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):</b>	-	6	6	0.00	-	6	6	0.00	0
<b>Total Public Shareholding (B)=(B)(1)+(B) (2)</b>	-	6	6	0.00	-	6	6	0.00	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	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).

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	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	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	Nil	Nil	Nil

ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Change in Indebtedness during the financial year:				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Indebtedness at the end of the financial year:				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</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 (in Rs.)
1.		At Present No MD/ WTD/ Manager are employed in the Company	-
	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	-	-
	<b>Total (A)</b>	-	-
	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	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-
2.	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-	-
	<b>Overall Ceiling as per the Act</b>	-	-	-	-	-

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

At present there are no Key Managerial Personnel other than MD/Manager/WTD 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

Not Applicable

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	-	-	-	-	-



**Independent Auditor's 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 comprise the Balance Sheet as at March 31, 2016, 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 and Companies (Accounting Standards) Amendment Rules, 2016. 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 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. 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 March 31, 2016, and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matters**

- i. We, draw attention to Note No. 11.g.2.i and 11.g.2.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). The process for revival/rehabilitation of MSL is under way in line with the prescribed procedure and rules under SICA.

As such, the MSL is confident that BIFR will approve a rehabilitation scheme that would improve cash flow, reschedulement of the outstanding debt/payables (including overdue debt/payables), and other requisite financial restructuring in consultation with various stakeholders to improve its financial position including net worth. Further, during the current period, the sugar industry has witnessed a steady increase in sugar prices and improved cane recoveries.

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.

- ii. As detailed in Note No. 11.b.iii In compliance of Punjab and Haryana High Court order, Company deposited a sum of Rs. 20,898,500/- towards enhancement with Collector Land Acquisition (CLA), Department of Industries and Commerce, Punjab on 21.01.2016 towards the difference of market price of acquired land as determined by Hon'ble High Court, vide its order dated 15.07.2015, calculated at the rate of Rs. 35,000/- per acre. Based on the legal advice and as per Management opinion no further provision is considered necessary.

Pending ultimate outcome of the above matter which is presently unascertainable, no adjustments have been made in the accompanying financial statements. Our opinion is not modified in respect of above matter.

- iii. As detailed in Note No. 11.h the Company has not complied the provisions of Section 203 (1) (i), (ii) & (iii) and Section 149 (4) of the Companies Act, 2013, requiring the appointment of Chief Executive Officer or Manager or whole-time director, Company Secretary, Chief Financial Officer and Independent director.

Our report is not qualified in respect of above matters.



**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ('Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in clause 3 and 4 of the said Order.

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 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 and Companies (Accounting Standards) Amendment Rules, 2016;
- e) On the basis of written representations received from the directors as at 31 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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";
- 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, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements (Refer Note: 11);
  - (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: 29<sup>th</sup> August, 2016

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in Paragraph 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 fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.  
(c.) According to the information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
- ii. (a) The Company does not have any stock of raw materials, stores, spares and finished goods except for stock of land in industrial estate. Thus, clause 3(ii) of the order are not applicable.  
(b) In respect of land in industrial estate, as informed to us, physical verification has been conducted by the management at reasonable intervals during the year, the procedure for which, in our opinion, are reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- 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. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the activities involved by the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.  
(b) According to the information and explanations given to us, there are no dues in respect of Income-tax, Sales-tax, Service Tax, duty of customs, duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to any banks. The Company did not have any outstanding dues to Government, financial institution and debenture holders as at the balance sheet date.
- ix. The Company did not raise any money by the way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, clause 3 (ix) of the Order are not applicable.



- x. 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, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/ provided for managerial remuneration to the Directors of the Company. Accordingly, clause 3(xi) of the order are not applicable.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Accounting Standard.
- xiv. According to the information and explanation given to us, the Company has made a preferential allotment of Rs.40,000,000 during the year to Mawana Sugars Limited (holding company) of Rs.10 each at par on right basis under review, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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



  
**Kamal Kishore**

Partner

Membership No. 078017

Place: New Delhi  
Date: 29<sup>th</sup> August, 2016

**Annexure –B to the Auditors' Report**

**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 **SIEL INDUSTRIAL ESTATE LIMITED** ("the Company") as at 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 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:



- a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b. 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
- c. 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.

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company internal financial controls over financial reporting as at 31<sup>st</sup> March 2016:

The Company internal financial controls over evaluation and assessment of recoverability including any provision to be made there against in respect of Corporate Guarantees and equitable mortgage of its industrial estate land as a collateral security to the lender of the Company's Holding Company Mawana Sugar Limited(MSL) were not operating effectively which could potentially result in the Company not recognising sufficient provision there against.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company annual financial statement will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, an reasonable 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 and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the internal financial controls over financial reporting were operating effectively in the Company incorporated in India as of 31<sup>st</sup> March 2016.



**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, the financial statement of the Company, which comprise the Balance sheet as at 31<sup>st</sup> March 2016, and the Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 29<sup>th</sup> August, 2016 on which expressed an unqualified opinion on financial statement.

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



A handwritten signature in black ink, appearing to read 'Kamal Kishore'.

**Kamal Kishore**  
Partner

Membership No. 078017

Place: New Delhi  
Date: 29<sup>th</sup> August, 2016



**Siel INDUSTRIAL ESTATE LIMITED**

**BALANCE SHEET AS AT 31st March 2016**


Particulars	Note no.	As at 31st March 2016	Amount Rs. As at 31st March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
a) Share Capital	2	316,546,910	276,546,910
b) Reserves and Surplus	3	(36,520,654)	(24,254,215)
		<u>280,026,256</u>	<u>252,292,695</u>
<b>Current liabilities</b>			
a) Other current liabilities	4	815,176	552,367
		<u>815,176</u>	<u>552,367</u>
<b>TOTAL</b>		<u><b>280,841,432</b></u>	<u><b>252,845,062</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Fixed assets	5		
-Tangible assets		641,159	597,367
b) Other non-current assets		133,197	122,255
c) Long-term loans and advances		194,629	176,862
		<u>968,985</u>	<u>896,484</u>
<b>Current assets</b>			
a) Inventories	6	246,254,679	228,412,017
b) Cash and cash equivalents		32,847,706	22,537,687
c) Short-term loans and advances		161,745	4,000
d) Other current assets		611,316	994,873
		<u>279,872,446</u>	<u>251,948,577</u>
<b>TOTAL</b>		<u><b>280,841,432</b></u>	<u><b>252,845,062</b></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 23, 2016

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

  
Director  
Ashwani Kumar Mehra  
DIN - 00060254

  
Director  
Siddharth Shriram  
DIN - 00027750





**Siel INDUSTRIAL ESTATE LIMITED**

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2016**

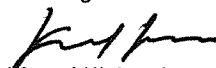
			Amount Rs.
	Note	12 Months Ended 31st March 2016	12 Months Ended 31st March 2015
Revenue from operations		-	-
Less: Excise Duty		-	-
Other income	7	1,941,146	1,791,007
<b>Total Revenue</b>		<b>1,941,146</b>	<b>1,791,007</b>
<b>Expenses :</b>			
Purchase/Compensation of Land		17,842,662	3,819,726
(Increase) / Decrease in Stock of Land	8	(17,842,662)	(3,819,726)
Enhancement of compensation in respect of Land sold in earlier years	10	4,962,300	
Employee Benefit Expenses	9	-	-
Depreciation and amortisation	5	4,866	-
Other expenses	10	9,240,418	6,566,821
<b>TOTAL</b>		<b>14,207,584</b>	<b>6,566,821</b>
(Loss) before exceptional and extraordinary items and tax		(12,266,439)	(4,775,814)
(Loss) before extraordinary items and tax		(12,266,439)	(4,775,814)
Less : Extraordinary items		-	-
(Loss) before tax		(12,266,439)	(4,775,814)
Less: Provisions for:-			
- Income Tax/MAT			-
- Income tax adjustment for earlier years		-	74,460
(Loss) for the year from continuing operations		(12,266,439)	(4,850,274)
Profit/ (Loss) from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
(Loss) from discontinuing operations after tax		(12,266,439)	(4,850,274)
(Loss) for the year		(12,266,439)	(4,850,274)
<b>Earning Per Share</b>			
( Nominal value of equity share Rs. 10/-)			
- Basic		(0.47)	(0.18)
- Diluted		(0.47)	(0.18)

**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 23, 2016*

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

  
Director  
Ashwani Kumar Mehra  
DIN - 00060254

  
Director  
Siddharth Shriram  
DIN - 00027750





**Siel INDUSTRIAL ESTATE LIMITED****Cash Flow Statement for the year ended 31st March 2016**

	Year ended 31.03.2016 Amount (Rs.)	Year ended 31.12.2015 Amount (Rs.)
<b>A. Cash flow from operating activities :</b>		
Net Profit before Tax	(12,266,439)	(4,775,814)
Add: Depreciation	4,866	-
Less: Interest income	(1,941,146)	(1,788,749)
Less: Excess provisions written back	-	(2,258)
Advance recoverable written off	-	1,047,452
Operating Profit before Working Capital Changes	<b>(14,202,718)</b>	<b>(5,519,369)</b>
Adjustment for:-		
(Increase)/ Decrease in trade / other receivables (net)	-	-
(Increase)/ Decrease in inventories	(17,842,662)	(3,819,726)
(Increase)/ Decrease in loans and advances	(157,745)	12,233,387
(Decrease) / Increase in trade / other payables	262,809	(1,240,243)
Cash generated from operations	<b>(31,940,316)</b>	<b>1,654,049</b>
Direct taxes/MAT( paid)/ refund received	(9,810)	132,606
Net cash inflow from operations	<b>(31,950,126)</b>	<b>1,786,655</b>
<b>B. Cash flow from investing activities :</b>		
Interest received	2,305,803	1,752,199
Purchase of Vehicle	(48,658)	-
Net cash inflow from investing activities	<b>2,257,145</b>	<b>1,752,199</b>
<b>C. Cash flow from financing activities :</b>		
Issue of Share Capital at premium	40,000,000	-
Interest paid	-	-
Net cash inflow from financing activities	<b>40,000,000</b>	<b>-</b>
Net (decrease)/increase in cash and cash equivalents	<b>10,307,019</b>	<b>3,538,854</b>
Cash and cash equivalents as at opening		
Cash and bank balances *	22,537,687	18,998,832
Cash and cash equivalents as at closing		
Cash and bank balances *	32,844,706	22,537,687
	<b>10,307,019</b>	<b>3,538,854</b>

\* 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

(Kamal Kishore)  
Partner  
Membership No. 078017



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

*Ashwani Kumar Mehra*

Director  
Ashwani Kumar Mehra  
DIN - 00060254

*Siddharth Shriram*

Director  
Siddharth Shriram  
DIN - 00027750

New Delhi

Dated: *August 29, 2016*

**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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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.

*[Handwritten signature]*



#### **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 period 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 (including enhanced compensation determined by Court) 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 period 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 period timing differences between taxable income and accounting income for the period 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 period. In the period 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 period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. 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 period. The weighted average number of equity shares outstanding during the period 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).

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For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period 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.

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**Siel INDUSTRIAL ESTATE LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2016**
**(Figures in Rs.)**

<b>2 SHARE CAPITAL</b>	<b>As At 31st March 2016</b>	<b>As At 31st March 2015</b>
<b>Authorised</b>		
Equity Shares 38,000,000 (Previous Year 50,000,000) of Rs. 10 each	380,000,000	500,000,000
5% Redeemable Cumulative Preference Shares 12,000,000 (Previous Year Nil) of Rs. 10 each	120,000,000	-
	<b>500,000,000</b>	<b>500,000,000</b>
<b>Issued, Subscribed and Fully Paid-up</b>		
27,654,691 (Previous Year 27,654,691) equity shares of Rs. 10 each	276,546,910	276,546,910
40,00,000 (Previous Year nil) 5% Redeemable Cuml. Pref. Shares of Rs. 10 each	40,000,000	-
<b>Total Share Capital</b>	<b>316,546,910</b>	<b>276,546,910</b>

<b>(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>	<b>No of shares</b>	<b>No of shares</b>
Equity Shares outstanding as at the beginning of the year	27,654,691	27,654,691
Add: Equity Shares issued during the year	-	-
Equity Shares outstanding as at the close of the year	27,654,691	27,654,691

- # The company on 30th November, 2015 had issued 40,00,000 5% Redeemable Cumulative Preference Shares of Rs. 10/- each at par to Mawana Sugars Limited on right basis.
- # 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 & preference shares**
**- 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.

**- Preference shares**

5% Redeemable Cumulative Preference Shares of Rs. 10/- each redeemable within 10 years from the allotment at par and shall not be participating in the surplus assets & profits, on winding up which may remain after the entire capital has been repaid.

**(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' 15 : 14,025,000) equity shares of Rs. 10 each fully paid up	140,250,000	140,250,000
- Siel Infrastructure & Estate Developers Pvt. Ltd. (Formerly Avro Sales Pvt. Ltd.)		
13,629,691 ( 31st March' 15 : 13,629,691) equity shares of Rs. 10 each fully paid up	136,296,910	136,296,910
<b>Total (A)</b>	<b>276,546,910</b>	<b>276,546,910</b>

— Out of 5% Redeemable Cuml. Pref. Shares issued by the company, shares held by its holding company, Subsidiary of holding company are as below:

- Mawana Sugars Limited (formerly Siel Limited)		
40,00,000 (Previous Year nil) 5% Redeemable Cuml. Pref. Shares of Rs. 10 each	40,000,000	-
<b>Total (B)</b>	<b>40,000,000</b>	<b>-</b>
<b>Total (A+B)</b>	<b>316,546,910</b>	<b>276,546,910</b>

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

<b>Name of the shareholder</b>	<b>31st March 2016</b>		<b>31st March 2015</b>	
	<b>No of Shares</b>	<b>% holding</b>	<b>No of Shares</b>	<b>% holding</b>
<b>Equity Shares:</b>				
Mawana Sugars Limited (formerly Siel Limited)	14,025,000	50.71%	14,025,000	50.71%
Siel Infrastructure & Estate Developers Pvt. Ltd.	13,629,691	49.29%	13,629,691	49.29%
	<b>27,654,691</b>	<b>100%</b>	<b>27,654,691</b>	<b>100%</b>
<b>5% Redeemable Cumulative Preference Shares:</b>				
Mawana Sugars Limited (formerly Siel Limited)	4,000,000	100%	-	-
Siel Infrastructure & Estate Developers Pvt. Ltd.	-	-	-	-
	<b>4,000,000</b>	<b>100%</b>	<b>-</b>	<b>-</b>

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 2016.





		As at 31st March 2016	As at 31st March 2015
<b>3 RESERVES AND SURPLUS</b>			
Surplus/ (deficit) in the statement of profit and loss			
As per last financial statements		(38,207,344)	(33,357,070)
Add : During the year		(12,266,439)	(4,850,274)
Less: Appropriations			
- Transfer to General Reserve		-	-
Net surplus in the statement of profit and loss		<u>(50,473,783)</u>	<u>(38,207,344)</u>
Share Premium A/c			
Opening as per last financial year	13,953,129		13,953,129
Additions during the year	-		-
Closing balance	13,953,129	<u>13,953,129</u>	<u>13,953,129</u>
<b>Total Reserves and Surplus</b>		<u><b>(36,520,654)</b></u>	<u><b>(24,254,215)</b></u>
<b>4 CURRENT LIABILITIES</b>			
Other current liabilities :			
Advance from customers		250,000	250,000
Other Payables			
- Statutory Dues		107,175	109,817
- 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	-	-	-
Others	454,323	454,323	154,560
<b>Total Other Current Liability</b>		<u><b>815,176</b></u>	<u><b>552,367</b></u>
<b>5 NON-CURRENT ASSETS</b>			
Other Non- Current Assets			
-Fixed deposits against bank guarantee		104,036	104,036
-Interest receivable on Fixed deposits		29,161	18,219
<b>Total Non-Current Assets</b>		<u><b>133,197</b></u>	<u><b>122,255</b></u>
Long-term loans and advances			
Advance income tax and TDS (net of provision)		<u><b>194,629</b></u>	<u><b>176,862</b></u>
<b>6 CURRENT ASSETS</b>			
a) Inventories			
Stock in Trade			
Land under development/held for sale			
At the beginning of the year		228,412,017	224,592,291
Increase / (Decrease) in Land		17,842,662	3,819,726
Add: Change in valuation as per AS-2		-	-
Less: Sales during the year		-	-
		<u><b>246,254,679</b></u>	<u><b>228,412,017</b></u>
b) Cash and Cash equivalents			
Cash on hand			
Balances with banks			
-On current accounts			
-Deposits with original maturity of less than 12 months			
		1,844,706	137,687
		31,000,000	22,400,000
		<u><b>32,844,706</b></u>	<u><b>22,537,687</b></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	104,036	104,036	-
	<u><b>104,036</b></u>	<u><b>104,036</b></u>	<u><b>-</b></u>
Amount disclosed under non-current assets (Note 5)	<u><b>104,036</b></u>	<u><b>104,036</b></u>	<u><b>-</b></u>
		<u><b>32,844,706</b></u>	<u><b>22,537,687</b></u>



c) Loans and advances				
Security deposits				
Unsecured, considered good	-	-	4,000	4,000
	-	-	4,000	4,000
Other Loans and Advances				
(Unsecured, considered good)				
Advances recoverable in cash or in kind or for the value to be received	-	-	157,745	-
Advance income tax and TDS (net of provision)	194,629	176,862	-	-
	194,629	176,862	157,745	-
Amount disclosed under non-current assets (Note 5)	194,629	176,862		
Total loans and advances	-	-	161,745	4,000
d) Interest Receivable				
- Interest on Fixed Deposits	29,161	18,219	611,316	994,873
	29,161	18,219	611,316	994,873
Amount disclosed under non-current assets (Note 5)	29,161	18,219	-	-
Other Current Assets	-	-	611,316	994,873
7 OTHER INCOME				
	Year Ended 31st March 2016		Year Ended 31st March 2015	
Interest income (including tax deducted at source) (TDS Rs.1,94,629/- Previous year Rs.1,76,862/-)	1,933,188		1,772,538	
Miscellaneous Sales	-		-	
Total Other Income	1,933,188		1,772,538	
Other incomes/ Excess Provisions W/back	-		2,258	
Interest on Income Tax Refund	7,958		16,211	
Grand Total	1,941,146		1,791,007	
8 (INCREASE) / DECREASE IN INVENTORY OF LAND UNDER DEVELOPMENT/HELD FOR SALE				
a) Inventories at the beginning of the year				
Land under development/held for sale	228,412,017		224,592,291	
	228,412,017		224,592,291	
Inventories at the end of the year				
Land under development/held for sale	246,254,679		228,412,017	
	246,254,679		228,412,017	
Adjustment of Land enhancement compensation / Others	15,936,200 #		-	
Additions in Land purchased during year	1,906,462		3,819,726	
Increase/Decrease in Stock	(17,842,662)		(3,819,726)	
Employee benefits expense				
Salaries , wages etc	-		-	
Contribution to provident and other funds	-		-	
Staff welfare expenses	-		-	

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<b>10 OTHER EXPENSES</b>		
a) Rates and Taxes	-	-
b) Payment to auditor	-	-
As Auditor :		
-Audit Fee	60,000	60,000
-Verification of statements and other reports	-	60,000
-Reimbursement of expenses	-	-
c) Professional and Consultancy Charges	5,580,338	3,680,439
d) Miscellaneous Expenses	253,763	1,182,950
e) Land Development Exp.	2,296,899	578,542
f) Enhancement compensation adj. in respect of land sold in earlier years	4,962,300 @	-
g) Security Services Exp.	1,049,418	1,004,890
<b>Total Other Expenses</b>	<b>14,202,718</b>	<b>6,566,821</b>

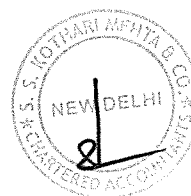
# - Includes Rs. 2,08,98,500/- paid to Collector Land Acquisition against enhancement compensation against order dated 15.07.2015 of Hon'ble Punjab and Haryana High Court. Out of that Rs. 1,59,36,200/- charged to Land stock being the land inventory held by the company.

@ - Amount of Rs. 49,62,300/- charged to P&L (out of Rs. 2,08,98,500/- paid against enhancement compensation) on account of Land already sold in earlier years i.e. 141.78 acres, out of the total land acquired by the company.

\* - Includes Rs. 33,62,421/- being adjustment of amount recoverable from Collector Land Acquisition against denotified land and Rs. 4,57,305/- as purchase of Land

\$ - Includes Rs. 1,047,452/- written off proportionately against amount recoverable from CLA in the previous period.

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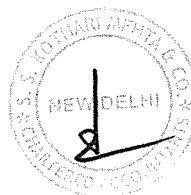
**Siel INDUSTRIAL ESTATE LIMITED**

**NOTE 5: FIXED ASSETS AS AT 31.03.2016**

**Tangible assets**

	Land	Office Equipment	Furniture and fixtures	Vehicle	Total
<b>Cost</b>					
At 01st April 2014	597,367	527,073	19,697	317,380	<b>1,461,517</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31st March 2015	<u>597,367</u>	<u>527,073</u>	<u>19,697</u>	<u>317,380</u>	<u><b>1,461,517</b></u>
Additions	-	-	-	48,658	<b>48,658</b>
Disposals	-	-	-	38,860	<b>38,860</b>
At 31st March 2016	<u>597,367</u>	<u>527,073</u>	<u>19,697</u>	<u>327,178</u>	<u><b>1,471,315</b></u>
<b>Depreciation</b>					
At 01st April 2014	-	527,073	19,697	317,380	<b>864,150</b>
Charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
At 31st March 2015	<u>-</u>	<u>527,073</u>	<u>19,697</u>	<u>317,380</u>	<u><b>864,150</b></u>
Charge for the year	-	-	-	4,866	<b>4,866</b>
Disposals	-	-	-	(38,860)	<b>(38,860)</b>
At 31st March 2016	<u>-</u>	<u>527,073</u>	<u>19,697</u>	<u>283,386</u>	<u><b>830,156</b></u>
<b>Net Block</b>					
At 31st March 2016	<u>597,367</u>	<u>-</u>	<u>-</u>	<u>43,792</u>	<u><b>641,159</b></u>
At 31st March 2015	<u>597,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>597,367</b></u>

*de*



**Note 11.**

**Contingent Liabilities and Commitments**

	31 <sup>st</sup> Mar.' 2016	31 <sup>st</sup> Mar.' 2015
a) Contingent liabilities not provided for in respect of:		
i) Bank Guarantees issued (in Rs.)	50,000	50,000
b) Other Commitments and Claims against the Company not acknowledged as debt		
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 up to Rs.7,86,98,48,000 (previous year Rs. 7,86,98,48,000).		
ii) The Company has given a Corporate Guarantees of Rs. 5,29,50,00,000 (Previous year Rs. 5,29,50,00,000) 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 455.72 acres (Previous year 455.57 acres) of land, which has been conveyed in the name of the Company.		

The Additional District Judge (ADJ), Patiala vide Order dated 12.11.2005, enhanced the amount of compensation of land from 1,45,000/- per acre to Rs. 1,75,000/- per acre i.e. Rs. 30,000 per acre in the basic land price compensation. Compensation towards Abadi land, Loss of Income, Superstructures, trees, etc. was also granted.

The Collector Land Acquisition (CLA) has confirmed a total liability of Rs. 7,15,98,497 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.

Thereafter, Company filed an appeal against the above Order before the Hon'ble Punjab & Haryana High Court in April'06, Land owners/ farmers also filed appeals against the Company claiming further enhancement towards land compensation. The Hon'ble High Court vide order dated 15.07.2015 dismissed the appeals filed by the Company and the appeals filed by the land owners were allowed. The Hon'ble High Court while upholding the order of ADJ, Patiala made modification in the order to the extent that the market value of acquired land was revised and fixed at Rs. 2,10,000/- per acre as against Rs. 1,75,000/- per acre assessed by reference court earlier.

In compliance of Punjab and Haryana High Court, Company deposited a sum of Rs.2,08,98,500/- (Rupees Two Crores Eight Lakh Ninety Eight Thousand Five Hundred only) with Collector Land Acquisition (CLA), Department of Industries and Commerce, Punjab on 21.01.2016 towards the difference of market price of acquired land as determined by Hon'ble High Court, vide its order dated 15.07.2015, calculated at the rate of Rs. 35,000/- per acre. Suitable adjustment entries in this regard have been made in the books of accounts of the Company. Further, the Company has obtained legal advice and as per management opinion no further provision is considered necessary.

Further, Special Leave Petition (SLP) has been filed by the Company before Hon'ble Supreme Court of India against the impugned order dated 15.07.2015 of High Court. SLP's have been filed by the Landowners also against the aforesaid order of Hon'ble Punjab and Haryana High Court. On dated i.e. 19.02.2016, notice was issued in appeals filed by land owners and was accepted by our Counsel. Now, counter affidavit is to be filed by Company.

*[Handwritten Signature]*



- 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.

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 05<sup>th</sup> 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 (1,34,75,000 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. 1,35,01,95,000/-. This consideration has been discharged by issuing of 1,35,01,950 equity shares of Rs. 100/- each of M/s Siel Infrastructure and Estate Developers Private Limited to M/s Mawana Sugars Limited.

During the current year, The Company on 30<sup>th</sup> November 2015 has issued 40,00,000 - 5% Redeemable Cumulative Preference Shares of Rs. 10/- each at par, redeemable within 10 years from its date of allotment on right basis to its holding company Mawana Sugars Ltd. amounting to Rs. 4,00,00,000/-

- f) As per the accounting policy of the Company, inventories are valued at lower of cost or estimated realizable value. During the accounting period ended 31<sup>st</sup> March 2016, as the estimated realizable value of land was higher than cost, the Company valued its inventories at cost Rs. 24,62,54,679 (previous year 22,84,12,017) which is inclusive of enhanced compensation as per the Order of Additional District Judge, Patiala and Hon'ble Punjab and Haryana High Court referred to in b above. For the current period, 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.

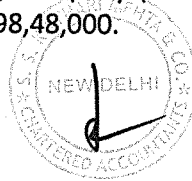
- g) Related Party transactions: The list of related parties and transactions with them is as under:

	31 <sup>st</sup> Mar.' 2016	31 <sup>st</sup> Mar.' 2015
(1)		
Mawana Sugars Limited (Holding Company)		
- Expenses reimbursed	4,00,000	NIL
- Balance outstanding	NIL	NIL
- Outstanding Corporate Guarantee	5,29,50,00,000	5,29,50,00,000
- Issue of Preference Shares	4,00,00,000	NIL

(2)

- i) The Company has given Corporate Guarantees of Rs. 5,29,50,00,000 (Previous year Rs. 5,29,50,00,000) 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 up to Rs. 7,86,98,48,000.

*[Signature]*



- ii) The Holding Company M/s Mawana Sugars Ltd. (MSL) over the last few years has been incurring cash losses due to which its net worth has been completely eroded. The Company 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). The process for revival/rehabilitation of MSL is under way in line with the prescribed procedure and rules under SICA.

As such, the MSL is confident that BIFR will approve a rehabilitation scheme that would improve cash flow, reschedulement of the outstanding debt/payables (including overdue debt/payables), and other requisite financial restructuring in consultation with various stakeholders to improve its financial position including net worth. Further, during the current period, the sugar industry has witnessed a steady increase in sugar prices and improved cane recoveries. This has resulted in the Company generating profits including cash profits during the period. The industry outlook is also positive in the short and long term with sugar prices expected to hold. In view of the above, the Board of Directors of the MSL is confident that the Company would be in a position to realize its assets and discharge its liabilities by successfully implementing the rehabilitation scheme and in the normal course of its business

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.

Meanwhile, M/s Jones Lang Lasalle (JLL), (an international real estate consulting firm) have completed the feasibility study for the development of the Industrial estate and have suggested the most appropriate product mix of Industrial, commercial and Residential categories. Based on this product mix, M/s Ranjit Sabhiki Architect have finalised the Master plan which has been put up to Punjab Urban Development Agency (PUDA) for approval. Work on the basic infrastructure e.g. landscaping of the 29-meter approach road, entrance gate and command centre has also commenced.

	31 <sup>st</sup> Mar.' 2016	31 <sup>st</sup> Mar.' 2015
<b>(3) <u>Fellow Subsidiaries of the Holding Company</u></b>		
Siel Financial Services Limited	NIL	NIL
Siel Infrastructure & Estate Developers Private Limited (Formerly known as Avro Sales Private Ltd.)	NIL	NIL
<b>(4) <u>Enterprises over which Key Management Personnel have significant influence</u></b>		
Usha International Limited (UIL)		
- Expenses reimbursed	NIL	NIL
- Balance outstanding	NIL	NIL
<b>(5) <u>Key Management personnel and their relatives</u></b>		
Mr. Siddharth Shriram (Chairman)	NIL	NIL
Mr. A. K. Mehra	NIL	NIL
Mr. Rajendra Khanna (From 26.06.2014 to 28.07.2015)	NIL	NIL
Mr. H.S. Sandhu (w.e.f. 28.07.2015)	NIL	NIL
Mr. Ravinder Singh Bedi (w.e.f. 17.03.2016)	NIL	NIL

*Handwritten signature*



h) The Company is in the process of complying the provisions of Section 203 (1) (i), (ii) & (iii) and Section 149 (4) of the Companies Act, 2013, for the appointment of Chief Executive Officer or Manager or whole-time director, Company Secretary, Chief Financial Officer and Independent director. Consequently, the company is not in compliance with the above sections / clauses of the Companies Act, 2013.

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

	31 <sup>st</sup> Mar.' 2016	31 <sup>st</sup> Mar.' 2015
(i) Profit/(Loss) as per P&L A/c (in Rs.)	(1,22,66,439)	(48,50,274)
Total Profit/(Loss) after tax attributable to equity shareholders	(1,22,66,439)	(48,50,274)
(ii) Weighted average number of equity shares of Rs.10/- each outstanding during the period (in nos.)	2,76,54,691	2,76,54,691
(iii) Earnings/ (Loss) per share - Basic & Diluted (in Rs.)	(0.47 )	(0.18)

#### Deferred Tax

The components of Deferred Tax balances as on 31<sup>st</sup> March 2016 are as follow:-

Particulars	31 <sup>st</sup> Mar.'16	31 <sup>st</sup> Mar.'15
Deferred Tax Liability-	NIL	NIL
Total (A)	NIL	NIL
Deferred Tax Assets-		
Fixed Assets (in Rs.)	3,121	12,915
Brought forward losses (in Rs.)	80,25,019	38,38,407
Total (B) (in Rs.)	80,28,140	38,51,322
Net Deferred Tax Assets (B-A) (in Rs.)	80,28,140	38,51,322
Amount Recognized in Statement of Profit & Loss Account*	-	-

\*As at 31<sup>st</sup> March 2016 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 31<sup>st</sup> March 2016.

j) 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.

k) 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" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

l) Figures are rounded off to the nearest rupee.





m) 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**


Description	31 <sup>st</sup> Mar.' 2016 (Acres)	31 <sup>st</sup> Mar.' 2015 (Acres)
Opening stock	455.57	455.53
Purchases	0.15	0.04
Adjustments	-	-
Sales	-	-
Closing stock	455.72	455.57

n) Previous year figures have been regrouped and reclassified to make them comparable.

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 29, 2016.

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

  
Director  
Ashwani Kumar Mehra  
DIN - 00060254  


  
Director  
Siddharth Shriram  
DIN - 00027750  
