



**SIMBHAOLI
SUGARS**

Simbhaoli Sugars Limited

Corporate Office

C-11, Connaught Place, New Delhi 110001 India

Tel: +91-11-41510421-23 Fax: +91-11-23413088

E-mail: info@simbhaolisugars.com

www.simbhaolisugars.com

Ref: SSL: SE
February 17, 2012

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai
Fax No. 022-22723121/2037/2041

Ref: Scrip code: BSE - 507446; NSE – SIMBHSUGAR

Re: Notice of postal ballot

Dear Sir/Madam,

With reference to the submission of notice of postal ballot dated February 15, 2012, we wish to submit that, the Company has appointed CS Amit Gupta, Practicing Company Secretary, as scrutinizer for conducting the postal ballot process in a fair and transparent manner.

The voting through postal ballot shall commence from February 17, 2012. Members have been requested to send the postal ballot form duly completed and signed to the Scrutinizer not later than 5.00 pm on Saturday, March 17, 2012. All postal ballot forms received after the said date will be strictly treated as if reply from such member has not been received. Chairman shall declare the result of postal ballot on March 17, 2012 i.e. immediately after receipt of report from the Scrutinizer.

Calendar of events for passing of resolutions through postal ballot is attached for your reference and record.

Should you require any further clarifications, we shall be pleased to submit.

Thanking you
Yours faithfully
For Simbhaoli Sugars Limited

Kamal Samtani
(Company Secretary)



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Re: Resolutions to be passed through postal ballot in terms of the provisions of Section 192A read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 vide notice dated February 15, 2012

CALENDAR OF EVENTS		
Sr. No.	Particulars	Date
1	Consent given by the scrutinizer to act as scrutinizer.	10-02-2012
2	Board Resolution authorizing the Managing Director or the whole-time Director and the Company Secretary to be responsible for the entire Postal Ballot Process.	10-02-2012
3	Appointment of scrutinizer.	10-02-2012
4	Date for completion of dispatch of notice along with Postal Ballot Form.	16-02-2012
5	Release of an advertisement in newspapers for completion of dispatch of the Postal Ballot Notice.	17-02-2012
6	Last date for receiving Postal Ballot forms by scrutinizer.	17-03-2012
7	Submission of the report by the Scrutinizer	17-03-2012
8	Handing over the postal ballot forms by the Scrutinizer to the Company Secretary of the Company.	17-03-2012
9	Declaration of result by the Chairman of the Company after receipt of report from the Scrutinizer	17-03-2012
10	Last date for signing of Minutes by the Chairman	16-04-2012
11	Last date for filing of the certified true copies of the resolutions with the Registrar of Companies in the prescribed form no. 23	16-04-2012

For Simbhaoli Sugars Limited

Kamal Samtani
Company Secretary





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Ref: SSL: SE
February 16, 2012

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai
Fax No. 022-22721072/2073

The National Stock Exchange of India Limited
Exchange Plaza, Bandra –Kurla Complex,
Mumbai- 400051
Fax No. 022-26598237/38

Ref: Scrip code: BSE - 507446; NSE – SIMBHSUGAR

Sub: Postal Ballot Notice

Dear Sir,

The Company has proposed special resolutions to be passed through postal ballot under the provisions of Section 192A of the Companies Act, 1956 (the Act) read with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 for empowering the Board of Directors of the Company:


1. to make loan or give guarantees/provide securities in connection with loans made by any other person to, or to any other person by, the bodies corporate including banks/financial institutions upto a limit not exceeding Rs.750 crores in aggregate at any point of time under the provisions of Section 372A of the Companies Act, 1956;
2. to raise fresh capital for improvement in the financial liquidity of the Company by way of issue of 60,00,000 equity shares to selective investor(s) on preferential basis in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
3. to issue 16,00,000 share warrants convertible into equity shares to specified promoters of the Company in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

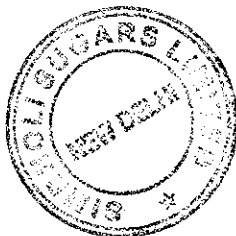
The Company has appointed CS Amit Gupta, Practicing Company Secretary, as scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Postal Ballot Notice containing the Explanatory Statement and Postal Ballot Form are enclosed.

This is for your information and record.

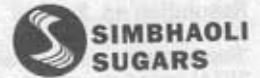
Yours faithfully,
For Simbhaoli Sugars Limited


Kamal Samtani
(Company Secretary)



SIMBHAOLI SUGARS LIMITED

(Registered Office: Simbhaoli – 245 207, District Ghaziabad, Uttar Pradesh)



POSTAL BALLOT FORM

Registered Folio or DP ID/Client ID No.
Shares held Sr. No.

Name(s) of Member(s):

Registered Address of the
Sole/First named Member:

I/We hereby exercise my/our vote in respect of the special resolution to be passed through postal ballot for the business stated in the notice dated February 15, 2012 by sending my/our assent or dissent of the said resolution by placing the tick (✓) mark at the appropriate places in the box below.

Resolution no. 1:

"Resolved that, pursuant to the provisions of Section 372A, Section 192A read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned statutory and regulatory authorities and subject to such other terms and conditions as may be imposed by them, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company ('the Board' which expression shall also include a committee thereof) to make loans or give guarantees or provide securities in connection with loans made by any other person to, or to any other person by, the bodies corporate including banks/financial institutions upto a limit not exceeding Rs.750 crores in aggregate at any point of time."

"Resolved further that, the loans made or guarantees given or securities provided in connection with loans made by any other person to, or to any other person by, the bodies corporate including banks/financial institutions and/or all agreement(s)/documents executed/to be executed within the aforesaid limits and all acts done in terms of the above resolution by and with the authority of the Board of Directors be and are hereby confirmed and ratified."

"Resolved further that, the Board be and is hereby authorised to do and perform all such acts, matters, deeds and things, as may be necessary, without further referring to the members of the Company, including finalising and executing schemes, agreements, deeds of assignment/conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, in relation to the above matters and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required to give effect to the above resolution."

Resolution no. 2:

"Resolved that, pursuant to and in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred as 'the Act'); Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI (ICDR) Regulations), Memorandum and Articles of Association of the Company; provisions of the Listing Agreement(s) with the stock exchanges on which the securities of the Company are listed or may hereafter be listed (including any amendment to or re-enactment of all or any of the aforesaid) including other applicable laws and regulations and subject to such approvals, permissions and sanctions, if any, as may be prescribed or imposed while granting such approvals, permissions and sanctions under applicable laws and regulations, the consent, authority and approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any committee thereof, which the Board may have or may hereafter constitute, to exercise its powers including the powers hereby conferred on the Board by this resolution) to create, issue, offer and allot 60,00,000 (Sixty Lacs) equity shares to specified persons other than promoters, directors and key managerial personnel of the Company (details of whom are set in the explanatory statement) (the 'proposed allottees') on preferential allotment basis with a right attached thereto entitling proposed allottees to apply for and subscribe against payment in cash fully paid-up equity shares of face value of Rs. 10/- each at a price of Rs. 50/- (including premium of Rs. 40/-) per equity share, aggregating to Rs. 30,00,00,000/- (Rupees Thirty Crores only) being

not less than the price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, by the Board under and by way of preferential issue through offer letter and/or circular and/or information memorandum and/or such other documents/writings, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion; with power to settle details as to the form and terms of issue of the shares and all other terms, conditions and matters connected therewith including to accept any modification thereto or therein as may be required by persons involved with any such issue of shares subject, however, to all applicable laws and within and under the limits permitted under law."

"Resolved further that, price of the equity shares so issued shall not be less than being higher of the average of the weekly high and low of the closing prices of the equity shares of the Company quoted on the stock exchange during the six months or the average of the weekly high and low of the closing prices of the equity shares quoted on the stock exchange during the two weeks preceding the relevant date i.e. February 16, 2012, being 30 days prior to the date of declaration of results of postal ballot as prescribed under SEBI (ICDR) Regulations for preferential issues (including any amendment thereto or re-enactment thereof) and all other terms, conditions and matters connected therewith and any modifications in the proposal as may be required by the authorities/parties involved in such issues be accepted but subject to such conditions as the Securities and Exchange Board of India or such other statutory or regulatory authorities may impose at the time of according/granting their approvals, consent, permissions and sanctions to the Company."

"Resolved further that, the equity shares so allotted, shall rank pari passu with the then existing equity shares of the Company in all respects, including dividend, which shall be subject to the relevant provisions in that behalf contained in the Memorandum and Articles of Association of the Company."

"Resolved further that, pursuant to the provisions of SEBI (ICDR) Regulations, the fresh equity shares to be allotted shall be locked-in for a period of 1 (one) year from the date of allotment and that the equity shares shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in except to the extent and in the manner permitted there under."

"Resolved further that, the Board be and is hereby authorized to accept any modifications in the proposal as may be required by the aforesaid authorities in relation to the proposed issue subject to such conditions as the Securities and Exchange Board of India or such other statutory or regulatory authorities may impose at the time of their approval."

"Resolved further that, the Board be and is hereby authorized to do all such acts, deeds, and things as may be necessary, desirable or incidental thereto and matter connected therewith including without limitation the entering into arrangements for underwriting, marketing, listing, trading, appointment of Lead Manager(s), Advisor(s), Registrar(s), Paying and Conversion Agent(s) and to issue and sign all deeds, documents, instruments, and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions, and to give such directions that may be necessary or arise in regard to or in connection therewith to give effect to the aforesaid resolution and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all the members of the Company."

Resolution no. 3:

"Resolved that, pursuant to and in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred as 'the Act'); Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI (ICDR) Regulations), Memorandum and Articles of Association of the Company; provisions of the Listing Agreement(s) with the stock exchanges on which the securities of the Company are listed or may hereafter be listed (including any amendment to or re-enactment of all or any of the aforesaid) including other applicable laws and regulations and subject to such approvals, permissions and sanctions, if any, as may be prescribed or imposed while granting such approvals, permissions and sanctions under applicable laws and regulations, the consent, authority and approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any committee thereof, which the Board may have or may hereafter constitute, to exercise its powers including the powers hereby conferred on the Board by this resolution) to create, issue, offer and allot 16,00,000 (Sixteen Lacs) warrants to specified promoters of the Company (details of whom are set in the explanatory statement) (the 'warrant holders') on preferential allotment basis with a right attached thereto entitling the holder of the warrants to apply for and subscribe against payment in cash to one fully paid-up equity share of face value of Rs.10/- each in the share capital of the Company for every warrant held, within a period of 18 months from the date of allotment at a price of Rs. 42/- (including premium of Rs. 32/-) per equity share, at the option of such warrant holder, as may be deemed appropriate by the Board under and by way of preferential issue through offer letter and/or circular and/or information memorandum and/or such other documents/writings, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion; with power to settle details as to the form and terms of issue of the warrants to the warrant holders and all other terms, conditions and matters connected therewith including to accept any modification thereto or therein as may be required by persons involved in any such issue of warrants subject, however, to all applicable laws and within and under the limits permitted under law, provided that the price, as applicable, of the equity shares to be issued pursuant to the warrants shall not be less than being higher of the average of the weekly high and low of the closing prices of the equity shares of the Company quoted on the stock exchange during the six months or the average of the weekly high and low of the closing prices of the equity shares quoted on the stock exchange during the two weeks preceding the relevant date i.e. February 16, 2012, being 30 days prior to the date of declaration of results of postal ballot, as prescribed under SEBI (ICDR) Regulations for preferential issues and all other terms, conditions and matters

connected therewith and any modifications in the proposal as may be required by the authorities/parties involved in such issues be accepted but subject to such conditions as the Securities and Exchange Board of India or such other statutory or regulatory authorities may impose at the time of according/granting their approvals, consent, permissions and sanctions to the Company."

"Resolved further that, without prejudice to the generality of the above, issue of warrants mentioned hereinabove may have all or any term or combination of terms in accordance with local/international practices and all such terms as are provided in domestic and/or international offerings of this nature."

"Resolved further that, the equity shares so issued pursuant to exercise of warrants shall be subject to the Memorandum and Articles of Association of the Company and shall, upon being so issued and allotted, rank pari-passu in all respects including dividend with the then existing equity shares of the Company."

"Resolved further that, pursuant to the provisions of Chapter VII of SEBI (ICDR) Regulations, the fresh equity shares to be allotted on conversion of warrants shall be subject to lock-in for a period of 3 (Three) years from the date of allotment and that the equity shares shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in except to the extent and in the manner permitted there under."

"Resolved further that, the Board be and is hereby authorized to accept any modifications in the proposal as may be required by the aforesaid authorities in relation to the proposed issue subject to such conditions as the Securities and Exchange Board of India or such other statutory or regulatory authorities may impose at the time of their approval."

"Resolved further that, the Board be and is hereby authorized to do all such acts, deeds, and things as may be necessary, desirable or incidental thereto and matter connected therewith including without limitation the entering into arrangements for underwriting, marketing, listing, trading, appointment of Lead Manager(s), Advisor(s), Registrar(s), Paying and Conversion Agent(s) and to issue and sign all deeds, documents, instruments, and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions, and to give such directions that may be necessary or arise in regard to or in connection therewith to give effect to the aforesaid resolution and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all the members of the Company."

Voting

Resolution No.	No. of shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1			
2			
3			

Place:
Date:

(Signature of the Member)

INSTRUCTIONS:

1. A member desiring to exercise his/her vote by postal ballot may complete this postal ballot form (no other form of photocopy thereof is permitted to be used for the purpose) and send it to the scrutinizer at the address of the Company in the enclosed postage pre-paid self-addressed envelope. The postage will be borne and paid by the Company. Envelopes containing postal ballot forms, if deposited with the Company in person or if sent by courier at the expenses of the member, shall also be accepted by the Company.
2. The Company has appointed CS Amit Gupta, a Practicing Company Secretary, as scrutinizer for conducting the postal ballot process in a fair and transparent manner.
3. This form should be completed and signed (as per specimen signature recorded with the Company) by the members. In case of joint share holding, this form should be completed and signed by the first named member and in his/her absence, by the next named member.
4. Unsigned postal ballot forms will be rejected. Duly completed postal ballot forms should reach the Company not later than by the close of working hours on Saturday, March 17, 2012. Postal ballot forms received after this date will be strictly treated as if the reply from such member has not been received.
5. In the case of shares held by bodies corporate, the duly completed postal ballot form should be accompanied by a certified true copy of the relevant resolution /authorization.
6. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the members on the date of dispatch of notice.
7. Members are requested not to send any other paper along with the postal ballot form as such envelopes will be sent to the scrutinizer and any extraneous paper found in such envelope would be destroyed by the scrutinizer.
8. In case of any query on the subject, please contact Secretarial department at +91 11 43214100/ info@simbhaolisugars.com

⇒ Please register my following e-mail Id for sending the notice and/or other documents electronically :

.....

(Signature of the Member)

POSTAL BALLOT NOTICE
(Pursuant to Section 192A of the Companies Act, 1956)

The Members of
Simbhaoli Sugars Limited

Notice is hereby given that business items described below are proposed to be transacted and passed by postal ballot in accordance with Section 192A (2) of the Companies Act, 1956 (herein after referred to as the Act) read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

The proposed resolutions and the explanatory statements are appended below for consideration by the members of the Company. The postal ballot form is annexed to this notice for the purpose of exercising the votes in respect of the said resolutions.

The Company has appointed CS Amit Gupta, a Practicing Company Secretary, as scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to read the instructions printed on the postal ballot form and return the same duly completed, in the enclosed postage pre-paid self-addressed envelope so as to reach the scrutinizer **on or before 17th day of March, 2012**. The scrutinizer shall submit his report to the Chairman of the Company after completion of the scrutiny and the results of the postal ballot will be announced through a press advertisement.

Item No. 1

To consider and, if thought fit, to pass, the following resolution as a special resolution:

"Resolved that, pursuant to the provisions of Section 372A, Section 192A read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned statutory and regulatory authorities and subject to such other terms and conditions as may be imposed by them, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company ('the Board' which expression shall also include a committee thereof) to make loans or give guarantees or provide securities in connection with loans made by any other person to, or to any other person by, the bodies corporate including banks/financial institutions upto a limit not exceeding Rs.750 crores in aggregate at any point of time."

"Resolved further that, the loans made or guarantees given or securities provided in connection with loans made by any other person to, or to any other person by, the bodies corporate including banks/financial institutions and/or all agreement(s)/documents executed/to be executed within the aforesaid limits and all acts done in terms of the above resolution by and with the authority of the Board of Directors be and are hereby confirmed and ratified."

"Resolved further that, the Board be and is hereby authorised to do and perform all such acts, matters, deeds and things, as may be necessary, without further referring to the members of the Company, including finalising and executing schemes, agreements, deeds of assignment/conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, in relation to the above matters and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required to give effect to the above resolution."

Item No. 2

To consider and, if thought fit, to pass, the following resolution as a special resolution:

"Resolved that, pursuant to and in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred as 'the Act'); Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI (ICDR) Regulations), Memorandum and Articles of Association of the Company; provisions of the Listing Agreement(s) with the stock exchanges on which the securities of the Company are listed or may hereafter be listed (including any amendment to or re-enactment of all or any of the aforesaid) including other applicable laws and regulations and subject to such approvals, permissions and sanctions, if any, as may be prescribed or imposed while granting such approvals, permissions and sanctions under applicable laws and regulations, the consent, authority and approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any committee thereof, which the Board may have or may hereafter

constitute, to exercise its powers including the powers hereby conferred on the Board by this resolution) to create, issue, offer and allot 60,00,000 (Sixty Lacs) equity shares to specified persons other than promoters, directors and key managerial personnel of the Company (details of whom are set in the explanatory statement) (the 'proposed allottees') on preferential allotment basis with a right attached thereto entitling proposed allottees to apply for and subscribe against payment in cash fully paid-up equity shares of face value of Rs.10/- each at a price of Rs. 50/- (including premium of Rs. 40/-) per equity share, aggregating to Rs. 30,00,00,000/- (Rupees Thirty Crores only) being not less than the price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, by the Board under and by way of preferential issue through offer letter and/or circular and/or information memorandum and/or such other documents/writings, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion; with power to settle details as to the form and terms of issue of the shares and all other terms, conditions and matters connected therewith including to accept any modification thereto or therein as may be required by persons involved with any such issue of shares subject, however, to all applicable laws and within and under the limits permitted under law."

"Resolved further that, price of the equity shares so issued shall not be less than being higher of the average of the weekly high and low of the closing prices of the equity shares of the Company quoted on the stock exchange during the six months or the average of the weekly high and low of the closing prices of the equity shares quoted on the stock exchange during the two weeks preceding the relevant date i.e. February 16, 2012, being 30 days prior to the date of declaration of results of postal ballot as prescribed under SEBI (ICDR) Regulations for preferential issues (including any amendment thereto or re-enactment thereof) and all other terms, conditions and matters connected therewith and any modifications in the proposal as may be required by the authorities/parties involved in such issues be accepted but subject to such conditions as the Securities and Exchange Board of India or such other statutory or regulatory authorities may impose at the time of according/granting their approvals, consent, permissions and sanctions to the Company."

"Resolved further that, the equity shares so allotted, shall rank pari passu with the then existing equity shares of the Company in all respects, including dividend, which shall be subject to the relevant provisions in that behalf contained in the Memorandum and Articles of Association of the Company."

"Resolved further that, pursuant to the provisions of SEBI (ICDR) Regulations, the fresh equity shares to be allotted shall be locked-in for a period of 1 (one) year from the date of allotment and that the equity shares shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in except to the extent and in the manner permitted there under."

"Resolved further that, the Board be and is hereby authorized to accept any modifications in the proposal as may be required by the aforesaid authorities in relation to the proposed issue subject to such conditions as the Securities and Exchange Board of India or such other statutory or regulatory authorities may impose at the time of their approval."

"Resolved further that, the Board be and is hereby authorized to do all such acts, deeds, and things as may be necessary, desirable or incidental thereto and matter connected therewith including without limitation the entering into arrangements for underwriting, marketing, listing, trading, appointment of Lead Manager(s), Advisor(s), Registrar(s), Paying and Conversion Agent(s) and to issue and sign all deeds, documents, instruments, and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions, and to give such directions that may be necessary or arise in regard to or in connection therewith to give effect to the aforesaid resolution and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all the members of the Company."

Item No. 3

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

"Resolved that, pursuant to and in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred as 'the Act'); Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI

(ICDR) Regulations), Memorandum and Articles of Association of the Company; provisions of the Listing Agreement(s) with the stock exchanges on which the securities of the Company are listed or may hereafter be listed (including any amendment to or re-enactment of all or any of the aforesaid) including other applicable laws and regulations and subject to such approvals, permissions and sanctions, if any, as may be prescribed or imposed while granting such approvals, permissions and sanctions under applicable laws and regulations, the consent, authority and approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any committee thereof, which the Board may have or may hereafter constitute, to exercise its powers including the powers hereby conferred on the Board by this resolution) to create, issue, offer and allot 16,00,000 (Sixteen Lacs) warrants to specified promoters of the Company (details of whom are set in the explanatory statement) (the 'warrant holders') on preferential allotment basis with a right attached thereto entitling the holder of the warrants to apply for and subscribe against payment in cash to one fully paid-up equity share of face value of Rs.10/- each in the share capital of the Company for every warrant held, within a period of 18 months from the date of allotment at a price of Rs. 42/- (including premium of Rs. 32/-) per equity share, at the option of such warrant holder, as may be deemed appropriate by the Board under and by way of preferential issue through offer letter and/or circular and/or information memorandum and/or such other documents/writings, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion; with power to settle details as to the form and terms of issue of the warrants to the warrant holders and all other terms, conditions and matters connected therewith including to accept any modification thereto or therein as may be required by persons involved in any such issue of warrants subject, however, to all applicable laws and within and under the limits permitted under law, provided that the price, as applicable, of the equity shares to be issued pursuant to the warrants shall not be less than being higher of the average of the weekly high and low of the closing prices of the equity shares of the Company quoted on the stock exchange during the six months or the average of the weekly high and low of the closing prices of the equity shares quoted on the stock exchange during the two weeks preceding the relevant date i.e. February 16, 2012, being 30 days prior to the date of declaration of results of postal ballot, as prescribed under SEBI (ICDR) Regulations for preferential issues and all other terms, conditions and matters connected therewith and any modifications in the proposal as may be required by the authorities/parties involved in such issues be accepted but subject to such conditions as the Securities and Exchange Board of India or such other statutory or regulatory authorities may impose at the time of according/granting their approvals, consent, permissions and sanctions to the Company."

"Resolved further that, without prejudice to the generality of the above, issue of warrants mentioned hereinabove may have all or any term or combination of terms in accordance with local/international practices and all such terms as are provided in domestic and/or international offerings of this nature."

"Resolved further that, the equity shares so issued pursuant to exercise of warrants shall be subject to the Memorandum and Articles of Association of the Company and shall, upon being so issued and allotted, rank pari-passu in all respects including dividend with the then existing equity shares of the Company."

"Resolved further that, pursuant to the provisions of Chapter VII of SEBI (ICDR) Regulations, the fresh equity shares to be allotted on conversion of warrants shall be subject to lock-in for a period of 3 (Three) years from the date of allotment and that the equity shares shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in except to the extent and in the manner permitted there under."

"Resolved further that, the Board be and is hereby authorized to accept any modifications in the proposal as may be required by the aforesaid authorities in relation to the proposed issue subject to such conditions as the Securities and Exchange Board of India or such other statutory or regulatory authorities may impose at the time of their approval."

"Resolved further that, the Board be and is hereby authorized to do all such acts, deeds, and things as may be necessary, desirable or incidental thereto and matter connected therewith including without limitation the entering into arrangements for underwriting, marketing, listing, trading, appointment of Lead Manager(s), Advisor(s), Registrar(s), Paying and Conversion Agent(s) and to issue and sign all deeds, documents, instruments, and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions, and to give such directions that may be necessary or arise in regard to or in connection therewith to give effect to the aforesaid resolution and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all the members of the Company."

**By Order of the Board of Directors of
Simbhaoli Sugars Limited**

Date: February 15, 2012
Place: New Delhi

**Kamal Samtani
Company Secretary**

Note:

1. The Explanatory Statement pursuant to Section 173 (2) and 192A (2) of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, setting out material facts is annexed hereto.
2. The Board of Directors has appointed CS Amit Gupta, Practicing Company Secretary as Scrutinizer to conduct the voting through postal ballot, in a fair and transparent manner in accordance with the aforesaid rules and to scrutinize the completed ballot papers received from the members. The Scrutinizer is willing to be appointed and is available at the Registered Office of the Company for the purpose of ascertaining the requisite majority.
3. Notice is being sent to all the members, whose names appear in the Register of Members/Record of Depositories as on February 10, 2012. The postal ballot form along with self-addressed business reply envelope is enclosed for use of members. Members holding shares in physical form are requested to send their email id to info@masserv.com and those having their holding in demat form may please update/provide their email id to respective depository participants.
4. You are requested to carefully read the instructions printed on the postal ballot form and return the same (no other form or photocopy is permitted) duly completed with the assent (for) or dissent (against), in the attached self-addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before close of working hours i.e. 5.00 P.M. on Saturday, **March 17, 2012**, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member.
5. The Scrutinizer will submit his report to the Chairman on completion of scrutiny as soon as possible after the last date of receipt of postal ballots. The results of the postal ballot will be announced at the registered office of the Company and will be published in English and Hindi newspapers and also be posted on the website of the Company at www.simbhaolisugars.com.
6. All material documents referred to in the Notice and Explanatory Statement are open for inspection at the registered office of the company during the office hours on all working days except Saturday and holidays between 11.00 A.M to 5.00 P.M up to the last date of receipt of postal ballots.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item no. 1

The Company has been arranging direct finance facilities for its farmers/distributors/warehouse owners from banks/financial institutions under the agri-financing schemes with various banks for farm extension services. For this purpose, the Company is required to provide corporate guarantees as collateral securities for short period of time under the said schemes during the sugar crushing season 2011-12.

Further, the Company is also in the process of carrying out the proposed business restructuring which involves hiving-off the power and alcohol undertakings to its subsidiary companies, which may also require short term financial support to these businesses.

Hence, the Company may be required to make loans or give guarantees/provide securities in connection with the loans/assistance made by any other person(s) to, or to any other person(s) by, the bodies corporate including banks/financial institutions/other lending agencies in the normal course of Company's business.

As per the provisions of Section 372A of the Companies Act, 1956, (the Act) a company cannot make loans or give guarantees or provide securities in excess of the limits as prescribed there under unless it is previously authorised by a special resolution passed by the members of the Company.

Therefore, approval of the members is being sought for passing of resolution by postal ballot in terms of the provisions of Section 192A of the Act read with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

Accordingly, resolution set out under item no. 1 is recommended for approval of the members as a special resolution by means of a Postal Ballot.

None of the Directors of the Company is in any way, concerned or interested in the said resolution.

Item no. 2

The Company, in the past has pursued a selective growth path for its business expansion by acquiring the assets and setting up green field projects to diversify its business activities in related areas of operations. Over nearly eight decades of its existence, the Simbhaoli group has set various industry trends in technology, professional management, product quality,

research and innovation, covenants with farmers, corporate social responsibility initiatives and welfare schemes for its employees.

The Company is primarily a sugar producer and utilizes its by-products, bagasse for biomass based power generation and molasses for alcoholic products including potable liquor and fuel ethanol. Sugar industry is cyclical and sugar prices vary significantly every year. The primary risk factors of a sugar business are availability of sugarcane, government regulations relating to raw material prices and restrictions on sale of finished goods apart from the risks related to agro climatic conditions.

The Company incurred losses including the cash losses during current and previous financial years on account of changing sugar cycles, negative margin on sale of sugar and high borrowing costs. Consequently, the net worth of the Company has reduced considerably.

The Company is proposing to implement restructuring of its business in terms of a study carried out by SBI Capital Markets Limited on the behalf of its lending banks and financial institutions. The Company has submitted the proposal with the Corporate Debt Restructuring Empowered Group (CDREG) for restructuring of its debts with lenders and additional funding to meet the working capital requirements for approval. As per the report submitted by SBI Capital, a need for infusion of fresh funds in the share capital of the Company has been emphasised for improving the business viability, net worth, earning capacity and to meet the shortfall in cash flow of the Company.

The bio-power and potable alcohol businesses have growth potential and may be expanded with a focussed approach to improve the profitability of the Company. The expansion of these businesses requires additional long term investments both towards equity and debt. The Company is in the process of transfer/hiving-off the power and alcohol businesses to its subsidiaries. Funds as considered necessary for the growth of these businesses will be raised by the new entities from outside strategic investors/JV partners/PE investors/mutual funds.

As per the lender covenants under the business restructuring proposal, the Company requires fresh capital. Public offering in the present industry scenario may not be feasible and therefore, it is proposed to issue 60,00,000 (Sixty Lacs) equity shares to selective investors other than promoters, directors and key managerial personnel of the Company on preferential basis, who shall have capability to subscribe to the issue, pursuant to their application in this respect, in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred as 'SEBI (ICDR) Regulations').

The Company has received requests in writing from the following investors who have expressed their willingness to subscribe to 60,00,000 equity shares of face value of Rs. 10/- per share in the share capital of the Company at a subscription price of Rs. 50/- (including premium of Rs. 40/-) per equity share aggregating to Rs. 30,00,00,000/- (Rupees Thirty Crores only) for cash on preferential allotment basis and have capacity to subscribe to the offer. The issue price is determined on the basis of the relevant date i.e. February 16, 2012, being 30 days prior to the date of declaration of results of postal ballot i.e. March 17, 2012.

Sl. No.	Particulars of the Investors	Pre-issue shareholding (Nos. & % age)	Shares applied (nos.)	Post-issue shareholding (Nos. & % age)
1.	M/s Sansar Wealth Management Consultants Pvt. Ltd.	Nil	30,00,000	30,00,000 (8.94%)
2.	M/s Sun Rose Trading Pvt. Ltd.	Nil	30,00,000	30,00,000 (8.94%)
	Total	Nil	60,00,000	60,00,000

The issue proceeds received from allotment of equity shares under preferential issue shall be utilized to meet the working capital requirements, improve the liquidity position and financial health of the Company.

The allotment shall be completed within 15 days of passing of this resolution, provided that where approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of fifteen days shall be counted from the date of order on such application or the date of approval or permission, as the case may be. The authorized share capital of the Company is adequate for the increase in paid-up share capital pursuant to issue and allotment of fresh equity shares.

The proposed allottees have given consent letters to the Company to comply with the SEBI (ICDR) Regulations and/or other applicable laws and regulations, if any, required to subscribe to the share capital of the Company. The proposed allottees are not related with any of the promoters, directors and key managerial personnel of the Company and also are not connected to each other under the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

The equity shares proposed to be issued on preferential basis as above shall be subject to lock-in period of 1 (one) year from the date of allotment as per SEBI (ICDR) Regulations. The shareholding pattern before and after the allotment would be as under:-

	Category	Pre-issue shareholding pattern		Post-issue shareholding pattern	
		No. of shares	%age	No. of shares	%age
A	Promoters Holding	11535881	41.84	11535881	34.36
	Sub-Total (A)	11535881	41.84	11535881	34.36
B	Non-Promoters Holding				
1	Banks/Financial Institutions/FIIs/Mutual Fund	1002200	3.63	1002200	2.99
2	Other Indian Public & Pvt. Corporate Bodies	14153637	51.33	20153637	60.03
3	NRIs/OCBs	110910	0.40	110910	0.33
4	Any Other	768682	2.80	768682	2.29
	Sub-Total (B)	16035429	58.16	22035429	65.64
	Grand Total (A+B)	27571310	100.00	33571310	100.00

There will not be any change in the management/Board of Directors or control of the Company. However, there may be a change in the share holding pattern including change in the voting rights of the promoters. Further, the above table does not reflect the change in the shareholding pattern consequent upon issue of fresh equity share capital or conversion of convertible securities as allotted, if any, pursuant to the warrants issued in January 2011, Simbhaoli Sugars Limited-Employee Stock Option Scheme 2007 and/or shares to be allotted in accordance with the proposed capital raising plans as per the resolution to be passed by the shareholders of the Company.

The Company undertakes that it shall re-compute the price of the equity shares in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so. Further, it also undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the equity shares shall continue to be locked-in till the time such amount is paid by the allottees. The proposed allottees will comply with the applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including any amendment thereto or re-enactment thereof.

The Company also undertakes that the copy of the certificate of its statutory auditors, certifying that the issue is being made in accordance with the requirements of SEBI (ICDR) Regulations will be available for inspection at the registered office of the Company during business hours on any working day except Saturday and public holidays upto the last date for voting through postal ballot (i.e. March 17, 2012)

Section 81 of the Companies Act, 1956, provides, inter alia, that where it is proposed to increase the subscribed share capital of the company by allotment of further shares, such shares shall be offered to the person who on the date of the offer are holders of the equity shares, in proportion to capital paid-up on those shares as of that date unless the members of the company decide otherwise. The special resolution under the provisions of Section 81 (1A) of the Companies Act, 1956 is required to be passed for seeking the consent and authorization of the members to the Board of Directors, to make the proposed issue of equity shares to selective persons in accordance with the provisions of rules, regulations or guidelines as per applicable laws.

Accordingly, resolution set out under item no. 2 is recommended for approval of the shareholders as a special resolution.

None of the Directors of the Company is in any way, concerned or interested in the resolution.

Item no. 3

The Company has paid considerably high sugar cane price in the sugar season 2009-10 in line with other sugar companies in the State of Uttar Pradesh leading to high cost of production. The domestic sugar prices declined nearly by 40% after February 2010, on account of relatively higher sugar production in the season 2009-10, and in anticipation of higher production in seasons 2010-11 and 2011-12. Further, the Government of India continued with trade and export related restrictions on sugar. Low margin in alcohol segment on account of high price of molasses also affected the overall profitability of the Company. During the second half of year ended September 30, 2010 and in two quarters of the financial year 2010-11, the Company was carrying 0.15 mmt of inventories of white sugar, both from raw

and sugarcane. On sale of this sugar, the Company incurred losses both on account of mark to market valuations of the stocks, and net realisation falling lower than the cost of production. Consequently, the net worth of the Company has reduced considerably and the Company do not have sufficient funds to make payment to the cane growers in time.

The Company is proposing to implement restructuring of its business in terms of a study carried out by SBI Capital Markets Limited on the behest of its lending banks and financial institutions. The Company has submitted the proposal with the Corporate Debt Restructuring Empowered Group (CDREG) for restructuring of its debts with lenders and additional funding to meet the working capital requirements for approval. As per the report submitted by SBI Capital, a need for infusion of fresh funds in the share capital of the Company has been emphasised for improving the business viability, net worth, earning capacity and to meet the shortfall in cash flow of the Company.

The management believes that despite such exceptions, which have been common to the sugar industry, it is capable to work out the revival strategies including business restructuring, unlocking of values, future capitalizations, replacement of short term debts with the long term loans and carry on the businesses of the Company on going concern basis. For this purpose, it is proposed to implement various schemes of business restructuring as suggested by SBI Capital, which will not only build positive funds flow and improve net worth but also pave the way for future growth. With a view to improve its liquidity position, the Company is planning to raise fresh equity in the form of allotment of convertible securities to the promoters on preferential basis. This will improve the shareholders wealth and enhance the equity base of the Company.

Hence, the Company is considering to issue and allot 16,00,000 share warrants to specified promoters with a right to receive one equity share of face value of Rs. 10/- each for one warrant held by the warrant holders. The issue and allotment of warrants shall be governed under the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred as 'SEBI (ICDR) Regulations'). The warrant holders shall receive one (1) equity share for one (1) warrant as above at a price of Rs. 42/- (including premium of Rs. 32/-) per equity share, of which not less than 25% shall be paid by the warrant holders forthwith upon allotment thereof and the balance shall be paid at the time of exercising the conversion option to convert warrants into equity shares, for such number of warrants in respect of which the warrant holder exercises the conversion option. The issue price is determined on the basis of the relevant date i.e. February 16, 2012, being 30 days prior to the date of declaration of results of postal ballot i.e. March 17, 2012. The amount, which will be paid on the allotment of share warrants, would be adjusted against the price payable subsequently for acquiring the equity shares on exercise of the option.

The authorized share capital of the Company is adequate for the increase in the paid-up share capital pursuant to issue and allotment of fresh equity shares upon conversion of warrants.

The preferential offer for issue of warrants shall be made to the following specified promoters of the Company, who have expressed their willingness to invest in securities of the Company and shall subscribe to the offer:-

Sl. No.	Name and address of the proposed allottees	Pre-issue shareholding (Nos. & % age)	Warrants applied (Nos.)	Post-issue shareholding (Nos. & % age)
1	Mr. Gurmit Singh Mann, s/o Sardar Gurprit Singh Mann, r/o C-176, Defence Colony, New Delhi	21,15,247 7.67%	10,80,000	31,95,247 9.81%
2	Mr. Gурpal Singh, S/o Sardar Pritam Singh Sandhu, r/o 12, Tilak Marg, New Delhi.	10,06,079 3.65%	5,20,000	15,26,079 4.68%
	Total	31,21,326	16,00,000	47,21,326

The issue proceeds from the advance received at the time of allotment of warrants and subsequent conversion thereof into equity shares shall be utilized for defraying cane arrears and also to meet working capital requirements of the Company.

The proposed warrants may be converted into equity shares of the Company within a period of 18 months from the date of issue of warrants in one or more tranche at the option of warrant holders at a price of Rs. 42/- (including premium of Rs. 32/-) per equity share and/or price, which may be required to be re-computed under the SEBI (ICDR) Regulations. The equity shares proposed to be issued under preferential basis as above shall be subject to lock-in period of 3 years from the date of allotment as per SEBI (ICDR)

Regulations. The shareholding pattern before and after the conversion of warrants into equity shares shall be as under:-

	Category	Pre-issue shareholding pattern		Post-issue shareholding pattern	
		No. of shares	%age	No. of shares	%age
A	Promoters Holding	11535881	41.84	13135881	45.03
	Sub-Total (A)	11535881	41.84	13135881	45.03
B	Non-Promoters Holding				
1	Banks/Financial Institutions/FII/ Mutual Fund	1002200	3.63	1002200	3.44
2	Other Indian Public & Pvt. Corporate Bodies	14153637	51.33	14153637	48.52
3	NRIs/OCBs	110910	0.40	110910	0.38
4	Any Other	768682	2.80	768682	2.63
	Sub-Total (B)	16035429	58.16	16035429	54.97
	Grand Total (A+B)	27571310	100.00	29171310	100.00

The allotment shall be completed within 15 days of passing of this resolution, provided that where approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of fifteen days shall be counted from the date of order on such application or the date of approval or permission, as the case may be.

The Company undertakes that it shall re-compute the price of the aforesaid warrants in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so. Further, it also undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the securities shall continue to be locked-in till the time such amount is paid by the allottees. The proposed allottees will comply with the applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including any amendment thereto or re-enactment thereof.

The Company also undertakes that the copy of the certificate of its statutory auditors, certifying that the issue is being made in accordance with the requirements of SEBI (ICDR) Regulations will be available for inspection at the registered office of the Company during business hours on any working day except Saturday and public holidays upto the last date for voting through postal ballot (i.e. March 17, 2012)

There will not be any change in the management/Board of Directors or control of the Company as a consequence of allotment of aforesaid warrants and subsequent conversion thereof. However, there may be change in the share holding pattern due to above including change in the voting rights of the promoters. Further, the above table does not reflect the change in the shareholding pattern consequent upon fresh equity share capital or conversion of convertible securities as allotted, if any, pursuant to the conversion of balance warrants issued in January 2011, Simbhaoli Sugars Limited-Employee Stock Option Scheme 2007 and/or shares to be allotted in accordance with the proposed capital raising plans as per the special resolution to be passed by the shareholders for the preferential allotment of equity shares to the selective investors.

Section 81 of the Companies Act, 1956, provides, inter alia, that where it is proposed to increase the subscribed share capital of the company by allotment of further shares, such shares shall be offered to the person who on the date of the offer are holders of the equity shares, in proportion to capital paid-up on those shares as of that date unless the members of the company decide otherwise. The special resolution under the provisions of Section 81 (1A) of the Companies Act, 1956 is required to be passed for seeking the consent and authorization of the members to the Board of Directors, to make the proposed issue of share warrants to the proposed allottees, which are convertible into equity shares, on a preferential basis in accordance with the provisions of rules, regulations or guidelines as per applicable laws.

Accordingly, resolution set out under item no. 3 is recommended for approval of the shareholders as a special resolution.

None of the Directors, except Mr. Gurmit Singh Mann and Mr. Gурpal Singh to the extent warrants proposed to be allotted to them is concerned or interested in the resolution.

**By Order of the Board of Directors of
Simbhaoli Sugars Limited**

Date: February 15, 2012
Place: New Delhi

**Kamal Samtani
Company Secretary**