



SS/FQ002/7.4/RO

**SIMBHAOLI
SUGARS**Simbhaoli Sugars Limited
CIN-L15122UP2011PLC044210

Regd. Office :

Simbhaoli - 245 207, Distt. Hapur U.P. (INDIA)

Ph. : (05731) 223117, 223118, 223023

Fax : (05731) 223039, 223262

E-mail : info@simbhaolisugars.com

www.simbhaolisugars.com

Ref: SSL: Stock Exchange
May 29, 2024

**The Manager - Listing
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra- (East),
Mumbai - 400 051.**

**Department of Corporate Services
BSE Limited,
Corporate Relationship Dept.,
P. J. Towers, Dalal Street,
Mumbai - 400 001**

Scrip Code: NSE: SIMBHALS BSE: 539742

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,
2015 Outcome of the Board meeting held on May 29, 2024**

Dear Sir,

In the meeting of the Board of Directors of Simbhaoli Sugars Limited, held today i.e., Wednesday, May 29, 2024, which commenced at 03:30 PM and concluded at 8:08 PM, the decisions were taken as follows:

1. Standalone and consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2024 and the Audited Financial results (Standalone and Consolidated) for the quarter and Year ended March 31, 2024. The copies of the aforesaid Financial Results along with Reports of Auditors thereon are attached herewith. A statement of impact of the Audit qualification is also enclosed.

You are requested to take the above submissions in your records.

Thanking you
Yours faithfully,
For Simbhaoli Sugars Limited

**Shubham Kandhway
Company Secretary
M No. - F 10757**

Specialty Sugars

Potable Alcohol

Ethanol

Power

REG. OFFICE : SIMBHAOLI, DISTT. HAPUR, UTTAR PRADESH-245207



Mittal Gupta & Co.

Chartered Accountants

10/437, Khalasi Lines, Kanpur -208001

Tel: 0512-3158490 E-mail: mgco@mgcoca.in

Independent Auditor's Report on the Audited Standalone Annual Financial Results of Simbhaoli Sugars Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.

To

Board of Directors of

Simbhaoli Sugars Limited

Hapur, Uttar Pradesh, India.

Report on the audit of Standalone Annual Financial Results

Qualified Opinion

We have audited the accompanying statement of Standalone Annual Financial Results of Simbhaoli Sugars Limited (the "Company") for the year ended March 31, 2024 ("the Statement") attached herewith, being prepared and submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulation").

In our opinion and to the best of our information and according to the explanation given to us, except for the matters described in the 'basis of qualified opinion paragraph below' the Statement:

- i. is presented in accordance with the requirements of the listing regulation in this regard; and
- ii. gives a true and fair view in conformity with the applicable Indian Accounting Standards ("IND AS") prescribed under section 133 of the Companies Act, 2013 ("the Act"), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the net loss after tax and other comprehensive loss and other financial information for the year ended March 31, 2024.

Basis of Qualified Opinion

- i) We draw attention to Note No. 2 of the Statement regarding non-provisions for impairment in the carrying value of Property, Plant and Equipment. We are not made available of an appropriate impairment assessment carried out by the management and accordingly, we are unable to comment on the same, including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.
- ii) We draw attention to Note No. 3 of the Statements, regarding non-provision of interest expense amounting to ₹22,144.56 Lakhs for the year ended March 31, 2024 (previous year ₹19,018.54 Lakhs) on certain borrowings for the reasons stated in the said note. Consequently, the Finance Cost for the year and, Net Loss and Total Comprehensive Income for the year have been understated by the aforesaid amounts. The aggregate amount of interest expense not provided for in the accounts aggregates to ₹1,11,092.59 Lakhs till March 31, 2024. Consequently, Current Financial Liabilities are understated and Other Equity as at March 31, 2024 are overstated by the



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aforesaid amounts.

- iii) As stated in Note No. 6 of the Statement, the company has paid remuneration to directors amounting to ₹301.82 lakhs from the date of appointment till March 31, 2024, in accordance with the special resolutions passed in the Annual General Meeting, after obtaining consent from lenders having majority outstanding and not from all the lenders, which is not in compliance with the provisions of sections 197 of the Companies Act, 2013.
- iv) We draw attention to Note No. 4 of the Statement regarding non- provision of interest liability in respect of delayed payment of sugarcane price for the reasons stated in the said note. The amount of interest not provided for in the books has not been ascertained.
- v) We draw attention to Note No. 5 of the Statement regarding the substantial investment of company's funds in Simbhaoli Power Private Limited (SPPL), a material subsidiary company, which had been incurring losses since FY 2019-20. The auditors of SPPL, in its latest available audit report for the year ended March 31, 2022, reported the existence of material uncertainty that might cast significant doubts about SPPL's ability to continue as a going concern and also reported for existence of conditions for the impairment in the value of property, plant and equipment, which the management of SPPL had not determined. As at March 31, 2024, the carrying amount of investments in Equity Shares and Compulsory Convertible Debentures in SPPL in the books of the Company aggregates to ₹10,386.53 Lakhs and the carrying amounts of receivables and other dues aggregates to ₹8,538.92 Lakhs. The management of the company has not carried out a detailed exercise to determine impairment in the carrying amount of investments in and other recoverable from SPPL. Due to non-availability of information with regard to appropriate impairment assessment carried out by the management of the company and financial and other information from the management of SPPL, we are unable to comment on the recoverability of the carrying amount of investments in and money recoverable from SPPL, including compliance with Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.

Our opinion is qualified in respect of the above matters.

Material Uncertainty related to Going Concern:

As stated in Note No. 2, Statement has been prepared on a going concern basis. Events or conditions as set forth in Note No. 2 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. The ability of the Company to continue as a going concern depends on the decision of the National Company Law Tribunal under the Insolvency and Bankruptcy Code 2016, sanction and implementation of proposed debt resolution and realignment scheme with the lenders as stated in the said notes and the turnaround of its sugar and distilleries operations on sustainable basis.

Our opinion is not modified in respect of the above matter.



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We conducted our audit of the Statement in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Companies Act, 2013, as amended (“the Act”). Our responsibilities under those Standards are further described in the “ Auditor’s Responsibilities for the Audit of the financial results” section of our report .We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management and Board of Director’s Responsibilities for the Standalone financial Results

The Statement, which is the responsibility of the Company’s management and approved by the Board of Directors has been prepared on the basis of the Standalone annual financial results.

The Management and the Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable Indian Accounting Standards (“IND AS”), prescribed under section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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; 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 the Statement, that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Management and the Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

Auditor’s Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing specified under Section 143(10) of the Act, will



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always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.



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- Obtain sufficient appropriate audit evidence regarding the Statement of the company to express an opinion on the standalone annual financial results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The standalone annual financial results include the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the financial year which were subject to limited review by us, as required under the Listing Regulations.

Our opinion is not modified in respect of the above matter.

For MITTAL GUPTA & CO.

Chartered Accountants

FRN: 001874C

(B. L. Gupta)

Partner

Membership No.:073794

Place of Signature: Kanpur

Date: 29.05.2024

UDIN: 24073794BKEOBM3885

SIMBHAOLI SUGARS LIMITED

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STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED

MARCH 31, 2024



(₹ Lacs)

Sl. No.	Particulars	Quarter ended			Year ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
		Audited #	Unaudited	Audited #	Audited	Audited
1	Income					
	(a) Revenue from operations	37,592.80	34,380.63	40,637.71	1,32,394.24	1,37,832.27
	(b) Other income	475.30	284.31	457.55	1,868.40	1,759.84
	Total Income	38,068.10	34,664.94	41,095.26	1,34,262.64	1,39,592.11
2	Expenses					
	(a) Cost of materials consumed	48,484.80	33,613.46	46,484.54	90,642.79	89,964.84
	(b) Purchase of stock-in-trade	1,987.44	1,988.26	1,533.38	7,902.29	6,481.74
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(26,565.87)	(12,103.90)	(21,907.19)	(3,951.27)	1,535.64
	(d) Excise duty	3,055.14	4,059.88	4,446.10	15,059.42	16,646.24
	(e) Employee benefits expense	1,756.28	1,658.27	1,911.10	6,324.55	7,156.53
	(f) Finance costs	1,044.37	721.14	678.39	3,092.55	2,529.82
	(g) Depreciation and amortisation expense	676.89	690.95	794.04	2,754.08	3,193.92
	(h) Power & fuel	702.23	501.98	1,063.64	2,132.02	2,593.24
	(i) Other expenses	3,410.83	3,293.18	3,743.46	11,513.49	12,628.50
	Total expenses	34,552.11	34,423.22	38,747.46	1,35,469.92	1,42,730.47
3	Profit/ (loss) before exceptional items and tax (1-2)	3,515.99	241.72	2,347.80	(1,207.28)	(3,138.36)
4	Exceptional items	-	-	-	-	-
5	Profit/ (loss) before Tax (3-4)	3,515.99	241.72	2,347.80	(1,207.28)	(3,138.36)
6	Tax expense :					
	- Current tax	-	-	-	-	-
	- Deferred tax	-	-	-	-	-
	Total tax expenses	-	-	-	-	-
7	Net Profit/(loss) from ordinary activities after tax (5-6)	3,515.99	241.72	2,347.80	(1,207.28)	(3,138.36)
8	Other Comprehensive Income (net of tax)	(55.75)	-	(153.66)	(55.75)	(153.66)
	A) I. Items that will not be reclassified to profit & loss	(55.75)	-	(153.66)	(55.75)	(153.66)
	II. Income Tax relating to Items that will not be reclassified to profit	-	-	-	-	-
	B) I. Items that will be reclassified to profit & loss	-	-	-	-	-
	II. Income Tax relating to Items that will be reclassified to profit or loss	-	-	-	-	-
9	Total Comprehensive Income (net of tax) (7+8)	3,460.24	241.72	2,194.14	(1,263.03)	(3,292.02)
10	Paid up equity share capital (face value ₹. 10/- each)	4,127.90	4,127.90	4,127.90	4,127.90	4,127.90
11	Other Equity				(11,188.37)	(9,951.24)
12	Basic and Diluted Earning Per Share (₹) (not annualized)					
	- EPS before exceptional item	8.52	0.59	5.69	(2.92)	(7.60)
	- EPS after exceptional item	8.52	0.59	5.69	(2.92)	(7.60)

Refer Note No.8

SIMBHAOLI SUGARS LIMITED

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STATEMENT OF AUDITED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(₹ Lacs)

	Quarter ended			Year ended	
	March 31,2024	December 31,2023	March 31,2023	March 31,2024	March 31,2023
	Audited #	Unaudited	Audited #	Audited	Audited
(A). Segment Revenue					
(a) Sugar	34,156.42	27,823.91	36,558.72	1,04,107.69	1,11,981.58
(b) Distillery	8,995.25	10,701.01	10,243.14	42,236.39	38,984.92
Total	43,151.67	38,524.92	46,801.86	1,46,344.08	1,50,966.50
Less: Inter Segment Revenue	5,558.87	4,144.29	6,164.15	13,949.84	13,134.23
Net sales/income from operations	37,592.80	34,380.63	40,637.71	1,32,394.24	1,37,832.27
(B). Segment Results					
Profit/ (loss) before finance costs, unallocated Expenditure, exceptional items and tax from each segment					
(a) Sugar	4,302.58	815.96	2,642.57	1,467.92	172.48
(b) Distillery	30.99	(16.92)	217.19	(323.66)	(1,332.87)
Total	4,333.57	799.04	2,859.76	1,144.26	(1,160.39)
Less:					
(a) Finance cost	1,044.37	721.14	678.39	3,092.55	2,529.82
(b) Other un-allocated expenses/ (income) (net)	(226.79)	(163.82)	(166.43)	(741.01)	(551.85)
Total Profit/ (loss) before tax	3,515.99	241.72	2,347.80	(1,207.28)	(3,138.36)
(C). Segment Assets					
(a) Sugar	1,32,497.25	1,17,077.82	1,35,172.29	1,32,497.25	1,35,172.29
(b) Distillery	39,643.44	38,267.45	41,152.47	39,643.44	41,152.47
(c) Unallocated	24,068.34	19,535.23	17,494.35	24,068.34	17,494.35
Total	1,96,209.03	1,74,880.50	1,93,819.11	1,96,209.03	1,93,819.11
(D). Segment Liabilities					
(a) Sugar	73,395.75	55,346.58	71,121.82	73,395.75	71,121.82
(b) Distillery	1,912.03	2,404.90	2,600.52	1,912.03	2,600.52
(c) Unallocated	26,883.86	26,581.87	24,595.08	26,883.86	24,595.08
(d) Borrowings	1,01,077.86	1,01,077.86	1,01,325.03	1,01,077.86	1,01,325.03
Total	2,03,269.50	1,85,411.21	1,99,642.45	2,03,269.50	1,99,642.45

Refer Note No.8

STANDALONE STATEMENT OF ASSETS AND LIABILITIES



(₹ Lacs)

Sr.No.	Particulars	As at March 31,2024	As at March 31,2023
		Audited	Audited
I.	ASSETS		
	Non current assets		
	a) Property, plant and equipment	1,17,163.07	1,19,090.90
	b) Right of use assets	-	-
	c) Capital work in progress	107.40	251.92
	d) Intangible assets	30.08	24.41
	e) Financial assets		
	i) Investments	11,010.88	11,010.88
	ii) Others	203.73	129.04
	f) Income tax assets (net)	36.87	557.12
	g) Other non-current assets	444.56	386.88
	Total non - current assets	1,28,996.59	1,31,451.15
	Current assets		
	a) Inventories	48,353.84	45,082.87
	b) Financial assets		
	i) Trade receivables	2,431.36	3,021.95
	ii) Cash & cash equivalents	1,996.50	1,472.75
	iii) Bank balance other than (ii) above	3,833.44	2,752.54
	iv) Others	8,309.45	8,001.82
	c) Current Tax Assets(Net)	229.79	278.89
	d) Other current assets	2,046.09	1,757.14
	e) Assets hold for disposal	11.97	-
	Total current assets	67,212.44	62,367.96
	TOTAL ASSETS	1,96,209.03	1,93,819.11
II.	Equity and liabilities		
	Equity		
	a) Equity share capital	4,127.90	4,127.90
	b) Other equity	(11,188.37)	(9,951.24)
		(7,060.47)	(5,823.34)
	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	i) Borrowings	304.90	304.90
	(b) Provisions	511.08	496.01
	Total non - current liabilities	815.98	800.91
	Current liabilities		
	(a) Financial liabilities		
	i) Borrowings	1,00,772.96	1,01,020.13
	ii) Trade payable		
	A) Total outstanding dues of micro enterprises and small enterprises	912.52	475.04
	B) Total outstanding dues of creditors other than micro enterprises and small enterprises	69,775.07	68,465.10
	iii) Other financial Liabilities	29,436.97	27,161.61
	(b) Other current liabilities	1,398.64	1,577.73
	(c) Provisions	157.36	141.93
	Total current liabilities	2,02,453.52	1,98,841.54
	TOTAL EQUITY AND LIABILITIES	1,96,209.03	1,93,819.11

SIMBHAOLI SUGARS LIMITED



STANDALONE STATEMENT OF CASH FLOW

(₹ Lacs)

Particular	For the Year Ended	
	March 31, 2024	March 31, 2023
	Audited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit/(loss) before tax and exceptional items	(1,207.28)	(3,138.36)
Adjustments for:		
Depreciation and amortization	2,754.08	3,193.92
Finance costs	3,092.55	2,529.82
Interest income on financial assets & Others	(1,153.01)	(1,593.54)
Liability/provisions no longer required written back	(507.95)	(42.68)
Bad Debts and advances written off	32.93	1.31
Profit on redemption of Mutual Funds Units	(28.46)	(5.69)
Loss/ (profit) from sale /discard of property, plant and equipment (net)	497.56	34.11
Provision for obsolete items	55.00	76.04
Provision for Credit Loss allowance	68.75	30.36
Mollasses Storage Fund	25.90	25.12
Operating profit/(loss) before working capital changes	3,630.07	1,110.41
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Changes in trade and other receivables	643.37	452.78
Changes in other non current and current financial asset	(13.53)	(65.94)
Changes in other non current and other current assets	480.62	(373.32)
Changes in inventories	(3,320.97)	1,347.00
Changes in trade and other payables	1,816.69	(2,389.24)
Changes in other non-current and other current financial liabilities	(341.89)	773.02
Changes in other non-current and other current liabilities	(327.52)	351.09
Changes in long term and short term provision	30.50	75.87
Cash (used)/generated from operations	2,597.34	1,281.67
Direct taxes (paid)/refund	(111.83)	(581.84)
Net cash (used) / from operating activities	2,485.51	699.83
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Additions to property, plant & equipment and intangible assets	(1,279.39)	(1,004.77)
Sale of property, plant & equipment and intangible assets	187.59	12.66
Redemption/(Purchase) of national savings certificate	-	(1.00)
Interest received on debentures/fixed deposits/inter corporate deposits	851.94	510.61
Investment in Mutual funds	(3,300.00)	(3,550.00)
Proceeds from Redemption of Mutual Funds	3,328.46	3,555.69
Changes in fixed deposit with Banks	1.39	(3.69)
Net cash (used) / from investing activities	(210.01)	(480.50)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
EMD Paid to banks for OTS	(1,150.00)	(690.00)
Interest paid	(354.57)	(540.45)
Repayment of unsecured borrowings	-	(0.80)
Repayment of recalled borrowings	(247.18)	(276.73)
Net cash (used) / from financing activities	(1,751.75)	(1,507.98)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	523.75	(1,288.65)
E. Cash and cash equivalents (opening balance)	1,472.75	2,761.40
F. Cash and cash equivalents (closing balance) (D+E)	1,996.50	1,472.75
Cash and bank balances (D+E)		

Notes to Standalone Results:

1. For the year ended March 31, 2024 and in previous years, due to higher raw material cost i.e. sugarcane costs (SAP) fixed by State government and relatively lower sales realization of finished sugar on adverse demand & supply scenario, and other external factors, the Company had continuously incurred huge cash losses resulting in complete erosion of its net worth, rendering the Company unable to meet payment obligations towards its lenders as well as to the sugarcane farmers in terms of their respective agreements and understanding. All the production units of the Company are operational continue to operate at sub-optimum levels on year-on-year basis while consistent efforts are being made for improvement in operational efficiency viz. improvement in sugar recovery, reduction in overheads and reduction in other operational and administrative costs etc. However, due to lack of required working capital and no capex being undertaken towards augmentation and modernization, the operations of distillery and sugar plants are still adversely impacted. Further, the availability of required sugarcane for optimal utilization of production capacities is still a challenge on account of aforesaid reasons. In distillery segment, non-installation of incineration boilers and other equipment's to meet the stringent requirement of Pollution Control Board is still resulting in curtailed production levels. Further, the expected accrued benefits under the Sugar Industries Promotion policy 2004 has not been yet disbursed by the State Government as the matter is sub-judice.

Recognizing the status of the sugar industry, the state and central governments have taken a number of measures in past to improve the financial health of sugar mills and to support the liquidation of sugarcane arrears by grant of soft loan, fixing minimum support price of sugar, and Ethanol blending program with petrol coupled with long term tendering and fixing remunerative selling price of ethanol etc. All these measures specifically ethanol blending programme, have resulted in revival of the sugar industry but the Company is continuing to suffer and incurring losses on account of non-availability of sufficient sugar cane commensurate to its crushing capacities, on account of delayed payment of sugar cane prices due to adverse liquidity position, which have resulted in the diversion of sugar cane in the command areas to the other adjoining sugar mills. Benefits under soft loan could also not be availed, since credit facility accounts with its lenders were having NPA categorisation.

2. Due to default in repayment of credit facilities, lenders to the Company have initiated recovery proceedings at various forums, including filing of applications before the Hon'ble National Company Law Tribunal (NCLT) under Section 7 of the Insolvency and Bankruptcy Code, 2016 and also filing of recovery proceedings against personal guarantors (Promoters) before NCLT under section 95 of Insolvency and Bankruptcy Code, 2016 in addition to approaching Debt Recovery Tribunals in Delhi as well as in Lucknow, Uttar Pradesh. One of the lenders had declared the Company and Guarantors to the credit facility, as Willful Defaulters, which was *Set Aside* by Hon'ble Punjab and Haryana High court at Chandigarh, while another lender had started the proceedings to examine the Willful Default and a personal hearing was also granted, basis Company's representations the decision is kept in abeyance. One lender had categorized company with a fraud tag, which was set aside by the Hon'ble Delhi High Court. While one of the lenders had initiated recovery proceedings under section 138 of the Negotiable Instrument Act, wherein non-bailable warrants were issued against the erstwhile directors and officials of the Company, which is being contested at the appropriate forum. Against a criminal complaint filed by one of the lenders, the Enforcement Directorate had passed an Attachment Order on certain assets of the Company to the extent of ₹ 109.80 Crore, against which the Company had preferred an appeal before with the appropriate authority and an *Interim Stay* had been granted by the Hon'ble Appellate Tribunal.

The Company is continuing to pursue a comprehensive debt resolution proposal with all the lenders. Commercial lenders have shown their inclination to accept the debt resolution proposal and accepted the Earnest Money offered thereof, while the debt realignment proposal was submitted to other lenders against which the company has started the repayments, pending approval of respective lenders. Revised debt resolution proposal given to commercial

lenders on a bilateral basis is under consideration by the commercial lenders, based on which Hon'ble NCLT Bench, Allahabad has adjourned the hearing.

Considering the steps initiated to turnaround the Company and sugar sector, and continuing manufacturing operations in the near foreseeable future with improved operational efficiency, these financial results are continued to be presented on a Going Concern basis, which contemplates realization of assets and settlement of liabilities, in the normal course of business. Accordingly, property, plant and equipment continued to be stated at the carrying amount, without testing for impairment.

3. As stated aforesaid, the Company has submitted comprehensive debt resolution proposals with all the lenders to commensurate with its future cash flows, including infusion of funds by strategic investors, promoters, internal accruals, monetization of assets etc., which contemplates the total waiver of interest and concession in repayment of the principal amount. Commercial lenders have accepted the Earnest Money Deposit (EMD) offered in consonance with the Debt Resolution Proposal. Accordingly, the estimated interest expenses on credit facilities pertaining to commercial lenders, for the year ended March 31, 2024 amounting to ₹ 22,144.56 Lakhs (Previous Year ₹ 19,018.54 Lakhs) has not been recognized in the statement of profit and loss account. An estimated accumulated amount of ₹ 1,11,092.59 Lakhs towards accrued interest has not been provided for in the books of accounts as of March 31, 2024.
4. The Hon'ble High Court of Uttar Pradesh had directed the state government to determine the interest liability for the period of delayed payments of sugarcane price to cane growers for the sugar seasons 2012-13 to 2014-15 by the UP Sugar Industry. The Company had received a notice for payment of interest on delayed payment of cane price for sugar season 2012-13, but considering the past practice of waiver/non-levying of any interest on account of delayed payment of cane price by the State Government, no provision towards the interest on delayed payment of cane price for the aforesaid and subsequent sugar seasons has been made in the accounts. Since, no demand notices have been raised on the Company, except for sugar season 2012-13, the amount of interest on account of delayed payment of cane price, not provided for in the accounts, could not be quantified.
5. The Board of the Simbhaoli Power Private Limited (SPPL), a 51% subsidiary, has not yet approved its accounts for the financial years 2022-23 and 2023-24. The Company has exposure aggregating to ₹ 18,925.45 Lakhs in the aforesaid subsidiary, by way of investments, trade and receivables, accumulated interest on debentures. As per audited financial statements for the Financial Year 2021-22, the company had incurred losses on account of reduction in power tariffs and its auditors had reported the existence of material uncertainty that might cast significant doubts about its ability to as a continue going concern and also drawn attention on the possible impairment in the carrying amount of property, plant and equipment. The management is of the view that sufficient efforts are being undertaken to make the operations of the said subsidiary financially viable in the foreseeable future so as to recover the carrying amount of investments, trade and other receivables, and accumulated interest and the impairment, if any exists, is of temporary nature and accordingly, no provision has been considered necessary.
6. The Company paid remuneration for two years to the Managing Director, Mrs Gursimran Kaur Mann and Whole-Time Director, Mr. S.N. Misra, aggregating to ₹ 301.82 Lakhs in the current and earlier financial years, as per the terms of Special Resolutions passed at the 10th Annual General Meeting (AGM) held on September 27, 2021. Lenders with a majority share in the outstanding debts, led by the State Bank of India, have provided their consent to pay the aforesaid remuneration but consent from some lenders is still awaited. The Company is actively pursuing with the remaining lenders to provide their consent and, after receipt thereof, the payment of aforesaid remuneration will be in full compliance with the provisions of the Companies Act.
7. Previous period figures have been regrouped/rearranged/reworked/restated wherever necessary to conform to the current period classification.

8. The figures for the quarter ended March 31, 2024 and March 31, 2023 are the balancing figures between the audited figures for the full financial year and the published unaudited year to date figures up to third quarter of the respective financial years which were only limited reviewed by the auditors.
9. The above results were reviewed and recommended by the Audit Committee and thereafter, approved by the Board of Directors of the Company at their respective meetings held on May 29, 2024.

For **SIMBHAOLI SUGARS LIMITED**

Gursimran Kaur Mann
Managing Director

Place: Simbhaoli, Hapur

Date: May 29, 2024

Company Website: www.simbhaolisugars.com

**Statement on Impact of Audit Qualifications on Standalone Audited Financial Results for the
Financial**

Year ended March 31, 2024

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	1,34,262.64	1,34,262.64
	2	Total Expenditure	1,35,469.92	1,57,614.48
	3	Net Profit/(Loss)	-1,207.28	-23,351.84
	4	Earnings Per Share	-2.92	-56.57
	5	Total Assets	1,96,209.03	1,96,209.03
	6	Total Liabilities	2,03,269.5	3,14,362.09
	7	Net Worth	-7,060.47	-1,18,153.06
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:		
		<p>1. We draw attention to Note No. 2 of the Statement regarding non-provisions for impairment in the carrying value of Property, Plant and Equipment. We are not made available of an appropriate impairment assessment carried out by the management and accordingly, we are unable to comment on the same, including compliance with the Ind AS-36 ("Impairment of Assets") and any consequential adjustments that may arise in this regard in these financial results.</p> <p>2. We draw attention to Note No. 3 of the Statements, regarding non-provision of interest expense amounting to Rs.22,144.56 Lakhs for the year ended March 31, 2024 (previous year Rs.19,018.54 Lakhs) on certain borrowings for the reasons stated in the said note. Consequently, the Finance Cost for the year and, Net Loss and Total Comprehensive Income for the year have been understated by the aforesaid amounts. The aggregate amount of interest expense not provided for in the accounts aggregates to Rs.1,11,092.59 Lakhs till March 31, 2024. Consequently, Current Financial Liabilities are understated and Other Equity as at March 31, 2024 are overstated by the aforesaid amounts.</p> <p>3. As stated in Note No. 6 of the Statement, the company has paid remuneration to directors amounting to Rs.301.82 lakhs from the date of appointment till March 31, 2024, in accordance with the special resolutions passed in the Annual General Meeting, after obtaining consent from lenders having majority outstanding and not from all the lenders, which is not in compliance with the provisions of sections 197 of the Companies Act, 2013.</p> <p>4. We draw attention to Note No. 4 of the Statement regarding non- provision of interest liability in respect of delayed payment of sugarcane price for the reasons</p>		

	<p>stated in the said note. The amount of interest not provided for in the books has not been ascertained.</p> <p>5. We draw attention to Note No. 5 of the Statement regarding the substantial investment of company's funds in Simbhaoli Power Private Limited (SPPL), a material subsidiary company, which had been incurring losses since FY 2019-20. The auditors of SPPL, in its latest available audit report for the year ended March 31, 2022, reported the existence of material uncertainty that might cast significant doubts about SPPL's ability to continue as a going concern and also reported for existence of conditions for the impairment in the value of property, plant and equipment, which the management of SPPL had not determined. As at March 31, 2024, the carrying amount of investments in Equity Shares and Compulsory Convertible Debentures in SPPL in the books of the Company aggregates to Rs.10,386.53 Lakhs and the carrying amounts of receivables and other dues aggregates to Rs.8,538.92 Lakhs. The management of the company has not carried out a detailed exercise to determine impairment in the carrying amount of investments in and other recoverable from SPPL. Due to non-availability of information with regard to appropriate impairment assessment carried out by the management of the company and financial and other information from the management of SPPL, we are unable to comment on the recoverability of the carrying amount of investments in and money recoverable from SPPL, including compliance with Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.</p>
	<p>b. Type of Audit Qualification:</p> <ol style="list-style-type: none"> 1. Qualified Opinion 2. Qualified Opinion 3. Qualified Opinion 4. Qualified Opinion 5. Qualified Opinion
	<p>c. Frequency of qualification:</p> <ol style="list-style-type: none"> 1. Repetitive 2. Repetitive 3. Repetitive 4. Repetitive 5. Repetitive
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <ol style="list-style-type: none"> 2. The Company has submitted comprehensive debt resolution proposals with all the lenders to commensurate with its future cash flows, including infusion of funds by strategic investors, promoters, internal accruals, monetization of assets etc., which contemplates the total waiver of interest and concession in repayment of the principal amount. Commercial lenders have accepted the Earnest Money Deposit (EMD) offered in consonance with the Debt Resolution Proposal. Accordingly, the estimated interest expenses on credit facilities pertaining to commercial lenders, for the year ended March 31, 2024 amounting to Rs. 22,144.56 Lakhs (Previous Year Rs. 19,018.54 Lakhs) has not been recognized in the statement of profit and loss account. An estimated accumulated amount of Rs. 1,11,092.59 Lakhs towards accrued interest has not been provided for in the books of accounts as of March 31, 2024.

	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i)	Management's estimation on the impact of audit qualification: N.A.
	(ii)	<p>If management is unable to estimate the impact, reasons for the same:</p> <ol style="list-style-type: none"> 1. The current valuation of the Company's Property, Plant and Equipment's has been taken up by the joint Lenders and therefore, impairment would be ascertained completion of the valuation. 3. The Company paid remuneration for two years to the Managing Director, Mrs Gursimran Kaur Mann and Whole-Time Director, Mr. S.N. Misra, aggregating to Rs. 301.82 Lakhs in the current and earlier financial years, as per the terms of Special Resolutions passed at the 10th Annual General Meeting (AGM) held on September 27, 2021. Lenders with a majority share in the outstanding debts, led by the State Bank of India, have provided their consent to pay the aforesaid remuneration but consent from some lenders is still awaited. The Company is actively pursuing with the remaining lenders to provide their consent and, after receipt thereof, the payment of aforesaid remuneration will be in full compliance with the provisions of the Companies Act. 4. The Hon'ble High Court of Uttar Pradesh had directed the state government to determine the interest liability for the period of delayed payments of sugarcane price to cane growers for the sugar seasons 2012-13 to 2014-15 by the UP Sugar Industry. The Company had received a notice for payment of interest on delayed payment of cane price for sugar season 2012-13, but considering the past practice of waiver/non-levying of any interest on account of delayed payment of cane price by the State Government, no provision towards the interest on delayed payment of cane price for the aforesaid and subsequent sugar seasons has been made in the accounts. Since, no demand notices have been raised on the Company, except for sugar season 2012-13, the amount of interest on account of delayed payment of cane price, not provided for in the accounts, could not be quantified. 5. The Board of the Simbhaoli Power Private Limited (SPPL), a 51% subsidiary, has not yet approved its accounts for the financial years 2022-23 and 2023-24. The Company has exposure aggregating to Rs. 18,925.45 Lakhs in the aforesaid subsidiary, by way of investments, trade and receivables, accumulated interest on debentures. As per audited financial statements for the Financial Year 2021-22, the company had incurred losses on account of reduction in power tariffs and its auditors had reported the existence of material uncertainty that might cast significant doubts about its ability to as a continue going concern and also drawn attention on the possible impairment in the carrying amount of property, plant and equipment. The management is of the view that sufficient efforts are being undertaken to make the operations of the said subsidiary financially viable in the foreseeable future so as to recover the carrying amount of investments, trade and other receivables, and accumulated interest and the

			impairment, if any exists, is of temporary nature and accordingly, no provision has been considered necessary.
		(iii)	<p>Auditors' Comments on (i) or (ii) above:</p> <ol style="list-style-type: none"> 1. Since, we were not made available of appropriate impairment assessment carried out by the management, we were unable to comment on the same including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results. 3. Since, director remuneration has been paid without obtaining consent from all lenders, we were unable to comment on any consequential adjustments that may arise in this regard in these financial results. 4. Considering that no notice of demand has been served upon the Company in this regard and the amount has not been ascertained, no provision has been made in this regards. Based on the past industry a practice, the management is confident that no interest liability will arise for these periods. 5. Since, we were not made available of confirmation/copy of accounts of SPPL to quantify the differential amount and were not made available of appropriate impairment assessment carried out by the management, we were unable to comment on the same including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.
III.	<u>Signatories:</u>		
		• Managing Director	
		• CFO	
		• Audit Committee Chairman	
		• Statutory Auditor	

Place: Simbhaoli, Hapur

Date: May 29, 2024



Mittal Gupta & Co.

Chartered Accountants

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Independent Auditor's Report on the Audited Consolidated Annual Financial Results of Simbhaoli Sugars Limited Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.

To

The Board of Directors of

Simbhaoli Sugars Limited

Hapur, Uttar Pradesh, India.

Report on the audit of Consolidated Annual Financial Results

Adverse Opinion

We have audited the accompanying statement of Consolidated Annual Financial Results of Simbhaoli Sugars Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together, hereinafter referred to as 'the Group') for the year ended March 31, 2024 ('the Statement') attached herewith, being prepared and submitted by the Holding Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulation')

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiaries, the Consolidated Annual Financial Results:

- i. includes financial results of the following subsidiaries:
 - a. Integrated Casetech Consultants Private Limited (ICCPL),
 - b. Simbhaoli Specialty Sugars Private Limited (SSSPL),
 - c. Simbhaoli Power Private Limited (SPPL).
- ii. are presented in accordance with the requirements of Regulation 33 of the Listing Regulation in this regard; and
- iii. because of the significance of the matter described in the 'Basis of Adverse Opinion paragraph' and the matters described in the 'Basis of Qualified Opinion paragraph' section of our report, the Consolidated Annual Financial Results do not give a true and fair view in conformity with applicable Indian Accounting Standards ("IND AS") prescribed under section 133 of the Companies Act, 2013 ("the Act"), read with relevant rules issued thereunder, and other accounting principles, generally accepted in India, of the net loss after tax and other comprehensive loss and other financial information of the group for the year ended March 31, 2024.

Basis of Adverse Opinion

As stated in Note No. 7, the Group has not consolidated the financial statements of its material subsidiary, SPPL for the financial years 2022-23 and 2023-24, for the reasons stated in the said note.



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Under the accounting principles generally accepted in India, the subsidiary should have been consolidated because it is controlled by the Holding Company. Had the results of the subsidiary been consolidated, many elements in the accompanying consolidated financial results would have been materially affected.

Basis of Qualified Opinion

- i) We draw attention to Note No. 2 & 6 of the Statement, regarding non-provisions for impairment in the carrying value of Property, Plant and Equipment by the Holding Company and SPPL respectively. We are not made available of an appropriate impairment assessment carried out by the management and, accordingly, we are unable to comment on the same, including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.
- ii) We draw attention to Note No. 3 of the Statements, regarding non-provision of interest expense amounting to ₹22,144.56 Lakhs for the year ended March 31, 2024 (previous year ₹19,018.54 Lakhs) on certain borrowings for the reasons stated in the said note. Consequently, the Finance Cost for the year and, Net Loss and Total Comprehensive Income for the year have been understated by the aforesaid amounts. The aggregate amount of interest expense not provided for in the accounts aggregates to ₹1,11,092.59 Lakhs till March 31, 2024. Consequently, Current Financial Liabilities are understated and Other Equity as at March 31, 2024 are overstated by the aforesaid amounts.
- iii) As stated in Note No.8 of the Statement, the Holding Company has paid remuneration to directors amounting to ₹ 301.82 Lakhs from the date of appointment till March 31, 2024, in accordance with the special resolutions passed in the Annual General Meeting, after obtaining consent from lenders having majority outstanding and not from all the lenders, which is not in compliance with the provisions of section 197 of the Companies Act, 2013.
- iv) We draw attention to Note No. 4 of the Statement, regarding non- provision of interest liability in respect of delayed payment of sugarcane price for the reasons stated in the said note. The amount of interest not provided for in the books has not been ascertained.
- v) As stated in Note No. 5 (i) of the statement, disputed unbilled revenue of ₹462.57 Lakhs recognised by ICCPL in earlier years and earnest deposits of ₹105.00 Lakhs are continued to be carried forward without making any provision for expected credit losses and estimated probable losses on account of disputes. We are not made available of an appropriate impairment assessment carried out by the management and, accordingly, we are unable to comment on the same, including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.



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- vi) As stated in Note No. 5(ii) of the statement, ICCPL had made provision of ₹75.15 lakhs as expected credit losses in respect of unconfirmed receivables overdue for more than one years aggregating to ₹294.51 Lakhs, which had not been accepted by the counter parties as payable on account of certain disputes in fulfillment of the contracts. In our opinion and considering the fact of non-confirmation and disputes by the counter parties, the entire amount of ₹294.51 Lakhs should have been provided. Consequently, Trade Receivables at the end of the year have been overstated; Net Loss and Total Comprehensive Income for the year and Other Equity at the end of the year have been understated by ₹219.36 Lakhs.
- vii) As stated in Note No. 5(iii) of the statement, recognition of deferred tax assets of ₹108.56 Lakhs by ICCPL in respect of past losses and other deductible temporary differences is not in consonance with Ind AS-12 as the probability of earning sufficient taxable profits in the future is remote, considering the above-mentioned qualifications. Consequently, Net Loss and Total Comprehensive Income for the year and Other Equity at the end of the year have been understated by the aforesaid amount.
- viii) As stated in Note no. 6 of the Statement, SPPL had recorded higher revenue from operations for the period April to September, 2019 by ₹683 Lakhs, which has not been provided for or reversed. Consequently, Trade receivables at the end of the year have been overstated; Net Loss and Total Comprehensive Income for the year have been understated by the aforesaid amounts and other equity and non-controlling interest at the end of the year have been overstated by ₹ 348 Lakhs and ₹335 Lakhs respectively

Our opinion is qualified in respect of the above matters.

Material Uncertainty related to Going Concern

- i) As stated in Note No. 2 of the Consolidated Annual Financial Results, the standalone financial statement of the Holding Company has been prepared on a going concern basis. Events or conditions as set forth in Note No. 2 indicates that a material uncertainty exists that may cast significant doubt on the Holding Company's ability to continue as a going concern. The ability of the Holding Company to continue as a going concern depends on the decision of the National Company Law Tribunal under the Insolvency and Bankruptcy Code 2016, its ability to get the borrowings restructured as stated in the said note and turnaround of its sugar and distilleries operations on sustainable basis.
- ii) As stated in Note No. 7 of the Statement, the statutory auditors of SPPL in its audit report on the financial statements for the year ended March 31, 2022 has reported the existence of a material uncertainty that may cast significant doubts about SPPL's ability to continue as a going concern on accounts of incurring of losses due to significant reduction in tariff rate by UPERC and other



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factors.

Our opinion is not modified in respect of the above matters.

We conducted our audit of the Statement in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Companies Act, 2013, as amended (“the Act”). Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Annual financial results” section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our adverse audit opinion.

Managements and Board of Directors’ Responsibilities for the Consolidated Annual Financial Results

The Statement, which is the responsibility of the Company’s management and approved by the Board of Directors has been prepared on the basis of the consolidated annual financial results.

The Holding Company’s Management and the Board of Directors of the Company are responsible for the preparation and presentation of the Consolidated Annual Financial Results that gives a true and fair view of the Consolidated net profit/loss and other comprehensive income/loss and other financial information of the Group in accordance with the applicable Indian Accounting Standards (“IND AS”) prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each 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, 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 the Consolidated Annual Financial Results, that give a true and fair view and is free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Annual Financial Results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Annual Financial Results, the respective Management and the Board of Directors of the Companies included in the Group are responsible for assessing the Company’s ability



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to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Annual Financial Results as a whole is free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards of Auditing specified under Section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Consolidated Annual Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Annual Financial Results, whether due to fraud or error, and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material



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uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Annual Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Annual Financial Results, including the disclosures, and whether the Consolidated Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Annual Financial Results. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Consolidated Annual Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Annual Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and the entities included in the Consolidated Annual Financial Results of which we are the auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2020 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- i) The consolidated annual financial results include the audited financial results of one subsidiary, whose financial statements reflect total assets of ₹148.61 Lakhs as at March 31, 2024, total revenue of ₹9.13 Lakhs, net profit after tax and total comprehensive income of ₹2.04 Lakhs for the year ended March 31, 2024 and cash outflows of ₹2.50 Lakhs for the year ended March 31, 2024, as considered in the consolidated financial results. which have been audited by other



Mittal Gupta & Co.

Chartered Accountants

10/437, Khalasi Lines, Kanpur -208001

Tel: 0512-3158490 E-mail: mgco@mgco.in

independent auditors. The independent auditors' reports on financial statements of the entity have been furnished to us and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of the entity, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

- ii) As stated in Note no. 7, the consolidated annual financial results include the audited financial results of one subsidiary, SPPL, for the year ended March 31, 2022, whose financial statements reflect total assets of ₹ 31,281.79 Lakhs as at March 31, 2022, as considered in the consolidated financial results. which have been audited by other independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of the entity, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- iii) The consolidated annual financial results include the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our conclusion on the Statement is not modified in respect of these matters.

For MITTAL GUPTA & CO.

Chartered Accountants

FRN: 001874C

(B. L. Gupta)

Partner

Membership No. 073794

Place of Signature: Kanpur

Date: 29.05.2024

UDIN: 24073794BKEOBO1543

SIMBHAOLI SUGARS LIMITED

Regd. Office : Simbhaoli Dist. Hapur (U.P.) - 245207

CIN - L15122UP2011PLC044210 E-mail: info@simbhaolisugars.com Website: www.simbhaolisugars.com

**STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED
MARCH 31, 2024**

(₹ Lacs)

Sl. No.	Particulars	Quarter Ended			Year ended	
		March 31,2024	December 31,2023	March 31,2023	March 31,2024	March 31, 2023
		Audited *	Audited	Audited *	Audited #	Audited #
1	Income					
	(a) Revenue from operations	37,849.74	34,601.73	41,553.24	1,33,107.22	1,39,919.64
	(b) Other income	556.71	285.83	493.83	1,991.15	1,823.51
	Total Income	38,406.45	34,887.56	42,047.07	1,35,098.37	1,41,743.15
2	Expenses					
	(a) Cost of materials consumed	48,484.80	33,611.62	46,484.54	90,640.95	89,964.84
	(b) Purchase of stock-in-trade	1,987.44	1,988.26	1,567.09	7,902.29	6,515.45
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(26,565.87)	(12,103.90)	(21,907.19)	(3,951.27)	1,535.64
	(d) Excise duty	3,055.14	4,059.88	4,446.10	15,059.42	16,646.24
	(e) Employee benefits expense	1,962.69	1,817.42	2,320.77	6,981.21	8,450.80
	(f) Finance costs	1,048.20	711.93	695.00	3,127.78	2,547.04
	(g) Depreciation and amortisation expense	677.67	691.69	794.80	2,757.09	3,196.93
	(h) Power and Fuel	702.36	502.07	1,063.64	2,141.51	2,593.24
	(i) Other expenses	3,338.31	3,364.66	4,194.33	11,640.57	13,360.43
	Total expenses	34,690.74	34,643.63	39,659.08	1,36,299.55	1,44,810.61
3	Profit/ (loss) before exceptional items and tax (1-2)	3,715.71	243.93	2,387.99	(1,201.18)	(3,067.46)
4	Exceptional items	-	-	-	-	-
5	Profit/ (loss) before Tax (3-4)	3,715.71	243.93	2,387.99	(1,201.18)	(3,067.46)
6	Tax expense :					
	- Current tax	0.57	0.39	0.05	1.20	1.36
	- Deferred tax	55.03	0.16	14.00	5.69	14.87
	- Income Tax Adjustment	5.86	-	0.61	5.86	0.61
	Total tax expenses	61.46	0.55	14.66	12.75	16.84
7	Net Profit/(loss) from ordinary activities after tax (5-6)	3,654.25	243.38	2,373.33	(1,213.93)	(3,084.30)
8	Other Comprehensive Income (net of tax)	(44.53)	-	(165.18)	(44.53)	(165.18)
	A) I. Items that will not be reclassified to profit & loss	(40.76)	-	(169.05)	(40.76)	(169.05)
	II. Income Tax relating to Items that will not be reclassified to profit or loss	(3.77)	-	3.87	(3.77)	3.87
	B) I. Items that will be reclassified to profit & loss	-	-	-	-	-
	II. Income Tax relating to Items that will be reclassified to profit or loss	-	-	-	-	-
9	Total Comprehensive Income (net of tax) (7+8)	3,609.72	243.38	2,208.15	(1,258.46)	(3,249.48)
	Profit/Loss for the year attributable to :					
	I. Owners of the parent	3,633.77	243.29	2,371.66	(1,212.64)	(3,086.90)
	II. Non-Controlling Interest	20.48	0.09	1.67	(1.29)	2.60
	Other Comprehensive Income attributable to:					
	I. Owners of the parent	(46.19)	-	(163.47)	(46.19)	(163.47)
	II. Non-Controlling Interest	1.66	-	(1.71)	1.66	(1.71)
	Total Comprehensive Income attributable to:					
	I. Owners of the parent	3,587.58	243.29	2,208.19	(1,258.83)	(3,250.37)
	II. Non-Controlling Interest	22.14	0.09	(0.04)	0.37	0.89
10	Paid up equity share capital (face value ₹. 10/- each)	4,127.90	4,127.90	4,127.90	4,127.90	4,127.90
11	Other Equity				(17,251.91)	(16,018.98)
12	Basic and Diluted Earning Per Share (₹) (not annualized)					
	- EPS before exceptional item	8.80	0.59	5.75	(2.94)	(7.48)
	- EPS after exceptional item	8.80	0.59	5.75	(2.94)	(7.48)

* Refer Note No.10

Refer Note No.7

SIMBHAOLI SUGARS LIMITED

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STATEMENT OF AUDITED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(₹Lacs)

Particulars	Quarter Ended			Year ended	Year ended
	March 31,2024	December 31,2023	March 31,2023	March 31,2024	March 31, 2023
	Audited *	Audited	Audited *	Audited #	Audited #
(A). Segment Revenue					
(a) Sugar	34,156.42	27,823.91	36,558.72	1,04,107.69	1,11,981.58
(b) Distillery	8,995.25	10,701.01	10,243.14	42,236.39	38,984.92
(c) Power	-	-	-	-	-
(d) Others	320.25	282.91	958.84	947.19	2,279.37
Total	43,471.92	38,807.83	47,760.70	1,47,291.27	1,53,245.87
Less: Inter Segment Revenue	5,622.18	4,206.10	6,207.46	14,184.05	13,326.23
Net sales/income from operations	37,849.74	34,601.73	41,553.24	1,33,107.22	1,39,919.64
(B). Segment Results					
Profit/ (loss) before finance costs, unallocated expenditure, exceptional items and tax from each segment					
(a) Sugar	4,302.58	815.96	2,642.57	1,467.92	172.48
(b) Distillery	30.99	(16.92)	217.19	(323.66)	(1,332.87)
(c) Power	-	-	-	-	-
(d) Others	201.95	(7.30)	45.52	38.69	50.83
Total	4,535.52	791.74	2,905.28	1,182.95	(1,109.56)
Less:					
(a) Finance cost	1,048.20	711.93	695.00	3,127.78	2,547.04
(b) Other un-allocated expenses/ (income) (net)	(228.39)	(164.12)	(177.71)	(743.65)	(589.14)
(c) Exceptional item	-	-	-	-	-
Total Profit/ (loss) before tax	3,715.71	243.93	2,387.99	(1,201.18)	(3,067.46)
(C). Segment Assets					
(a) Sugar	1,25,753.88	1,10,306.91	1,28,143.28	1,25,753.88	1,28,143.28
(b) Distillery	39,643.44	38,267.45	41,152.47	39,643.44	41,152.47
(c) Power	31,131.33	31,131.33	31,131.33	31,131.33	31,131.33
(d) Others	1,512.70	1,304.73	2,105.02	1,512.70	2,105.02
(e) Unallocated	12,980.71	8,507.68	6,385.83	12,980.71	6,385.83
Total	2,11,022.06	1,89,518.10	2,08,917.93	2,11,022.06	2,08,917.93
(D). Segment Liabilities					
(a) Sugar	73,395.75	55,346.58	71,121.82	73,395.75	71,121.82
(b) Distillery	1,912.03	2,404.90	2,600.52	1,912.03	2,600.52
(c) Power	2,916.70	2,916.70	2,916.70	2,916.70	2,916.70
(d) Others	1,232.96	1,233.53	1,808.08	1,232.96	1,808.08
(e) Unallocated	31,528.79	31,200.28	28,955.25	31,528.79	28,955.25
(f) Borrowings	1,02,765.69	1,02,765.69	1,03,012.86	1,02,765.69	1,03,012.86
Total	2,13,751.92	1,95,867.68	2,10,415.23	2,13,751.92	2,10,415.23

* Refer Note No.10

Refer Note No.7

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES



(₹ lacs)

Sr.No.	Particulars	As at March 31,2024	As at March 31,2023
		Audited#	Audited#
I.	ASSETS		
	Non current assets		
	a) Property, plant and equipment	1,42,896.04	1,44,825.67
	b) Right of use assets	-	-
	c) Capital work in progress	107.40	251.92
	d) Other intangible assets	36.46	30.93
	e) Financial assets		
	i) Investments	5.77	5.77
	ii) Trade receivables	683.03	683.03
	iii) Others	236.31	161.62
	f) Deferred tax assets (net)	108.56	118.02
	g) Income tax assets (net)	56.22	576.66
	h) Other non-current assets	624.71	566.73
	Total non - current assets	1,44,754.50	1,47,220.35
	Current assets		
	a) Inventories	48,513.39	45,254.66
	b) Financial assets		
	i) Investment	669.61	669.61
	ii) Trade receivables	4,883.27	6,045.32
	iii) Cash & cash equivalents	2,739.07	2,156.05
	iv) Bank balance other than (iii) above	3,843.09	2,774.53
	v) Others	1,988.88	1,619.97
	c) Current Tax assets (Net)	240.43	305.73
	d) Other current assets	3,344.12	2,837.98
	e) Assets classified as held for sale	45.70	33.73
	Total current assets	66,267.56	61,697.58
	TOTAL ASSETS	2,11,022.06	2,08,917.93
II.	Equity and liabilities		
	Equity		
	a) Equity share capital	4,127.90	4,127.90
	b) Other equity	(17,251.91)	(16,018.98)
	c) Non-controlling interest	10,394.15	10,393.78
		(2,729.86)	(1,497.30)
	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	i) Borrowings	304.90	304.90
	(b) Provisions	523.40	511.01
	Total non - current liabilities	828.30	815.91
	Current liabilities		
	(a) Financial liabilities		
	i) Borrowings	1,02,460.79	1,02,707.96
	ii) Trade payable		
	A) Total outstanding dues of micro enterprises and small enterprises	918.02	480.54
	B) Total outstanding dues of creditors other than micro enterprises and small enterprises	72,237.86	70,961.54
	iii) Other financial Liabilities	34,690.04	32,477.78
	(b) Other current liabilities	1,831.00	2,178.00
	(c) Provisions	285.10	291.81
	(d) Income tax liabilities (net)	500.81	501.69
	Total current liabilities	2,12,923.62	2,09,599.32
	TOTAL EQUITY AND LIABILITIES	2,11,022.06	2,08,917.93

Refer Note No.7

SIMBHAOLI SUGARS LIMITED



CONSOLIDATED STATEMENT OF CASH FLOW

(₹ Lacs)

Particular	For the Year Ended	
	March 31, 2024	March 31, 2023
	Audited #	Audited #
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit/(loss) before tax and exceptional items	(1,201.18)	(3,067.46)
Adjustments for:		
Depreciation and amortization	2,757.09	3,196.93
Finance costs	3,127.78	2,547.04
Interest income on financial assets and others	(1,154.93)	(1,629.94)
Liability/provisions no longer required written back	(623.25)	(65.14)
Bad Debts and advances written off	32.93	18.27
Profit on redemption of Mutual Funds Units	(28.46)	(5.69)
Loss/ (profit) from sale/discard of property, plant and equipment (net)	497.56	34.11
Provision for obsolete items	55.00	76.04
Provision for Credit Loss allowance	68.75	59.98
Mollasses Storage Fund	25.90	25.12
Operating profit/(loss) before working capital changes	3,557.19	1,189.26
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Changes in trade and other receivables	1,214.83	(425.77)
Changes in other non current and current financial asset	(75.08)	(36.09)
Changes in other non current and other current assets	310.18	583.20
Changes in inventories	(3,308.73)	1,327.79
Changes in trade and other payables	2,034.78	(2,424.72)
Changes in other non-current and other current financial liabilities	(547.60)	564.58
Changes in other non-current and other current liabilities	(495.43)	450.98
Changes in long term and short term provision	5.68	62.20
Cash (used)/generated from operations	2,695.82	1,291.43
Direct taxes (paid)/refund	(149.40)	(598.41)
Net cash (used) / from operating activities	2,546.42	693.02
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Additions to property, plant and equipment & intangible assets	(1,280.46)	(983.18)
Sale of property, plant and equipment & intangible assets	187.59	12.66
Investment in Mutual funds	(3,300.00)	(3,550.00)
Proceeds from Redemption of Mutual Funds	3,328.46	3,555.69
Redemption/(Purchase) of national savings certificate	-	(1.00)
Interest received on debentures/fixed deposits/inter corporate deposits	853.09	511.14
Changes in fixed deposit with Banks	13.73	(4.15)
Net cash (used) / from investing activities	(197.59)	(458.84)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
EMD Paid to banks for OTS	(1,150.00)	(690.00)
Interest paid	(368.64)	(540.44)
Repayment of unsecured borrowings	-	(0.80)
Repayment of recalled borrowings	(247.17)	(276.73)
Net cash (used) / from financing activities	(1,765.81)	(1,507.97)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	583.02	(1,273.79)
E. Cash and cash equivalents (opening balance)	2,156.05	3,429.84
F. Cash and cash equivalents (closing balance) (D+E)		
Cash and bank balances (D+E)	2,739.07	2,156.05
# Refer Note No.7		

Notes to Consolidated Results:

1. For the year ended March 31, 2024 and in previous years, due to higher raw material cost i.e. sugarcane costs (SAP) fixed by State government and relatively lower sales realization of finished sugar on adverse demand & supply scenario, and other external factors, the Holding Company had continuously incurred huge cash losses resulting in complete erosion of its net worth, rendering the Company unable to meet payment obligations towards its lenders as well as to the sugarcane farmers in terms of their respective agreements and understanding. All the production units of the Holding Company are operational continue to operate at sub-optimum levels on year-on-year basis while consistent efforts are being made for improvement in operational efficiency viz. improvement in sugar recovery, reduction in overheads and reduction in other operational and administrative costs etc. However, due to lack of required working capital and no capex being undertaken towards augmentation and modernization, the operations of distillery and sugar plants are still adversely impacted. Further, the availability of required sugarcane for optimal utilization of production capacities is still a challenge on account of aforesaid reasons. In distillery segment, non-installation of incineration boilers and other equipment's to meet the stringent requirement of Pollution Control Board is still resulting in curtailed production levels. Further, the expected accrued benefits under the Sugar Industries Promotion policy 2004 has not been yet disbursed by the State Government as the matter is sub-judice. Recognizing the status of the sugar industry, the state and central governments have taken a number of measures in past to improve the financial health of sugar mills and to support the liquidation of sugarcane arrears by grant of soft loan, fixing minimum support price of sugar, and Ethanol blending program with petrol coupled with long term tendering and fixing remunerative selling price of ethanol etc. All these measures specifically ethanol blending programme, have resulted in revival of the sugar industry but the Holding Company is continuing to suffer and incurring losses on account of non-availability of sufficient sugar cane commensurate to its crushing capacities, on account of delayed payment of sugar cane prices due to adverse liquidity position, which have resulted in the diversion of sugar cane in the command areas to the other adjoining sugar mills. Benefits under soft loan could also not be availed, since credit facility accounts with its lenders were having NPA categorisation.
2. Due to default in repayment of credit facilities, lenders to the Holding Company have initiated recovery proceedings at various forums, including filing of applications before the Hon'ble National Company Law Tribunal (NCLT) under Section 7 of the Insolvency and Bankruptcy Code, 2016 and also filing of recovery proceedings against personal guarantors (Promoters) before NCLT under section 95 of Insolvency and Bankruptcy Code, 2016 in addition to approaching Debt Recovery Tribunals in Delhi as well as in Lucknow, Uttar Pradesh. One of the lenders had declared the Holding Company and Guarantors to the credit facility, as Willful Defaulters, which was *Set Aside* by Hon'ble Punjab and Haryana High court at Chandigarh, while another lender had started the proceedings to examine the Willful Default and a personal hearing was also granted, basis Holding Company's representations the decision is kept in abeyance. One lender had categorized company with a fraud tag, which was set aside by the Hon'ble Delhi High Court. While one of the lenders had initiated recovery proceedings under section 138 of the Negotiable Instrument Act, wherein non-bailable warrants were issued against the erstwhile directors and officials of the Holding Company, which is being contested at the appropriate forum. Against a criminal complaint filed by one of the lenders, the Enforcement Directorate had passed an Attachment Order on certain assets of the Holding Company to the extent of ₹ 109.80 Crore, against which the Holding Company had preferred an appeal before with the

appropriate authority and the matter is *sub-judice*. The Enforcement Directorate had proceeded to take the Constructive Possession of the Attached Property on which an *Interim Stay* had been granted by the Hon'ble Appellate Tribunal.

The Holding Company is continuing to pursue a comprehensive debt resolution proposal with all the lenders. Commercial lenders have shown their inclination to accept the debt resolution proposal and accepted the Earnest Money offered thereof, while the debt realignment proposal was submitted to other lenders against which the Holding Company had initiated the repayments, pending approval of respective lenders. Revised and improved debt resolution proposal given to commercial lenders on a bilateral basis is under consideration by the commercial lenders, based on which Hon'ble NCLT Bench, Allahabad has adjourned the hearing.

Considering the steps initiated to turnaround the Company and sugar sector, and continuing manufacturing operations in the near foreseeable future with improved operational efficiency, these consolidated financial results are continued to be presented on a Going Concern basis, which contemplates realization of assets and settlement of liabilities, in the normal course of business. Accordingly, property, plant and equipment continued to be stated at the carrying amount, without testing for impairment.

3. As stated, aforesaid, the Holding Company has submitted comprehensive debt resolution proposals with all the lenders to commensurate with its future cash flows including infusion of funds by strategic investor, promoters, internal accruals, monetization of assets etc. which contemplates the total waiver of interest and concession in repayment of principal amount. Commercial lenders have accepted the Earnest Money Deposit (EMD) offered in consonance with the Debt Resolution Proposal. Accordingly, the estimated Interest expenses on credit facilities pertaining to commercial lenders, for the year ended March 31, 2024 amounting to ₹ 22,144.56 Lakhs (previous year ₹ 19,018.54 Lakhs) has not been recognized in statement of profit and loss account. An estimated accumulated amount of ₹ 1,11,092.59 Lakhs towards accrued interest has not been provided for in the books of accounts as on March 31, 2024.
4. The Hon'ble High Court of Uttar Pradesh had directed the state government to determine the interest liability for the period of delayed payments of sugarcane price to cane growers for the sugar seasons 2012-13 to 2014-15 by the UP Sugar Industry. The Company had received a notice for payment of interest on delayed payment of cane price for sugar season 2012-13, but considering the past practice of waiver/non-levying of any interest on account of delayed payment of cane price by the State Government, no provision towards the interest on delayed payment of cane price for the aforesaid and subsequent sugar seasons has been made in the accounts. Since, no demand notices have been raised on the Company, except for sugar season 2012-13, the amount of interest on account of delayed payment of cane price, not provided for in the accounts, could not be quantified.
5. The auditors of Integrated Case-tech Consultants Private Limited ('ICCPL'), a subsidiary company have qualified its conclusion on the financial results for the year ended March 31, 2024 in respect of following matters:-
 - i. ICCPL had recognized revenue of ₹ 462.57 Lakhs as unbilled revenue in the earlier financial years, which had been in disputes with the counter parties. Further the counter parties had also hold back the payment of Earnest Money Deposits of ₹ 105.00 Lakhs, which has been shown as recoverable in the books. Pending final settlement of the disputes, the unbilled revenue and Earnest Money Deposits balances are continued to be carried forward at the same amount, without making any provision for the expected credit losses and estimated probable losses on account of disputes. The auditors are not made available of appropriate impairment assessment carried out by the management and

accordingly, expressed their opinion that they are unable to comment on the same, including the compliance of the Ind AS 36 and any consequential adjustment that may arise in this regard in the financial results of ICCPL.

- ii. Trade receivables includes overdue receivables for more than one year amounting to ₹ 294.51 Lakhs, which has been classified as considered good and against which provision for expected credit loss of ₹ 75.15 Lakhs has been made. Examination of records of ICCPL revealed that the counter parties had not accepted the invoices raised by ICCPL on account of various disputes in fulfillment of the contracts and are also not confirming that these payments are due to IPPCL as per their records. In absence of the confirmation and considering the fact of non admission of invoices, the auditor expressed their opinion that the entire receivable amount of ₹ 219.36 Lakhs should have been provided for by ICCPL.
 - iii. The recognition of net deferred tax assets of ₹ 108.56 Lakhs in respect of past losses and other deductible temporary differences is not in consonance with the Ind AS 12, as in the opinion of the auditors, the probability of earning sufficient taxable profits in future is remote in view of the above mentioned qualifications and continuing losses.
6. In the audited financial statements of Simbhaoli Power Private Limited ('SPPL') for the year ended March 31, 2022, the statutory auditor of the SPPL had qualified their opinion on the matter of certain accounting disputes with the holding company aggregating to ₹ 1,197.90 Lakhs, resulting in understatement of loss after tax and overstatement of equity by the aforesaid amount. The auditors further drawn Emphasis of Matter in respect of existence of material uncertainty on account of reduction in power tariff w.e.f. April 1, 2019, against which a writ petition has been filed by SSPL and others before High Court of Allahabad, Lucknow Bench; accounting of power supplied during the period April 1, 2019 to September 31, 2019 resulting in higher recognition of revenue by ₹ 683 Lakhs having consequential impact on the profits and financial statements; and consequential impact on impairment on Property, Plant and Equipment, if any, on account of the aforesaid tariff reduction. The auditors had further drawn attention on the existence of material uncertainty due to incurring of losses on account of reduction in power tariff having adverse impact on the liquidity of SPPL and reported that the aforesaid facts cast significant doubts about the SPPL's ability to continue as a going concern.
7. In the consolidated financial results of the Company for the year ended March 31, 2024 and other presented periods, the financial results of SPPL, a material subsidiary has not been consolidated, as the financial results of SPPL for the year ended March 31, 2023 and 2024 have not been yet finalized and approved till date. The transactions entered into between the Company and SPPL for the year ended March 31, 2024, which have not been eliminated in the consolidated financial results, have resulted in increase in the total revenue by ₹ 2,477.40 Lakhs (P.Y. 2,991.92 Lakhs) and total expenses by ₹ 790.49 Lakhs (P.Y. 712.26 Lakhs). Further, increase in the balances of subsidiary of ₹ 1,740.47 Lakhs (P.Y. 902.07 Lakhs) as on 31 March, 2024 have been included in the consolidated balance sheet in the respective asset heads.
8. The Holding Company paid remuneration for two years to the Managing Director, Mrs. Gursimran Kaur Mann and Whole-Time Director, Mr. S.N. Misra, aggregating to ₹ 301.82 Lakhs in the current and earlier financial years, as per the terms of Special Resolutions passed at the 10th Annual General Meeting (AGM) held on September 27, 2021. Lenders with a majority share in the outstanding debts, led by the State Bank of India, have provided their consent to pay the aforesaid remuneration but consent from some lenders is still awaited.

The Company is actively pursuing with the remaining lenders to provide their consent and, after receipt thereof, the payment of aforesaid remuneration will be in full compliance with the provisions of the Companies Act.

9. The standalone results are available on Company's website www.simbhaolisugars.com. The particulars in respect of standalone results are as under:

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
Net Sales/Income from operations (Net)	34537.66	30320.75	36191.61	117334.82	121186.03
Profit/(Loss) before tax	3515.99	241.72	2347.80	(1207.28)	(3138.36)
Profit/ (Loss) after tax	3515.99	241.72	2347.80	(1207.28)	(3138.36)
Other Comprehensive Income	(55.75)	0.00	(153.66)	(55.75)	(153.66)
Total Comprehensive Income	3460.24	241.72	2194.14	(1263.03)	(3292.02)
EBITDA	5237.25	1653.81	3820.23	4639.35	2585.38

10. The figures for last quarter are the balancing figures between the audited figures in respect full financial year and the published unaudited year to date figures up to the third quarter of the financial year.
11. Previous period figures have been regrouped/rearranged/reworked/restated wherever necessary to conform to the current period classification.
12. The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 29th May, 2024.

For **SIMBHAOLI SUGARS LIMITED**

Gursimran Kaur Mann

Managing Director

Place: Simbhaoli, Hapur

Date: 29th May , 2024.

Company Website: www.simbhaolisugars.com

Statement on Impact of Audit Qualifications on Consolidated Audited Financial Results for the Financial

Year ended March 31, 2024

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	1,35,098.37	1,35,098.37
	2	Total Expenditure	1,36,312.30	1,59,467.78
	3	Net Profit/(Loss)	-1,213.93	-24,369.41
	4	Earnings Per Share	-2.94	-58.10
	5	Total Assets	2,11,022.06	2,10,011.14
	6	Total Liabilities	2,13,751.92	3,24,844.51
	7	Net Worth	-2,729.86	-1,14,833.37
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:		
		<ol style="list-style-type: none"> As stated in Note No. 7, the Group has not consolidated the financial statements of its material subsidiary, SPPL, for the financial years 2022-23 and 2023-24, for the reasons stated in the said note. Under the accounting principles generally accepted in India, the subsidiary should have been consolidated because it is controlled by the Holding Company. Had the results of the subsidiary been consolidated, many elements in the accompanying consolidated financial results would have been materially affected. We draw attention to Note No. 2 & 6 of the Statement, regarding non-provisions for impairment in the carrying value of Property, Plant and Equipment by the Holding Company and SPPL respectively. We are not made available of an appropriate impairment assessment carried out by the management and, accordingly, we are unable to comment on the same, including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results. We draw attention to Note No. 3 of the Statements, regarding non-provision of interest expense amounting to Rs.22,144.56 Lakhs for the year ended March 31, 2024 (previous year Rs.19,018.54 Lakhs) on certain borrowings for the reasons stated in the said note. Consequently, the Finance Cost for the year and, Net Loss and Total Comprehensive Income for the year have been understated by the aforesaid amounts. The aggregate amount of interest expense not provided for in the accounts aggregates to Rs.1,11,092.59 Lakhs till March 31, 2024. Consequently, 		

	<p>Current Financial Liabilities are understated and Other Equity as at March 31, 2024 are overstated by the aforesaid amounts.</p> <ol style="list-style-type: none"> 4. As stated in Note No.8 of the Statement, the Holding Company has paid remuneration to directors amounting to Rs. 301.82 Lakhs from the date of appointment till March 31, 2024, in accordance with the special resolutions passed in the Annual General Meeting, after obtaining consent from lenders having majority outstanding and not from all the lenders, which is not in compliance with the provisions of section 197 of the Companies Act, 2013. 5. We draw attention to Note No. 4 of the Statement, regarding non- provision of interest liability in respect of delayed payment of sugarcane price for the reasons stated in the said note. The amount of interest not provided for in the books has not been ascertained. 6. As stated in Note No. 5 (i) of the statement, disputed unbilled revenue of Rs.462.57 Lakhs recognised by ICCPL in earlier years and earnest deposits of Rs.105.00 Lakhs are continued to be carried forward without making any provision for expected credit losses and estimated probable losses on account of disputes. We are not made available of an appropriate impairment assessment carried out by the management and, accordingly, we are unable to comment on the same, including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results. 7. As stated in Note No. 5(ii) of the statement, ICCPL had made provision of Rs.75.15 lakhs as expected credit losses in respect of unconfirmed receivables overdue for more than one years aggregating to Rs.294.51 Lakhs, which had not been accepted by the counter parties as payable on account of certain disputes in fulfillment of the contracts. In our opinion and considering the fact of non-confirmation and disputes by the counter parties, the entire amount of Rs.294.51 Lakhs should have been provided. Consequently, Trade Receivables at the end of the year have been overstated; Net Loss and Total Comprehensive Income for the year and Other Equity at the end of the year have been understated by Rs.219.36 Lakhs. 8. As stated in Note No. 5(iii) of the statement, recognition of deferred tax assets of Rs.108.56 Lakhs by ICCPL in respect of past losses and other deductible temporary differences is not in consonance with Ind AS-12 as the probability of earning sufficient taxable profits in the future is remote, considering the above-mentioned qualifications. Consequently, Net Loss and Total Comprehensive Income for the year and Other Equity at the end of the year have been understated by the aforesaid amount. 9. As stated in Note no. 6 of the Statement, SPPL had recorded higher revenue from operations for the period April to September, 2019 by Rs.683 Lakhs, which has not been provided for or reversed. Consequently, Trade receivables at the end of the year have been overstated; Net Loss and Total Comprehensive Income for the year have been understated by the aforesaid amounts and other equity and non-controlling interest at the end of the year have been overstated by Rs. 348 Lakhs and Rs.335 Lakhs respectively.
b.	Type of Audit Qualification:

		<ol style="list-style-type: none"> 1. Adverse Opinion 2. Qualified Opinion 3. Qualified Opinion 4. Qualified Opinion 5. Qualified Opinion 6. Qualified Opinion 7. Qualified Opinion 8. Qualified Opinion 9. Qualified Opinion
	c.	<p>Frequency of qualification:</p> <ol style="list-style-type: none"> 1. Repetitive 2. Repetitive 3. Repetitive 4. Repetitive 5. Repetitive 6. Repetitive 7. Repetitive 8. Repetitive 9. Repetitive
	d.	<p>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <ol style="list-style-type: none"> 3. As stated, aforesaid, the Holding Company has submitted comprehensive debt resolution proposals with all the lenders to commensurate with its future cash flows including infusion of funds by strategic investor, promoters, internal accruals, monetization of assets etc. which contemplates the total waiver of interest and concession in repayment of principal amount. Commercial lenders have accepted the Earnest Money Deposit (EMD) offered in consonance with the Debt Resolution Proposal. Accordingly, the estimated Interest expenses on credit facilities pertaining to commercial lenders, for the year ended March 31, 2024 amounting to Rs. 22,144.56 Lakhs (previous year Rs. 19,018.54 Lakhs) has not been recognized in statement of profit and loss account. An estimated accumulated amount of Rs. 1,11,092.59 Lakhs towards accrued interest has not been provided for in the books of accounts as on March 31, 2024. 7. Trade receivables includes overdue receivables for more than one year amounting to Rs. 294.51 Lakhs, which has been classified as considered good and against which provision for expected credit loss of Rs. 75.15 Lakhs has been made. Examination of records of ICCPL revealed that the counter parties had not accepted the invoices raised by ICCPL on account of various disputes in fulfillment of the contracts and are also not confirming that these payments are due to IPPCL as per their records. In absence of the confirmation and considering the fact of non admission of invoices, the auditor expressed their opinion that the entire receivable amount of Rs. 219.36 Lakhs should have been provided for by ICCPL. 8. The recognition of net deferred tax assets of Rs. 108.56 Lakhs in respect of past losses and other deductible temporary differences is not in consonance with the Ind AS 12, as in the opinion of the auditors, the probability of earning sufficient

		<p>taxable profits in future is remote in view of the above mentioned qualifications and continuing losses.</p> <p>9. In the audited financial statements of Simbhaoli Power Private Limited ('SPPL') for the year ended March 31, 2022, the statutory auditor of the SPPL had qualified their opinion on the matter of certain accounting disputes with the holding company aggregating to Rs. 1,197.90 Lakhs, resulting in understatement of loss after tax and overstatement of equity by the aforesaid amount. The auditors further drawn Emphasis of Matter in respect of existence of material uncertainty on account of reduction in power tariff w.e.f. April 1, 2019, against which a writ petition has been filed by SSPL and others before High Court of Allahabad, Lucknow Bench; accounting of power supplied during the period April 1, 2019 to September 31, 2019 resulting in higher recognition of revenue by Rs. 683 Lakhs having consequential impact on the profits and financial statements; and consequential impact on impairment on Property, Plant and Equipment, if any, on account of the aforesaid tariff reduction. The auditors had further drawn attention on the existence of material uncertainty due to incurring of losses on account of reduction in power tariff having adverse impact on the liquidity of SPPL and reported that the aforesaid facts cast significant doubts about the SPPL's ability to continue as a going concern.</p>
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i)	Management's estimation on the impact of audit qualification: N.A.
	(ii)	<p>If management is unable to estimate the impact, reasons for the same:</p> <ol style="list-style-type: none"> In the consolidated financial results of the Company for the year ended March 31, 2024 and other presented periods, the financial results of SPPL, a material subsidiary has not been consolidated, as the financial results of SPPL for the year ended March 31, 2023 and 2024 have not been yet finalized and approved till date. The transactions entered into between the Company and SPPL for the year ended March 31, 2024, which have not been eliminated in the consolidated financial results, have resulted in increase in the total revenue by Rs. 2,477.40 Lakhs (P.Y. 2,991.92 Lakhs) and total expenses by Rs. 790.49 Lakhs (P.Y. 712.26 Lakhs). Further, increase in the balances of subsidiary of Rs. 1,740.47 Lakhs (P.Y. 902.07 Lakhs) as on 31 March, 2024 have been included in the consolidated balance sheet in the respective asset heads. The current valuation of the Company's Property, Plant and Equipment's has been taken up by the joint Lenders and therefore, impairment would be ascertained after completion of the valuation. The Holding Company paid remuneration for two years to the Managing Director, Mrs. Gursimran Kaur Mann and Whole-Time Director, Mr. S.N. Misra, aggregating to Rs. 301.82 Lakhs in the current and earlier financial years, as per the terms of Special Resolutions passed at the 10th Annual General Meeting (AGM) held on September 27, 2021. Lenders with a majority share in the outstanding debts, led by the State Bank of India, have provided their consent to pay the aforesaid remuneration but consent from some lenders is still awaited. The Company is actively pursuing with the

		<p>remaining lenders to provide their consent and, after receipt thereof, the payment of aforesaid remuneration will be in full compliance with the provisions of the Companies Act.</p> <p>5. The Hon'ble High Court of Uttar Pradesh had directed the state government to determine the interest liability for the period of delayed payments of sugarcane price to cane growers for the sugar seasons 2012-13 to 2014-15 by the UP Sugar Industry. The Company had received a notice for payment of interest on delayed payment of cane price for sugar season 2012-13, but considering the past practice of waiver/non-levying of any interest on account of delayed payment of cane price by the State Government, no provision towards the interest on delayed payment of cane price for the aforesaid and subsequent sugar seasons has been made in the accounts. Since, no demand notices have been raised on the Company, except for sugar season 2012-13, the amount of interest on account of delayed payment of cane price, not provided for in the accounts, could not be quantified.</p> <p>6. ICCPL had recognized revenue of Rs. 462.57 Lakhs as unbilled revenue in the earlier financial years, which had been in disputes with the counter parties. Further the counter parties had also hold back the payment of Earnest Money Deposits of Rs. 105.00 Lakhs, which has been shown as recoverable in the books. Pending final settlement of the disputes, the unbilled revenue and Earnest Money Deposits balances are continued to be carried forward at the same amount, without making any provision for the expected credit losses and estimated probable losses on account of disputes. The auditors are not made available of appropriate impairment assessment carried out by the management and accordingly, expressed their opinion that they are unable to comment on the same, including the compliance of the Ind AS 36 and any consequential adjustment that may arise in this regard in the financial results of ICCPL.</p>
	(iii)	<p>Auditors' Comments on (i) or (ii) above:</p> <p>1. Since, the Group has not consolidated the financial statements of its material subsidiary viz Simbhaoli Private Limited (SPPL) for the financial year 2022-23 and 2023-24, we are unable to comment on these financial statement due to non-consolidation of aforesaid subsidiary company.</p> <p>2. Since, we were not made available of appropriate impairment assessment carried out by the management, we were unable to comment on the same including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.</p> <p>4. Since, director remuneration has been paid without obtaining consent from all lenders, we were unable to comment on any consequential adjustments that may arise in this regard in these financial results.</p> <p>5. Since, the amount of the interest on delayed payment to sugarcane farmers has not been quantified by the management, we were not able to report the impact of the same.</p>

			6. Since, statutory auditors of ICCPL were not made available of appropriate assessment carried out by the management of ICCPL with regards to the credit loss and probable estimated loss in respect of unbilled revenue recognised as per terms of contracts in the FY 2020-21 and the same are also being disputed by the counter parties, we were unable to comment on the same including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.
III.	<u>Signatories:</u>		
	• Managing Director		
	• CFO		
	• Audit Committee Chairman		
	• Statutory Auditor		

Place: Simbhaoli, Hapur
Date: May 29, 2024