

# SIMBHAOLI SUGARS

**Simbhaoli Sugars Limited**

CIN-L15122UP2011PLC044210

GSTIN : 08AAPCS7589A1ZV

(An FSSC 22000 : 2011, ISO 9001 : 2008  
& 14001 : 2004 Certified Company)

Corporate Office :

A-112, Sector-63, Noida-201307 (Delhi NCR) INDIA

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E-mail : [info@simbhaolisugars.com](mailto:info@simbhaolisugars.com)

[www.simbhaolisugars.com](http://www.simbhaolisugars.com)

Ref: SSL: Stock Exchange  
September 04, 2021

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 34 of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015

Sub: Submission of Annual Report

Dear Sir,

Please find enclosed herewith Annual Report for the Financial Year 2020-21 as required under  
Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Thanking you

Yours faithfully,

For Simbhaoli Sugars Limited

*Lavan Raheja*

Lavan Raheja

Asst. Company Secretary

M No. - ACS 55438



*\*M/s Simbhaoli Spirits Limited known as M/s Simbhaoli Sugars Limited in pursuance to Scheme of Amalgamation, as sanctioned  
by the Hon'ble High Court of Judicature at Allahabad*

Specialty Sugars

Potable Alcohol

Ethanol

Power

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

# **10<sup>th</sup> Annual Report**

**2020-21**



**SIMBHAOLI  
SUGARS**



**Simbhaoli Sugars Limited**

# Corporate Information

## BOARD OF DIRECTORS

- Gurmit Singh Mann, Chairperson
- Gursimran Kaur Mann (Ms), Managing Director
- Gurpal Singh
- Sanjay Tapriya
- S N Misra, Chief Operating Officer

## Independent Directors

- H P Kain
- Justice (Retd) C K Mahajan
- Atul Mahindru
- Shyam Sunder
- Aseem Sehgal

## Registered and Corporate Office

- Simbhaoli, District Hapur, Uttar Pradesh - 245 207

## Administration and Marketing Office

- A-112, Sector 63  
Noida-201 307

## Chief Financial Officer

- Dayal Chand Popli

## Company Secretary

- Kamal Samtani

## Statutory Auditors

- M/s Mittal Gupta & Co.

## Bankers

- State Bank of India
- Punjab National Bank
- Bank of India
- Bank of Baroda
- ICICI Bank
- UCO Bank
- EXIM Bank
- UP Co-Operative Bank
- District Co-Operative Bank, Ghaziabad

## MANUFACTURING UNITS

### Sugar Mills / Co-generation Plants

- Simbhaoli Sugar Division, Simbhaoli  
District Hapur, Uttar Pradesh – 245 207
- Chilwaria Sugar Division, Chilwaria  
District Bahraich, Uttar Pradesh – 271 801
- Brijnathpur Sugar Division, Brijnathpur  
District Hapur, Uttar Pradesh – 245 101

### Distillery / Ethanol Plants

- Simbhaoli Distillery Division, Simbhaoli  
District Hapur, Uttar Pradesh – 245 207
- Chilwaria Ethanol Division, Chilwaria  
District Bahraich, Uttar Pradesh - 271 801
- Brijnathpur Ethanol Division, Brijnathpur  
District Hapur, Uttar Pradesh - 245 101

### Subsidiaries / Associate Companies

- Simbhaoli Power Private Limited
- Integrated Casetech Consultants Private Limited
- Simbhaoli Speciality Sugars Private Limited
- Simbhaoli Global Commodities DMCC, Dubai

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## **SIMBHAOLI SUGARS LIMITED\***

(Registered Office: Simbhaoli - 245 207, District Hapur, Uttar Pradesh)

(CIN: L15122UP2011PLC044210)

Email: [kamal@simbhaolisugars.com](mailto:kamal@simbhaolisugars.com);

Website: [www.simbhaolisugars.com](http://www.simbhaolisugars.com); Phone: 0120-4806666, Fax: 0120-2427166

### **NOTICE**

Notice is hereby given that the 10th Annual General Meeting (AGM) of the members of Simbhaoli Sugars Limited will be held at **12:30 pm on Monday, September 27, 2021** through Video Conferencing ("VC") / Other AudioVisual Means ("OAVM") to transact the following businesses:

#### **ORDINARY BUSINESSES**

- 1. To receive, consider and adopt (a) the audited financial statements of the Company comprising of the balance sheet as on March 31, 2021 and the statement of profit and loss along with cash flow statement for the financial year ended on March 31, 2021 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended on March 31, 2021 and the report of the Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, the audited financial statements of the Company comprising of the balance sheet as at March 31, 2021 and the statement of profit and loss along with cash flow statement for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon laid before the 10th Annual General Meeting of the members of the Company, be and are hereby received, considered and adopted."

"Resolved Further that, the audited consolidated financial statements of the Company comprising of the balance sheet as on March 31, 2021 and the statement of profit and loss along with cash flow statement for the financial year ended on March 31, 2021 and the report of Auditors thereon laid before the 10th Annual General Meeting of the members of the Company, be and are hereby received, considered and adopted."

"Resolved further that, the Board of Directors of the Company be and is hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be deemed necessary, proper or expedient including to delegate for matters concerned there with or incidental there to for the purpose of giving effect to this resolution."

- 2. Appointment of Mr. Sachchida Nand Misra, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sachchida Nand Misra (DIN:06714324), who retires by rotation at this meeting and

being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director to the Board of the Company, whose period shall be liable to retire by rotation."

"Resolved further that, the Board of Directors of the Company be and is hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be deemed necessary, proper or expedient including to delegate for matters concerned there with or incidental there to for the purpose of giving effect to this resolution."

#### **SPECIAL BUSINESSES**

- 3. Appointment of Mr. Aseem Sehgal as an Independent Non-Executive Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time, Mr. Aseem Sehgal (DIN:08202621), who was appointed as an Additional Director to the board of the Company by the Board of Directors with effect from February 23, 2021 in terms of Section 161(1) of the Act and Article 127 of the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director to the Board of the Company to hold office for a term of five consecutive years with effect from February 23, 2021 to February 22, 2026."

"Resolved further that, the Board of Directors of the Company be and is hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be deemed necessary, proper or expedient including to delegate for matters concerned there with or incidental there to for the purpose of giving effect to this resolution."

- 4. Authorisation to make Donations for Bona Fide and Charitable Funds etc and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013 (the Act') as may be applicable from time to time, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee, which the Board may constitute to exercise its powers including the powers conferred by this resolution) to contribute, donate, subscribe and otherwise provide assistance from time to time to charitable, social, or any non-profit making organization, society, trust, or entities of related nature for taking up any programme/activities in the fields of education, health, clean water, social welfare, promotion of sports/culture or other charitable activities etc; not directly relating to the business of the Company any amount, upto a limit of ₹ 50 lacs (Rupees Fifty Lacs only) in a financial year, or five per cent of the average net profits of the Company, as determined in accordance with the provisions of the Act during the three financial years immediately preceding the financial year, whichever is greater."

"Resolved further that, the contribution, subscription, donation and/or assistance given and all acts done within the limits as prescribed in the above resolution by and with the authority of the Board of Directors be and are hereby confirmed and ratified."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be deemed necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

5. **Appointment of Ms. Gursimran Kaur Mann as Managing Director of the Company** and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"Resolved that, pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as 'the Act') and rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of the members of the Company be and is hereby accorded to the appointment of Ms. Gursimran Kaur Mann (DIN- 00642094) as the Managing Director of the Company for a period of two (2) years with effect from August 2, 2021 till August 1, 2023 with a liberty to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) for variation of the terms and conditions as set out in the explanatory statement, subject to the restrictions, if any, contained under the applicable provisions of the Act or otherwise as may be applicable in law as follows:

**Designation:** Managing Director

**Period:** August 2, 2021 till August 1, 2023

I. **Basic Salary:** ₹ 4,00,000 per month with such increments as may be decided by the Board of Directors of the

Company from time to time within the permissible limits under the provisions of the Act.

II. **Family Allowance:** ₹2,00,000 per month with such increase as may be decided by the Board of Directors of the Company from time to time within the permissible limits under the provisions of the Act.

III. **Bonus:** The amount to be paid as per rules as applicable to the senior grade employees of the Company.

IV. **Perquisites:** In addition to the Basic Salary and Family Allowance, she shall also be entitled to the following perquisites and allowances as may be decided by the Board of Directors of the Company from time to time within the permissible limits under the provisions of the Act:

i. Housing:

a) Residential accommodation or House Rent Allowance to the extent of 60% of Basic Salary.

b) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.

c) The Company shall provide such furniture and furnishing as may be required by the Managing Director at her residence as per the rules of the Company.

ii. Leave Travel Concession: Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and her family during leave travel periods, wherever undertaken, whether in India or abroad as per the rules of the Company.

iii. Medical Reimbursement: Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for self and her family. In case of any medical treatment abroad, the travelling, boarding and lodging expenses for patient and attendants will also be payable as per the rules of the Company.

iv. Club Memberships: Subscription or reimbursement of membership fees for clubs in India and/or abroad, including admission and life membership fees as per the rules of the Company.

v. Entertainment Expenses: Reimbursement of entertainment expenses incurred in the course of business as per the rules of the Company.

vi. Personal Accident Insurance: Personal accident insurance policies in accordance with the Scheme applicable to senior grade employees as per the rules of the Company.

Explanation: Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at the cost on actual basis.

V. **Commission:** Commission at the rate of 1% (one per cent) of the net profits of the Company for each financial year as may be computed, while approving the financial statements for the respective financial year by the Board and payable after adoption of the same at the Annual General Meeting of the members of the Company

**VI. Others:**

- i. **Contribution to Provident Fund:** Company's contribution to Provident Fund equivalent to 12% of Basic Salary or up to such amount as may be decided by the Board of Directors of the Company from time to time within the permissible limits under the law.
- ii. **Contribution to Superannuation Fund:** Company's contribution to Superannuation Fund equivalent to 5% of Basic Salary or up to such amount, as may be decided by the Board of Directors of the Company from time to time within the permissible limits under the law.
- iii. **Gratuity:** Gratuity at the rate of half month's basic salary for each completed year of service subject to the Company's rules in this regard.
- iv. **Leave Entitlement:** As per the rules of the Company. However, encashment of the un-availed leave may be allowed by the Board at the end of the tenure.
- v. **Conveyance:** Company's chauffeur driven car(s) for the business as per the rules of the Company.
- vi. **Communication Facilities:** The Company shall provide telephone, mobile handsets, telefax and other communication facilities to the Managing Director's at her residence as may be required for the Business of the Company.
- vii. **Assistance:** Managing Director may also be provided assistance at her residence as may be required for the Business of the Company."

"Resolved further that, in case the Company has, in any financial year, no profits or if its profits are inadequate anytime during the period of appointment, the Managing Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Managing Director in such manner as may be permitted in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may be agreed to by and between the Board and the Managing Director."

"Resolved further that, the aforesaid appointment shall be subject to the following terms and conditions:

- i. Managing Director shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof;
- ii. The appointment may be terminated by either party giving the other party three months' notice or paying three months' salary in lieu thereof;
- iii. If at any time the Managing Director ceases to be a director of the Company for any reason whatsoever, she shall cease to be the Managing Director of the Company; and
- iv. The office of the Managing Director will be subject to retirement by rotation."

"Resolved further that, pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act 2013 read with Schedule

V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and in recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded in case required necessary, to waive off the recovery of minimum remuneration paid or payable to the aforesaid Whole Time Director of the Company within the limits of the Schedule V to the Companies Act, 2013."

"Resolved further that, the Board of Directors of the Company be and is hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Ms. Mann in accordance with the provisions of the Act and rules made thereunder including any statutory modification(s) or re-enactment thereof, for the time being in force and to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

**6. Appointment of Mr. Sachchida Nand Misra as Whole Time Director of the Company and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution:****

"Resolved that, pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (here in after referred as 'the Act') and rules made there under, including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Sachchida Nand Misra (DIN : 06714324) as the Whole Time Director of the Company for a period of two years with effect from September 18, 2021 to September 17, 2023 with a liberty to the Board of Directors (here in after referred to as the Board, which term shall be deemed to include any Committee(s) constituted or to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) for variation of the terms and conditions as set out in the explanatory statement, subject to the restrictions, if any, contained under the applicable provisions of the Act or otherwise as may be applicable in law as follows:

**Designation:** Chief Operating Officer

**Period:** From September 18, 2021 to September 17, 2023

- I. **Basic Salary:** ₹2,51,550 per month, with such increments as may be decided by the Board of Directors of the Company from time to time within the permissible limits under the provisions of the Act.
- II. **Family Allowance:** ₹2,41,000 per month with such increase as may be decided by the Board of Directors of the Company from time to time within the permissible limits under the provisions of the Act.

**III. Bonus:** The amount to be paid as per rules as applicable to the senior grade employees of the Company.

**IV. Perquisites:** Other emoluments, benefits and the perquisites as per service rules of the Company, as may be approved by the Board of Directors of the Company from time to time. Apart from the above, he shall also be entitled to the following benefits which shall not be included in computation of the aforesaid remuneration:

- i) Residential accommodation or House Rent Allowance to the extent of 60% of the Basic Salary as may be decided by the Board from time to time.
- ii) Car facilities for the business of the Company. The type make and model of the car shall be decided by the Board from time to time.
- iii) Reimbursement of travelling, boarding, lodging, hotel and other expenses incurred for the business of the Company as per the travelling policy of the Company.
- iv) Telephone/internet connection (s) to be used for the business of the Company.
- v) Company's contribution to the provident fund, as per rules, presently to the extent of 12% of the Basic Salary.
- vi) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service in the Company subject to the Company's rules in this regard."

"Resolved further that, the aforesaid appointment shall be subject to the following terms and conditions:

- i) Chief Operating Officer shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) there of;
- ii) The appointment may be terminated by either party giving the other party two months' notice or paying two months' salary in lieu there of;
- iii) If at any time the Chief Operating Officer ceases to be a director of the Company for any reason whatsoever, he may continue to act as the Chief Operating Officer on such terms and conditions as may be decided by the Board of Directors of the Company; and
- iv) The office of the Chief Operating Officer will be subject to retirement by rotation."

"Resolved further that, in case the Company has, in any financial year, no profits or if its profits are inadequate anytime during the period of appointment, the Whole Time Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Whole Time Director in such manner as may be permitted in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment there of, as may be agreed to by and between the Board and the Chief Operating Officer."

"Resolved further that, pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act 2013 read with Schedule V there to (including any

amendment(s), statutory modification(s) or re-enactment(s) there of for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and in recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded that if necessary, to waive off the recovery of minimum remuneration paid or payable to the aforesaid Whole Time Director of the Company within the limits of the Schedule V to the Companies Act, 2013"

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Misra in accordance with the provisions of the Act and rules made there under including any statutory modification(s) or reenactment there of, for the time being in force and to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient and for matters concerned there with or incidental there to for the purpose of giving effect to this resolution."

**7. Ratification of Remuneration payable to the Cost Auditors** and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution:**

"Resolved that, pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of the members of the Company, be and is hereby accorded for the payment of remuneration of ₹3 lakh plus other out of pocket expenses as may be incurred on the concerned assignment for the financial year 2021-22, as may be approved by the Board, to Mr. Satnam Singh Saggi, Cost Accountant (Membership Number 10555), who has been re-appointed as the Cost Auditors for audit of the cost accounting records of the Company."

"Resolved further that, the Board of Directors of the Company be and is hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient including to delegate for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

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

**Date: August 27, 2021  
Place: Noida**

**Kamal Samtani  
Company Secretary  
Membership No. FCS-5140**

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting (AGM) of the members of the Company is annexed hereto.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") has permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the members of the Company at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company situated at Simbhaoli-245207, District Hapur.
3. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, September 21, 2021 to Monday, September 27, 2021** (both days inclusive).
6. Members holding shares in electronic form are, therefore requested to submit the Permanent Account Number to their Depository Participants with whom they are maintaining their demat accounts.
7. Electronic copy of the Annual Report which Inter-Alia contains process of E-Voting is being sent to the members whose email address as registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for the hard copy of the same. Any member may ask for physical copy of the annual report.
8. Relevant documents referred to in this Notice are available for inspection at the Registered Office of the Company during business hours from 10:00 am to 5:30 pm on any working day up to one day prior to the date of the AGM and will also be available there on the date of meeting as well as available electronically during the AGM.
9. **Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode. The Ministry of Corporate Affairs has clarified that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report is sent through e-mail, to support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, M/s MAS Services Limited by filling the form available on the Company's website and also update the e-mail address as and when there is any change.**
10. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the prescribed form and send the same to the Company.
11. The Company has initiated the process for transfer of undelivered physical share certificate into the suspense account in dematerialized mode. Individual letters have been sent to the holders, who are holding shares in physical mode to give their permanent account number and bank account details to the Share Transfer Agent/ the Company. They are requested to convert the physical shares into dematerialized category as any request for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide notification No. SEBI/LAD-NRO/GN/2018/24, dated June 8, 2018 read with Circular SEBI/HO/MIRSD/DOS3/CIR/P/2018/115 dated July 16, 2018.
12. The Company has appointed Mr. Sandeep Joshi, (Practicing Company Secretary/COP No. 20884) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
13. The Scrutinizer shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, whether through remote e-voting or through e-voting during AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
14. Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of Annual General Meeting i.e. **Monday, September 27, 2021**.
15. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.simbhaolisugars.com** and on the website of NSDL immediately after the declaration of result and communicated to the BSE Limited and National Stock Exchange of India Limited.

**INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS:**

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote electronic voting facility to its members for transacting all the businesses as stated in this Notice through e-voting services being provided by National Securities Depository Limited (NSDL). The member may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- II. Pursuant to the relevant Circulars issued by MCA, the facility for voting through e-voting facility will also be available at the AGM for those members who have not cast their vote through remote e-voting before the AGM and who are not otherwise debarred from doing so.
- III. The members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.



**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on, Thursday, September 23, 2021 at 9:00 A.M. and ends on Sunday, September 26, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 20, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, September 20, 2021.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**STEP 1: ACCESS TO NSDL E-VOTING SYSTEM**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against Company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against Company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Login method for Individual shareholders holding securities in demat mode is given below:

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

A new screen will open. You will have to enter your User ID,

your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
c) For Members holding shares in Physical Form.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
b) For Members who hold shares in demat account with CDSL.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

1. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
2. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
4. Now, you will have to click on "Login" button.
5. After you click on the "Login" button, Home page of e-Voting will open.

## STEP 2 : CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [accsandeepjoshi@gmail.com](mailto:accsandeepjoshi@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user

manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info@masserv.com](mailto:info@masserv.com).
2. In case shares are held in demat mode, please update your email id with your depository. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not

have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through electronic devices such as laptop, handset or tablet for better experience. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at the companies email id at [info@masserv.com](mailto:info@masserv.com). The same will be replied by the Company suitably.

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

**Kamal Samtani  
Company Secretary  
Membership No. FCS-5140**

**Date: August 27, 2021  
Place: Noida**

**STATEMENT OF MATERIAL FACTS ANNEXED TO THE  
NOTICE AS REQUIRED UNDER SECTION 102 (1) OF THE  
COMPANIES ACT, 2013 ('THE ACT')  
EXPLANATORY STATEMENT**

**(Pursuant to Section 102 of the Companies Act, 2013)**

**Item No. 3**

Pursuant to the provisions of Section 149, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and corporate governance norms of the Listing Agreement with the Stock Exchange under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, the Board of Directors of the Company have appointed Mr. Aseem Sehgal as an Additional Director, in the category of Independent Non-Executive Director to hold office for a period of 5 (five) consecutive years w.e.f February 23, 2021 to February 22, 2026 .

The Board, accordingly, recommends the resolution set out under item number 3 for approval of the members of the Company as an Ordinary Resolution.

None of the Promoters, Directors, Key Managerial personnel or their relatives, except Mr. Aseem Sehgal, is concerned or interested, financially or otherwise, in passing of the aforesaid Resolution except to the extent of his shareholding as a member of the Company.

**Item No. 4**

The Company has been making contribution by donating/promoting/sponsoring from time to time to the charitable, social,

or any non-profit making organization, society, trust, funds or other entities of related nature for taking up any programmes/ activities in the fields of education, health, clean water, social welfare, promotion of sports/cultural or other charitable activities etc and also making political contribution in the vicinity of sugar mill command area; not directly related to the business of the Company or the welfare of its employees. In addition, the Company shall also undertake the Corporate Social Responsibilities (CSR) in the manner as may be prescribed, from time to time. The Company is disseminating information on its CSR policies, activities and progress to all the stakeholders and the public at large through, annual reports, websites, Newsletter etc. Further, the details of Company's CSR activities are also available at the website of the Company. Pursuant to the provisions of Section 181 of the Companies Act, 2013, approval of the members is being sought for contribution to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amount the aggregate of which, in any financial year, upto ₹ 50 lacs (Rupees Fifty Lacs only) or five per cent of the average net profits of the Company as determined in accordance with the provisions of Section 181 of the Act during the three financial years immediately preceding the financial year, whichever is greater.

Accordingly, the resolution set forth under item number 4 is recommended for approval of the members of the Company as an Ordinary Resolution.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in passing of the aforesaid resolution.

#### **Item No. 5**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors has considered and approved appointment of Ms. Gursimran Kaur Mann as the Managing Director of the Company for a period of three years with effect from August 02, 2020 to August 01, 2023. However, as per the consent of the Lenders, the resolution was passed for a period of one year only w.e.f Aug 2, 2020 at the 9th Annual General Meeting of the members of the Company held on December 21, 2020. Now, as the term of her appointment has expired on August 01, 2021, the Board of Directors of the Company ('the Board') subject to the approval of the members of the Company and subject to the No objection of the lenders of the Company, has reconsidered the appointment of Ms. Gursimran Kaur Mann as the Managing Director of the Company for another period of two years w.e.f August 02, 2021 to August 01, 2023, at the remuneration as set out in the resolution subject to the limits prescribed under the provisions of Schedule V Part II Section II to the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and such other approvals as may be required under law. Last year, the lenders, led by the state bank of India, have provided their no objection for continuation of appointment of Ms. Gursimran Kaur Mann as the Managing Director of the Company for a period of one year. The Company has again approached the lenders for their no objection for further period of two years as per the resolution passed by the Board based on the recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company.

#### **Brief Profile of Ms. Gursimran Kaur Mann is as follows:**

*Ms. Gursimran Kaur Mann, Managing Director of the Company is a graduate in Economics and Political science from USA and has an MBA from London Business School. She has previously interned at Nestle India, Cargill Geneva, and ED&F Man Brazil.*

*She joined Simbhaoli in the year 2005 and has played a key role in introducing market forecasting, hedging and pricing models in the Company as an effective risk management strategy. She was inducted to the Board of the Company as an executive director in year 2011. She has been discharging the key role as head of the Company's commercial, marketing, trading, legal, operations, sales including domestic international and trading business and all other operations along-with the Company's joint venture businesses. Ms. Mann has been the youngest member of the Indian Sugar Mills Association (ISMA) and served on committees for all the major national commodity exchanges, the Indian Sugar Export Corporation (ISEC) and the Confederation of Indian Industry (CII).*

The Managing Director of the Company is proposed to be vested with all the key responsibilities of management and shall work under the guidance of the Board of Directors of the Company. Ms. Mann is holding 41,86,672 Equity Shares in the Share Capital of the Company. She is the daughter of Mr. Gurmit Singh Mann, the Chairman of the Company.

Ms. Gursimran Kaur Mann as Managing Director, has been reporting to the Chairman of the Company and her role includes supervision and regulation of the commercial, financial and legal functions of the Company, including implementation and review of the commercial reports, plan and execute long-term and short term earnings deriving strategies, setting and implementing commercial planning of the production based on inputs from operations, budget and gap forecasting analysis and operating plans of the manufacturing units of the Company, supervision and regulation of their operations, setting out the production efficiencies as per the business plans, review production and operating reports, resolve the operational, manufacturing and other related issues to achieve planned cost, quality, and delivery commitments to achieve financial plans with regards to revenue, cost control, profit and debtors management and to carry out any other function as may be assigned by the Board of directors or Chairman of the Company from time to time.

The Managing Director has been implementing the functions assigned by the Board from time to time, including but not limited to making recommendations to the Board with respect to the investments/disinvestments decisions, senior level appointments, retrenchments and increments, collaborations/ joint ventures/ further capital issues, borrowings, appointment of internal auditors/statutory auditors/other intermediaries as may be required under laws as applicable to the Company and to take all extraordinary decisions and undertake activities, which are necessary to run the day to day operations of the Company and to carry out other supervisory and regulatory functions, including delegation/assignment of duties in the manner as may be required from time to time.

Although, the Company has well-structured operating units, good quality products and a reliable work force; yet on account of vagaries of the sugar industry, its high fixed cost structure, low back up from the by-products and efficiency levels, the Company is passing through a phase characterized by lack of liquidity. A mix of factors, such as higher recoveries, government's mandatory export quota, successful ethanol blending program and sugar production forecast for the next season are indicating towards good business prospects of the sugar industry. Considering the aforesaid facts, and also to organize the businesses of the Company in the manner, the Company is expected to come out from its current problems.

If during the tenure of Ms. Gursimran Kaur Mann as Managing Director, the Company has no profits, or its profits are inadequate,

the remuneration payable would require approval of the members by way of a Special Resolution. Hence, it is proposed to appoint Ms. Gursimran Kaur Mann as the Managing Director of the Company for another period of two years from August 02, 2021 to August 01, 2023 (both days inclusive) at a remuneration as set out in the Resolution subject to the limits prescribed under the provisions of Schedule V Part II Section II to the Companies Act, 2013.

The additional information required to be disclosed pursuant to schedule V Part II Section II to the Companies Act, 2013 is annexed to this Notice as **Annexure-A**. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to this Notice as **Annexure-B**.

The Board, accordingly, recommends the resolution set out under item number 5 for approval of the members of the Company as a Special Resolution.

None of the promoters, directors, key managerial personnel or their relatives, except Mr. Gurmit Singh Mann and Ms. Gursimran Kaur Mann, their relatives and their jointly controlled entities are concerned or interested, financially or otherwise, in passing of the aforesaid resolution except to the extent of their shareholding as members of the Company.

#### **Item No. 6**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors has considered and approved appointment of Mr. Sachchida Nand Misra as a whole time director of the Company for a period of three years with effect from September 18, 2020 to September 17, 2023. However, as per the consent of the Lenders, the resolution was passed for a period of one year only w.e.f Sept 18, 2020 at the 9th Annual General Meeting of the members of the Company held on December 21, 2020. Now, as term of his appointment will expire on September 17, 2021, the Board of Directors of the Company ('the Board') subject to the approval of the members of the Company and subject to the No objection of the lenders of the Company, has reconsidered the appointment of Mr. Sachchida Nand Misra as the Whole Time Director at the designation of Chief Operating Officer of the Company for another period of two years w.e.f. September 18, 2021 to September 17, 2023 at the remuneration as set out in the resolution subject to the limits prescribed under the provisions of Schedule V Part II Section II to the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and such other approvals as may be required under law. Last year State Bank of India, lead bank has provided it's no objection for continuation of appointment of Mr. Sachchida Nand Misra for a period of one year. The Company has again approached the lenders for their no objection for further period of two years as per the resolution passed by the Board based on the recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company.

#### **Brief profile of Mr. S N Misra is as follows:**

*Mr. Sachchida Nand Misra, is B.Sc from Gorakhpur University, A.N.S.I. from National Sugar Institute, Kanpur. He worked in Simbhaoli Sugars Limited (SSL) for about 22 years and has left the Company as GM (Unit Head) and joined as Vice President (Project) at Bajaj Hindustan Limited Then, he joined as*

*Executive President as group sugar technologist cum Unit head in Balrampur Chini Mill Group. He re-joined Erstwhile Simbhaoli Sugars Limited in 2013 as the Chief Operating Officer of the Company. Presently, he is responsible for the operations of the business units, technical supervision, sugarcane management, implementation and achieving business plan and operational policies, meeting statutory compliances at all the manufacturing units of the Company.*

He is also responsible for the implementation and achieving business plan directives, implementation of policy matters, boundary management, charting growth plans and to implement the decisions taken and apprising the Company's management on the operational and technical working of group companies from time to time, increasing production, assets capacity and flexibility, while minimizing unnecessary costs and maintaining current quality standards.

Hence, the resolution is proposed as a special resolution and the required additional information pursuant to schedule V Part II Section II of the Companies Act, 2013 and other details regarding, nature of his expertise in specific functional areas and names of companies in which he holds directorships and member/chairmanships of Board Committees, shareholding and relationships between directors is annexed to this Notice as **Annexure-A**. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to this Notice as **Annexure-B**.

The Board, accordingly, recommends the resolution set out under item number 6 for approval of the members of the Company as a Special Resolution.

None of the Promoters, Directors, Key Managerial personnel or their relatives, except Mr. Sachchida Nand Misra, is concerned or interested, financially or otherwise, in passing of the aforesaid Resolution except to the extent of his shareholding as a member of the Company.

#### **Item No. 7**

The Board of Directors, had approved the appointment of M/s. Satnam Singh Saggi, Cost Auditor (Membership No.10555), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending March 31, 2022, at a remuneration of Rupees Three Lakhs only excluding Goods and Services tax plus reimbursement of out of pocket expenses at actual, if any, in connection with the audit.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditor is required to be ratified by the members of the Company. Therefore, consent of the members is being sought for approving the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

Accordingly, resolution set out under item number 7 is recommended for approval of the members of the Company as an Ordinary Resolution.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in passing of the resolution.

**Annexure- A**

**Information under clause 1 (B) of Section II of Part II of the Schedule V to the Act and Details of Directors seeking appointment/ re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015)**

S. No	General Information:	
1.	Nature of industry	Sugar Industry
2.	Date or expected date of commencement of commercial production	Not applicable. The Company's plants have been in operation for more than 8 decades.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable.
4.	Financial performance based on given indicators	The Company's operations are affected due to various reasons pertaining to sugar industry and is in losses for last 5 years
5.	Foreign investments or collaborations, if any.	<ol style="list-style-type: none"> <li>The Company has made Foreign Investments only in Simbhaoli Global Commodities DMCC, Dubai, which is Wholly owned subsidiary.</li> <li>Simbhaoli Power Private Limited is a 51% subsidiary, with a joint venture (JV) with Sindicatum Bagasse India Pte. Ltd having business in cogeneration of power.</li> <li>Uniworld Sugars Private Limited is a joint venture Company between Simbhaoli Sugars Limited and ED&amp;F Man Sugar Limited, England, UK. The Hon'ble High Court, Allahabad has approved Resolution Plan of Uniworld under IBC on March 17, 2021</li> </ol>

**II. Information about the appointee:**

1	Name of appointee	Mr. Aseem Sehgal	Ms. Gursimran Kaur Mann	Mr. Sachchida Nand Misra
2	Background details	As per Annexure B	As per Annexure B	As per Annexure B
3	Past remuneration	Not Applicable	₹ 119.82 Lacs	₹ 75.12 Lacs
4	Recognition or awards	Not Applicable	Ms. Mann has received industry excellence award for best working at 75th Annual Convention and Sugar Expo 2017 organized by Sugar Technologists' Association of India (STAI).	No such significant Awards received. However, other regional level recognitions received.
5	Job profile and his suitability	The details have been mentioned elsewhere in the Notice.	The details have been mentioned elsewhere in the Notice.	The details have been mentioned elsewhere in the Notice.
6	Remuneration proposed	Not Applicable	Not Applicable	Not Applicable
7	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Not Applicable	The remuneration payable has been compared by Nomination and Remuneration Committee constituted by the Board, with the remuneration being drawn by similar remuneration in the Sugar industry.	The remuneration payable has been compared by Nomination and Remuneration Committee constituted by the Board, with the remuneration being drawn by similar remuneration in the Sugar industry.
8	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	None	Daughter of Mr. Gurmit Singh Mann, Chairperson of the Company	None

**III. Other information:**

1.	Reasons of loss or inadequate profits	The Uttar Pradesh based sugar companies have been facing financial difficulties on account of higher sugar cane prices, lower realization of sugar and high finance cost.
2.	Steps taken or proposed to be taken for improvement	Various initiatives have been taken including business and financial restructuring of the businesses and steps being taken by the State and Central Governments to give support to the sugar industry.
3.	Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant cost cutting measures to improve the profitability. However, barring unforeseen circumstances, the Company hopes to increase the revenue and profits further by improved margins in current year.

**Annexure- B**

**Disclosure Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2**

1	Name of appointee	Mr. Aseem Sehgal	Ms. Gursimran Kaur Mann	Mr. Sachchida Nand Misra
2	Age	33 Years	38 Years	63 Years
3	Date of Proposed Appointment.	Feb 23, 2021	Aug 02, 2021	Sept 18, 2021
4	Nature of his expertise in specific functional areas	More than 12 years of experience in finance, corporate laws ERP etc. He is also associated as Non-Executive Director with Global Stones Pvt. Ltd., Fliegen India Pvt. Ltd. Ans acting as Company Secretary of Capricorn Distillery Pvt. Ltd.	Finance, Marketing, Trading, legal and sales operations along with the Company's joint venture businesses	Technical supervision, sugarcane management, implementation and achieving business plan and operational policies, meeting statutory compliances
5	Qualification	M.B.A. from R.A. Podar Institute of Management, Rajasthan University and Company Secretary	Graduate in Economic and Political science from Bryn Mawr college, USA and has an MBA from London Business School	B.Sc. from Gorakhpur University and A.N.S.I. from National Sugar Institute, Kanpur
6	Experience	Over 12 years	Over 16 years	Over 36 years.
7	The number of Meetings of the Board attended during the Year	Not Applicable	5	5
8	Board Membership of other listed companies as on March 31, 2020	None	None	None
9	Board Membership of other companies as on March 31, 2020	1. Global Stones Private Limited 2. Fliegen India Private Limited	1. Dholadhar Investments Private Limited 2. Dholadhar Developers Private Limited 3. Uniworld Sugars Private Limited** 4. Simbhaoli Power Private Limited 5. Integrated Casetech Consultants Private Limited 6. Simbhaoli Global Commodities DMCC	Simbhaoli Speciality Sugars Private Limited
10	Names of companies in which the person also holds the Membership /Chairman of Committees of the Board	None	None	None

\* Committee positions only of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee in public companies have been considered.

\*\*Hon'ble NCLT Allahabad approved Resolution Plan of USPL vide order dated March 17, 2021.

## CHAIRMAN'S MESSAGE

**Dear Shareholders,**



During the season 2020-21, your Company continue to face the challenges of Covid-19 pandemic and kept the emphasis on efficient operations, in spite of the restricted conditions, with the adoption of enhanced safety, security and others measures as required under the health advisories. All the three Sugar units have performed better in comparison to previous year. The growth in ethanol Segment in all three distilleries as well has shown an enhanced working capacity to boost production with improved revenue of the financial year.

The ongoing pandemic is expected to put pressure on the sugar consumption patterns as there are curbs on social gatherings and outings across the globe. The industry has also been facing reduced off-take from institutional buyers viz. beverages and FMCG companies amid the lockdown. This has even led to fall in domestic & international sugar prices recently. The spread of pandemic worldwide had caused disruption of supply chain in most of the businesses and industries in India. In spite of that, your Company has been able to improve its revenue throughout the year with better EBIDTA margins. Although, situation worldwide is not in favour still, we expect that we will gradually and steadily pick up the momentum again.

The domestic sugar industry has been eagerly looking forward for a hike in Minimum Support Price(MSP) as sugar prices remain range-bound with sugarcane Fair and Remunerative Price (FRP) seeing a substantial increase as compared to season 2017-18 with 2020-21. While the industry awaits a hike in MSP, the government has cut down the export subsidy to some extent. Apart from sugar exports, in order to boost ethanol production in the Country, the government has taken measures through diversion of sugarcane and surplus sugar towards manufacturing of ethanol and encourage the use in the vehicles made of flex-engines. Switching to locally-produced ethanol will help India lower crude oil import and it will be less polluting and cost-saving. Further, the government is also considering the provisions for subsidized finance to distillery units for capacity expansion, setting up of new ethanol distilleries or converting molasses based distilleries to dual feed stock. Your Company is also hopeful to extend our capacities further as well.

In our initiative to enhance online sales and provide easy and early availability of its products to the doorstep of the customers, the Company has been providing e-commerce functionality on a wide range of its products through its direct-to-consumer e-commerce website for its FMCG offerings. Recently, a wide range of the products of the Company got accreditation with the Trade Mark Registry i.e Trust the Healthier Sugar; Classic Sulphur Less Sugar; SIPP for Non-alcoholic Beverages and Trust Neem Multi surface Disinfectant.

On alcohol side, the Company has successfully launched sanitizer range last year, and has also focused on launching new regional products, boosting the marketing and distribution of various new brands, and also expanding our reach to South and West India.

Further, during the year, your Company has also launched four new whisky brands with the name and style Seven Knights Premium and Economy Range Whisky, Brown Eagle Golden Whisky & Royal Pack Whisky.

We appreciate the dedicated efforts of our team of employees and workers, who worked throughout the season to maintain the production and improve the recoveries. As continuing from past, this year also, we have done active outreach to build our long term goodwill with our farmers, and recognized their efforts. We also wish to thank to the farmers, all the lenders, associated vendors, as well as the shareholders, investors, state administration and many other stakeholders for their continued support and favour during unprecedented situation. With your support, we are determined to take the Company towards greater heights and leadership in the industry.

I wish you all and your families a very healthy and safe period ahead.

Take care be safe.

Date : August 27, 2021  
Place: Dharamsala

Gurmit Singh Mann  
Chairperson  
(DIN - 00066653)



# BOARDS' REPORT

## To the members of Simbhaoli Sugars Limited

Your directors have pleasure in presenting the 10th Board's Report together with management discussion and analysis report for the financial year ended on March 31, 2021.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Global Sugar Industry Overview

As per the recent estimates, the global sugar output is likely to increase to 2.74 million tonnes in the year 2021-22 from a deficit of 1.51 million tonnes in the year 2020-21. The good crop in India along with production recovery in Thailand and higher yield in Europe despite frosts in France are the main reason behind the hike in sugar surplus.

**Brazil's** sugar output is expected to decrease to 36.3 million tonnes from 38.5 million tonnes compared with last season while the global output will have a surplus. The dry weather has impacted the sugarcane production in the region leading to the slow harvesting during the current season.

**Thailand's** Sugar output is expected to achieve less than 7 million tonnes against record 14.7 million tonnes in the season 2017-18 due to lesser rainfall. The draught is the major factor reducing yields and estimated country's sugar exports is likely to reduce this season.

**China's** year 21-22 total sugar production is forecast at 10.6 million metric tons, slightly up from the previous year's estimate. This projected increase in sugar production assumes the expected increase in cane sugar production that will offset the anticipated decrease in beet sugar production.

**India's** sugar output is expected to increase by 10.2% y-o-y to 30.2 million tonnes during the sugar season (October-September) 2020-21 on account of higher production in Maharashtra and Karnataka, as per the second advance estimates released by the Indian Sugar Mills Association (ISMA). This estimate is after excluding sugar diversion of about 2 million tonnes towards ethanol production during the year.

#### Domestic Sugar Industry Overview

Sugar mills across the country have produced 30.36 million tons of sugar during this season so far, according to the latest reports by Indian Sugar Mills Association (ISMA), which is about 3.83 lac tons higher than 265.32 lac tons produced at the same time last year.

Uttar Pradesh state sugar mills have produced 108.70 lac tons of sugar as per recent calculations, which is 13.58 lac tons lower than the production of 122.28 lac tons produced by them last year on the corresponding date. Most of the currently operating factories in the State were closed by the end of May month, however, a few are continuing to operate in June' 2021.

Current crushing season in the Western region of the State of UP has been prolonged by a few days as most of the Gur/Khandsari units have closed their operations due to lockdown restrictions, and some of the cane has been diverted to the sugar mills.

Sales in the current year upto April, 2021 are 5.81 lac tons higher or about 4% higher than the last year corresponding period.

The ex-mill sugar prices have been in the range of ₹31 – ₹33 per kilo for last several months. To maintain liquidity of funds, mills are under pressure to sell sugar at such low prices, not enough to be able to generate adequate funds to be able to pay the full FRP to cane farmers. The cane farmers and sugar mills are hopeful of the much-awaited announcement by the Government regarding increase in MSP of sugar, as a measure to improve revenue realization of mills and payment to farmers. Under the current circumstances, the increase in MSP of sugar from current level of ₹31 per kilo, which was last fixed in February 2019, seems to be the only realistic way to ensure that mills improve their cash flows and are able to effectively reduce the cane price arrears of farmers faster. (Source ISMA)

#### India's sugar demand falters during peak season due to COVID-19 curbs

India's sugar consumption during the peak demand season is set to fall for a second straight year after various states imposed restrictions including restaurant and shop closures to halt rising cases of COVID-19. The consumption of cold drinks and ice cream rises and as a result demand for sugar, rises in India during the summer months that run roughly from March to June. The demand also gets a boost in summer from the wedding season but Maharashtra, Rajasthan, Chhattisgarh, New Delhi and Uttar Pradesh are among the states that have imposed various curbs this month as daily COVID-19 cases nationwide hit a new record and the health system crumbled under the weight of new infections.

Lower demand could increase inventories in India, the world's biggest consumer of the sweetener and may put downward pressure on local prices. Lower domestic sales could force mills to export more sugar in the next marketing year, putting pressure on global prices as well.

#### Domestic -Sugar Output

(All fig. in Million MT)

Particulars	2018-19 (A)	2019-20 (P)	2020-21 (E)	% Change
Opening stock as on 1st Oct.	14.5	10.6	8.8	-17%
Production during the season	27.4	30.2	30.0	-1%
Imports	-	-	-	
Total Availability	41.9	40.8	38.8	-5%
Offtake				
i) Consumption	25.7	26.0	24.5	-6%
ii) Exports	5.6	6.0	4.0	-33%
Total Off-take	31.3	32.0	28.5	-11%
Closing Stock as on 30th Sept.	10.6	8.8	8.3	-6%
Stock as % of Consumption	41%	34%	34%	

ISMA estimated sugar production in 2021-22 at around 30 MMT after adjusting impact of diversion of B-heavy molasses and sugarcane juice for ethanol manufacture. According to recent estimates, the actual production in the country crosses the figure as estimated by ISMA and 25-30 factories were running their operation till the end of May 2021.

The production in the country increased by 14% in Sugar Year 2020-21 so far as compared to last year. Production in UP fell by 11% in SY 2020-21 as compared to SY 2020-20. While production in Maharashtra and Karnataka have increased by 73% and 23% respectively in SY 2020-21 as compared to SY 2019-20.

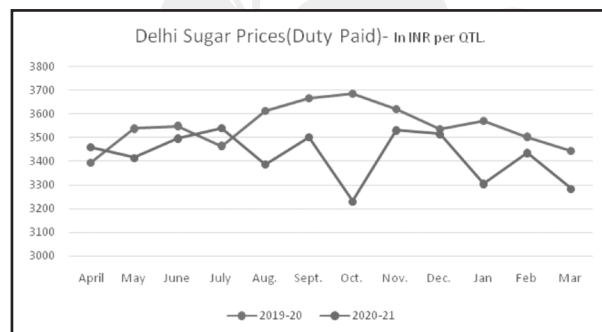
### Price Trend

As per ISMA, the prices are almost ₹80-₹100 per quintal less than what was prevailing last year during the corresponding period. The reduction in price has adversely affected the liquidity of mills and their ability to pay the Fair and Remunerative Price (FRP) to cane farmers.

The Industry urged the Centre to hike the MSP from ₹ 31 per Kg to ₹ 34.50 per Kg. The FRP, a benchmark rate below which mills are not allowed to buy cane, has already been hiked by ₹10 Per quintal this year. There is a need to quickly decide on increasing the MSP of Sugar to ensure that sugar mills are able to pay farmers on time.

The improvement in international sugar prices on sequential basis in most of the months April 2020 onwards did not translate into higher domestic sugar prices. The average wholesale sugar prices in India have almost stagnated and have been hovering in the range of ₹33-₹34 per kg for almost 2 years now since April 2019. The prime reason that have been restricting any major growth in domestic prices are the higher sugar inventories in India due to bumper sugar production.

The uncertainty in Brazil over cane diversion towards sugar production is expected to continue as the prospects for fuel demand (ethanol) will guide the production of ethanol and thus sugar. Also, the pace of sugar exports from India will influence the movement in international sugar prices to an extent.



The Government of India has issued export policy for SY 2020-21 out of which 52,400 MT quantity allotted to Simbhaoli group. The Fair & Remunerative Price (FRP) of sugarcane was approved by the government at ₹ 285/qlt. for season 2020-21 while SAP for 2020-21 was kept same as that of last year by state govt. Overall Export MAEQ quota for the Country is 60 lac MT announced on December 31, 2020. The ministry of Consumer affairs, Food and Public distribution has reduced the subsidy on sugar exports to ₹ 4000/MT from ₹ 6000/MT due to increased international sugar prices and current market scenario which is viable for sugar exports.

### Domestic ethanol Industry Overview

The Indian ethanol market is slated to grow and the Government of India has planned to enhance ethanol production to 9 billion litres from 3.55 billion litres in order to achieve the blending rate of 10% by 2022. The Government has given approvals to around 350 new plants in sugar mills for adding 5.5 billion litres of capacity entailing an investment of ₹ 18,000 Crore, for that purpose.

Uttar Pradesh state government has given a go-ahead to an innovative scheme for production of ethanol from sugarcane juice, this scheme will be empowering for farmers as well as sugarcane mills in the state.

Indian Sugar mills have contracted to supply 302.3 crore litres of ethanol to oil marketing companies (OMCs) this season. This is 70% more than the 178 crore litres of ethanol supplied by the mills in the last season. It will help the sugar mills to reduce sugar production by 20 lakh tonnes after diverting sugarcane juice and B-heavy molasses for ethanol production for the ongoing season.

Surplus sugar production has depressed sugar prices, thereby impacting sugar industry's capacity to pay sugar cane farmers. The ex-distillery price of ethanol derived from cane juice is ₹62.85 per litre while that from C- heavy molasses is ₹ 45.69 per litre, for the ethanol supply year beginning December 2020. Higher remunerative price for ethanol produced from cane juice will help in reduction of cane farmer' arrears.

### BUSINESS OVERVIEW

#### Business Description: Operating Capacities

Simbhaoli group was started as a partnership firm in 1933 by Sardar Raghbir Singh Sandhanwalia and, in 1936, it was incorporated as a private limited company. In 1989, it went public and has been listed on Indian Stock Exchange for the past 31 years. In 1992, it acquired a distillery (owned by the family as an independent company) and thereby converted the Simbhaoli sugar plant into an integrated sugar complex. At present, Simbhaoli is part-owned by the third and fourth generations of this family, represented by Mr Gurmit Singh Mann, Chairman of the Company.

The group has three sugar complexes located at Simbhaoli (Western Uttar Pradesh), Chilwaria (Eastern Uttar Pradesh) and Brijnathpur (Western Uttar Pradesh), having an aggregate sugarcane crushing capacity of 19,500 tons crushed per day (TCD) including asugar refining capacity of 1200 tons per day (TPD) for raw sugar processing, interchangeable with cane crushing capacities while the sugarcane is not available during off-season.

Facilities	Cane Sugar (tcd)	Alcohol/ethanol (kld)	Power (mwh)	Sugar refining (tpd)
Simbhaoli (Western UP)	9,500	90	62\$	800
Brijnathpur (Western UP)	4,000	60	8	400
Chilwaria (Eastern UP)	6,000	60	38\$	-
<b>Total</b>	<b>19,500</b>	<b>210</b>	<b>108</b>	<b>1200</b>

*\$Simbhaoli Power Private Limited, subsidiary company*

The sugar business is integrated with alcohol distillation and power generation. The power co-generation units of its subsidiary, Simbhaoli Power Private Limited located within the Simbhaoli and Chilwaria complexes are capable to generate bio-mass based power aggregating 100 mwh for supplying the power for the captive consumption of the sugar plants and sale of surplus power to the UP-State grid under the power purchase agreements.

#### Joint Venture Companies

The Company has a joint venture arrangement with Sindicatum Bagasse India Pte. Ltd., a private limited Company incorporated and registered under the laws of Singapore, which is an affiliate of Sindicatum Captive Energy Singapore (SCES) in the name of Simbhaoli Power Private Limited (SPPL) engaged in the cogeneration of power from bagasse and other bio fuels.

During the Year under review, the Hon'ble National Company Law Tribunal, Allahabad Bench, vide its order dated March 17, 2021 approved the Resolution Plan of Uniworld Sugars Private Limited

(USPL), set up under a joint venture between the Company and ED & F Man Holding BV.

#### **Impact of Industry Scenario on Business of the Company**

For the year ended March 31, 2021 and in earlier years, the Company has incurred losses due to high sugarcane costs fixed by the state government, and comparatively lower prices of finished sugar due to higher production which are determined by the market forces based on demand-supply situation and other market dynamics. Due to above-stated external factors, the Company had incurred huge losses in past resulting in complete erosion of its net worth. This has resulted in delay in meeting the payment obligations to the lenders and sugarcane farmers in terms of their respective agreements and understanding. Although, the operations of the Company remained intact at sub-optimum levels over the years and it has been continuously striving for improvement in operation efficiency in form of improvement in sugar recovery, reduction in overheads and other costs etc. The Company has successfully completed crushing for Sugar season 2020-21 in all of its three sugar mills with better operational performance.

Recognizing the status of the sugar industry, the state and central governments have taken a number of measures to improve the financial health, support for liquidation of cane arrears, fixing minimum obligation for exports to manage the sugar inventory and providing subsidy to compensate export expenses, fixing minimum support price of sugar, and mandatory blending of ethanol with petrol with long term tendering and providing remunerative price of ethanol etc. All these measures have resulted in revival of the sugar industry and the financial performance of the Company has also improved during the year. Further, pursuant to an order of Hon'ble High Court of Uttar Pradesh, the Uttar Pradesh sugar industry as well as the Company is confident to receive accrued benefits from the state government under the erstwhile New Sugar Industrial Promotion Policy (NSIPP 2004-09).

#### **Impact of Covid-19 and Nation-wide Lockdown on the Operations of the Company**

The ongoing Covid-19 pandemic is expected to put pressure on the sugar consumption patterns as there are curbs on social gatherings and outings. The industry is also facing reduced off-take from beverage and other FMCG companies amid the lockdown. This has even led to fall in domestic & international sugar prices recently.

The Company has considered the potential impact of spread of Coronavirus Disease (COVID-19), throughout the country, in preparation of financial statements for the year ended March 31, 2021 based on the information available to it up to the date of approval of these results. However, the impact of COVID-19 as well as negative outlook of sugar sector on the carrying amount of its property, plant and equipment's and consequential impairment could not be ascertained and provided for due to non-availability of requisite information on account of lockdown restrictions.

The impact of COVID-19 may differ from what has been assessed by the Management as at the date of approval of these financial results. The Company will continue to closely monitor any material change in future economic conditions and take appropriate action as may be required.

#### **Legal proceedings of investigation in the matter related to complaint filed by Oriental Bank of Commerce (OBC)**

During the year 2017-18, the Oriental Bank of Commerce (OBC) now merged with Punjab National Bank, one of the lenders arbitrarily initiated recovery actions against the Company in respect of its restructured corporate loan and also filed a criminal complaint in an arbitrary and wrongful manner in respect of original credit facilities, without the consent of the other lenders and without affording any opportunity to the Company to present its case, a gross violation of law of natural justice. The Company and its management have refuted the charges on their part and provided adequate documents while fully cooperating with the investigation. The Company has always been requesting documents/ information basis which OBC had taken such step. Information/ documents so requested are still awaited despite repeated reminders. The Company has reiterated its commitment for repayment to all the lenders on the basis of future cash flows. Steps initiated by OBC have delayed the ongoing debt resolution process of the Company and adversely affected its business. Based on legal advice, the Company has been taking appropriate actions at the relevant forums including but not limited to seeking appropriate counter claims.

#### **BUSINESS SEGMENTS**

**Sugar Operations:** The Company's units located at Simbhaoli, Brijnathpur and Chilwaria were running on B-heavy molasses for a particular period of the season. The average sugar recovery of UP for season 20-21 is 10.80 which is 60 basis points less than the average recovery of previous season.

**Distillery Operations:** Due to current situation of pandemic throughout the country, consumption of fuel (Petrol / Diesel) has gone down resulting in slow lifting / non lifting by OMC depots against tendered quantity. It has adversely impacted the Ethanol business. The capacity utilization of Simbhaoli and Chilwaria Divisions have improved from last year by 26% & 42% respectively. Total group production till March 31, last year was 180 lac BL whereas it was 260 lac BL this year which is showing an improvement by 44%.

**Branding and specialty Sugar segment:** In our initiatives to enhance online sales and provide easy and early availability of our products to the doorstep of the customers, the Company is effectively providing e-commerce functionality on a wide range of its products through its Direct-to-consumer e-commerce website for its FMCG offerings.

The Company has been consistent in developing its sugar brand, 'Trust'. The sales and marketing infrastructure development exercises for distribution through modern retail and wholesale trade channels have been further strengthened during the year. Trust branded sugar sachets have created vast acceptability and leadership in the hospitality industry.

Recently, the Trade Marks i.e Trust the healthier sugar; Classic sulphurless sugar; SIPP for non-alcoholic beverages and Trust neem multi surface disinfectant were registered with the appropriate authorities.

During the year under review, the Company has launched four new whisky brands with the name and style of Seven Knight Premium and Economy Whisky, Brown Eagle Golden Whisky & Brown Eagle Royal Pack Whisky.

#### International Trading:

The Company actively participated in the export campaign in the year under the Government MAEQ scheme. The Company has continued export trade with markets like Hong Kong, China, Nepal, Indonesia, Canada etc. During the year, the Company has exported 17,970 MT of whitesugar and 39,912 MT of raw sugar under MAEQ Scheme through recognized trade houses. Due to CoVID situation worldwide, there was no export of IMFL during the year.

#### HUMAN RESOURCES

The Company believes in cordial employer-employees relationship. Time to time training sessions which inter-alia includes electrical safety, SAP, chemical handling, quality, behavioural training, motivational training etc are conducted in order to enhance work life balance of employees as well as to optimise the efficiency of all the units and employees. Special drives for COVID 19 precautionary measures were conducted in all units. All support provided to our manpower in term of Covid Testing, treatment and vaccination. Keeping the philosophy of continuous training and job improvements, the Company has imparted 543 man-days (previous year 500 man-days) of training apart from the regular participation in physical trainings and external webinars to its employees.

The Company has always been vigilant against the sexual harassment at workplace and a system is in place under which, the employees can make their complaints in this regard. No such complaint has been received during the year.

#### SWOT

The areas of operations of the Company are well diversified, with multi products and services spanning over a number of geographical locations. Each of the business segments has its own strengths and weaknesses and at the same time is subject to a variety of opportunities and threats. The management is consistently strategizing and implementing the restructuring exercises and cost optimisation for the business sustainability. The group has the following SWOT attributes:

##### Strengths

- a. Over 9 decades of experience of Sugar Industry.
- b. Our Manufacturing units are located in the sugarcane-rich state of Uttar Pradesh, North India
- c. Diversified Product Range including pharmaceutical-grade and specialty sugar to cater different categories of customers
- d. Enhanced it reach through various e-Commerce platforms
- e. Introduced its own dedicated E-commerce portal
- f. Well irrigated sugarcane area, which is not much dependant on weather pattern
- g. Integrated facilities to produce white sugar using sugarcane as well as refining of raw sugar
- h. Premium range of quality products, attracting a mark-up in domestic and global markets
- i. Presence in branded and packaged segment which has further growth potential
- j. Diversification into Sanitizers and Disinfectant Manufacturing

##### Weaknesses

- a. Highly leveraged with high finance costs
- b. Cyclical nature of the industry, which is subject to climate and economic cycles
- c. Low capacity utilisation in distillation segments
- d. Lack of parity between cost of production and sale values of sugar resulting in un-paid sugarcane price position
- e. Existing and anticipated litigation arising out of weak financial position of the Company
- f. Delay in financial restructuring pending over past three years resulting in financial limitations

##### Opportunities

- a. To produce and gain out of non-sugar base revenues including ethanol, being the focus area for the Company and also being encouraged by government policies
- b. To be flexible in the refining of raw sugar for improving capacity utilisation throughout the year
- c. To be a regular trader in the commodities with quality, brands and product mix whenever there is a viability
- d. Presence in branded and packaged segment which has further growth potential
- e. Enhancement of Alcohol capacity for manufacture of disinfectants

##### Threats

- a. Worldwide Covid-19 emergency and impact thereof in India
- b. Increase in production and distribution cost due to Lockdown scenario
- c. Recovery steps initiated by the lenders for overdue outstanding
- d. The vendors and creditors related uncertainties on account of payment defaults
- e. Significant higher production of sugar in the country may lead to downward trends in sugar prices
- f. Volatile commodity markets have a bearing on international and domestic operations
- g. Regulated environment may pose adversities for business decisions
- h. Un-hedged positions in sugar and currency markets
- i. Coercive actions by the State administration particularly for cane payment

**Quality management system:** The sugar units of the Company are compliant with internationally recognized quality, environment and food safety standards and are ISO 9001, ISO 14001 and FSSC 22000 certified. Management systems are applied to develop a systematic work culture that emphasizes process ownership across all levels of the organization.

##### RISK ASSESSMENT AND MITIGATION

The sugar industry faces challenges from the evolving marketplace continuously that impacts important issues in risk management and threatens profit margins. The business of the Company is exposed to several kinds of risks from time to time, which include the following:

**Strategic Risks:** These risks are relating to the flux and movement of money and capital in the Company. This will include cash flow management, investment evaluation and credit default. These risks emanate out of the decisions, the Company takes in the markets, resources and delivery of services.

**Operational Risks:** Most common, and often combatable in all situations, these risks related to business operations such as those relating to determination, identification and procurement of vendors, services delivery to vendors, security and surveillance, labour issues, blocking of funds and business activity disruptions.

**Resource Risks:** The Company may at times, become susceptible to various risks associated with the procurement of talent, capital and infrastructure, as may be specific to the industry.

**Technological Risk:** The business of the Company, particularly potable alcohol and speciality sugar, is subject to frequent and revolutionary technology changes as new products are being developed in this segment. This also leads to risk of obsolescence of machinery as well as inventory.

**Industry and Competition Risks:** The risks relating to the sugar and alcohol industry, including competition in the industry, technical landscape, risks arising out of volatilities of the manufacturing lines, and those relating to brands of the Company.

**Risk of Clash and Breakage:** The risk of clash and breakage is mainly referred to the risks associated with the manufacturing output caused due to quiver, bump, squeezing, lacquer desquamation, nick and so on, in transit. Fragmentation is mainly referred to fragile substances and includes loss including breaching and smash in transit due to careless loading and unloading and bumping of conveyance and may also occur during warehousing.

**Risk of Theft, Pilferage and Non-Delivery:** The risks relating to theft or pilferage, when the goods manufactured are failed to be delivered to the buyer the risk of non-delivery concerns a situation where the whole cargo is not delivered to the consignee.

**Currency Risks:** The Company, on account of international trading activities, deals in various foreign currencies and is exposed to fluctuations in the currency markets from time to time.

**Risks relating to regulatory and compliance framework:** The risks due to inadequate compliance of regulations, contractual obligations and intellectual property violations leading to litigations and related costs and effect on brand value and image.

**Business existence risk:** The risk relating to management disruption due to change in ownership as a result of ongoing restructuring.

The key objective of the risks analysis is to ensure sustainable business operations, and to promote an approach in risk management process by eliminating risks. In order to achieve this key objective, the Company has implemented such policies, which provides pro-active approach to manage various types of risks associated with day to day affairs of the Company and minimize adverse impact on its business objectives.

**Environmental Compliances:** During the period under review, the Company has remained compliant with all environmental laws in the country. The Company's Effluents plant were periodically inspected by State and Central Pollution Control Board and other agencies to check that Company is maintaining prescribed effluent standards.

## Internal Control System

The Company has been following-up the systems and control to safeguard the assets and interest of stakeholders against loss from any unwarranted action. All business transactions are authorized, recorded and reported accordingly. Under the system, certain Standard Operating Procedures/Policies with reference to the delegation of authorities, material procurement and management, accounting processes and systems, payment authorization, capex monitoring, insurance, and employee welfare etc. have been adopted. Review systems have been established and implemented to ensure the adequacy of control systems and their monitoring.

The Company has established and implemented internal financial controls based on the formal system of internal financial controls under the Companies Act, 2013 read with relevant Ind AS, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls with reference to consolidated financial statements issued by the ICAI. The system includes procedures, policies, the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

An independent internal audit process has been established with reference to the business operations of the Company. The internal audit reports along-with management comments are regularly being placed before the audit committee of the Board.

The legal matters with the former director/senior executive employees due to irregularities/misappropriation of inventory of the Company are going on before the appropriate authorities. The management is confident that these cases shall be concluded without material financial implications on the Company.

**Materiality of Related Party Transactions:** The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Companies Act 2013, the rules made there under and the listing regulations. The Policy has been reframed in order to make it aligned with recent updates in Companies Act, 2013 as well as SEBI Listing Regulations.

During the Financial Year 2020-21, all transactions with related parties were at arm's length basis and were in the ordinary course of business. There was no materially significant related party transaction with the Company's Promoters, Directors, Key Managerial Persons (KMP), Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its approval. The particulars of contracts entered during the year are enclosed herewith as Annexure-2 as per prescribed Form AOC-2.

**Corporate Social Responsibility (CSR):** Pursuant to the provisions of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors of the Company has formed a CSR Committee

headed by an independent director, to inter alia, carry out the following functions:

- to formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken as specified in prescribed Schedule VII of the said Act;
- to recommend the amount of expenditure to be incurred on CSR activities; and
- to monitor the Corporate Social Responsibility Policy and spend from time to time.

The Company has been regular in CSR activities for the development, upliftment and advancement of the conditions of the people living in the villages in the vicinity of mills. The Company is not mandatorily required to spend any amount for CSR in terms of criteria prescribed under Companies Act, 2013 for the financial year 2020-21, yet it has its own CSR policy indicating the guidelines for social welfare activities and as its responsibility its contributing from time to time for the welfare of the Society.

At the national emergency to combat the spread of COVID – 19, the Company has made various contributions/donations to the UP State Government relief funds amounting to ₹ 30 lacs, (including employee contributions of ₹ 16.21 Lacs deducted from salary) and also contributed an amount of ₹ 15 Lacs to a political party.

A Charitable trust named Simbhaoli India Foundation (SIF), has also been working to ensure social obligations of the Company. During the year SIF has uploaded return in prescribed form with Ministry of Corporate affairs under the provisions of the Companies Act, 2013.

As the whole country is facing huge challenge to fight the second wave of Covid-19, the Company is setting up a medical oxygen plant in Sihkeda (Dist- Hapur) near Simbhaoli village. The fully automatic Oxygen generation plant has a capacity to produce 20M3/hr oxygen with 96% purity.

**Information Technology** - During nationwide lock-down due to CoVID-19 pandemic, the IT division of your Company has provided tremendous support to enable employees smoothly work from Home as well as to get them connected over virtual meetings. The information technology system of the Company is operating on SAP based enterprise resource planning (ERP) environment, optimizing the performance of its businesses as well as the business network.

#### OPERATIONS OF SUBSIDIARY/ASSOCIATE COMPANIES

**Simbhaoli Power Private Limited(SPPL):** SPPL is a 51% subsidiary, with a joint venture with Sindicatum Bagasse India Pte Limited. SPPL is generating the power using the sugar mill bagasse and third-party biomass at the Simbhaoli and Chilwaria Sugar complexes of the Company and selling the surplus power to State utilities under the long-term power purchase agreements.

In the consolidated financial statement of the Company for the year ended March 31, 2021, the financial statement of SPPL, a material subsidiary has not been consolidated, as the year ended financial statements of SPPL have not been yet finalized and approved till date.

The transactions entered into between the Company and SPPL for the year ended March 31, 2021, which have not been eliminated in the consolidated financial results, have resulted in increase in the total revenue by ₹ 2,516.19 lacs and total expenses by ₹1,739.26 lacs. Further, increase in the balances of subsidiary

of ₹ 985.18 lacs have been included in the consolidated balance sheet in the respective assets heads.

**Uniworld Sugars Private Limited(USPL):**The Hon'ble NCLT, Allahabad Bench has passed an order dated March 17, 2021 for the approval of the resolution plan of USPL.

**Integrated Casetech Consultants Private Limited (ICCPL):** Integrated Casetech Consultants Private Limited (ICCPL), is an 85% subsidiary company and the technology vertical of SSL. It has been providing the operations and maintenance services to various sugar companies in India and abroad. Due to CoVID scenario, ICCPL's operations are affected adversely due to slow down of working of all Industries globally.

During the year ended March 2021, ICCPL has achieved total revenue of ₹613.49 lacs only in comparison to revenue of ₹2401.07 lacs earned in previous year reflecting a substantial decrease of 74.44%. Due to substantial decrease in revenue, ICCPL has suffered losses of ₹ 92.02 lacs in comparison to profits of ₹ 28.68 lacs last year.

**Simbhaoli Global Commodities DMCC:** During the year, the Company has made an application for de-registration and termination of the license with the Dubai Multi Commodities Centre Authority.

**Simbhaoli Specialty Sugars Private Limited (SSSPL):** Simbhaoli Specialty Sugars Private Limited is the wholly owned subsidiary of Simbhaoli Sugars Limited. No major business activities have been carried out by this Company during the year. Company has earned income from other source of ₹4.78 lacs (Previous years ₹6.48 lacs) during Financial year 2020-21.

#### OPERATIONS

A summary of the physical operations of all the business units of the Company for the year 2020-21 is stated as under:

Manufacturing Facilities	Unit	Simbhaoli		Chilwaria		Brijnathpur		Total
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	
Particulars	Sugar Year	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Sugarcane crushed	Lacs mt	14.42	14.46	3.28	4.44	6.38	5.31	24.08
Sugar recovery	%	11.12	11.51	9.10	9.90	10.26	10.31	10.61
Raw/ below grade sugar refined	000/mt	32.91	36.04	0.36	0.67	10.97	17.62	134.33
Net Sugar produced#	000' mt	162.13	166.42	30.15	43.96	65.12	54.69	257.4
Gross season for sugar plant	Days	175	187	92	114	180	180	
Date of start of the Sugar plant	-	28.10.2020	04.11.2019	27.11.2020	27.11.2019	28.10.2020	04.11.2019	
Date of closure of Sugar plants	-	20.04.2021	08.05.2020	26.02.2021	19.03.2020	25.04.2021	01.05.2020	
Days of operations of distillery **	Days	274	253	274	157	274	213	
Alcohol/Ethanol produced **	B.L.(Lacs)	132	104	120	72	88	109	340

#Including conversion of Raw and below grades white sugar into refined sugar.

\*\*As per Financial Year

#### FINANCIAL ANALYSIS

A summary of the standalone financial statements of the Company for the year ended March 31, 2021 is stated as under: (₹ in Crore)

Particulars	Financial Year 2020-21	Financial Year 2019-20
Gross Sales/Income from operations	1456.91	1208.32
Other Income	16.81	25.74
Profit/(Loss) before Interest, depreciation and exceptional items	61.71	45.99
Interest expense	30.66	31.63
Depreciation	30.66	36.01
Profit/(Loss) before tax & exceptional items	(4.43)	(21.65)
Exceptional (Gains)/Loss	-	-
Net Profit/ (Loss) after Tax before Other Comprehensive Income	(4.43)	(21.65)
Other Comprehensive Income/(Loss)	0.11	(2.72)
Net Profit/ (Loss)	(4.32)	(24.37)

During the Financial Year 2020-21, Gross Sales/Income from operations have increased from ₹ 1208.32 Crore to ₹1456.91 Crore and Net sales have increased from ₹1009.44 Crore to ₹1262.78 Crore. EBITDA has been at ₹61.71 Crore as against the previous year of ₹ 45.99 Crore. Net loss for the year is ₹4.32 Crore as against Net Loss of ₹24.37 Crore in previous year.

**Dividend:** During the year, the business of the Company has been affected adversely on account of the lower realization from sugar sales, less capacity utilisation of distilleries, high finance cost, and other industry related issues. There being no profits during the year, your directors do not recommend any dividend.

**Unpaid/unclaimed Dividend:** There is no unpaid/unclaimed dividend in the Company. Hence, provisions of Section 125/126 of the Companies Act, 2013 are not applicable.

**Share Capital:** The paid-up capital of the Company is ₹41,27,90,200 divided into 4,12,79,020 equity shares of ₹10 each. No fresh share capital was issued during the year.

**Long term borrowings:** Long term borrowings are at ₹313.19 Lacs (previous year ₹359.03 Lacs), as during the year loans were repaid to related parties.

**Short term borrowings:** There are no Short Term Borrowings in the Company.

**Investments:** The Company has the following investments as on March 31, 2021:

(₹ in Lacs)				
S. No.	Particulars	Opening balance as on April 1, 2020	Additions/ (Deductions) during the year	Balance as on March 31, 2021
1	2,00,800 equity shares of ₹10 each in Integrated Casetech Consultants Private Limited	383.73	-	383.73
2	55,38,734 equity shares of ₹10 each in Simbhaoli Power Private Limited	5,493.59	-	5,493.59
3	48,92,941 debentures of ₹100 each of Simbhaoli Powers Private Limited	5053.70	(53.80)	4999.90
4	19,000 equity shares of ₹10 each of Simbhaoli Speciality Sugars Private Limited	190.00	-	190.00
5	Invest in Government Securities (NSC- Post Office)	2.11	0.50	2.61
6	Investments –Subsidiary (at Cost)	45.00	-	45.00
7	Investments at the end of the year	11168.13	-	11114.83

The Company has made appropriate provisions with respect to the Investments held in the share capital of Uniworld Sugars Private Limited and Simbhaoli Global Commodities DMCC.

**Status of shares under pledge:** Out of the promoters' shareholding, 33.14% in the total share capital is pledged with the financial institutions as security against various credit facilities availed by the Company.

**Inventories:** Inventory amounting to ₹46,475.72 lacs (previous year ₹55,088.78 lacs) include finished goods, raw material, process stocks, and store items. The sugar stock at the end of the year is valued of ₹3,157 per qtl (previous year ₹3,168 per qtl).

**Sundry debtors:** Sundry debtors (net) amounting to ₹4,493.69 lacs (previous year ₹3,508.99 lacs), are considered good and realisable. Provisions are generally made for all debtors outstanding for over 360 days' subject to their scope of realization, industry trend and management's perception.

**Cash and Cash Equivalents:** Cash and Cash Equivalents are at ₹ 3,585.46 lacs (previous year ₹4,288.57 lacs).

**Bank Balances other than cash & Cash equivalents:** Bank balance of ₹2,166.96 lacs (previous year ₹1,632.74 lacs) comprise of EMD paid to Banks for OTS of ₹1,521.20 lacs (Previous Year ₹571.60 lacs) and fixed deposits for an amount of ₹645.76 lacs (previous year ₹1,061.14 lacs) as pledged with banks for securing certain loans, letters of credit, guarantees and other short- term facilities.

**Other Financial Assets (Non-Current):** Other financial assets of ₹1,226.18 lacs (previous year ₹1,328.80lacs) comprises of interest accrued on fixed deposits ₹4.12 lacs (previous year ₹21.59 lacs) and security deposit of ₹9.27 lacs (previous year ₹9.27 lacs). Further, fixed deposits for an amount of ₹112.79 lacs (previous year ₹197.94 lacs) are pledged with banks for securing certain loans, letters of credit, guarantees and other long term facilities and Retention money from SPPL of ₹1,100.00 lacs (Previous Year ₹1,100.00 lacs).

**Other Financial Assets (Current):** Other financial assets of ₹4,652.64 lacs (previous year ₹3,557.89 lacs) comprises interest accrued on debentures ₹4,182.78 lacs (Previous year ₹3,100.65) and royalty ₹ 274.98 lacs (previous year ₹274.98 lacs) receivable from Simbhaoli Power Private Limited.

**Other Current Assets:** Other current assets of ₹9,499.48 lacs (previous year ₹8,932.59 lacs) comprise a receivable of ₹723.70 lacs (previous year ₹644.04 lacs), are considered good and realisable. Provisions are generally made for all receivables outstanding for over 360 days subject to their scope of realization, industry trend and management's perception. Government grant of ₹7,991.96 lacs (previous year ₹7,292.25 lacs), claim receivables of ₹251.30 lacs (previous year ₹300.26 lacs), Balance with authorities ₹187.37 lacs (previous year ₹339.28 lacs) and prepaid expenses ₹221.52 lacs (previous year ₹239.15 lacs).

**Trade payables, other current liabilities, and provisions:**

a) Trade payables at ₹ 80,240.49 lacs (previous year ₹90,016.35 lacs) includes amount payable against sugarcane supply, other raw materials, stores and services b) Other current liabilities of ₹1,526.64 lacs (previous year ₹1,532.06 lacs) reflect amount payable against statutory dues, advance received from customers other miscellaneous liabilities. c) Provisions for employee benefits stood at ₹115.19 lacs (previous year ₹107.35 lacs) as per actuarial valuation.

**Sales and other income:** The segment wise allocation of revenues for the year 2020-21 and for preceding two accounting years is as under:

Years/ Segment	Sugar		Alcohol	
	Turnover	%age	Turnover	%age
2018-19	84,470	74.43	29,015	25.57
2019-20	92,040	72.31	35,252	27.69
2020-21	1,16,275	74.73	39,324	25.27

Other income of ₹1,681.19 lacs (previous year ₹2,574.42 lacs) comprises interest and rent received from subsidiary companies, liabilities/provisions which are no longer required and written back and other miscellaneous earnings.

**Raw Material Consumption:** ₹87,181.04 lacs (previous year ₹82,201.69 lacs) include sugarcane and molasses as the principal raw materials consumed by the Company.

**Employees cost:** The employee cost marginally increased to ₹5,877.54 lacs (previous year ₹5,696.07 lacs).

**Finance cost:** Finance costs decreased to ₹3,066.20 lacs (previous year ₹3,163.07 lacs) on account of non-provisioning of interest cost of ₹15,461.02 lacs for the current year (previous year ₹13,146.17 lacs).

**Other Expenses:** Other expenses increased to ₹12,961.11 lacs (previous year ₹12,513.04 lacs).

**Power and Fuel:** Power and Fuel expenses increased to ₹2,911.48 lacs from ₹2,843.88 lacs due to increase in production of Alcohol in current year.

### Ratio Analysis

The analysis of the Company's financial statement for the year under review is given below:

Key Ratios		2020-21	2019-20	% Change
*Debtor Turnover	Times	34.77	24.79	40%
**Inventory Turnover	Times	2.93	2.35	25%
***Interest Coverage Ratio	Times	2.01	1.47	37%
Current Ratio	Times	0.34	0.35	-4%
^Debt Equity Ratio	Times	(62.82)	(84.89)	-26%
^^Operating Profit Margin Ratio (%)	%	7.32%	5.69%	29%
^^^Net Profit Margin Ratio (%) or Sector specific equivalent Ratio	%	-0.35%	-2.09%	83%
Return on Net Worth		(77.97)	(84.12)	-7%

\* Due to increase in sales and reduction in average debtors, Debtors turnover ratio have improved by 40%

\*\*Due to increase in sales and reduction in average inventory, Inventory turnover ratio has improved by 25%

\*\*\* Ratio has improved on account of higher sales volumes and better operating performance during the current year as compared to last year.

^ Ratio has reduced due to higher accumulated losses during the year.

^^Ratio has improved due to higher sales volume and strict control over the operating expenses during the current year.

^^^ Ratio has improved on account of higher sales volumes and better operating performance during the current year as compared to last year.

### Accounting Policies

The Company's Board of Directors accepts the responsibility for the preparation and presentation of financial statements that give a true and fair view of the financial position, financial performance, cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under section 133 of the Companies Act, 2013. The Board also accepts the responsibility for the integrity and objectivity of these financial statements, as well as for various estimates/ judgments used in preparation of these statements. The estimates and/or judgments have been made on a consistent, reasonable and prudent basis to reflect true and fair view of the state of the affairs of the Company.

These financial statements have been prepared on going concern basis using the significant accounting policies and measurement bases. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use. In those cases, the new accounting policy is adopted in accordance with the transitional provisions stipulated in that IndAS and in absence of such specific transitional provision, the same is adopted retrospectively for all the periods presented in these financial statements.

### Loans, Guarantees, and Investments Under Section 186 of the Companies Act, 2013

The particulars of loans, guarantees or investments made under

Section 186 of the Companies Act, 2013 and rules made there under are disclosed in respective heads and on Note 24 in the Notes to accounts forming part of the Standalone financial statements.

### Particulars of Contracts or Arrangements made with Related Parties

The particulars of contracts or arrangements made with related parties made pursuant to Section 188 of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Indian Accounting Standards 24 issued by the Institute of Chartered Accountants of India are furnished in Note 11 in the Notes to accounts forming part of the Standalone financial statements.

### Debt Servicing and Public Deposits

During the year, pending completion of the debt resolution, the Company has not been able to meet its obligations towards the lenders for repayment of both principal and interest. The Company has approached its lenders to implement debt resolution plan of its outstanding debts in accordance with its available future cash flows, sustainability of the business and nature of the business of industry. In the previous years, there has been delays in submission of the plan and its consideration on account of continuous changes in regulatory frameworks, particularly, withdrawal of the arrangement of corporate debt restructuring and joint lenders forum. Subsequent to the intervention by the Hon'ble Supreme Court on such matters, the revised plans have been submitted to all the lenders for suitable resolution. The specific requests have been made to take a collective approach with regard to possible resolution instead of taking multiple recovery/coercive measures. The proposal includes waiver of un-paid interest on overdue loan accounts till implementation of the proposed restructuring/ realignment of credit facilities.

Accordingly, the Company has approached its commercial lenders to implement debt resolution plan of its outstanding debts including One Time Settlement Proposal (OTS) wherein resolution of entire outstanding debts of commercial banks are proposed to be settled through payment of One Time Agreed amount. In addition, the Company has also proposed certain percentage of shares in the equity share capital in direct proportion to commercial lenders' outstanding principal amount. OTS proposal submitted by the Company is under consideration by commercial lenders while debt re-alignment proposal submitted with lenders other than commercial lenders is also being examined.

With delays in repayment of the credit assistance availed by the Company loans, and the cane price arrears, the Company's credit rating has continued to remain below investment grade.

The credit facilities availed by the Company have been classified as non-performing assets (NPA) by all the lenders and interest thereon is not being charged to the loan accounts by commercial lenders as per RBI's circular. The Company has submitted comprehensive debt resolution proposals with all the lenders to commensurate with its future cash flows. The majority of commercial lenders have shown their inclination to accept the OTS Proposal of the Company and accordingly accepted the offered Earnest Money Deposit. Accordingly, the Interest expenses pertaining to commercial lenders, for the year ended March 31, 2021 amounting to ₹15,461.02 lacs respectively (previous year ended March 31, 2020 amounting to ₹13,146.17 lacs respectively) has not been recognized in profit and loss account. A total amount of ₹52,915.64 lacs towards accrued interest has not been provided



for in the books of accounts as on March 31, 2021.

Certain lenders to the Company have resorted to initiate recovery proceedings at Debt Recovery Tribunals, for which replies are being submitted based upon the legal advices.

On account of delays in servicing of loans, certain 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 the Insolvency and Bankruptcy Code, 2016 and approached Debt Recovery Tribunals in Delhi and Uttar Pradesh as well. Against a criminal complaint filed by one of the lenders with the investigating agency, 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 has preferred an appeal with the appropriate authority and the matter is sub-judice. Enforcement Directorate had proceeded to take the constructive possession of the attached property on which an interim stay has been granted by the Hon'ble Appellate Tribunal.

The Company has not accepted any public deposits and no deposits are unpaid for any previous year.

**Material Changes and Commitments affecting the Financial position of the Company, which have Occurred Between the end of the Financial Year and the Date of Report**

During the year, the Company has faced recovery proceedings on account of defaults in repayments of loans and delay in proposed debt resolution. The detail has been reported elsewhere in this annual report.

Further, in the audited financial statements of Simbhaoli Power Private Limited ('SPPL') for the year ended March 31, 2020, the statutory auditors of the SPPL has drawn Emphasis of Matter that during the year ended March 31, 2020, Uttar Pradesh Electricity Regulatory Commission ('UPERC') has notified UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019 ('CRE Regulations, 2019') which has, inter alia, reduced the tariff applicable to bagasse-based generation plants operating in the state of Uttar Pradesh w.e.f. April 1, 2019.

SPPL, along with bagasse-based co-generators operating in the State, have filed a writ petition with Hon'ble High Court of Allahabad, Lucknow Bench, challenging CRE Regulations, 2019 and the matter is sub-judice.

Based on the writ petition filed and legal opinion obtained, SPPL has recorded revenue from operations for the period from April 2019 to September 2019 at pre CRE Regulations, 2019 tariff instead at the reduced tariff as per CRE Regulations, 2019. w.e.f. October 1, 2019, SPPL has accounted for sale of power to Uttar Pradesh Power Corporation Ltd. (UPPCL), the customer at reduced tariff rate under protest and subject to outcome of Hon'ble High Court decision on writ petition.

SPPL's computation, shows that revenue from operations for year ended March 31, 2020 would have been lower by ₹ 683 lacs, if accounted for at or basis reduced tariff as per CRE Regulations, 2019.

With regard to the above stated conditions and on account of difference in interpretation of certain long term commercial agreements, the statutory auditors of SPPL have drawn material uncertainty related to going concern.

In standalone financial statements, the outstanding balance of the Company with SPPL, is subject to reconciliation on account

of difference in interpretation of certain long term commercial agreements. Pending reaching to final settlement with SPPL, no adjustment has been made in the books of accounts amounting to ₹716.33 lacs for the year ended March 31, 2021 respectively (previous year ended March 31, 2020 amounting ₹253.13 lacs) being the difference in the value of bagasse sold and certain other claims made by SPPL. Total difference as on March 31, 2021 with SPPL is amounting to ₹969.46 lacs.

**Application for Reclassification of Promoters of the Company**

Company's application seeking reclassification of certain members of Promoter group of the Company to Public category in terms of provisions of erstwhile regulation 31A (7) of SEBI (LODR) Regulations, 2015 is still pending with SEBI.

**BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

At the ensuing 10th Annual General Meeting (AGM) of the members of the Company, Mr. Sachchida Nand Misra shall be retiring by rotation in terms of the provisions of Section 152 of the Companies Act, 2013. He has offered himself for re-appointment. The Board considered and approved the re-appointment subject to the approval at the AGM.

During the year, Mr. SK Ganguli, an Independent Director passed away on August 23, 2020. During his tenure, he has guided the Company through his immense knowledge and experience. All directors have prayed that departed soul may rest in peace.

During the year, Mr. Aseem Sehgal was appointed as an Additional Director (Independent Category) to the Board of the Company w.e.f. February 23, 2021 under Section 149 and Section 160 of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and he shall hold office for a period of 5 (five) consecutive years, subject to the approval at the ensuing AGM of the Members of the Company.

During the Year, there was no change in the KMP's of the Company.

**Declaration of Independent Directors**

The Independent Directors of the Company have given declaration stating that they continue to confirm the criteria set out for Independent Directors under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Company's Policy on Director's Appointment and Remuneration**

The Company's policy relating to appointment of directors, payment of managerial remuneration, directors' qualifications, positive attributes, independence of directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 has been disseminated at the Company's website at the link-[http://www.simbhaolisugars.com/company\\_policies.asp](http://www.simbhaolisugars.com/company_policies.asp).

**Number of Board Meetings conducted during the Year**

During the year, 5 meetings of Board of Directors have been conducted. Details of meetings have been disclosed in Corporate Governance Report forming part of the Annual Report.

**Board Evaluation**

In compliance with the requirement of Section 134(3)(p) and Schedule IV of the Companies Act, 2013 and Rules framed thereunder and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company evaluated and assessed the

performance of the Company's Chairman, Individual Directors, Board as a whole and its Committees on the basis of parameters set by the Nomination and Remuneration Committee. Independent Directors of your Company have also conducted an evaluation of performance of Non- Independent Directors, Chairman of the Board and Committee(s) of the Board.

All the independent directors possess the requisite qualifications and experience in the respective areas. They have been discharging their duties diligently as defined in schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are contributing towards improvement in the governance standards of the Company.

Every year, the independent directors review the performance of the non-independent directors based on the criterion such as job profile and market perception, self-declaration on the jobs handled/ taken up, opinion from peer and sub-ordinates, their performance evaluations, reporting and participation in the Company meetings and they have found their performance to be satisfactory period under review. The directors have considered the principles for review of the performance of the non-independent and also the independent directors, based on certain appropriate criterion. The directors did not find any material discrepancy in the disclosures being made to the Board/shareholders of the Company. Generally, important matters related to the operations of the Company, its business plans, financial affairs and results, indebtedness issues, legal and corporate governance issues, growth strategies, restructuring plans, appointments of senior employees etc are regularly being placed before the Board. However, various prior observations related to accounting related issues are still pending. Independent Directors in their meeting also noted that that during this unprecedented lockdown, due to COVID-19, the Company has conducted the meetings through video conferencing and the flow of information was found to be satisfactory.

#### **Secretarial Audit**

M/s Amit Gupta & Associates, Company Secretaries, have been engaged as the Secretarial Auditors of the Company under the provisions of the Companies Act, 2013 for the financial year 2021-22. Secretarial Audit Report for the FY 2020-21 is given as Annexure-1 to this report. Secretarial Audit report of Simbhaoli Power Private Limited, material subsidiary, have also been attached as **Annexure-1A**.

#### **Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Secretarial Auditors in their reports**

There is no qualification in both the Secretarial Audit Report(s). However, Comments/Remarks are there in the Secretarial Audit Report(s) which are self-explanatory and explained at the appropriate sections in the Annual Report.

#### **Cost Auditors and Cost Records**

In terms of provision of Section 148(1) of the Companies Act, 2013 maintenance of Cost Records is required by the Company and accordingly such accounts and records are made and maintained.

The Board of Directors, in compliance with the provisions of the Companies Act, 2013, Rules and Notifications issued there under, have appointed M/s Satnam Singh Saggi, Cost Accountants, as Cost Auditors to conduct audit of the Cost Accounts maintained by the Company for the Financial Year 2021-22.

#### **ANNUAL RETURN**

Pursuant to the provisions of section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the link: <https://www.simbhaolisugars.com/files/pdf/Annual%20Return%202019-20%20.pdf>.

#### **SUBSIDIARY, JOINT VENTURE, AND ASSOCIATE COMPANIES**

The Company has three subsidiary companies, viz. Simbhaoli Power Private Limited (SPPL), Integrated Casetech Consultants Private Limited (ICCPL), Simbhaoli Speciality Sugars Private Limited (SSSPL).

The Hon'ble NCLT, Allahabad Bench has passed an order dated March 17, 2021 for the approval of the resolution plan of Uniworld Sugars Private Limited, which was a Joint Venture entity of the Company.

The Company has submitted an application for de-registration of Simbhaoli Global Commodities DMCC, a 100% wholly owned foreign subsidiary company and termination of business and surrender of trade License thereof with Dubai Multi Commodities Centre Authority.

The consolidated financial statements presented by the Company include financial information of its subsidiary companies prepared in compliance with applicable accounting standards, except as mentioned otherwise in the accompanying notes.

A Statement containing salient features of Financial Statements of Subsidiaries/ JV/ Associates Companies in Form AOC-1 is annexed as **Annexure- 5**

#### **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Activities relating to export; initiatives taken to increase exports; development of new export markets for products and services; exports and import plans are mentioned elsewhere in the Directors Report.

During the year, Foreign Exchange Earnings as well as outgo was Nil, as the exports were made through recognized trade houses, in Indian currency. The Foreign currency exposures not hedged by derivative instruments or otherwise are given in the Notes to the Financial Statements.

#### **Material Orders Passed by Regulators, Courts Or Tribunal**

There were no significant or material orders passed by the Regulators, Courts or Tribunal, which impact the going concern status and the Company's operations in future.

#### **EMPLOYEE STOCK OPTION SCHEME**

No stock options schemes have been introduced during the year.

#### **CORPORATE GOVERNANCE**

The Report on Corporate Governance from the Practicing Company Secretary and certificate from Chief Operating Officer and Chief Financial Officer form part of this Annual Report.

#### **VIGIL MECHANISM**

The Company has established a vigil mechanism, which oversees through the Audit Committee, the genuine concerns expressed by the employees and other directors. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company in order to provide adequate safeguards against

victimization of all persons.

The policy on the vigil mechanism comprising of the whistle blower policy, has been disseminated at the Company's website at link-[http://www.simbhaolisugars.com/company\\_policies.asp](http://www.simbhaolisugars.com/company_policies.asp). During the year, no such complaint has been received by the Company.

#### LISTING OF SECURITIES

The equity shares of the Company are listed with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The annual Listing fee for the financial year 2021-22 has been paid to both the stock exchanges.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION INITIATIVES, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology initiatives, Research and Development, Foreign exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure-3**.

#### PARTICULARS OF EMPLOYEES

The disclosure under the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-4**.

There was no employee of the Company, who has been paid remuneration under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### AUDITORS

M/s Mittal Gupta & Co, Chartered Accountants, Kanpur were re-appointed as statutory auditors of the Company for another term of five years viz. 2020-21, 2021-22, 2022-23, 2023-24 and 2024-25 at the 9th Annual General Meeting of the members of the Company held on December 21, 2020.

#### Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their reports

Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their reports are self-explanatory and explained in details in notes to the accounts and at other appropriate sections in the Annual Report. The gist of the impact of qualification is annexed as Annexure 6. The detailed statement of Impact of Audit Qualifications was submitted to the stock exchange along with the Financial Results for the year ended March 31, 2021 and available at the website of the Company.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, read with the Rules made there under, with respect to the Directors' responsibility statement, it is hereby confirmed:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2020-21 and of the profit and loss of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### CAUTIONARY STATEMENT

Certain statements in this report may be forward looking and represent intention of the management. Actual results may differ materially due to a number of risks or uncertainties associated with the business. Investors/stakeholders, therefore, are advised to make their own judgments before taking any investment, business decisions.

#### ACKNOWLEDGEMENT

The Board of Directors sincerely submit appreciation remarks the guidance provided by the Government of India, State Government of Uttar Pradesh, the lender banks and institutions and the co-operation and assistance received from all executives, staff and workmen of the Company.

They also express special thanks to the joint venture partners for their association in running the affairs of the business of the respective subsidiary/associate companies, being part of the future growth of the Company.

The Directors also wish to state the gratitude to the Indian Sugar Mills Association, farmers, suppliers, and all other concerned persons who have continued their valuable support to the Company.

**For and on behalf of the Board of Directors  
Simbhaoli Sugars Limited**

**Gurmit Singh Mann  
Chairperson  
(DIN - 00066653)**

Place : Dharamsala  
Date : June 30, 2021

**ANNEXURE - 1**
**FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013  
and rule No.9 of the Companies

**(Appointment and Remuneration of Managerial Personnel)  
Rules, 2014]**

To,

The Members,

**SIMBHAOLI SUGARS LIMITED,**

**(Formerly known as Simbhaoli Spirits Limited)**

**(CIN - L15122UP2011PLC044210)**

**Simbhaoli-245207, District Hapur Uttar Pradesh**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s SIMBHAOLI SUGARS LIMITED (CIN - L15122UP2011PLC044210) (formerly known as Simbhaoli Spirits Limited) (hereinafter referred as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion

- i. The Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder; and also
- ii. The Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable as the Company has not made any such transaction during the financial year under review;**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The SEBI (Prohibition of Insider Trading) Regulations, 2015;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as the Company has not issued any listed debt securities during the period under review;**
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted/proposed to delist its equity shares from any stock exchange during the financial year under review;**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back/proposed to buyback any of its securities during the financial year under review.**
- vi. The following other laws on account of the nature of industry are specifically applicable to the Company:
  - (a) Sugar Cess Act, 1982
  - (b) Levy Sugar Price Equalisation Fund Act, 1976
  - (c) Food Safety and Standards Act, 2006
  - (d) Essential Commodities Act, 1955
  - (e) Sugar Development Fund Act, 1982
  - (f) Agricultural and Processed Food Products Export Act, 1986
  - (g) The Boilers Act, 1923
  - (h) The Legal Metrology Act, 2009
  - (i) The Environment Protection Act, 1986
  - (j) The Water (Prevention and Control of Pollution) Act, 1974
  - (k) The Air (Prevention and Control of Pollution) Act, 1981

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited & The National Stock Exchange of India Limited, Mumbai.

During the period under review, the Company has complied with the provisions of the Act, and the Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- i. *The Company has filed with delay few forms/returns/ documents etc. with the Registrar of Companies, Ministry of Corporate Affairs, Kanpur, on payment of additional fee under*

the provisions of the Companies Act, 2013.

- ii. The Company approved the quarterly & Annual consolidated financial results without the results of one of its subsidiary company viz Simbhaoli Power Private Limited; the Company received a letter from NSE, which was replied with explanations by the Company.
- iii. The Company supplies bagasse (raw material), to a related party as per the terms of Bagasse Supply Agreement ("BSA"). We are unable to comment on the arm's length, pending, reconciliation of accounts arising out of disagreement with the Related Party.
- iv. There is a gap of 91 days beyond the permitted time limit in filling the vacancy caused by death of an independent director; the Company received a letter from NSE & BSE, which was replied with explanations by the Company with request for waiver of penalty.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors & Non-Executive Directors as on March 31, 2021, except in respect of Regulation 17(1)(b) & 25(6), wherein there was a delay in filling vacancy caused by death of an Independent Director.
- Adequate notice is given to all directors to convene the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Majority decisions are carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** the systems and processes in the Company require further strengthening and improvements, considering the size and operations of the Company to enable better monitoring and ensuring of timely compliance with applicable laws, rules, regulations and guidelines.

To,  
The Members,  
SIMBHAOLI SUGARS LIMITED,  
Simbhaoli-245207, District Hapur Uttar Pradesh

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

**We further report that** during the audit period:

- (i) C.P. No. (IB) 455/ALD/2019 filed before Hon'ble National Company Law Tribunal (NCLT), Allahabad under section 7 of the Insolvency and Bankruptcy Code, 2016 for seeking the initiation of Corporate Insolvency Resolution Process of Simbhaoli Sugars Limited, by Punjab National Bank, a financial creditor continue pending for adjudication.
- (ii) Fresh Company Petition filed by Oriental Bank of Commerce (now merged with Punjab National Bank), one of the Financial Creditors (herein after referred as 'OBC' or 'the Bank') filed before Hon'ble National Company Law Tribunal (NCLT), Allahabad under section 7 of the Insolvency and Bankruptcy Code, 2016 for seeking the initiation of Corporate Insolvency Resolution Process of Simbhaoli Sugars Limited, after grant of status-quo in previous Company Petition by Supreme Court and disposal of CWP by Supreme Court on 02/04/2019, has now been merged with C.P. No. (IB) 455/ALD/2019, with the amalgamation of OBC with PNB.
- (iii) An application for reclassification of promoters' category in terms of provisions of regulation 31A (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in line with the Special Resolution passed at 6th Annual General Meeting of the members of the Company, filed with SEBI/Stock Exchanges, continue pending.
- (iv) The proceedings under the First Information Report (FIR) registered with Central Bureau of Investigation (CBI), on Feb 22, 2018 against the Company, its Directors and other unknown persons of OBC, Now PNB are continuing.

**For Amit Gupta & Associates  
Company Secretaries**

**Amit Gupta  
Proprietor**

Membership No. : F5478

C.P. No. 4682

UDIN - F005478C000561033

**Date: June 30, 2021**

**Place: Lucknow**

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Amit Gupta & Associates  
Company Secretaries**

**Amit Gupta  
Proprietor**

Membership No. : F5478

C.P. No. 4682

UDIN - F005478C000561033

**Date: June 30, 2021**

**Place: Lucknow**

**ANNEXURE - 1A**
**FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**
**[Pursuant to section 204(1) of the Companies Act, 2013  
and rule No.9 of the Companies**
**(Appointment and Remuneration of Managerial Personnel)  
Rules, 2014]**

**To,  
The Members,  
Simbhaoli Power Private Limited  
Kothi No. 1,  
Power Division Compound  
Simbhaoli, UP-245207**

I, Deepak Kumar Lath, Proprietor of Lath Deepak & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by SIMBHAOLI POWER PRIVATE LIMITED

(CIN-U40300UP2011PTC045360) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March, 2021, according to the provisions of:

- I. The Companies Act, 2013 (as amended) ('the Act') and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (as amended) ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (including erstwhile regulation);
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:- Not Applicable during the period under review

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client ;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ;

(vi) The Management has identified and confirmed the following law(s) as being specifically applicable to the Company:

- 1) Electricity Act, 2003 and rules and regulations made there under;
- 2) The Boilers Act, 1923
- 3) Electricity Safety Act, 1998
- 4) Factories Act, 1948
- 5) Pollution Prevention & Control Act, 1999
- 6) Fire Safety Act, 1986

**I have also examined compliance with the applicable clauses/Regulations of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent of Regulation 24, Since Company is a material subsidiary of a Listed Company.

During the period under review the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

Compliance of applicable financial laws including Direct and Indirect Tax laws by the company has not been reviewed in this audit and the same has been subject to review by the Statutory Auditors and other designated professionals.

Based on the Information provided by the company, its officers and authorised representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliance of provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- a) *During the period under review, Office of Managing Director (KMP) Mr. Amrendra Prasad Singh (DIN-03512958) is vacated due to efflux of time with effect from 25th January, 2021. From the date of vacation of office of Managing Director till 31st March, 2021 the company did not have Managing Director or Chief executive officer or manager or whole time Director in terms of Section 203(1) of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.*

However, Nomination And Remuneration Committee (NRC) in its meeting held on 1st December, 2020 recommended the re-appointment of Managing Director, Mr. Amrendra Prasad Singh (DIN- 03512958) for a further period of 3 (three) years w.e.f 25th January, 2021.

In terms of section 203(4) of the Companies Act, 2013, the Board of Directors of the company has power to fill such vacancy i.e. vacancy caused in the office of whole-time key managerial personnel within a period of six months from the date of such vacancy.

Adequate notice is given to all directors to schedule the Board/ Committee Meetings. Agenda and detailed notes on agenda were sent generally at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Section 149(8) of Companies Act, 2013 read with schedule IV requires all Independent directors to meet at least once in a year. One such meeting was held on 17th March, 2021.

Majority decisions were carried through, while the dissenting member's views, if any, are captured and recorded as part of the minutes

I further report that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with my letter of even date which is annexed as Annexure 1 and form an integral part of this Report.

For LATH DEEPAK & ASSOCIATES  
Company Secretary

DEEPAK KUMAR LATH

C.P. No. 3644. FCS No.5309

UDIN: F005309C000551239

Date: 30/06/2021

Place: New Delhi

**Note:**

1. This report is to be read with my letter of even date which is annexed as ANNEXURE-I and forms an integral part of this report.
2. This report is based only on Secretarial information provided to us during the course of audit.
3. Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.
4. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been compiled by the Company up to the date of this Report pertaining to Financial Year 2020-2021. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.

To,  
The Members,  
Simbhaoli Power Private Limited  
Kothi No. 1,  
Power Division Compound  
Simbhaoli, UP-245207

Our Secretarial Audit Report for the financial year 31st March, 2021 is to be read along with this letter.

**Management's Responsibility.**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For LATH DEEPAK & ASSOCIATES  
Company Secretary

DEEPAK KUMAR LATH)

C.P. No. 3644. FCS No.5309

Date: 30/06/2021

Place: New Delhi

**ANNEXURE - 2**
**FORM NO. AOC-2**
**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	NA

2. Details of materials contracts or arrangements or transactions at arm's length basis.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Simbhaoli Power Private Limited - Subsidiary
b)	Nature of contracts/arrangements/transaction	A. Sale of finished goods B. Expenses paid C. Expenses Recovered D. Management Service Agreement
c)	Duration of the contracts/arrangements/transaction	Long Term
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	A. ₹ 813.03 Lakhs B. ₹ 1314.07 Lakhs C. ₹ 6.39 Lakhs D. ₹ NIL
e)	Date of approval by the Board	A. January 14, 2013 B. January 14, 2013 C. January 14, 2013 D. January 14, 2013
f)	Amount paid as advances, if any	-

**Annexure-3**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

- (a) Energy conservation measures taken

- Mill-4th TRPF Roller to be converted in TUFRR roller.
- Modification of Pharma centrifugal machines ,750kg, by ABB make DCS 800 DC drive along with PLC and HMI. At the place of ABB make DCS 400 DC drive and Nexgen 4000 PLC and HMI. to reduce breakdown and maintenance cost.
- Rearrangement of Existing juice heaters to reduce pressure drop in Defecated Juice heating to increase crush rate.
- Replacement and modification of wornout disc of B top xlrto improve B massecuite cooling results in improved efficiency.
- Auto feed control valves at 04 continuous centrifugals to improve efficiency and to reduce breakdown.
- Modification of process house pumps in to hydrodynamic type to prevent leakages.
- Various measures taken to Recycle Reuse and Reduce hot/cold water used in the process.
- Installation of hot and cold water flow meters at different stations to optimize the water consumption and reduction of bore-well water.
- Installation of Power capacitor bank to improve power factors.
- Partial replacement of Membrane of Brine recovery system to improve salt recovery.

- (b) Additional investments and proposals for reduction of consumption of energy

- Activities are regularly being pursued on continuous basis for reducing the steam and power consumption in all three sugar and alcohol plants.
- Further, Steam saving is planned at all the distillery units with the replacement of high pressure steam / incineration boiler.

- (c) Impact of above measures

The above measures have reduced the steam and power consumption at all the sugar units and have increased bagasse saving in all the units. The saved bagasse at SSD and CSD are being supplied to Simbhaoli Power Private Limited for conversion into power. Bagasse saved at BSD is utilized for off season consumption in distillery division.

Over a period of time the quality of water discharged from ETP has improved significantly and there have been reduction in effluent generation in all units. Fresh water consumption has been reduced and water as a resource is being used judiciously.

**TECHNOLOGY ABSORPTION, ADAPTATION AND RESEARCH AND DEVELOPMENT**
**1. Efforts made**

Efforts made and steps taken in the previous years towards technology absorption, adaptation and innovations were continued during the year.

**2. Benefits**

The benefits derived in the form of cost reduction and the improvement in the quality of the product continued to be available to the Company.

**3. Particulars of technologies imported during the last five years**

Not applicable

Disclosure of particulars with respect to technology absorption for the year ended March 31, 2021.

**I. Specific areas in which research and development carried out by the Company**

- Modifications at mills to convert TRPF in TURF roller to increase extraction from Mills.
- Efficiency of pumps is improved by installation of VFDs which minimised the running load.
- Substantial reduction in man heads by adding various control loops in plant like level control at Melt



concentrator, auto control system at syrup tanks, auto-control valves in juice heating, auto-weighing system in pharma-section and smart weighing for sugarcane etc.

- 4) Recycling of cold and hot water to reduce effluent and consumption of bore-well water.

## II Benefit derived

- (i) Power consumption reduced significantly.  
(ii) The saved bagasse will be helpful for Simbhaoli Power Private Limited to run the plant in off season.

## III. Future plan of action

Efforts will be made to enlarge these activities/capacities in future.

Form of Disclosure of particulars with respect to conservation of energy for the year ended 31st March, 2021

### A. Power and fuel consumption

S.No	Particulars	Unit	Year ending March 31, 2021	Year ending March 31, 2020
1	<b>Electricity Purchased</b>			
	Units	Kwh ('000)	4774	3544
	Total Amount	₹ Lakhs	174.46	166.96
	Rate/Unit	₹/Kwh	3.65	4.71
	<b>Own Generation</b>			
	<b>(i) Through diesel generator</b>			
	Units	Kwh ('000)	1453	1649
	Unit per ltr. of diesel oil	Kwh	3.22	3.55
	Total Amount	₹ Lakhs	299.30	294.44
	Cost/Unit	₹/Kwh	20.61	17.86
	<b>(ii) Through steam turbine</b>			
	Units	Kwh ('000)	78300	94628
	Units per ltr. of fuel/gas	Kwh	N.A.	N.A.
	Total Amount	₹ in lakhs	1166.07	1495.38
Cost/Unit	₹/Kwh	1.51	1.58	
2	<b>Coal/Coke</b>			
	Quantity	Tonnes	Nil	Nil
	Total Cost	₹ Lakhs	Nil	Nil
Average Rate	₹/MT	N.A.	N.A.	
3	<b>Furnace Oil/L.D.O</b>			
	Quantity	Kilo Ltrs.	Nil	Nil
	Total Cost	₹ Lakhs	Nil	Nil
Average Rate	₹/K Ltrs	N.A.	N.A.	
4	<b>Others</b>			
	<b>Fire Wood</b>			
	Quantity	Tonnes	Nil	Nil
	Total Cost	₹ in Lakhs	Nil	Nil
	Average Rate	₹/MT	N.A.	N.A.
	<b>Bagasse/Husk (Purchased)</b>			
	Quantity	Tonnes	26261	22701
Total Cost	₹ Lakhs	681.63	663.16	
Average Rate	₹/MT	2596	2921	

### B. Consumption per MT of Sugar Production

S.No	Particulars	Unit	Year ending March 31, 2021	Year ending March 31, 2020
1	Electricity	Kwh	405	336
2	Coal/Coke	Tonnes	0.000	0.000
3	Fire Wood	Tonnes	0.000	0.000
4	Bagasse (Purchased)	Tonnes	0.000	0.000

### C. Consumption per K. Ltr. of Alcohol Production

S.No	Particulars	Unit	Year ending March 31, 2021	Year ending March 31, 2020
1	Electricity	Kwh	496	515
2	F.O./L.D.O	K.Ltrs.	0.000	0.000
3	Bagasse/Husk (Purchased)	Tonnes	0.925	0.796

## NOTES:

- For electricity generated through diesel generator, cost of the diesel has been considered.
- Since various types of fuel used are alternative to each other, no standard can be fixed for their consumption.
- Due to change in mix of fuel used, no comparison can be made with the earlier years.
- Cost of electricity generated through steam turbine has been arrived at after giving credit for the exhaust steam subsequently used in the manufacturing process.
- Costs have been given based on the records maintained as per Companies (Cost Records and Audit) Amendment Rules 2017, applicable to Sugar and Alcohol industry.

## Annexure - 4

### Information pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Median remuneration of all the employees of the Company for the Financial year 2020-21	₹24924 Per Month
The percentage increase in the median remuneration of employees in the Financial year 2020-21	5.98%
The number of permanent employees on the rolls of Company as on March 31, 2021*	1484

\*inclusive of the workers at the manufacturing units

### Ratio of the Remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year.

As the sugar industry is running into losses, there has been no substantial increase in the remuneration of the Directors/KMPs for the financial year 2020-21. Mr. Gurmit Singh Mann and Mr. Gural Singh are the non-executive directors of the Company and were not paid any remuneration or sitting fees during this year. The details of the remuneration paid to other directors and Key Managerial Personnel is given below:

Name of Director/KMP	Remuneration (₹ Lacs)	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2019-20
Ms. Gursimran Kaur Mann, Managing Director	119.94	41.14	Not Applicable
Mr. S N Misra, Chief Operating Officer	75.64	25.95	Not Applicable
Mr. Dayal Chand Popli, Chief Financial Officer	64.54	22.14	Not Applicable
Mr. Kamal Samtani, Company Secretary	26.54	9.10	Not Applicable

## Notes:

- The ratio of remuneration median remuneration is based on remuneration paid during the period April 01, 2020 to March 31, 2021.
- Remuneration is inclusive of arrears of previous year, if any.
- The independent directors are being paid only the sitting fees and the relevant disclosures are made in the Corporate Governance report forming part of this Annual Report.

### The explanation on the relationship between average increase in remuneration and Company performance;

Revenue from operations for the year 2020-21 is ₹1456.91 crore. Although, there is no direct relationship between remuneration

and Company performance as the remuneration is paid at par with the industrial norms for retention of employees with the Company.

**Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;**

There is no direct relationship between remuneration of KMPs and Company-performance as the remuneration is paid within industry norms for retention of KMPs with the Company.

**Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies**

Market capitalization of the Company as on March 31, 2021 was as follows:

**Average percentile increases already made in the salaries of**  
(Fig in ₹ Crore)

Stock Exchange	2021	2020
NSE	29.31	17.54
BSE	30.58	16.09

**employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

There was no substantial increase on the remuneration of the employees during the year.

**Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;**

As aforementioned, the Company has been facing financial difficulties on account of mismatch in the sugar viz sugarcane pricing, as per the norms fixed by the State Government. With erosion of substantial part of the net-worth and increased dependency on the Government policy change, the Company has been suffering from the losses. In addition, the Company has been paying for retention of KMPs within the permissible limits and as far as possible to run the affairs if the Company.

**The key parameters for any variable component of remuneration availed by the directors;**

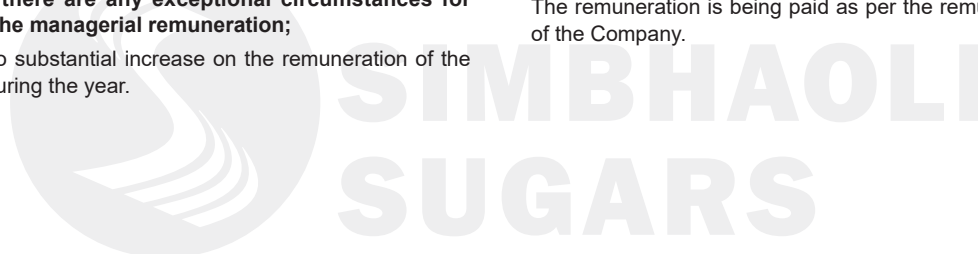
As per terms of employment, commission on net profit is the only variable component of remuneration to Whole Time Directors. On account of the continued losses there was no commission paid to any of the Directors.

**The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

None of the employees has been paid remuneration in excess of the highest paid Director during the year.

**Affirmation that the remuneration is as per the remuneration policy of the Company.**

The remuneration is being paid as per the remuneration policy of the Company.



**Annexure - 5**

**FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A" : Subsidiaries**

(Amount ₹ in Lacs)

S. No	Particulars	Details		
		Integrated Casetech Consultants Pvt Ltd	Simbhaoli Power Private Limited*	Simbhaoli Speciality Sugars Private Limited
1.	Name of the subsidiary			
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
4.	Share capital	23.58	1086.00	1.90
5.	Reserves & surplus	291.44	14735.00	139.50
6.	Total assets	1396.55	35071.76	143.33
7.	Total Liabilities	1396.55	35071.76	143.33
8.	Investments	0.15	597.66	-
9.	Turnover	570.35	6440.56	-
10.	Profit/Loss before taxation	(78.90)	(430.77)	2.57
11.	Provision for taxation	(13.12)	-	(0.94)
12.	Profit/Loss after taxation	(92.02)	(430.77)	1.63
13.	Proposed Dividend	-	-	-
14.	% of shareholding	85.16	51	100

\* Figures for the year ended March 31, 2021 have not been incorporated for the reasons as mentioned in the Board Report.

Note: Simbhaoli Global Commodities DMCC, a wholly owned subsidiary closed in the year ended March 31, 2021

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

S. No	Name of Associates/Joint Ventures	Uniworld Sugars Private Limited*
1	Latest audited Balance Sheet Date	31.03.2018
2	Shares of Associate/Joint Ventures held by the company on the year end	29011770
3	Amount of Investment in Associates/Joint Venture (in ₹ lacs)	Nil
4	Extend of Holding %	21.37%
5.	Description of how there is significant influence	Company along with its affiliates holds 25.15% shares
6.	Reason why the associate/joint venture is not consolidated	N.A.
7.	Net worth attributable to shareholding as per latest audited Balance Sheet (in ₹ lacs)	N.A.
8.	Profit/Loss for the year (in ₹ lacs)	N.A.

**ANNEXURE - 6**
**Observation of the Statutory Auditors on the annual financial statements for the year ended March 31, 2021**

S. No.	Details of Audit Qualification	Type	Frequency	Impact	Auditors' Comments
1	The Group has not consolidated the financial statements of its material subsidiary viz Simbhaoli Private Limited (SPPL) for financial year 2020-21, 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 Company. Had the result of subsidiary have consolidated, many elements in the accompanying consolidated financial results would have been materially affected. The effects on the financial results due to the failure to consolidate have not been determined.	Adverse	First time	The annual standalone financial statements for the year ended for March 31, 2021 have not been submitted by the management of SPPL for the purpose of consolidation. Hence the impact of non-consolidation of transactions of SPPL for the year could not be ascertained by the Holding company.	Since, the Group has not consolidated the financial statements of its material subsidiary viz Simbhaoli Private Limited (SPPL) for financial year 2020-21 and we are unable to comment on these financial statements due to non consolidation of aforesaid subsidiary company.
2	SPPL has recorded revenue from operations for the period April to September, 2019 at or basis pre CRE Regulation 2019 Tariff Rate instead at the reduced tariff as per CRE Resolution 2019. As per SPPL's computation, as reviewed by the statutory auditors of SPPL, shows that revenue from operations for the year ended March 31, 2020 would have been lower by ₹ 683 Lakhs, if accounted for at or basis reduced tariff as per CRE Regulations 2019. The Statutory Auditor of SPPL had reported this under Emphasis of Matter section in its audit report on the account of SPPL for the year ended March 31, 2020.	Not- modified	Second Time	SPPL's computation, as reviewed by the statutory auditors of SPPL, shows that revenue from operations for the year ended March 31, 2020 would have been lower by ₹ 683 Lakhs, if accounted for at or basis reduced tariff.	Not Applicable
3	Non provisions for impairment in the carrying value of Property, Plant and Equipments. Auditors were not made available of appropriate impairment assessment carried out by the management and accordingly, they 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.	Qualified	Second Time	The impact of COVID 19 as well as negative outlook of sugar sector on the carrying amount of its Property, Plant and Equipment's and consequential impairment could not be ascertained and provided for due to non- availability of requisite information on account of lockdown restrictions.	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.
4	Non-provision of interest expense amounting ₹ 4,295 Lacs and ₹ 15,461 Lacs (Previous year ₹13,146 Lacs) on certain borrowings for the quarter and year ended March 31, 2021 respectively for the reasons stated in the note no.3.. Consequently, the Finance cost for the quarter and year has been understated; Net Profit after tax and total other comprehensive income for the quarter has been overstated; Net Loss and Total Comprehensive Income for the year has been understated by the aforesaid respective amounts. The aggregate amount of interest expense not provided for in the accounts aggregates to ₹52,916 Lakhs till March 31, 2021 (₹ 37,454 Lakhs till March 31, 2020). Consequently, Current Financial Liabilities are understated and other equity as at March 31, 2021 and March 31, 2020 are overstated by the aforesaid respective amounts.	Qualified	Fourth Time	The Company has submitted comprehensive debt resolution proposal by way of One Time Settlement (OTS) to all its commercial lenders against their entire outstanding and waiver of unpaid interest. Accordingly, interest expense is not being recognised in the books of accounts. Accounts being NPA, banks are also not charging interest in our accounts.	Not Applicable
5	Non- provision of interest liability in respect of delayed payment of sugarcane price. The amount of interest not provided for in the books has not been ascertained.	Qualified	Third Time	Considering that no notice of demand has been served upon the Company and the amount has not been ascertained, no provision has been made in this regards. Based on the past industry practices, the management is confident that no interest liability will arise for these period.	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.

# CORPORATE GOVERNANCE REPORT

## [Pursuant to Schedule V part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Corporate Governance philosophy of the Company is not only to adhere to the statutory requirements in letter but also in spirit in order to enhance and retain investors' trust. The Company is conscious and continues to voluntarily formulate and comply with the best governance principles to ensure creation of long term value for its stakeholders on sustainable basis. The Company relentlessly strive to align its vision and business strategy with the welfare and best interest of all stakeholders. The Company strongly believes that a good governance practice build a foundation of trust and confidence which in turn attracts and retains financial and human capital. These resources, in turn, are leveraged to maximize long-term shareholders value, while preserving the interests of multiple stakeholders. In this regard, the Company selects and supervises the senior management, who are responsible for conducting the business of the Company, in a manner, which promotes the basic governing principles of the organization.

The Board of Directors has established corporate governance guidelines through various policies, codes and mechanism which provide a framework for an effective governance system of the Company as developed over more than eight decades. The policies lay down the principles so that the interest of all the stakeholders is taken care with adequate disclosure. The Board regularly monitors and reviews the Company's governance standards and makes changes from time to time whenever needed. Over the years, the Company has redesigned its strategies for sustainable business growth with internal and external expertise. As a business philosophy, these practices are being pursued in all the spheres of operations, to protect the interests of all the stakeholders of the Company and the society.

### BOARD OF DIRECTORS

#### Composition and category

The Board has an optimum combination of Executive and Non-Executive Independent Directors. As on March 31, 2021, the Board of Directors of the Company ('Board') consists of 10 (ten) directors; out of which 5 (five) belong to the non-independent category and 5 (five) are independent directors. The Chairperson belongs to the promoters' category. The composition of the Board of Directors is governed under the provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations'), as amended from time to time. The composition of the Board and the number of other directorship(s) and committee membership/ chairmanship(s) held by the directors as on March 31, 2021 are as follows:

S. No	Name of Director & Category	Shares held in the Company	No. of other Directorships* in other companies	No. of committee** position held in other companies		Names of the other listed entities where the person is a director and the category of directorship
				Member	Chairman	
<b>Directors</b>						
1	Mr. Gurmit Singh Mann Chairperson DIN: 00066653	4,726,154	5	-	-	N/A
2	Ms. Gursimran Kaur Mann DIN: 00642094	4,186,672	6	-	-	N/A

S. No	Name of Director & Category	Shares held in the Company	No. of other Directorships* in other companies	No. of committee** position held in other companies		Names of the other listed entities where the person is a director and the category of directorship
				Member	Chairman	
3	Mr. Guralp Singh DIN: 00064807	2,402,770	6	1	-	N/A
4	Mr. Sanjay Tapriya*** DIN: 00064703	Nil	5	-	-	1
5	Mr. S.N. Misra DIN: 06714324	1,521	1	-	-	N/A
<b>Independent Directors</b>						
6	Mr. Aseem Sehgal# DIN: 00058198	NIL	2	-	-	N/A
7	Justice (Retd) C K Mahajan**** DIN: 00039060	422	1	2	-	1
9	Mr. H P Kain DIN: 08277248	Nil	1	1	-	N/A
9	Mr. AtulMahindru DIN:08624563	Nil	-	-	-	N/A
10	Mr. Shyam Sunder DIN: 08676856	Nil	-	1	-	N/A

\*Other directorships exclude foreign companies, private limited companies and alternate directorships.

\*\*Only membership in Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committees has been reckoned for committee memberships in other companies.

\*\*\* Mr. Sanjay Tapriya is non-executive Independent Director of CL Educate Limited.

\*\*\*\* Justice (Retd) C K Mahajan is non-executive Independent Director of B L Kashyap and Sons Limited.

#Appointed as Additional Director (Independent) w.e.f. February 23, 2021

### The Broad profile of the key functional directors/Key Managerial Personnel's and Senior Grade Employees

The Company has the following key functional directors and key managerial personnel:

1. *Mr. Gurmit Singh Mann, has been the Chairperson of the Company for past several decades. Mr. Mann has vast industry experience of over 54 years. He became the Managing Director of the Company in 1972 and CMD in the year of 1989. In year 2013, he became the Executive Chairman with the change in the management structure of the Erstwhile Simbhaoli Sugars Limited. He has exemplary knowledge on the sugar and alcohol products and has immense communication skills. He has been widely travelling in India as well as abroad and possesses good knowledge about the sugarcane rich geographical area.*
2. *Ms. Gursimran Kaur Mann, Managing Director of the Company is a graduate in Economics and Political science from USA and has an MBA from London Business School. She has previously interned at Nestle India, Cargill Geneva, and ED&F Man Brazil. She has been discharging the key role as head of Simbhaoli's commercial, marketing, trading, legal, operations, domestic and international sales and trading business and all other operations along with the Company's joint venture businesses.*
3. *Mr. Guralp Singh, Director of the Company is a graduate in economics and has around 33 years of experience in the management of the various functional areas of the Company. He has been taking care of the overall external supervisory function and boundary management of the Company.*

4. *Mr. Sanjay Tapriya, Director of the Company is a commerce graduate and the fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He joined as the Company Secretary in 1986 and thereafter inducted to the Board of the Company as functional Director-Finance (CFO) in 2003. During his association, a number of developments have taken place and their successful implementation has been the key factor for the growth of the Company. He has been upgraded to the position of Chief Executive Officer of Uniworld Sugars Private Limited, a joint venture Company with ED&F Man Sugar Ltd, UK and SSL in the year 2013.*
5. *Mr. S N Misra, Whole Time Director and Chief Operating Officer of the Company is a Science Graduate from Gorakhpur University, A.N.S.I. from National Sugar Institute, Kanpur. He has worked in Simbhaoli Sugars Limited (SSL) for about 24 years. He is designated as the Whole Time Director and Chief Operative Officer (COO) and responsible for the operations of the business units, technical supervision, sugarcane management, implementation and achieving business plan and operational policies, meeting statutory compliances at all the manufacturing units of the Company.*
6. *Mr. Dayal Chand Popli, Chief Financial Officer (CFO) of the Company is a commerce graduate and the fellow member of the Institute of Cost Accountants of India. He holds a good track record in the fields of accountancy, taxation, costing and other professional services. He has over 32 years of experience in various accounts related areas. Previously, he has also worked in the Companies like Hero group, Nestle India, DCM Shriram Industries, Mawana Sugars, in accounts, costing and finance department.*
7. *Mr. Kamal Samtani, Company Secretary (CS) of the Company is a Science graduate and fellow member of the Institute of Company Secretaries of India. He is also an associate member of the Insurance Institute of India in general insurance branch. He started his carrier as management trainee in LML Limited and then joined Lloyd group. He joined Simbhaoli Sugars in January 2005. During the association with Company, he has undertaken various capital raising issues including Rights Issue, FCCBs, Convertible Warrants, ESOPs and other functions in the areas of Joint Venture, HIVE-Off/Amalgamation and Corporate Legal Functions etc.*

#### **Pecuniary relationship and transactions with non-independent directors**

During the year, there has not been any material pecuniary relationship and transaction between the non-independent directors and the Company.

#### **Appointment of Independent Directors**

All independent directors have immense experience, specialized qualifications and possess the expert knowledge in the respective areas. The Independent directors are not liable to retire by rotation. None of the directors are members of more than ten committees or chairperson of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and interests and have been taken on record by the Board.

Pursuant to Section 149 read with Schedule IV and other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, Mr. Aseem Sehgal (DIN- 08202621), was appointed as the Independent Director to the Board of the Company to hold office for a period of 5 (five) consecutive years w.e.f February 23, 2021. The Board of Directors have confirmed that in the opinion of the Board, the independent directors fulfill the conditions specified in the Listing regulations and are independent of the management. The details of appointment and cessation during this year is given elsewhere forming part of this Report.

#### **Familiarization Program for Independent Directors**

The Independent Directors inducted on the Board are provided with an orientation through a formal familiarization program. These programs include presentations on the business structure and performance of the Company, the nature of industry and its dynamism, products, group structure and subsidiaries, the roles, responsibilities, and liabilities of Independent Directors etc. Further, business updates, legal updates and major risks related to industry and risk management strategies are being made available to the Independent Directors, especially to the audit committee members on an ongoing basis, by the Company officials, statutory and internal auditors, on a quarterly basis.

The details of Familiarization program of the independent director can be found on the Company's website <https://www.simbhaolisugars.com>

The details of Independent Directors comprising of brief profile, nature of expertise, and shareholding are given below:

Name of the Directors	Mr. Aseem Sehgal	Justice (Retd) C K Mahajan	Mr. H P Kain	Mr. Atul Mahindru	Mr. Shyam Sunder
Date of Birth	Jan 29, 1988	May 31, 1943	Aug 3, 1952	Jan 30, 1963	Jan 12, 1960
Date of Appointment	Feb 23, 2021	Nov 09, 2015	Nov 14, 2018	Nov 28, 2019	Feb 13, 2020
Qualificaton	MBA, CS	M.A. LL.B	IRS	B.Com. LLB	Practicing CA
Expertise	Mr. Sehgal, is having experience of more than 12 years in finance, corporate laws ERP etc. He was previously associated with Bharti Airtel in finance and supply chain function and headed the ERP function in Godrej & Boyce Manufacturing Company. He is associated as Non-Executive Director of Global Stones Private Limited, Fliegen India Private Limited. At Present, he is working as Company Secretary of Capricorn Distillery Private Limited.	Justice Mahajan is a retired Judge of the Delhi High Court and has vast experience in law and justice. He has also been appointed as Chairperson/ President of various Committees and act as Arbitrator in several matters.	Mr. Kain is a retired IRS (Income Tax). He has also worked as SDM in the districts of Rampur & Unnao in UP State, Under Secretary in the Ministry of Finance (CEIB), Regional Director (North), Staff Selection Commission, CPIO under RTI Act etc.	Shri AtulMahindru is B. Com, LL.B and has been practicing as Advocate based in Dharamsala, Himachal Pradesh. He has been dealing in all types of cases such as Civil/ Revenue, Criminal etc. Further, he is defending cases of State Bank of India, HP Housing Board (Now known as HIMUDA), Cantonment Board and HP Civil Supply Corporation. He has the experience of around 30 years in legal profession	Mr. Shyam Sunder is Practicing Chartered Accountant since 1991. He started practice as Proprietorship Firm and later on associated with M/s Parikh & Jain, Chartered Accountants, Kanpur, established in 1970, and conducted the Statutory Audit of Banks, PSUs, Companies and State Governments Corporations. He has been appointed as Central Statutory Auditor of UCO bank, Punjab National Bank and Allahabad Bank including Branches / Concurrent Auditor of SBI, Bank of Baroda and other banks. Presently, he is partner of M/s Bhuvanesh & Shyam, Chartered Accountants, in Kanpur providing Audit and Assurance services, and Advisory in Direct and Indirect Taxes.
Shareholding of Directors in the Company (No. of shares)	Nil	422	Nil	Nil	Nil

## BOARD PROCEDURES

### Board Meetings and Attendance

There have been 5 Board meetings of the Company during the year, details of which are provided hereunder:

Dates of Board Meeting	Board Strength	Directors Present
June 27, 2020	10	8
July 30, 2020	10	9
September 04, 2020	9	9
November 12, 2020	9	8
February 12, 2021	9	9

The attendance of the directors at these meetings and at the last annual general meeting was as follows:

Name of the Directors	No. of Board Meetings Attended	Attendance at the last AGM held on Dec. 21, 2020
Mr. Gurmit Singh Mann	5	Yes
Ms. Gursimran Kaur Mann	5	Yes
Mr. Gurpal Singh	5	Yes
Mr. Sanjay Tapiya	4	Yes
Mr. S N Misra	4	Yes
Mr. S K Ganguli*	0	NA
Justice (Retd) C K Mahajan	5	No
Mr. H P Kain	5	Yes
Mr. Atul Mahindru	5	No
Mr. Shyam Sunder	6	N/A
Mr. Aseem Sehgal**	0	No

\*Demise on August 23, 2020

\*\* Appointed as an Additional Director (Independent) w.e.f February 23, 2021

Mr. H.P. Kain, Chairperson Audit Committee and Stakeholder's Committee was present in the AGM to attend the queries of the members.

### Information to Board

The important matters related to the operations of the Company, its business plans, financial affairs and results, indebtedness issues, legal and governance issues, growth strategies, restructuring plans, senior personnel appointments periodical financial and operational results, capital expenditure, sale and acquisition of assets, capital budget, business plans, mortgages, guarantees and loans, analysis of operations, major litigations, feedback reports, minutes of committee meetings, minutes/ transactions of subsidiary companies, staff related matters, labour relationship, accidents/mishaps, information technology, strategies, insider trading compliances, and general notices of interest of directors and KMPs etc. are placed before the Board regularly and Board is authorized to approve them, and take decision in this regard. The Company management has been disclosing to the Board regarding these matters in the manner as may be applicable to the Company by law, or as directed by the Board, from time to time.

### BOARD COMMITTEES

Board of directors has constituted the following committees and each committee has specific terms of reference. The Company Secretary acts as the Secretary to all the committees. The Board has four mandatory committees:

- Audit Committee,
- Nomination and Remuneration Committee,
- Stakeholders Relationship Committee, and
- Corporate Social Responsibility Committee

### I. Audit Committee

The Audit Committee of the Board of Directors of the Company is constituted in line with the provisions of the Act read with the Listing Regulations. The Audit Committee comprises of two non-executive independent directors and one executive director. Mr. H P Kain, Independent Director acts as the Chairperson of the Committee. The other directors and the statutory and internal auditors of the Company are the regular invitees to the meetings of the Audit Committee. The Committee also reviews the observations of the Internal and Statutory Auditors, along with the comments and action taken thereon by the Management. The details of committee meetings during the financial year are as follows:

Name of Member	Meetings Held	Meetings Attended
Mr. H P Kain	5	5
Mr. S K Ganguli*	2	0
Mr. S N Misra	5	5
Mr. Shyam Sunder	5	5

\*Demise on August 23, 2020

All the members of the Committee have sound knowledge in the fields of finance and accounts. The role and terms of reference of audit committee covers all the areas as prescribed under Section 177 of the Act read with provisions of Regulation 18 and Part C of Schedule II of the Listing Regulations. Further, the terms of reference of the scope of Audit Committee, are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information;
- Recommendation for appointment, remuneration and terms of appointment of auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon;
- Matters included in the director's responsibility statement;
- Reviewing, with the management, the quarterly financial results;
- Reviewing the transactions with related parties;
- Review of inter-corporate loans and investments;
- Compliance with listing and other legal requirements concerning financial statements/results;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management system along-with verification of the adequacy of internal control system;
- Reviewing, with the management, the completion of the audit along-with the duties discharged by the statutory and internal auditors;
- Review the functioning of the whistle blower mechanism;
- Reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments existing as on the date of coming into force of this provision;

xiv. To consider and approve all related party transactions of the Company and provide omnibus approval wherever required in accordance with Company's Policy on materiality; xv. To review compliance with the provisions of Insider Trading Regulations at least once in a financial year and shall verify that the system for internal control is adequate and operating effectively;

xvi. Carrying out any other functions as prescribed by the Board from time to time.

## II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted under the provisions of Section 178 of the Act and rules made thereunder read with Regulation 19 and Part D of Schedule II of the Listing Regulations. It comprises of three directors; out of which two are independent directors. Mr. H P Kain acts as the Chairperson of the Committee. The objective of this Committee is to lay down a framework in relation to remuneration to the Directors and Key Managerial Personnel. The Committee recommends to the Board the terms and conditions of their respective appointment comprising of the formulation of the criteria for determining qualifications, positive attributes and independence, policies relating to the remuneration, role, responsibilities and other terms; continuing evaluation process and the grievances, if any, raised by such persons and take steps as considered necessary; seek such reports and compliances and also consider their removal, if required in the interest of the Company. The performance evaluation was carried out by the Committee as per the criteria framed by it. The criteria framed by Nomination and Remuneration Committee was also duly adopted by the Board. During the year one meeting of Nomination and Remuneration Committee was held on July 30, 2020. The details of committee meetings held during the financial year and attended by the members are as follows:

Name of the Member	Meetings Held	Meetings Attended
Mr. H P Kain	1	1
Mr. S K Ganguli	1	0
Mr. Gurmit Singh Mann	1	0
Mr. Shyam Sunder	1	1

## III. Stakeholders Relationship Committee

The Board has constituted Stakeholders Relationship Committee under the provisions of Section 178 of the Act and rules made thereunder read with Regulation 20 and Part D of Schedule II of the Listing Regulations. It comprises of three non-executive independent directors. Mr. S K Ganguli acts as the Chairperson of the Committee. The Committee deals with redressal of the shareholders' grievances relating but not limiting to transfer of shares, non-receipt of annual reports, change of addresses, non-receipt of dividend etc. During the year no meeting of Stakeholder's Relationship Committee was held. The details of Committee meetings during the financial year are as follows:

Member	Meetings Held	Meetings Attended
Mr. S K Ganguli*	4	0
Mr. H P Kain	4	4
Mr. Sanjay Tapriya	4	3

\*Demise August 23, 2020

During the year, no investor complaint was received and same was duly redressed. There was no pending complaint as on March 31, 2021.

## IV. Corporate Social Responsibility Committee

The Board of Directors have constituted CSR Committee under

the provisions of Section 135 of the Act and the Rules framed there under, comprising of four directors. Mr. H P Kain acts as the Chairperson of the Committee. The terms of reference of this Committee include the formulation and recommendation to the Board, the plans for CSR activities, amount of expenditure to be incurred; and monitor the implementation of the CSR Policy of the Company.

Since, the Company has been incurring losses, no meeting of this Committee was held during the year. However, the Company has been regular to take CSR initiatives in the vicinity of the sugar complexes to uplift the standards of people residing in rural areas. The constitution of the Committee is as follows:

Member	Designation in the Committee
Mr. H.P. Kain*	Chairperson
Ms. Gursimran Kaur Mann	Member
Mr. Sanjay Tapriya	Member
Mr. S N Misra	Member
Mr. Dayal Chand Popli	Member

\*Mr. H.P. Kain was appointed as Chairperson of the Committee w.e.f June 27, 2020.

## Meeting of Independent Directors

During the year under review, two meetings of the Independent Directors of the Company were held on June 27, 2020 and March 17, 2021 with regard to financial year 2019-20 and Financial Year 2020-21 respectively. The details of the evaluation have been mentioned elsewhere forming part of the Report.

## Remuneration policy as applicable to the directors

The remuneration policy as adopted by the Company and applicable to the directors provides for the following:

The directors in employment are paid remuneration as per their respective terms as approved by the Board of Directors and the members of the Company in accordance with the provisions of the Act. No sitting fee is payable to them.

(In ₹ Lacs)

S. No.	Particulars of Remuneration Name	Total Amount
1.	Mr. Aseem Sehgal	-
2.	Justice (Retd) C K Mahajan	0.25
3.	Mr. H P Kain	2.10
4.	Mr. Atul Mahindru@	0.25
5.	Mr. Shyam Sunder#	0.40
<b>Total Remuneration</b>		<b>5.85</b>

\* Meeting fee revised w.e.f. Feb 15, 2019 as: Board Meeting ₹ 25,000, Audit Committee and Independent Directors meeting ₹ 15,000, Nomination and Remuneration Committee and Security Allotment Committee meeting ₹ 10,000.

@ Appointed as an Additional Director (Independent) w.e.f February 23, 2021

# Appointed as Additional Director (Independent) w.e.f. November 28, 2019

Appointed as Additional Director (Independent) w.e.f. February 13, 2020

The details of remuneration paid to the Managing Director, Whole Time Director is given under Note No. 10 of the Financial Statements.

No remuneration is being paid to the independent directors. However, the Company has been paying the sitting fees of ₹25,000/15,000/10,000 per meeting to attend meetings of Board/ Audit Committee/Nomination and Remuneration Committee respectively plus reimbursement of the travelling expenses incurred by the Independent Directors for attending the meetings.

During the year, the sitting fees as accrued to Independent Directors is given elsewhere forming part of this Report. No equity shares and/or convertible securities were issued to the executive/ non-executive directors.



### Disclosure of payment of remuneration to whole time directors under Part II of section II (B) of Schedule V to the Companies Act, 2013

Mr. Gurmit Singh Mann, Chairperson, and Mr. Gurpal Singh, Director are non-executive promoter directors of the Company. Ms. Gursimran Kaur Mann, Managing Director belongs to the Promoters category.

Mr. S N Misra, is the Chief Operating Officer and whole-time director, occupying the position at professional capacity not forming part of Promoter category.

During the year, the aggregate remuneration paid to Ms. Mann and Mr. Misra was within the limits of Schedule V to the Act. The remuneration comprises of fixed components and there is no performance linked incentives criterion. No severance fee is payable to them. No stock option has been granted by the Company to the directors. The appointment is liable to be terminated on a notice of two/three months or payment of salary in lieu thereof.

#### Compliance officer

Mr. Kamal Samtani, the Company Secretary is also acting as the compliance officer of the Company.

### MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis report is made a part of report of directors.

### GENERAL MEETINGS

#### Annual General Meeting

The 10th annual general meeting for the year 2020-21, will be convened in due course of time after intimation to the members of the Company. The last three AGMs were held as follows:

AGM	Day and Date	Venue
7th	Thursday, 27-09-2018	Venue : Officers' Club, Sugar Mills Complex, at Simbhaoli - 245 207, Distt. Hapur, Uttar Pradesh
8th	Wednesday, 25-09-2019	
9th	Monday, 21-12-2020 (Through Video Conferencing)	

#### E-Voting/Poll: (Details of E-voting/Poll carried out at AGM/EGM)

In pursuance to the provisions of Section 108 of the Act read with Rules made there under, the Company shall be offering E-voting facility to its members to cast their vote electronically on all resolutions to be set forth in the Notice of AGM.

#### Special resolutions passed at the last three AGMs

AGM	Subject matter of special resolution
7th AGM held on 27-09-2018	No Special Resolution
8th AGM held on 25-09-2019	1) Continuation of appointment of Mr. Gurmit Singh Mann, as a Director of the Company, who has completed the age of 75 years. 2) Continuation of appointment of Mr. S K Ganguli, as an Independent Director of the Company, who has completed the age of 75 years. 3) Continuation of appointment of Justice (Retd) C K Mahajan, as an Independent Director of the Company, who has completed the age of 75 years.

	4) Appointment of Ms. Gursimran Kaur Mann as the Managing Director of the Company for a period starting from February 14, 2019 to August 1, 2020. 5) Appointment of Mr. S N Misra as the Chief Operating Officer and Whole Time Director of the Company for a period starting from February 14, 2019 to September 17, 2020.
9th AGM held on 21-12-2020	1) Appointment of Ms. Gursimran Kaur Mann as Managing Director of the Company. 2) Appointment of Mr. Sachchida Nand Misra as Whole Time Director of the Company. 3) Re-appointment of Justice (Retd.) Mr. C K Mahajan as Non-Executive Independent Director.

#### Postal Ballot

The Company had not conducted any Postal Ballot during the year and none of the businesses were proposed to be transacted in the ensuing AGM require passing a special resolution through postal ballot.

### SUBSIDIARY COMPANIES

The financials of the subsidiary companies have regularly been reviewed by the audit committee and the Board of the Simbhaoli Sugars Limited, the holding company. The minutes of the meetings of the Board of the unlisted subsidiary companies are placed before the Board Meeting of the holding company and taken on record by it. The holding company's Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies.

The Company has not disposed-off/reduced its shareholding in subsidiary companies during the year. The Company has also formulated a policy for determining the Material Subsidiary, which can be accessed at Company's website at below link

<https://www.simbhaolisugars.com/company-policies.php>

#### WHISTLE BLOWER POLICY

The Board has formulated a Whistle Blower Policy to provide a framework for promoting the responsible and secure vigil mechanism within the organization. It provides guidance and a intermediaries, who may raise a concern about irregularities and/or frauds and any other wrongful conduct, act or any omission or misrepresentation of facts, within the Company without fear of reprisal, discrimination or adverse employment consequences. During the year no personnel has been denied access to Audit Committee.

This Policy is also intended to enable the Company to address such disclosures or complaints by taking appropriate action, including, but not limited to disciplinary action that could include terminating the employment and/or services of those responsible including undertaking legal actions. During the year, no such complaint was received.

### DISCLOSURES

#### Related Party Transactions and their basis

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Regulations. There are no materially significant related party

transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc., which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. The particulars of contracts and arrangements with related parties referred to in section 188(1) and applicable rule of the Companies Act, 2013 in form AOC-2 forming part of this Report. However, the details of the transactions with related parties are provided in the Company's financial statements in accordance with the Accounting Standards as mandated under the provisions of the Act. The related party transactions are presented to the meetings of the Audit Committee and Board, for approval on regular basis. The web link for the Company's policy on related party transactions is as follows: <https://www.simbhaolisugars.com/companyolicies.php>

#### Disclosure of accounting treatment

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities and assets for defined benefit plans that are measured at fair value and less cost of sale wherever require.

#### Reconciliation of Share Capital Audit

The Reconciliation of Share Capital is being carried out by Practicing Company Secretaries to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital with the Stock Exchanges on quarterly basis.

#### Internal Control Compliances

With the changing environment and growth in the business, the Company is in process of review and strengthening its internal control procedures and compliance standards. The Company has designed a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally accepted accounting principles. The Company has been following the Internal Financial Control mechanism and documentation is regularly maintained for the purpose of audit. The Internal Financial Controls are adequate and effective, which implies orderly and efficient conduct of business, and prevention and detection of frauds and errors.

#### Code of Conduct

**For the Board of Directors and the Senior Management:** Pursuant to Regulation 17(5) of the Listing Regulations, the Board of Directors has laid down a 'Code of Conduct' for all the Board and Senior Management members. The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the Company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances.

The Company has issued code of conduct for its Board and senior management in compliance with Listing Regulations, with the stock exchanges, advising and cautioning management staff and other business associates on the procedure to be followed, while dealing in equity shares of the Company and have complied with the disclosure requirements. The Code of Conduct is available on the website of the Company.

Code of conduct for prevention of Insider Trading Practices:

In compliance with the Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated, adopted and implemented "Code of Conduct to regulate, monitor and reporting trading by Insiders" in the securities of the Company. Further, the Company has amended the policy as per the requirement of Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

#### Details of non-compliance

There were no instances of non-compliance of any matter related to the capital markets during the last three years. No penalties or strictures have been imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets.

#### Communication

The quarterly financial results of the Company are being sent to the stock exchanges immediately after their approval from the Board and also published in reputed national and regional newspapers. The Company provides comprehensive details of the operations of the Company, the financial results and other information on the Company's website ([www.simbhaolisugars.com](http://www.simbhaolisugars.com)).

All the policies of the Company are available at the link as mentioned below:

<http://www.simbhaolisugars.com/companyolicies.php>

#### Compliance Certificate of the Auditors

Certificate from the Company's Secretarial Auditors, M/s. Amit Gupta and Associates, confirming the compliance with conditions of corporate governance as stipulated under the Listing Regulations, is attached to this Report.

#### ISSUE PROCEEDS

Not Applicable, as during the year, the Company has not raised any funds towards the share capital from the public.

#### SHAREHOLDERS' INFORMATION

**Financial Year:** 12-month period starting April to the month of March of the subsequent year.

<b>BSE Limited,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. Tel: 91-22-22721233/34, Fax: 91-22-22721919 Website: <a href="http://www.bseindia.com">www.bseindia.com</a> Scrip Code: 539742	<b>National Stock Exchange of India Limited,</b> Exchange Plaza, Bandra Kurla Complex, Mumbai Tel : 91-22-26598100 Fax : 91-22-265988120 Website: <a href="http://www.nseindia.com">www.nseindia.com</a> Scrip code :SIMBHALS
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The annual Listing fee for the financial year 2021-22 has been paid to both the stock exchanges.

#### Depositories

National Securities Depository Limited, Trade World, 4th Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Tel: 91-22-24994200 Fax: 91-22-24972993/2497 Email <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a> Website : <a href="http://www.nsdl.co.in">www.nsdl.co.in</a>	Central Depository Services (India) Limited, A-Wing, 25th floor, NM Joshi Marg, Lower Parel (East), Mumbai – 400013 Tel: 91-22-2272333 Fax: 91-22-22723199 Email: <a href="mailto:investors@cdslindia.com">investors@cdslindia.com</a> Website: <a href="http://www.cdslindia.com">www.cdslindia.com</a>
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ISIN:Equity Shares-INE748T01016

## Stock Market Data

The details of high and low price of equity shares of the Company in comparison to broad based indices are as follows:

Month	BSE				NSE			
	Share Price (₹)		Sensex S&P		Share Price (₹)		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
Apr-20	5.99	4.50	33,887.25	27,500.79	6.70	4.45	11856.15	11549.10
May-20	5.39	5.59	32,845.48	29,968.45	5.65	4.85	12041.15	11108.30
Jun-20	5.40	8.48	35,706.55	32,348.10	8.65	5.45	12103.05	11625.10
Jul-20	7.01	7.87	38,617.03	34,927.20	7.90	6.20	11981.75	10999.40
Aug-20	6.40	9.39	40,010.17	36,911.23	9.35	6.00	11181.45	10637.15
Sep-20	8.05	8.90	39,359.51	36,495.98	9.10	6.10	11694.85	10670.25
Oct-20	6.40	6.79	41,048.05	38,410.20	7.25	5.95	11883.95	11090.15
Nov-20	5.77	6.50	44,825.37	39,334.92	6.45	5.50	12158.8	11823.20
Dec-20	5.89	9.45	47,896.97	44,118.10	9.45	5.80	12287.15	11832.30
Jan-21	7.66	8.74	50,184.01	46,160.46	8.80	6.55	12389.05	11929.60
Feb-21	6.84	7.56	52,516.76	46,433.65	7.45	6.40	12231.75	11175.05
Mar-21	7.10	8.71	51,821.84	48,236.35	8.85	6.40	11389.5	7511.10

## Distribution of share holding as at March 31, 2021:

Category	No. of Shareholders	% of no. of shareholders	No. of shares	% of capital
1 to 5000	11278	77.699	1788853	4.334
5001 to 10000	1458	10.045	1097929	2.660
10001 to 20000	818	5.636	1199140	2.905
20001 to 30000	268	1.846	674006	1.633
30001 to 40000	152	1.047	534003	1.294
40001 to 50000	116	0.799	534784	1.296
50001 to 100000	231	1.591	1685031	4.082
100001 and above	194	1.337	33765274	81.798
<b>Total</b>	<b>14515</b>	<b>100.00</b>	<b>41279020</b>	<b>100.00</b>

As on March 31, 2021, 4,07,45,946 Equity Shares of the Company constituting 98.70% of total equity capital were under demat categories with NSDL and CDSL.

## Shareholding Pattern as on March 31, 2021

### Equity Shares:

Category	No. of Shares held	% age
A: Indian Promoters	22015790	53.33
<b>Sub-Total (A)</b>	<b>22015790</b>	<b>53.33</b>
<b>B: Non – Promoters Holding:</b>		
Mutual Funds	1755	0.01
Foreign Institutional Investors (FII)	1	0.00
Financial Institutions and Banks	1170	0.00
Private Corporate Bodies	7731116	18.73
Indian Public (individuals)	11199070	27.13
NRIs/ OCBs	280444	0.68
Any other (Clearing Members and Trust)	49674	0.12
<b>Sub-Total (B)</b>	<b>19263230</b>	<b>46.67</b>
<b>Grand Total (A+B)</b>	<b>41279020</b>	<b>100</b>

## Share warrants/ESOP/Convertible Securities

During the year, there was no share warrants/ESOP issued to specified promoters were lapsed, the details given elsewhere forming part of the Report.

Commodity Price Risk or Foreign Exchange Risk and hedging activities:

The Company had no exposure to commodity and commodity risks for the financial year 2020-21. For details related to risk assessment and mitigation, please refer the "Management and

Discussion Analysis Report" which forms part of this Annual Report.

## LOCATION OF THE PLANTS AND OPERATING DIVISIONS

<b>Simbhaoli Complex</b>	Simbhaoli, District Hapur Uttar Pradesh - 245 207	Tel.No. +91 5731-23117/8/9 Tel.No. +91 5731-226410/11
<b>Chilwaria Complex</b>	Chilwaria, Distt. Bahraich, Uttar Pradesh - 271 801	Tel.No. +91 5252-244251/2
<b>Brijnathpur Complex</b>	Brijnathpur, District Hapur Uttar Pradesh - 245 101	Tel. No. +91 9837790990 Tel. No. +91 9917473169
<b>*Gandhidham Complex</b>	Village Versamedi, Tehsil Anjar, Gandhidham, District Bhuj -Kachchh, Gujarat -370201	Tel. No. +91 283-6294594

Any correspondence with units can be sent to [info@simbhaolisugars.com](mailto:info@simbhaolisugars.com)

## INVESTOR SERVICES

Quarterly/half yearly results are disclosed to Stock Exchanges and also published in daily newspapers viz., Business Standard (Hindi & English). As per the requirements of Regulation 46 of the Listing Regulations, the quarterly/half yearly results are displayed on the Company's website. The Company provides information to the Stock Exchanges as per the requirements of the Listing Regulations. No presentations were made to institutional investors/analysts. The Company has a designated e-mail address viz., [kamal@simbhaolisugars.com](mailto:kamal@simbhaolisugars.com), exclusively for investor servicing.

## Share Transfer System

Share transfer requests are affected/confirmed within period as prescribed under Listing Regulations through M/s Mas Services Limited, the Registrar and share transfer agent. Investor correspondence can be made at any of the following addresses:

- MAS Services Limited: T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020  
Phone No.: +91-11-26387281/82/83 E-mail: [info@masserv.com](mailto:info@masserv.com)
- Registered Office: Simbhaoli, District Hapur, Uttar Pradesh- 245 207  
Phone No. +91-5731-226411/223118 E-mail: [kamal@simbhaolisugars.com](mailto:kamal@simbhaolisugars.com)

## Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- Number of complaints filed during the financial year: Nil
- Number of complaints disposed of during the financial year: Nil
- Number of complaints pending as on end of the financial year: Nil

## Discretionary requirements as specified in Part E of Schedule II of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015:

- Maintaining Non-Executive Chairman's Office:** Not Applicable as the Chairman is a Promotor Director.
- Shareholder Rights:** The Company's quarterly and half yearly results are published in the newspapers and also uploaded on its website and in Stock Exchange websites. Therefore, no individual communications are sent to the shareholders in this regard.
- Modified opinion(s) in audit report:** The Auditors opinion on the consolidated financial statements is not modified in respect of the mentioned matters in the audit reports (Forming part of this Report)

### Non-mandatory requirements

Non-mandatory requirements of the Listing Regulations have been adopted by the Company to the extent they are in line with the nature of business activities of the Company.

### Nomination

The prescribed form for nomination can be obtained from the Company/Transfer agent. Nomination facility in respect of shares held in electronic form is also available with depository participant as per the bye-laws and business rules applicable to NSDL and CDSL.

### Unclaimed dividend and interest

There is no unclaimed dividend and interest outstanding at the end of the financial year. During the year no amount has been transferred to IEPF account.

### CEO AND CFO CERTIFICATION

Certificate from Chief Operating Officer and Chief Financial Officer of the Company on financial reporting and internal controls to the Board in terms of the Listing Regulations is annexed with this report. Certificate with regard to compliances of provisions of Companies Act, Listing Regulations and other corporate laws, as applicable to the Company are placed before the Board on quarterly basis.

**Fees paid by the Company or its subsidiaries to the Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part:**

The Company has fixed audit fee of ₹ 32.50 lacs per annum for the financial year 2021-22, excluding other professional charges for certification and the reimbursement of out of pocket expenses on actual basis, for payment to M/s Mittal Gupta & Co, the statutory auditors,. The audit fee is commensurate to the quantum of the audit procedures, to be carried out as per the norms, prevailing in the peer group listed entities in the sugar industry. The details of past audit fee are mentioned in the Financial Statements.

### Certification for Non Disqualification of Directors

A certificate from Practicing Company Secretary that none of the Directors have been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority during the year ended March 31, 2021 is annexed with this Report.

### Certificate on Compliance with Code of Conduct

Declaration signed by Chief Executive officer stating that the members of the Board of Directors senior management personnel have affirmed compliance with the Code of Conduct for the financial year 2020-21 is attached as annexure 3.

For and on behalf of Board of Directors  
of Simbhaoli Sugars Limited

**Surmit Singh Mann**  
Chairperson  
(DIN - 00066653)

Place : Dharamsala  
Date : June 30, 2021

### AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 15(2) OF SEBI (LODR) REGULATIONS, 2015

To,  
The Members,  
**SIMBHAOLI SUGARS LIMITED,**  
(CIN - L15122UP2011PLC044210)  
Simbhaoli, Hapur Road, Uttar Pradesh

- We have examined the compliance of conditions of Corporate Governance by Simbhaoli Sugars Limited ("the Company"), for the year ended on March 31, 2021, as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period April 01, 2020 to March 31, 2021.
- The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India. The procedures selected depend on the auditor's judgement, including the

assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria.

- In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2021, except: a) Regulation 17(1)b & 25(6) for delay of 91 days in filling of casual vacancy caused by death of an independent director, and b) Regulation 24(2) & 33(3)(b) for Accounts of subsidiary company Simbhaoli Power Private Limited not consolidated for the year financial year 2020-21.
- We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Amit Gupta & Associates**  
Company Secretaries  
**Amit Gupta**  
Proprietor  
Membership No. : F5478  
C.P. No. 4682  
UDIN - F005478C000561077

**Date: June 30, 2021**  
**Place: Lucknow**

## CEO/CFO CERTIFICATION

The Board of Directors  
Simbhaoli Sugars Limited  
Simbhaoli, District Hapur,  
Uttar Pradesh - 245 207

### Re: Certification by CEO/CFO for the Financial Year ended on March 31, 2021

We, S N Misra, Chief Operating Officer and Dayal Chand Popli, Chief Financial Officer of Simbhaoli Sugars Limited to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements comprising of the balance sheets as on March 31, 2021, profit and loss account, the cash flow statement and the boards' report for the year ended March 31, 2021 and based upon our knowledge and information confirm that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We accept responsibility for establishing and maintaining internal controls for financial reporting for the Company and we have:
  - (i) evaluated the effectiveness of the internal control systems of the Company,
  - (ii) disclosed to the auditors and the audit committee of the Board, deficiencies in the design or operation of internal controls, if any, of which we are aware, and
  - (iii) taken necessary steps or proposed to take to rectify these deficiencies.
- (c) We have indicated to auditors and the audit committee of the Board that there have been:

- (i) no significant changes in internal control over the financial reporting during the year and the quality of internal control is improved with the implementation of SAP;
- (ii) no significant changes in accounting policies during the year;
- (d) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
- (e) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (f) In accordance with Regulation 17(5) of the Listing Regulations, all the directors and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conducts, as applicable to them for Financial Year ended March 31, 2021

We state that, over the last few years, Uttar Pradesh based sugar companies have been facing financial difficulties on account of higher sugar cane prices, lower realization of sugar and high finance cost in last 3-4 years. The state administration took control over the sugar stocks and initiated multiple coercive actions, and there have been some delays in discharge of the statutory liabilities. However, the Company has been implementing a number of measures for its business viability and we are confident to come out of the difficult stage over a period of time.

**Sachchida Nand Misra**  
Chief Operating Officer  
DIN - 06714324

**Dayal Chand Popli**  
Chief Financial Officer  
FCMA- 12257

Place: NOIDA  
Date: June 30, 2021

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[As per Clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations].

To,  
The Members,  
**SIMBHAOLI SUGARS LIMITED,**  
(CIN - L15122UP2011PLC044210)  
Simbhaoli, Hapur Road, Uttar Pradesh

1. We have examined the status of directors for the year ended on March 31, 2021, pursuant to the provisions of Clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations").
2. It is neither an audit nor an expression of opinion regarding the legality of debarring or disqualification by the Securities and Exchange Board of India (SEBI)/Ministry of Corporate Affairs (MCA) or any such statutory authority.
3. Our examination was limited to a review of the relevant records of the Company and website of MCA, stock

exchange(s) & SEBI and it is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the declarations and disclosures made by the Directors and the representation given by the Management, we certify that none of the directors on the board of Simbhaoli Sugars Limited, have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority during the year ended at March 31, 2021.

For **Amit Gupta & Associates**  
Company Secretaries

**Amit Gupta**  
Proprietor  
Membership No. : F5478

Date: June 30, 2021  
Place: Lucknow

C.P. No. 4682  
UDIN - F005478C000561055

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMBHAOLI SUGARS LIMITED

### Report on the audit of the Standalone financial statements

#### Qualified Opinion

1. We have audited the accompanying standalone Ind AS financial statements of Simbhaoli Sugars Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph below, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2021 and total comprehensive loss (comprising of loss and other comprehensive income), its cash flows and the changes in equity for the year then ended.

#### Basis for Qualified opinion

- i) We draw attention to Note No.4 of the standalone financial statement regarding non provisions for impairment in the carrying value of property, plant and equipment. We are not made available of 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 statement.
- ii) We draw attention to Note No.10 of the standalone financial statements regarding non-provision of interest expense amounting Rs.15,461.02Lakhs (Previous year Rs. 13,146.17Lakhs) on certain borrowings for the year ended March 31, 2021 for the reasons stated in the said note. The total amount of interest expense not provided for in the accounts aggregates to Rs. 52,915.64Lakhs till March 31,2021 (Previous year Rs. 37,454.23Lakhs). Had the aforesaid interest expense been provided for, the Finance Cost, Net Loss after tax and Total Comprehensive Loss for the year ended March 31, 2021 would have been increased by Rs. 15,461.02 Lakhs (P.Y. Rs. 13,146.17Lakhs), the Current Financial Liability as at March 31, 2021 would have been increased and shareholder's funds as at March 31, 2021 would have been decreased by Rs. 52,915.64 Lakhs (P.Y. 37,454.23Lakhs)
- iii) We draw attention to Note No.23 of the standalone financial statement regarding non provision of difference in the value of bagasse sold to and of certain claims made by Simbhaoli Power Private Limited, a subsidiary company amounting to Rs. 716.33 Lakhs ( P.Y. Rs. 253.13 Lakhs) for the reasons stated in the said note. Consequently, the revenue for the year has been overstated; Net loss and total comprehensive Income for the year has been understated; Receivables and total equity as at March 31, 2021 has been overstated by the aforesaid amount.

- iv) We draw attention to Note No 6, of the standalone financial statements 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.

Our report is qualified in respect of above matters.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements 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 standalone financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinions.

#### Material Uncertainty related to Going Concern:

- i) As stated in Note No.4, the standalone financial statement of the company has been prepared on going concern basis. Events or conditions as set forth in Note No.4 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as going concern. The ability of the Company to continue as going concern depends on the decision of National Company Law Tribunal under the Insolvency and Bankruptcy Code 2016, the company's ability to get its borrowings restructured as stated in the said note and turnaround of the sugar and distilleries operation on sustainable basis.

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

#### Others Matter

- i) We draw your attention to Note No.4 to the standalone financial statement, which describes the Management's assessment of the impact of COVID -19 pandemic and the resultant lock-down on the significant uncertainties involved in preparing the financial statements. Based on the information available on this date, Management believes that no further adjustments are required to the financial statement. However, in view of very uncertain economic environment, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and actual results may differ from those estimated as at the date of approval of these standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter:

S. No.	Key Audit Matters	Auditor's Response
1.	<p><b>Impact of government policies/ notifications on recognition of grant/subsidy claims and their recoverability</b></p> <p>During the year, the Company has recognized grant/subsidy claims amounting to Rs. 4,058.92 Lakhs (P.Y. 5,915.84 Lakhs). As at March 31, 2021, the Company has receivables of Rs. 7,991.96 Lakhs relating to such claims which is significant to the financial statements.</p> <p>We consider this as key audit matters because recognition of grant/subsidy claims and assessment of recoverability of the claims is subject to significant judgment of the management. The area of judgment includes certainty around the satisfaction of conditions specified in the notifications/policies, collections, provisions thereof, likelihood of variation in the related computation rates, and basis for determination of grant/subsidy claims.</p> <p>For details: - Refer Note No.19 to the Standalone Financial Statement.</p>	<p><b>Principal Audit Procedures</b></p> <p>We understood and tested the design and operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the claims.</p> <p>We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications/policies and collections.</p> <p>We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of accruals/claims, adjustments to claims already recognized pursuant to changes in the rates and basis for determination of claims.</p> <p>We tested the ageing analysis and assessed the information used by the management to determine the recoverability of the claims by considering claim collection against historical trends.</p> <p>Based on the fulfilment of the conditions as precedent in relevant notification management is reasonably certain about the recoverability of the claims.</p> <p>Based on the above procedures performed, the management's estimates related to recognition of grant/subsidy claims and their recoverability is considered to be reasonable.</p>
2.	<p><b>Valuation and determination of inventory</b></p> <p>As on March 31, 2021, the Company has inventory of sugar with the carrying value Rs. 36,921.52 Lakhs which forms major part of the total assets of the company. The inventory of sugar is valued at the lower of cost and net realizable value.</p> <p>The Physical Verification of inventory could not be observed by us due to lock-down restrictions at the year-end.</p> <p>We considered the value of the inventory of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgment involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value.</p>	<p><b>Principal Audit Procedures</b></p> <p>We understood and tested the design and operating effectiveness of controls as established by the management for valuation of inventory of sugar.</p> <p>We considered various factors including the actual selling price prevailing around and subsequent to the year-end, minimum selling price &amp; monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole.</p> <p>Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year ends and comparison with cost for valuation of inventory is considered to be reasonable.</p>

S. No.	Key Audit Matters	Auditor's Response
		<p>The Company has procedure of physical verification of inventories at regular intervals. Physical Verification of finished goods, By products across all units were carried out during the month of April 2021 in the presence of independent firm of Chartered Accountants who have been entrusted with the responsibilities of observing and participating in such verification.</p> <p>We have reviewed the credentials, technical and other expertise of the professional firm deployed for carrying amount and observing verification.</p> <p>We received the report and certificate submitted by Chartered Accountants Firm.</p> <p>We applied alternate procedures to audit the existence of inventory as per guidance provided in SA 501 "Audit Evidence- Specific Considerations for Selected Items", which include inspection of supporting documentation relating to purchases, production, consumption and sales, results of cyclical count performed by the management through the year and such other third party evidences, as applicable.</p> <p>While necessary review and other corroborative evidence were obtained and verified, reliance has been placed on professional expert's report and conclusion drawn by them on the matter.</p>

#### Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the companies act, 2013("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position) , profit or loss (financial performance including other comprehensive income) changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 SAs 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 these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 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 made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. 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 financial statements 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable ;
2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended ,in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197



- of the Act and not in excess of the limits laid down therein.
3. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
  - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial controls with reference to financial statement of the

Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has disclosed the impact of pending litigations on its financial position in standalone financial statements. Refer Note No. 6 to the standalone financial statement.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **MITTAL GUPTA & CO.**  
Chartered Accountants  
(Firm's Registration No. 01874C)

**(B. L. Gupta)**  
Partner

(Membership No. 073794)

Place of Signature : Kanpur  
Date : June 30, 2021

UDIN: 21073794AAAADY5488

### **Annexure - 'A' to the Independent Auditors' Report**

**(The "Annexure A" referred to in our Independent Auditor's Report of even date to the members of the Company on the standalone financial statements for the year ended 31st March, 2021.)**

- In respect of company's Property, Plant and Equipment:
  - The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
  - The Company has a phased program of physical verification of its property, plant & equipment which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain property, plant & equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - The title deeds of all immovable properties, as disclosed in the standalone financial statements except in case of an immovable properties situated at Brijnathpur having carrying amount of Rs. 8.62 Lakhs, are held in the name of the company
- The inventories (other than lying with third parties) have been physically verified by the management at reasonable interval during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.
- According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not granted any secured or unsecured loan to the companies, firms, limited liability partnership and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii), of the said order is not applicable to the company.
- According to the information and explanations given to us and based on our examinations of the records, in our opinion, the company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013 in respect to loans and investments made, guarantee and securities provided by it.
- According to the information and explanations given to us, in our opinion, the Company has not accepted any deposit in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed there under. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or

Reserve Bank of India or any court or any other Tribunal in this connection.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost records and Audit) Rules, 2014 under section 148 of the Companies Act and are of the opinion that, prima facie, the prescribed cost record have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

a) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has generally been regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, services tax, customs duty, excise duty, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities though there has been slight delay in few cases. There are no undisputed statutory dues as referred to above as at March 31, 2021 outstanding for a period of more than six months from the date they become payable except for the following:

(Amount in Lakhs.)

Particulars	Amount
Purchase Tax	15.34
Import Duty	433.20
TDS Demand	46.42
Vat Payable	14.25
Kerala Turnover Tax	77.84

b) According to the information and explanations given to us, the particulars of Income tax, Service-tax, Sales-tax, Custom Duty, Excise Duty, Entry tax, Value Added Tax, Goods and Service Tax as at March 31, 2021 which have not been deposited on account of any dispute, are as reported in Note No. 15 to the accompanying standalone financial statements.

viii. According to the information and explanations given to us and as per examination of records, the Company has defaulted in repayment of loans and borrowings to banks and Government. Details of defaults in respect of principal and interest dues to Government and banks are stated in Note No. 10 to accompanying financial statements. The Company has not borrowed any money by way of issue of debentures.

ix. According to the information and explanations given to us and as per examination of records and as per examination of

records, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable to the company.

x. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company. Accordingly the paragraph 3 (xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with the provisions of sections 177 and 188 of the Act as applicable, and the details of such related party transactions have been disclosed in the standalone financial statements under Note No. 11 as required by the applicable Indian Accounting Standard (IndAS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. In our opinion and on the basis of information and explanation given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly the provision of Clause 3(xvi) of the Order are not applicable to the Company.

For **MITTAL GUPTA & CO**  
Chartered Accountants  
(Firm's Registration No. 01874C)

**(B. L. Gupta)**

Partner

Place of Signature : Kanpur

Date : June 30, 2021

(Membership No. 073794)

## **Annexure - 'B' to the Independent Auditor's Report**

(The Annexure – 'B' referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2021)

**Report on the Internal Financial Control under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference

to financial statements of Simbhaoli Sugars Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal

control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statement, based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statement and their operating effectiveness. Our audit of internal financial control with reference to financial statement included obtaining an understanding of internal financial control with reference to financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statement.

#### **Meaning of Internal Financial Controls with reference to financial statement**

A Company's internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation

of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to financial statement**

Because of the inherent limitations of internal financial controls with reference to financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statement to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion except for the matters described in the Basis for Qualified Opinion, Material Uncertainty on Going Concern paragraph, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2021, based on the internal controls with reference to financial statement criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **MITTAL GUPTA & CO**  
Chartered Accountants  
(Firm's Registration No. 01874C)

**(B. L. Gupta)**  
Partner

Place of Signature : Kanpur  
Date : June 30, 2021

(Membership No. 073794)

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**BALANCE SHEET**  
**AS AT MARCH 31, 2021**

	Notes	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and equipment	3.1	123,858.17	126,108.32
Capital work-in-progress	3.1	62.24	836.43
Intangible assets	3.2	48.38	38.61
Right of use Assets	3.3	-	3.16
Investments	3.4	11,114.83	11,168.13
Other financial assets	3.5	1,226.18	1,328.80
Non-current Tax Assets	3.6	348.68	655.35
Other non-current assets	3.7	328.28	272.84
<b>Total non-current assets</b>		<b>136,986.76</b>	<b>140,411.64</b>
<b>Current assets</b>			
Inventories	3.8	46,475.72	55,088.78
Financial assets			
Trade and other receivables	3.9	4,493.69	3,508.99
Cash and cash equivalents	3.10	3,585.46	4,288.57
Bank balances other than cash & cash equivalents	3.11	2,166.96	1,632.74
Loan	3.12	-	-
Other financial assets	3.13	4,652.64	3,557.89
Other current assets	3.14	9,499.48	8,932.59
<b>Total current assets</b>		<b>70,873.95</b>	<b>77,009.56</b>
<b>Total assets</b>		<b>207,860.71</b>	<b>217,421.20</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	3.15	4,127.90	4,127.90
Reserve & Surplus	3.16	(5,769.39)	(5,358.52)
<b>Total equity</b>		<b>(1,641.49)</b>	<b>(1,230.62)</b>
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Financial liabilities			
Borrowings	3.17	313.19	359.03
Other financial liabilities	3.18	21.97	48.53
Provisions	3.19	457.66	457.21
<b>Total non-current liabilities</b>		<b>792.82</b>	<b>864.77</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade and other payables			
Total outstanding dues of micro enterprises and small enterprises	3.20	357.88	272.30
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.20	79,882.61	89,744.05
Other financial liabilities	3.21 (i)	126,827.06	126,127.93
Lease liability on right of use assets	3.21 (ii)	-	3.36
Provisions	3.22	115.19	107.35
Other Current liabilities	3.23	1,526.64	1,532.06
<b>Total current liabilities</b>		<b>208,709.38</b>	<b>217,787.05</b>
<b>Total equity and liabilities</b>		<b>207,860.71</b>	<b>217,421.20</b>
<b>See accompanying notes forming part of the financial statements 1 to 25</b>			

**For and on behalf of the Board of Directors**

In terms of our report attached  
For **MITTAL GUPTA & CO.**  
Chartered Accountants  
FRN - 01874C

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

B. L. GUPTA  
Partner  
(M.No. - 073794)

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Kanpur  
Date : June 30, 2021

Place : Simbhaoli, Hapur (U.P.)  
Date : June 30, 2021

**SIMBHAOLI SUGARS LIMITED**  
**(Formerly known as 'Simbhaoli Spirits Limited')**  
**STATEMENT OF STANDALONE PROFIT AND LOSS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	Notes	Year ended March 31, 2021 ₹ lacs	Year ended March 31, 2020 ₹ lacs
<b>Revenue from operations</b>			
Revenue from operations	3.24	145,690.79	120,831.90
Other Income	3.25	1,681.19	2,574.42
<b>Total income</b>		<b>147,371.98</b>	<b>123,406.32</b>
<b>Expenses</b>			
Cost of materials consumed	3.26	87,181.04	82,201.69
Purchases of stock-in-trade	3.27	3,572.94	2,866.45
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.28	9,284.01	(7,201.54)
Excise Duty on sale of goods	3.29	19,413.20	19,887.97
Employee benefits expense	3.30	5,877.54	5,696.07
Finance costs	3.31	3,066.20	3,163.07
Depreciation and amortization expense	3.32	3,547.53	3,600.60
Power & fuel	3.33	2,911.48	2,843.88
Other expenses	3.34	12,961.11	12,513.04
<b>Total expenses</b>		<b>147,815.05</b>	<b>125,571.23</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(443.07)</b>	<b>(2,164.91)</b>
Exceptional items - expenses/(income)		-	-
<b>Profit/(loss) before tax</b>		<b>(443.07)</b>	<b>(2,164.91)</b>
Tax expense:			
- Current Tax		-	-
<b>Profit after Tax</b>		<b>(443.07)</b>	<b>(2,164.91)</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be re-classified to profit or loss:		10.59	(272.14)
(ii) Income tax relating to items that will not be re-classified to profit or loss		-	-
B. (i) Items that may be re-classified to profit or loss:		-	-
(ii) Income Tax relating to items that may be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income (net of tax)</b>		<b>10.59</b>	<b>(272.14)</b>
<b>Total Comprehensive Income</b>		<b>(432.48)</b>	<b>(2,437.05)</b>
<b>Earnings per equity share-basic/diluted (₹)</b>			
- Before exceptional items		(1.07)	(5.24)
- After exceptional items		(1.07)	(5.24)
<b>See accompanying notes forming part of the financial statements</b>	1 to 25		

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**For and on behalf of the Board of Directors**

In terms of our report attached

For **MITTAL GUPTA & CO.**  
Chartered Accountants  
FRN - 01874C

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

B. L. GUPTA  
Partner  
(M.No. - 073794)

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Kanpur  
Date : June 30, 2021

Place : Simbhaoli, Hapur (U.P)  
Date : June 30, 2021

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

Particular	Year ended March 31, 2021 ₹ lacs	Year ended March 31, 2020 ₹ lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit/(loss) before tax and exceptional items	(443.07)	(2,164.91)
<b>Adjustments for:</b>		
Depreciation and amortization	3,547.53	3,600.60
Finance costs	3,066.20	3,163.07
Interest income on financial assets & Others	(1,364.88)	(1,223.22)
Liability/provisions no longer required written back	(232.38)	(679.68)
Bad Debts and advances written off	1.48	13.56
Gain on foreign exchange fluctuation	-	(16.18)
Profit on redemption of Mutual Funds Units	(1.28)	(30.99)
Loss/ (profit) from sale /discard of property, plant and equipment (net)	0.04	449.12
Provision for doubtful debts and advances	668.31	139.90
Mollasses Storage Fund	21.61	21.23
<b>Operating profit/(loss) before working capital changes</b>	<b>5,263.56</b>	<b>3,272.50</b>
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Changes in trade and other receivables	(1,654.49)	1,968.53
Changes in other non current and current financial assets	(54.65)	(954.77)
Changes in other non current and other current assets	(624.31)	(3,518.15)
Changes in inventories	8,613.06	(6,993.86)
Changes in trade and other payables	(9,610.51)	11,145.87
Changes in other non-current and other current financial liabilities	6.96	314.14
Changes in other non-current and other current liabilities	(5.42)	456.14
Changes in long term and short term provision	8.31	59.12
<b>Cash (used)/generated from operations</b>	<b>1,942.51</b>	<b>5,749.52</b>
Direct taxes (paid)/refund	357.17	(111.52)
<b>Net cash (used) / from operating activities</b>	<b>2,299.68</b>	<b>5,638.00</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Additions to property, plant & equipment and intangible assets	(527.86)	(1,443.61)
Sale of property, plant & equipment and intangible assets	-	9.86
Purchase of national savings certificate	(0.50)	-
Interest received on debentures/fix deposits/inter corporate deposits	318.97	1,139.65
Investment in Mutual funds	(780.00)	(3,020.00)
Proceeds from Redemption of Mutual Funds	781.28	3,050.99
Changes in fixed deposit placed with Banks	500.53	(109.38)
<b>Net cash (used) / from investing activities</b>	<b>292.42</b>	<b>(372.49)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
EMD Paid to banks for OTS	(949.60)	(571.60)
Payment of lease liability	(3.50)	(6.00)
Interest expenses	(975.37)	(1,207.08)
Repayment of long term borrowings	(45.84)	(225.39)
Proceeds/(repayment) of short term borrowings( net)	(1,320.90)	(273.56)
<b>Net cash (used) / from financing activities</b>	<b>(3,295.21)</b>	<b>(2,283.63)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(703.11)</b>	<b>2,981.88</b>
<b>E. Cash and cash equivalents (opening balance)</b>	<b>4,288.57</b>	<b>1,306.69</b>
<b>F. Cash and cash equivalents (closing balance) (D+E)</b>		
Cash and bank balances (D+E)	<b>3,585.46</b>	<b>4,288.57</b>

**Notes:**

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- 2) **Cash and cash equivalents as at the Balance Sheet date consists of:**

<b>Particular</b>	<b>As at March 31, 2021 ₹ lacs</b>	<b>As at March 31, 2020 ₹ lacs</b>
(a) Balance with Banks on current accounts	3,562.04	4,275.58
(b) Cash in hand	23.42	12.99
<b>Closing Cash and Cash Equivalents (Refer Note No. 3.10 )</b>	<b>3,585.46</b>	<b>4,288.57</b>

- 3) Figure in bracket indicate cash outflow.
- 4) Previous year figures have been regrouped and rearranged wherever necessary to confirm to the current year's classification.

In terms of our report attached  
For **MITTAL GUPTA & CO.**  
Chartered Accountants  
FRN - 01874C

B. L. GUPTA  
Partner  
(M.No. - 073794)

Place : Kanpur  
Date : June 30, 2021

**For and on behalf of the Board of Directors**

Gurmit Singh Mann  
Chairman  
DIN - 00066653

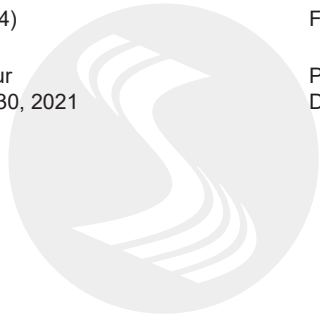
Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Simbhaoli, Hapur (U.P)  
Date : June 30, 2021



**SIMBHAOLI  
SUGARS**

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**STATEMENT OF STANDALONE CHANGES IN EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2021**

**EQUITY SHARE CAPITAL**

(₹ lacs)

For the year ended March 31, 2020			For the year ended March 31, 2021		
Balance as at April 01, 2019	Changes in Equity share capital during the year	As at March 31, 2020	Balance as at April 01, 2020	Changes in Equity share capital during the year	As at March 31, 2021
4,127.90	-	4,127.90	4,127.90	-	4,127.90

**OTHER EQUITY**

(₹ lacs)

Particulars	Reserve and Surplus					Other Comprehensive Income		Total other equity
	Securities premium	Share warrant	Molasses Storage Fund	Forfeiture Reserve	Retained Earning	Equity instruments through other comprehensive income	Actuarial gain/(loss) on employee benefit plan	
<b>As at April 01, 2019</b>	<b>46,301.79</b>	<b>96.30</b>	<b>24.18</b>	-	<b>(44,683.29)</b>	<b>(4,681.66)</b>	-	<b>(2,942.64)</b>
Profit/(loss) for the year	-	-	-	-	(2,164.91)	-	-	(2,164.91)
Transfer to storage fund for molasses	-	-	21.21	-	-	-	-	21.21
Other comprehensive income	-	-	-	-	-	-	(272.14)	(272.14)
Add: Share warrant money forfeited during the year	-	-	-	96.30	-	-	-	96.30
Less: Share warrant Money forfeited during the year	-	(96.30)	-	-	-	-	-	(96.30)
Transferred from/to other comprehensive income/retained earning	-	-	-	-	(272.14)	-	272.14	-
<b>As at March 31, 2020</b>	<b>46,301.79</b>	-	<b>45.39</b>	<b>96.30</b>	<b>(47,120.34)</b>	<b>(4,681.66)</b>	-	<b>(5,358.52)</b>
Profit/(loss) for the year	-	-	-	-	(443.07)	-	-	(443.07)
Transfer to storage fund for molasses	-	-	21.61	-	-	-	-	21.61
Other comprehensive income	-	-	-	-	-	-	10.59	10.59
Transferred from/to other comprehensive income/retained earning	-	-	-	-	10.59	-	(10.59)	-
<b>As at March 31, 2021</b>	<b>46,301.79</b>	-	<b>67.00</b>	<b>96.30</b>	<b>(47,552.82)</b>	<b>(4,681.66)</b>	-	<b>(5,769.39)</b>

See accompanying notes forming part of the financial statements

**For and on behalf of the Board of Directors**

In terms of our report attached

For **MITTAL GUPTA & CO.**

Chartered Accountants

FRN - 01874C

**B. L. GUPTA**

Partner

(M.No. - 073794)

Place : Kanpur

Date : June 30, 2021

**Gurmit Singh Mann**

Chairman

DIN - 00066653

**Dayal Chand Popli**

Chief Financial Officer

FCMA - 12257

Place : Simbhaoli, Hapur (U.P)

Date : July 30, 2021

**Gursimran Kaur Mann**

Managing Director

DIN - 00642094

**Kamal Samtani**

Company Secretary

FCS - 5140

**Sachchida Nand Misra**

Chief Operating Officer

DIN -06714324



# NOTES FORMING PART OF THE ACCOUNTS

## 1. Background

Simbhaoli Sugars Limited ('the Company') (previously known as Simbhaoli Spirits Limited) having CIN No. L15122UP2011PLC044210 is a public limited company under the provisions of the Companies Act, 2013 incorporated and registered with Registrar of Companies, Kanpur Uttar Pradesh on April 04, 2011. Currently equity shares of the Company are listed at BSE and NSE. The Hon'ble High Court of Judicature at Allahabad has sanctioned the Scheme of Amalgamation of Erstwhile Simbhaoli Sugars Limited (ESSL), the Transferor Company with the Company, the Transferee Company w.e.f. April 01, 2015 (the Appointed Date) and consequent thereto, the entire business undertakings of ESSL, stands transferred to and vested in the Company, as a going concern with effect from the Appointed Date. The Company has three sugar complexes - Simbhaoli (Western Uttar Pradesh), Chilwaria (Eastern Uttar Pradesh) and Brijnathpur (Western Uttar Pradesh) having an aggregate crushing capacity of 19,500 TCD. The Company is technology driven with a business mix that spans from refined (sulphur less) sugar, specialty sugars, extra neutral alcohol (ENA), ethanol, sanitizer and bio-manure. The Company is engaged in sugar refining (Defeco Remelt Phosphotation and Ion Exchange technology), high value, niche products (specialty sugars) and clean energy (ethanol). The Company sells international standard refined, pharmaceutical grade and specialty sugars to the retail and bulk institutional consumer segments.

The Company is operating its different businesses through subsidiaries the details are given below:

S. No.	Name of subsidiary/ Joint Venture	Business	Country of Incorporation	% voting power held as at	
				March 31, 2021	March 31, 2020
1.	Simbhaoli Power Private Limited	Generation of green power	India	51.00	51.00
2.	Integrated Casetech Consultants Private Limited	Consultancy business	India	85.16	85.16
3.	Simbhaoli Global Commodities DMCC	Trading of sugar & alcohol	Dubai	100.00	100.00
4.	Simbhaoli Specialty Sugars Private Limited	Packaging	India	100.00	100.00

These financial statements of the Company for the year ended 31st March, 2021 are approved and authorized for issue by the Company's Board of Directors on **June 30, 2021**.

### 2.1 Basis of preparation and presentation

#### i) Statement of Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and relevant amendment rules thereafter and accounting principles generally accepted in India.

These financial statements have been prepared on going concern basis using the significant accounting policies and measurement bases summarized below. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a

change in accounting policy hitherto in use. In those cases the new accounting policy is adopted in accordance with the transitional provisions stipulated in that Ind AS and in absence of such specific transitional provision, the same is adopted retrospectively for all the periods presented in these financial statements.

#### ii) Recent Accounting Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

##### ● Balance Sheets:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or noncurrent
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible ASSET under development.
- If a company has not used funds for the specific purpose for which it was borrowed from BANKS and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

##### ● Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency Specified under the head 'additional information' in the notes forming part of the standalone financial statements. the amendments are extensive and the company will evaluate the same to give effect to them as required by law.

#### iii) Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) and assets for defined benefit plans that are measured at fair value less cost of sales wherever required. The methods used to measure fair values are discussed further in notes to financial statements.

#### iv) Functional and presentation currency

These financial statements are presented in Indian rupees (INR), which is company's functional currency. All amounts have been rounded off to nearest lacs unless otherwise indicated.

#### v) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 based on the nature of services rendered and time between the acquisition of asset for providing services and their realization in cash and cash equivalents.

### 2.2 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies any of the following criteria:

- Expected to be realized or intended to be sold or consumed within normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting date.

A liability is treated as current when it satisfies any of the following criteria:

- Expected to be settled in the company's normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments does not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

### 2.3 Use of Estimates and management judgements

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management of the company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date.

The estimates and management's judgements are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving critical judgements are as follows:

#### ● Material uncertainty about going concern:

In preparing financial statements, management has made an assessment of Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis. The management is aware, in making its assessments, of material uncertainties related to events or conditions that may cast significant doubt upon the company's ability to continue as a going concern. Further details on going concern are disclosed in Note No. 4.

#### ● Fair value measurements of financial instruments:

When the fair value of financial assets and liabilities recorded in the Balance sheet cannot be measured based on the quoted market price in the active markets, their fair value is measured using valuation technique. The input to these model is taken from the observable market wherever possible, but if this is not feasible, a review of judgements is required to establish fair values. Changes in assumptions related to these inputs could affect the fair value of financial instrument.

#### ● Employee benefit plans:

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

#### ● Recoverability of trade receivables:

The Company has a stringent policy of ascertaining impairments, if any, as a result of detailed scrutiny of major cases and through determining expected credit losses. Despite best estimates and periodic credit appraisals of customers, the Company's receivables are exposed to delinquency risks due to material adverse changes in business, financial or economic conditions that are expected to cause a significant change to the party's ability to meet its obligations. All such parameters relating to impairment or potential impairment are reviewed at each reporting date

#### ● Provision and contingencies:

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgements by management regarding the probability of exposure to potential loss. The timing of recognition and quantification of the liability requires the application of judgements to existing facts and circumstances, which can be subject to change.

#### ● Income Tax:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits

for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Deferred tax assets are recognised for unused tax losses and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- **Useful life and residual value of plant, property equipment and intangible assets:**

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

## 2.4 Significant Accounting Policies

### A. Property, Plant & Equipment & Capital work in Progress

- **Recognition and measurement**

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used for more than one period.

The cost of an item of property, plant and equipment is being recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold lands are stated at cost. All other items of property, plant and equipment are stated at cost net of recoverable taxes less accumulated depreciation, and impairment loss, if any.

The cost of an asset includes the purchase cost of assets, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.

Items of spare parts, stand-by equipments and servicing equipments which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption. When parts of an item of Property, plant & equipments have different useful lives, they are accounted for as separate component.

When a significant part of property, plant and equipment are required to be replaced at intervals, the company derecognizes the replaced part and recognise the new part with its own associated life and it is depreciated accordingly. Likewise when a major repair is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

The present value of the expected cost of decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria of provisions are met.

The cost and related accumulated depreciation are eliminated from the financial statement upon sale or retirement of the asset and resultant gains or losses are recognized in the Statement of Profit and Loss.

Assets identified and technically evaluated as obsolete are retired from active use and held for disposal are stated at lower of its carrying amount and fair value less cost to sell.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

- **Subsequent Expenditure.**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### B. Intangible Assets

Intangible assets are recognized when it is probable that the future benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss for the year in which the expenditure is incurred.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss when the asset is derecognized.

### C. Depreciation and Amortization

The classification of plant and machinery into continuous and non-continuous process is done as per their use and depreciation thereon is provided accordingly. Depreciation commences when the assets are available for their intended use. The depreciation is provided by applying the following method at the useful lives specified in schedule II to the Companies Act, 2013:

All Depreciable PPE except Vehicles	-	Straight line method
Vehicles	-	Written down value method

PPE costing up to ₹ 5,000 are fully depreciated in the year of purchase. Freehold land is not depreciated.

Intangible assets are amortized on a straight-line basis

over the estimated useful economic life of the assets. The Company uses a rebuttable presumption that the useful life of intangible assets is ten years from the date when the assets is available for use.

Right of use assets are depreciated on straight line method (SLM) over the period of life of right of use assets or lease terms whichever expire earlier except in case of right of use assets, the ownership of which is proposed to be transferred to the company or the cost of such assets reflects that the company will exercise a purchase option, the same is depreciated on straight line method (SLM) over the useful life of the assets.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year and are given effect to wherever appropriate.

#### D. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

- **The Company as a lessee**

The Company's lease asset class primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- > The contract involves the use of an identified asset.
- > The Company has substantialized all of the economic benefits from use of the asset through the period of the lease and;
- > The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right- of- use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

- **As a lessor**

Leases for which the company is a lessor, is classified as finance lease or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sub-lease is classified as finance lease or operating lease with reference to right of use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of such lease.

#### E. Government Grant

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Governments Grants relating to the purchase, construction or otherwise acquired non-current assets, are recognized as deferred income in the balance sheet and are credited to profit or loss on a systematic and rational basis over the expected lives of the related assets and presented in other income.

Government Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in statement of profit or loss in the period in which they become receivable.

#### F. Borrowing

Long term borrowing are initially recognised at net of material transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of Profit and Loss over the period of the borrowing using the effective interest method.

#### G. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Other borrowing costs are expensed in the period in which they are incurred.

#### H. Employee benefit plans:

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

- **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expense off as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

- **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Retirement benefit in the form of superannuation fund is a defined contribution scheme. The Company has established a Superannuation Fund Trust to which contributions are made quarterly. The Company recognizes contribution payable to the superannuation fund scheme as expenditure, when an employee renders the related service. The Company has no other obligations beyond its quarterly contributions.

- **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized as other comprehensive income. The company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in statement of profit or loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

- **Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurements gain or losses are recognized in statement of profit or loss in the period in which they arise.

- **Voluntary Retirement Scheme**

Expenditure on voluntary retirement scheme is charged to the Statement of Profit and Loss in the year in which it is incurred.

#### I. Inventories

Inventories, except By-products are valued at the lower of cost and net realizable value. By-products are valued at estimated net realizable value. The bases of determining cost for different categories of inventory are as follows:

Stores and spare parts	-	Monthly weighted average.
Raw materials	-	First in first out (FIFO)
Process stocks/finished goods	-	Material cost plus appropriate share of labour and manufacturing overheads
Stock in trade	-	First in first out (FIFO)

#### J. Financial Instruments

##### i) Financial Asset Classification

The company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.

##### Initial Recognition and Measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

##### Subsequent Measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- At amortized cost,
- At fair value through other comprehensive income (FVTOCI), and
- At fair value through profit or loss (FVTPL).

##### Debt instrument at amortized cost

A "Debt instrument" is measured at the amortized cost if both the following condition are met:

- The assets are held within a business model whose objective is to hold assets for collecting contractual cash flow (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount, premium, fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

##### Debt instrument at fair value through profit or loss

Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

##### Debt instruments at fair value through other comprehensive income

A financial asset should be measured at FVTOCI if both the following conditions are met:

- The asset is held within a business model in which asset are managed both in order to collect contractual cash flows and for sale, and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding.

After initial measurement (at fair value minus transaction cost), such financial assets are measured at fair value with changes in fair value recognized in Other comprehensive income except for:

- a) Interest calculated using EIR
- b) Foreign exchange gain and losses, and
- c) Impairment losses and gains

##### Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiaries, Joint ventures and associates which are carried at cost/deemed cost and reviewed for impairment at each balance sheet date. Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. April 01, 2016. Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in statement of profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price, if loss, is recognized through retained earnings and after initial recognition subsequent changes in fair value of equity instruments is recognised as gain or loss to the extent it arises from change in input to valuation technique. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

##### De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized when:

- The right to receive cash flows from the assets have expired or
- The company has transferred substantially all the risks and rewards of the assets, or

- The company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

## ii) Financial liabilities

### Classification

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreements and the definitions of financial liability and equity instrument.

### Initial recognition and measurement

The company recognizes financial liability when it becomes a party to the contractual provision of the instrument. All financial liabilities are recognized initially at fair value, for financial liability not subsequently measured at FVTPL, at transaction costs that are directly attributable to the issue of financial liability.

### Subsequent Measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

### Financial liability at amortized costs

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gain and losses are recognized in statement of profit and loss when the liabilities are derecognized.

Amortization cost is calculated by taking into account any discount or premium on acquisition and transaction cost. These amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & borrowings.

### Financial liability at FVTPL

Financial liabilities are classified at FVTPL when the financial liability is either contingent consideration recognized by the company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designed as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gain or loss arises on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

### Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognized at the proceeds received, net of direct issue cost.

Repurchase of the company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the company's own equity instruments.

### De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognized in the Statement of Profit and Loss.

## iii) Offsetting of financial instrument

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## K. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, deposits held at call with banks, balance with banks on current account and short term, highly liquid investments with an original maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flow, cash and cash equivalents consist of cash and short term deposits, net of outstanding bank overdraft as they being considered as integral part of the company's cash management.

## L. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### Sale of Goods

The Company derives revenue primarily from, sale of sugar and other by-products produced from processing of sugar cane, and sale of chemical, liquor etc. Revenue from sale of goods is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration, the company expect to receive in exchange of those products or services. Revenue is inclusive of excise duty and excluding estimated discount and pricing incentives, rebates, other similar allowances to the customers and also excluding value added taxes, goods and other taxes and amounts collected on behalf of third parties or government, if any.

### Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### Dividend Income

Dividend income is recognized when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably i.e. in case of interim dividend, on the

date of declaration by the Board of Directors; whereas in case of final dividend, on the date of approval by the shareholders.

#### **Export Incentives**

Export incentives are accounted for in the year of exports based on eligibility and when there is no significant uncertainty in receiving the same.

#### **Insurance Claims**

Insurance claim are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### **M. Expenses**

All expenses are accounted for on accrual basis.

### **N. Foreign currency translations**

Standalone financial statements have been presented in Indian Rupees (INR), which is Company's functional and presentation currency.

#### **Initial Recognition**

Transactions in foreign currencies are initially recorded at the functional currency spot rate prevailing at the date the transaction first qualifies for recognition.

#### **Transactions and balances**

Monetary assets and liabilities related to foreign currency transactions outstanding at the balance sheet date are translated at the functional currency spot rate of exchange prevailing at the balance sheet date. Any income or expense arising on account of foreign exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

### **O. Taxes**

#### **Income tax**

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

#### **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on net basis or simultaneously.

#### **Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried

forward tax losses and tax credits. Deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. In case of a history of continuous losses, the company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

### **P. Impairment**

#### **Non-financial assets**

Goodwill and Intangible assets that have an indefinite useful life are not subject to amortization but are tested annually for impairment.

Other intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.



The carrying amount of assets is reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factor. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss in the year in which an asset is identified as impaired.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

● **Financial assets**

The company applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instrument and are measured at amortized cost e.g. loans, debt securities, deposits, and bank balance.
- Trade receivables:

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on life time expected credit loss at each reporting date, right from its initial recognition.

**Q. Earnings per share**

Basic earnings per share are calculated by dividing the profit/loss for the year (before other comprehensive income), attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit/(loss) for the year (before other comprehensive income), adjusting the after tax effect of interest and other financing costs associated with dilutive potential equity shares, attributable to the equity shareholders, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

**R. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle

the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognized for future operating losses

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

A contingent asset is not recognized but disclosed, when possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**S. Operating Segments**

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Board of Directors (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the different risks and returns and the internal business reporting systems.

Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Assets and Liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

**T. Cash Flow Statement**

Cash flows are stated using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of incomes and expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**3.1 PROPERTY, PLANT AND EQUIPMENT**

₹ lacs

Particulars	Land Freehold	Buildings	Railway Siding	Plant & Machinery	Furniture & Fixtures	Vehicles	Other Equipments	Total	Capital Work in Progress
<b>Gross block</b>									
<b>Gross carrying amount as at April 01, 2019</b>	<b>85,108.31</b>	<b>13,813.62</b>	<b>0.50</b>	<b>49,460.65</b>	<b>228.27</b>	<b>188.31</b>	<b>759.81</b>	<b>149,559.47</b>	<b>135.88</b>
Addition during the year	-	113.10	-	542.62	2.21	11.88	66.20	736.01	834.97
Disposals/ Deductions during the year	-	40.27	-	979.66	5.44	34.54	43.72	1,103.63	134.42
<b>Gross carrying amount as at March 31, 2020</b>	<b>85,108.31</b>	<b>13,886.45</b>	<b>0.50</b>	<b>49,023.61</b>	<b>225.04</b>	<b>165.65</b>	<b>782.29</b>	<b>149,191.85</b>	<b>836.43</b>
<b>Depreciation</b>									
As at April 01, 2019	-	3,893.10	0.40	15,413.44	166.58	156.42	506.26	20,136.20	-
Depreciation for the year	-	784.32	0.10	2,684.59	9.40	9.70	103.63	3,591.74	-
Disposals/ Deductions during the year	-	27.13	-	537.73	5.29	32.43	41.83	644.41	-
Accumulated depreciation									
As at March 31, 2020	-	4,650.29	0.50	17,650.30	170.69	133.69	568.06	23,083.53	-
<b>Net carrying amount as at March 31, 2020</b>	<b>85,108.31</b>	<b>9,236.16</b>	<b>-</b>	<b>31,373.31</b>	<b>54.35</b>	<b>31.96</b>	<b>214.23</b>	<b>126,108.32</b>	<b>836.43</b>
<b>Gross block</b>									
<b>Gross carrying amount as at April 01, 2020</b>	<b>85,108.31</b>	<b>13,886.45</b>	<b>0.50</b>	<b>49,023.61</b>	<b>225.04</b>	<b>165.65</b>	<b>782.29</b>	<b>149,191.85</b>	<b>836.43</b>
Addition during the year	-	33.22	-	1,215.70	7.43	-	16.94	1,273.29	57.24
Disposals/ Deductions during the year	-	-	-	2.18	-	4.29	-	6.47	831.43
<b>Gross carrying amount as at March 31, 2021</b>	<b>85,108.31</b>	<b>13,919.67</b>	<b>0.50</b>	<b>50,237.13</b>	<b>232.47</b>	<b>161.36</b>	<b>799.23</b>	<b>150,458.67</b>	<b>62.24</b>
<b>Depreciation</b>									
As at April 01, 2020	-	4,650.29	0.50	17,560.30	170.69	133.69	568.06	23,083.53	-
Depreciation for the year	-	736.07	-	2,706.14	9.70	6.82	64.41	3,523.14	-
Disposals/ Deductions during the year	-	-	-	2.14	-	4.03	-	6.17	-
Accumulated depreciation									
As at March 31, 2021	-	5,386.36	0.50	20,264.30	180.39	136.48	632.47	26,600.50	-
<b>Net carrying amount as at March 31, 2021</b>	<b>85,108.31</b>	<b>8,533.31</b>	<b>-</b>	<b>29,972.83</b>	<b>52.08</b>	<b>24.88</b>	<b>166.76</b>	<b>123,858.17</b>	<b>62.24</b>

**Notes:**

- The Company has availed loan from banks and other entities against securities of aforesaid assets. The details of charge created and security terms against borrowings are stated at Note No.10
  - Refer note no.6(v) for the information on contractual commitments for acquisition of property, plant and equipments
- # Includes ₹8.62 Lacs (Previous year ₹8.62 lacs) pertaining to land situated at Brijnathpur pending registration in favour of the company

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**3.2 INTANGIBLE ASSETS**

₹ lacs

Particulars	Software
<b>Gross block</b>	
<b>Gross carrying amount as at April 01, 2019</b>	<b>27.14</b>
Addition during the year	28.97
Disposals/ Deductions during the year	-
<b>Gross carrying amount as at March 31, 2020</b>	<b>56.11</b>
<b>Amortisation</b>	
As at April 01, 2019	14.06
Amortisation for the year	3.44
Disposals/ Deductions during the year	-
As at March 31, 2021	17.50
<b>Net carrying amount as at March 31, 2020</b>	<b>38.61</b>
<b>Gross block</b>	
<b>Gross carrying amount as at April 01, 2020</b>	<b>56.11</b>
Addition during the year	31.00
Disposals/ Deductions during the year	-
<b>Gross carrying amount as at March 31, 2021</b>	<b>87.11</b>
<b>Amortisation</b>	
As at April 01, 2020	17.50
Amortisation for the year	21.23
Disposals/ Deductions during the year	-
As at March 31, 2021	38.73
<b>Net carrying amount as at March 31, 2021</b>	<b>48.38</b>

### 3.3 RIGHT OF USE ASSETS (ROU)

Particulars	Building
<b>Gross Block</b>	
Gross carrying amount as at April 01, 2019	8.58
Additions during the year	-
Disposals/Deductions during the year	-
<b>Gross carrying amount as at March 31, 2020</b>	<b>8.58</b>
<b>Depreciation</b>	
As at April 01, 2019	-
Charges for the year	5.42
Disposals/ Deductions during the year	-
As at March 31, 2020	5.42
<b>Net carrying amount as at March 31, 2020</b>	<b>3.16</b>
<b>Gross Block</b>	
Gross carrying amount as at April 01, 2020	8.58
Additions during the year	-
Disposals/Deductions during the year	8.58
<b>Gross carrying amount as at March 31, 2021</b>	<b>-</b>
<b>Depreciation</b>	
As at April 01, 2020	5.42
Charges for the year	3.16
Disposals/ Deductions during the year	8.58
As at March 31, 2021	-
<b>Net carrying amount as at March 31, 2021</b>	<b>-</b>

### NON CURRENT ASSETS / FINANCIAL ASSETS

	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
<b>3.4 INVESTMENTS</b>		
<b>Investment in Government securities (at cost)</b>		
Unquoted		
6-Years Post Office National Savings Certificate (Deposited with government authorities)	2.61	2.11
<b>Investment in Equity instruments</b>		
<b>- Subsidiaries (at deemed cost) *</b>		
Unquoted		
2,00,800 (Previous year 2,00,800) equity shares of ₹10 each fully paid up of Integrated Casetech Consultants Private Limited	383.73	383.73
300 (Previous year 300) equity shares of AED 1,000 each fully paid up of Simbhaoli Global Commodities DMCC **	-	-
55,38,734 (Previous year 55,38,734) equity shares of ₹10 each fully paid up of Simbhaoli Power Private Limited #	5,493.59	5,493.59
19,000 (Previous year 19,000) equity shares of ₹ 10 each of Simbhaoli Specialty Sugar Private Limited	190.00	190.00
<b>- Others (at deemed cost)</b>		
One share of ₹ 20 fully paid up in Simbhaoli Co-operative Cane Development Union Limited (*₹ 20)	*	*
<b>Investment in Debentures</b>		
<b>- Subsidiary (at amortised cost)</b>		
Unquoted		
48,92,941 (Previous year 48,92,941) compulsorily convertible debentures of ₹ 100 each of Simbhaoli Power Private Limited	4,999.90	5,053.70
<b>Other Investment</b>		
<b>- Subsidiary (at cost)</b>		
Business transfer agreement consideration receivable	45.00	45.00
	<b>11,114.83</b>	<b>11,168.13</b>

**Aggregate amount of**

- Quoted investment	-	-
[Market value ₹ Nil (Previous year ₹ Nil)]		
- Unquoted investment	<b>11,114.83</b>	<b>11,168.13</b>
- Unquoted investment - Impairment in the value of investments	<b>39.94</b>	<b>39.94</b>

**Summary:**

- Aggregate investments carried at deemed cost	6,114.93	6,114.43
- Aggregate investments carried at amortised cost	4,999.90	5,053.70

<b>Total carrying amount of pledged investments</b>	<b>1,913.93</b>	<b>1,913.93</b>
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# First pari passu charge on pledge of 19,29,655 (Previous year 19,29,655) equity shares of the Company in favor of bankers of Simbhaoli Power Private Limited.

\* Refer Note No. 1- for extent of holding / voting power

\*\* Net of Impairment

**3.5 OTHER FINANCIAL ASSETS (carried at amortised cost)**

	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
(Unsecured and considered good unless otherwise stated)		
Fixed deposits with banks (Earmarked)	112.79	197.94
Interest accrued on fixed deposits	4.12	21.59
Security deposits	9.27	9.27
Retention money #	1,100.00	1,100.00
	<b>1,226.18</b>	<b>1,328.80</b>

# includes

	Amount outstanding as at		Maximum amount outstanding during	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Name of Subsidiaries</b>				
Simbhaoli Power Private Limited	1,100.00	1,100.00	1,100.00	1,100.00

	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
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**3.6 NON CURRENT TAX ASSETS**

(Unsecured and considered good unless otherwise stated)

Advance tax	348.68	655.35
	<b>348.68</b>	<b>655.35</b>

**3.7 OTHER NON-CURRENT ASSETS**

(Unsecured and considered good unless otherwise stated)

Capital advances	8.94	10.92
Security deposit	82.87	34.56
Other advances *	236.47	227.36
	<b>328.28</b>	<b>272.84</b>

\* Includes amount deposited with Government authorities under protest.

**CURRENT ASSETS**
**3.8 INVENTORIES**

(At lower of cost and net realisable value)

Raw materials	79.92	79.47
Work-in-progress	1,309.95	967.66
Finished goods #	42,923.38	52,529.91
Stock-in-trade	17.51	37.28
Stores and spares	2,136.64	1,466.61
Loose Tools	8.32	7.85
	<b>46,475.72</b>	<b>55,088.78</b>

**Note.**

# includes Goods in Transit	73.01	17.62
Carrying amount of inventories pledged as security for borrowing	46,475.72	55,088.78
Amount of write down of inventories recognized as expenses	108.96	1,386.19

**FINANCIAL ASSETS**

	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
<b>3.9 TRADE AND OTHER RECEIVABLES (carried at amortised cost)</b>		
Trade receivables-Considered Good Secured	-	-
Trade receivables-Considered Good Secured *	4,553.64	3,508.99
Trade receivables which have significant increase in credit risk	-	-
Trade receivables credit impaired #	951.18	347.87
<b>Sub-total</b>	<b>5,504.82</b>	<b>3,856.86</b>
Less: Provision of impaired receivables !	1,011.13	347.87
	<b>4,493.69</b>	<b>3,508.99</b>

\* includes:

	Amount outstanding as at		Maximum amount outstanding during	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Name of Subsidiaries</b>				
#Simbhaoli Global Commodities DMCC	122.41	122.41	122.41	122.41
*Simbhaoli Power Private Limited	-	193.39	331.05	193.39
! Provision for the impaired receivables- Simbhaoli Global Commodities DMCC	122.41	122.41	122.41	122.41

	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
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**3.10 CASH AND CASH EQUIVALENTS****Balances with banks:**

- on current account	3,562.04	4,275.58
- Cash on hand	23.42	12.99
	<b>3,585.46</b>	<b>4,288.57</b>

**3.11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

EMD Paid to banks for OTS	1,521.20	571.60
Fixed deposit with bank (Earmarked)	645.76	1,061.14
	<b>2,166.96</b>	<b>1,632.74</b>

**3.12 LOANS (carried at amortised cost)**

## Loans to subsidiaries

Considered good	-	-
Considered credit impaired *	19.61	22.24
	19.61	22.24
Less: Provision for credit impaired loan**	19.61	22.24
	-	-

\* Includes

	Amount outstanding as at		Maximum amount outstanding during	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Name of Subsidiaries</b>				
*Simbhaoli Global Commodities DMCC	19.61	22.24	22.24	22.24
**Provision for credit impaired loan - Simbhaoli Global Commodities DMCC	19.61	22.24	22.24	22.24

	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
<b>3.13 OTHER FINANCIAL ASSETS (carried at amortised cost)</b>		
(Unsecured and considered good unless otherwise stated)		
Interest accrued on fixed deposits	39.74	81.77
Interest accrued on debentures #	4,182.78	3,100.65
Security deposit	141.97	87.36
Others #	288.15	288.11
	<b>4,652.64</b>	<b>3,557.89</b>

# includes

	Amount outstanding as at		Maximum amount outstanding during	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Name of Subsidiaries</b>				
Simbhaoli Power Private Limited	4,457.76	3,375.64	4,457.76	3,375.64

### 3.14 OTHER CURRENT ASSETS

	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
(Unsecured and considered good unless otherwise stated)		
Advance recoverable in cash or in kind or for value to be received		
Considered good*	723.70	644.04
Considered doubtful	13.76	13.76
	737.46	657.80
Less : Provision for doubtful advances	13.76	13.76
	723.70	644.04
Claims receivable	251.30	300.26
Prepaid expenses	221.52	239.15
Advance to employees	36.74	40.97
Government Grants	7,991.96	7,292.25
Balance with authorities	187.37	339.28
Security deposits		
Considered good	86.89	76.64
Considered doubtful	25.00	25.00
	111.89	101.64
Less : Provision for doubtful security deposits	25.00	25.00
	86.89	76.64
	<b>9,499.48</b>	<b>8,932.59</b>

\* includes

	Amount outstanding as at		Maximum amount outstanding during	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Name of Subsidiaries</b>				
* Integrated Casetech Consultants Pvt Ltd	150.01	53.20	157.58	87.20

### 3.15 EQUITY SHARE CAPITAL

	As at March 31, 2021		As at March 31, 2020	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
<b>Authorized</b>				
Equity shares of ₹ 10 each with voting rights	68000000	6,800.00	68000000	6,800.00
Preference shares of ₹ 100 each	4000000	4,000.00	4000000	4,000.00
	<b>72000000</b>	<b>10,800.00</b>	<b>72000000</b>	<b>10,800.00</b>

	As at March 31, 2021		As at March 31, 2020	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
<b>Issued, subscribed and paid up</b>				
Equity shares of ₹ 10 each with voting rights fully paid-up	41279020	4,127.90	41279020	4,127.90
	<b>41279020</b>	<b>4,127.90</b>	<b>41279020</b>	<b>4,127.90</b>

## A) Reconciliation of number of Authorised shares and amount outstanding at the beginning and at the end of the year

	As at March 31, 2021		As at March 31, 2020	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
Equity shares with voting rights (one per share)				
As at beginning of the year	68000000	6,800.00	6,80,00,000	6,800.00
Add: Addition during the year	-	-	-	-
<b>As at end of the year</b>	<b>68000000</b>	<b>6,800.00</b>	<b>68000000</b>	<b>6,800.00</b>
Preference shares				
As at beginning of the year	4000000	4000.00	4000000	4,000.00
Add: Addition during the year	-	-	-	-
<b>As at end of the year</b>	<b>4000000</b>	<b>4000.00</b>	<b>4000000</b>	<b>4,000.00</b>

## B) Reconciliation of number of issued, subscribed and paid-up shares and amount outstanding at the beginning and at the end of the year

	As at March 31, 2021		As at March 31, 2020	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
Equity shares with voting rights (one per share)				
As at beginning of the year	41279020	4,127.90	41279020	4,127.90
Add: Issue of shares against conversion of share warrants	-	-	-	-
<b>As at end of the year</b>	<b>41279020</b>	<b>4,127.90</b>	<b>41279020</b>	<b>4,127.90</b>

## C) Shareholders holding more than 5% of the shares in the Company

S.No.	Name of the Shareholders	As at March 31, 2021		As at March 31, 2020	
		(No. of Shares)	% of share holding	(No. of Shares)	% of share holding
i)	Dholadhar Investments Private Limited	7462114	18.08	7462114	18.08
ii)	Mr. Gurmit Singh Mann	4726154	11.45	4726154	11.45
iii)	Ms. Gursimran Kaur Mann	4186672	10.14	4186672	10.14
iv)	Mr. Gurpal Singh	2402770	5.82	2402770	5.82
v)	Pearl Innovative Marketing Private Limited	2270623	5.50	2270623	5.50
vi)	Pritam Singh Sandhu Associates Pvt. Ltd.	2077735	5.03	2077735	5.03

D) The Company has allotted 37479020 Equity shares of ₹ 10 each aggregating ₹ 3,747.90 lacs during the financial year 2015-16 on Amalgamation of Erstwhile Simbhaoli Sugars Limited without payment being received in cash..

E) The Company has allotted 3800000 equity shares of ₹ 10/- each at a premium of ₹ 22.10 per share to the specified promoters on conversion of 3800000 equity warrants.

F) Rights, preference and restriction attached to equity shares (₹ 10 each):

- Voting right shall be in same proportion as the capital paid upon such equity share.
- The dividend proposed by the Board of Directors which is subject to the approval of the shareholders in the Annual General Meeting shall be in the same proportion as the capital paid upon such equity share.
- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to capital paid upon such equity share.

	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
<b>3.16 OTHER EQUITY</b>		
<b>Molasses Storage Fund</b>		
Opening balance	45.39	24.18
Add: Addition during the year	21.61	21.21
<b>Closing balance</b>	<b>67.00</b>	<b>45.39</b>
<b>Share Warrant</b>		
Opening balance	-	96.30
Less: Share warrant Money forfeited during the year	-	96.30
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Securities premium</b>		
Opening balance	46,301.79	46,301.79
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>46,301.79</b>	<b>46,301.79</b>
<b>Forfeiture Reserve</b>		
Opening balance	96.30	-
Add: Addition during the year	-	96.30
<b>Closing balance</b>	<b>96.30</b>	<b>96.30</b>
<b>Retained Earnings</b>		
Opening balance	(47,120.34)	(44,683.29)
Add: Profit/(loss) during the year	(443.07)	(2,164.91)
Add: transfer from Other Comprehensive Income	10.59	(272.14)
<b>Closing balance</b>	<b>(47,552.82)</b>	<b>(47,120.34)</b>
<b>Other Comprehensive Income</b>		
Opening balance	(4,681.66)	(4,681.66)
Add: Other Comprehensive Income for the year	10.59	(272.14)
Less: Transfer to Retained earnings	(10.59)	272.14
<b>Closing balance</b>	<b>(4,681.66)</b>	<b>(4,681.66)</b>
	<b>(5,769.39)</b>	<b>(5,358.52)</b>

Notes:

- i) The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyamtran (Sansodhan) Adesh, 1974 and the said storage fund is represented by investment in the form of fixed deposits with banks amounting to ₹ 87.35 lacs (Previous year ₹ 96.07 lacs).
- ii) The Company has issued and allotted 50,00,000 fully convertible share warrants to specified promoters on December 22, 2017, at an issue price of ₹ 32.10 (inclusive of premium of ₹ 22.10) per share convertible into equivalent number of equity shares within a period of 18 months from the date of allotment.  
Since, during the financial year 2019-20, Ms Gursimran Kaur Mann, one of the allottee has not exercised the option for conversion of remaining 12,00,000 share warrants within stipulated period, the amount of ₹ 96.30 lacs being upfront payment of 25% of the subscription amount paid against such 12,00,000 share warrants was forfeited.
- iii) Securities Premium is used to record premium on issue of shares. This reserve shall be utilised in accordance with the provisions of the Act.
- iv) Forfeiture reserve represents the amount forfeited against non conversion of share warrant into equity share with in stipulated period by specified promoters.
- v) Retained earnings represents the undistributed profit/ amount of accumulated loss of the Company.
- vi) Other comprehensive income (OCI) represents the balance in equity relating to re-measurement gain / (loss) of defined benefit obligation and FVTOCI of equity instruments in joint venture. This would not be re-classified to Statement of Profit and Loss.



	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
<b>NON-CURRENT LIABILITIES</b>		
<b>FINANCIAL LIABILITIES</b>		
<b>3.17 BORROWINGS (carried at amortised cost)</b>		
<b>Unsecured</b>		
- from related parties [Refer Note No. 10]	313.19	359.03
	<b>313.19</b>	<b>359.03</b>
<b>3.18 OTHER FINANCIAL LIABILITIES (carried at amortised cost)</b>		
Deferred Income	21.97	48.53
	<b>21.97</b>	<b>48.53</b>
<b>3.19 PROVISIONS</b>		
Provision for employee benefit		
Compensated absences	457.66	457.21
	<b>457.66</b>	<b>457.21</b>
<b>CURRENT LIABILITIES</b>		
<b>FINANCIAL LIABILITIES</b>		
<b>3.20 TRADE AND OTHER PAYABLES</b>		
Total outstanding dues to micro and small enterprises [Refer Note No. 7]	357.88	272.30
Total outstanding dues of other than micro and small enterprises	79,882.61	89,744.05
	<b>80,240.49</b>	<b>90,016.35</b>
<b>3.21 (i) OTHER FINANCIAL LIABILITIES (carried at amortised cost)</b>		
Recalled Loans - dues to Banks/ Financial Institutions [Refer Note No. 10]	102,682.47	104,003.37
- From others	100.00	100.00
Interest accrued but due on borrowings [Refer Note No. 10]	22,427.33	20,414.26
Employees dues	1,519.23	1,420.28
Security deposits	-	75.00
Others liabilities (including capital creditors)	71.47	88.46
Deferred income	26.56	26.56
	<b>126,827.06</b>	<b>126,127.93</b>
<b>3.21 (ii) LEASE LIABILITY ON RIGHT OF USE ASSETS</b>		
Lease Liabilities	-	3.36
	-	<b>3.36</b>
<b>3.22 PROVISIONS</b>		
Provision for employee benefits		
Compensated absences	115.19	107.35
	<b>115.19</b>	<b>107.35</b>
<b>3.23 OTHER CURRENT LIABILITIES</b>		
Statutory dues payable	777.52	757.19
Advance received from customers	592.41	613.99
Security deposits	153.49	157.61
Other payables	3.22	3.27
	<b>1,526.64</b>	<b>1,532.06</b>

	Year ended March 31, 2021 ₹ lacs	Year ended March 31, 2020 ₹ lacs
<b>3.24 REVENUE FROM OPERATIONS</b>		
<b>Revenue from sale of products</b>		
Sale of Products [Refer Note No. 18]	140,045.14	114,425.45
	<b>140,045.14</b>	<b>114,425.45</b>
<b>Other Operating revenue</b>		
Sale of Scrap	151.81	62.41
Cane / Export Subsidy	4,058.92	5,089.45
Freight and Insurance charges recovered	1,080.42	1,008.64
Job Work Charges	353.08	242.80
Other miscellaneous income	1.42	3.15
	<b>145,690.79</b>	<b>120,831.90</b>
<b>3.25 OTHER INCOME</b>		
<b>Interest income on financial assets carried at amortised cost</b>		
Fixed deposits with banks	63.64	76.76
Debentures	1,250.72	1,143.01
<b>Interest income on Income tax refund</b>	50.52	3.45
<b>Other Non operating income</b>		
Rent	56.91	57.60
Liabilities/provisions no longer required, written back	232.38	679.68
Gain on foreign exchange fluctuation	-	16.18
Profit on redemption of Mutual Funds Units	1.28	30.99
Excise duty refund	-	333.69
Miscellaneous	25.70	233.06
	<b>1,681.19</b>	<b>2,574.42</b>
<b>3.26 COST OF MATERIALS CONSUMED</b>		
Sugarcane	86,992.06	81,696.99
Molasses	122.43	52.31
ENA and others	66.55	452.39
	<b>87,181.04</b>	<b>82,201.69</b>
<b>3.27 PURCHASE OF STOCK- IN- TRADE</b>		
<b>Purchase of stock-in-trade</b>	<b>3,572.94</b>	<b>2,866.45</b>
	<b>3,572.94</b>	<b>2,866.45</b>
<b>3.28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening stock		
Finished goods #	52,529.91	44,852.37
Work-in-progress	967.66	1,480.94
Stock-in-trade	37.28	-
	<b>53,534.85</b>	<b>46,333.31</b>
Closing stock		
Finished goods	42,923.38	52,529.91
Work-in-progress	1,309.95	967.66
Stock-in-trade	17.51	37.28
	<b>44,250.84</b>	<b>53,534.85</b>
<b>Net (increase)/ decrease in inventories</b>	<b>9,284.01</b>	<b>(7,201.54)</b>

# Includes Goods in transit amounting to ₹ 73.01 lacs (Previous Year ₹ 17.62 lacs)

**Note :** The amount of loss due to write down the inventories at net realisable value recognised as expenses and is included in change in inventories is ₹ 108.16 lacs (Previous year ₹ 1,386.19 lacs).

	Year ended March 31, 2021 ₹ lacs	Year ended March 31, 2020 ₹ lacs
<b>3.29 EXCISE DUTY ON SALE OF GOODS</b>		
Excise duty on sale of goods	19,413.20	19,887.97
	<b>19,413.20</b>	<b>19,887.97</b>
<b>3.30 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	5,254.11	4,997.35
Contribution to provident and other funds #	501.47	544.88
Staff welfare expenses	121.96	153.84
	<b>5,877.54</b>	<b>5,696.07</b>
# includes gratuity expense [Refer Note No. 14]		
<b>3.31 FINANCE COSTS</b>		
Interest expense on financial liabilities measured at amortized cost	2,958.93	3,043.12
Other interest	107.13	119.17
Interest expenses on lease liability	0.14	0.78
	<b>3,066.20</b>	<b>3,163.07</b>
<b>3.32 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment [Refer Note No. 3.1]	3,523.14	3,591.74
Amortization of intangible assets [Refer Note No. 3.2]	21.23	3.44
Depreciation of right of use Assets [Refer No.3.3]	3.16	5.42
	<b>3,547.53</b>	<b>3,600.60</b>
<b>3.33 POWER &amp; FUEL</b>		
Baggasse	1,433.40	1,585.49
Electricity	1,029.25	776.75
Other	448.83	481.64
	<b>2,911.48</b>	<b>2,843.88</b>
<b>3.34 OTHER EXPENSES</b>		
Consumption of stores and spare parts *	4,141.70	3,789.88
Short term Lease expenses	177.55	180.47
Repairs		
- Buildings	79.21	113.57
- Machinery	1,945.22	2,119.05
- Others	219.16	220.68
Insurance	225.49	184.91
Rates and taxes	179.37	265.95
Bad debts and advances written off (net)	1.48	13.56
Provision for credit loss on receivables and advances & other	668.31	139.90
Freight, Unloading & Material shifting	2,085.73	1,479.20
Commission to selling agents	353.10	487.71
Travelling and conveyance	91.46	192.90
Other Selling Expense	294.20	361.83
Export expenses	422.12	530.04
Loss on sale /discard of property, plant & equipment's	0.04	449.12
Sugar development expense	112.23	86.53
Printing and stationery	35.72	38.22
Contractor & security charges	408.76	399.15
Legal and professional expense [includes auditor's remuneration - Refer Note No. 17]	345.98	359.04
Commitment Charges	558.51	350.70
Miscellaneous expenses	615.77	750.63
	<b>12,961.11</b>	<b>12,513.04</b>

\*Stores, oils and chemicals allocated to other revenue heads ₹ 1,476.89 lacs (previous year ₹ 1,505.23 lacs)

4. The Company has incurred losses due to high sugarcane costs fixed by the state government, and comparatively lower prices of finished sugar due to higher production which are determined by the market forces based on demand-supply situation and other market dynamics. Due to above-stated external factors, the company had incurred huge losses in past resulting in complete erosion of its net worth. This has resulted in delay in meeting the payment obligations to the lenders and sugarcane farmers in terms of their respective agreements and understanding. Although, the operations of the Company remained intact at sub-optimum levels over the years and it has been continuously striving for improvement in operation efficiency in form of improvement in sugar recovery, reduction in overheads and other costs etc. The Company has successfully completed crushing for Sugar season 2020-21 in all of its three sugar mills with better operational performance.

Recognizing the status of the sugar industry, the state and central governments have taken a number of measures to improve the financial health, support for liquidation of cane arrears, fixing minimum obligation for exports to manage the sugar inventory and providing subsidy to compensate export expenses, fixing minimum support price of sugar, and mandatory blending of ethanol with petrol with long term tendering and providing remunerative price of ethanol etc. All these measures have resulted in revival of the sugar industry and the financial performance of the company has also improved during the year. Further, pursuant to an order of Hon'ble High Court of Uttar Pradesh, the Uttar Pradesh sugar industry as well as the Company is confident to receive accrued benefits from the state government under the erstwhile New Sugar Industrial Promotion Policy (NSIPP 2004-09).

On account of delays in servicing of loans, certain 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 the Insolvency and Bankruptcy Code, 2016 and approached Debt Recovery Tribunals in Delhi and Uttar Pradesh as well. Against a criminal complaint filed by one of the lenders with the investigating agency, 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 has preferred an appeal with the appropriate authority and the matter is sub-judice. Enforcement Directorate had proceeded to take the constructive possession of the attached property on which an Interim Stay has been granted by the Hon'ble Appellate Tribunal.

The Company is continuing to pursue a comprehensive debt resolution proposal with all the lenders. The majority of commercial lenders have shown their inclination to accept the debt resolution proposal and accepted the Earnest Money offered thereof while Debt realignment proposal is submitted with other lenders. Considering the steps initiated for achieving turnaround of the Company and sugar sector, ongoing discussions with the lenders for resolution of their dues and continuing manufacturing operations in near foreseeable future with improved operational efficiency, these financial statements are continued to be presented on going concern basis, which contemplates realization of assets and settlement of liabilities, in the normal course of business.

#### Impact of COVID 19 Pandemic

The Company has considered the potential impact of spread of Coronavirus Disease (COVID-19), throughout the country, in preparation of financial statement for the year ended March 31, 2021 based on the information available to it up to the date of approval of these financial results. However, the impact of COVID-19 as well as negative outlook of sugar sector on the carrying amount of its property, plant and equipment's and consequential impairment could not be ascertained and provided for due to non-availability of requisite information on account of lockdown restrictions.

The impact of COVID-19 may differ from what has been assessed by the Management as at the date of approval of these financial statements. The Company will continue to closely monitor any material change in future economic conditions and take appropriate action as may be required.

#### 5. Disclosure in respect of Non-Cancellable Operating Lease:

The company had taken head office premises on long term lease in an earlier year. This Lease Contract have been classified as long term lease and accordingly accounted for as per Ind-As 116.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

Particulars	Premises
<b>Balance as on April 01, 2020</b>	3.16
Addition during the year	-
Deletion during the year	-
Depreciation during the year	(3.16)
<b>Balance as at March 31, 2021</b>	-

(₹ lacs)

Particulars	Premises
<b>Balance as on April 01, 2019</b>	8.58
Addition during the year	-
Deletion during the year	-
Depreciation during the year	(5.42)
<b>Balance as at March 31, 2020</b>	3.16

(₹ lacs)

Following is the break-up of current and non-current lease liabilities as at March 31, 2020 :

Particulars	As at March 31, 2021	As at March 31, 2020
Current Lease Liabilities in respect of long-term lease	-	3.36
Current Lease Liabilities in respect of short-term lease	-	-
Non-Current Lease Liabilities	-	-
<b>Total</b>	-	<b>3.36</b>

(₹ lacs)

Following is the movement in long term lease liabilities during the year ended March 31, 2021:

Particulars	As at March 31, 2021
<b>Balance as on April 01, 2020</b>	<b>3.36</b>
Additions during the year	-
Finance Cost Accrued during the year	0.14
Deletions during the year	-
Payment of Lease Liabilities during the year	(3.50)
Translation Difference	-
<b>Balance as at March 31, 2021</b>	<b>-</b>

(₹ lacs)

Particulars	(₹ lacs)
	As at March 31, 2021
Balance at the Beginning / Reclassified i.e April 01, 2019	8.58
Additions during the year	-
Finance Cost Accrued during the year	0.78
Deletions during the year	-
Payment of Lease Liabilities during the year	(6.00)
Translation Difference	-
<b>Balance as at March 31, 2020</b>	<b>3.36</b>

**6. Contingent liabilities and commitments (to the extent not provided for):**

- i) Claims against the Company not acknowledged as debts ₹2,731.82 lacs (Previous Year ₹ 620.01 lacs).

Description	(₹ lacs)	
	As at March 31, 2021	As at March 31, 2020
Sales Tax/Trade Tax Act	54.42	54.42
Central Excise Act	2,220.36	121.49
Finance Act, 1994	36.19	28.25
Others	420.85	415.85
<b>Total</b>	<b>2,731.82</b>	<b>620.01</b>

All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not in the opinion of the management, have a material effect on results of operations or financial position of the Company.

The amount shown in Note No. 6 (i) above represent the best possible estimates arrived on the basis of demand raised by the claimant and does not include interest if any, payable thereon from the date of demand. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the company or the claimants, as the case may be and, therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of the appeals.

- ii) 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 sugar seasons 2012-13 to 2014-15 by the UP sugar industry. No demand, pursuant to the order and for subsequent period has since been received by the Company. Considering this and also prevalent past practices, no such provision towards the interest on delayed payment of cane price has been made in the accounts.
- iii) The Allahabad High Court vide Order dated 21.12.2017 stayed the retrospective operation of orders of UP State Government pertaining to waiver of society commission for earlier years. Considering the fact that no notice of demand for such society commission's amount has been served upon the company, the same has not been acknowledged as debts and no provision has been made. Based on the past industry practices, the management is confident that no liability will arise for the said periods.

- iv) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Code would impact the contributions by the Company towards Provident Fund and Gratuity. However, the date on which the Code will come into effect has not been notified. The Company will complete its evaluation and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

- v) Capital and other commitment

Estimated value of contracts (net of advances) remaining to be executed on Capital account ₹ 60.51 lacs (Previous year ₹ 750.24 lacs). The Company has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any other long-term commitments or material non-cancellable contractual commitments / contracts, which may have a material impact on the financial statements.

**7. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT, 2006).**

On the basis of supplier information available with the Company who have registered under the MSMED Act, 2006, the following are the details:

S. No.	Description	(₹ lacs)	
		As at March 31, 2021	As at March 31, 2020
(a)	Principal amount remaining unpaid to any supplier as at the end of the accounting year.	357.88	272.30
(b)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	14.46	17.06
(c)	The amount of interest paid by the company in terms of section 16, of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year.	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	1.20	2.80
(e)	The amount of interest accrued but not due during the year.	-	-
(f)	The amount of further interest due and payable even in the succeeding period.	57.66	42.00

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

8. The Company has filed application for reclassification of promoters' category in terms of provisions of erstwhile

regulation 31A (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with SEBI/Stock Exchanges, which is pending.

9. Certain banks had advanced Agri loans to sugarcane farmers through the erstwhile Simbhaoli Sugars Limited (ESSL) under the management and collection agreements and were provided Corporate Guarantee and post-dated cheques as security. These loans were to be repaid by the Company to the banks from the dues payable to sugarcane farmers against their supplies, but due to the overall downturn in the sugar industry and primacy to pay sugarcane dues ahead of all other payments, the Company could not repay these loans on the due date. Company had submitted a financial restructuring plan to its lenders in FY 2014-15. As per sanction of CDREG dated February 02, 2016 all the dues outstanding were proposed to be converted into term loans, subject to the consent of respective commercial banks. Two of the commercial banks have converted their dues into term loan in the financial year 2016-2017 and one of the commercial banks have converted their dues into term loan in financial year 2017-18.

Oriental Bank of Commerce (OBC) now amalgamated with Punjab National Bank, one of the bank, who has converted Agri Loan in to corporate loan as aforesaid in financial year 2016-17. Prior to such conversion, OBC arbitrarily classified its outstanding Agri Loan as "Fraud" liability in May 2015 but subsequently, after following due process, including but not limited to obtaining specific permission from the Reserve Bank of India (RBI), and in consultation with all other Consortium Lenders, sanctioned and disbursed a corporate loan in February 2016 for liquidating the Agri Loans. In addition, in an application filed by OBC at the Debt Recovery Tribunal, OBC confirmed a simultaneous closure of the matter and a consented decree was passed.

OBC, now amalgamated with Punjab National Bank (PNB), had arbitrarily initiated recovery actions against the Company for the restructured corporate loan including an application filed before National Company Law Tribunal (NCLT), Allahabad Bench and recently PNB had also filed an application before NCLT, Allahabad Bench under Insolvency and Bankruptcy Code, 2016 for recovery of their dues, causing a serious threat to the value available to all the stakeholders. OBC, had declared company and guarantors as willful defaulters against which company and guarantors have contested such declaration in the Hon'ble Punjab and Haryana High Court and such impugned order of OBC was Set Aside by Hon'ble High Court. While on a Show Cause Notice on Willful Default by Punjab National Bank to company and its promoter, basis representations made before

the screening committee and taking into account that forensic audit report of the Company, initiated by the Lenders, was also closed by unanimous consensus in Joint Lenders Meeting stating that there was no fraud or willful default, PNB has kept the declaration of willful default in Abeyance. PNB had issued letter to the company, including credit assistance advanced by erstwhile OBC, wherein default is identified as willful default and to rectify the default. Company is contesting such letter basis the allegations are baseless and requested to provide the documents on the basis which such conclusion are arrived at, under the expert legal opinion. OBC had also filed a criminal complaint with the investigating agency declaring the credit facilities as "Suspected Fraud". The Company has denied any fraud on its part, provided adequate documentation for the same, while reiterating its commitment for repayment to all the lenders, basis future cash flows. Against such criminal complaint, the enforcement directorate had passed an attachment order on certain assets of the Company to the extent of ₹ 109.80 crores, against which the Company has preferred an appeal with the appropriate authority and the matter is sub-judice. The Company has sought legal advice in this matter and the legal advisors have opined that there have been various gross omissions and commissions at the banks' end including but not limited to OBC and that the Company should take appropriate action at the relevant forums at the required time.

10. The credit facilities availed by the Company have been classified as non-performing assets (NPA) by all the lenders and interest thereon is not being charged to the loan accounts by commercial lenders as per RBI's circular. The Company has submitted comprehensive debt resolution proposals with all the lenders to commensurate with its future cash flows. The majority of commercial lenders have shown their inclination to accept the debt resolution proposal (OTS Proposal) of the Company and accordingly accepted the offered Earnest Money Deposit offered by SSL from Company's own funds. Accordingly, the Interest expenses pertaining to commercial lenders, for the year ended March 31, 2021 amounting to ₹ 15,461.02 lacs respectively (previous year ended March 31, 2020 amounting to ₹ 13,146.17 lacs) has not been recognized in profit and loss account. A total amount of ₹ 52,915.64 lacs towards accrued interest has not been provided for in the books of accounts as on March 31, 2021. Since all the lenders have recalled their Credit Facilities in earlier years, their principal and interest outstanding dues have been classified and shown under "Other Current Financial Liabilities". The terms of repayment, nature of security and overdue including unaccounted interest, if any, in accordance with existing agreements are as under:

**(A) Long term borrowings (Secured)**

Term Loan	Outstanding (₹ lacs)		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2021	As at March 31, 2020			
From Commercial Banks - Under Recalled Loans	17,398.93	17,398.93	12.50% p.a.	<ol style="list-style-type: none"> <li>1 First pari passu charge on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company.</li> <li>2 First pari passu charge on pledge of 26.32 lacs equity shares of the Company held by Promoters.</li> <li>3 Personal guarantees of Mr. Gurmit Singh Mann, Chairman, Mr. Gurpal Singh, Director and Ms. Gursimran Kaur Mann, MD of the Company.</li> <li>4 First Charge on the Divestment proceeds from Sale of investments in Uniworld Sugar Pvt. Ltd. and Chilwaria Sugar Complex</li> </ol>	<p>Principal overdue above 90 days ₹17,398.93 lacs (Previous year ₹17,398.93 lacs).</p> <p>Interest overdue below 90 days of ₹900.48 lacs (Previous year- ₹734.01 lacs) and above 90 days ₹ 13,656.75 lacs (Previous year- ₹9,923.27 lacs).</p>
From Commercial Bank - Under Recalled Loans	10,301.47	10,301.47	11.35% p.a	<ol style="list-style-type: none"> <li>1 Subservient first pari-passu charge on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the company with FACR 1.25 times (minimum)</li> <li>2 Credit facilities are also secured by Personal guarantee of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director.</li> </ol>	<p>Principal overdue above 90 days ₹10,301.47 lacs (Previous year ₹10,301.47 lacs).</p> <p>Interest overdue below 90 days of ₹441.95 (Previous year ₹ 433.37 lacs) and above 90 days ₹ 6,714.31 lacs (Previous year - ₹4,894.68 lacs).</p>
From Commercial Bank - Under Recalled Loans	22,347.00	22,347.00	8.60% p.a	<ol style="list-style-type: none"> <li>1 First sub-servient charge on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company.</li> <li>2 Personal guarantees Mr. Gurmit Singh Mann, Chairman and Ms. Gursimran Kaur Mann, MD of the Company.</li> </ol>	<p>Principal overdue above 90 days ₹22,347.00 lacs (Previous year - ₹22,347.00 lacs).</p> <p>Interest overdue below 90 days of ₹634.70 (Previous year - ₹613.49 lacs) and above 90 days ₹ 6,857.64 lacs (Previous year - ₹ 4,431.66 lacs).</p>
From Co-operative Bank - Under Recalled Loans	4,913.74	4,913.74	12.00% p.a	<ol style="list-style-type: none"> <li>1. First pari passu charge on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company.</li> <li>2 Mortgage of residential property of Promoter Director.</li> <li>3 Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company.</li> </ol>	<p>Principal overdue above 90 days ₹4,913.74 lacs (Previous year- ₹4,913.74 lacs).</p> <p>Interest overdue below 90 days of ₹170.45 (Previous year- ₹154.05 lacs) and above 90 days ₹ 2,048.02 lacs (Previous year- ₹1,426.97 lacs).</p>
Others - Under Recalled Loans	3,061.34	3,054.74	Range between 1.57 % to 10.00 % p.a.	<ol style="list-style-type: none"> <li>1 Term loan from Sugar Development Fund of ₹ 2,954.74 lacs (previous year ₹ 2,954.74 lacs) is secured by way of second exclusive charge on all movable and immovable fixed assets of the respective division.</li> <li>2 Term loan from Sugar Technology Mission of ₹ 100.00 lacs (previous year ₹ 100.00 lacs) is secured by way of exclusive first charge on Sugarcane Juice Purification project at Simbhaoli Sugar Division of the Company.</li> </ol>	<p>Principal overdue above 90 days ₹3,061.34 lacs (Previous year - ₹3,054.74 lacs).</p> <p>Interest overdue below 90 days of ₹113.56 (Previous year - ₹78.05 lacs) and above 90 days ₹ 2,178.94 lacs (Previous year - ₹1,765.29 lacs).</p>

**(B) Unsecured loans from Related Parties of ₹ 313.19 lacs (Previous year - ₹ 359.03 lacs) carry interest rate (Ranges between) from 9.30 % to 10.15 % p.a. are payable after repayment of term loan in accordance with Scheme.**

**(C) Short term borrowings (Secured)**

Loan repayable on demand	Outstanding (₹ lacs)		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2021	As at March 31, 2020			
From Commercial Banks - Under Recalled Loans	17,187.32	17,187.32	12.50% p.a.	<ol style="list-style-type: none"> <li>1 First pari passu charge by way of hypothecation of all current assets of respective division.</li> <li>2 Third pari passu charge on entire fixed assets of the Company, both present and future, including equitable mortgage on the land of the Company.</li> <li>3 First pari passu charge on pledge of 26.32 lacs equity shares of the Company held by Promoters.</li> <li>4 Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gурpal Singh, Director of the Company.</li> <li>5 Charge over SSL's Share of Dividend in Simbhaoli Power Private Limited</li> </ol>	Interest overdue of below 90 days ₹1,314.19 lacs (Previous year- ₹959.78) and above 90 days ₹19,257.57 lacs (Previous year- ₹15,437.02 lacs).
From Co-operative Bank - Under Recalled Loans	9,039.27	9,012.47	10.25% p.a.	<ol style="list-style-type: none"> <li>1 Pledge of sugar stock of the respective division of the Company.</li> <li>2 Personal guarantees of Mr. Gurmit Singh Mann, Chairman, Mr. Gурpal Singh, Director and Ms Gursimran Kaur Mann, MD of the Company.</li> <li>3 Equitable Mortgage of the Property of M/s. Simbhaoli Specialty Sugars Ltd.</li> <li>4 Collaterally Secured by way of Hypothecation of Debtors of the Mill</li> <li>5 First Charge on the Semi-finished sugar including sugar in process, raw material of the Respective division of the company.</li> <li>6 First Charge and Lien on the Land, Building Plant &amp; Machinery of the respective division of the company subject to charge of the Government of India and Term Lending Institutions for the existing loan/credit facilities.</li> </ol>	Interest overdue below 90 days of ₹318.52 Lacs (Previous year- ₹290.76) and above 90 days ₹3,458.07 lacs (Previous year - ₹2,269.12 lacs)
From Co-operative Bank - Under Recalled Loans	3,518.74	4,873.04	11.50% p.a.	<ol style="list-style-type: none"> <li>1 Pledge of sugar stock of the respective division of the Company.</li> <li>2 First Charge on the Semi-finished sugar including sugar in process, raw material of the Respective division of the company.</li> <li>3 Second Charge on the Land, Building Plant &amp; Machinery of the respective division of the company</li> <li>4 Personal guarantee of Mr. Gurmit Singh Mann, Chairman, Mr. Gурpal Singh, Director and Ms. Gursimran Kaur Mann, MD of the Company.</li> </ol>	Interest overdue below 90 days of ₹150.93 lacs (Previous year - ₹206.43 lacs) and above 90 days ₹ 495.37 lacs (Previous year - ₹769.09 lacs)

**(D) Short term borrowings (Un-secured)**

Loan repayable on demand	Outstanding (₹ lacs)		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2021	As at March 31, 2020			
From Commercial Banks - Under Recalled Loans	15,014.66	15,014.66	Range between 9% to 10.70% p.a.	N.A	<p>Principal overdue above 90 days of ₹15,014.66 lacs (Previous year- ₹15,014.66 lacs).</p> <p>Interest overdue below 90 days of ₹1,004.70 (Previous year- ₹ 689.71) and above 90 days ₹15,559.52 lacs (Previous year- ₹ 12,756.98 lacs).</p>



## 11. Related Party disclosures under Ind AS 24

### i) Name of related parties and description of relationship:

#### Subsidiaries:

- Simbhaoli Global Commodities DMCC (DMCC)
- Integrated Casetech Consultants Private Limited (ICCPL)
- Simbhaoli Power Private Limited (SPPL)
- Simbhaoli Speciality Sugars Private Limited (SSSPL)

#### Associate:

- Uniworld Sugars Private Limited (USPL)  
(Under Corporate Insolvency Resolution Process)

#### Key Management Personnel (KMP):

- Mr. Gurmit Singh Mann - Chairman
- Mr. Guralp Singh – Director
- Ms. Gursimran Kaur Mann - Managing Director
- Mr. Sanjay Tapriya – Director
- Mr. Sachchida Nand Misra  
Chief Operating Officer & Whole time Director
- Mr. S.K. Ganguli – Independent Director  
(ceased to be key management personnel  
w.e.f. August 23, 2020)
- Mr. H. P. Kain- Independent Director
- Mr. Atul Mahindru – Independent Director  
w.e.f. November 14, 2019)
- Mr. Shyam Sunder – Independent Director  
(w.e.f. February 13, 2020)
- Mr. C.K. Mahajan – Independent Director
- Mr. Aseem Sehgal- Independent Director  
(w.e.f. Feb 23, 2021)
- Mr. B.K. Goswami  
(ceased to be key management personnel  
w.e.f. April 12, 2019)
- Mr. Dalbir Singh  
(ceased to be key management personnel  
w.e.f. August 14, 2019)
- Mr. Dayal Chand Popli – Chief Financial Officer
- Mr. Kamal Samtani – Company Secretary

#### Relatives of Key management personnel:

- Mrs. Mamta Tapriya (wife of Mr. Sanjay Tapriya),
- Mrs. Usha Misra (wife of Mr. S.N. Misra)
- Mr. Govind Singh Sandhu (brother of Mr. Guralp Singh),
- Mr. G.M.S. Mann (HUF)

#### Enterprise over which key management personnel exercise significant influence:

- Dholadhar Developers Private Limited  
(enterprise over which Mr. Gurmit Singh Mann and  
Ms. Gursimran Kaur Mann exercise significant influence)
- Dholadhar Investments Private Limited  
(enterprise over which Mr. Gurmit Singh Mann and  
Ms. Gursimran Kaur Mann exercise significant influence)
- Mahajan Law House  
(enterprise over which Mr. C.K. Mahajan exercise  
significant influence)

### Trusts:

- Simbhaoli Sugars Limited Officer's Superannuation Scheme
- Simbhaoli Sugars Limited Employee Gratuity Scheme
- Simbhaoli India Foundation

### ii) Transactions with the above parties :

(₹ lacs)

Description	Year ended March 31, 2021	Year ended March 31, 2020
<b>Transactions</b>		
<b>Rent Paid</b>	<b>4.20</b>	<b>15.38</b>
Mrs. Mamta Tapriya	-	1.20
Mrs. Usha Misra	-	8.18
SSSPL	4.20	6.00
<b>Rent Received</b>	<b>2.72</b>	<b>3.72</b>
ICCPL	2.60	3.60
Simbhaoli Foundation Trust	0.12	0.12
<b>Managerial Remuneration</b>	<b>286.66</b>	<b>286.02</b>
Ms. Gursimran Kaur Mann	119.94	119.82
Mr. S.N.Misra	75.64	75.12
Mr. D.C.Popli	64.54	64.54
Mr. Kamal Samtani	26.55	26.54
<b>Loans Repaid</b>	<b>45.83</b>	<b>191.00</b>
Mr. G.M.S. Mann	31.83	166.00
Dholadhar Investments Private Limited	14.00	-
Mr. Sanjay Tapriya	-	25.00
<b>Expenses paid</b>	<b>1,739.25</b>	<b>1,211.57</b>
SPPL	1,739.25	1,208.52
Mahajan Law House	-	3.05
<b>Interest paid</b>	<b>33.52</b>	<b>36.53</b>
Mr. Sanjay Tapriya	-	1.18
Dholadhar Investments Private Limited	33.52	35.35
<b>Sale of finished goods</b>	<b>1,238.22</b>	<b>904.14</b>
SPPL	1,238.22	904.14
<b>Advance Received against sale of Assets</b>	<b>-</b>	<b>11.88</b>
Dholadhar Developers Pvt. Ltd.	-	11.88
<b>Sitting Fees paid</b>	<b>8.05</b>	<b>5.85</b>
Mr. Shyam Sunder	2.40	0.40
Mr. S.K.Ganguli	-	2.35
Mr. B.K.Goswami	0.15	-
Mr. Dalbir Singh	-	0.50
Mr. C.K.Mahajan	1.55	0.25
Mr. Atul Mahindru	1.55	0.25
Mr. H.P. Kain	2.40	2.10
<b>Expenses recovered</b>	<b>12.20</b>	<b>6.22</b>
ICCPL	5.81	6.22
SPPL	6.39	-
<b>Contribution in Trusts</b>	<b>-</b>	<b>10.02</b>
Simbhaoli Superannuation Trust	-	10.02
<b>Interest Income</b>	<b>1,277.97</b>	<b>1,171.73</b>
SPPL	1,277.97	1,171.73
<b>Management fees charged</b>	<b>-</b>	<b>209.19</b>
SPPL	-	209.19
<b>Operation and job work charges paid</b>	<b>192.64</b>	<b>177.60</b>
USPL	-	1.45
ICCPL	192.64	176.15
<b>Share warrant money forfeited during the year</b>	<b>-</b>	<b>96.30</b>
Ms. Gursimran Kaur Mann	-	96.30
<b>Share warrants forfeited during the year (no.)</b>	<b>-</b>	<b>12.00</b>
Ms. Gursimran Kaur Mann	-	12.00

**Note:** The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

**iii) Balance outstanding at the end of the year**

(₹ lacs)

Description	Year ended March 31, 2021	Year ended March 31, 2020
<b>Other financial assets - Non current</b>	<b>1,100.00</b>	<b>1,100.00</b>
SPPL	1,100.00	1,100.00
<b>Other financial assets-Current</b>	<b>4,557.76</b>	<b>3,375.64</b>
SPPL	4,557.76	3,375.64
<b>Trade payables</b>	<b>817.15</b>	<b>745.56</b>
Mr. Gurpal Singh	0.28	0.28
Ms. Gursimran Kaur Mann	13.15	35.43
Mr. Sachchida Nand Misra	4.09	0.76
Mr. B.K.Goswami	0.93	0.93
Mr. Dayal Chand Popli	0.32	0.25
Mr. Kamal Samtani	0.82	0.79
Mr. Sanjay Tapriya	0.59	11.05
Mrs. Mamta Tapriya	-	1.62
Mr. C.K.Mahajan	0.67	-
Mr. H.P.Kain	0.37	-
Mr. Atul Mahindru	0.23	-
Mr. Shyam Sunder	0.37	-
SPPL	745.31	648.37
SSSPL	49.00	46.08
<b>Long-term borrowings</b>	<b>313.19</b>	<b>359.03</b>
Mr. G.M.S. Mann	0.80	32.63
Dholadhar Investments Private Limited	312.39	326.40

(₹ lacs)

Description	Year ended March 31, 2021	Year ended March 31, 2020
<b>Advance given to Supplier</b>	<b>150.01</b>	<b>53.20</b>
ICCPL	150.01	53.20
<b>Unsecured Loans given</b>	<b>22.24</b>	<b>22.24</b>
Simbhaoli Global Commodities, DMCC	22.24	22.24
<b>Trade Receivable</b>	<b>0.41</b>	<b>0.17</b>
Simbhaoli Foundation Trust	0.41	0.17
<b>Other Financial Liabilities- Current</b>	<b>73.87</b>	<b>43.70</b>
Dholadhar Developers Pvt. Ltd.	11.88	11.88
Dholadhar Investments Private Limited	61.99	31.82
<b>Impairment/ Credit loss provision</b>	<b>144.65</b>	<b>144.65</b>
Loan and advances - DMCC	22.24	22.24
Trade Receivable -DMCC	122.41	122.41
<b>Pledge of Investment (No. of shares) (in lacs) #</b>	<b>309.42</b>	<b>309.42</b>
SPPL	19.30	19.30
USPL	290.12	290.12
<b>Investment outstanding - equity instruments (₹ lacs)</b>	<b>6,067.32</b>	<b>6,067.32</b>
ICCPL	383.73	383.73
SSSPL	190.00	190.00
SPPL	5,493.59	5,493.59
<b>Investment outstanding - debt instruments (₹ lacs)</b>	<b>4,999.90</b>	<b>5,053.70</b>
SPPL	4,999.90	5,053.70
<b>Investment outstanding - others (₹ lacs)</b>	<b>45.00</b>	<b>45.00</b>
SPPL	45.00	45.00

# to banker for loan availed by SPPL &amp; USPL

- iv) In pursuance of the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, and with the No-objection received from the State Bank of India, the lead Bank, the special resolutions for the appointment of Ms. Gursimran Kaur Mann as Managing Director and Mr Sachchida Nand Misra as Chief Operating Officer and Whole Time Director of the Company were passed at the 9th Annual General Meeting of the members of the Company held on December 21, 2020 for a period of one year with effect from August 02, 2020 and September 18, 2020 respectively. The details of remuneration paid to Managing Director, Chief Operating Officer and Whole Time Director and Key Management Personnel are as under :-

Details of Remuneration paid/payable to KMP					(₹ lacs)
Particulars	Ms. Gursimran Kaur Mann	Mr. Sachchida Nand Misra	Mr. Dayal Chand Popli	Mr. Kamal Samtani	
<b>Year ended March 31, 2021</b>					
<b>Short-term employee benefits</b>					
Salary	100.80	64.71	58.75	22.66	
Perquisites	10.98	7.67	3.29	2.21	
<b>Post-employment benefits</b>					
Contribution to Provident Fund, Gratuity and other Funds*	8.16	3.27	2.50	1.67	
	<b>119.94</b>	<b>75.64</b>	<b>64.54</b>	<b>26.54</b>	
<b>Year ended March 31, 2020</b>					
<b>Short-term employee benefits</b>					
Salary	100.80	56.03	58.75	22.66	
Perquisites	10.86	15.84	3.29	2.21	
<b>Post-employment benefits</b>					
Contribution to Provident Fund, Gratuity and other Funds*	8.16	3.25	2.50	1.67	
	<b>119.82</b>	<b>75.12</b>	<b>64.54</b>	<b>26.54</b>	

\* The said amount does not include amount in respect of gratuity &amp; leaves as the same are not ascertainable.

**12. Segment reporting**
**i) Operating segments:**

The company's operating segments are business segments, viz. sugar and alcohol, basis which chief operating decision maker (CODM) evaluates the company's performance and allocates resources

**ii) Geographical segments:**

Since the Company's activities/operations are primarily within the country and considering the nature of products it deals

in, the risks and returns are same and as such there is only one geographical segment.

**iii) Segment accounting policies:**

In addition to the significant accounting policies applicable to the business segments as set out in note 2 above the accounting policies in relation to segment accounting are as under:

**a) Segment revenue and expenses:**

Joint revenue and expenses of segments are allocated

amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

**b) Segment assets and liabilities:**

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued

liabilities. Segment assets and liabilities do not include income taxes. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amount of certain assets/liabilities pertaining to two or more segments is allocated to the segments on a reasonable basis.

**c) Inter segment sales:**

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated on consolidation.

**iv) (a) Information About Business Segments**

(₹ lacs)

Particulars	Sugar		Alcohol		Elimination		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Segment revenue</b>										
External sales:	101,200.53	79,491.51	38,844.61	34,933.94	-	-	-	-	140,045.14	114,425.45
Inter segment sales	9,907.68	6,459.75	-	-	(9,907.68)	(6,459.75)	-	-	-	-
Other operating Revenue	5,166.33	6,088.31	479.32	318.14	-	-	-	-	5,645.65	6,406.45
<b>Total revenue</b>	<b>116,274.54</b>	<b>92,039.57</b>	<b>39,323.93</b>	<b>35,252.08</b>	<b>(9,907.68)</b>	<b>(6,459.75)</b>	-	-	<b>145,690.79</b>	<b>120,831.90</b>
<b>Segment results</b>	808.67	264.50	1,406.97	387.24	-	-	-	-	2,215.64	651.74
Unallocated net expenses/ income	-	-	-	-	-	-	(407.49)	(346.42)	(407.49)	(346.42)
Operating profit/(loss)	-	-	-	-	-	-	-	-	2,623.13	998.16
Finance cost	-	-	-	-	-	-	3,066.20	3,163.07	3,066.20	3,163.07
Exceptional items (net)	-	-	-	-	-	-	-	-	-	-
Provision for taxes	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(loss)</b>	-	-	-	-	-	-	-	-	<b>(443.07)</b>	<b>(2,164.91)</b>

Note: Inter segment revenues are eliminated upon consolidation and reflected in the adjustment and eliminations column finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed at company level.

**(b) Information About Business Segments**

(₹ lacs)

Particulars	Sugar		Alcohol		Unallocated		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>OTHER INFORMATIONS</b>								
<b>ASSETS</b>								
Segment assets	145,638.16	160,072.49	45,609.55	42,023.71	-	-	191,247.71	202,096.20
Unallocated assets	-	-	-	-	5,498.17	4,156.87	5,498.17	4,156.87
Investment	-	-	-	-	11,114.83	11,168.13	11,114.83	11,168.13
<b>Total assets</b>	<b>145,638.16</b>	<b>160,072.49</b>	<b>45,609.55</b>	<b>42,023.71</b>	<b>16,613.00</b>	<b>15,325.00</b>	<b>207,860.71</b>	<b>217,421.20</b>
<b>EQUITY AND LIABILITIES</b>								
Segment liabilities	80,133.53	90,141.79	2,986.35	2,715.85	-	-	83,119.88	92,857.64
Shares capital and reserves	-	-	-	-	(1,641.49)	(1,230.62)	(1,641.49)	(1,230.62)
Secured and unsecured loans	-	-	-	-	103,095.49	104,462.40	103,095.49	104,462.40
Unallocated liabilities	-	-	-	-	23,286.83	21,331.78	23,286.83	21,331.78
<b>Total liabilities</b>	<b>80,133.53</b>	<b>90,141.79</b>	<b>2,986.35</b>	<b>2,715.85</b>	<b>124,740.83</b>	<b>124,563.56</b>	<b>207,860.71</b>	<b>217,421.20</b>

**(c) Reconciliations of amounts reflected in the financial statement**

<b>i) Reconciliation of assets</b>			(₹ lacs)
Particulars	As at March 31, 2021	As at March 31, 2020	
Segment operating assets	207,860.71	217,421.20	
<b>Total Assets</b>	<b>207,860.71</b>	<b>217,421.20</b>	
<b>ii) Reconciliation of liabilities</b>			(₹ lacs)
Particulars	As at March 31, 2021	As at March 31, 2020	
Segment operating liabilities	207,860.71	217,421.20	
<b>Total Liabilities</b>	<b>207,860.71</b>	<b>217,421.20</b>	

(d) **Geographical information:**

The Company operated only in India during the year ended March 31, 2021 and March 31, 2020.

(e) **Information about major customers:**

No single customer contributed 10% or more of the total revenue of the Company for the year ended March 31, 2021 and March 31, 2020.

(f) **Information About Business Segments**

(₹ lacs)

Particulars	Sugar		Alcohol		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>OTHER INFORMATIONS</b>								
Capital expenditure	289.94	373.06	238.33	1,024.70	1.83	67.77	530.10	1,465.53
Depreciation and amortization expense (net of revaluation reserve)	2,576.08	2,568.10	942.93	1,011.01	28.52	21.49	3,547.53	3,600.60
Non cash expenses other than depreciation	433.14	342.23	236.69	253.41	-	6.94	669.83	602.58

**Note:** Capital expenditure consists of additions to property, plant and equipment, capital work in progress and intangible assets.

13. In the view of the history of continuous losses, the company has recognised deferred tax assets only to the extent of deferred Tax liability, which can legally be offset under tax laws.

Details of deferred tax assets recognised and not recognised and details of deferred tax liabilities are as under:

i. **Details of recognised Deferred Tax Asset/ (Liability)**

(₹ lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Asset :</b>		
On account of carried forward losses	1,320.96	3,116.32
On account of carried forward unabsorbed depreciation	13,877.27	13,888.10
On account of difference in the tax base value and carrying amount of investments	-	-
Liabilities and provisions tax deductible only upon payment/actual crystallization:		
-Interest payable to banks/financial institutions	8,999.93	8,686.01
-Others	966.85	361.98
	<b>25,165.01</b>	<b>26,052.41</b>
<b>Deferred Tax Liability :</b>		
On account of accelerated depreciation for tax purposes	9,819.99	10,528.70
On account of difference in the tax base value and carrying amount of land	15,345.02	15,523.71
	<b>25,165.01</b>	<b>26,052.41</b>
<b>Net Deferred Tax</b>	-	-

ii. **Movement in deferred tax Assets/ Liability**

(₹ lacs)

	Carried forward losses & Unabsorbed Depreciation	Property Plant & Equipment	Interest payable to banks/ financial institutions	Other items	Total
<b>At 31st March 2019</b>	<b>18,675.21</b>	<b>(26,864.93)</b>	<b>8,019.36</b>	<b>170.36</b>	-
(Charged)/credited:-					
-to profit & loss	(1,670.79)	812.52	666.65	191.62	-
-to other comprehensive income	-	-	-	-	-
<b>At 31st March 2020</b>	<b>17,004.42</b>	<b>(26,052.41)</b>	<b>8,686.01</b>	<b>361.98</b>	-
(Charged)/credited:-					
-to profit & loss	(1,806.19)	887.40	313.92	604.87	-
-to other comprehensive income	-	-	-	-	-
<b>At 31st March 2021</b>	<b>15,198.23</b>	<b>(25,165.01)</b>	<b>8,999.93</b>	<b>966.85</b>	-

iii. **Details of unrecognised Deferred Tax Asset**

(₹ lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Asset :</b>		
Tax Effect on Tax Losses	9,634.15	9,385.30
Tax Effect on difference in the tax base value and carrying amount of Investments other than charged to OCI	393.37	321.34
Tax effect on items charged to OCI ( Net)	3,072.23	2,911.80
	<b>13,099.75</b>	<b>12,618.44</b>
Expiry profile of unrecognised unused tax losses		
Unused tax losses (business loss) shall expire on-		
March, 31, 2026	4,874.40	4,874.40
March, 31, 2024	4,759.74	4,510.90
	<b>9,634.14</b>	<b>9,385.30</b>

13 A. Income tax expense

(₹ lacs)

i) Income Tax recognised in Statement of Profit and Loss Account

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax	-	-
Deferred tax	-	-
<b>Total Income Tax Expenses</b>	-	-

ii) Reconciliation of tax expense and accounting profit multiplied by India's tax rate:

(₹ lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(Loss) for the year (before income tax expense)	(443.07)	(4,914.51)
Applicable tax rate	34.94%	34.94%
<b>Computed tax expenses</b>	<b>(154.83)</b>	<b>(1,717.33)</b>
Expenses not allowed for tax purposes	32.94	39.31
Reversal of Deferred Tax liability on land (Net)	(178.68)	(76.34)
Deferred Tax Assets on business losses not recognised	248.85	1,733.54
Deferred Tax Assets on gratuity not recognised	51.72	20.82
<b>Total</b>	-	-

14. Employee Benefits

The Company has classified the various benefits provided to employees as under: -

i) **Defined Contribution Plan:**

- > Provident fund
- > Superannuation fund

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

Description	Year ended March 31, 2021	Year ended March 31, 2020
- Employers' Contribution to Provident Fund	385.84	405.11
- Employers' Contribution to Superannuation Fund	11.60	12.82

ii) Disclosure in respect of defined benefit plans (Gratuity & compensated absence) is as under:

• Principal Assumptions				
Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	2020-21	2019-20	2020-21	2019-20
Discount Rate (Per Annum)	6.45%	6.60%	6.45%	6.60%
Expected Rate of Salary Increase				
- for the first Year	5.20%	5.20%	5.20%	5.20%
- and thereafter	5.00%	5.00%	5.00%	5.00%
Mortality Rate (% of IALM 12-14)	100%	100%	100%	100%
Attrition/Withdrawal Rate	2.00%	2.00%	2.00%	2.00%
Rate of Leave Availment (Per Annum)				
-Earned Leave	NA	NA	0%	0%
-Sick Leave	NA	NA	10%	10%
Rate of Leave Encashment during Employment (Per Annum)	NA	NA	0%	0%

(₹ lacs)

● Amount Recognised in Statement of Profit & Loss in respect of the Defined Benefit Obligation				
Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	2020-21	2019-20	2020-21	2019-20
<b>Components of defined benefit cost recognised in profit or loss</b>				
Current Service Cost	103.19	94.89	80.30	65.78
Past Service Cost	-	-	-	-
Interest Cost	55.41	35.53	37.23	38.26
Actuarial (gain)/loss from change in demographic assumptions	-	-	-	0.06
Actuarial (gain)/loss from change in financial assumptions	-	-	6.88	35.46
Actuarial (gain)/loss arising from experience adjustments	-	-	51.70	31.12
<b>Components of defined benefit cost recognised in profit or loss</b>	<b>158.60</b>	<b>130.42</b>	<b>176.11</b>	<b>170.67</b>
<b>Components of defined benefit cost recognised in Other Comprehensive Income</b>				
Actuarial (gain)/loss from change in demographic assumptions	-	(0.43)	-	-
Actuarial (gain)/loss from change in financial assumptions	20.32	106.16	-	-
Actuarial (gain)/loss arising from experience adjustments	(28.45)	173.64	-	-
Return on plan assets (higher)/lower than discount rate	(2.46)	(7.23)	-	-
<b>Total actuarial (gain)/loss recognised in Other Comprehensive Income</b>	<b>(10.59)</b>	<b>272.14</b>	<b>-</b>	<b>-</b>
<b>Total amount recognised in statement of profit &amp; loss</b>	<b>148.01</b>	<b>402.56</b>	<b>176.11</b>	<b>170.67</b>

(₹ lacs)

● The amount included in Balance Sheet arising from the company's obligation in respect of its defined benefit plan is as follows:				
Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	2020-21	2019-20	2020-21	2019-20
Present Value of Defined Benefit Obligation	1,796.92	1,792.97	572.85	564.56
Fair Value of Plan Asset	808.79	952.84	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>988.13</b>	<b>840.13</b>	<b>572.85</b>	<b>564.56</b>
* Non Current Liability	-	-	457.66	457.21
* Current Liability	988.13	840.13	115.19	107.35

**Note:** Amount of Rs173.76 lacs is added to the present valuation of obligation w.r.t. to the left employees whose full and final settlement is still pending

(₹ lacs)

● Movement in the fair value of plan assets are as follows:				
Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	2020-21	2019-20	2020-21	2019-20
Opening fair value of plan assets	952.84	971.64	NA	NA
Expected return on plan assets	62.84	73.52	NA	NA
Employer Contribution	-	32.08	NA	NA
Re measurement gain/(loss)				
* Return on plan assets (higher)/lower than discount rate	2.46	7.23	NA	NA
Benefit Paid	(209.35)	(131.63)	NA	NA
<b>Closing fair value of plan assets</b>	<b>808.79</b>	<b>952.84</b>	<b>NA</b>	<b>NA</b>

(₹ lacs)

• Movement in the present value of defined benefit obligations are as follows:

Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	2020-21	2019-20	2020-21	2019-20
<b>Opening defined benefit obligation</b>	<b>1,792.97</b>	<b>1,441.29</b>	<b>564.56</b>	<b>505.61</b>
Current service cost	103.19	94.89	80.30	65.78
Interest cost	118.25	109.05	37.23	38.26
<b>Remeasurement (gains)/losses:</b>				
* Actuarial (gain)/loss from change in demographic assumptions	-	(0.43)	-	0.06
* Actuarial (gain)/loss from change in financial assumptions	20.32	106.16	6.88	35.45
* Actuarial (gain)/loss arising from experience adjustments	(28.45)	173.64	51.70	31.12
Past Service Cost	-	-	-	-
Benefits paid by employer	(209.35)	(131.63)	(167.82)	(111.72)
Benefits paid from plan assets	-	-	-	-
<b>Closing defined benefit obligation</b>	<b>1,796.92</b>	<b>1,792.97</b>	<b>572.85</b>	<b>564.56</b>

• Sensitivity Analysis Gratuity (Funded) (₹ lacs)

Particulars	Change in assumption by	Impact on defined benefit obligation				
		Increase in assumption			Decrease in assumption	
		Increase/decrease	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Discounting rate	1.00%	In ₹	1,687.39	1,684.73	1,920.28	1,915.01
		In %	(6.10%)	(6.00%)	6.90%	6.80%
Future salary growth rate	1.00%	In ₹	1,918.74	1,913.66	1,686.81	1,684.01
		In %	6.80%	6.70%	(6.10%)	(6.10%)
Attrition rate	0.50%	In ₹	1806.55	1,803.90	1,786.30	1,780.94
		In %	0.50%	0.60%	(0.60%)	(0.70%)
Mortality rate	10.00%	In ₹	1,797.45	1,793.55	1,796.39	1,792.38
		In %	0.00%	0.00%	0.00%	0.00%

• Compensated Absence (Unfunded) (₹ lacs)

Particulars	Change in assumption by	Impact on defined benefit obligation				
		Increase in assumption			Decrease in assumption	
		Increase/decrease	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Discounting rate	1.00%	In ₹	536.35	528.44	614.51	605.71
		In %	(6.40%)	(6.40%)	7.30%	7.30%
Future salary growth rate	1.00%	In ₹	614.68	605.95	535.55	527.60
		In %	7.30%	7.30%	(6.50%)	(6.50%)
Attrition rate	0.50%	In ₹	570.95	562.90	574.77	566.21
		In %	(0.30%)	(0.30%)	0.30%	0.30%
Mortality rate	10.00%	In ₹	572.77	505.62	572.94	564.64
		In %	0.00%	0.00%	0.00%	0.00%

\* The plan assets are maintained with ICICI Prudential life Insurance Company Ltd. The details of investment maintained by the ICICI prudential Life Insurance Company Ltd have not been made available to the Company and have therefore not been disclosed.

Disclosure relating to present value of defined benefit obligation and fair value of plant assets and net actuarial gain/ loss (₹ lacs)

Particulars	Gratuity (Funded)					Compensated absences (Non funded)				
	2012-21	2019-20	2018-19	2017-18	2016-17	2020-21	2019-20	2018-19	2017-18	2016-17
Present value of obligation as at the end of the year	1,796.92	1,792.97	1,441.29	1,370.20	1,888.69	572.86	564.56	505.61	440.93	367.85
Fair value of plan assets as at the end of the year	808.79	952.84	971.64	960.10	1,074.98	-	-	-	-	-
Net asset/(liability) recognised in the balance sheet	(988.13)	(840.13)	(469.65)	(410.10)	(813.71)	(572.86)	(564.56)	(505.61)	(440.93)	(367.85)

● **Risks related to defined benefit plans:**

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above benefits which are as follows:

- > **Interest rate risk:** The plan exposes the company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in increase in the value of the liability.
- > **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of its liquid assets not being sold in time.
- > **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- > **Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability.
- > **Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹20,00,000).
- > **Asset Liability Mismatching or Market Risk:** The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.
- > **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Note:** The above is a standard list of risk exposures in providing the gratuity benefit. The Company is advised to carefully examine the above list and make suitable amendments (including adding more risks, if relevant) to the same before disclosing the above in its financial statements.

● **Method and Assumptions related terms:**

- > **Discount Rate:** Discount rate is the rate which is used to discount future benefit cash flows to determine the present value of the defined benefit obligation at the valuation date. The rate is based on the prevailing market yields of high quality corporate bonds at the valuation date for the expected term of the obligation. In countries where there are no such bonds, the market yields at the valuation date on government bonds for the expected term is used.
- > **Salary Escalation Rate:** The rate at which salaries are expected to escalate in future. It is used to determine the benefit based on salary at the date of separation.

- > **Attrition Rate:** The reduction in staff/employees of a company through normal means, such as retirement and resignation. This is natural in any business and industry.
- > **Mortality Rate:** Mortality rate is a measure of the number of deaths (in general, or due to a specific cause) in a population, scaled to the size of that population, per unit of time.
- > **Projected Unit Credit Method:** The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Projected Unit Credit Method requires an enterprise to attribute benefit to the current period (in order to determine current service cost) and the current and prior periods (in order to determine the present value of defined benefit obligations).

15. i) Following are the particulars of disputed dues on account of sales tax (trade tax), excise duty and service tax matters that have not been deposited by the Company as at March 31, 2021.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved* (₹ lacs)	Amount paid under protest (₹ lacs)	
U. P. Trade Tax Act	Trade tax	Dy. Commissioner,	2013-2014	52.25	5.23	
Kerala Sales Tax Act	Trade Tax	Dy. Commissioner, Commercial Tax - (Appeal)	2000-2001	2.17	1.08	
Central Excise Act, 1944	Excise Duty	High Court, Allahabad	1979-1980	11.01	11.01	
			2005-2006	2.78	-	
			Customs, Excise & Service tax Appellate Tribunal	2001-2006	42.88	-
				2002-2003	16.63	-
			2005-2006	15.88	-	
			2006-2007	2.58	-	
			2012-2013	2,098.87	7.50	
			2013-2014	1.16	0.15	
2014-2016	8.64	1.46				
2015-2016	1.89	0.19				
2015-2018	18.04	1.36				
Finance Act, 1994	Service Tax	Customs, Excise & Service tax Appellate Tribunal	2006-2007	36.19	-	

\* Amount as per demand orders and interest & penalty wherever indicated in order.

ii) In the following instances the concerned statutory authority is in appeal against favourable orders received by the Company.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ lacs)
Central Excise Act, 1944	Excise Duty	Customs, Excise & Service tax Appellate Tribunal	2003-2004	21.44
			2005-2006	1.24
			2008-2009	54.68

There are no dues in respect of income tax, customs duty, wealth tax and cess, which have not been deposited on account of any disputes except in respect of income tax demand of ₹ 46.42 lacs (Previous year of ₹0.48 lacs) arising on processing of TDS returns. The Company is in process of rectifying these returns and is confident that the demand will be substantially reduced.



## 16. Earnings per share

Description		Year ended March 31, 2021	Year ended March 31, 2020
Profit/(loss) after tax and exceptional items as per Statement of Profit and Loss (₹ lacs)	(A)	(443.07)	(2,164.91)
Add/Less: Exceptional Items net of taxes		-	-
Profit/(loss) after tax and before exceptional items (₹ lacs)	(B)	(443.07)	(2,164.91)
Weighted average number of equity shares outstanding (Par value ₹ 10 per share)			
- For basic and diluted earnings per share (Nos.)	(C)	41279020	41279020
<b>Earnings per share (₹)</b>			
- Basic and diluted EPS before exceptional item	(B+C)	(1.07)	(5.24)
- Basic and diluted EPS after exceptional item	(A+C)	(1.07)	(5.24)

**Note:** Since effect of potential equity shares to be issued on conversion of warrant option is anti-dilutive the basic EPS is reported as diluted EPS.

## 19. Disclosure related to Government Grant

The Company is eligible to receive various grants announced by Central and U.P. State Government for Sugar Industry by way of production subsidy, reimbursement of society commission and interest subvention on certain term loan, loans at concessional rate etc. The Company is also eligible to receive grant announced by U.P State Government for promotion of industry in general under UPSIPP Scheme 2013. The Company has recognised these Government grants in the following manners:

Nature of Grant/Assistance	Treatment in Accounts	Year ended March 31, 2021	Year ended March 31, 2020
Production subsidy from Central Government. [Refer note a]	Deducted from Cost of Raw material consumed [Refer Note No. 3.26]	-	489.36
	Shown as separate line items "Cane/ Export subsidy" under other operating revenue" (Refer note 3.24)	-	1.24
Transport Subsidy from Central Government. [Refer note b]	Deducted from export expenses under other expenses schedule [Refer Note 3.34]	-	337.03
	Shown as separate line items "Cane/ export subsidy" under other operating revenue (Refer note 3.24)	-	28.71
MAEQ Subsidy 2019-20 from Government (Refer note c)	Shown as separate line items "Cane/ export subsidy" under other operating Revenue (Refer note 3.24)	2,068.24	5059.5
MAEQ Subsidy 2020-21 from Government (Refer note d)	Shown as separate line items "Cane/ export subsidy" under other operating Revenue (Refer note 3.24)	1,990.68	-

a) The Central Government vide its Notification No. 1(14)/2018-SP-I dated October 05, 2018 announced Scheme for Assistance to Sugar mills for Sugar season 2018-19, (Scheme) with a view to offset the Cane cost and facilitate timely payment of Cane price dues. Every sugar mill which fulfills the conditions stipulated in the Scheme to eligible for assistance at the rate of ₹ 13.88 per qtl. of cane crushed during sugar season 2018-19 or the proportionate inter-se allocation of estimated 3000

Lakh MT. of cane to be crushed (for sugar season 2018-19) on the basis of the average sugar production of last three sugar seasons i.e. 2015-16, 2016-17, & 2017-18, whichever is lower.

For the eligibility under the Scheme, the Sugar mills have to supply at least 80% of indented quantity of Ethanol to OMC; have to file updated online return in Proforma II as prescribed under DFPD under the provisions of Sugar Control Order 1966 and have to fully comply with all the

## 17. Auditors' remuneration (excluding Goods and Service Tax):

Description	Year ended March 31, 2021	Year ended March 31, 2020
- Statutory audit	10.00	10.00
- Audit of Consolidated Financial Statement	5.00	5.00
- Limited review of unaudited financial results	15.00	15.00
- Reimbursement of out of pocket expense for statutory audit and others	5.00	5.58

## 18. Details of revenue from sale of products

Description	Year ended March 31, 2021	Year ended March 31, 2020
Manufactured		
- Sugar	100,510.81	79,383.48
- Rectified spirit and Country Liquor	21,576.59	22,518.26
- Denatured spirit	15,813.85	11,828.23
- IMFL	11.53	462.52
- Sanitizer	1,349.01	-
- Others	783.35	232.96
<b>Total</b>	<b>140,045.14</b>	<b>114,425.45</b>

orders/directives of DFPD during sugar season 2018-19 till the date of submission of the claim.

Till March 31, 2021, total subsidy accrued under the scheme of ₹ 3,387.04 lacs has been received.

- b) The Central Government vide its Notification No. 1(4)/2018-SP-I dated September 28, 2018 announced Minimum Indicative Export Quota (MIEQ) under Tradeable Export Scrip Scheme and allocated quota of 123899 MT of raw/white sugar or 16.7 kg of sugar per MT of actual cane crushed during 2018-19 sugar season, whichever is lower for export to sugar mills of the company. Further, the Central Government vide its Notification No. 1(14)/2018-S.P.-I dated October 5, 2018 announced the Scheme for Defraying Expenditure towards internal transport, freight, handling, and other charges on export @ ₹ 3,000 per MT. of sugar exported for Mills located in other than coastal states or actual expenditure, whichever is lower. All the conditions stipulated under this scheme were same as stipulated in the Scheme for Assistance to Sugar Mills as stated hereinabove. Till March 31, 2021, total subsidy accrued under the scheme of ₹ 1,169.29 lacs has been received.

- c) The Central Government vide its notification 1(14)/2019-S.P.-I dated 12th September 2019, announced Scheme for Assistance to Sugar mills for the sugar season 2019-20 (Scheme) for expenses on marketing cost including handling, upgrading and other processing costs and cost of international and internal transport and freight charges on export of sugars under Maximum Admissible Export Quantity (MAEQ) Scheme. Every sugar mill which fulfills the conditions as stipulated in the Scheme will be eligible for assistance @ ₹ 10448 per MT on export of sugar limited to MAEQ.

Till March 31, 2021, the Company has complied with all the conditions as stated in the scheme and submitted the claim. Subsidy accrued under the scheme till 31st March, 2021 of ₹ 7,127.74 lacs and out of which ₹ 843.77 lacs has been received and ₹ 282.69 lacs are to be recovered from the party who failed to submit the export subsidy documents till 31st March, 2021.

- d) The Central Government vide its notification 1(6)/2020-S.P.-I dated 29th December 2020, announced Scheme for Assistance to Sugar mills for the sugar season 2020-21 (Scheme) for expenses on marketing cost including handling, upgrading and other processing costs and cost of international and internal transport and freight charges on export of sugars under Maximum Admissible Export Quantity (MAEQ) Scheme. Every sugar mill which fulfills the conditions as stipulated in the Scheme will be eligible for assistance @ ₹ 6000 per MT on export of sugar limited to MAEQ.

Till March 31, 2021, the Company has complied with all the conditions as stated in the scheme and the management is confident that all the conditions set out in the Scheme shall be fully complied with at the time of submission of the claim. Accordingly, assistance accrued of ₹1,990.68 lacs under the Scheme till 31st March 2021 has been recognised.

## 20. Capital Management

The capital structure as at March 31, 2021 and March 31, 2020 is as follows.

(₹ lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total equity attributable to equity shareholders	(1,641.49)	(1,230.62)
Borrowings	58,429.07	58,474.91
<b>Total Capital</b>	<b>56,787.58</b>	<b>57,244.29</b>
Total equity attributable to equity shareholders as percentage of total capital	(2.89%)	(2.15%)
Total borrowing as percentage of total capital	102.89%	102.15%

In the previous year, Company has raised additional capital through preferential issue of warrant to the promoters, to comply with the condition for infusion of capital imposed by the lenders.

## 21. Financial risk management objectives

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of the financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and bank balances that derive directly from its operations. The Company also holds investments in equity shares and debentures of its subsidiaries and joint ventures.

The Company's activities expose it mainly to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

### i) Credit risk

- a. Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. Company is exposed to credit risk from trade receivables and deposits with banks. To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer. Outstanding customer receivables are regularly monitored. Concentrations of credit risk are limited as a result of the Company's large and diverse customer base. Company has also taken advances and security deposits from its customer / agents, which mitigate the credit risk to an extent. The ageing of the trade receivables is given below:

(₹ lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Up to 6 months	4,031.01	3,058.62
More than 6 months	1,473.81	798.24
<b>Total receivables</b>	<b>5,504.82</b>	<b>3,856.86</b>

- b. The impairment analysis is performed at each balance sheet date on individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company makes general provision for lifetime expected credit loss based on its previous experiences of provision/write off in the previous years. The change in loss allowances for trade receivables, advances to suppliers and security deposits is as under:

(₹ lacs)

Particulars	Trade Receivables	Loan and Advances	Security Deposits
<b>Balance as at March 31, 2019</b>	<b>315.43</b>	<b>36.00</b>	<b>25.00</b>
Provided made during the year 2019-20	139.90	-	-
Amount written off	107.46	-	-
Reversed during the year 2019-20	-	-	-
<b>Balance as at March 31, 2020</b>	<b>347.87</b>	<b>36.00</b>	<b>25.00</b>
Provided during the year 2020-21	668.31	-	-
Amount written off	-	-	-
Reversed during the year 2020-21	5.05	2.63	-
<b>Balance as at March 31, 2021</b>	<b>1011.13</b>	<b>33.37</b>	<b>25.00</b>

- c. Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which term deposits are maintained. Generally, term deposits are maintained with banks with which Company has also availed borrowings.

#### ii) Liquidity risk

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Since the Company is making continuous losses, presently it monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Particulars	As at March 31, 2021 (₹ lacs)			
	Carrying amount	Less than 1 Year	1 to 5 Years	Total
Borrowings	103,095.66	102,782.47	313.19	103,095.66
Trade payables	80,240.49	80,240.49	-	80,240.49
Other financial liabilities-Current	24,018.03	24,018.03	-	24,018.03
<b>Total</b>	<b>207,354.18</b>	<b>207,040.99</b>	<b>313.19</b>	<b>207,354.18</b>

Particulars	As at March 31, 2020 (₹ lacs)			
	Carrying amount	Less than 1 Year	1 to 5 Years	Total
Borrowings	104,462.40	104,103.37	359.03	104,462.40
Trade payables	90,016.35	90,016.35	-	90,016.35
Other financial liabilities-Current	21,998.00	21,998.00	-	21,998.00
<b>Total</b>	<b>216,476.75</b>	<b>216,117.72</b>	<b>359.03</b>	<b>216,476.75</b>

#### iii) Market risk

The company is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. Market risks comprises of four types of risks such as:

##### a) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates.

##### b) Commodity risk

Sugar industry being cyclical in nature, realisations get adversely affected during downturn. Higher cane price

or higher production than the demand ultimately affect profitability. The Company has partly mitigated this risk adopting integrated business model by diversifying into distillation, for better price realisation of the by-products.

##### c) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company's exposure to the risk of changes in foreign exchange rates is limited to the Company's operating activities (when revenue or expense is denominated in a foreign currency), which are not material.

Foreign Currency exposures that are not hedged by derivative instruments or otherwise as follows:

Description	As at March 31, 2021		As at March 31, 2020	
	Amount in foreign currency (Lacs)	Amount (₹ Lacs)	Amount in foreign currency (Lacs)	Amount (₹ Lacs)
Trade Receivables -USD	-	-	\$1.59	124.79

##### d) Regulatory risk

Sugar industry is regulated both by Central Government as well as State Government. Central and State Governments policies and regulations affect the sugar industry and the Company's operations and profitability. Distillery business is also dependent on the Government policy.

## 22. Financial instruments - Accounting, Classification and Fair value measurements

### i) Financial instruments by category

As at March 31, 2021

(₹ lacs)

Particulars	Cost	Carrying Value			Total
		Amortised Cost	FVTPL	FVTOCI	
<b>Financial assets</b>					
Investment					
- Equity instruments	6,067.32	-	-	-	6067.32
- Debt instruments	-	4,999.90	-	-	4999.9
- Government securities	2.61	-	-	-	2.61
- Others	-	45.00	-	-	45.00
Trade receivables	-	4,493.69	-	-	4,493.69
Cash and cash equivalent	-	3,585.46	-	-	3,585.46
Bank balances other than cash & cash equivalents	-	2,166.96	-	-	2,166.96
Other financial assets	-	5,878.82	-	-	5,878.82
<b>Total financial assets</b>	<b>6,069.93</b>	<b>21,169.83</b>	<b>-</b>	<b>-</b>	<b>27,239.76</b>
<b>Financial liabilities</b>					
Borrowings	-	413.19	-	-	413.19
Trade payables	-	80,240.49	-	-	80,240.49
Other financial liabilities	-	126,749.03	-	-	129,749.03
<b>Total financial liabilities</b>	<b>-</b>	<b>207,402.71</b>	<b>-</b>	<b>-</b>	<b>207,402.71</b>

As at March 31, 2020

(₹ lacs)

Particulars	Cost	Carrying Value			Total
		Amortised Cost	FVTPL	FVTOCI	
<b>Financial assets</b>					
Investment					
- Equity instruments	6,067.32	-	-	-	6,067.32
- Debt instruments	-	5,053.70	-	-	5,053.70
- Government securities	2.11	-	-	-	2.11

**As at March 31, 2020**
**(₹ lacs)**

Particulars	Cost	Carrying Value			Total
		Amortised Cost	FVTPL	FVTOCI	
- Others	-	45.00	-	-	45.00
Trade receivables	-	3,508.99	-	-	3,508.99
Cash and cash equivalent	-	4,288.57	-	-	4,288.57
Bank balances other than cash & cash equivalents	-	1,632.74	-	-	1,632.74
Other financial assets	-	4,886.69	-	-	4,886.69
<b>Total financial assets</b>	<b>6,069.43</b>	<b>19,415.69</b>	-	-	<b>25,485.12</b>
<b>Financial liabilities</b>					
Borrowings	-	459.03	-	-	459.03
Trade payables	-	90,016.35	-	-	90,016.35
Other financial liabilities	-	126,079.82	-	-	126,079.82
<b>Total financial liabilities</b>	<b>-</b>	<b>216,555.20</b>	<b>-</b>	<b>-</b>	<b>216,555.20</b>

**ii) Fair Value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Following methods and assumptions used to estimate the fair values:**

- Fair value of cash and cash equivalents and short term deposits, trade and other short term receivables, trade payables, short term borrowings and other current financial assets and liabilities carried at amortized cost is not materially different from its carrying cost, largely due to the short-term maturities of these financial assets and liabilities

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There is no transfer from one level to another level during the year.

- The outstanding balance of the Company with its subsidiary company, Simbhaoli Power Private Limited (SPPL) as reported in standalone financial statements, is subject to reconciliation on account of difference in interpretation of certain long term commercial agreements. Pending reaching to final settlement with SPPL, no adjustment has been made in the books of accounts amounting to ₹ 716.33 lacs for the year ended March 31, 2021 (previous year ended March 31, 2020 amounting ₹253.13 lacs) being the difference in the value of bagasse sold and certain other claims made by SPPL. Total difference as on March 31, 2021 with SPPL is amounting to ₹ 969.46 lacs.
- Details of loan and advances given, investment made and securities provided as required to be disclosed as per provisions of Section 186 (4) of the Companies Act, 2013 have been disclosed in respective heads.
- The previous year's figures as on the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as on the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

**Signatures to notes 1 to 25**

In terms of our report attached  
For **MITTAL GUPTA & CO.**  
Chartered Accountants  
FRN - 01874C

B. L. GUPTA  
Partner  
(M.No. - 073794)

Place : Kanpur  
Date : June 30, 2021

**For and on behalf of the Board of Directors**

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Place : Simbhaoli, Hapur (U.P)  
Date : June 30, 2021

Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

Kamal Samtani  
Company Secretary  
FCS - 5140

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMBHAOLI SUGARS LIMITED

## Report on the Consolidated Financial Statements

### Adverse Opinion

We have audited the accompanying Consolidated financial statements of Simbhaoli Sugars Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information and notes for the year then ended (hereinafter referred to as "the Consolidated financial statement").

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter discussed in the Basis for Adverse Opinion section and Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements do not give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2021, their consolidated losses including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year then ended.

### Basis for Adverse Opinion

As explained in Note No. 4, these consolidated financial statements have been prepared without consolidation of financial statements of one subsidiary viz Simbhaoli Power Private Limited (SPPL) for the year ended March 31, 2021 because financial statements of the subsidiary company have not been yet finalized and approved till date. Under the accounting principles generally accepted in India, the subsidiary should have been consolidated because it is controlled by the Company. Had the company been consolidated, many elements in the accompanying consolidated financial statements would have been materially affected. The effects on the consolidated financial statements due to the failure to consolidate have not been determined.

### Basis for Qualified Opinion

i) We draw attention to Note No. 5 of the consolidated financial Statements regarding non provisions for impairment in the carrying value of Property, Plant and Equipments. We are not made available of 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 consolidated financial Statements.

ii) We draw attention to Note No. 10 of the consolidated Financial Statements regarding non-provision of interest expense amounting Rs.15,461.02 Lakhs (Previous year Rs. 13,146.17 Lakhs) on certain borrowings for the year ended March 31, 2021 for the reasons stated in the said note. The total amount of interest expense not provided for in the accounts aggregates to Rs. 52,915.64 Lakhs till March 31, 2021 (Previous year Rs. 37,454.23 Lakhs). Had the aforesaid interest expense been provided for, the Finance Cost, Net Loss after tax and Total Comprehensive Loss for the year ended March 31, 2021 would have been increased by Rs. 15,461.02 Lakhs (P.Y. Rs. 13,146.17 Lakhs), the Current Financial Liability as at March 31, 2021 would have been increased and shareholder's funds as at March 31, 2021 would have been decreased by Rs. 52,915.64 Lakhs (P.Y. 37,454.23 Lakhs)

iii) We draw attention to Note No. 6, of the consolidated financial 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.

Our opinion is qualified on the above matters.

We conducted our audit of the consolidated financial statements in accordance with the standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Group in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together the independent requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to paragraph of the 'Other Matter' below is sufficient and appropriate to provide a basis for our adverse audit opinion on the consolidated financial statements.

### Emphasis of matter

As stated in Note No. 28 of the consolidated financial statement, SPPL has recorded revenue from operations for the period April to September, 2019 at or basis pre CRE Regulation 2019 Tariff Rate instead at the reduced tariff as per CRE Regulation 2019. Management's computation, as reviewed by the statutory auditors of SPPL, shows that revenue from operations for the year ended March 31, 2020 would have been lower by Rs 683.00 Lakhs, if accounted for at or basis reduced tariff as per CRE Regulations

2019 .The Statutory Auditor of SPPL had reported this under Emphasis of Matter section in its audit report on the account of SPPL for the year ended March 31, 2020 .

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

#### Material Uncertainty related to Going Concern:

- i) As stated in Note No. 5 of the consolidated financial Statements, the financial statement of the holding company has been prepared on going concern basis. Events or conditions as set forth in Note No. 5 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as going concern. The ability of the holding company to continue depends on the decision of National Company Law Tribunal under the Insolvency and Bankruptcy Code 2016, the holding company's ability to get its 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. 28, the statutory auditors of SPPL in its audit report on the financial statements for the year ended March 31, 2020 has reported for the existence of a material uncertainty that may cast significant doubts about SPPL 's ability to continue as a going concern on accounts of reporting of losses consequent to significant reduction in tariff rate by UPERC and also for the reason of not making provision in respect of the difference in the value of bagasse purchased from the holding company and for other claims.

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

#### Other Matters

We draw your attention to Note No. 5 to the consolidated financial Statement, which describes the Management's assessment of the impact of COVID-19 pandemic and the resultant lockdowns on the significant uncertainties involved in developing some of the estimates involved in preparing the consolidated financial statements. Based on the information available on this date, Management believes that no further adjustments are required to the consolidated financial Statement. However, in view of very uncertain economic environment, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and actual results may differ from those estimated as at the date of approval of these consolidated financial Statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. Below Key Audit Matters have been reproduced from the report on the audit of standalone financial statements of the Holding Company.

S. No.	Key Audit Matters	Auditor's Response
1.	<p><b>Impact of government policies/ notifications on recognition of Grants/subsidy accruals claims and their recoverability.</b></p> <p>During the year, the Company has recognized Grants/subsidy claims amounting to Rs. 4,058.92 Lakhs (P.Y. 5,915.84 Lakhs). As at March 31, 2021, the Company has receivables of Rs. 7,991.96 Lakhs relating to such claims which is significant to the financial statements.</p> <p>We consider this as key audit matters because recognition of Grants/subsidy claims and assessment of recoverability of the claims is subject to significant judgment of the management. The area of judgment includes certainty around the satisfaction of conditions specified in the notifications/policies, collections, provisions thereof, likelihood of variation in the related computation rates, and basis for determination of Grants/subsidy claims.</p> <p>For details: - Refer Note No. 19 to the Financial Statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>We understood and tested the design and operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the claims.</p> <p>We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications/policies and collections.</p> <p>We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of claims, adjustments to claims already recognized pursuant to changes in the rates and basis for determination of claims.</p> <p>We tested the ageing analysis and assessed the information used by the management to determine the recoverability of the claims by considering claim collection against historical trends.</p> <p>Based on the fulfilment of the conditions as precedent in relevant notification management is reasonably certain about the recoverability of the claims.</p> <p>Based on the above procedures performed, the management's estimates related to recognition of Grants/subsidy and their recoverability is considered to be reasonable.</p>
2.	<p><b>Valuation and determination of inventory</b></p> <p>As on March 31, 2021, the Company has inventory of sugar with the carrying value Rs. 36,921.52 Lakhs which forms major part of the total assets of the company. The inventory of sugar is valued at the lower of cost and net realizable value.</p> <p>The Physical Verification of inventory could not be observed by us due to lock-down restrictions at the year-end.</p> <p>We considered the value of the inventory of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgment involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value.</p>	<p><b>Principal Audit Procedures</b></p> <p>We understood and tested the design and operating effectiveness of controls as established by the management for valuation of inventory of sugar.</p> <p>We considered various factors including the actual selling price prevailing around and subsequent to the year-end, minimum selling price &amp; monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole.</p> <p>Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year ends and comparison with cost for valuation of inventory is considered to be reasonable.</p>

S. No.	Key Audit Matters	Auditor's Response
		<p>The Company has procedure of physical verification of inventories at regular intervals. Physical Verification of finished goods, By products across all units were carried out during the month of April 2021 in the presence of independent firm of Chartered Accountants who have been entrusted with the responsibilities of observing and participating in such verification.</p> <p>We have reviewed the credentials, technical and other expertise of the professional firm deployed for carrying amount and observing verification.</p> <p>We received the report and certificate submitted by Chartered Accountants Firm.</p> <p>We applied alternate procedures to audit the existence of inventory as per guidance provided in SA 501 "Audit Evidence-.. Specific Considerations for Selected Items", which include inspection of supporting documentation relating to purchases, production, consumption and sales, results of cyclical count performed by the management through the year and such other third party evidences, as applicable.</p> <p>While necessary review and other corroborative evidence were obtained and verified, reliance has been placed on professional expert's report and conclusion drawn by them on the matter.</p>

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the other information. The Other information comprises the information included in the report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the for the matters stated in section 134(5) of the companies act, 2013("the Act")with respect to preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

The respective responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose for preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those respective boards of directors of the companies included in the group are also responsible for overseeing the financial reporting process of the group.

**Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 (SAs) 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 these consolidated financial statements.

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 financial statements, 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 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 made by management.
- Conclude on the appropriateness of management's 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 Group's ability to continue as a going concern. 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 financial statements 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 and its jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding financial information of the entities or business activities within the group of which we are independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are independent 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in

our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

The consolidated financial statements include the audited financial statements of one subsidiary, whose financial statements / financial information reflect total assets of Rs. 143.33 Lakhs as at March 31, 2021, total revenue of Rs. 4.78 Lakhs, net profit after tax and total comprehensive income of Rs. 1.63 Lakhs for the year ended March 31, 2021 respectively and cash outflows of Rs. 0.02 Lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements which have been audited by their respective independent auditors. The independent auditors' reports on financial statements/ financial information of these entities have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our conclusion on the Statement is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with provisions of section 197 of the Act and not in excess of the limits laid down therein.
2. As required by Section-143(3) of the Act, we report that:-
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this report are in with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the relevant assertion contained in the audit reports on consolidated financial statements of each subsidiary company which are incorporated in India, none



of the Directors of any such company is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Group and the operating effectiveness of such Controls, refer to our separate report in Annexure – 'A'
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on separate financial statements as also the other financial information of a subsidiary, as noted in the 'Other Matter' Paragraph:
- i. The consolidated financial statements disclosed the impact of pending litigations on its financial position of the Group. Refer Note No. 6 to the consolidated financial statement.

- ii. The Group does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company and its subsidiary company.

For **MITTAL GUPTA & CO**  
Chartered Accountants  
(Firm's Registration No. 01874C)

**(B. L. Gupta)**  
Partner

Place of Signature : Kanpur (Membership No. 073794)  
Date : 30/06/2021 UDIN:21073794AAAADZ2170

## **Annexure - 'A' to the Independent Auditor's Report**

(The Annexure – 'A' referred to in our Independent Auditors' Report to the members of the Simbhaoli sugars Ltd. ("the Holding Company") on the consolidated Ind AS financial statements for the year ended March 31, 2021)

### **Report on the Internal Financial Control under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Simbhaoli Sugars Ltd. ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the group") as at March 31, 2021 and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to consolidated financial statements criteria established by the Group considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls with reference to consolidated financial statements issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial control with reference to consolidated financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control with reference to consolidated financial statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial control system with reference to consolidated financial statements.

**Meaning of Internal Financial Controls with reference to consolidated financial statements**

A group's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that , in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of consolidated financial statement in accordance with generally accepted accounting principles, and that receipt and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition ,use ,or disposition of the company's assets that could have a material effect on the consolidated financial statement.

**Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion except for the matters described in the Basis for Adverse Opinion, Basis for Qualified Opinion, Material

Uncertainty on Going Concern, the Holding Company has, in all material respects, an adequate internal financial control system with reference to consolidated financial statements and such internal financial control with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls with reference to Financial Reporting issued by ICAI.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one subsidiary company which is company incorporated in India, is based solely on the corresponding reports of the auditor of such company. Our opinion is not modified in respect of the above matter.

We draw attention to the fact that Auditors' report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in respect of one subsidiary i.e. Simbhaoli Power Private Ltd. has not been provided to us and accordingly we do not express any opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Simbhaoli Power Private Ltd. as the standalone financial statements for the year ended for March 31, 2021 then ended have not been yet finalized, approved and submitted by the management of SPPL for the purpose of consolidation.

For **MITTAL GUPTA & CO**  
Chartered Accountants  
(Firm's Registration No. 01874C)

Place of Signature : Kanpur  
Date : 30/06/2021

**(B. L. Gupta)**  
Partner  
(Membership No. 073794)

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CONSOLIDATED BALANCE SHEET**  
**AS AT MARCH 31, 2021**

	Notes	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and equipment	3.1	151,618.25	153,871.32
Capital work-in-progress	3.1	62.24	836.43
Intangible assets	3.2	59.58	50.03
Goodwill		1,239.95	1,311.48
<b>Financial assets</b>			
Investments	3.3	2.76	2.26
Trade Receivables	3.4	683.03	683.03
Other financial assets	3.5	158.39	261.01
Deferred Tax Assets	3.6	131.43	112.98
Non-current Tax Assets	3.7	429.07	839.51
Other non-current assets	3.8	511.02	462.88
<b>Total non-current assets</b>		<b>154,895.72</b>	<b>158,430.93</b>
<b>Current assets</b>			
Inventories	3.9	46,581.06	55,194.14
<b>Financial assets</b>			
Current Investment	3.10	597.66	597.66
Trade and other receivables	3.11	9,608.70	9,363.44
Cash and cash equivalents	3.12	3,749.17	4,432.51
Bank balances other than cash & cash equivalents	3.13	2,187.73	1,693.69
Other financial assets	3.14	2,037.30	616.88
Other current assets	3.15	9,650.88	9,062.07
Assets classified as held for sale		33.73	33.73
<b>Total current assets</b>		<b>74,446.24</b>	<b>80,994.12</b>
<b>Total</b>		<b>229,341.96</b>	<b>239,425.05</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	3.16	4,127.90	4,127.90
Other equity	3.17	(7,325.16)	(6,766.80)
Non-controlling interest		11,567.35	11,580.52
<b>Total equity</b>		<b>8,370.09</b>	<b>8,941.62</b>
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	3.18	4,815.54	4,861.38
Other financial liabilities	3.19	2,820.14	2,820.14
Provisions	3.20	469.77	472.54
<b>Total non-current liabilities</b>		<b>8,105.45</b>	<b>8,154.06</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade and other payables			
Total outstanding dues of micro enterprises and small enterprises	3.21	360.18	274.60
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.21	81,104.68	91,229.43
Other financial liabilities	3.22	128,788.27	128,094.24
Provisions	3.23	223.91	216.76
Other Current liabilities	3.24	1,884.18	2,009.08
Current Tax Liabilities	3.25	505.20	505.26
<b>Total current liabilities</b>		<b>212,866.42</b>	<b>222,329.37</b>
<b>Total equity and liabilities</b>		<b>229,341.96</b>	<b>239,425.05</b>
See accompanying notes forming part of the financial statements		1 to 31	

**For and on behalf of the Board of Directors**

In terms of our report attached  
For **MITTAL GUPTA & CO.**  
Chartered Accountants  
FRN - 01874C

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

B. L. GUPTA  
Partner  
(M.No. - 073794)

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Kanpur  
Date : June 30, 2021

Place : Simbhaoli, Hapur (U.P)  
Date : June 30, 2021

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	Notes	Year ended March 31, 2021 ₹ lacs	Year ended March 31, 2020 ₹ lacs
<b>Revenue from operations</b>			
Revenue from operations	3.26	146,068.49	128,021.04
Other Income	3.27	1,742.65	808.67
<b>Total income</b>		<b>147,811.14</b>	<b>128,829.71</b>
<b>Expenses</b>			
Cost of materials consumed	3.28	87,181.04	84,110.63
Purchases of stock-in-trade	3.29	3,572.94	2,895.03
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.30	9,284.01	(7,193.55)
Excise Duty on sale of goods	3.31	19,413.20	19,887.97
Employee benefits expense	3.32	6,315.37	8,021.37
Finance costs	3.33	3,070.72	5,189.75
Depreciation and amortization expense	3.34	3,547.51	4,653.25
Power and Fuel	3.35	2,916.49	1,489.64
Other expenses	3.36	13,031.35	13,594.82
<b>Total expenses</b>		<b>148,332.63</b>	<b>132,648.91</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(521.49)</b>	<b>(3,819.20)</b>
Exceptional items - expenses/(income)	3.37	71.54	-
<b>Profit/ (loss) before sharing of Profit/(loss) in Joint Venture and Tax</b>		<b>(593.03)</b>	<b>(3,819.20)</b>
<b>Profit/(loss) before tax</b>		<b>(593.03)</b>	<b>(3,819.20)</b>
Tax expense:			
- Current Tax		0.94	8.82
- Deferred Tax		(19.62)	3.14
- Tax adjustments related to earlier years		32.74	-
<b>Total Tax Expense</b>		<b>14.06</b>	<b>11.96</b>
<b>Profit after Tax</b>		<b>(607.09)</b>	<b>(3,831.16)</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be re-classified to profit or loss:		15.12	(285.82)
(ii) Income tax relating to items that will not be re-classified to profit or loss		(1.17)	0.65
B. (i) Items that will be re-classified to profit or loss:		-	-
(ii) Income Tax relating to items that may be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income (net of tax)</b>		<b>13.95</b>	<b>(285.17)</b>
<b>Total Comprehensive Income</b>		<b>(593.14)</b>	<b>(4,116.33)</b>
<b>Profit/loss for the year attributable to:</b>			
1). Owners of the parent		(593.41)	(3,436.04)
2). Non Controlling Interest		(13.68)	(395.12)
<b>Other Comprehensive Income attributable to:</b>			
1). Owners of the parent		13.44	(279.42)
2). Non Controlling Interest		0.51	(5.75)
<b>Total Comprehensive Income attributable to:</b>			
1). Owners of the parent		(579.97)	(3,715.46)
2). Non Controlling Interest		(13.17)	(400.88)
<b>Earnings per equity share-basic/diluted (₹)</b>			
- Before exceptional items		(1.30)	(9.28)
- After exceptional items		(1.47)	(9.28)
<b>See accompanying notes forming part of the financial statements</b>	<b>1 to 31</b>		

**For and on behalf of the Board of Directors**

In terms of our report attached

For **MITTAL GUPTA & CO.**  
Chartered Accountants  
FRN - 01874C

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

B. L. GUPTA  
Partner  
(M.No. - 073794)

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Kanpur  
Date : June 30, 2021

Place : Simbhaoli, Hapur (U.P)  
Date : June 30, 2021

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

Particular	Year ended March 31, 2021 ₹ lacs	Year ended March 31, 2020 ₹ lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit/(loss) before tax and exceptional items	(521.49)	(3,819.20)
<b>Adjustments for:</b>		
Depreciation and amortization (net of revaluation reserve)	3,547.51	4,653.25
Finance costs	3,070.72	5,189.75
Interest income on financial assets and others	(1,396.00)	(99.18)
Liability/provisions no longer required written back	(271.55)	(136.94)
Bad Debts and advances written off	30.46	13.56
Unrealised foreign exchange fluctuation	-	18.25
Profit on redemption of Mutual Funds Units	(1.28)	(76.59)
Loss/ (profit) from sale of property, plant and equipment (net)	0.04	449.12
Provision for doubtful debts and advances	706.20	173.43
Mollasses Storage Fund	21.61	21.00
<b>Operating profit/(loss) before working capital changes</b>	<b>5,186.22</b>	<b>6,386.45</b>
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Changes in trade and other receivables	(977.31)	4,239.55
Changes in other non current and current financial asset	(338.30)	326.52
Changes in other non current and other current assets	(646.58)	(3,529.65)
Changes in inventories	8,613.08	(7,014.74)
Changes in trade and other payables	(9,832.65)	10,526.19
Changes in other non-current and other current financial liabilities	1.86	451.02
Changes in other non-current and other current liabilities	(124.90)	564.00
Changes in long term and short term provision	4.38	82.06
<b>Cash (used)/generated from operations</b>	<b>1,885.81</b>	<b>12,031.40</b>
Direct taxes (paid)/refund	432.91	(365.86)
<b>Net cash (used) / from operating activities</b>	<b>2,318.72</b>	<b>11,665.49</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Additions to property, plant and equipment	(527.86)	(1,438.03)
Sale of property, plant and equipment	-	9.86
Sale of/ (Investments) Mutual Funds ( Net)	1.28	(207.84)
Proceed from maturity of national saving certificate	(0.50)	-
Interest received on debentures/ fixed deposits/inter corporate deposits	278.21	27.40
Changes in fixed deposit placed with Banks	540.65	(47.89)
<b>Net cash (used) / from investing activities</b>	<b>291.78</b>	<b>(1,656.50)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
EMD Paid to banks for OTS	(949.60)	(571.60)
Interest expenses	(977.50)	(3,484.16)
Repayment of long term borrowings	(45.84)	(2,540.60)
Proceeds/(repayment) of short term borrowings( net)	(1,320.90)	(367.40)
<b>Net cash (used) / from financing activities</b>	<b>(3,293.84)</b>	<b>(6,963.76)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(683.34)</b>	<b>3,044.54</b>
<b>E. Cash and cash equivalents (opening balance)</b>	<b>4,432.51</b>	<b>1,387.97</b>
<b>F. Cash and cash equivalents (closing balance) (D+E)</b>		
Cash and bank balances (D+E)	<b>3,749.17</b>	<b>4,432.51</b>

**Notes:**

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- 2) **Cash and cash equivalents as at the Balance Sheet date consists of:**

(₹ lacs)

Particular	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
(a) Balance with Banks on current accounts	3,720.99	4,413.64
(b) Cash in hand	28.18	18.87
<b>Closing Cash and Cash Equivalents(Refer Note No. 3.12)</b>	<b>3,749.17</b>	<b>4,432.51</b>

- 3) Figure in bracket indicate cash outflow.
- 4) Previous year figures have been regrouped and recasted wherever necessary to confirm to the current year's classification.

**For and on behalf of the Board of Directors**

In terms of our report attached

 For **MITTAL GUPTA & CO.**  
Chartered Accountants  
FRN - 01874C

 Gurmit Singh Mann  
Chairman  
DIN - 00066653

 Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

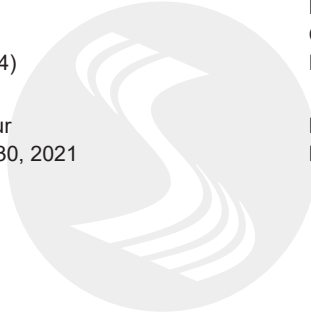
 Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

 B. L. GUPTA  
Partner  
(M.No. - 073794)

 Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

 Kamal Samtani  
Company Secretary  
FCS - 5140

 Place : Kanpur  
Date : June 30, 2021

 Place : Simbhaoli, Hapur (U.P)  
Date : June 30, 2021


# SIMBHAOLI SUGARS

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2021**

**EQUITY SHARE CAPITAL**

(₹ lacs)

For the year ended March 31, 2020			For the year ended March 31, 2021		
Balance as at April 01, 2019	Changes in Equity share capital during the year	As at March 31, 2020	Balance as at April 01, 2020	Changes in Equity share capital during the year	As at March 31, 2021
4,127.90	-	4,127.90	4,127.90	-	4,127.90

**OTHER EQUITY**

(₹ lacs)

Particulars	Attributable to the equity shareholders of the parent					Other Comprehensive Income		Other equity	Non Controlling Interest	Total
	Reserve and Surplus					Foreign Currency Translation Reserve	Actuarial gain/(loss) on employee benefit plan			
	Securities premium	Share warrant	Storage fund for molasses account	Forfeiture Reserve	Retained Earning					
<b>As at March 31, 2019</b>	<b>46,301.79</b>	<b>96.30</b>	<b>24.18</b>	<b>-</b>	<b>(49,494.63)</b>	<b>(0.19)</b>	<b>-</b>	<b>(3,072.55)</b>	<b>11,981.39</b>	<b>8,908.84</b>
Profit/(loss) for the year	-	-	-	-	(3,436.04)	-	-	(3,436.04)	(395.12)	(3,831.16)
Transfer to storage fund for molasses	-	-	21.21	-	-	-	-	21.21	-	21.21
Other comprehensive income	-	-	-	-	-	-	(279.42)	(279.42)	(5.75)	(285.17)
Add: Share warrant Money forfeited during the year	-	-	-	96.30	-	-	-	96.30	-	96.30
Less: Share warrant Money forfeited during the year	-	(96.30)	-	-	-	-	-	(96.30)	-	(96.30)
Transferred from/to other comprehensive income/retained earning	-	-	-	-	(279.42)	-	279.42	-	-	-
<b>As at March 31, 2020</b>	<b>46,301.79</b>	<b>-</b>	<b>45.39</b>	<b>96.30</b>	<b>(53,210.09)</b>	<b>(0.19)</b>	<b>-</b>	<b>(6,766.80)</b>	<b>11,580.52</b>	<b>4,813.72</b>
Profit/(loss) for the year	-	-	-	-	(593.41)	-	-	(593.41)	(13.68)	(607.09)
Transfer to storage fund for molasses	-	-	21.61	-	-	-	-	21.61	-	21.61
Other comprehensive income	-	-	-	-	-	-	13.44	13.44	0.51	13.95
Transferred from/to other comprehensive income/retained earning	-	-	-	-	13.44	-	(13.44)	-	-	-
<b>As at March 31, 2021</b>	<b>46,301.79</b>	<b>-</b>	<b>67.00</b>	<b>96.30</b>	<b>(53,790.06)</b>	<b>(0.19)</b>	<b>-</b>	<b>(7,325.16)</b>	<b>11,567.35</b>	<b>4,242.19</b>

See accompanying notes forming part of the financial statements

**For and on behalf of the Board of Directors**

In terms of our report attached

For **MITTAL GUPTA & CO.**  
Chartered Accountants  
FRN - 01874C

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

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Chief Financial Officer  
FCMA - 12257

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Kanpur  
Date : June 30, 2021

Place : Simbhaoli, Hapur (U.P)  
Date : June 30, 2021

# NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

## 1. Background

The Consolidated financial statements comprise of financial statement of Simbhaoli Sugars Limited and its subsidiaries namely Simbhaoli Power Private Limited, Integrated Casetech Consultants Private Limited, Simbhaoli Global Commodities DMCC and Simbhaoli Speciality Sugars Private Limited (collectively "the Group").

Simbhaoli Sugars Limited ('the Company') (previously known as Simbhaoli Spirits Limited) having CIN No. L15122UP2011PLC044210 is a public limited company under the provisions of the Companies Act, 2013 incorporated and registered with Registrar of Companies, Kanpur Uttar Pradesh on April 04, 2011. Currently equity shares of the Company are listed at BSE and NSE. The Hon'ble High Court of Judicature at Allahabad has sanctioned the Scheme of Amalgamation of Erstwhile Simbhaoli Sugars Limited (ESSL), the Transferor Company with the Company, the Transferee Company w.e.f. April 01, 2015 (the Appointed Date) and consequent thereto, the entire business undertakings of ESSL, stands transferred to and vested in the Company, as a going concern with effect from the Appointed Date. The Company has three sugar complexes - Simbhaoli (Western Uttar Pradesh), Chilwaria (Eastern Uttar Pradesh) and Brijnathpur (Western Uttar Pradesh) having an aggregate crushing capacity of 19,500 TCD. The Company is technology driven with a business mix that spans from refined (sulphur less) sugar, specialty sugars, extra neutral alcohol (ENA), ethanol, sanitizer and bio-manure. The Company is engaged in sugar refining (Defeco Remelt Phosphotation and Ion Exchange technology), high value, niche products (specialty sugars) and clean energy (ethanol). The Company sells international standard refined, pharmaceutical grade and specialty sugars to the retail and bulk institutional consumer segments.

The Group is operating its different businesses through subsidiaries, the details are given below:

S. No.	Name of subsidiary/ Joint Venture	Business	Country of Incorporation	% voting power held as at	
				March 31, 2020	March 31, 2019
1.	Simbhaoli Power Private Limited	Generation of green power	India	51.00	51.00
2.	Integrated Casetech Consultants Private Limited	Consultancy business	India	85.16	85.16
3.	Simbhaoli Global Commodities DMCC	Trading of sugar & alcohol	Dubai	100.00	100.00
4.	Simbhaoli Speciality Sugars Pvt. Ltd.	Packaging	India	100.00	100.00

These financial statements of the Group for the year ended 31st March, 2021 are approved and authorized for issue by the Company's Board of Directors on **June 30, 2021**.

### 2.1 Basis of preparation and presentation of Consolidated Financial Statements

#### i) Statement of Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and relevant

amendment rules thereafter and accounting principles generally accepted in India.

These consolidated financial statements have been prepared on going concern basis using the significant accounting policies and measurement bases summarized below. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use. In those cases the new accounting policy is adopted in accordance with the transitional provisions stipulated in that Ind AS and in absence of such specific transitional provision, the same is adopted retrospectively for all the periods presented in these consolidated financial statements.

#### ii) Recent Accounting Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

##### ● Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

##### ● Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency Specified under the head 'additional information' in the notes forming part of the consolidated financial statements. The amendments are extensive and the company will evaluate the same to give effect to them as required by law.



iii) **Principles of consolidation**

- a) The consolidated financial statements related to Simbhaoli Sugars Limited ("The Company") and its Subsidiaries (collectively referred as "The Group").

In the case of subsidiaries, control is achieved when the Group is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee
  - Exposure, or rights, to variable returns from its involvement with the investee, and
  - The ability to use its power over the investee to affect its returns
- The Group re-assesses whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of control.
  - Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the Group ceases to control the subsidiary.
  - Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that the Group member's financial statement in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.
  - The consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent, i.e. year ended on March 31, 2021, except in case of Simbhaoli Power Private Limited where consolidation has been done upto March 31, 2020.( Refer Note no. 4 ).
  - Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

b) **Consolidation procedure**

The consolidated financial statements relate to Simbhaoli Sugars Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

- In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to owners of the Group.
- Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the owners of the Group.

c) **Associates**

The Group's investments in its associate are accounted for using the equity method.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

iv) **Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) and assets for defined benefit plans that are measured at fair value and less cost of sale wherever required. The methods used to measure fair values are discussed further in notes to consolidated financial statements.

v) **Functional and presentation currency**

These consolidated financial statements are presented in Indian rupees (INR), which is group's functional currency. All amounts have been rounded off to nearest lacs unless otherwise indicated.

#### (vi) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 based on the nature of services rendered and time between the acquisition of asset for providing services and their realization in cash and cash equivalents.

#### 2.2 Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies any of the following criteria:

- Expected to be realized or intended to be sold or consumed within normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting date.

A liability is treated as current when it satisfies any of the following criteria:

- Expected to be settled in the Group's normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting date; or
- The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments does not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

The Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

#### 2.3 Use of Estimates and management judgements

The preparation of consolidated financial statements in conformity with Indian Accounting Standards (Ind AS) requires management of the group to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date.

The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving critical judgment are as follows:

- **Material uncertainty about going concern:**

In preparing consolidated financial statements, management has made an assessment of Group's ability to continue as a

going concern. Consolidated financial statements are prepared on a going concern basis. The management is aware, in making its assessments, of material uncertainties related to events or conditions that may cast significant doubt upon the group's ability to continue as a going concern. Further details on going concern are disclosed in Note No. 5

- **Fair value measurements of financial instruments:**

When the fair value of financial assets and liabilities recorded in the Balance sheet cannot be measured based on the quoted market price in the active markets, their fair value is measured using valuation technique. The input to these model is taken from the observable market wherever possible, but if this is not feasible, a review of judgment is required to establish fair values. Changes in assumptions related to these inputs could affect the fair value of financial instrument.

- **Employee benefit plans:**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

- **Recoverability of trade receivables:**

The Group has a stringent policy of ascertaining impairments, if any, as result of detailed scrutiny of major cases and through determining expected credit losses. Despite best estimates and periodic credit appraisals of customers, the Group's receivables are exposed to delinquency risks due to material adverse changes in business, financial or economic conditions that are expected to cause a significant change to the party's ability to meet its obligations. All such parameters relating to impairment or potential impairment are reviewed at each reporting date.

- **Provision and contingencies:**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change.

- **Income Tax:**

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Deferred tax assets are recognised for unused tax losses and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- **Useful life and residual value of plant, property equipment and intangible assets:**

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage

of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgments involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

## 2.4 Significant Accounting Policies

### A. Property, Plant & Equipment & Capital work in Progress

- **Recognition and measurement**

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used for more than one period.

The cost of an item of property, plant and equipment is being recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Freehold lands are stated at cost. All other items of property, plant and equipment are stated at cost net of recoverable taxes less accumulated depreciation, and impairment loss, if any.

The cost of an asset includes the purchase cost of assets, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.

Items of spare parts, stand-by equipments and servicing equipments which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption. When parts of an item of Property, plant & equipments have different useful lives, they are accounted for as separate component.

When a significant part of property, plant and equipment are required to be replaced at intervals, the group derecognizes the replaced part and recognise the new part with its own associated life and it is depreciated accordingly. Likewise when a major repair is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

The present value of the expected cost of decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria of provisions are met.

The cost and related accumulated depreciation are eliminated from the financial statement upon sale or retirement of the asset and resultant gains or losses are recognized in the Statement of Profit and Loss.

Assets identified and technically evaluated as obsolete are retired from active use and held for disposal are stated at lower of its carrying amount and fair value less cost to sell.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

- **Subsequent Expenditure.**

Subsequent expenditure is capitalized only if it is probable

that the future economic benefits associated with the expenditure will flow to the Group.

### B. Intangible Assets

Intangible assets are recognized when it is probable that the future benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss when the asset is derecognized.

### C. Depreciation and Amortization

The classification of plant and machinery into continuous and non-continuous process is done as per their use and depreciation thereon is provided accordingly. Depreciation commences when the assets are available for their intended use. The depreciation is provided by applying the following method at the useful lives specified in schedule II to the Companies Act, 2013:

However, in respect of the plant and machinery acquired under Business Transfer Agreement by SPPL (Simbhaoli Power Private Limited), where life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset etc.

Category of PPE	Depreciation Method
Building owned by SPPL	Written down value Method
Other Buildings	Straight line Method
Plant & Machinery (used in generation of power)	Straight line Method
Plant & Machinery (other than above)	Straight Line Method
Computer Equipment	Straight line Method
Furniture & Fixtures	Straight line Method
Motor Vehicles	Written down value Method
Office Equipment	Straight line Method

PPE costing up to ₹ 5,000 are fully depreciated in the year of purchase. Freehold land is not depreciated.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life of the assets. The Group uses a rebuttable presumption that the useful life of intangible assets is ten years from the date when the assets is available for use.

Right of use assets are depreciated on straight line method (SLM) over the period of life of right of use assets or lease terms whichever expire earlier except in case of right of use assets, the ownership of which is proposed to be transferred to the Group or the cost of such assets reflects that the group will exercise a purchase option, the same is depreciated on straight line method (SLM) over the useful life of the assets.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year and are given effect to wherever appropriate.

#### D. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

##### ● The Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- > The contract involves the use of an identified asset.
- > The group has substantialized all of the economic benefits from use of the asset through the period of the lease and;
- > The group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely

independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

##### ● As a lessor

Leases for which the group is a lessor is classified as finance lease or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease. When the group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sub-lease is classified as finance lease or operating lease with reference to right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of such lease.

#### E. Government Grant

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received, and the group will comply with all attached conditions.

Governments Grants relating to the purchase, construction or otherwise acquired non-current assets, are recognized as deferred income in the balance sheet and are credited to profit or loss on a systematic and rational basis over the expected lives of the related assets and presented in other income.

Government Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognized in statement of profit or loss in the period in which they become receivable.

#### F. Borrowing

Long term borrowing are initially recognised at net of material transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of Profit and Loss over the period of the borrowing using the effective interest method.

#### G. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Other borrowing costs are expensed in the period in which they are incurred.

**H. Employee benefit plans:**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

**Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expense off as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Retirement benefit in the form of superannuation fund is a defined contribution scheme. The Group has established a Superannuation Fund Trust to which contributions are made quarterly. The Group recognizes contribution payable to the superannuation fund scheme as expenditure, when an employee renders the related service. The Group has no other obligations beyond its quarterly contributions.

**Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized as other comprehensive incomw. The group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense

and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in statement of profit or loss. The group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**Other long-term employee benefits**

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurements gain or losses are recognized in statement of profit or loss in the period in which they arise.

**Voluntary Retirement Scheme**

Expenditure on voluntary retirement scheme is charged to the Statement of Profit and Loss in the year in which it is incurred.

**I. Inventories**

Inventories, except By-products are valued at the lower of cost and net realizable value. By-products are valued at estimated net realizable value. The bases of determining cost for different categories of inventory are as follows:

Stores and spare parts	-	Monthly weighted average
Raw materials	-	First in first out (FIFO)
Process stocks/finished Goods	-	Material cost plus appropriate share of labour and manufacturing overheads.
Stock in trade	-	First in first out (FIFO)

**J. Financial Instruments**

**i) Financial Asset**

● **Classification**

The group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.

● **Initial Recognition and Measurement**

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

● **Subsequent Measurement**

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- At amortized cost,
- At fair value through other comprehensive income (FVTOCI), and
- At fair value through profit or loss (FVTPL).

- **Debt instrument at amortized cost**

A "Debt instrument" is measured at the amortized cost if both the following conditions are met:

- The assets are held within a business model whose objective is to hold assets for collecting contractual cash flow (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount, premium, fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

- **Debt instrument at fair value through profit or loss**

Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

- **Debt instruments at fair value through other comprehensive income**

A financial asset should be measured at FVTOCI if both the following conditions are met:

- The asset is held within a business model in which assets are managed both in order to collect contractual cash flows and for sale, and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding.

After initial measurement (at fair value minus transaction cost), such financial assets are measured at fair value with changes in fair value recognized in Other comprehensive income except for:

- Interest calculated using EIR
- Foreign exchange gain and losses, and
- Impairment losses and gains

- **Equity investments**

All equity investments in the scope of Ind AS 109 are measured at fair value. Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. April 01, 2016. Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in statement of profit or loss. The Group may make an irrevocable election to present in OCI subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price, if loss, is recognized through retained earnings and after initial recognition subsequent changes in fair value of equity instruments is recognised as gain or loss to the extent it arises from change in input to valuation technique. If the Group decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to profit

or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

- **De-recognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized when:

- The right to receive cash flows from the assets have expired or
- The group has transferred substantially all the risks and rewards of the assets, or
- The group has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

- ii) **Financial liabilities**

- **Classification**

Debt and equity instruments issued by the group are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreements and the definitions of financial liability and equity instrument.

- **Initial recognition and measurement**

The group recognizes financial liability when it becomes a party to the contractual provision of the instrument. All financial liabilities are recognized initially at fair value, for financial liability not subsequently measured at FVTPL, at transaction costs that are directly attributable to the issue of financial liability.

- **Subsequent Measurement**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

- **Financial liability at amortized cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gain and losses are recognized in statement of profit and loss when the liabilities are derecognized.

Amortization cost is calculated by taking into account any discount or premium on acquisition and transaction cost. These amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & borrowings.

- **Financial liability at FVTPL**

Financial liabilities are classified at FVTPL when the financial liability is either contingent consideration recognized by the group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designed as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gain or loss arises on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

- **Equity Instrument**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognized at the proceeds received, net of direct issue cost.

Repurchase of the group's own equity instruments is recognized and deducted directly in equity. No gain or loss

is recognized in profit or loss on the purchase, sale, issue, or cancellation of the group's own equity instruments.

● **De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognized in the Statement of Profit and Loss.

● **Offsetting of financial instrument**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**K. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cheques on hand, deposits held at call with banks, balance with banks on current account and short term, highly liquid investments with an original maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flow, cash and cash equivalents consist of cash and short term deposits, net of outstanding bank overdraft as they being considered as integral part of the group's cash management.

**L. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

**Sale of Goods**

The Group derives revenue primarily from, sale of sugar and other by-products produced from processing of sugar cane, and sale of chemical, liquor etc. Revenue from sale of goods is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration, the group expect to receive in exchange of those products or services. Revenue is inclusive of excise duty and excluding estimated discount and pricing incentives, rebates, other similar allowances to the customers and also excluding value added taxes, goods and other taxes and amounts collected on behalf of third parties or government, if any.

**Revenue from Contracts**

Revenue from contracts with customers is recognised upon satisfaction of performance obligation by transferring of control of promised products or services to customers at an amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount that the Group expects to be entitled to in exchange of transferring promised goods or services to a customer.

The Group identifies each performance obligation at contract inception to determine whether it satisfies the performance obligation over time or at a point of time. Accordingly:

Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of

accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

Revenue from the sale of distinct third party equipment is recognised at the point in time when control is transferred to the customer.

The solutions offered by the Company may include supply of third-party equipment. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue from Power generation is recognised on accrual basis as per terms of Power Purchase Agreement (PPA) with Uttar Pradesh Power Corporation Limited. The normal credit term is 30 days upon delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

**Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The terms of power efficiency adjustment on sale of power in contracts with customer give rise to variable consideration.

Group's contract with customers does not contain any significant financing component or non- cash consideration or right to return with customers.

**Contract balances**

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The contract assets are shown as "Unbilled Income"

**Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever

is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract liabilities are shown as “Advance from Customers”.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

#### **Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **Dividend Income**

Dividend income is recognized when the Group's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably i.e. in case of interim dividend, on the date of declaration by the Board of Directors; whereas in case of final dividend, on the date of approval by the shareholders.

#### **Export Incentives**

Export incentives are accounted for in the year of exports based on eligibility and when there is no significant uncertainty in receiving the same.

#### **Insurance Claims**

Insurance claim are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

#### **Income from REC**

Income from REC is recognized to the extent approved and credited in company's favour by concerned authority in the account maintained with Renewable Energy Certificate Registry of India at the minimum expected realizable value, determined based on the rates specified under the relevant regulations. The difference between the amount recognized initially and the amount realized on sale of such RECs at the Power Exchange are accounted for as and when such sale take place.

### **M. Expenses**

All expenses are accounted for on accrual basis.

### **N. Foreign currency translations**

Consolidated financial statements have been presented in Indian Rupees (INR), which is Group's functional and presentation currency.

#### **i. Initial Recognition**

Transactions in foreign currencies are initially recorded at the functional currency spot rate prevailing at the date the transaction first qualifies for recognition.

#### **ii. Transactions and balances**

Monetary assets and liabilities related to foreign currency transactions outstanding at the balance sheet date are translated at the functional currency spot rate of exchange prevailing at the balance sheet date. Any income or expense

arising on account of foreign exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

### **O. Taxes**

#### **i. Income tax**

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

#### **ii. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on net basis or simultaneously.

#### **iii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. In case of a history of continuous losses, the group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and



assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Minimum Alternate Tax (MAT) credits is recognized as deferred tax assets in the Balance Sheet only when the asset can be measured reliably and to the extent there is convincing evidence that sufficient taxable profit will be available against which the MAT credits can be utilized by the company in future.

#### P. Impairment

##### ● Non-financial assets

Goodwill and Intangible assets that have an indefinite useful life are not subject to amortization but are tested annually for impairment.

Other intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The carrying amount of assets is reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factor. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss in the year in which an asset is identified as impaired.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

##### ● Financial assets

The group applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instrument and are measured at amortized cost e.g. loans, debt securities, deposits, and bank balance.
- Trade receivables:

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on life time expected credit loss at each reporting date, right from its initial recognition.

#### Q. Earnings per share

Basic earnings per share are calculated by dividing the profit/loss for the year (before other comprehensive income), attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit/(loss) for the year (before other comprehensive income), adjusting the after tax effect of interest and other financing costs associated with dilutive potential equity shares, attributable to the equity shareholders, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

#### R. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognized for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

A contingent asset is not recognized but disclosed, when possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

#### S. Operating Segments

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Board of Directors (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the different risks and returns and the internal business reporting systems.

Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Assets and Liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

#### T. Cash Flow Statement

Cash flows are stated using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of incomes and expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**3.1 PROPERTY, PLANT AND EQUIPMENT**

₹ lacs

Particulars	Land Freehold #	Buildings	Railway Siding	Plant & Machinery	Furniture & Fixtures	Vehicles	Other Equipments	Total	Capital Work in Progress
<b>Gross block</b>									
<b>Gross carrying amount as at April 01, 2019</b>	85,125.11	16,651.13	0.50	78,621.24	251.77	216.30	816.62	181,682.67	135.88
Additions during the year	-	113.10	-	602.68	2.41	11.88	11.67	741.74	834.97
Disposals/Deductions during the year	-	40.27	-	1,001.46	5.44	34.54	21.68	1,103.39	134.42
<b>Gross carrying amount as at March 31, 2020</b>	<b>85,125.11</b>	<b>16,723.96</b>	<b>0.50</b>	<b>78,222.46</b>	<b>248.74</b>	<b>193.64</b>	<b>806.61</b>	<b>181,321.02</b>	<b>836.43</b>
<b>Depreciation</b>									
As at April 01, 2019	-	4,610.23	0.40	17,960.88	171.84	177.45	526.01	23,446.81	-
Depreciation for the year	-	979.72	0.10	3,567.20	11.72	19.59	68.94	4,647.27	-
Disposals/Deductions during the year	-	27.11	-	559.02	5.29	32.43	20.53	644.38	-
Accumulated depreciation as at March 31, 2020	-	5,562.84	0.50	20,969.06	178.27	164.61	574.42	27,449.70	-
<b>Net carrying amount as at March 31, 2020</b>	<b>85,125.11</b>	<b>11,161.12</b>	<b>-</b>	<b>57,253.40</b>	<b>70.47</b>	<b>29.03</b>	<b>232.19</b>	<b>153,871.32</b>	<b>836.43</b>
<b>Gross block</b>									
<b>Gross carrying amount as at April 01, 2020</b>	85,125.11	16,723.96	0.50	78,222.46	248.74	193.64	806.61	181,321.02	836.43
Additions during the year	-	33.22	-	1,215.70	7.43	-	16.94	1,273.29	57.24
Disposals/Deductions during the year	-	-	-	2.18	-	4.29	-	6.47	831.43
<b>Gross carrying amount as at March 31, 2021</b>	<b>85,125.11</b>	<b>16,757.18</b>	<b>0.50</b>	<b>79,435.97</b>	<b>256.17</b>	<b>189.35</b>	<b>823.55</b>	<b>182,587.84</b>	<b>62.24</b>
<b>Depreciation</b>									
As at April 01, 2020	-	5,562.84	0.50	20,969.06	178.27	164.61	574.42	27,449.70	-
Depreciation for the year	-	737.38	-	2,707.15	9.73	6.82	64.98	3,526.06	-
Disposals/Deductions during the year	-	-	-	2.14	-	4.03	-	6.17	-
Accumulated depreciation as at March 31, 2021	-	6,300.22	0.50	23,674.07	188.00	167.40	639.40	30,969.59	-
<b>Net carrying amount as at March 31, 2021</b>	<b>85,125.11</b>	<b>10,456.96</b>	<b>-</b>	<b>55,761.90</b>	<b>68.17</b>	<b>21.95</b>	<b>184.15</b>	<b>151,618.25</b>	<b>62.24</b>

**Notes:**

- The Company has availed loan from banks and other entities against securities of aforesaid assets. The details of charge created and security terms against borrowings are stated at Note No.10
  - Refer note no.6(v) for the information on contractual commitments for acquisition of property, plant and equipments
- # Includes Rs.8.62 Lacs (Previous year Rs.8.62 lacs) pertaining to land situated at Brijnathpur pending registration in favour of the company

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**3.2 INTANGIBLE ASSETS**

₹ lacs

Particulars	Software
<b>Gross Block</b>	
<b>Gross carrying amount as at April 01, 2019</b>	57.35
Additions during the year	28.97
Disposals/Deductions during the year	-
<b>Gross carrying amount as at March 31, 2020</b>	<b>86.32</b>
<b>Amortisation</b>	
As at April 01, 2019	30.31
Amortisation for the year	5.98
Disposals/Deductions during the year	-
As at March 31, 2020	36.29
<b>Net carrying amount as at March 31, 2020</b>	<b>50.03</b>
<b>Gross block</b>	
<b>Gross carrying amount as at April 01, 2020</b>	86.32
Additions during the year	31.00
Disposals/Deductions during the year	-
<b>Gross carrying amount as at March 31, 2021</b>	<b>117.32</b>
<b>Amortisation</b>	
As at April 01, 2020	36.29
Amortisation for the year	21.45
Disposals/Deductions during the year	-
As at March 31, 2021	57.74
<b>Net carrying amount as at March 31, 2021</b>	<b>59.58</b>

	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
<b>NON CURRENT ASSETS</b>		
<b>FINANCIAL ASSETS</b>		
<b>3.3 INVESTMENTS</b>		
<b>Investment in Government securities (at cost)</b>		
<b>Unquoted</b>		
6-Years Post Office National Savings Certificate (Deposited with government authorities)	2.61	2.11
<b>Others (at deemed cost)</b>		
One share of ₹ 20 fully paid up in Simbhaoli Co-operative Cane Development Union Limited (*₹ 20)	*	*
<b>Other</b>		
<b>- Unquoted</b>		
Casetech Employees Share Plan Trust	0.15	0.15
	<b>2.76</b>	<b>2.26</b>
<b>Aggregate amount of</b>		
- Quoted	-	-
- Unquoted	2.76	2.26
<b>Summary:</b>		
- Aggregate investments carried at deemed cost	2.76	2.26
- Aggregate investments carried at amortised cost	-	-
- Aggregate investments carried at fair value through other comprehensive income	-	-
	<b>As at March 31, 2021 # ₹ lacs</b>	<b>As at March 31, 2020 ₹ lacs</b>
<b>3.4 TRADE RECEIVABLES</b>		
Trade receivables -Considered Good Secured	-	-
Trade receivables -Considered Good Unsecured	683.03	683.03
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
<b>Sub Total</b>	<b>683.03</b>	<b>683.03</b>
Less: Provision for impaired receivables	-	-
	<b>683.03</b>	<b>683.03</b>
# Refer note no.4		
<b>3.5 OTHER FINANCIAL ASSETS (carried at amortised cost)</b>		
(Unsecured and considered good unless otherwise stated)		
Fixed deposits with banks (Earmarked)	112.79	197.94
Interest accrued on fixed deposits	4.12	21.59
Security deposits	41.48	41.48
	<b>158.39</b>	<b>261.01</b>
# Refer note no.4		
<b>3.6 DEFERRED TAX ASSET/ (LIABILITY)</b>		
<b>A) Deferred Tax Asset/ (Liability)</b>		
<b>Deferred Tax Asset :</b>		
On account of carried forward losses	1,328.63	3,177.07
On account of carried forward unabsorbed depreciation	19,289.55	19,300.38
Liabilities and provisions tax deductible only upon payment/actual crystallization:		
-Interest payable to banks/financial institutions	8,999.93	8,686.01
-Others	1,130.25	433.34
	<b>30,748.36</b>	<b>31,596.80</b>

	As at March 31, 2021 # ₹ lacs	As at March 31, 2020 ₹ lacs
<b>Deferred Tax Liability :</b>		
On account of accelerated depreciation for tax purposes	9,819.99	10,528.70
On account of difference in the tax base value and carrying amount of land	20,797.93	20,976.45
	<b>30,617.92</b>	<b>31,505.15</b>
Mat Credit Entitlement	0.99	21.33
	<b>131.43</b>	<b>112.98</b>

# Refer Note No. 4

#### B) Movement in Deferred Tax Liabilities/ Deferred Tax Assets

₹ lacs

Particulars	Carried forward losses & Unabsorbed Depreciation	Property Plant & Equipment	Interest payable to banks/financial institutions	Other items	Mat Credit entitlement	Total
<b>At 31st March 2019</b>	<b>25,523.70</b>	<b>(33,634.40)</b>	<b>8,019.36</b>	<b>193.06</b>	<b>13.75</b>	<b>115.47</b>
(Charged)/credited:-						
-to profit & loss	(3,046.25)	2,129.25	666.65	239.63	7.58	(3.14)
-to other comprehensive income	-	-	-	0.65	-	0.65
<b>At 31st March 2020</b>	<b>22,477.45</b>	<b>(31,505.15)</b>	<b>8,686.01</b>	<b>433.34</b>	<b>21.33</b>	<b>112.98</b>
(Charged)/credited:-						
-to profit & loss	(1,859.27)	887.23	313.92	698.08	(20.34)	19.62
-to other comprehensive income	-	-	-	(1.17)	-	(1.17)
<b>At 31st March 2021 #</b>	<b>20,618.18</b>	<b>(30,617.92)</b>	<b>8,999.93</b>	<b>1,130.25</b>	<b>0.99</b>	<b>131.43</b>

# Refer Note No. 4

#### C) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

	As at March 31, 2021 ₹ lacs	As at March 31, 2020 ₹ lacs
<b>Deferred Tax Asset :</b>		
Tax Effect on Tax Losses	9,634.15	9,385.30
Tax Effect on Unabsorbed depreciation	22,137.70	22,137.70
Tax Effect on difference in the tax base value and carrying amount of Investments other than charged to OCI	393.37	321.34
Tax effect on items charged to OCI ( Net)	3,072.23	2,980.60
	<b>35,237.45</b>	<b>34,824.94</b>
<b>Expiry profile of unrecognised unused tax losses</b>		
Unused tax losses (business loss) shall expire on-		
March 31, 2026	4,874.40	4,874.40
March 31, 2024	4,759.75	4,510.90
	<b>9,634.15</b>	<b>9,385.30</b>

# Refer note no.4

#### 3.7 NON-CURRENT TAX ASSETS

(Unsecured and considered good unless otherwise stated)

Advance tax (net)	429.07	839.51
	<b>429.07</b>	<b>839.51</b>

# Refer note no.4

	As at March 31, 2021 # ₹ lacs	As at March 31, 2020 ₹ lacs
<b>3.8 OTHER NON-CURRENT ASSETS</b>		
(Unsecured and considered good unless otherwise stated)		
Capital advances	8.94	10.92
Security deposit	86.50	45.74
Other advances *	415.58	406.22
	<b>511.02</b>	<b>462.88</b>
* Includes amount deposited with Government authorities under protest.		
# Refer note no.4		
<b>CURRENT ASSETS</b>		
<b>3.9 INVENTORIES</b>		
(at lower of cost and net realisable value)		
Raw materials	115.86	115.41
Work-in-progress	1,309.95	967.66
Finished goods*	42,925.99	52,532.52
Stock-in-trade	17.51	37.28
Stores and spares	2,203.43	1,533.41
Loose Tools	8.32	7.85
	<b>46,581.06</b>	<b>55,194.14</b>
<b>Note.</b>		
* includes Goods in Transit	73.01	17.62
Carrying amount of inventories pledged as security for borrowing	46,581.06	55,194.14
Amount of write down of inventories recognized as expenses	108.16	1,386.19
# Refer note no.4		
<b>FINANCIAL ASSETS</b>		
<b>3.10 CURRENT INVESTMENT</b>		
<b>Investments in mutual funds - quoted</b>		
19,223.46 units (31 March 2020: 19,223.46 units) in SBI premier liquid fund - Regular plan - growth (SBI premier liquid fund-Direct plan -growth)	597.66	597.66
	<b>597.66</b>	<b>597.66</b>
<b>Aggregate book value of quoted investments</b>	597.66	597.66
<b>Aggregate market value of quoted investments</b>	NA	643.26
# Refer note no.4		
<b>3.11 TRADE AND OTHER RECEIVABLES (carried at amortised cost)</b>		
Trade receivables -Considered Good Secured	-	-
Trade receivables -Considered Good Unsecured	9,668.65	9,363.44
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	892.55	259.00
<b>Sub Total</b>	<b>10,561.20</b>	<b>9,622.44</b>
Less: Provision for impaired receivables	952.50	259.00
	<b>9,608.70</b>	<b>9,363.44</b>
# Refer note no.4		
<b>3.12 CASH AND CASH EQUIVALENTS</b>		
<b>Balances with banks:</b>		
- on current account	3,720.99	4,413.64
Cash on hand	28.18	18.87
	<b>3,749.17</b>	<b>4,432.51</b>
# Refer note no.4		
<b>3.13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
EMD Paid to banks for OTS	1,521.20	571.60
Fixed deposit with bank (Earmarked)	666.53	1,122.09
	<b>2,187.73</b>	<b>1,693.69</b>
# Refer note no.4		

	As at March 31, 2021 # ₹ lacs	As at March 31, 2020 ₹ lacs
<b>3.14 OTHER FINANCIAL ASSETS (carried at amortised cost)</b> (Unsecured and considered good unless otherwise stated)		
Interest accrued on debentures	1,082.13	-
Interest accrued on fixed deposit	42.75	89.97
Security deposit	278.68	212.10
Unbilled Revenue	594.41	275.81
Claims receivable	16.96	16.96
Others	22.37	22.04
	<b>2,037.30</b>	<b>616.88</b>

# Refer note no.4

<b>3.15 OTHER CURRENT ASSETS</b> (Unsecured and considered good unless otherwise stated)		
Advance recoverable in cash or in kind or for value to be received		
Considered good	573.69	664.25
Considered doubtful	18.86	105.42
	592.55	769.67
Less : Provision for doubtful advances	18.86	105.42
	573.69	664.25
Claim Receivables	251.30	300.26
Advance to employees	189.00	8.97
Prepaid expenses	285.01	307.09
Advance to employees		
Considered good	63.19	63.71
Considered doubtful	2.56	-
	65.75	63.71
Less: Provision for doubtful advances	2.56	-
	63.19	63.71
Government Grant	7,991.96	7,292.25
Balance with authorities	209.84	339.28
Security deposits		
Considered good	86.89	86.26
Considered doubtful	25.00	25.00
	111.89	111.26
Less : Provision for doubtful security deposits	25.00	25.00
	86.89	86.26
	<b>9,650.88</b>	<b>9,062.07</b>

# Refer note no.4

### 3.16 EQUITY SHARE CAPITAL

	As at March 31, 2021		As at March 31, 2020	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
<b>Authorized</b>				
Equity shares of ₹ 10 each with voting rights	68000000	6,800.00	68000000	6,800.00
Preference shares of ₹ 100 each	4000000	4,000.00	4000000	4,000.00
	<b>72000000</b>	<b>10,800.00</b>	<b>72000000</b>	<b>10,800.00</b>
<b>Issued, subscribed and paid up</b>				
Equity shares of ₹ 10 each with voting rights fully paid-up	41279020	4,127.90	41279020	4,127.90
	<b>41279020</b>	<b>4,127.90</b>	<b>41279020</b>	<b>4,127.90</b>

**A) Reconciliation of number of Authorised shares and amount outstanding at the beginning and at the end of the year**

	As at March 31, 2021		As at March 31, 2020	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
Equity shares with voting rights (one per share)				
As at beginning of the year	68000000	6,800.00	68000000	6,800.00
Add: Addition during the year	-	-	-	-
<b>As at end of the year</b>	<b>68000000</b>	<b>6,800.00</b>	<b>68000000</b>	<b>6,800.00</b>
Preference shares				
As at beginning of the year	4000000	4,000.00	4000000	4,000.00
Add: Addition during the year	-	-	-	-
<b>As at end of the year</b>	<b>4000000</b>	<b>4,000.00</b>	<b>4000000</b>	<b>4,000.00</b>

**B) Reconciliation of number of issued, subscribed and paid-up shares and amount outstanding at the beginning and at the end of the year**

	As at March 31, 2021		As at March 31, 2020	
	(No. of Shares)	₹ lacs	(No. of Shares)	₹ lacs
Equity shares with voting rights (one per share)				
As at beginning of the year	41279020	4,127.90	41279020	4,127.90
Add: Issue of shares against conversion of share warrants	-	-	-	-
<b>As at end of the year</b>	<b>41279020</b>	<b>4,127.90</b>	<b>41279020</b>	<b>4,127.90</b>

**C) Shareholders holding more than 5% of the shares in the Company**

S.No.	Name of the Shareholders	As at March 31, 2021		As at March 31, 2020	
		(No. of Shares)	% of share holding	(No. of Shares)	% of share holding
i)	Dholadhar Investments Private Limited	7462114	18.08	7462114	18.08
ii)	Mr. Gurmit Singh Mann	4726154	11.45	4726154	11.45
iii)	Ms. Gursimran Kaur Mann	4186672	10.14	4186672	10.14
iv)	Mr. Gурpal Singh	2402770	5.82	2402770	5.82
v)	Pearl Innovative Marketing Private Limited	2270623	5.50	2270623	5.50
vi)	Pritam Singh Sandhu Associates Pvt. Ltd.	2077735	5.03	2077735	5.03

D) The Company has allotted 37479020 Equity shares of ₹ 10 each aggregating ₹ 3,747.90 lacs during the financial year 2015-16 on Amalgamation of Erstwhile Simbhaoli Sugars Limited without payment being received in cash..

E) The Company has allotted 3800000 equity shares of ₹ 10/- each at a premium of ₹ 22.10 per share to the specified promoters on conversion of 3800000 equity warrants.

F) Rights, preference and restriction attached to equity shares (₹ 10 each):

- i) Voting right shall be in same proportion as the capital paid upon such equity share.
- ii) The dividend proposed by the Board of Directors which is subject to the approval of the shareholders in the Annual General Meeting shall be in the same proportion as the capital paid upon such equity share.
- iii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to capital paid upon such equity share.

	As at March 31, 2021 #	As at March 31, 2020
	₹ lacs	₹ lacs

**3.17 OTHER EQUITY**

**Molasses Storage Fund**

Opening balance	45.39	24.18
Add: Addition during the year	21.61	21.21
<b>Closing balance</b>	<b>67.00</b>	<b>45.39</b>

**Share Warrant**

Opening balance	-	96.30
Add: Money received against share warrant	-	-

	As at March 31, 2021 # ₹ lacs	As at March 31, 2020 ₹ lacs
Less: Share warrant Money forfeited during the year	-	96.30
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Securities premium</b>		
Opening balance	46,301.79	46,301.79
Add: addition during the year	-	-
<b>Closing balance</b>	<b>46,301.79</b>	<b>46,301.79</b>
<b>Forfeiture Reserve</b>		
Opening balance	96.30	-
Add: Additions during the year	-	96.30
Less: Deductions during the year	-	-
<b>Closing balance</b>	<b>96.30</b>	<b>96.30</b>
<b>Foreign Currency Translation Reserve</b>		
Opening balance	(0.19)	(0.19)
Add: Additions during the year	-	-
Less: Transferred to balance in Statement of Profit and Loss during the year	-	-
<b>Closing balance</b>	<b>(0.19)</b>	<b>(0.19)</b>
<b>Retained Earnings</b>		
Opening balance	(53,210.09)	(49,494.63)
Add: Profit/(loss) during the year	(593.41)	(3,436.04)
Add: transfer from Other Comprehensive Income	13.44	(279.42)
<b>Closing balance</b>	<b>(53,790.06)</b>	<b>(53,210.09)</b>
<b>Other Comprehensive Income</b>		
Opening balance	-	-
Add: Other Comprehensive Income for the year	13.44	(279.42)
Less: Transfer to Retained earnings	(13.44)	279.42
<b>Closing balance</b>	<b>-</b>	<b>-</b>
	<b>(7,325.16)</b>	<b>(6,766.80)</b>

# Refer note no.4

Notes:

- i) The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyamtran (Sansodhan) Adesh, 1974 and the said storage fund is represented by investment in the form of fixed deposits with banks amounting to ₹87.35 lacs (Previous year ₹ 96.07 lacs).
- ii) The Company has issued and allotted 5000000 fully convertible share warrants to specified promoters on December 22, 2017, at an issue price of ₹ 32.10 (inclusive of premium of ₹ 22.10) per share convertible into equivalent number of equity shares within a period of 18 months from the date of allotment. Since, during the financial year 2019-20, Ms Gursimran Kaur Mann, one of the allottee has not exercised the option for conversion of remaining 1200000 share warrants within stipulated period, the amount of ₹ 96.30 lacs being upfront payment of 25% of the subscription amount paid against such 1200000 share warrants was forfeited.
- iii) Securities Premium is used to record premium on issue of shares. This reserve shall be utilised in accordance with the provisions of the Act.
- iv) Forfeiture reserve represents the amount forfeited against non conversion of share warrant into equity share with in stipulated period by specified promoters.
- v) Retained earnings represents the undistributed profit/ amount of accumulated loss of the Company.
- vi) Other comprehensive income (OCI) represents the balance in equity relating to re-measurement gain / (loss) of defined benefit obligation and FVTOCI of equity instruments in associates. This would not be re-classified to Statement of Profit and Loss.
- vii) Exchange differences relating to the translation of the foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

#### NON-CURRENT LIABILITIES / FINANCIAL LIABILITIES

	As at March 31, 2021 # ₹ lacs	As at March 31, 2020 ₹ lacs
<b>3.18 BORROWINGS (carried at amortised cost)</b>		
<b>Secured</b>		
Term loans		
- from banks [Refer Note no. 10]	4,502.35	4,502.35
<b>Unsecured</b>		
- from related party -others [Refer Note no. 11]	313.19	359.03
	<b>4,815.54</b>	<b>4,861.38</b>

# Refer note no. 4



	As at March 31, 2021 # ₹ lacs	As at March 31, 2020 ₹ lacs
<b>3.19 OTHER FINANCIAL LIABILITIES</b>		
Interest accrued but not due on borrowings	2,820.14	2,820.14
	<b>2,820.14</b>	<b>2,820.14</b>
# Refer note no.4		
<b>3.20 PROVISIONS</b>		
Provision for employee benefit		
Compensated absences	469.77	472.54
	<b>469.77</b>	<b>472.54</b>
# Refer note no.4		
<b>CURRENT LIABILITIES</b>		
<b>3.21 TRADE AND OTHER PAYABLES</b>		
Total outstanding dues to micro and small enterprises [Refer Note no. 7]	360.18	274.60
Total outstanding dues of other than micro and small enterprises	81,104.68	91,229.43
	<b>81,464.86</b>	<b>91,504.03</b>
# Refer note no.4		
<b>3.22 OTHER FINANCIAL LIABILITIES (carried at amortised cost)</b>		
Current maturities of long-term debt (secured)		
- from banks [Refer Note no. 10]	1,595.46	1,595.46
Recalled Loans - dues to Banks/ Financial Institutions [Refer Note no. 10]	102,682.47	104,003.37
- From others [Refer Note no. 10]	100.00	100.00
Interest accrued but due on borrowings	22,492.48	20,479.41
Employees dues	1,821.71	1,728.07
Security Deposits	-	75.00
Others liabilities (including capital creditors)	96.15	112.93
	<b>128,788.27</b>	<b>128,094.24</b>
# Refer note no.4		
<b>3.23 PROVISIONS</b>		
Provision for employee benefits		
Compensated absences	223.91	216.76
	<b>223.91</b>	<b>216.76</b>
# Refer note no.4		
<b>3.24 OTHER CURRENT LIABILITIES</b>		
Statutory dues payable	1,131.56	1,231.56
Advance received from customers	595.91	616.64
Security deposits	153.49	157.61
Others payable	3.22	3.27
	<b>1,884.18</b>	<b>2,009.08</b>
# Refer note no.4		
<b>3.25 CURRENT TAX LIABILITIES</b>		
Current tax liabilities	505.20	505.26
	<b>505.20</b>	<b>505.26</b>
# Refer note no.4		

	Year ended March 31, 2021 # ₹ lacs	Year ended March 31, 2020 ₹ lacs
<b>3.26 REVENUE FROM OPERATIONS</b>		
Sale of Products [ Refer Note no.18 ]	140,045.14	118,360.84
Sale of Services	377.70	2,545.59
	<b>140,422.84</b>	<b>120,906.43</b>
Other Operating revenue		
Sale of Scrap	151.81	62.41
Cane / Export Subsidy	4,058.92	5,089.45
Freight and Insurance charges recovered	1,080.42	1,008.64
Job Work Charges	353.08	242.80
Other miscellaneous income	1.42	711.31
	<b>146,068.49</b>	<b>128,021.04</b>
# Refer Note No. 4		
<b>3.27 OTHER INCOME</b>		
<b>Interest income on financial assets carried at amortised cost</b>		
Fixed deposits with banks	65.00	84.73
Debentures	1,277.97	-
Interest income from Others	-	3.45
<b>Interest income on income tax refund</b>	53.13	11.00
<b>Other Non operating income</b>		
Rent	52.51	0.48
Profit on redemption of Mutual Funds Units	1.28	76.59
Liabilities/provisions no longer required, written back	271.55	136.94
Gain on foreign exchange fluctuation	-	22.64
Excise duty refund	-	333.69
Miscellaneous	21.17	139.15
	<b>1,742.65</b>	<b>808.67</b>
# Refer Note no. 4		
<b>3.28 COST OF MATERIALS CONSUMED</b>		
Sugarcane	86,992.06	81,696.99
Molasses	122.43	52.31
ENA and others	66.55	2,361.33
	<b>87,181.04</b>	<b>84,110.63</b>
# Refer Note no. 4		
<b>3.29 PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of stock-in-trade	3,572.94	2,895.03
	<b>3,572.94</b>	<b>2,895.03</b>
# Refer Note no. 4		
<b>3.30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening stock		
Finished goods	52,532.52	44,862.97
Work-in-progress	967.66	1,480.94
Stock-in-trade	37.28	-
	<b>53,537.46</b>	<b>46,343.91</b>
Closing stock		
Finished goods *	42,925.99	52,532.52
Work-in-progress	1,309.95	967.66
Stock-in-trade	17.51	37.28
	<b>44,253.45</b>	<b>53,537.46</b>
<b>Net (increase)/ decrease in inventories</b>	<b>9,284.01</b>	<b>(7,193.55)</b>

\* Includes Goods in transit amounting to ₹ 73.01 lacs (Previous year ₹ 17.62 lacs)

Note : The amount of loss due to write down the inventories at net realisable value recognised as expenses and is included in change in inventories is ₹108.16 Lacs (Previous year ₹1,386.19 lacs).

# Refer Note no. 4

	Year ended March 31, 2021 # ₹ lacs	Year ended March 31, 2020 ₹ lacs
<b>3.31 EXCISE DUTY ON SALE OF GOODS</b>		
Excise duty on sale of goods	19,413.20	19,887.97
	<b>19,413.20</b>	<b>19,887.97</b>
# Refer Note no. 4		
<b>3.32 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	5,664.12	7,206.48
Contribution to provident and other funds *	526.09	632.81
Staff welfare expenses	125.16	182.08
	<b>6,315.37</b>	<b>8,021.37</b>
* includes gratuity expense [Refer Note no. 14]		
# Refer Note no. 4		
<b>3.33 FINANCE COSTS</b>		
Interest expense on financial liabilities measured at amortized cost	2,958.93	5,061.04
Other interest	109.26	121.65
Other borrowing costs	2.53	7.06
	<b>3,070.72</b>	<b>5,189.75</b>
# Refer Note no. 4		
<b>3.34 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment [Refer Note no. 3.1]	3,526.06	4,647.27
Amortization of intangible assets [Refer Note no. 3.2]	21.45	5.98
	<b>3,547.51</b>	<b>4,653.25</b>
# Refer Note no. 4		
<b>3.35 POWER AND FUEL</b>		
Baggasse	1,433.40	720.66
Electricity	1,034.77	370.47
Other	448.32	398.51
	<b>2,916.49</b>	<b>1,489.64</b>
# Refer Note no. 4		
<b>3.34 OTHER EXPENSES</b>		
Consumption of stores and spare parts *	4,141.70	3,789.88
Short term lease expense	180.72	207.69
Repairs		
- Buildings	79.21	113.69
- Machinery	1,945.22	2,372.84
- Others	263.79	234.29
Insurance	228.24	246.81
Rates and taxes	183.92	283.03
Bad debts and advances written off (net)	30.46	13.56
Provision for credit loss on receivables and advances & other	706.20	173.43
Freight Loading, Unloading & Material shifting	2,085.73	1,479.20
Commission to selling agents	353.10	487.71
Travelling and conveyance	113.43	269.94
Other Selling Expenses	295.48	375.51
Export expenses	422.12	537.61
Loss on sale /discard of property, plant & equipment's	0.04	449.12

	Year ended March 31, 2021 # ₹ lacs	Year ended March 31, 2020 ₹ lacs
Sugar development expense	112.23	86.53
Printing and stationery	35.91	39.19
Contractor & security charges	252.31	355.35
Legal and professional expense [includes auditor's remuneration - Refer Note no. 17]	382.97	505.10
Miscellaneous expenses	1,218.57	1,573.34
Fair value loss on current investment	-	1.00
	<b>13,031.35</b>	<b>13,594.82</b>

\* Stores, oils and chemicals allocated to other revenue heads ₹ 1,476.89 lacs (previous year ₹ 1,505.23 lacs)

# Refer note no.4

### 3.35 EXCEPTIONAL ITEMS

Goodwill written off [Refer Note No. 13]	71.54	-
	<b>71.54</b>	<b>-</b>

# Refer note no.4

4. In the consolidated financial statement of the Company for the year ended March 31, 2021, the financial statement of SPPL, a material subsidiary has not been consolidated, as the year ended financial statement's of SPPL have not been yet finalized and approved till date.

The transactions entered into between the Company and SPPL for the year ended March 31, 2021, which have not been eliminated in the consolidated financial statement, have resulted in increase in the total revenue by ₹ 2,516.19 lacs and total expenses by ₹ 1,739.26 lacs. Further, increase in the balances of subsidiary of ₹ 985.18 lacs have been included in the consolidated balance sheet in the respective assets heads.

5. The Company has incurred losses due to high sugarcane costs fixed by the state government, and comparatively lower prices of finished sugar due to higher production which are determined by the market forces based on demand-supply situation and other market dynamics. Due to above-stated external factors, the company had incurred huge losses in past resulting in complete erosion of its net worth. This has resulted in delay in meeting the payment obligations to the lenders and sugarcane farmers in terms of their respective agreements and understanding. Although, the operations of the Company remained intact at sub-optimum levels over the years and it has been continuously striving for improvement in operation efficiency in form of improvement in sugar recovery, reduction in overheads and other costs etc. The Company has successfully completed crushing for Sugar season 2020-21 in all of its three sugar mills with better operational performance.

Recognizing the status of the sugar industry, the state and central governments have taken a number of measures to improve the financial health, support for liquidation of cane arrears, fixing minimum obligation for exports to manage the sugar inventory and providing subsidy to compensate export expenses, fixing minimum support price of sugar, and mandatory blending of ethanol with petrol with long term tendering and providing remunerative price of ethanol etc. All these measures have resulted in revival of the sugar industry and the financial performance of the company has also improved during the year. Further, pursuant to an order of Hon'ble High Court of Uttar Pradesh, the Uttar Pradesh sugar industry as well as the Company is confident to receive accrued benefits from the state government under the erstwhile New Sugar Industrial Promotion Policy (NSIPP 2004-09).

On account of delays in servicing of loans, certain 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 the Insolvency and Bankruptcy Code, 2016 and approached Debt Recovery Tribunals in Delhi and Uttar Pradesh as well. Against a criminal complaint filed by one of the lenders with the investigating agency, 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 has preferred an appeal with the appropriate authority and the matter is sub-judice. Enforcement Directorate had proceeded to take the constructive possession of the attached property on which an Interim Stay has been granted by the Hon'ble Appellate Tribunal.

The Company is continuing to pursue a comprehensive debt resolution proposal with all the lenders. The majority of commercial lenders have shown their inclination to accept the debt resolution proposal and accepted the Earnest Money offered thereof while Debt realignment proposal is submitted with other lenders. Considering the steps initiated for achieving turnaround of the Company and sugar sector, ongoing discussions with the lenders for resolution of their dues and continuing manufacturing operations in near foreseeable future with improved operational efficiency, these financial statements are continued to be presented on going concern basis, which contemplates realization of assets and settlement of liabilities, in the normal course of business.

#### Impact of COVID 19 Pandemic

The Company has considered the potential impact of spread of Coronavirus Disease (COVID-19), throughout the country, in preparation of financial statement for the year ended March 31, 2021 based on the information available to it up to the date of approval of these financial statement. However, the impact of COVID-19 as well as negative outlook of sugar sector on the carrying amount of its property, plant and equipment's and consequential impairment could not be ascertained and provided for due to non-availability of requisite information on account of lockdown restrictions.

The impact of COVID-19 may differ from what has been assessed by the Management as at the date of approval of these financial statements. The Company will continue to closely monitor any material change in future economic conditions and take appropriate action as may be required.

**6. Contingent liabilities and commitments (to the extent not provided for):**

- i) Claims against the Company not acknowledged as debts ₹2,731.82 lacs (Previous Year ₹ 621.27 lacs).

(₹ lacs)

Description	As at March 31, 2021#	As at March 31, 2020
Sales Tax/Trade Tax Act	54.42	54.42
Central Excise Act	2,220.36	121.49
Finance Act, 1994	36.19	28.25
Others	420.85	417.11
<b>Total</b>	<b>2,731.82</b>	<b>621.27</b>

# Refer Note no.4

All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not in the opinion of the management, have a material effect on operations or financial position of the Company.

The amount shown in Note No. 6 (i) above represent the best possible estimates arrived on the basis of demand raised by the claimant and does not include interest, if any, payable thereon from the date of demand. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the company or the claimants, as the case may be and, therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mention above on the ground that there are fair chances of successful outcome of the appeals.

- ii) 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 sugar seasons 2012-13 to 2014-15 by the UP sugar industry. No demand, pursuant to the order and for subsequent period has since been received by the Company. Considering this and also prevalent past practices, no such provision towards the interest on delayed payment of cane price has been made in the accounts.
- iii) The Allahabad High Court vide Order dated 21.12.2017 stayed the retrospective operation of orders of UP State Government pertaining to waiver of society commission for earlier years. Considering the fact that no notice of demand for such society commission's amount has been served upon the company, the same has not been acknowledged as debts and no provision has been made. Based on the past industry practices, the management is confident that no liability will arise for the said periods.
- iv) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Code would impact the contributions by the Company towards Provident Fund and Gratuity. However, the date on which the Code will come into effect has not been notified. The Company will complete its evaluation and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

- v) Capital and other commitment

Estimated value of contracts (net of advances) remaining to be executed on Capital account ₹ 60.51 lacs (Previous year ₹ 750.24 lacs). The Company has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any other long-term commitments or material non-cancellable contractual commitments / contracts, which may have a material impact on the financial statements.

**7. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).**

On the basis of supplier information available with the Company who have registered under the MSMED Act, 2006, the following are the details:

(₹ lacs)

S. No.	Description	As at March 31, 2021	As at March 31, 2020
a)	Principal amount remaining unpaid to any supplier as at the end of the accounting year.	360.18	274.60
b)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	14.46	17.06
c)	The amount of interest paid by the company in terms of section 16, of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year.	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	1.20	2.80
e)	The amount of interest accrued but not due during the year.	-	-
f)	The amount of further interest due and payable even in the succeeding period.	57.66	42.00

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

8. The Company has filed application for reclassification of promoters' category in terms of provisions of erstwhile regulation 31A (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with SEBI/Stock Exchanges, which is pending.
9. Certain banks had advanced Agri loans to sugarcane farmers through the erstwhile Simbhaoli Sugars Limited (ESSL) under the management and collection agreements and were provided Corporate Guarantee and post-dated cheques as security. These loans were to be repaid by the Company to the banks from the dues payable to sugarcane farmers against their supplies, but due to the overall downturn in the sugar industry and primacy to pay sugarcane dues ahead of all other payments, the Company could not repay these loans on the due date. Company had submitted a financial restructuring plan to its lenders in FY 2014-15. As per sanction of CDREG dated February 02, 2016 all the dues outstanding were proposed to be converted into

term loans, subject to the consent of respective commercial banks. Two of the commercial banks have converted their dues into term loan in the financial year 2016-2017 and one of the commercial banks have converted their dues into term loan in financial year 2017-18.

Oriental Bank of Commerce (OBC) now amalgamated with Punjab National Bank, one of the bank, who has converted Agri Loan in to corporate loan as aforesaid in financial year 2016-17. Prior to such conversion, OBC arbitrarily classified its outstanding Agri Loan as "Fraud" liability in May 2015 but subsequently, after following due process, including but not limited to obtaining specific permission from the Reserve Bank of India (RBI), and in consultation with all other Consortium Lenders, sanctioned and disbursed a corporate loan in February 2016 for liquidating the Agri Loans. In addition, in an application filed by OBC at the Debt Recovery Tribunal, OBC confirmed a simultaneous closure of the matter and a consented decree was passed.

OBC, now amalgamated with Punjab National Bank (PNB), had arbitrarily initiated recovery actions against the Company for the restructured corporate loan including an application filed before National Company Law Tribunal (NCLT), Allahabad Bench and recently PNB had also filed an application before NCLT, Allahabad Bench under Insolvency and Bankruptcy Code, 2016 for recovery of their dues, causing a serious threat to the value available to all the stakeholders. OBC, had declared company and guarantors as willful defaulters against which company and guarantors have contested such declaration in the Hon'ble Punjab and Haryana High Court and such impugned order of

OBC was Set Aside by Hon'ble High Court. While on a Show Cause Notice on Willful Default by Punjab National Bank to company and its promoter, basis representations made before the screening committee and taking into account that forensic audit report of the Company, initiated by the Lenders, was also closed by unanimous consensus in Joint Lenders Meeting stating that there was no fraud or willful default, PNB has kept the declaration of willful default in Abeyance. PNB had issued letter to the company, including credit assistance advanced by erstwhile OBC, wherein default is identified as willful default and to rectify the default. Company is contesting such letter basis the allegations are baseless and requested to provide the documents on the basis which such conclusion are arrived at, under the expert legal opinion. OBC had also filed a criminal complaint with the investigating agency declaring the credit facilities as "Suspected Fraud". The Company has denied any fraud on its part, provided adequate documentation for the same, while reiterating its commitment for repayment to all the lenders, basis future cash flows. Against such criminal complaint, the enforcement directorate had passed an attachment order on certain assets of the Company to the extent of ₹ 109.80 crores, against which the Company has preferred an appeal with the appropriate authority and the matter is sub-judice. The Company has sought legal advice in this matter and the legal advisors have opined that there have been various gross omissions and commissions at the banks' end including but not limited to OBC and that the Company should take appropriate action at the relevant forums at the required time.

10. The credit facilities availed by the Company have been classified as non-performing assets (NPA) by all the lenders and interest thereon is not being charged to the loan accounts by commercial lenders as per RBI's circular. The Company has submitted comprehensive debt resolution proposals with all the lenders to commensurate with its future cash flows. The majority of commercial lenders have shown their inclination to accept the debt resolution proposal (OTS Proposal) of the Company and accordingly accepted the offered Earnest Money Deposit offered by SSL from Company's own funds. Accordingly, the Interest expenses pertaining to commercial lenders, for the year ended March 31, 2021 amounting to ₹ 15,461.02 lacs respectively (previous year ended March 31, 2020 amounting to ₹ 13,146.17 lacs) has not been recognized in profit and loss account. A total amount of ₹ 52,915.64 lacs towards accrued interest has not been provided for in the books of accounts as on March 31, 2021. Since all the lenders have recalled their Credit Facilities in earlier years, their principal and interest outstanding dues have been classified and shown under "Other Current Financial Liabilities". The terms of repayment, nature of security and overdue including unaccounted interest, if any, in accordance with existing agreements are as under:

**(A) Long term borrowings (Secured)**

Term Loan	Outstanding (₹ lacs)		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2021	As at March 31, 2020			
From Commercial Banks - Under Recalled Loans	17,398.93	17,398.93	12.50% p.a.	<ol style="list-style-type: none"> <li>1 First pari passu charge on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company.</li> <li>2 First pari passu charge on pledge of 26.32 lacs equity shares of the Company held by Promoters.</li> <li>3 Personal guarantees of Mr. Gurmit Singh Mann, Chairman, Mr. Gurpal Singh, Director and Ms. Gursimran Kaur Mann, MD of the Company.</li> <li>4 First Charge on the Divestment proceeds from Sale of investments in Uniworld Sugar Pvt. Ltd. and Chilwaria Sugar Complex</li> </ol>	<p>Principal overdue above 90 days ₹17,398.93 lacs (Previous year ₹17,398.93 lacs).</p> <p>Interest overdue below 90 days of ₹900.48 lacs (Previous year ₹734.01 lacs) and above 90 days ₹13,656.75 lacs (Previous year - ₹9,923.27 lacs).</p>
From Commercial Bank - Under Recalled Loans	10,301.47	10,301.47	11.35% p.a.	<ol style="list-style-type: none"> <li>1 Subservient first pari-passu charge on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the company with FACR 1.25 times (minimum)</li> <li>2 Credit facilities are also secured by Personal guarantee of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director.</li> </ol>	<p>Principal overdue above 90 days ₹10301.47 lacs (Previous year ₹10,301.47 lacs).</p> <p>Interest overdue below 90 days of ₹441.95 lacs (Previous year ₹433.37 lacs) and above 90 days ₹6,714.31 lacs (Previous year - ₹4,894.68 lacs).</p>

(A) Long term borrowings (Secured)

Term Loan	Outstanding (₹ lacs)		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2021	As at March 31, 2020			
From Commercial Bank - Under Recalled Loans	22,347.00	22,347.00	8.60% p.a	1 First sub-servient charge on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 2 Personal guarantees Mr. Gurmit Singh Mann, Chairman and Ms. Gursimran Kaur Mann, MD of the Company.	Principal overdue above 90 days ₹22,347.00 lacs (Previous year - ₹22,347.00 lacs). Interest overdue below 90 days of ₹634.70 lacs (Previous year - ₹613.49 lacs) and above 90 days ₹6,857.64 lacs (Previous year - ₹ 4,431.66 lacs).
From Co-operative Bank - Under Recalled Loans	4,913.74	4,913.74	12.00% p.a	1 First pari passu charge on all movable and immovable fixed assets, both present and future, including equitable mortgage on the land of the Company. 2 Mortgage of residential property of Promoter Director. 3 Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company.	Principal overdue above 90 days ₹4,913.74 lacs (Previous year- ₹4913.74 lacs). Interest overdue below 90 days of ₹170.45 lacs (Previous year- ₹154.05 lacs) and above 90 days ₹ 2048.02 lacs (Previous year- ₹ 1426.97 lacs).
Others - Under Recalled Loans	3,061.34	3,054.74	Range between 1.57 % to 10.00 % p.a.	1 Term loan from Sugar Development Fund of ₹ 2,961.34 lacs (previous year ₹ 2,954.74 lacs) is secured by way of second exclusive charge on all movable and immovable fixed assets of the respective division. 2 Term loan from Sugar Technology Mission of ₹ 100.00 lacs (previous year ₹ 100.00 lacs) is secured by way of exclusive first charge on Sugarcane Juice Purification project at Simbhaoli Sugar Division of the Company.	Principal overdue above 90 days ₹3,061.34 lacs (Previous year - ₹3,054.74 lacs). Interest overdue below 90 days of ₹113.56 lacs (Previous year - ₹78.05 lacs) and above 90 days ₹2,178.94 lacs (Previous year - ₹ 1,765.29 lacs).
From Co-operative Bank (SPPL) - Under Borrowings (Non Current) - Under other Financial Liabilities (Current)	4,502.35 1,595.46	4,502.35 1595.46	12.50% p.a	1 First charges on all the present and future Property, Plant & Equipment and current assets of the SPPL. 2 Assignment of leasehold rights over land, taken on lease by SPPL situated at Simbhaoli and Chilwaria, where its power plants are located, in favour of the bank. 3 Pledge of 1,929,655 equity shares held by the Holding Company in SPPL. 4 An irrevocable and unconditional guarantees from Mr. Gurmeet Singh Mann and Mr. Gurpal Singh, the Directors of the holding company. 5 First Charge on receivables from Uttar Pradesh Power Corporation Limited by way of escrow account Mechanism.	Principal overdue below 90 days ₹ # (Previous year- ₹ 565.00 lacs). Interest overdue below 90 days of ₹ # (Previous year - ₹ 65.15 lacs)

# Refer Note no.4

(B) Unsecured loans from Related Parties of ₹ 313.19 lacs (Previous year - ₹ 359.03 lacs) carry interest rate (Ranges between) from 9.30 % to 10.15 % p.a. are payable after repayment of term loan in accordance with Scheme.

(C) Short term borrowings (Secured)

Loan repayable on demand	Outstanding (₹ lacs)		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2021	As at March 31, 2020			
From Commercial Banks - Under Recalled Loans	17,187.32	17,187.32	12.50% p.a.	1 First pari passu charge by way of hypothecation of all current assets of respective division. 2 Third pari passu charge on entire fixed assets of the Company, both present and future, including equitable mortgage on the land of the Company. 3 First pari passu charge on pledge of 26.32 lacs equity shares of the Company held by Promoters. 4 Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company. 5 Charge over SSL's Share of Dividend in Simbhaoli Power Private Limited	Interest overdue of below 90 days ₹ 1,314.19 lacs(Previous year - ₹959.78 lacs) and above 90 days ₹19,257.57 lacs (Previous year- ₹15,437.02 lacs).

Term Loan	Outstanding (₹ lacs)		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2021	As at March 31, 2020			
From Co-operative Bank - Under Recalled Loans	9,039.27	9,012.47	10.25% p.a	1 Pledge of sugar stock of the respective division of the Company. 2 Personal guarantees of Mr. Gurmit Singh Mann, Chairman, Mr. Gurpal Singh, Director and Ms Gursimran Kaur Mann, MD of the Company. 3 Equitable Mortgage of the Property of M/s. Simbhaoli Specialty Sugars Ltd. 4 Collaterally Secured by way of Hypothecation of Debtors of the Mill 5 First Charge on the Semi-finished sugar including sugar in process, raw material of the Respective division of the company. 6 First Charge and Lien on the Land, Building Plant & Machinery of the respective division of the company subject to charge of the Government of India and Term Lending Institutions for the existing loan/credit facilities.	Interest overdue below 90 days of ₹318.52 lacs (Previous year - ₹290.76 lacs) and above 90 days ₹ 3,458.07 lacs (Previous year - ₹ 2,269.12 lacs)

From Co-operative Bank - Under Recalled Loans	3,518.74	4,873.04	11.50% p.a	1 Pledge of sugar stock of the respective division of the Company. 2 First Charge on the Semi-finished sugar including sugar in process, raw material of the respective division of the company. 3 Second Charge on the Land, Building Plant & Machinery of the respective division of the company 4 Personal guarantee of Mr. Gurmit Singh Mann, Chairman, Mr. Gurpal Singh, Director and Ms. Gursimran Kaur Mann, MD of the Company	Interest overdue below 90 days of ₹150.93 lacs (Previous year - ₹206.43 lacs) and above 90 days ₹ 495.37 lacs (Previous year - ₹769.09 lacs)
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**(D) Short term borrowings (Un-secured)**

Loan repayable on demand	Outstanding (₹ lacs)		Rate of Interest	Nature of security	Overdue at the end of the year
	As at March 31, 2021	As at March 31, 2020			
From Commercial Banks - Under Recalled Loans	15,014.66	15,014.66	Range between 9.00% to 10.70% p.a	N.A	Principal overdue above 90 days of ₹ 15,014.66 lacs (Previous year - ₹15,014.66 lacs). Interest overdue below 90 days of ₹ 1,004.70 lacs (Previous year - ₹689.71 lacs) and above 90 days ₹15,559.52 lacs (Previous year - ₹12,756.98 lacs).

**11. Related Party disclosures under IND AS 24**
**i) Name of related parties and description of relationship:**
**Key Management Personnel (KMP):**

- Mr. Gurmit Singh Mann - Chairman
- Mr. Gurpal Singh – Director
- Ms. Gursimran Kaur Mann - Managing Director
- Mr. Sanjay Tapiya – Director
- Mr. Sachchida Nand Misra – Chief Operating Officer & Whole time Director
- Mr. S.K. Ganguli – Independent Director (ceased to be key management personnel w.e.f. August 23, 2020)
- Mr. H. P. Kain- Independent Director
- Mr. Atul Mahindru – Independent Director (w.e.f. November 14, 2019)

- Mr. Shyam Sunder – Independent Director (w.e.f. February 13, 2020)
  - Mr. C.K. Mahajan – Independent Director
  - Mr. Aseem Sehgal- Independent Director (w.e.f. Feb 23, 2021)
  - Mr. B.K. Goswami (ceased to be key management personnel w.e.f. April 12, 2019)
  - Mr. Dalbir Singh (ceased to be key management personnel w.e.f. August 14, 2019)
  - Mr. Dayal Chand Popli – Chief Financial Officer
  - Mr. Kamal Samtani – Company Secretary
- Relatives of Key management personnel:**
- Mrs. Mamta Tapiya (wife of Mr. Sanjay Tapiya),
  - Mrs. Usha Misra (wife of Mr. Sachchida Nand Misra)



- Mr. Govind Singh Sandhu (brother of Mr. Gurpal Singh),
- Mr. G.M.S. Mann (HUF)

**Enterprise over which key management personnel exercise significant influence:**

- Dholadhar Developers Private Limited  
(enterprise over which Mr. Gurmit Singh Mann and Ms. Gursimran Kaur Mann exercise significant influence)
- Dholadhar Investments Private Limited  
(enterprise over which Mr. Gurmit Singh Mann and Ms. Gursimran Kaur Mann exercise significant influence)
- Mahajan Law House  
(enterprise over which Mr. C.K. Mahajan exercise significant influence)

**Trusts:**

- Simbhaoli Sugars Limited Officer's Superannuation Scheme
- Simbhaoli Sugars Limited Employee Gratuity Scheme
- Simbhaoli India Foundation
- Casetech Employees Share Plan Trust

**ii) Transactions with the above parties :**

(₹ lacs)

Description	Year ended March 31, 2021	Year ended March 31, 2020
<b>Transactions</b>		
<b>Rent Paid</b>	-	<b>9.38</b>
Mrs. Mamta Tapriya	-	1.20
Mrs. Usha Misra	-	8.18
<b>Rent Received</b>	<b>0.12</b>	<b>0.12</b>
Simbhaoli Foundation Trust	0.12	0.12
<b>Managerial Remuneration</b>	<b>286.66</b>	<b>286.02</b>
Ms. Gursimran Kaur Mann	119.94	119.82
Mr. Sachchida Nand Misra	75.64	75.12
Mr. Dayal Chand Popli	64.54	64.54
Mr. Kamal Samtani	26.54	26.54
<b>Loans Repaid</b>	<b>45.83</b>	<b>191.00</b>
Mr. Gurmit Singh Mann	31.83	166.00
Dholadhar Investments Private Limited	14.00	-
Mr. Sanjay Tapriya	-	25.00
<b>Expenses paid</b>	-	<b>3.05</b>
Mahajan Law House	-	3.05
<b>Interest paid</b>	<b>33.52</b>	<b>36.53</b>
Mr. Sanjay Tapriya	-	1.18
Dholadhar Investments Private Limited	33.52	35.35
<b>Advance Received against sale of Assets</b>	-	<b>11.88</b>
Dholadhar Developers Pvt. Ltd.	-	11.88
<b>Sitting Fees paid</b>	<b>8.05</b>	<b>5.85</b>
Mr. Shyam Sunder	2.40	0.40
Mr. S.K.Ganguli	-	2.35
Mr. B.K.Goswami	0.15	-
Mr. Dalbir Singh	-	0.50
Mr. C.K.Mahajan	1.55	0.25
Mr. Atul Mahindru	1.55	0.25
Mr. H.P. Kain	2.40	2.10
<b>Contribution in Trusts</b>	-	<b>10.02</b>
Simbhaoli Superannuation Trust	-	10.02
<b>Share warrant money forfeited during the year -</b>	-	<b>96.30</b>
Ms. Gursimran Kaur Mann	-	96.30
<b>Share warrants forfeited during the year (no.)</b>	-	<b>12.00</b>
Ms. Gursimran Kaur Mann	-	12.00

**Note:** The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

**iii) Balance outstanding at the end of the year**

(₹ lacs)

Description	Year ended March 31, 2021	Year ended March 31, 2020
<b>Trade payables</b>	<b>22.47</b>	<b>51.11</b>
Mr. Gurpal Singh	0.28	0.28
Ms. Gursimran Kaur Mann	13.15	35.43
Mr. Sachchida Nand Misra	4.09	0.76
Mr. B.K.Goswami	0.93	0.93
Mr. Dayal Chand Popli	0.32	0.25
Mr. Kamal Samtani	0.82	0.79
Mr. Sanjay Tapriya	0.59	11.05
Mrs. Mamta Tapriya	-	1.62
Mr. C.K.Mahajan	0.67	-
Mr. H.P.Kain	0.37	-
Mr. Atul Mahindru	0.23	-
Mr. Shyam Sunder	0.37	-
<b>Long-term borrowings</b>	<b>313.19</b>	<b>359.03</b>
Mr. Gurmit Singh Mann	0.80	32.63
Dholadhar Investments Private Limited	312.39	326.40
<b>Trade Receivable</b>	<b>0.41</b>	<b>0.17</b>
Simbhaoli Foundation Trust	0.41	0.17
<b>Other Financial Liabilities- Current</b>	<b>73.87</b>	<b>43.70</b>
Dholadhar Developers Pvt. Ltd.	11.88	11.88
Dholadhar Investments Private Limited	61.99	31.82
<b>Investment outstanding - others (₹ lacs)</b>	<b>0.15</b>	<b>0.15</b>
Casetech Employee Share Plan Trust	0.15	0.15

- iv) In pursuance of the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, and with the No-objection received from the State Bank of India, the lead Bank, the special resolutions for the appointment of Ms. Gursimran Kaur Mann as Managing Director and Mr Sachchida Nand Misra as Chief Operating Officer and Whole Time Director of the Company were passed at the 9th Annual General Meeting of the members of the Company held on December 21, 2020 for a period of one year with effect from August 02, 2020 and September 18, 2020 respectively. The details of remuneration paid to Managing Director, Chief Operating Officer and Whole Time Director and Key Management Personnel are as under :-

Details of Remuneration paid/payable to KMP					(₹ lacs)
Particulars	Ms. Gursimran Kaur Mann	Mr. Sachchida Nand Misra	Mr. Dayal Chand Popli	Mr. Kamal Samtani	
<b>Year ended March 31, 2021</b>					
<b>Short-term employee benefits</b>					
Salary	100.80	64.71	58.75	22.66	
Perquisites	10.98	7.67	3.29	2.21	
<b>Post-employment benefits</b>					
Contribution to Provident Fund, Gratuity and other Funds*	8.16	3.27	2.50	1.67	
	<b>119.94</b>	<b>75.64</b>	<b>64.54</b>	<b>26.54</b>	
<b>Year ended March 31, 2020</b>					
<b>Short-term employee benefits</b>					
Salary	100.80	56.03	58.75	22.66	
Perquisites	10.86	15.84	3.29	2.21	
<b>Post-employment benefits</b>					
Contribution to Provident Fund, Gratuity and other Funds*	8.16	3.25	2.50	1.67	
	<b>119.82</b>	<b>75.12</b>	<b>64.54</b>	<b>26.54</b>	

\* The said amount does not include amount in respect of gratuity & leaves as the same are not ascertainable.

## 12. Segment reporting

### i) Operating segments:

The company's operating segments are business segments, viz. sugar and alcohol, basis which chief operating decision maker (CODM) evaluates the company's performance and allocates resources

### ii) Geographical segments:

Since the Company's activities/operations are primarily within the country and considering the nature of products it deals in, the risks and returns are same and as such there is only one geographical segment.

### iii) Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 2 above the accounting policies in relation to segment accounting are as under:

#### a) Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment

revenue and expenses are directly attributable to the segments.

#### b) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include income taxes. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amount of certain assets/liabilities pertaining to two or more segments is allocated to the segments on a reasonable basis.

#### c) Inter segment sales:

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated on consolidation.

## iv) (a) Information About Business Segments

(₹ lacs)

Particulars	Sugar		Alcohol		Power#		Others		Elimination		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Segment revenue</b>														
External sales:	101,200.53	79,491.51	38,844.61	34,933.94	-	4,281.88	377.70	2,199.10	-	-	-	-	140,422.84	120,906.43
Inter segment sales	9,907.68	6,459.75	-	-	-	1,450.91	192.64	176.15	(10,100.32)	(8,086.81)	-	-	-	-
Other operating Revenue	5,166.33	6,088.31	479.32	318.14	-	707.77	-	0.39	-	-	-	-	5,645.65	7,114.61
<b>Total revenue</b>	<b>116,274.54</b>	<b>92,039.57</b>	<b>39,323.93</b>	<b>35,252.08</b>	-	<b>6,440.56</b>	<b>570.34</b>	<b>2,375.64</b>	<b>(10,100.32)</b>	<b>(8,086.81)</b>	-	-	<b>146,068.49</b>	<b>128,021.04</b>
<b>Segment results</b>														
Segment results	924.78	(156.90)	1,406.97	386.82	-	1,015.08	(80.16)	21.04	-	-	-	-	2,251.59	1,266.04
Unallocated expenses (net of income)	-	-	-	-	-	-	-	-	-	-	(297.64)	(104.51)	(297.64)	(104.51)
Operating profit/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	2,549.23	1,370.55
Finance cost	-	-	-	-	-	-	-	-	-	-	3,070.72	5,189.75	3,070.72	5,189.75
Exceptional items (net)	-	-	-	-	-	-	-	-	-	-	71.54	-	71.54	-
<b>Net Profit/(loss)</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>(593.03)</b>	<b>(3,819.20)</b>

# Refer Note no.4

Note: Inter segment revenues are eliminated upon consolidation and reflected in the adjustment and eliminations column finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed at company level.

(b) Information About Business Segments

(₹ lacs)

Particulars	Sugar		Alcohol		Others		Power#		Unallocated		Total	
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
<b>OTHER INFORMATIONS ASSETS</b>												
Segment assets	140,725.05	155,286.99	45,609.55	42,024.30	1,217.43	1,641.10	35,047.68	35,047.88	-	-	222,599.71	234,000.27
Unallocated assets	-	-	-	-	-	-	-	-	6,742.25	5,424.78	6,742.25	5,424.78
<b>Total assets</b>	<b>140,725.05</b>	<b>155,286.99</b>	<b>45,609.55</b>	<b>42,024.30</b>	<b>1,217.43</b>	<b>1,641.10</b>	<b>35,047.68</b>	<b>35,047.88</b>	<b>6,742.25</b>	<b>5,424.78</b>	<b>229,341.96</b>	<b>239,425.05</b>
<b>EQUITY AND LIABILITIES</b>												
Segment liabilities	79,247.23	89,376.25	2,986.16	2,716.36	1,082.92	1,378.04	1,979.68	1,979.68	-	-	85,295.99	95,450.34
Share capital and reserves	-	-	-	-	-	-	-	-	(3,197.26)	(2,638.90)	(3,197.26)	(2,638.90)
Minority Interest	-	-	-	-	-	-	-	-	11,567.35	11,580.52	11,567.35	11,580.52
Secured and unsecured loans	-	-	-	-	-	-	-	-	109,193.53	110,560.06	109,193.53	110,560.06
Unallocated liabilities	-	-	-	-	-	-	-	-	26,482.35	24,473.03	26,482.35	24,473.03
<b>Total liabilities</b>	<b>79,247.23</b>	<b>89,376.25</b>	<b>2,986.16</b>	<b>2,716.36</b>	<b>1,082.92</b>	<b>1,378.04</b>	<b>1,979.68</b>	<b>1,979.68</b>	<b>144,045.97</b>	<b>143,974.71</b>	<b>229,341.96</b>	<b>239,425.05</b>

# Refer Note no.4

(c) Reconciliations of amounts reflected in the financial statement

i) Reconciliation of assets			(₹ lacs)
Particulars	As at March 31, 2021 #	As at March 31, 2020	
Segment operating assets	229,341.96	239,425.05	
<b>Total Assets</b>	<b>229,341.96</b>	<b>239,425.05</b>	
ii) Reconciliation of liabilities			(₹ lacs)
Particulars	As at March 31, 2021 #	As at March 31, 2020	
Segment operating liabilities	229,341.96	239,425.05	
<b>Total Liabilities</b>	<b>229,341.96</b>	<b>239,425.05</b>	

# Refer Note no.4

(d) Geographical information:

The Company operated only in India during the year ended March 31, 2021 and March 31, 2020.

(e) Information about major customers:

No single customer contributed 10% or more of the total revenue of the Company for the year ended March 31, 2021 and March 31, 2020.

(f) Information About Business Segments

(₹ lacs)

Particulars	Sugar		Alcohol		Power#		Others		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>OTHER INFORMATIONS</b>												
Capital expenditure	289.94	373.06	238.33	1,024.70	-	3.22	-	2.51	1.83	67.77	530.10	1,471.27
Depreciation and amortization expense (net of revaluation reserve)	2,576.08	2,568.10	942.93	1,011.01	-	1,049.42	3.14	3.23	25.36	21.49	3,547.51	4,653.25
Non cash expenses other than depreciation	433.14	342.23	236.69	253.41	-	-	66.87	33.53	71.54	6.94	808.24	636.11

# Refer Note no.4

Note: Capital expenditure consists of additions to property, plant and equipment, capital work in progress and intangible assets.

Non cash expenses other than depreciation includes loss on sale of PPE, impairment of investment, bad debts and debit balance written off.

13. Exceptional items:

During the year, Company has written back goodwill of Simbhaoli global commodities, DMCC amounting to Rs.71.54 lacs as the Company has submitted an application for de-registration of Simbhaoli Global Commodities DMCC, a 100% wholly owned foreign subsidiary company and termination of business and surrender of trade License thereof with Dubai Multi Commodities Centre Authority.

14. Employee Benefits

The Company has classified the various benefits provided to employees as under:-

i) Defined Contribution Plan:

- > Provident fund
- > Superannuation fund

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

	Year ended March 31, 2021#	Year ended March 31, 2020
- Employers' Contribution to Provident Fund	404.80	453.22
- Employers' Contribution to Superannuation Fund	11.82	13.12

# Refer Note no.4

ii) **Disclosure in respect of defined benefit plans (Gratuity & compensated absence) is as under:**

● Principal Assumptions				
Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	2020-21 #	2019-20	2020-21 #	2019-20
Discount Rate (Per Annum)	6.45%	6.60%	6.45%	6.60%
Expected Rate of Salary Increase				
- for the Year	5.20%	5.20%	5.20%	5.20%
- and thereafter	5.00%	5.00%	5.00%	5.00%
Mortality Rate (% of IALM 06-08)	100%	100%	100%	100%
Attrition/Withdrawal Rate	2.00%	2.00%	2.00%	2.00%
Rate of Leave Availment (Per Annum)				
- Earned Leave	NA	NA	0%	0%
- Sick Leave	NA	NA	10%	10%
Rate of Leave Encashment during Employment (Per Annum)	NA	NA	0%	0%

# Refer Note no.4

● Amount Recognised in Statement of Profit & Loss in respect of the Defined Benefit Obligation (₹ lacs)				
Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	2020-21 #	2019-20	2020-21 #	2019-20
<b>Components of defined benefit cost recognised in profit or loss</b>				
Current Service Cost	108.39	111.98	83.08	79.19
Past Service Cost	-	-	-	-
Interest Cost	57.90	38.92	38.39	45.93
Actuarial (gain)/loss from change in demographic assumptions	-	-	-	0.06
Actuarial (gain)/loss from change in financial assumptions	-	-	6.68	43.74
Actuarial (gain)/loss arising from experience adjustments	-	-	49.08	29.56
<b>Components of defined benefit cost recognised in profit or loss</b>	<b>166.28</b>	<b>150.90</b>	<b>177.22</b>	<b>198.48</b>
<b>Components of defined benefit cost recognised in Other Comprehensive Income</b>				
Actuarial (gain)/loss from change in demographic assumptions	-	(0.51)	-	-
Actuarial (gain)/loss from change in financial assumptions	19.40	124.53	-	-
Actuarial (gain)/loss arising from experience adjustments	(32.05)	172.34	-	-
Return on plan assets (higher)/lower than discount rate	(2.46)	(10.65)	-	-
Return on plan assets excluding amount in net interest expense	(0.01)	(0.01)	-	-
<b>Total actuarial (gain)/loss recognised in Other Comprehensive Income</b>	<b>(15.12)</b>	<b>285.71</b>	<b>-</b>	<b>-</b>
<b>Total amount recognised in statement of profit &amp; loss</b>	<b>151.16</b>	<b>436.62</b>	<b>177.22</b>	<b>198.48</b>

# Refer Note no.4

● The amount included in Balance Sheet arising from the company's obligation in respect of its defined benefit plan is as follows: (₹ lacs)				
Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	2020-21 #	2019-20	2020-21 #	2019-20
Present Value of Defined Benefit Obligation	1,863.05	2,033.44	680.36	675.98
Fair Value of Plan Asset	809.29	1,130.84	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>1,053.76</b>	<b>902.60</b>	<b>680.36</b>	<b>675.98</b>
* Non Current Liability	-	-	469.77	472.54
* Current Liability	1,053.76	902.60	210.59	203.43

# Refer Note no.4

● **Movement in the fair value of plan assets are as follows:** (₹ lacs)

Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	2020-21 #	2019-20	2020-21 #	2019-20
Opening fair value of plan assets	1,130.84	1,125.72	NA	NA
Expected return on plan assets	62.87	85.18	NA	NA
Employer Contribution	-	48.49	NA	NA
Re measurement gain/(loss)	-	-		
* Return on plan assets (higher)/lower than discount rate	2.47	10.66	NA	NA
Benefit Paid	(209.35)	(139.21)	NA	NA
<b>Closing fair value of plan assets</b>	<b>986.83</b>	<b>1,130.84</b>	-	-

# Refer Note no.4

● **Movement in the present value of defined benefit obligations are as follows:** (₹ lacs)

Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	2020-21 #	2019-20	2020-21 #	2019-20
<b>Opening defined benefit obligation</b>	<b>2,033.43</b>	<b>1,640.19</b>	<b>675.99</b>	<b>607.02</b>
Current service cost	108.39	111.98	83.08	79.18
Interest cost	120.77	124.10	38.39	45.93
<b>Remeasurement (gains)/losses:</b>				
* Actuarial (gain)/loss from change in demographic assumptions	-	(0.51)	-	0.07
* Actuarial (gain)/loss from change in financial assumptions	19.40	124.54	6.68	43.74
* Actuarial (gain)/loss arising from experience adjustments	(32.05)	172.34	49.08	29.56
Past Service Cost	-	-	-	-
Benefits paid by employer	(209.35)	(139.21)	(172.86)	(129.52)
Benefits paid from plan assets	-	-	-	-
<b>Closing defined benefit obligation</b>	<b>2,040.59</b>	<b>2,033.43</b>	<b>680.36</b>	<b>675.98</b>

# Refer Note no.4

● **Sensitivity Analysis Gratuity (Funded)** (₹ lacs)

Particulars	Change in assumption by	Impact on defined benefit obligation				
		Increase in assumption		Decrease in assumption		
		Increase/decrease	31-Mar-21#	31-Mar-20	31-Mar-21#	31-Mar-20
Discounting rate	1.00%	In ₹	1,724.24	1,906.34	1,967.02	2,177.20
Future salary growth rate	1.00%	In ₹	1,965.53	2,175.16	1,723.55	1,905.93
Attrition rate	0.50%	In ₹	1,848.67	2,046.62	1,826.75	2,018.88
Mortality rate	10.00%	In ₹	1,838.83	2,034.12	1,837.71	2,032.74

# Refer Note no.4

● **Compensated Absence (Unfunded)** (₹ lacs)

Particulars	Change in assumption by	Impact on defined benefit obligation				
		Increase in assumption		Decrease in assumption		
		Increase/decrease	31-Mar-21#	31-Mar-20	31-Mar-21#	31-Mar-20
Discounting rate	1.00%	In ₹	549.03	631.35	629.03	726.96
Future salary growth rate	1.00%	In ₹	629.21	727.25	548.21	630.31
Attrition rate	0.50%	In ₹	584.22	674.09	588.60	677.84
Mortality rate	10.00%	In ₹	586.30	617.03	586.49	676.08

\* The plan assets are maintained with ICICI Prudential life Insurance Company Ltd. The details of investment maintained by the ICICI prudential Life Insurance Company Ltd have not been made available to the Company and have therefore not been disclosed.

# Refer Note no.4

Disclosure relating to present value of defined benefit obligation and fair value of plant assets and net actuarial gain/ loss (₹ lacs)

Particulars	Gratuity (Funded)					Compensated absences (Non funded)				
	2020-21#	2019-20	2018-19	2017-18	2016-17	2020-21#	2019-20	2018-19	2017-18	2016-17
Present value of obligation as at the end of the year	2,040.59	2,033.43	1,640.19	1,552.08	2,103.72	680.36	675.98	607.02	535.26	479.11
Fair value of plan assets as at the end of the year	986.83	1,130.84	1,125.72	1,105.67	1,234.02	-	-	-	-	-
Net asset/(liability) recognised in the balance sheet	(1,053.76)	(902.60)	(514.47)	(446.41)	(869.70)	(680.36)	(675.98)	(607.02)	(535.26)	(479.11)

# Refer Note no.4

### G. Risks related to defined benefit plans:

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above benefits which are as follows:

**Interest rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of its liquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

**Asset Liability Mismatching or Market Risk:** The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

**Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Note:-** The above is a standard list of risk exposures in providing the above benefit. The Company is advised to carefully examine the above list and make suitable amendments (including adding more risks, if relevant) to the same before disclosing the above in its financial statements.

### H. Method and Assumptions related terms:

**Discount Rate:** Discount rate is the rate which is used to discount future benefit cash flows to determine the present value of the defined benefit obligation at the valuation date. The rate is based on the prevailing market yields of high quality corporate bonds at the valuation date for the expected term of the obligation. In countries where there are no such bonds, the market yields at the valuation date on government bonds for the expected term is used.

**Salary Escalation Rate:** The rate at which salaries are expected

to escalate in future. It is used to determine the benefit based on salary at the date of separation.

**Attrition Rate:** The reduction in staff/employees of a company through normal means, such as retirement and resignation. This is natural in any business and industry

**Mortality Rate:** Mortality rate is a measure of the number of deaths (in general, or due to a specific cause) in a population, scaled to the size of that population, per unit of time.

**Projected Unit Credit Method:** The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Projected Unit Credit Method requires an enterprise to attribute benefit to the current period (in order to determine current service cost) and the current and prior periods (in order to determine the present value of defined benefit obligations).

15. i) Following are the particulars of disputed dues on account of sales tax (trade tax), excise duty and service tax matters that have not been deposited by the Company as at March 31, 2021.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved*# (₹ lacs)	Amount paid under protest (₹ lacs)
U. P. Trade Tax Act	Trade tax	Dy. Commissioner	2013-2014	52.25	5.23
Kerela Sales Tax Act	Trade Tax	Dy. Commissioner, Commercial Tax - (Appeal)	2000-2001	2.17	1.08
Central Excise Act, 1944	Excise Duty	High Court, Allahabad	1979-1980	11.01	11.01
			2005-2006	2.78	-
		Customs, Excise & Service tax Appellate Tribunal	2001-2006	42.88	-
			2002-2003	16.63	-
			2005-2006	15.88	-
			2006-2007	2.58	-
			2012-2013	2,098.87	7.50
			2013-2014	1.16	0.15
		2014-2016	8.64	1.46	
		2015-2016	1.89	0.19	
2015-2018	18.04	1.36			
Finance Act, 1994	Service Tax	Customs, Excise & Service tax Appellate Tribunal	2006-2007	36.19	-

\* Amount as per demand orders including interest and penalty wherever indicated in order.

# Refer Note no.4

- ii) In the following instances the concerned statutory authority is in appeal against favourable orders received by the Company.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ lacs)
Central Excise Act, 1944	Excise Duty	Customs, Excise & Service tax Appellate Tribunal	2003-2004	21.44
			2005-2006	1.24
			2008-2009	54.68

There are no dues in respect of income tax, customs duty, wealth tax and cess, which have not been deposited on account of any disputes except in respect of income tax demand of ₹ 73.04 lacs (Previous year of ₹27.10 lacs) arising on processing of TDS returns. The Company is in process of rectifying these returns and is confident that the demand will be substantially reduced.

**16. Earnings per share**

Description		Year ended March 31, 2021 #	Year ended March 31, 2020
Profit/(loss) after tax and exceptional items as per Statement of Profit and Loss (₹ lacs)	(A)	(607.09)	(3,831.16)
Add/Less: Exceptional Items net of taxes (₹ lacs)		71.54	-
Profit/(loss) after tax and before exceptional items (₹ lacs)	(B)	(535.55)	(3,831.16)
Weighted average number of equity shares outstanding (Par value ₹ 10 per share)			
- For basic and diluted earnings per share (Nos.)	(C)	41279020	41279020
<b>Earnings per share (₹)</b>			
- Basic and diluted EPS before exceptional item	(B÷C)	(1.30)	(9.28)
- Basic and diluted EPS after exceptional item	(A÷C)	(1.47)	(9.28)

# Refer Note no.4

Note: Since effect of potential equity shares to be issued on conversion of warrant option is anti-dilutive the basic EPS is reported as diluted EPS.

**19. Disclosure related to Government Grant**

The Company is eligible to receive various grants announced by Central and U.P. State Government for Sugar Industry by way of production subsidy, reimbursement of society commission and interest subvention on certain term loan, loans at concessional rate etc. The Company is also eligible to receive grant announced by U.P State Government for promotion of industry in general under UPSIPP Scheme 2013. The Company has recognised these Government grants in the following manners:

(₹ lacs)

S. No.	Nature of Grant/Assistance	Treatment in Accounts	Year ended March 31, 2021	Year ended March 31, 2020
1	Production subsidy from Government. (Refer note a)	Deducted from cost of raw materials consumed (Refer note 3.28 )	-	489.36
		Shown as separate line items "Cane / Export subsidy" under other operating revenue".( Refer note 3.26 )	-	1.24
2	Transport Subsidy from Government. (Refer note b)	Deducted from export expenses under other expenses schedule ( Refer note 3.36)	-	337.03
		Shown as separate line item" Cane/ export subsidy" under other operating Revenue ( Refer note 3.26 )	-	28.71
3	MAEQ Subsidy 2019-20 from Government (Refer note c)	Shown as separate line item" Cane/ export subsidy" under other operating Revenue ( Refer note 3.26 )	2,068.24	5,059.50
4	MAEQ Subsidy 2020-21 from Government (Refer note c)	Shown as separate line item" Cane/ export subsidy" under other operating Revenue ( Refer note 3.26 )	1,990.68	-

**17. Auditors' remuneration (excluding Goods and Services Tax):**

(₹ lacs)

Description	Year ended March 31, 2021#	Year ended March 31, 2020
- Statutory audit	12.00	26.70
- Audit of Consolidated Financial Statement	5.00	5.00
- Limited review of unaudited financial results	15.00	24.00
- Certification and other services	-	4.00
- Reimbursement of out of pocket expense for statutory audit and others	5.00	7.78

# Refer Note no.4

**18. Details of revenue from sale of products**

(₹ lacs)

Description	Year ended March 31, 2021#	Year ended March 31, 2020
<b>Manufactured</b>		
- Sugar	100,510.81	79,383.48
- Rectified spirit and Country Liquor	21,576.59	22,518.26
- Denatured spirit	15,813.85	11,828.23
- IMFL	11.53	462.52
- Sanitizer	1,349.01	-
- Others	783.35	4,168.35
<b>Total</b>	<b>140,045.14</b>	<b>118,360.84</b>

# Refer Note no.4

- a) The Central Government vide its Notification No. 1(14)/2018-SP-I dated October 05, 2018 announced Scheme for Assistance to Sugar mills for Sugar season 2018-19, (Scheme) with a view to offset the Cane cost and facilitate timely payment of Cane price dues. Every sugar mill which fulfills the conditions stipulated in the Scheme to eligible for assistance at the rate of ₹ 13.88 per qtl. of cane crushed during sugar season 2018-19 or the proportionate inter-se allocation of estimated 3000 Lakh MT. of cane to be crushed (for sugar season 2018-19) on the basis of the average sugar production of last three sugar seasons i.e. 2015-16, 2016-17, & 2017-18, whichever is lower.

For the eligibility under the Scheme, the Sugar mills have to supply at least 80% of indented quantity of Ethanol to OMC; have to file updated online return in Proforma II as prescribed under DFPD under the provisions of Sugar Control Order 1966 and have to fully comply with all the orders/directives of DFPD during sugar season 2018-19 till the date of submission of the claim.

Till March 31, 2021, total subsidy accrued under the scheme of ₹ 3,387.04 lacs, has been received.

- b) The Central Government vide its Notification No. 1(4)/2018-SP-I dated September 28, 2018 announced Minimum Indicative Export Quota (MIEQ) under Tradeable Export Scrip Scheme and allocated quota of 123899 MT of raw/white sugar or 16.7 kg of sugar per MT of actual cane crushed during 2018-19 sugar season, whichever is lower for export to sugar mills of the company. Further, the Central Government vide its Notification No. 1(14)/2018-S.P.-I dated October 5, 2018 announced the Scheme for Defraying Expenditure towards internal transport, freight, handling, and other charges on export @ ₹ 3,000 per MT. of sugar exported for Mills located in other than coastal states or actual expenditure, whichever is lower. All the conditions stipulated under this scheme were same as stipulated in the Scheme for Assistance to Sugar Mills as stated hereinabove. Till March 31, 2021, total subsidy accrued under the scheme of ₹ 1,169.29 lacs, has been received.

- c) The Central Government vide its notification 1(14)/2019-S.P.-I dated 12th September 2019, announced Scheme for Assistance to Sugar mills for the sugar season 2019-20 (Scheme), for expenses on marketing cost including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar under Maximum Admissible Export Quantity (MAEQ) Scheme. Every sugar mill which fulfills the conditions as stipulated in the Scheme will be eligible for assistance @ ₹ 10448 per MT on export of sugar limited to MAEQ.

Till March 31, 2021, the Company has complied with all the conditions as stated in the scheme and submitted the claim. Subsidy accrued under the scheme till 31st March, 2021 of ₹ 7,127.74 lacs and out of which ₹ 843.77 lacs has been received and ₹ 282.69 lacs are to be recovered from the party who failed to submit the export subsidy documents till 31st March, 2021.

- d) The Central Government vide its notification 1(6)/2020-S.P.-I dated 29th December 2020, announced Scheme for Assistance to Sugar mills for the sugar season 2020-21 (Scheme) for expenses on marketing cost including handling, upgrading and other processing costs and cost of international and internal transport and freight charges on export of sugars under Maximum Admissible Export Quantity (MAEQ) Scheme. Every sugar mill which fulfills the conditions as stipulated in the Scheme will be eligible for assistance @ ₹ 6000 per MT on export of sugar limited to MAEQ.

Till March 31, 2021, the Company has complied with all the conditions as stated in the scheme and the management is confident that all the conditions set out in the Scheme shall be fully complied with at the time of submission of the claim. Accordingly, assistance accrued of ₹1,990.68 lacs under the Scheme till 31st March 2021 has been recognised.

## 20. Capital Management

The capital structure as at March 31, 2021 and March 31, 2020 is as follows.

(₹ lacs)

Particulars	As at March 31, 2021 #	As at March 31, 2020
Total equity attributable to equity shareholders	8,370.09	8,941.62
Borrowings	64,526.88	64,532.12
<b>Total Capital</b>	<b>72,896.97</b>	<b>73,473.74</b>
Total equity attributable to equity shareholders as percentage of total capital	11.48%	12.17%
Total borrowing as percentage of total capital	88.52%	87.83%

# Refer Note no.4

## 21. Financial risk management objectives

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of the financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and bank balances that derive directly from its operations. The Company also holds investments in equity shares and debentures of its subsidiaries and joint ventures.

The Company's activities expose it mainly to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

### i) Credit risk

- Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. Company is exposed to credit risk from trade receivables and deposits with banks. To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer. Outstanding customer receivables are regularly monitored. Concentrations of credit risk are limited as a result of the Company's large and diverse customer base. Company has also taken advances and security deposits from its customer / agents, which mitigate the credit risk to an extent. The ageing of the trade receivables is given below:



(₹ lacs)

Particulars	As at March 31, 2021#	As at March 31, 2020
Up to 6 months	9,023.62	8,790.67
More than 6 months	2,220.61	1,514.80
<b>Total receivables</b>	<b>11,244.23</b>	<b>10,305.47</b>

# Refer Note no.4

- The impairment analysis is performed at each balance sheet date on individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company makes general provision for lifetime expected credit loss based on its previous experiences of provision/write off in the previous years.

The change in loss allowances for trade receivables, advances to suppliers and security deposits is as under:

(₹ lacs)

Particulars	Trade Receivables	Loan and Advances*	Security Deposits
<b>Provision as at March 31, 2019</b>	<b>193.03</b>	<b>105.42</b>	<b>25.00</b>
Provided during the year 2019-20	173.43	-	-
Amount written off	107.46	-	-
Reversed during the year 2019-20	-	-	-
<b>Provision as at March 31, 2020</b>	<b>259.00</b>	<b>105.42</b>	<b>25.00</b>
Provided during the year 2020-21	698.54	7.66	-
Amount written off	-	89.03	-
Reversed during the year 2020-21	5.04	2.63	-
<b>Provision as at March 31, 2021#</b>	<b>952.50</b>	<b>21.42</b>	<b>25.00</b>

# Refer Note no.4

- Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which term deposits are maintained. Generally, term deposits are maintained with banks with which Company has also availed borrowings.

### ii) Liquidity risk

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Since the Company is making continuous losses, presently it monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Particulars	As at March 31, 2021 # (₹ lacs)			
	Carrying amount	Less than 1 Year	1 to 5 Years	Total
Borrowings	109,193.47	104,377.93	4,815.54	109,193.47
Trade payables	81,464.86	81,464.86	-	81,464.86
Other financial liabilities - Current	24,410.34	24,410.34	-	24,410.34
<b>Total</b>	<b>215,068.67</b>	<b>210,253.13</b>	<b>4,815.54</b>	<b>215,068.67</b>

# Refer Note no.4

Particulars	As at March 31, 2020 (₹ lacs)			
	Carrying amount	Less than 1 Year	1 to 5 Years	Total
Borrowings	110,560.21	105,698.83	4,861.38	110,560.21
Trade payables	91,504.03	91,504.03	-	91,504.03
Other financial liabilities - Current	22,395.41	22,395.41	-	22,395.41
<b>Total</b>	<b>224,459.65</b>	<b>219,598.27</b>	<b>4,861.38</b>	<b>224,459.65</b>

### iii) Market risk

The company is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. Market risks comprises of four types of risks such as:

#### • Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates.

#### • Commodity risk

Sugar industry being cyclical in nature, realisations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affect profitability. The Company has partly mitigated this risk adopting integrated business model by diversifying into distillation, for better price realisation of the by-products.

#### • Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company's exposure to the risk of changes in foreign exchange rates is limited to the Company's operating activities (when revenue or expense is denominated in a foreign currency), which are not material.

Foreign Currency exposures that are not hedged by derivative instruments or otherwise as follows:

Description	As at March 31, 2021 #		As at March 31, 2020	
	Amount in foreign currency (Lacs)	Amount (₹ Lacs)		
Trade Receivables - USD	\$1.03	75.55	\$2.47	204.99

# Refer Note no.4

#### d) Regulatory risk

Sugar industry is regulated both by Central Government as well as State Government. Central and State Governments policies and regulations affect the sugar industry and the Company's operations and profitability. Distillery business is also dependent on the Government policy.

## 22. Financial instruments - Accounting, Classification and Fair value measurements

### i) Financial instruments by category

As at March 31, 2021#

(₹ lacs)

Particulars	Cost	Carrying Value			Total
		Amortised Cost	FVTPL	FVTOCI	
<b>Financial assets</b>					
Investment					
- Equity instruments					
- Mutual funds	-	-	597.66	-	597.66
- Government securities	2.61	-	-	-	2.61
- Others	-	0.15	-	-	0.15
Trade receivables	-	10,291.73	-	-	10,291.73
Cash and cash equivalent	-	3,749.17	-	-	3,749.17
Bank balances other than cash & cash equivalents	-	2,187.73	-	-	2,187.73
Other financial assets	-	2,195.69	-	-	2,195.69
<b>Total financial assets</b>	<b>2.61</b>	<b>18,424.48</b>	<b>597.66</b>	<b>-</b>	<b>19,024.75</b>
<b>Financial liabilities</b>					
Borrowings	-	6,411.00	-	-	6,411.00
Trade payables	-	81,464.86	-	-	81,464.86
Other financial liabilities	-	130,012.95	-	-	130,012.95
<b>Total financial liabilities</b>	<b>-</b>	<b>217,888.81</b>	<b>-</b>	<b>-</b>	<b>217,888.81</b>

# Refer Note no.4

As at March 31, 2020 (₹ lacs)

Particulars	Cost	Carrying Value			Total
		Amortised Cost	FVTPL	FVTOCI	
<b>Financial assets</b>					
Investment					
- Equity instruments					
- Mutual funds	-	-	597.66	-	597.66
- Government securities	2.11	-	-	-	2.11
- Others	-	0.15	-	-	0.15
Trade receivables	-	10,046.47	-	-	10,046.47
Cash and cash equivalent	-	4,432.51	-	-	4,432.51
Bank balances other than cash & cash equivalents	-	1,693.69	-	-	1,693.69
Other financial assets	-	877.89	-	-	877.89
<b>Total financial assets</b>	<b>2.11</b>	<b>17,050.71</b>	<b>597.66</b>	<b>-</b>	<b>17,650.48</b>
<b>Financial liabilities</b>					
Borrowings	-	6456.84	-	-	6456.84
Trade payables	-	91,504.03	-	-	91504.03
Other financial liabilities	-	129,318.92	-	-	129318.92
<b>Total financial liabilities</b>	<b>-</b>	<b>227,279.79</b>	<b>-</b>	<b>-</b>	<b>227,279.79</b>

## ii) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

### Following methods and assumptions used to estimate the fair values:

- Fair value of cash and cash equivalents and short term deposits, trade and other short term receivables, trade payables, short term borrowings and other current financial assets and liabilities carried at amortized cost is not materially different from its carrying cost, largely due to the short-term maturities of these financial assets and liabilities

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). There is no transfer from one level to another level during the year.

The following table provides the fair value measurement hierarchy of Group's assets and liabilities, grouped into Level 1 to Level 3 as described below:

(₹ lacs)

Particulars	Carrying Amount	Fair value measurement using		
		Level 1	Level 2	Level 3
<b>As at March 31, 2021 #</b>				
<b>Financial Assets</b>				
- Investments-Current	597.66	597.66	-	-
<b>Total</b>	597.66	597.66	-	-
<b>As at March 31, 2020</b>				
<b>Financial Assets</b>				
- Investments-Current	597.66	597.66	-	-
<b>Total</b>	597.66	597.66	-	-

# Refer Note no.4

23. The Integrated Casetech Consultants Private Limited (ICCPL) has been contesting legal cases against certain mala fide activities resulting from breach of fiduciary duties committed by certain previous directors/senior executives of the ICCPL by making false recommendations and setting-up parallel business entities in competitive areas.

During the earlier years, the ICCPL has initiated legal proceedings to make recoveries from such directors/senior executives in the appropriate legal forums. The said directors/senior executives had also initiated a legal case before the Hon'ble Company Law Board (CLB) against the ICCPL, which was dismissed on February 23, 2016, however, on application of such directors/senior executives in the previous year, the matter was again admitted for hearing by the Hon'ble National Company Law Tribunal (NCLT). In another suite filed by the ICCPL, Hon'ble High Court of Delhi had granted the injunctions to refrain such director/senior executives from making the mis-representations, that they are associated with the ICCPL in any manner to the public at large. The said matter is sub-judices and the recovery proceedings are in progress.

24. The figures for the previous year ended March 31, 2020 have been restated in consolidated financial statements on account of consolidation of audited financial statement of SPPL for the year ended March 31, 2020 as disclosed in note no. 8 of financial results published on February 12, 2021. Last year consolidated accounts were prepared by consolidating the financial statements of SPPL for the nine months ended December 31, 2019.

(₹ lacs)

Particulars	Published Figure	Restated Figure
Total Revenue	127,618.00	128,829.71
Net profit/ (loss)	(3,885.03)	(3,831.16)
Total Comprehensive Income	(4,159.01)	(4,116.33)
Total Assets	239,453.76	239,425.05
Total Equity and Liabilities	239,453.76	239,425.05
Equity Share and Other Equity	(2,548.77)	(2,638.90)
Non-Controlling Interest	11,447.66	11,580.52

### 25. Expenditure on corporate social responsibility activities under section 135 of the Companies Act 2013 is as under:

(₹ lacs)

Particulars	As at March 31, 2021#	As at March 31, 2020
Amount required to be spent	-	33.30
Amount actually spent	-	-

# Refer note no.4

In accordance with the provisions of Section 135 of the Companies Act, 2013, SPPL was required to spend Rs. 33.30 lacs in the year ended March 31, 2020 on prescribed CSR activities but due to COVID, SPPL could not hold its CSR Committee meeting whereby approval for investment of the amount may be granted and investment can be done.

## 26. TAX EXPENSE

### A. Income Tax Expenses

Particulars	Year ended March 31, 2021# ₹ lacs	Year ended March 31, 2020 ₹ lacs
Current Tax	0.94	8.82
Deferred tax	(19.62)	3.14
Income Tax adjustment	32.74	-
<b>Total Income Tax Expenses</b>	<b>14.06</b>	<b>11.96</b>

# Refer Note no.4

**B. Reconciliation of tax expense and accounting profit multiplied by India's tax rate:**

Particulars	Year ended March 31, 2021 # ₹ lacs	Year ended March 31, 2020 ₹ lacs
Profit/(Loss) for the year (before incometax expense)	(593.03)	(3,819.20)
<b>Tax Expenses as per applicable tax rate*</b>	<b>(175.34)</b>	<b>(1,815.50)</b>
Expenses not allowed for tax purposes	34.77	41.03
Reversal of Deferred Tax Liability on land (Net)	(178.67)	(76.34)
Deferred Tax Assets on business losses and unabsorbed depreciation not recognised	248.85	1,841.95
Deferred Tax Assets on gratuity not recognised	51.72	20.82
Adjustment of prior period tax	32.73	-
<b>Total</b>	<b>14.06</b>	<b>11.96</b>

-Applicable Tax Rate- For parent company 34.94%

For Subsidiary companies 26.00% & 29.12%

# Refer Note no.4

**27. Additional Information pursuant to Schedule III to the Companies Act, 2013, of subsidiaries and associates as per standalone financial statements of each entity:**

Name of the entity	Country of Incorporation	% of voting power	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Other Comprehensive Income	
			As % of consolidated net assets	Amount ₹ In lacs	As % of consolidated profit or loss	Amount ₹ In lacs	As % of consolidated total comprehensive income	Amount (₹ In lacs)	As % of consolidated total comprehensive income	Amount (₹ In lacs)
<b>As at March 31, 2021 #</b>										
<b>Parent</b>										
Simbhaoli Sugars Limited			51.34	(1,641.49)	74.66	(443.07)	78.81	10.59	74.57	(432.48)
<b>Subsidiaries- Indian</b>										
Simbhaoli Specialty Sugars Private Limited	India	100.00	(4.42)	141.40	(0.27)	1.63	-	-	(0.28)	1.63
Integrated Casetech Consultants Private Limited	India	85.16	(9.85)	315.02	15.51	(92.02)	24.97	3.36	15.29	(88.66)
Simbhaoli Power Private Limited	India	51.00	(489.24)	15,642.15	-	-	-	-	-	-
<b>Subsidiaries- Foreign</b>										
Simbhaoli Global Commodities, DMCC	Dubai	100.00	-	-	-	-	-	-	-	-
<b>Non- Controlling interest</b>										
Add/(less) : Consolidation adjustments			(361.79)	11,567.35	(2.30)	(13.68)	(3.78)	0.51	(2.27)	(13.17)
			913.96	(29,221.69)	12.41	73.62	-	-	12.69	73.62
<b>Total</b>			<b>100.00</b>	<b>(3,197.26)</b>	<b>100.00</b>	<b>(593.41)</b>	<b>100.00</b>	<b>13.44</b>	<b>100.00</b>	<b>(579.97)</b>
<b>As at March 31, 2020</b>										
<b>Parent</b>										
Simbhaoli Sugars Limited			46.63	(1,230.62)	63.00	(2,164.91)	97.39	(272.14)	65.59	(2,437.05)
<b>Subsidiaries- Indian</b>										
Simbhaoli Specialty Sugars Private Limited	India	100.00	(5.30)	139.77	(0.09)	3.13	-	-	(0.08)	3.13
Integrated Casetech Consultants Private Limited	India	85.16	(15.30)	403.69	(0.83)	28.68	0.66	(1.84)	(0.72)	26.84
Simbhaoli Power Private Limited	India	51.00	(592.74)	15,642.15	23.72	(814.93)	4.01	(11.21)	22.23	(826.14)
<b>Subsidiaries- Foreign</b>										
Simbhaoli Global Commodities, DMCC	Dubai	100.00	4.38	(115.68)	-	-	-	-	-	-
<b>Non- Controlling interest</b>										
Add/(less) : Consolidation adjustments			(438.84)	11,580.52	(11.50)	(395.12)	2.06	(5.75)	(10.79)	(400.88)
			1,101.16	(29,058.77)	25.70	883.12	-	-	23.77	883.12
<b>Total</b>			<b>100.00</b>	<b>(2,638.90)</b>	<b>100.00</b>	<b>(3,436.04)</b>	<b>100.00</b>	<b>(279.42)</b>	<b>100.00</b>	<b>(3,715.46)</b>

# Refer Note no.4

28. In the audited financial statements of Simbhaoli Power Private Limited ('SPPL') for the year ended March 31, 2020, the statutory auditor of the SPPL has drawn Emphasis of Matter in respect of following "During the year ended March 31, 2020, Uttar Pradesh Electricity Regulatory Commission ('UPERC') has notified UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019 ('CRE Regulations, 2019') which has, inter alia, reduced the tariff applicable to bagasse-based generation plants operating in the state of Uttar Pradesh w.e.f. April 1, 2019. SPPL, along with bagasse-based co-generators operating in the State, have filed a writ petition with Hon'ble High Court of Allahabad, Lucknow Bench, challenging CRE Regulations, 2019 which have been accepted by the Court.

Based on the writ petition filed and legal opinion obtained, SPPL has recorded revenue from operations for the period from April 2019 to September 2019 at pre CRE Regulations, 2019 tariff instead at the reduced tariff as per CRE Regulations, 2019. W.e.f. October 1, 2019, SPPL has accounted for sale of power to Uttar Pradesh Power Corporation Ltd. (UPPCL), the customer at reduced tariff rate under protest and subject to outcome of Hon'ble High Court decision on writ petition.

SPPL's computation, shows that revenue from operations for year ended March 31, 2020 would have been lower by ₹683.00 lacs, if accounted for at or basis reduced tariff as per CRE Regulations, 2019.

With regard to the above stated conditions and on account of difference in interpretation of certain long term commercial agreements, the statutory auditors of SPPL have drawn material uncertainty related to going concern.

29. During the year, the Hon'ble NCLT, Allahabad Bench has passed an order dated March 17, 2021 for the approval of the resolution plan of Uniworld Sugars Private Limited, a joint venture entity.
30. Details of loan and advances given, investment made and securities provided as required to be disclosed as per provisions

of Section 186 (4) of the Companies Act, 2013 have been disclosed in respective heads.

31. The previous year's including figures as on the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

#### Signatures to notes 1 to 31

In terms of our report attached

For **MITTAL GUPTA & CO.**  
Chartered Accountants  
FRN - 01874C

B. L. GUPTA  
Partner  
(M.No. - 073794)

Place : Kanpur  
Date : June 30, 2021

#### For and on behalf of the Board of Directors

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Place : Simbhaoli, Hapur (U.P)  
Date : June 30, 2021

Gursimran Kaur Mann  
Managing Director  
DIN - 00642094

Kamal Samtani  
Company Secretary  
FCS - 5140

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324



# SIMBHAOLI SUGARS

Printed Matter



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