

MINUTES OF THE BUSINESS ITEMS TRANSACTED THROUGH POSTAL BALLOT BY THE MEMBERS OF SIMBHAOLI SUGARS LIMITED ON MARCH 17, 2012

Mr. Kamal Samtani, Company Secretary of the Company, placed on record that, the Company has proposed to pass following resolutions 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; **(Resolution no.1)**
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; **(Resolution no.2)** 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. **(Resolution no.3)**

The shareholding pattern of the Company for post issue of 60,00,000 equity shares to specified investors and 16,00,000 warrants to specified promoters convertible into equivalent number of equity shares of the Company under the provisions of SEBI (ICDR) Regulations, 2009 for preferential issues was placed on record as follows:

		Pre-issue shareholding pattern		Proposed issue		Shareholding pattern after allotment of equity shares		Shareholding pattern after allotment of equity shares and conversion of warrants into equity shares	
		(1)		(2)	(3)	(1+2)		(1+2+3)	
	Category	No. of shares	%age	Equity shares (Nos.)	Warrants (Nos.)	No. of shares	%age	Equity shares (Nos.)	%age
A	PROMOTERS HOLDING	11535881	41.84	-	1600000	11535881	34.36	13135881	37.35
	Sub-Total (A)	11535881	41.84	-	1600000	11535881	34.36	13135881	37.35
B	NON-PROMOTERS HOLDING								
1	Banks/Financial Institutions/FIs	1002200	3.63	-	-	1002200	2.99	1002200	2.85
2	Other Indian Public & Pvt. Corporate Bodies	14153637	51.33	6000000	-	20153637	60.03	20153637	57.30
3	NRIs/OCBs	110910	0.40	-	-	110910	0.33	110910	0.32
4	Any Other	768682	2.79	-	-	768682	2.29	768682	2.19
	Sub-Total (B)	16035429	58.16	6000000	-	22035429	65.64	22035429	62.65
	Grand Total (A+B)	27571310	100.00	6000000	1600000	33571310	100.00	35171310	100.00

He further informed that, in table no. 1 of explanatory statement showing the particulars of proposed allottees under item no. 3 at page no. 4 of the postal ballot notice dated 15.02.2012 of the Company, the post-issue shareholding percentage

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stated in 2nd and 3rd row of 5th column be read as 10.95% and 5.23% in place of 9.81% and 4.68% respectively.

He also submitted that, the Company's business restructuring proposal for restructuring of its debts with the banks and financial institutions and additional funding to meet the working capital requirements has been approved by the Corporate Debt Restructuring Empowered Group (CDREG) on March 12, 2012. The restructuring proposal envisages investments by way of promoters' contribution in the share capital of the Company.

Keeping in view of the approval received from the CDREG, the relevant date for the purpose of pricing of the securities is revised to March 12, 2012 in place of February 16, 2012 under resolution nos. 2 and 3 of the postal ballot notice. Further, the lock-in period of the equity shares to be issued on conversion of warrants shall be 1 (one) year instead 3 years as per the provisions of the Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for preferential issue.

Taking into account the aforesaid changes, Mr. Amit Gupta, Practicing Company Secretary, who was appointed by the Company as scrutinizer for conducting the postal ballot process in a fair and transparent manner, submitted his report as under:

1. Notice containing the Explanatory Statement and Postal Ballot Form along with self addressed Business Reply Envelope (for which the postage has been borne and paid by the Company under BR Permit No. G-II/BRD(C)-307/11-12) has been dispatched on Thursday, February 16, 2012 to the members of the Company, whose names appear on the Register of Members/Record of Depository Participants as on February 10, 2012.
2. The certificate of posting dated February 16, 2012 has been issued by the Department of Post, Noida for mailing of 17487 envelopes to the members of the Company.
3. On the basis of request, the Company has issued duplicate postal ballot forms to the members who have not received the same.
4. Particulars of all the postal ballot forms received from the Members have been entered in a register separately maintained for the purpose and the postal ballot forms have been kept in safe custody in sealed and tamper proof boxes before commencing the scrutiny of such postal ballot forms.
5. All postal ballot forms received upto the close of working hours on Saturday, March 17, 2012, the last date fixed by the Company for receipt of the forms, were considered for scrutiny and the boxes were opened thereafter in my presence.
6. There was no defaced or mutilated ballot paper found therein.
7. On the basis of approval received from the CDREG for restructuring of its debts and meeting of additional funding requirement, the relevant date is revised to March 12, 2012 in place of February 16, 2012 as referred under item no. 2 and 3 of the postal ballot notice and the lock-in period as stated under item no. 3 shall be reduced to 1 year in place of 3 year.
8. A summary of the votes cast based on the postal ballot forms received is given below:

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Particulars	Resolution no. 1		Resolution no. 2		Resolution no. 3	
	(no. of shares)	%	(no. of shares)	%	(no. of shares)	%
Votes received	14766548	100	14766548	100	14766548	100
Less: invalid votes	NIL	-	NIL	-	NIL	-
Votes cast in favour	14765107	99.990	14765581	99.993	14765085	99.990
Votes cast against	1441	0.010	967	0.007	1463	0.010

He handed over the postal ballot forms and other related papers/register and records to the Company Secretary of the Company authorized by the Board to supervise the postal ballot process.

The Chairman declared the result of the voting by postal ballot. The following resolutions have been passed with the requisite majority:

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

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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. March 12, 2012, (being date of letter issued by Corporate Debt Restructuring Empowered Group) 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 as 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."

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"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

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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. March 12, 2012, (being date of letter issued by Corporate Debt Restructuring Empowered Group) 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."



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"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 1 (One) 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."


CHAIRMAN



Date 17.3.2012
Place New Delhi

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