

# 8<sup>th</sup> Annual Report

2018-19



**SIMBHAOLI  
SUGARS**



**SIMBHAOLI  
SUGARS**

**Simbhaoli Sugars Limited**

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

# 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
- S.K. Ganguli
- Justice (Retd) C.K. Mahajan

## Bankers

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

## MANUFACTURING UNITS

### Sugar Mills / Co-generation Plants

- Simbhaoli Sugar Division, Simbhaoli  
District Hapur, Uttar Pradesh – 245207
- Chilwaria Sugar Division, Chilwaria  
District Bahraich, Uttar Pradesh – 271 801
- Brijnathpur Sugar Division, Brijnathpur  
District Hapur, Uttar Pradesh – 245 101
- Village Versamedi, Tehsil-Anjar  
Gandhidham, Gujarat – 370 100

### Distillery / Ethanol Plants

- Simbhaoli Distillery Division, Simbhaoli  
District Hapur, Uttar Pradesh – 245207
- 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
- Uniworld Sugars Private Limited
- Simbhaoli Global Commodities DMCC, Dubai
- Simbhaoli Speciality Sugars Private Limited



SIMBHAOLI  
SUGARS

## Registered Office

- Simbhaoli, District Hapur,  
Uttar Pradesh - 245 207

## Administration 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.

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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

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

## NOTICE

Notice is hereby given that the 8th Annual General Meeting (AGM) of the members of Simbhaoli Sugars Limited will be held at 10:00 am on Wednesday, September 25, 2019 at the registered office of the Company at the officers' Club, Sugar Mill Complex Simbhaoli-245 207, District Hapur, Uttar Pradesh, to transact the following businesses:

### ORDINARY BUSINESSES

- To receive, consider and adopt (a) the audited financial statements of the Company comprising of the balance sheet as on March 31, 2019 and the statement of profit and loss along with cash flow statement for the financial year ended on March 31, 2019 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, 2019 and the report of the Auditors thereon and, to consider and 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 on March 31, 2019 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 8th 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, 2019 and the statement of profit and loss along with cash flow statement for the financial year ended on March 31, 2019 and the report of Auditors thereon laid before the 8th 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 therewith or incidental thereto for the purpose of giving effect to this resolution."

- To consider, and if thought fit, to pass, with or without modification (s), the following resolution, as an Ordinary Resolution**

"Resolved that, Mr. Sanjay Tapriya (DIN- 00064703), who retires by rotation under Section 152 and other applicable

provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with the Articles of Association of the Company, at the conclusion of 8th Annual General Meeting of the members of the Company, 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 of office 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 therewith or incidental thereto for the purpose of giving effect to this resolution."

### SPECIAL BUSINESS

- To consider, and if thought fit, to pass, with or without modification (s), the following resolution, as a Special Resolution**

"Resolved that, under the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under read with the Articles of Association of the Company and Regulation No 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Gurmit Singh Mann (DIN- 00642094), who has attained the age of 75 years, continue to act as a Director to the Board of the Company with effect from April 1, 2019, whose period of office 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 therewith or incidental thereto for the purpose of giving effect to this resolution."

- To consider, and if thought fit, to pass, with or without modification (s), the following resolution, as a Special Resolution**

"Resolved that, under the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with the Articles of Association of the Company and Regulation No 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. S K

Ganguli (DIN- 00058198), who has attained the age of 75 years, continue to act as an independent director to the Board of the Company with effect from April 1, 2019, till the unexpired period of his appointment upto November 8, 2020 as per resolution passed at 5th Annual General Meeting of the members of the Company held on Monday, Sept 26, 2016.”

“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 therewith or incidental thereto for the purpose of giving effect to this resolution.”

**5. 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 Section 149, and 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, read with Regulation No 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof for the time being in force, Justice (Retd.) C K Mahajan (DIN : 00039060), continue to act as an Independent Director to the Board of the Company with effect from April 1, 2019, till the unexpired period of his appointment upto November 8, 2020, as per resolution passed at 5th Annual General Meeting of the members of the Company held on Monday, Sept 26, 2016.”

“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 therewith or incidental thereto for the purpose of giving effect to this resolution.”

**6. 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), Mr. H P Kain (DIN: 08277248), who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 14, 2018 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 November 14, 2018 to November 13, 2023.”

“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 therewith or incidental thereto for the purpose of giving effect to this resolution.”

**7. 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 is hereby accorded to the appointment of Ms. Gursimran Kaur Mann (DIN- 00642094) as the Managing Director of the Company with effect from February 14, 2019 to August 1, 2020 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 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:** Managing Director

**Period:** From February 14, 2019 to August 1, 2020

- 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 one attendant 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 one 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."

**8. 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 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. S N Misra (DIN : 06714324) as the Whole Time Director of the Company, with effect from February 14, 2019 to September 17, 2020 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 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 February 14, 2019 to September 17, 2020

- I. **Basic Salary:** ₹ 2,12,000 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:** ₹ 1,95,800 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. 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) 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.
  - ii) Reimbursement of travelling, boarding, lodging, hotel and other expenses incurred for the business of the Company as per the travelling policy of the Company.
  - iii) Telephone/internet connection (s) to be used for the business of the Company.
  - iv) Company's contribution to the provident fund, as per rules, presently to the extent of 12% of the Basic Salary.
  - v) 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) thereof;
- ii) The appointment may be terminated by either party giving the other party two months' notice or paying two months' salary in lieu thereof;
- 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 thereof, as may be agreed to by and between the Board and the Whole Time Director."

"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 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 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."

**9. 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 2019-20, 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.”

**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. Route map of the venue of the meeting is given below forming part of this Notice.
3. A member entitled to attend and vote at the AGM of the Company may appoint a proxy to attend and, on a poll, vote instead of himself/herself. A Proxy need not to be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. A person shall not act as a Proxy for more than 50 members and hold in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person. Form No. MGT 11 is annexed herewith.
4. Every member entitled to vote at the AGM of the Company can inspect the proxies lodged at the Company at any time during the business hours within a period beginning twenty-four hours before the time fixed for the commencement of the AGM and ending at the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intention to inspect the proxies lodged shall be provided to the Company.
5. Members are requested to hand over the signed Attendance Slip for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.
6. Proxies submitted on behalf of Corporate, Societies, etc. must be supported by an appropriate resolution/authorisation, as applicable, to attend and vote at the AGM.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 19, 2019 to, Wednesday, September 25, 2019 (both days inclusive).
8. 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.
9. Electronic copy of the Annual Report along-with the process of e-voting and the Attendance slip and Proxy form is being sent to the members, whose e-mail addresses as registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent in the permitted mode.
10. 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 at the meeting venue on the date of meeting.

11. **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.**
12. 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.
13. During the year, an amount of ₹ 4.72 lakh was transferred to the Investor Education and Protection Fund by the Company in accordance with the requirements as per the provisions of Section 125(2) of the Companies Act 2013.
14. Further, 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.
15. The e-voting shall remain open from 10:00 am on Saturday, September 21, 2019 upto 5:00 pm on Tuesday, September 24, 2019. The instructions for members for voting electronically are as under:
  - I. **In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**
    - a. Open e-mail and open PDF file viz.” Simbhaoli Sugars Ltd.-remote e-Voting.pdf” with your client ID or Folio No. as password. The said file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
    - b. Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>.
    - c. Click on Shareholder-Login.
    - d. Put user ID and password as initial password noted in step (a) above. Click Login.



- e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- g. Select “EVSN” of “Simbhaoli Sugars Ltd.”.
- h. Now you are ready for remote e-voting as Cast Vote page opens.
- i. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- j. Upon confirmation, the message “Vote cast successfully” will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [acssandeepjoshi@gmail.com](mailto:acssandeepjoshi@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. In case of Members receiving Physical copy of Notice of the Meeting (for members whose email addresses are not registered with the Company/Depository Participants(s) or requesting physical copy)**
- a. Initial password is provided in the box overleaf.
- b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- IV. If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password/PIN for casting your vote.
- V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VI. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Wednesday, September 18, 2019.
- VII. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday, September 18, 2019, will be provided the notice through e-mail or by post after the cut-off date. Such members may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll-free no.: 1800-222-990.
- VIII. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through ballot paper.
- X. The Company has appointed Mr. Sandeep Joshi, (Practicing Company Secretary/ACS No. 20884 as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- XI. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.simbhaolisugars.com](http://www.simbhaolisugars.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

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

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

Date : August 14, 2019  
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, 4 and 5**

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, with effect from 1st April, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director, who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Accordingly, for continuation of appointment of directors namely, Mr. Gurmit Singh Mann, Mr. S K Ganguli and Justice (Retd) C K Mahajan, who have attained the age of 75 years, the resolutions proposed under item no 3, 4 and 5 are required to be passed as special resolutions.

- a) Mr. Gurmit Singh Mann, has been the Non-Executive Non-Independent Chairperson of the Company, and the Board has approved the continuation of appointment of Mr. Gurmit Singh Mann to the Board of the Company with effect from April 1, 2019.

Mr. Mann has experience of over 50 years and 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 Company. 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 areas and allied businesses.

- b) Mr. S K Ganguli has been appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 till the unexpired period of his appointment upto November 8, 2020 as per resolution passed at 5th Annual General Meeting of the members of the Company held on Monday, Sept 26, 2016. He is not liable to retire by rotation.

Board has approved the continuation of the appointment of Mr. SK Ganguli, an Independent Director to the Board of the Company with effect from April 1, 2019, till the unexpired period of his appointment.

Mr. S K Ganguli is a commerce graduate and qualified chartered accountant, who has been in the accounting and audit profession for last 45 years. His guidance on various matters related to growth of the Company has been notable and supportive to the Company in dealing with complex matters.

- c) Justice (Retd) C K Mahajan, has been appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015, till the unexpired period of his appointment upto November 8, 2020, as per resolution passed at 5th Annual General Meeting of the members of the Company held on Monday, Sept 26, 2016.

Board has approved the continuation of the appointment of Justice (Retd) C K Mahajan, an Independent Director to the Board of the Company with effect from April 1, 2019, till the unexpired period of his appointment upto November 8, 2020. He is not liable to retire by rotation.

He is a retired Judge of the Delhi High Court and has vast experience in law and justice. He has practiced as Advocate in many High Courts and/or other Tribunals and then became permanent Judge of the Delhi High Court in July 1999. He demitted office on May 31, 2005. Post retirement, he was appointed as Chairperson/President of various Committees and has also been appointed as Arbitrator in several matters

The brief resume of said Directors, nature of their expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure-A.

The Board of Directors accordingly recommends the Special Resolutions as mentioned at item No. 3,4 and 5 of this Notice for approval of the Members of the Company.

Mr. Gurmit Singh Mann, and Mrs. Gursimran Kaur Mann, may be deemed to be interested, financially and otherwise, in the resolution as set out at item No. 3 of the Notice with regard to continuance of the directorship of Mr. Gurmit Singh Mann.

Mr. S K Ganguli and Justice (Retd) C K Mahajan may be deemed to be interested, financially, in the resolution as set out at item No. 4 and 5 of the Notice respectively with regard to continuance of their respective Directorships.

None of the other Directors and key managerial personnel, except as disclosed above, are deemed to be concerned or interested, financially or otherwise in the proposed special resolutions, except to the extent of their shareholding in the Company.

**Item No. 6**

The Board of Directors of the Company, on the recommendation of Nomination and Remuneration Committee, have appointed Mr. HP Kain who was appointed as the additional director of the Company, as the Independent Non-Executive Director under Section 149 of the Act and rules made there under read with SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, (listing regulation) to hold office for a period of 5 (five) consecutive years from the respective date of his appointment, upto Nov 13, 2023.

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. HP Kain, 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 of the Company ('the Board') on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members of the Company, has appointed Ms. Gursimran Kaur Mann as the Managing Director of the Company for a period commencing from February 14, 2019

for a period of three years, 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 and such other approvals as may be required under law.

Earlier, Board of directors of the Company has approved the appointment and remuneration of Ms. Gursimran Kaur Mann as Managing Director and whole-time director in the Company, and the consent on terms of appointment has been accorded at 6th Annual General Meeting of the members of the Company held on September 18, 2017. The application filed by the Company for approval of the appointment and remuneration before Central Government is abated in accordance with the amendment made in the provisions of Sections 197 and 200 of the Companies Act, 2013 as became effective from September 12, 2018. Accordingly, an approval has been sought from the lenders of the Company, de-novo. The lenders of the Company have given consent for the appointment of Ms. Gursimran Kaur Mann as Managing Director in the Company as per the resolution passed by the members in the annual general meeting held on September 18, 2017, and accordingly, the period of appointment is considered upto August 1, 2020. Accordingly, the resolution was approved by the Board for the appointment and payment of remuneration to the Managing Director upto the period ending August 1, 2020.

Ms. Gursimran Kaur Mann has been playing a key role in the areas of operations, production, finance, marketing, commercial, trading, legal and sales functions along with looking after the Company's joint venture businesses. She has been appointed as the Managing Director to encourage and promote her best efforts in the efficient and prudent corporate management, in providing solutions of various business-related issues and to take steps to minimize the risks associated with the business of the Company. Her Profile in brief is given below:

*Ms. Mann is a graduate in Economics and Political science from Bryn Mawr College, USA and has done MBA from London Business School. She has previously interned at Nestle India, Cargill Geneva, and ED&F Man Brazil. She joined Simbhaoli Group in 2005 and played a key role in introducing international business and trading operations at the Company. Ms. Mann has been the youngest member of the Indian Sugar Mills Association (ISMA) and serves 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 shall implement 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 low 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.

In the event during the tenure of Ms. Gursimran Kaur Mann, 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 a period from February 14, 2019 to August 1, 2020 (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 7 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 the members of the Company.

#### **Item No. 8**

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee of the Board of Directors has to appointed, Mr. Sachchida Nand Misra as a whole time director, subject to approval of members, for the period commencing from February 14, 2019, which shall be subject to review by the Board of Directors of the Company, from time to time. The Board is of the opinion that the appointment of Mr. Misra as whole time director will be in the best interest of the Company.

Earlier, the Board has approved the appointment and remuneration of Mr. Sachchida Nand Misra as chief operating officer/whole time director in the Company, and the consent on terms of appointment has been accorded at 6th Annual General Meeting of the members of the Company held on September 18, 2017. The application filed by the Company for approval of the appointment and remuneration before Central Government is abated in accordance with the amendment made in the provisions of Sections 197 and 200 of the Companies Act, 2013 as became effective from September 12, 2018. Accordingly, an approval has been sought from the lenders of the Company, *de-novo*. The lenders of the Company have given consent for the appointment of Mr. Sachchida Nand Misra as chief operating officer/whole time director of the Company as per the resolution passed by the members in the annual general meeting held on September 18, 2017, and accordingly, the period of appointment is considered upto September 17, 2020. Accordingly, the resolution was approved by the Board for the appointment and payment of remuneration of the whole-time director, for the period ending September 17, 2020.

The Board of Directors of the Company may increase the remuneration as they may deem fit within the permissible limits as prescribed under the provisions of the Act, and rules made thereunder. His appointment shall be as per such terms and conditions at such remuneration as enumerated in the resolution passed by the members in the Annual General Meeting. The brief profile, roles and responsibilities of Mr. Misra are as follows:

*Mr. Sachchida Nand Misra, aged 61 years, 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 Hindusthan Ltd. Then, he joined as Executive President as group sugar technologist cum Unit head in BalrampurChini Mill Group. He re-joined Erstwhile Simbhaoli Sugars Limited in 2013 and is presently acting as the Chief Operating Officer of the Company.*

Presently, he is 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. He is holding 1,521 equity shares in the share capital of the Company. He is not related to the promoters, directors or key managerial personnel of the Company.

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 8 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 9

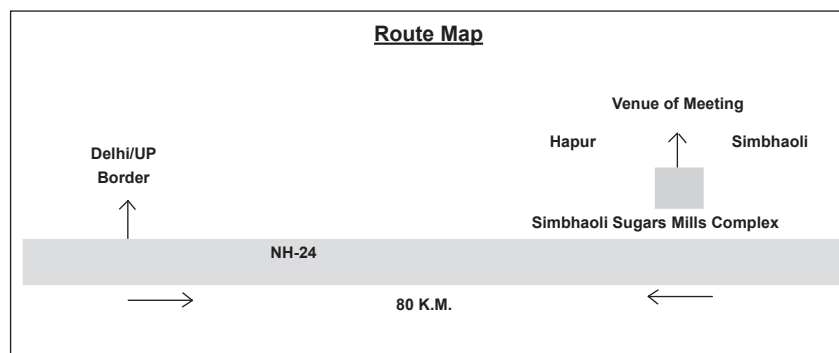
The Board of Directors, had approved the appointment of M/s. Satnam Singh Saggi, Cost Auditor (Membership No.10555), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending March 31, 2020, at a remuneration of Rupees Three Lakh only excluding Goods and 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, 2020.

Accordingly, resolution set out under item number 9 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.

**Route Map of the venue of the 8th Annual General Meeting of the members of the Company scheduled to be held on 25th September 2019 at 10:00 AM at Registered Office of the Company at Officers Club, sugar mill complex, Simbhaoli-245 207, District Hapur, Uttar Pradesh**



**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 | I. 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.  | 1. The Company has made Foreign Investments only in Simbhaoli Global Commodities DMCC, Dubai, which is Wholly owned subsidiary.<br>2. Simbhaoli Power Private Limited is a 51% subsidiary, with a joint venture (JV) with Sindicatum Captive Energy Singapore Pte Limited (SCES) having business in cogeneration of power.<br>3. Uniworld Sugars Private Limited is a joint venture company between Simbhaoli Sugars Limited and ED&F Man Sugar Ltd, England, UK, having a 1,000 tpd (300,000 mt per annum) capacity sugar refinery near Kandla Port, Gujarat. |

**II. Information about the appointee:**

| 1 | Name of appointee   | Ms. Gursimran Kaur Mann   | Mr. Sachchida Nand Misra  | Mr.G S Mann  | Mr. C K. Mahajan   | Mr. S K Ganguli   | Mr. Har Prasad Kain  |
|---|---|---|---|--|--|---|--|
| 2 | Background details  | The profile in brief containing background has been mentioned elsewhere in the Notice.  | The profile in brief containing background has been mentioned elsewhere in the Notice.  | The profile in brief containing background has been mentioned elsewhere in the Notice. | The profile in brief containing background has been mentioned elsewhere in the Notice. | The profile in brief containing background has been mentioned elsewhere in the Notice.  | The profile in brief containing background has been mentioned elsewhere in the Notice. |
| 3 | Past remuneration   | ₹ 71.53 lacs*   | ₹ 30.60 lacs*   | Not Applicable   | Not Applicable   | Not Applicable  | Not Applicable   |
| 4 | Recognition or awards   | 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.  | Not Applicable   | Not Applicable   | Participated in many international conferences and has been honored with Awards for his outstanding contribution for spreading and advocating the declaration of peace and cessation of war | Not Applicable   |
| 5 | Job profile and his suitability   | The details have been mentioned elsewhere in the Notice.  | The details have been mentioned elsewhere in the Notice.  | Not Applicable   | Not Applicable   | Not Applicable  | Not Applicable   |
| 6 | Remuneration proposed   | As mentioned in the resolution  | As mentioned in the resolution  | Not Applicable   | 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) | 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 Sugars 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 Sugars industry. | Not Applicable   | Not Applicable   | Not Applicable  | Not Applicable   |
| 8 | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.  | Daughter of Mr. Gurmit Singh Mann, Chairperson of the Company   | None  | Father of Ms. Gursimran Kaur Mann, the Managing Director                               | None   | None  | None   |

\* Part period

**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 measures to improve it. However, barring unforeseen circumstances, the Company hopes to increase the revenue and profits 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   | Ms. Gursimran Kaur Mann   | Mr. Sachchida Nand Misra  | Mr. GS Mann  | Mr. C K Mahajan   | Mr. H P Kain   | Mr. S K Ganguli   |
|----|---|---|---|--|---|--|---|
| 2  | Age   | 35 Years  | 61 Years  | 85 years   | 77 years  | 68 years   | 82 years  |
| 3  | Date of Appointment   | Oct 18, 2012  | Oct 8, 2013   | Oct 18, 2012   | Nov 09,2015   | Nov 14,2018  | Aug 11, 2015  |
| 4  | Nature of his expertise in specific functional areas  | 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 | 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 | Practiced as Advocate in many High Courts and/ or other Tribunals and then became permanent Judge of the Delhi High Court in July 1999. He demitted office on May 31, 2005. Post retirement, he was appointed as Chairperson/ President of various Committees and has also been appointed as Arbitrator in several matters. | 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 | Retired as a managing partner from Ray & Ray, Chartered Accountants, a firm of repute and undertaken areas in the field of taxation, company law, audit, finance, accountancy, management etc. He is the Chairman of Stakeholder Relationship Committee of the Board of Directors of the Company. |
| 5  | Qualification   | 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  | Senior Cambridge   | 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.  | Retired IRS (Income Tax).  | Commerce graduate and qualified chartered accountant, who has been in the accounting and audit profession for last 44 years   |
| 6  | Experience  | Over 14 years   | Over 35 years.  | Over 50 years  | 45 years  | 45 years   | 45 years  |
| 7  | The number of Meetings of the Board attended during the Year  | 4   | 4   | 5  | 2   | 1  | 5   |
| 8  | Board Membership of other listed companies as on March 31, 2019                                       | None  | None  | None   | None  | None   | None  |
| 9  | Board Membership of other companies as on March 31, 2019  | 1. Dholadhar Investments (P) Limited<br>2. Dholadhar Developers (P) Limited<br>3. Uniworld Sugars (P) Limited**<br>4. Simbhaoli Power (P) Limited<br>5. Integrated Casetech Consultants (P) Limited<br>6. Simbhaoli Global Commodities DMCC | Simbhaoli Speciality Sugars Private Limited   | 1. Uniworld Sugars (P) Ltd**<br>2. Simbhaoli Power (P) Ltd<br>3.Dholadhar Investments (P) Ltd<br>4.Dholadhar Developers (P) Ltd<br>5. Integrated Casetech Consultants (P) Ltd  | 1. BL Kashyap And Sons Ltd  | 1. Simbhaoli Power (P) Ltd   | 2. Intergrated Casetech Consultants (P) Ltd   |
| 10 | Names of companies in which the person also holds the Membership /Chairman of Committees of the Board | None  | None  | 1. Simbhaoli Sugars Ltd  | 1. B L Kashyap And Sons Limited   | 1.Simbhaoli Sugars Ltd<br>2. Simbhaoli Power (P) Ltd   | 1. Simbhaoli Sugars Ltd   |

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

\*\* Undergoing CIRP vide order CA 120/ALD of 2017 dated May 29, 2018.

## CHAIRMAN'S MESSAGE



### Dear Shareholders,

The financial year 2018-19 can be best described as the year of realizing the potential of the sugar sector to transform from 'sugar' to 'energy' sector. Amidst the challenges of bumper sugar production for the last couple of years, Government's ethanol policy has the potential to bring a significant paradigm shift in the industry. Creating a sustainable business model by focusing on ethanol business and optimum product mix of both sugar and ethanol will be the goal in the year ahead.

On the sugar front, large domestic sugar inventories weighed heavily on the sugar prices and the industry witnessed sharp fall of more than 25% during the first quarter of the year, however Government's proactive policy decision of introducing minimum selling price (MSP) provided much required downside cover for rest of the year. The Company was proactive in exporting Minimum Export Indicative Quota (MIEQ) which helped in unloading the piled up stock.

Your Company, in its commitment to deliver even at odd times, clocked highest ever sugar recovery in sugar season 2018-19 in all its three units since its inception. The year ended with total consolidated revenue of INR 1204 Crore (an increase of 23.5% compared to last year).

The National Policy on Bio-fuels – 2018 envisages a strategic role for bio-fuels in the Indian Energy basket. Government's road map to reduce the import dependency in Oil & Gas sector by adopting a five pronged strategy which includes increasing domestic production, adopting biofuels & renewables, energy efficiency norms, improvement in refinery processes and demand substitution could prove to be a game changer for sectors like sugar which traditionally focused only on maximizing sugar supplies instead of bio-fuel.

Government measures to encourage Ethanol production are starting to bear fruits as India is set to achieve almost 7 per cent of ethanol blending with petrol in the current season. Your Company is also actively participating in the Ethanol tender and is the first in Uttar Pradesh to divert 100% of B-Heavy molasses in one of its sugar mills to Ethanol production. With better waste water management and improved capacity utilization; all three distilleries were operational for the FY18-19.

Your Company, in its continuous endeavor to conserve energy and reduce water; took many steps like waste water management, rain water harvesting, setting up sewage treatment plant, developments of ponds, encouraging drip irrigation, sludge dewatering system etc. in all its sugar and distillery units.

Recently, Central Government has approved the same Fair and Remunerative Price (FRP) of sugarcane for sugar season 2019-20 as the last year. MSP of sugar has given some respite against the crashing sugar prices (which has no linkage with sugarcane price), however, in our views, the Government's early implementation of the Rangarajan Committee's recommendations for linking sugarcane and sugar prices still remains critical for the long-term liquidity and sustainability of this industry.

Torrential rains in western parts and drought in eastern parts of Maharashtra is expected to hit the sugarcane crop badly in the coming season. With our efforts in the adaptation of improved agronomic practices and sugarcane varieties; area under sugarcane in the next year in the state of UP is expected to be similar to the present year. Managing the surplus stock is still a bigger challenge and Industry will require substantial support from the Central and State Governments.

I would like to sincerely thank all our stakeholders including our team of employees, farmers, lenders, and many others who have enabled your Company to strive in all the tough times and transition positively towards the bright future in the years to come.

With Best Wishes

Place: Noida  
Date: August 20, 2019

Gurmit Singh Mann  
Chairperson  
(DIN - 00066653)

# BOARDS' REPORT

## To the members of Simbhaoli Sugars Limited

Your directors have pleasure in placing the Eighth Board's Report together with management discussion and analysis report for the financial year ended on March 31, 2019.

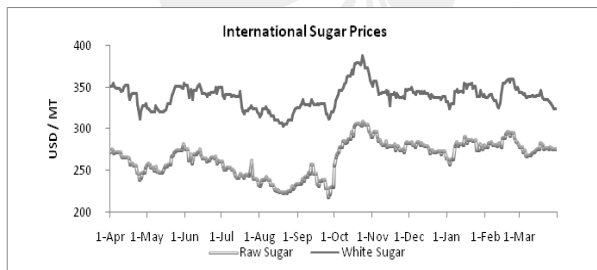
### MANAGEMENT DISCUSSION AND ANALYSIS

#### International Sugar Industry

Global production for the sugar year 2018/19 is forecast down by 9 mmt to 186 mmt primarily due to the 8 mmt reduction in Brazil caused by unfavourable weather and more sugarcane being diverted towards ethanol production. Brazil's production is estimated to be down by 8.3 mmt to 30.1 mmt.

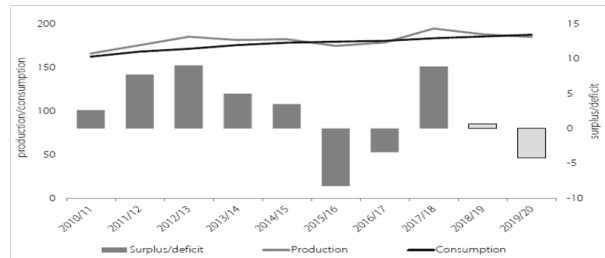
Thailand's production is estimated to decline by 0.9 mmt to 13.8 mmt on lower sugarcane yields and sugar recovery due to lower-than expected rainfall. China's production is expected to be higher for the third consecutive year, at 10.8 mmt, due to favorable weather and expanded area. Chinese imports are forecast lower for the third year in a row, especially following the safeguard measures amended in July 2018 that applies additional duties.

India's annual production is expected to rise by 1.8 mmt to a record 33 mmt due to higher area under sugar cane and yields, surpassing Brazil's for the first time in over 15 years. Exports are slated to be more than double to 3.5 mmt as sugar mills seek to reduce stocks which are expected to cross 14 mmt, coupled with Government's incentives.



Raw sugar futures price touched a 10-year low to 9.91 cents a pound (c/lb) in September, 2018 amidst the outlook for consistent surplus supported by bumper crops in most of the producing regions. Prices in the first six months of the financial year were trading at an average of 11.3 c/lb with a negative outlook weighing on huge physical inventories. In the later half of the year, the raw sugar prices have increased to 12.75 c/lb, on account of uncertainty over India's export and booming ethanol demand in Brazil. Average sugar price in the second half of sugar year have improved to 12.75 c/lb.

Global supply/demand balance in sugar year 2019-20 is expected to enter into deficit of 4.2 mmt from the small surplus of 0.6 mmt in 2018-19. This is primarily on account of reduction in India's production, maximum ethanol switch in Centre-South Brazil and lower sugarcane acreage in Thailand. India's production is currently projected to be lower in 2019-20, at 30 mmt. Mills in Brazil are heavily favouring ethanol over sugar and a mix of 36% sugar will result in sugar production as low as 27 mmt. Production in Thailand is expected to fall by 2 mmt as farmers increasingly shift towards planting more lucrative crops. The global supply and demand position is given hereunder:



Source: F.O.Licht

Further, during the ongoing year raw sugar price seems to have limited upside due to high physical stocks.

#### Domestic Sugar Industry Scenario

Sugar production in India in sugar year 2018-19 is slated to surpass the previous high production level with the timely monsoon and improved yields. The expected sugar production in sugar season 2018-19 is 33.0 mmt, which is 0.5 mmt higher than the last year's production of 32.5 mmt.

(fig. in mmt)

| Particulars                           | 2017-18     | 2018-19 (P) | 2019-20 (E) | % Change    |
|---------------------------------------|-------------|-------------|-------------|-------------|
| Opening stock as on 1st Oct.          | 4.1         | 10.6        | 14.1        | 33%         |
| Production during the season          | 32.5        | 33.0        | 28.0        | -15%        |
| Imports                               | -           | -           | -           | -           |
| <b>Total Availability</b>             | <b>36.6</b> | <b>43.6</b> | <b>42.1</b> | <b>-3%</b>  |
| Offtake                               |             |             |             |             |
| i) Consumption                        | 25.5        | 26.0        | 26.5        | 2%          |
| ii) Exports                           | 0.5         | 3.5         | 5.0         | 7%          |
| <b>Total Off-take</b>                 | <b>26.0</b> | <b>29.5</b> | <b>31.5</b> | <b>7%</b>   |
| <b>Closing Stock as on 30th Sept.</b> | <b>10.6</b> | <b>14.1</b> | <b>10.6</b> | <b>-25%</b> |
| Stock as % of Consumption             | 42%         | 54%         | 40%         |             |

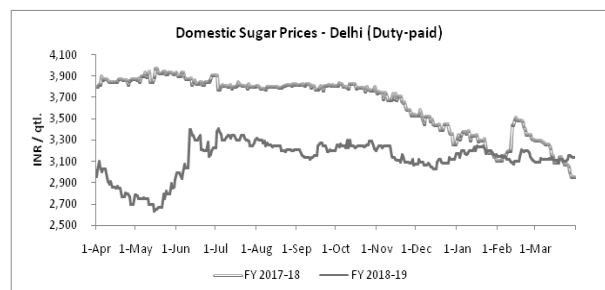
Source - ISMA and trade estimates

The overall sugar availability of 43.6 mmt, exceeds the total demand of 26 mmt (25.5 mmt in previous year) by about 17.6 mmt. The government is pushing to reduce the inventory by export and with a likely export of 3.5 mmt, there will be closing stock of around 14.1 mmt at the end of sugar year 2018-19, which is highest ever and enough for the 6 months' consumption.

The state of Uttar Pradesh has continued to be India's leading sugar producing state in the season with sugar output of 12 mmt. Maharashtra recorded the highest ever production of sugar at 10.7 mmt. Karnataka in 2018-19 recovered to its near normal and produced 4.3 mmt of sugar. Together these three states contributed to 81% of country's production.

#### Price Trend

Sugar prices, on account of abundant supplies, have witnessed a sharp decline in the first quarter of the financial year 2018-19.





This has prompted the Government to take measures like introduction of monthly stock release mechanism on mills, introducing mill-wise Minimum Indicative Export Quota (MIEQ) of 5 mmt, and fixing a minimum support price of INR 29/kg in June 2018 and INR 31/ kg from February 2019. In the last three quarters of the financial year 2018-19 prices have been range bound and traded between INR 30 /kg to INR 32 / kg in Delhi market. The prices so fixed by the Government remain far below the cost of production.

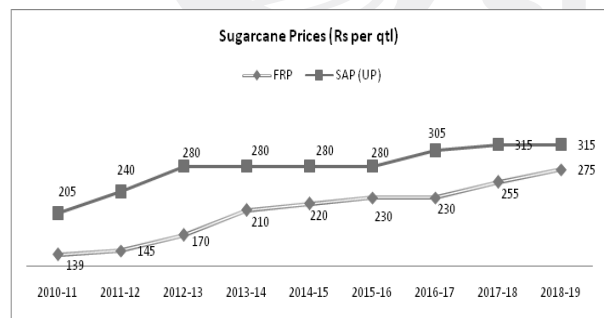
With glut of sugar in International market and expected huge carry over stocks in the next season, prices are expected to remain under pressure.

### Sugarcane

For the sugar season 2018-19, the Central Government has proposed Fair and Remunerative Price (FRP) for sugarcane at 10 % recovery at ₹ 275 per qtr, with an increase of ₹ 2.75 per quintal for every 0.1% increase in recovery rate.

Major sugarcane producing states like Uttar Pradesh, Punjab and Haryana fix their own sugarcane price called 'state advised prices' (SAP), which is usually higher than the Centre's FRP. Uttar Pradesh has kept the SAP for sugarcane same as season 2017-18. SAP has been fixed at ₹ 325 per quintal for early variety of sugarcane and at ₹ 315 per quintal for general variety of sugarcane.

Due to lower realization from domestic sugar sales and depressed global sugar market, sugar mills are unable to generate sufficient funds to pay cane prices. As a result, total cane price arrears in the country have increased to nearly ₹ 24,000 Crore as of May 2019 end with Uttar Pradesh alone contributing nearly ₹ 12000 Crore, which are the highest in the country.



### Sugar Year 2019-20

The delayed monsoon and expected droughts in parts of Maharashtra and Karnataka are reducing the prospects for the coming crop. Sugarcane planting in most of the regions in Maharashtra is significantly lower than the season 2018-19. Therefore, at an all India level there is a general expectation of reduction in sugar production. Based on the 3rd advance estimates of production of major crops for 2018-19 released by the Department of Agriculture, Cooperation and Farmers Welfare, total production of Sugarcane in the country during 2018-19 is estimated at record 400 mmt (previous year 372 mmt), an increase by 28 mmt over 2017-18.

### Domestic Ethanol Industry

The Central Government approved the National Policy of Biofuels – 2018 on May 16, 2018 with an aim to increase the usage of biofuels in the energy and transportation sectors of the country during the coming decade. An indicative target of 20% blending

of ethanol in petrol and 5% blending of biodiesel in diesel is proposed by the year 2030 (Ethanol Blending Program, EBP). The Policy expands the scope of raw material for ethanol production by allowing use of sugarcane juice, sugar containing materials like sugar beet, sweet sorghum, starch containing materials like corn, cassava, damaged food grains like wheat, broken rice, rotten potatoes, unfit for human consumption for ethanol production.

For ethanol supply year 2018-19 (December- November) Government has increased the ex-mill price of ethanol derived from C-heavy molasses to ₹ 43.46 per litre from ₹ 40.85 per litre being paid for ethanol supply year 2017-18. For the first time, Government has also fixed the ex-mill price of ethanol derived from B-heavy molasses at ₹ 52.43 per litre and from 100 % sugarcane juice at ₹ 59.19 per litre for ethanol supply year 2018-19.

Against a requirement of 3300 million litres of ethanol for 10 per cent blending in the country, supply contracts have been signed for 2370 million litres for the ethanol supply period 2018-19. This means, Country is set to close in on the highest ever of 7.2 per cent of ethanol blending with petrol in the current season (December 2018 – November 2019). Average all India ethanol blending with petrol achieved in the year 2017-18 was 4.22 per cent.

Government also extended soft loans of ₹ 6139 Crore through banks to the sugar mills for setting up new distilleries and installation of incineration boilers to augment ethanol production capacity for which Government will bear interest subvention of ₹ 1332 Crore.

Considering the recent global crude oil price recovery, current policies of the Government and administration thereof for encouraging EBP shall help in improving the sustainability of sugar sector and conserve the national resources.

### Government Policies

Policy related decisions taken by the Government of India during the year under review are:

#### May 2018:

The GOI approved to provide financial assistance at the rate of ₹ 5.50 per quintal of cane crushed in sugar season 2017-18 to sugar mills to offset the increase in cost of cane, in order to help sugar mills to clear cane dues of farmers.

#### June 2018:

- Fixation of MSP of sugar at ₹ 29/kg under the Sugar Price (Control) Order, 2018.
- Introduction of regulated release mechanism of sugar on sugar mills.
- The price of ethanol produced from C-Molasses increased by ₹ 2.85/litre to ₹ 43.70 for the season starting December 2018. The Government also fixed the price of ethanol produced from B-molasses at ₹ 47.49 per litre.

#### July 2018:

- The FRP for 2018-19 sugar season announced at ₹ 275/ qtl at 10% recovery, which is 2.45% higher than the FRP for current sugar season 2017-18.
- The Scheme of providing soft loans of ₹ 6139 Crore extended for setting up new distilleries and installation of incineration boilers to augment ethanol production capacity.

**Sept. 2018:**

- Allocation of MIEQ of 5mmt of export of sugar for sugar season 2018-19.
- Further increase in the ex-mill price of ethanol derived from B-heavy molasses/partial sugarcane juice at ₹ 52.43 per litre and from 100 % sugarcane juice at ₹ 59.19 per litre for ethanol supply year 2018-19.

**Oct. 2018:**

Extended assistance to sugar mills for defraying expenditure towards internal transport, freight, handling and other charges to facilitate export of sugar from the country in sugar season 2018-19 amounting to about ₹ 1375 crore.

**Feb. 2019:**

Increase in the MSP of Sugar to ₹ 31 per kg.

**Mar. 2019:**

Scheme for extending soft loan to sugar mills with interest subvention @ 7% by the Central Govt for maximum of one year from the date of disbursement of the loan.

**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 30 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 a sugar 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 Captive Energy Singapore, (SCES) a clean energy fund in respect of its subsidiary Simbhaoli Power Private Limited engaged in the cogeneration of power from bagasse and other bio fuels.

It also has a joint venture with ED&F Man Holdings BV, and Volcafe Pte Ltd, in respect of Uniworld Sugars Private Limited (USPL), having a 1000 TPD (300,000 mt per annum) capacity sugar refinery near Kandla Port, Gujarat. During the year 2017, due to continuous losses, the operations of refinery business were discontinued. On the application of one of the vendors of USPL, corporate insolvency resolution process has been initiated against USPL by the Hon'ble National Company Law Tribunal, Allahabad Bench vide order dated May 29, 2018.

During the year, the shareholding of the Company in USPL, has reduced to 21.37% from 44.89% consequent to the conversion of the compulsorily convertible debentures held by the joint venture partner, Volcafe Pte Ltd, into equity capital on October 31, 2018.

**Impact of the industry scenario on the Business of the Company**

The Indian sugar industry has been witnessing of large sugar production year after year. This has resulted in steep fall in sugar prices and complete value erosion in the market price of molasses. The Central and State Governments recognised the issues being faced by the sugar industry and initiated various steps to revive the sugar industry including specific support for liquidation of cane arrears, fixing obligation for export to reduce the sugar inventory, increase in the realization of ethanol price, setting minimum selling price of sugar etc.

Government allocated mill-wise MIEQ of 5 mmt of sugar for sugar season 2018-19 and provided various incentives to boost export, which shall assist in reducing the inventory by approx. 3.5 mmt against the 0.5 mmt in the previous sugar season.

Announcement of MSP of sugar proved instrumental in reigning the falling sugar prices, however sugar prices have not been sufficient to cover the cost of production. The Company actively participated in the export campaign, improved sugar recovery, enhanced distillery production and improved product-wise realization which helped to curtail the losses.

During the year, Hon'ble High Court of Allahabad, Uttar Pradesh, has upheld the industry application for restoring the benefits accrued under the Sugar Incentive Policy 2004- 2008. The Company had also spent the threshold amounts to be eligible therein, and is confident of receiving the benefits from State Government under this Policy. Hon'ble Supreme Court has also directed the State Government to pay these benefits under the announced scheme to the eligible entities.

The exercise for resolution of the debts and, to bring them to the sustainable level has continued during the year. In view of the aforesaid internal and external measures, the Company is confident that it shall continue to operate all the manufacturing facilities at optimum levels, bring the viability in its business and will earn sufficient cash flows from its operations to serve its proposed sustainable debt levels and other obligations post the restructuring. Accordingly, it has a belief that it would continue to be in operation as a going concern, which contemplates realization of assets and settlement of liabilities in the normal course of business.

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

During the year 2017-18, the OBC Bank, one of the lenders under the consortium arrangement arbitrarily initiated recovery actions

against the Company in respect of its restructured term loan and also filed a criminal complaint in an arbitrary and wrongful manner in respect of original loan facilities, without the consent of the other lenders and without giving any opportunity to the Company. The Company and its management have refuted the charges on their part, and provided adequate documents while fully cooperating with the investigation. They have reiterated its commitment for repayment to all the lenders on the basis of future cash flows. Steps initiated by OBC Bank 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.

### **Distillery Operations**

During the year, the distillery operations of the Company remained below capacity, on account of the restrictions imposed by environmental agencies. Simbhaoli and Brijnathpur distillery were not in operation for almost 25 days during the Kumbh festival as per direction of the State Government. In addition, Brijnathpur and Chilwaria distilleries were closed for 30 and 59 days respectively as per the directions of pollution control board. Appropriate steps including new capital expenditure are being taken to address the pollution related issues. Your Company has also made applications to the Government for assistance under the modernization and capacity enhancement scheme for distilleries in the Company.

### **Branding and speciality Sugar segment**

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. Your Company has emerged as one of the largest sellers of Specialty Sugar, which includes sachets, consumer packets, pharmaceutical grade sugar etc and it commands premium over and above the bulk sugar prices.

The Company is planning extension of the specialty sugar business by increasing geographical reach and getting into new market areas.

### **International Trading**

The Company actively participated in the export campaign in the year under the Government MIEQ scheme. The Company has continued export trade with markets like Sudan, Madagascar, Sri Lanka, Hong kong, Canada, middle east nations like – Qatar, Oman and UAE. The Company also resumed its export business of Indian Made Foreign Liquor (IMFL) to various African destinations. During the year, the Company has exported 10,780 MT of white sugar under Open General License Scheme, dispatched 21,050 MT of raw sugar under Advance License Invalidation Scheme and 6284 cases of IMFL.

### **Human resources**

The Company follows the fundamental principles of human and workplace rights in all its businesses, which has led to managing a committed and motivated work force. A number of employees' participation and welfare programs have been carried out during the year. Keeping the philosophy of continuous training and job improvements, the Company has imparted 419 man-days (previous year 540 man-days) of training apart from the regular

on the job trainings to its employees. The relation between the management and employees continued to remain cordial at all the locations.

The Company has always been vigil 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**

1. Sugar units are located in the sugarcane-rich state of Uttar Pradesh, North India
2. Well irrigated sugarcane area, which is not much dependant on weather pattern
3. Integrated facilities to produce white sugar using sugarcane as well as refining of raw sugar
4. Premium range of quality products, attracting a mark-up in domestic and global markets
5. Producing all varieties of sugars including pharmaceutical-grade and specialty sugars
6. Presence in branded and packaged segment which has further growth potential
7. Power generation capacity under the subsidiary company Simbhaoli Power Private Limited upto 100 mwh, under joint venture arrangement.

#### **Weaknesses**

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

#### **Opportunities**

1. 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
2. To be flexible in the refining of raw sugar for improving capacity utilisation throughout the year
3. To be a regular trader in the commodities with quality, brands and product mix whenever there is a viability
4. Presence in branded and packaged segment which has further growth potential

### Threats

1. Recovery steps initiated by the lenders for overdue outstanding.
2. The vendors and creditors related uncertainties on account of payment defaults
3. Significant higher production of sugar in the country may lead to downward trends in sugar prices
4. Volatile commodity markets have a bearing on international and domestic operations
5. Regulated environment may pose adversities for business decisions
6. Un-hedged positions in sugar and currency markets
7. 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 policy

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:

1. **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.
2. **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.
3. **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.
4. **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.
5. **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.

6. **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.
7. **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.
8. **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.
9. **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.
10. **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

With reference to the operations of the Company, the mechanism to control the effluent treatment at zero discharge levels is in place under the prevailing policies as per industry norms.

### Internal control system - Implementation of Internal Financial Controls and Internal Audit processes

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. The Company has also formulated and implemented a formal system of internal financial controls under the Companies Act, 2013 read with relevant Indian Accounting Standards (AS) etc. 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.

These policies, procedures and controls adopted by the Company are ensuring the orderly and efficient conduct of its businesses, including adherence to the 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. The internal financial controls over financial reporting are adequate and operating effectively. 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.

During the year, the Company has complied with the Secretarial Standard -1 for the meetings of Board of Directors and their Committees thereof and Secretarial Standard -2 for the general meetings of the Company.

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**

Related party transactions entered during the financial year have been on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, 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.

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.

#### **Corporate social responsibility (CSR)**

The Company is not covered by any of the criteria prescribed under the provisions of Section 135 of the Act to conduct the activities under corporate social responsibility (CSR) framework. However, Company has its own CSR policy indicating the guidelines for social welfare activities to be undertaken and implementing programs in the fields of education, healthcare, clean water, social welfare, village infrastructure development in reserved areas of its sugar mills. The Company has been accepting its social responsibility obligations and encouraging cleaner surroundings, improving village level infrastructure, unclogged drains and spreading the awareness and providing necessary training and learning process for the value of good hygiene and sanitation. A Charitable trust named Simbhaoli India Foundation (SIF), has also been working to ensure social obligations of the Company. The employees are also important stakeholders and have been contributing to the foundation on their own.

The Company has been disseminating information on its CSR policies, activities and progress to all their stakeholders and the public at large through its website and annual reports. It has constituted a committee of directors to review the activities under its CSR policy.

#### **Information Technology**

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**

##### **1. Simbhaoli Power Private Limited (SPPL)**

SPPL is a 51% subsidiary, with a joint venture with Sindicatum Captive Energy Singapore 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. During the year, SPPL has generated 3.43 lacs MWh of power (Previous year 2.98 lacs MWh) and exported 2.38 lacs MWh (Previous year 2.08 lacs MWh). The gross revenues earned by the Company during the financial year 2018-19 have been ₹ 151.80 Crore (Previous year ₹ 129.80 Crore).

##### **2. Uniworld Sugars Private Limited (USPL)**

USPL is a joint venture company between Simbhaoli Sugars Limited and ED&F Man Sugar Ltd, UK, having a 1000 TPD (300,000 mt per annum) capacity sugar refinery near Kandla Port, Gujarat. The operations of the refinery were discontinued in June 2017. An application for Corporate Insolvency Resolution Process (CIRP) has been admitted against USPL, vide order passed by the Hon'ble National Company Law Tribunal, Allahabad bench (NCLT) on May 29, 2018 in the CP No. (IB)NO.120/ALD of 2017 and the CIRP has been carried out for 270 days upto February 23, 2019. In the absence of a valid resolution plan, the liquidation application has been filed by the resolution professional, which is under consideration by the Hon'ble NCLT.

##### **3. Integrated Casetech Consultants Private Limited**

Integrated Casetech Consultants Private Limited (ICCPL) is an 85% subsidiary and the technology vertical of SSL. It has successfully executed various domestic and international operation and maintenance assignments and working for improvement in the performance of the Company. ICCPL has earned gross revenues of ₹1633.08 lacs (Previous year ₹ 1317.50 lacs) with a pre-tax profit of ₹ 26.67 lacs (Previous year ₹ 45.26 lacs) for the year.

##### **4. Simbhaoli Global Commodities DMCC**

Simbhaoli Global Commodities DMCC, Dubai, is the wholly owned subsidiary of Simbhaoli Sugars Limited. No major business activities have been carried out by this Company during the year. Exceptional items include, impairment in the investment value of ₹ 39.94 lacs, loan of ₹ 22.24 lacs and trade advances of ₹ 122.14 lacs to this Company.

##### **5. Simbhaoli Speciality Sugars Private Limited**

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.

## OPERATIONS

A summary of the physical operations of all the business units of the Company for the year 2018-19 is stated as under:

| Manufacturing Facilities           | Unit       | Simbhaoli  |            | Chilwaria  |            | Brijnathpur |            | Total   |
|------------------------------------|------------|------------|------------|------------|------------|-------------|------------|---------|
|                                    |            | 2018-19    | 2017-18    | 2018-19    | 2017-18    | 2018-19     | 2017-18    |         |
| Particulars                        | Sugar Year | 2018-19    | 2017-18    | 2018-19    | 2017-18    | 2018-19     | 2017-18    | 2018-19 |
| Sugarcane crushed                  | Lacs mt    | 15.18      | 17.36      | 5.10       | 4.78       | 4.74        | 6.14       | 25.02   |
| Sugar recovery                     | %          | 11.19      | 11.05      | 10.60      | 9.76       | 9.40        | 10.30      | 10.73   |
| Raw/ below grade sugar refined     | 000/mt     | 2.26       | 12.25      | 0.53       | 0.28       | 0.34        | 0.22       | 3.13    |
| Net Sugar produced#                | 000/ mt    | 169.83     | 191.78     | 54.06      | 46.59      | 44.55       | 63.21      | 268.44  |
| Gross season for sugar plant       | Days       | 188        | 216        | 133        | 122        | 172         | 206        | NA      |
| Date of start of the Sugar plant   | -          | 31.10.2018 | 23.10.2017 | 27.11.2018 | 23.11.2017 | 09.11.2018  | 23.10.2017 | NA      |
| Date of closure of Sugar plants    | -          | 07.05.2019 | 26.05.2018 | 09.04.2019 | 25.03.2018 | 29.04.2019  | 16.05.2018 | NA      |
| Days of operations of distillery** | Days       | 58         | 206        | 107        | 89         | 140         | 45         | NA      |
| Alcohol/ Ethanol produced**        | B.L.(Lacs) | 22.27      | 70.98      | 54.19      | 45.32      | 66          | 22         | 142.46  |

# including conversion of raw and below grade white sugar, into refined sugar  
\*\* As per Financial Year

## FINANCIAL ANALYSIS

A summary of the standalone financial results of the Company for the year ended March 31, 2019 is stated as under:

| Particulars   | Year ended   |              |
|---|--------------|--------------|
|   | Mar 31, 2019 | Mar 31, 2018 |
| Gross Sales/Income from operations                                | 1,11,109.11  | 9,0467.67    |
| Other Income  | 1,585.35     | 2,491.28     |
| Profit/(Loss) before Interest, depreciation and exceptional items | 2,294.25     | (7,923.54)   |
| Interest expense  | 3,353.83     | 4,606.28     |
| Depreciation  | 3,670.22     | 4,628.38     |
| (Loss) before tax & exceptional items                             | (4,729.92)   | (17,158.37)  |
| Exceptional (Gains)/Loss  | 184.59       | 970.79       |
| Net (Loss) after Tax before Other Comprehensive Income            | (4,914.51)   | (18,129.16)  |
| Other Comprehensive Income/(Loss)                                 | (2,261.27)   | 20.67        |
| Net (Loss)  | (7,175.78)   | (18,108.49)  |

During the year, the business of the Company has been affected adversely on account of the lower realization from sugar sales, closure of distillery operations, high finance cost, and other industry related issues. The Company has been facing liquidity constraints, and accordingly, it is advised that no dividend will be recommended for the financial year 2018-19.

**Unpaid Dividend:** Since there was no unpaid/unclaimed dividend declared and paid in the previous years, the provisions of Section 125 of the Companies Act, 2013 do not apply.

The following is the summary of financial review for the performance during year:

**Share Capital:** 4,12,79,020 equity shares of ₹10 each (Previous year 3,92,79,020 equity shares). During the year, out of which 32,00,000 fully convertible share warrants, the warrant holders have opted for conversion of 18,00,000 warrants on March 29, 2018, and for 20,00,000 warrants on March 29, 2019 and the Company has allotted 1800,000 and 20,00,000 equity shares of ₹10 each as fully paid-up at an exercise price of ₹ 32.10 (including premium of ₹ 22.10) per equity share, respectively to the specified promoters.

**Long term borrowings:** Long term borrowings are at ₹525.22 lacs (previous year ₹32,319.44 lacs), as during the year, loans have been recalled by the lenders and therefore the long term loans have been reclassified as current liabilities.

**Short term borrowings:** During the year, the short term borrowings have been recalled by the lenders and therefore the loans have been reclassified as current liabilities, resulting in the

Short-term borrowings are at ₹137.95 lacs against the previous year of ₹47,067.75 lacs.

**Investments:** The Company has the following investments as on March 31, 2019:

| S. No. | Particulars  | (₹ in Lacs)                         |   |                              |
|--------|--|-------------------------------------|---|------------------------------|
|        |  | Opening balance as on April 1, 2018 | Additions/ (Deductions) during the year | Balance as on March 31, 2019 |
| (i)    | 2,00,800 equity shares of ₹ 10 each in Integrated Casetech Consultants Private Limited | 383.73                              | -                                       | 383.73                       |
| (ii)   | 1,68,07,062 Equity shares of ₹ 10 each in Uniworld Sugars Pvt. Ltd                     | 2,322.29                            | (2,322.29)                              | -                            |
| (iii)  | 300 Equity Shares of AED 1000 each in Simbhaoli Global Commodities DMCC                | 39.94                               | (39.94)                                 | -                            |
| (iv)   | 55,38,734 Equity shares of ₹ 10 each in Simbhaoli Power Pvt Ltd                        | 5,493.59                            | -                                       | 5,493.59                     |
| (v)    | 48,92,941 debentures of ₹ 100 each of Simbhaoli Powers Pvt. Ltd.                       | 5,141.84                            | (32.85)                                 | 5,108.99                     |
| (vi)   | 19,000 equity shares of ₹ 10 each of Simbhaoli Speciality Sugar Private Limited        | 190                                 | -                                       | 190                          |
| (vii)  | Investments in Government Securities (NSC- Post Office)                                | 2.61                                | (0.50)                                  | 2.11                         |
| (viii) | Investment –Subsidiary (at Cost)   | 45.00                               | -                                       | 45.00                        |
|        | <b>Investments at the end of the year</b>  | <b>13,619.00</b>                    | <b>(2,395.58)</b>                       | <b>11,223.42</b>             |

**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. Out of the 29,011,770 shares held by the Company in Uniworld Sugars Private Limited, the pledge on 1,12,04,708 shares to secure the term loan of USPL, have been invoked by the IDBI Bank Limited.

**Inventories:** Inventory amounting to ₹48,094.92 lacs (previous year ₹33,503.70 lacs) include finished goods, raw material, process stocks, and store items. The sugar stock at the end of the year is valued of ₹ 3,125 per qtl (previous year ₹2,785 per qtl).

**Sundry debtors:** Sundry debtors (net) amounting to ₹5,668.00 lacs (previous year ₹ 3,673.50 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 ₹1,306.69 lacs (previous year ₹803.43 lacs).

**Bank Balances other than cash & Cash equivalents:** Bank balance of ₹1,022.51 lacs (previous year ₹955.89 lacs). Further, fixed deposits for an amount of ₹ 127.19 lacs (previous year ₹ 138.82) are 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 ₹ 3256.49 lacs (previous year ₹197.44 lacs) comprises interest accrued ₹19.03 lacs (previous year ₹3.36 lacs).

**Other Financial Assets (Current):** Other financial assets of ₹492.37 lacs (previous year ₹3,508.22 lacs) comprises interest accrued ₹ 26.57 lacs (previous year ₹3,056.91 lacs) and lease finance ₹94.22 lacs (previous year ₹94.22 lacs) against finance lease and royalty ₹274.98 lacs (previous year ₹274.98 lacs) receivable from Simbhaoli Power Private Limited.

**Other Current Assets:** Other current assets of ₹5,325.48 lacs (previous year ₹919.66 lacs) comprise a receivable of ₹961.58 lacs (previous year ₹342.54 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 ₹ 3,700.72 lacs (previous year ₹ Nil), Claim receivables of ₹179.62 lacs (previous year ₹ 76.06 lacs), Balance with authorities ₹227.73 lacs (previous year ₹269.75 lacs) and prepaid expenses ₹150.21 lacs (previous year ₹135.92 lacs).

**Trade payables, other current liabilities, and provisions:** a) Trade payables at ₹79,278.02 lacs (previous year ₹56,367.96 lacs) b) The other current liabilities of ₹1,25,219.04 lacs (previous year ₹46,603.56 lacs) reflect amount payable against finance charges and other miscellaneous liabilities. c) The liability includes amount payable against sugarcane supply, other raw materials, stores and services. d) The long term as well as short term loans from banks have been reclassified as the current liabilities.

**Sales and other income:** Gross Sales and other income is ₹1,12,694.46 lacs (previous year ₹92,958.95 lacs). The segment wise allocation of revenues for the year 2018-19 and for proceeding two accounting years is as under:

(₹ in lacs)

| Years/<br>Segment | Sugar    |       | Alcohol  |       |
|-------------------|----------|-------|----------|-------|
|                   | Turnover | %age  | Turnover | %age  |
| 2016-17           | 84,795   | 90.68 | 8,819    | 9.32  |
| 2017-18           | 86,504   | 95.07 | 4,484    | 4.83  |
| 2018-19           | 84,470   | 74.43 | 29,015   | 25.57 |

**Other income** of ₹1,585.35 lacs (previous year ₹2,491.28 lacs) comprises interest and rent, from subsidiary companies, liabilities/provisions which are no longer required and written back and miscellaneous earnings.

**Raw Material Consumption:** ₹87,477.74 lacs (previous year ₹81,733.42 lacs) include sugarcane, molasses and raw sugar as the principal raw materials purchased by the Company.

**Employees cost:** The employee cost at ₹5400.48 lacs (previous year ₹4,986.03 lacs).

**Finance cost:** Finance costs decreased to ₹3,353.83 lacs (previous year ₹4,606.28 lacs) on account of non-provisioning of interest cost of ₹12,336.46 lacs for the current year (previous year 11,971.59).

**Other Expenses:** Other expenses increased to ₹14,102.27 lacs (previous year ₹10,407.55 lacs).

#### Accounting policies

The Board of Directors of the Company accepts 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.

#### Loans, Guarantees, and investments under Section 186

The particulars of loans, guarantees or investments made under Section 186 of the Companies Act, 2013 and rules made there under are furnished in Note 1 in the Notes to accounts forming part of the Annual Report.

#### 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 Annual Report.

#### 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 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. 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 matter, the revised plans have been submitted to all the lenders for suitable resolution, which is under consideration by them. 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. With delays in repayment of the loans, and the cane price arrears, the Company's credit rating has continued to remain below investment grade.

The loans availed by the Company have been classified as Non-Performing Assets (NPA) by all the lenders and interest thereon is not being charged by them as per applicable practices. The Company is hopeful that the resolution exercise including waiver of un-paid interest on certain loan accounts shall be completed in due course of time, and accordingly, interest expenses for the year ended March 31, 2019 amounting to ₹ 12,336.46 lacs (previous year ₹ 11,971.59 lacs), aggregating to ₹ 24,308 lacs has not been recognized in the financial statements.

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. The Company, under discussions with its lenders, has identified and taking all measures to satisfy the lenders and to work out a common resolution plan to their satisfaction.

During the year, one of the lenders to the Company has approached Hon'ble National Company Law Tribunal (NCLT), Allahabad for initiating of Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code, 2016. Considering the nature of industry and ongoing discussions with the lenders, the Company is hopeful that debt resolution shall be worked out with all the lenders leading to a consented settlement.

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

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

The Comments/Remarks in the Secretarial Audit Report are self-explanatory and explained at the appropriate sections in the Annual Report.

#### 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 legal actions on account of defaults in repayments of loans and delay in approval of debt resolution. The detail has been reported elsewhere in this report. The Company has also faced certain enquiries and investigations

arising out of the above which are still persisting.

#### **Application for reclassification of promoters of the Company**

The special resolution for reclassification of promoters was passed at 6th Annual General Meeting of the members of the Company. Thereafter, an application seeking reclassification of Mr. Gурpal Singh, Mr. Govind Singh Sandhu, Ms. Jai Inder Kaur, Mr. Angad Singh and M/s Pritam Singh Sandhu Associates Private Limited, from existing promoter group to the public category shareholders, in terms of provisions of erstwhile regulation 31A (7) of SEBI (LODR) Regulations, 2015, was filed with SEBI/ Stock Exchanges.

The Company has submitted the documents in support of the application as per the requirement and approval is awaited.

#### **AUDITORS' REPORT**

The comments on the statement of accounts referred to in the report of the auditors are self-explanatory, and explained in the appropriate notes to accounts, the details of which are mentioned elsewhere in this report.

#### **DIRECTORS**

At the ensuing Annual General Meeting of the members of the Company, Mr. Sanjay Tapiya is retiring by rotation on completion of term under the provisions of Section 152 of the Companies Act, 2013 and has offered himself for re-appointment. The Board considered and approved the re-appointment subject to the approval by the members.

During the year, Mr. S K Ganguli, Justice (Retd) C K Mahajan, and Lt General (Retd) D S Sidhu remained the independent directors under Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and they shall hold office for a period of 5 (five) consecutive years from the respective dates of their appointments. During the year, Mr. H P Kain was appointed as an independent director on the Board of the Company under Section 149 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 of the members at the ensuing annual general meeting.

With effect from April 12, 2019, Mr. B K Goswami, an Independent Director, has submitted his resignation from the directorship and ceased to be director of the Company on account of the other pre-occupations. During his tenure, he has guided the Company through immense knowledge and experience. Directors place on record the appreciation and noted the valuable contribution of the outgoing director during his association with the Company.

#### **Declaration of Independent Directors**

The Independent Directors have submitted their disclosures to the Board that they comply with all the requirements as stipulated under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

#### **Company's policy relating to director's appointment, payment of remuneration and discharge of their duties**

The Company's policies 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).

The Board has approved the appointment and remuneration of Ms. Gursimran Kaur Mann as Managing Director and Mr. Sachchida Nand Misra as chief operating officer/whole time director in the Company for a period of three years, and the consent on terms of appointment has been accorded at 6th Annual General Meeting of the members of the Company held on September 18, 2017. The Company had submitted the applications seeking approval of the Central Government under the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013. In response to the said Applications, the Ministry of Corporate Affairs, Govt of India ("MCA"), has advised that the provisions of Section 197 of the Companies Act, 2013 has been amended with effect from Sept 12, 2018 in light of the notification No. S.O.4823 (E). Accordingly, the said applications were abated, and the Company has taken steps for the appointment of the managerial persons by way of fresh resolutions.

#### **Number of board meetings conducted during the year under review**

Details of Board Meetings held during the year are furnished in the Report on the Corporate Governance forming part of this Annual Report.

#### **Board Evaluation**

The Company has devised the principles for review of the performance of the non-independent and also the independent directors, based on certain criterion as considered appropriate by the independent directors 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 independent directors find the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties to be satisfactory.

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 Board of directors of the Company.

#### **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 2018-19. The Secretarial Audit Report for the FY 2018-19 is given as Annexure-1 to this report.

#### **Cost Auditors**

M/s Satnam Singh Saggi, Cost Accountants, have been engaged as the Cost Auditors of the Company under the provisions of the Companies Act, 2013 for the financial year 2019-20.

#### **ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 are furnished in Annexure-3 and attached to this Report.



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

The Company has four subsidiary companies, viz. Simbhaoli Power Private Limited (SPPL), Integrated Casetech Consultants Private Limited (ICCPL), Simbhaoli Speciality Sugars Private Limited (SISPL) and Simbhaoli Global Commodities DMCC, Dubai (SGC). Uniworld Sugars Private Limited (USPL) is a joint venture company. The Consolidated financial statements have been prepared by incorporating audited financial results of subsidiary companies namely ICCPL, and SISPL. However, in the consolidated financial statements of the Company, reliance has been placed on the unaudited financial statements of two subsidiaries viz SGC and SPPL. These financial statements are unaudited and have been available for consolidation.

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

No stock options 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 provided adequate safeguards against victimization of employees or Directors, who express their concerns. 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.

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 and National Stock Exchange of India Limited. The annual Listing fee for the financial year 2019-20 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-4**.

#### **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 -5**.

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**

The Auditors, M/s Mittal Gupta & Company, Chartered Accountants, (the statutory auditors), had been appointed for a term of 5 years viz. 2015-16, 2016-17, 2017-18, 2018-19 and

2019-20. They are being eligible have offered themselves and your directors have recommended their continuation of appointment for the financial year 2019-20.

#### **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:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 2018-19 ended on March 31, 2019 and of the profit and loss of the Company for that period;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- 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
- 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 acknowledge the continued assistance and guidance provided by the Government of India, State Government of Uttar Pradesh, lender banks and institutions and the co-operation and assistance received from all executives, staff and workmen of the Company.

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

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

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

Place : Noida  
Date : May 30, 2019

**Annexure-1**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019**  
**[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, 2019 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, 2019 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;
- 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.

The applications filed by the Company during the financial year 2017-18 for seeking approval of Central Government for the approval of remuneration paid to whole time directors, in view of defaults exceeding 30 days to the lenders, got abated in terms of the provisions of section 197(17) inserted vide the Companies (Amendment) Act, 2017 notified w.e.f. 12.09.2018. The Company has one-year time from such notification to seek the approval of lenders and shareholders, failing which the remuneration paid has to be recovered from respective director in terms of the provisions of section 197(9) & 197(10) of the Companies Act, 2013.

**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, 2019, however there was delay in filling the vacancy as per regulation 25(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with second proviso to the Rule 4(1) of the Companies (Appointment & Qualification of Directors) Rules, 2014, caused due to resignation of Mr. J M Seth, Independent Director w.e.f. March 01, 2018, that was filled with appointment of Mr. H P Kain as an Independent Director w.e.f. November 14, 2018.
- 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.

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

- (i) Oriental Bank of Commerce, one of the Financial Creditors has filed an application with Hon'ble National Company Law Tribunal (NCLT), Allahabad for seeking the initiation of Corporate Insolvency Resolution Process of Simbhaoli Sugars Limited under section 7 of the Insolvency and Bankruptcy Code, 2016. In the civil writ petition no.1124/2018 of Simbhaoli Sugars Limited vs the Reserve Bank of India and others, Hon'ble Supreme Court of India had issued notice and directed that Status Quo be maintained in the meantime. However, Oriental Bank of Commerce, has revived its application vide

Company Petition No (IB) 331/ALD/2018 under Section 7 of the Insolvency and Bankruptcy Code, 2016 after the Hon'ble Supreme Court has disposed off the aforesaid petition vide its order dated April 2, 2019.

- (ii) Pursuant to the approval of the members of the Company in their 6th annual general meeting held on September 18, 2017 regarding the issue of 50,00,000 warrants under the provisions of the Companies Act, 2013 read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for preferential issues, the Company has allotted 50,00,000 warrants, to specified promoters on December 22, 2017. Each warrant is convertible into equivalent number of equity share in the share capital of the Company at a price of ₹ 32.10 (including premium of ₹ 22.10) per equity share within a period of 18 months from the date of allotment at the option of the warrant holder. Out of these 50,00,000 warrants, the warrant holders have opted for conversion of 18,00,000 warrants on March 29, 2018 and 20,00,000 warrants on March 29, 2019 and the Company has allotted 18,00,000 equity shares and 20,00,000 equity shares of ₹ 10 each as fully paid-up at an exercise price of ₹ 32.10 (including premium of ₹ 22.10) per equity share.
- (iii) The Special Resolution for reclassification of promoters' category was passed at 6th Annual General Meeting of the members of the Company. Thereafter, an application seeking reclassification of Mr. Gurpal Singh, Mr. Govind Singh Sandhu, Ms. Jai Inder Kaur, Mr. Angad Singh and M/s Pritam Singh Sandhu Associates Private Limited (Collectively referred to as 'Sandhu Group/ Exiting Promoter'), from existing promoter group to the public category shareholders, in terms of provisions of erstwhile regulation 31A (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was filed with SEBI/Stock Exchanges. The approval from SEBI/ Stock Exchanges is still awaited.
- (iv) Under the First Information Report registered with CBI, on Feb 22, 2018 against the Company, its Directors and other unknown persons of OBC, the investigation proceedings are going on.

**For Amit Gupta & Associates  
Company Secretaries**

**Amit Gupta  
Proprietor**

Date : May 30, 2019  
Place : Lucknow

Membership No. : F5478  
C.P. No. 4682

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.
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

Date: May 30, 2019

Place: Lucknow

**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<br>B. Expenses paid<br>C. Expenses Recovered<br>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. ₹ 1600.16 Lakhs<br>B. ₹ 2531.46 Lakhs<br>C. ₹ 3.53 Lakhs<br>D. ₹ 245.67 Lakhs                          |
| e)     | Date of approval by the Board   | A. January 14, 2013<br>B. January 14, 2013<br>C. January 14, 2013<br>D. January 14, 2013                  |
| f)     | Amount paid as advances, if any   | -   |

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**Annexure-3**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

| I. REGISTRATION & OTHER DETAILS:  |  |
|---|--|
| 1. CIN  | L15122UP2011PLC044210  |
| 2. Registration Date  | 04/04/2011   |
| 3. Name of the Company  | Simbhaoli Sugars Limited   |
| 4. Category/Sub-category of the Company                                       | Indian Non-Government Company  |
| 5. Address of the Registered office & contact details                         | Simbhaoli, District- Hapur, Uttar Pradesh-245207   |
| 6. Whether listed company   | Yes  |
| 7. Name, Address & contact details of the Registrar & Transfer Agent, if any. | Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 |

| II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY   |   |                                 |                                    |
|--|---|---------------------------------|------------------------------------|
| (All the business activities contributing 10 % or more of the total turnover of the company shall be stated) |   |                                 |                                    |
| S. No.   | Name and Description of main products/ services | NIC Code of the Product/service | % to total turnover of the company |
| 1  | Sugar   | 1072                            | 74                                 |
| 2  | Alcohol   | 1101                            | 26                                 |

| <b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:</b>              |  |                       |                 |                               |  |               |                    |                   |                           |
|--|--|-----------------------|-----------------|-------------------------------|--|---------------|--------------------|-------------------|---------------------------|
| S. No.   | Name & Address of the Company  | CIN                   |                 | Holding/subsidiary/ associate | % of Shares Held   |               | Applicable Section |                   |                           |
| 1  | Simbhaoli Speciality Sugars Pvt. Ltd                                     | U21015DL1995PTC069925 |                 | Wholly Owned Subsidiary       | 100%   |               | 2(87) ii           |                   |                           |
| 2  | Integrated Casetech Consultants Pvt Ltd                                  | U74140DL2008PTC092701 |                 | Subsidiary                    | 85.16%   |               | 2(87) i & ii       |                   |                           |
| 3  | Simbhaoli Power Pvt Ltd  | U40300UP2011PTC045360 |                 | Subsidiary                    | 51%  |               | 2(87) ii           |                   |                           |
| 4  | Simbhaoli Global Commodities DMCC  | N.A                   |                 | Wholly Owned Subsidiary       | 100%   |               | 2(87) ii           |                   |                           |
| 5  | Uniworld Sugars Pvt Ltd  | U15422UP2009PTC038540 |                 | Associate                     | 21.37%   |               | 2(6)               |                   |                           |
| <b>IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)</b> |  |                       |                 |                               |  |               |                    |                   |                           |
| <b>(i) Category-wise Share Holding</b>   |  |                       |                 |                               |  |               |                    |                   |                           |
| Category of Shareholders   | No. of Shares held at the beginning of the year<br>[As on 31-March-2018] |                       |                 |                               | No. of Shares held at the end of the year<br>[As on 31-March-2019] |               |                    |                   | % Change during the year* |
|  | Demat  | Physical              | Total Shares    | % of Total Shares             | Demat  | Physical      | Total Shares       | % of Total Shares |                           |
| <b>A. Promoters</b>  |  |                       |                 |                               |  |               |                    |                   |                           |
| <b>(1) Indian</b>  |  |                       |                 |                               |  |               |                    |                   |                           |
| a) Individual/HUF  | 10475941   | -                     | 10475941        | 26.67                         | 12475941   | -             | 12475941           | 30.22             | 3.55                      |
| b) Central Govt. or State Govt.  | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| c) Bodies Corporates   | 9539849  | -                     | 9539849         | 24.29                         | 9539849  | -             | 9539849            | 23.11             | (1.18)                    |
| d) Bank/FI   | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| e) Any other   | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| <b>SUB TOTAL:(A) (1)</b>   | <b>20015790</b>  | <b>-</b>              | <b>20015790</b> | <b>50.96</b>                  | <b>22015790</b>  | <b>-</b>      | <b>22015790</b>    | <b>53.33</b>      | <b>2.37</b>               |
| <b>(2) Foreign</b>   |  |                       |                 |                               |  |               |                    |                   |                           |
| a) NRI- Individuals  | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| b) Other Individuals   | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| c) Bodies Corp.  | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| d) Banks/FI  | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| e) Any other...  | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| <b>Sub Total (A) (2)</b>   | <b>-</b>   | <b>-</b>              | <b>-</b>        | <b>-</b>                      | <b>-</b>   | <b>-</b>      | <b>-</b>           | <b>-</b>          | <b>-</b>                  |
| <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>                             | <b>20015790</b>  | <b>-</b>              | <b>20015790</b> | <b>50.96</b>                  | <b>22015790</b>  | <b>-</b>      | <b>22015790</b>    | <b>53.33</b>      | <b>2.37</b>               |
| <b>B. Public Shareholding</b>  |  |                       |                 |                               |  |               |                    |                   |                           |
| <b>(1) Institutions</b>  |  |                       |                 |                               |  |               |                    |                   |                           |
| a) Mutual Funds  | -  | 1755                  | 1755            | 0.00                          | -  | 1755          | 1755               | 0.00              | -                         |
| b) Banks/FI  | 5357   | -                     | 5357            | 0.01                          | 4357   | -             | 4357               | 0.01              | -                         |
| c) Central govt  | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| d) State Govt.   | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| e) Venture Capital Fund  | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| f) Insurance Companies   | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| g) FIIS/FPI  | 1  | -                     | 1               | 0.00                          | 1  | -             | 1                  | -                 | -                         |
| h) Foreign Venture Capital Funds   | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| i) Others (specify)  | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| <b>SUB TOTAL (B)(1):</b>   | <b>5358</b>  | <b>1755</b>           | <b>7113</b>     | <b>0.01</b>                   | <b>4358</b>  | <b>1755</b>   | <b>6113</b>        | <b>0.01</b>       | <b>-</b>                  |
| <b>(2) Non Institutions</b>  |  |                       |                 |                               |  |               |                    |                   |                           |
| a) Bodies corporates   | 8049726  | 7077                  | 8056803         | 20.51                         | 8307467  | 6901          | 8314368            | 20.14             | -                         |
| i) Indian  | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| ii) Overseas   | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| b) Individuals   | -  | -                     | -               | -                             | -  | -             | -                  | -                 | -                         |
| i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs              | 7565010  | 578991                | 8144001         | 20.73                         | 7773154  | 539402        | 8312556            | 20.14             | (0.59)                    |
| ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs    | 2574715  | 54                    | 2574715         | 6.55                          | 2192945  | -             | 2192945            | 5.31              | (1.24)                    |
| Non-resident Indian  | 264198   | -                     | 264198          | 0.67                          | 269412   | -             | 269412             | 0.65              | (0.02)                    |
| Clearing Member  | 216049   | -                     | 216049          | 0.55                          | 167285   | -             | 167285             | 0.41              | (0.14)                    |
| NBFC   | -  | -                     | -               | -                             | 200  | -             | 200                | 0.00              | -                         |
| Trust  | 351  | -                     | 351             | 0.00                          | 351  | -             | 351                | 0.00              | -                         |
| <b>Sub Total (B)(2):</b>   | <b>18670049</b>  | <b>586068</b>         | <b>19256117</b> | <b>49.02</b>                  | <b>18710814</b>  | <b>546303</b> | <b>19257117</b>    | <b>46.65</b>      | <b>(2.37)</b>             |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                  | <b>18675407</b>  | <b>587823</b>         | <b>19263230</b> | <b>49.04</b>                  | <b>18715172</b>  | <b>548058</b> | <b>19263230</b>    | <b>46.67</b>      | <b>-</b>                  |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                               | <b>-</b>   | <b>-</b>              | <b>-</b>        | <b>-</b>                      | <b>-</b>   | <b>-</b>      | <b>-</b>           | <b>-</b>          | <b>-</b>                  |
| <b>Grand Total (A+B+C)</b>   | <b>38691197</b>  | <b>587823</b>         | <b>39279020</b> | <b>100</b>                    | <b>40730962</b>  | <b>548058</b> | <b>41279020</b>    | <b>100</b>        | <b>-</b>                  |

## (ii) Shareholding of Promoters

| S.No.        | Shareholder's Name                                 | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|--------------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|              |  | No. of Shares                             | % of total Shares of the company | % of Shares Pledged encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged encumbered to total shares |  |
| 1.           | Mr. Gurmit Singh Mann                              | 4226154                                   | 10.76                            | 0  | 4726154                             | 11.45                            | 0  | 1.21                                     |
| 2.           | Mr. Gурpal Singh                                   | 2402770                                   | 6.12                             | 0  | 2402770                             | 5.82                             | 0  | 0  |
| 3.           | Ms. Gursimran Kaur Mann                            | 2686672                                   | 6.84                             | 0  | 4186672                             | 10.14                            | 0  | 3.63                                     |
| 4.           | Mr. Govind Singh Sandhu                            | 733139                                    | 1.87                             | 0  | 733139                              | 1.78                             | 0  | 0  |
| 5.           | Ms. Jai Inder Kaur                                 | 417356                                    | 1.06                             | 90.53  | 417356                              | 1.01                             | 90.53  | 0  |
| 6.           | Mr. Angad Singh                                    | 9850                                      | 0.03                             | 0  | 9850                                | 0.02                             | 0  | 0  |
| 7.           | M/s Dholadhar Investments Pvt Ltd                  | 7462114                                   | 19.00                            | 75.16  | 7462114                             | 18.08                            | 75.16  | 0  |
| 8.           | M/s Pritam Singh Sandhu Associates Private Limited | 2077735                                   | 5.29                             | 31.08  | 2077735                             | 5.03                             | 31.08  | 0  |
| <b>Total</b> |  | <b>20015790</b>                           | <b>48.60</b>                     | <b>33.14</b>                                   | <b>22015790</b>                     | <b>53.33</b>                     | <b>30.13</b>                                   | <b>2.37</b>                              |

## (iii) Change in Promoters' Shareholding

| S. No  | Particulars   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--|---|---|----------------------------------|---|----------------------------------|
|  |   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>A. Mr. Gurmit Singh Mann</b>                              |   |   |                                  |   |                                  |
| 1  | At the beginning of the year                        | 4226154                                   | 10.76                            | 4226154                                 | 10.76                            |
| 2  | Increase/Decrease in Shareholding through Allotment | 500000                                    | 1.21                             | 500000                                  | 1.21                             |
| 3  | At the end of the year                              | 4726154                                   | 11.45                            | 4726154                                 | 11.45                            |
| <b>B. Mr. Gурpal Singh</b>                                   |   |   |                                  |   |                                  |
| 1  | At the beginning of the year                        | 2402770                                   | 6.12                             | 2402770                                 | 6.12                             |
| 2  | Increase/Decrease in Shareholding through Allotment | -   | -                                | -                                       | -                                |
| 3  | At the end of the year                              | 2402770                                   | 5.82                             | 2402770                                 | 5.82                             |
| <b>C. Ms. Gursimran Kaur Mann</b>                            |   |   |                                  |   |                                  |
| 1  | At the beginning of the year                        | 2686672                                   | 6.84                             | 2686672                                 | 6.84                             |
| 2  | Increase/Decrease in Shareholding through Allotment | 1500000                                   | 3.63                             | 1500000                                 | 3.63                             |
| 3  | At the end of the year                              | 4186672                                   | 10.14                            | 4186672                                 | 10.14                            |
| <b>D. Mr. Govind Singh Sandhu</b>                            |   |   |                                  |   |                                  |
| 1  | At the beginning of the year                        | 733139                                    | 1.87                             | 733139                                  | 1.87                             |
| 2  | Increase/Decrease in Shareholding through Allotment | -   | -                                | -                                       | -                                |
| 3  | At the end of the year                              | 733139                                    | 1.78                             | 733139                                  | 1.78                             |
| <b>E. Ms. Jai Inder Kaur</b>                                 |   |   |                                  |   |                                  |
| 1  | At the beginning of the year                        | 417356                                    | 1.06                             | 417356                                  | 1.06                             |
| 2  | Increase/Decrease in Shareholding through Allotment | -   | -                                | -                                       | -                                |
| 3  | At the end of the year                              | 417356                                    | 1.01                             | 417356                                  | 1.01                             |
| <b>F. Mr. Angad Singh</b>                                    |   |   |                                  |   |                                  |
| 1  | At the beginning of the year                        | 9850                                      | 0.03                             | 9850                                    | 0.03                             |
| 2  | Increase/Decrease in Shareholding through Allotment | -   | -                                | -                                       | -                                |
| 3  | At the end of the year                              | 9850                                      | 0.02                             | 9850                                    | 0.02                             |
| <b>G. M/s Dholadhar Investments Private Limited</b>          |   |   |                                  |   |                                  |
| 1  | At the beginning of the year                        | 7462114                                   | 19.00                            | 7462114                                 | 19.00                            |
| 2  | Increase/Decrease in Shareholding through Allotment | -   | -                                | -                                       | -                                |
| 3  | At the end of the year                              | 7462114                                   | 18.08                            | 7462114                                 | 18.08                            |
| <b>H. M/s Pritam Singh Sandhu Associates Private Limited</b> |   |   |                                  |   |                                  |
| 1  | At the beginning of the year                        | 2077735                                   | 5.29                             | 2077735                                 | 5.29                             |
| 2  | Increase/Decrease in Shareholding through Allotment | -   | -                                | -                                       | -                                |
| 3  | At the end of the year                              | 2077735                                   | 5.03                             | 2077735                                 | 5.03                             |

|   |                                   |         |        |         |        |
|---|-----------------------------------|---------|--------|---------|--------|
| <b>2. M/s Shri Vatsala Traders Pvt. Ltd</b>                     |                                   |         |        |         |        |
| 1   | At the beginning of the year      | 1865434 | 4.75   | 1865434 | 4.75   |
| 2   | Increase/Decrease in Shareholding | -       | -      | -       | -      |
| 3   | At the end of the year            | 1865434 | 4.52   | 1865434 | 4.52   |
| <b>3. M/s JM Financial Services Limited</b>                     |                                   |         |        |         |        |
| 1   | At the beginning of the year      | 187300  | 0.48   | 187300  | 0.48   |
| 2   | Increase/Decrease in Shareholding | 735365  | 1.78   | 735365  | 1.78   |
| 3   | At the end of the year            | 922665  | 2.24   | 922665  | 2.24   |
| <b>4. M/s Wang Investment and Finance Pvt Ltd</b>               |                                   |         |        |         |        |
| 1   | At the beginning of the year      | 774159  | 1.97   | 774159  | 1.97   |
| 2   | Increase/Decrease in Shareholding | -       | -      | -       | -      |
| 3   | At the end of the year            | 774159  | 1.88   | 774159  | 1.88   |
| <b>5. M/s U K Paints India Private Limited</b>                  |                                   |         |        |         |        |
| 1   | At the beginning of the year      | 644212  | 1.64   | 644212  | 1.64   |
| 2   | Increase/Decrease in Shareholding | 121269  | 0.29   | 121269  | 0.29   |
| 3   | At the end of the year            | 765481  | 1.85   | 765481  | 1.85   |
| <b>6. M/s Citland Commercial Credits Limited</b>                |                                   |         |        |         |        |
| 1   | At the beginning of the year      | 355147  | 0.95   | 355147  | 0.95   |
| 2   | Increase/Decrease in Shareholding | -       | (0.09) | -       | (0.09) |
| 3   | At the end of the year            | 355147  | 0.86   | 355147  | 0.86   |
| <b>7. M/s Monica Realtors &amp; Investments Private Limited</b> |                                   |         |        |         |        |
| 1   | At the beginning of the year      | 407730  | 1.09   | 353483  | 0.90   |
| 2   | Increase/Decrease in Shareholding | 54247   | (0.14) | -       | (0.04) |
| 3   | At the end of the year            | 353483  | 0.94   | 353483  | 0.94   |
| <b>8. Mr. Manu Gopal Das Chhabria</b>                           |                                   |         |        |         |        |
| 1   | At the beginning of the year      | 145364  | 0.39   | 182964  | 0.49   |
| 2   | Increase/Decrease in Shareholding | 37600   | 0.10   | -       | (0.05) |
| 3   | At the end of the year            | 182964  | 0.49   | 182964  | 0.44   |
| <b>9. Mr. Akhtar Banu Altalib</b>                               |                                   |         |        |         |        |
| 1   | At the beginning of the year      | 157857  | 0.40   | 157857  | 0.40   |
| 2   | Increase/Decrease in Shareholding | -       | (0.02) | -       | (0.02) |
| 3   | At the end of the year            | 157857  | 0.38   | 157857  | 0.38   |
| <b>10. Mr. Shivinder Pal Singh Mann</b>                         |                                   |         |        |         |        |
| 1   | At the beginning of the year      | 146250  | 0.37   | 146250  | 0.37   |
| 2   | Increase/Decrease in Shareholding | -       | (0.02) | -       | (0.02) |
| 3   | At the end of the year            | 146250  | 0.35   | 146250  | 0.35   |

## (v) Shareholding of Directors &amp; Key Managerial Personnel

## (iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No  | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--|-------------------------------------|---|----------------------------------|---|----------------------------------|
|  |                                     | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>1. Pearl Innovative Marketing Private Limited</b> |                                     |   |                                  |   |                                  |
| 1  | At the beginning of the year        | 2270623                                   | 5.78                             | 2270623                                 | 5.78                             |
| 2  | Increase/Decrease in Shareholding   | -   | -                                | -                                       | -                                |
| 3  | At the end of the year              | 2270623                                   | 5.50                             | 2270623                                 | 5.50                             |

| S. No                           | For Each of the Directors & KMP   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------------------------------|-----------------------------------|---|----------------------------------|---|----------------------------------|
|                                 |                                   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>1. Mr. Gurmit Singh Mann</b> |                                   |   |                                  |   |                                  |
| 1                               | At the beginning of the year      | 4226154                                   | 10.76                            | 4226154                                 | 10.76                            |
| 2                               | Increase/Decrease in Shareholding | 500000                                    | 1.21                             | 500000                                  | 1.21                             |
| 3                               | At the end of the year            | 4726154                                   | 11.45                            | 4726154                                 | 11.45                            |
| <b>2. Mr. Gурpal Singh</b>      |                                   |   |                                  |   |                                  |
| 1                               | At the beginning of the year      | 2402770                                   | 6.12                             | 2402770                                 | 6.12                             |
| 2                               | Increase/Decrease in Shareholding | -   | -                                | -                                       | -                                |
| 3                               | At the end of the year            | 2402770                                   | 5.82                             | 2402770                                 | 5.82                             |

| S. No   | For Each of the Directors & KMP   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---|-----------------------------------|---|----------------------------------|---|----------------------------------|
|   |                                   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>3. Ms. Gursimran Kaur Mann</b>             |                                   |   |                                  |   |                                  |
| 1   | At the beginning of the year      | 2686672                                   | 6.84                             | 2686672                                 | 6.84                             |
| 2   | Increase/Decrease in Shareholding | 1500000                                   | 3.63                             | 1500000                                 | 3.63                             |
| 3   | At the end of the year            | 4186672                                   | 10.14                            | 4186672                                 | 10.14                            |
| <b>4. Mr. Sanjay Tapriya</b>                  |                                   |   |                                  |   |                                  |
| 1   | At the beginning of the year      | 422                                       | 0.00                             | 422                                     | 0.00                             |
| 2   | Increase/Decrease in Shareholding | -   | -                                | -                                       | -                                |
| 3   | At the end of the year            | 422                                       | 0.00                             | 422                                     | 0.00                             |
| <b>5. Mr. S N Misra</b>                       |                                   |   |                                  |   |                                  |
| 1   | At the beginning of the year      | 1521                                      | 0.00                             | 1521                                    | 0.00                             |
| 2   | Increase/Decrease in Shareholding | -   | -                                | -                                       | -                                |
| 3   | At the end of the year            | 1521                                      | 0.00                             | 1521                                    | 0.00                             |
| <b>6. Mr. S K Ganguli</b>                     |                                   |   |                                  |   |                                  |
| 1   | At the beginning of the year      | 585                                       | 0.00                             | 585                                     | 0.00                             |
| 2   | Increase/Decrease in Shareholding | -   | -                                | -                                       | -                                |
| 3   | At the end of the year            | 585                                       | 0.00                             | 585                                     | 0.00                             |
| <b>7. Justice C K Mahajan (Retd)</b>          |                                   |   |                                  |   |                                  |
| 1   | At the beginning of the year      | 422                                       | 0.00                             | 422                                     | 0.00                             |
| 2   | Increase/Decrease in Shareholding | -   | -                                | 106                                     | -                                |
| 3   | At the end of the year            | 422                                       | 0.00                             | 316                                     | 0.00                             |
| <b>8. Lt. Gen. Dalbir Singh Sidhu (Retd.)</b> |                                   |   |                                  |   |                                  |
| 1   | At the beginning of the year      | 963                                       | 0.00                             | 963                                     | 0.00                             |
| 2   | Increase/Decrease in Shareholding | -   | -                                | -                                       | -                                |
| 3   | At the end of the year            | 963                                       | 0.00                             | 963                                     | 0.00                             |
| <b>9. Mr. D C Popli</b>                       |                                   |   |                                  |   |                                  |
| 1   | At the beginning of the year      | 1800                                      | 0.00                             | 1800                                    | 0.00                             |
| 2   | Increase/Decrease in Shareholding | -   | -                                | 100                                     | -                                |
| 3   | At the end of the year            | 1800                                      | 0.00                             | 1900                                    | 0.00                             |
| <b>10. Mr. Kamal Samtani</b>                  |                                   |   |                                  |   |                                  |
| 1   | At the beginning of the year      | 1403                                      | 0.00                             | 2903                                    | 0.00                             |
| 2   | Increase/Decrease in Shareholding | 1500                                      | 0.00                             | 1500                                    | 0.00                             |
| 3   | At the end of the year            | 2903                                      | 0.00                             | 4403                                    | 0.00                             |
| <b>11. Mr. B K Goswami* and Mr. H P Kain</b>  |                                   |   |                                  |   |                                  |
| 1   | At the beginning of the year      | -   | -                                | -                                       | -                                |
| 2   | Increase/Decrease in Shareholding | -   | -                                | -                                       | -                                |
| 3   | At the end of the year            | -   | -                                | -                                       | -                                |

#### V) INDEBTEDNESS-Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

| S. No  | Particulars                  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|------------------------------|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                              |                                  |                 |          |                    |
| i)   | Principal Amount             | 90173.42                         | 16578.88        | -        | 106752.3           |
| ii)  | Interest due but not paid    | 9626.79                          | 6153.6          | -        | 15780.39           |
| iii)   | Interest accrued but not due | 0.05                             | -               | -        | 0.05               |
|  | <b>Total (i+ii+iii)</b>      | <b>99800.26</b>                  | <b>22732.48</b> | -        | <b>122532.74</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                              |                                  |                 |          |                    |
|  | * Addition                   | 2158.93                          | -               | -        | 2158.93            |
|  | * Reduction                  | -                                | 1271.27         | -        | 1271.27            |
|  | <b>Net Change</b>            | <b>2158.93</b>                   | <b>1271.27</b>  | -        | <b>887.66</b>      |
| <b>Indebtedness at the end of the financial year</b>       |                              |                                  |                 |          |                    |
| i)   | Principal Amount             | 89234.42                         | 15726.93        | -        | 104961.35          |
| ii)  | Interest due but not paid    | 12724.77                         | 5734.28         | -        | 18459.05           |
| iii)   | Interest accrued but not due | -                                | -               | -        | -                  |
|  | <b>Total (i+ii+iii)</b>      | <b>101959.19</b>                 | <b>21461.21</b> | -        | <b>123420.40</b>   |

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

| S. No | Particulars of Remuneration   | Name of MD/WTD/ Manager        |                      |              |
|-------|---|--------------------------------|----------------------|--------------|
|       |   | Ms. Gursimran Kaur Mann (MD)\$ | Mr. S N Misra (COO)# | Total Amount |
| 1     | Gross salary  | 111.28                         | 48.79                | 160.07       |
|       | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 96.59                          | 42.77                | 139.36       |

|  |               |               |               |
|--|---------------|---------------|---------------|
| (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                | 14.69         | 6.02          | 20.71         |
| (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | -             | -             | -             |
| 2 Stock Option   | -             | -             | -             |
| 3 Sweat Equity   | -             | -             | -             |
| 4 Commission<br>- as % of profit<br>- others, specify                  | -             | -             | -             |
| 5 Others, Contribution to PF & Gratuity                                | 8.16          | 2.44          | 10.60         |
| <b>Total (A)</b>   | <b>119.44</b> | <b>51.23@</b> | <b>170.67</b> |
| Ceiling as per the Act   |               |               |               |

\* Standalone figure from the company

@In addition, he has been given rent free accommodation of Rs. 9.84 lacs

\$Appointed on August 2, 2017

#Appointed on September 18, 2017

##### B. Remuneration to other directors:

(₹ in Lacs)

| S. No | Particulars of Remuneration | Fee for attending Board/ Committee meetings (Per meeting)* | Total Amount |
|-------|-----------------------------|--|--------------|
| 1     | <b>Independent Director</b> |  |              |
| 2     | Mr. S K Ganguli             | 0.25   | 3.00         |
| 3     | Mr. B K Goswami             | 0.25   | 3.00         |
| 4     | Justice (Retd) C K Mahajan  | 0.25   | 0.65         |
| 5     | Lt Gen D S Sidhu            | 0.25   | 1.15         |
| 6     | Mr. H P Kain                | 0.25   | 0.65         |
|       | <b>Total Remuneration</b>   |  | <b>8.45</b>  |

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

##### C. Remuneration to key Managerial Personnel other than MD/ Manager/WTD:

(₹ in Lacs)

| S. No | Particulars of Remuneration   | Key Managerial Personnel |              | Total Amount |
|-------|---|--------------------------|--------------|--------------|
|       |   | CFO                      | CS           |              |
| 1     | Gross salary  | 56.91                    | 23.18        | 80.09        |
|       | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 53.74                    | 21.01        | 74.75        |
|       | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 3.17                     | 2.17         | 5.34         |
|       | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | -            | -            |
| 2     | Stock Option  | -                        | -            | -            |
| 3     | Sweat Equity  | -                        | -            | -            |
| 4     | Commission<br>- as % of profit<br>- others, specify                                 | -                        | -            | -            |
| 5     | Others, Contribution provident fund & gratuity.                                     | 2.24                     | 1.56         | 3.80         |
|       | <b>Total</b>  | <b>59.15</b>             | <b>24.74</b> | <b>83.89</b> |

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the financial year under report the Company has not received any penalties/punishments/ Compounding of offences under the Companies Act, 2013.

#### Annexure-4

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

##### (a) Energy conservation measures taken

- Modification of Silver Weibull centrifugal machines by replacing ABB make DCS 400 DC with ABB make DCS 800 DC drive along with Mitsubishi PLC and touch screen based HMI to reduce breakdown and maintenance cost.
- Rake Elevator head and tail shaft sprockets modification to reduce power consumption.
- Brine Recovery System of 60 KL/Day got installed to reduce the effluent generation.
- Installation of variable frequency device (VFD) at CSD and SSD to reduce power consumption.
- Modification of process house pumps in to hydrodynamic type to prevent leakages.
- Aeration coil provided in equalisation tank of E.T.P. to

improve the working of E.T.P.

7. Various measures taken to Recycle Reuse and Reduce hot/cold water used in the process.
8. Installation of hot and cold water flow meters at different stations to optimize the water consumption and reduction of bore-well water.

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

- i. Activities are regularly being pursued on continuous basis for reducing the steam and power consumption in all three sugar and alcohol plants.
- ii. 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 Pvt Ltd for conversion into power. Bagasse saved at BSD is utilized for off season consumption in distillery division.

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, 2019.

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

- 1) Increase in capacity of juice tanks to stop spillage and wastage of juice during sudden power failure.
- 2) Efficiency of pumps is improved by installation of VFDs which minimised the running load.
- 3) Automation has been done in various areas like mechanized harvesting, auto-control valves in juice heating, auto-weighing system in pharma-section and smart weighment 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 March 31, 2019

#### A. Power and fuel consumption

| S.No         | Particulars                         | Unit       | Year ending March 31, 2019 | Year ending March 31, 2018 |
|--------------|-------------------------------------|------------|----------------------------|----------------------------|
| 1            | <b>Electricity</b>                  |            |                            |                            |
|              | Purchased                           |            |                            |                            |
|              | Units                               | Kwh ('000) | 1252                       | 1432                       |
|              | Total Amount                        | ₹ Lakhs    | 70.39                      | 79.73                      |
|              | Rate/Unit                           | ₹/Kwh      | 5.62                       | 5.57                       |
|              | <b>Own Generation</b>               |            |                            |                            |
|              | <b>(i) Through diesel generator</b> |            |                            |                            |
|              | Units                               | Kwh ('000) | 515                        | 466                        |
|              | Unit per ltr. of diesel oil         | Kwh        | 3.48                       | 2.78                       |
|              | Total Amount                        | ₹ Lakhs    | 91.28                      | 96.78                      |
|              | Cost/Unit                           | ₹/Kwh      | 17.72                      | 20.78                      |
|              | <b>(ii) Through steam turbine</b>   |            |                            |                            |
|              | Units                               | Kwh ('000) | 96730                      | 81877                      |
|              | Units per ltr. of fuel/gas          | Kwh        | N.A.                       | N.A.                       |
|              | Total Amount                        | ₹ in lakhs | 2218.43                    | 969.00                     |
| Cost/Unit    | ₹/Kwh                               | 2.29       | 1.18                       |                            |
| 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     | 18294                      | 10975                      |
| Total Cost   | ₹ Lakhs                             | 351.25     | 205.88                     |                            |
| Average Rate | ₹/MT                                | 1920       | 1878                       |                            |

#### B. Consumption per MT of Sugar Production

| S.No | Particulars         | Unit   | Year ending March 31, 2019 | Year ending March 31, 2018 |
|------|---------------------|--------|----------------------------|----------------------------|
| 1    | Electricity         | Kwh    | 327                        | 337                        |
| 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, 2019 | Year ending March 31, 2018 |
|------|--------------------------|---------|----------------------------|----------------------------|
| 1    | Electricity              | Kwh     | 450                        | 424                        |
| 2    | F.O./L.D.O               | K.Ltrs. | 0.000                      | 0.000                      |
| 3    | Bagasse/Husk (Purchased) | Tonnes  | 0.931                      | 1.022                      |

#### 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.

#### 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 in the Directors Report.

During the year, Foreign Exchange aggregating to ₹6720.30 lacs was earned by the Company against export of Company's product and ₹10.98 lacs was spent on travelling.

The Foreign currency exposures not hedged by derivative instruments or otherwise are given in Note 23 (iii) (c) of the Financial Statements.

#### Annexure - 5

#### 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

The manufacturing units of the Company comprise of about 85% of the employees at the workers level. The Company has total 1457 permanent employees inclusive of workers on rolls as on March 31, 2019. The median remuneration as on March 31, 2019 is ₹21527 per month which is increased by 5.20% from ₹20462 per month during the financial year 2018-19.

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

|   |                     |
|---|---------------------|
| Median remuneration of all the employees of the Company for the Financial year 2018-19        | ₹21527<br>Per Month |
| The percentage increase in the median remuneration of employees in the Financial year 2018-19 | 5.20%               |
| The number of permanent employees on the rolls of Company as on March 31, 2019                | 1457                |

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 2018-19. Mr. Gurmit Singh Mann and Mr. Gurpal 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 2018-19 |
|--|-----------------------|---|--|
| Ms. Gursimran Kaur Mann, Managing Director     | 119.44                | 46.24   | Nil  |
| Mr. S N Misra, Chief Operating Officer         | 61.07                 | 23.64   | 16.02*   |
| Mr. Dayal Chand Popli, Chief Financial Officer | 59.15                 | 22.90   | 11.00  |
| Mr. Kamal Samtani, Company Secretary           | 24.74                 | 9.58  | 11.00  |

\*w.e.f. Feb 14, 2019

#### Notes:

- The ratio of remuneration median remuneration is based on remuneration paid during the period April 1, 2018 to March 31, 2019.
- 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 2018-19 is ₹111,109.11 lacs. 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, 2019 was as follows:

| Stock Exchange | 2018  | 2019* |
|----------------|-------|-------|
| NSE            | 57.94 | 37.56 |
| BSE            | 58.72 | 37.23 |

(Fig in ₹ Crore)

\*Current shareholding is 41279020 out of which 2000000 shares are not listed.

#### Average percentile increases already made in the salaries of 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 - 6**

**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 Global Commodities, DMCC  | Simbhaoli Power Private Limited* | Simbhaoli Speciality Sugars Private Limited |
| 1.    | Name of the subsidiary  | Integrated Casetech Consultants Pvt Ltd | Simbhaoli Global Commodities, DMCC  | Simbhaoli Power Private Limited* | Simbhaoli Speciality Sugars Private Limited |
| 2.    | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | Year ended 31.03.2019                   | Year ended 31.03.2019   | Year ended 31.03.2019            | Year ended 31.03.2019                       |
| 3.    | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A.                                    | USD and Exchange Rate is taken as INR 64.4932 for Statement of Profit & Loss items, INR 65.0441 for Balance Sheet items and Share Capital at INR 48.8647 Per US\$ | N.A.                             | N.A.  |
| 4.    | Share capital   | 23.58                                   | 39.94   | 1086.00                          | 1.90  |
| 5.    | Reserves & surplus  | 353.26                                  | (155.62)  | 15526.67                         | 134.74                                      |
| 6.    | Total assets  | 1105.53                                 | 27.29   | 39972.41                         | 138.33                                      |
| 7.    | Total Liabilities   | 1105.53                                 | 27.29   | 39972.41                         | 138.33                                      |
| 8.    | Investments   | 0.15                                    | -   | 313.23                           | -   |
| 9.    | Turnover  | 1622.97                                 | -   | 15223.94                         | -   |
| 10.   | Profit/Loss before taxation   | 26.67                                   | (83.08)   | 1955.18                          | 4.24  |
| 11.   | Provision for taxation  | (7.80)                                  | -   | (296.17)                         | (1.37)                                      |
| 12.   | Profit/Loss after taxation  | 18.87                                   | (83.08)   | 1659.01                          | 2.87  |
| 13.   | Proposed Dividend   | -                                       | -   | -                                | -   |
| 14.   | % of shareholding   | 85.16                                   | 100   | 51                               | 100   |

\* Figures not incorporated for the reasons as mentioned in the Board Report.

**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.    | <b>Description of how there is significant influence</b>                                      | Company along with its affiliates holds 25.15% shares |
| 6.    | <b>Reason why the associate/joint venture is not consolidated</b>                             | N.A.  |
| 7.    | <b>Net worth attributable to shareholding as per latest audited Balance Sheet (in ₹ lacs)</b> | N.A.  |
| 8.    | <b>Profit/Loss for the year (in ₹ lacs)</b>   | N.A.  |

## 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 Directors present the Company's Report on Corporate Governance for the financial year ended on March 31, 2019 (hereinafter referred as 'the year'). The Company has always been following the principles of corporate governance, which protect the long-term interests of stakeholders, strengthens the perception of the Board and management accountability and thereby helps building public confidence in the Company. 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, which provide a framework for an effective governance system of the Company as developed over a period of time. The policies lay down the principles so that the interest of all the stakeholders is taken care with adequate disclosure. The Board regularly reviews the compliance with corporate governance standards. Over the years, the Company has redesigned its strategies for sustainable business growth with internal and external expertise. As a business philosophy, corporate governance 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

As on March 31, 2019, 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'). The composition of the Board and the number of other directorship(s) and committee membership/ chairmanship(s) held by the directors are as follows:

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

| 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<br>Chairperson<br>DIN: 00066653 | 4,726,154                  | 2  | -   | -        | N/A  |
| 2                | Ms. Gursimran Kaur Mann<br>DIN: 00642094              | 4,186,672                  | 2  | -   | -        | N/A  |
| 3                | Mr. Guralp Singh<br>DIN: 00064807                     | 24,02,770                  | 2  | 1   | -        | 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 |  |
| 4                            | Mr. Sanjay Tapriya<br>DIN: 00064703                           | 422                        | 1  | -   | -        | N/A  |
| 5                            | Mr. S.N. Misra<br>DIN: 06714324                               | 1,521                      | -  | -   | -        | N/A  |
| <b>Independent Directors</b> |   |                            |  |   |          |  |
| 6                            | Mr. B K Goswami@<br>DIN: 00003782                             | Nil                        | 6  | 6   | -        | N/A  |
| 7                            | Mr. S K Ganguli<br>DIN: 00058198                              | 585                        | 1  | -   | -        | N/A  |
| 8                            | Justice (Retd) C K Mahajan<br>DIN: 00039060                   | 422                        | 1  | 2   | -        | N/A  |
| 9                            | Lt Gen D S Sidhu<br>(PVSM, AVSM, VSM (Retd))<br>DIN: 07358619 | 963                        | -  | -   | -        | N/A  |
| 10                           | Mr. H P Kain#<br>DIN: 08277248                                | Nil                        | 2  | 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.

@Ceased to be director w.e.f. April 12, 2019

# Was appointed on November 14, 2018

#### 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 52 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 31 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 on 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 23 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 31 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 career 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 of the non-independent directors with 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. S K Ganguli (DIN- 00058198), Justice (Retd) C K Mahajan (DIN-00039060), Lt. Gen D S Sidhu (DIN- 07358619) and Mr. H P Kain (DIN-08277248), were appointed as the Independent Directors on the Board of the Company to hold office for a period of 5 (five) consecutive years from their respective dates of appointing.

#### **Familiarization Programme for Independent Directors**

The Independent Directors inducted on the Board are provided with an orientation through a formal familiarization programme. The familiarization programme includes 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 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 detail of the Company's Familiarization Programme is disclosed at the Company's weblink:

[http://www.simbhaolisugars.com/pdfs/familiarization\\_programme\\_for\\_independent\\_directors.pdf](http://www.simbhaolisugars.com/pdfs/familiarization_programme_for_independent_directors.pdf)

Brief profile of the Independent directors, nature of their expertise in specific functional areas and their shareholding are given below:

| Name of the Directors                                    | Mr. B K Goswami   | Mr. S K Ganguli   | Justice (Retd) C K Mahajan  | Lt Gen D S Sidhu (Retd)   | Mr. H P Kain  |
|--|---|---|---|---|---|
| Date of Birth  | Jan 29, 1935  | Dec 21, 1938  | May 31, 1943  | Oct 26, 1952  | Aug 3, 1952   |
| Date of Appointment                                      | Nov 09, 2015  | Aug 11, 2015  | Nov 09, 2015  | Dec 03, 2015  | Nov 14, 2018  |
| Qualification  | IAS, M.A.(English)  | FCA   | M.A. LL.B   | MSC, M.Phil   | IRS   |
| Expertise  | Mr. Goswami is a Senior Retired IAS Officer. He joined Indian Administrative Services in 1960. Mr. Goswami has held prestigious positions in various Government Departments | Mr. Ganguli is a commerce graduate and qualified chartered accountant, who has been in the accounting and audit profession for last 44 years. | 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. | Lt Gen Sidhu retired from Indian Army and has been presently serving as an administrative member of Chandigarh regional bench of Armed Forces Tribunal. | 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. |
| Shareholding of Directors in the Company (No. of shares) | Nil   | 585   | 422   | 963   | 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 |
|------------------------|----------------|-------------------|
| May 12, 2018           | 9              | 8                 |
| May 30, 2018           | 9              | 8                 |
| August 14, 2018        | 9              | 6                 |
| November 14, 2018      | 10             | 8                 |
| February 14, 2019      | 10             | 8                 |

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 Sept 27, 2018 |
|----------------------------|--------------------------------|--|
| Mr. Gurmit Singh Mann      | 5                              | Yes  |
| Ms. Gursimran Kaur Mann    | 4                              | Yes  |
| Mr. Gurpal Singh           | 4                              | Yes  |
| Mr. Sanjay Tapriya         | 5                              | Yes  |
| Mr. S N Misra              | 4                              | Yes  |
| Mr. S K Ganguli            | 5                              | No   |
| Mr. B K Goswami*           | 5                              | Yes  |
| Justice (Retd) C K Mahajan | 2                              | No   |
| Lt. Gen D S Sidhu          | 4                              | No   |
| Mr. H P Kain               | 1                              | N/A  |

\*Ceased to be director w.e.f. April 12, 2019  
# Was appointed on November 14, 2018

#### Information to Board

The 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, 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 making full disclosure 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 five committees:

- i) Audit Committee,
- ii) Nomination and Remuneration Committee,
- iii) Stakeholders Relationship Committee,
- iv) Securities Allotment Committee, and
- v) 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. Basant Kumar Goswami* | 4             | 4                 |
| Mr. H P Kain#             | 4             | 1                 |
| Mr. S K Ganguli           | 4             | 4                 |
| Mr. S N Misra@            | 4             | 1                 |

\*Ceased to be director w.e.f. April 12, 2019  
# Was appointed on November 14, 2018  
@ Nominated w.e.f November 14, 2018

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:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors;
- iii. Reviewing, with the management, the annual financial statements and auditor's report thereon;
- iv. Matters included in the director's responsibility statement;
- v. Reviewing, with the management, the quarterly financial results;
- vi. Reviewing the transactions with related parties;
- vii. Review of inter-corporate loans and investments;
- viii. Compliance with listing and other legal requirements concerning financial statements/results;
- ix. Valuation of undertakings or assets of the Company, wherever it is necessary;
- x. Evaluation of internal financial controls and risk management systems along with verification of the adequacy of internal control systems;
- xi. Reviewing, with the management, the completion of the audit along with the duties discharged by the statutory and internal auditors;
- xii. Review the functioning of the whistle blower mechanism;
- xiii. 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. 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. Basant Kumar Goswami* | 2             | 2                 |
| Mr. H P Kain#             | 2             | N/A               |
| Mr. Samir Kumar Ganguli   | 2             | 2                 |
| Mr. Gurmit Singh Mann     | 2             | 2                 |

\*Ceased to be director w.e.f. April 12, 2019

#Was appointed on November 14, 2018

### 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. The details of Committee meetings during the financial year are as follows:

| Member                    | Meetings Held | Meetings Attended |
|---------------------------|---------------|-------------------|
| Mr. Samir Kumar Ganguli   | 4             | 4                 |
| Mr. Basant Kumar Goswami* | 4             | 4                 |
| Mr. H P Kain#             | 4             | -                 |
| Mr. Sanjay Tapriya        | 4             | 4                 |

\*Ceased to be director w.e.f. April 12, 2019

#Was appointed on November 14, 2018

During the year, one investor complaint was received and same was duly redressed. There was no pending complaint as on March 31, 2019.

### IV. Securities Allotment Committee

The Board has constituted Securities Allotment Committee comprising of three non-executive independent directors. Mr. B K Goswami acts as the Chairperson of the Committee. The Committee is constituted for the allotment and post-allotment activities related to the Company's securities. During the year, one meeting of this Committee was held for implementing the procedure of issue of the warrants convertible into equity shares in the share capital of the Company and filing of applications with the stock exchanges for the listing of equity shares.

| Member                    | Meetings Held | Meetings Attended |
|---------------------------|---------------|-------------------|
| Mr. Basant Kumar Goswami* | 1             | 1                 |
| Mr. Samir Kumar Ganguli   | 1             | 1                 |
| Mr. Sanjay Tapriya        | 1             | 1                 |

\*Ceased to be director w.e.f. April 12, 2019

### V. Corporate Social Responsibility Committee

The Company does not fall under any of the criteria prescribed under Section 135 of the Act and accordingly it is not mandatory to form the Corporate Social Responsibility (CSR) Committee. However, The Board has constituted CSR Committee under the provisions of Section 135 of the Act and the Rules framed there under, comprising of three directors. Ms. Gursimran Kaur Mann 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 initiated various measures to implement its CSR Policy. The constitution of the Committee is as follows:

| Member                  | Designation in the Committee |
|-------------------------|------------------------------|
| Ms. Gursimran Kaur Mann | Chairperson                  |
| Mr. Sanjay Tapriya      | Member                       |
| Mr. S N Misra           | Member                       |
| Mr. Dayal Chand Popli   | Member                       |

### Meeting of Independent Directors

During the year, one meeting of the Independent Directors of the Company was held in March 2019 to consider and review the items as listed under the provisions of Schedule IV to the Act read with Guidance Note on Board Evaluation issued by SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017. The details of the evaluation have been mentioned in the Board's 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. Details of remuneration paid to them for the financial year 2018-19 is as follows:

(₹ in lacs)

| Name of Director         | Salary | Benefits | Total  |
|--------------------------|--------|----------|--------|
| Ms. Gursimran Kaur Mann  | 96.59  | 22.85    | 119.44 |
| Mr. Sachchida Nand Misra | 42.77  | 18.30    | 61.07  |

No remuneration is being paid to the independent/nominee directors. However, the Company has been paying the sitting fees of ₹ 25,000 per meeting plus reimbursement of the travelling expenses incurred by the Independent Directors for attending the meetings of the Board. A sitting fee of ₹ 15,000/10,000 per meeting is being paid to attend meetings of Audit Committee/ Nomination and Remuneration Committee respectively, with effect from 15.2.2019. The sitting fees as accrued to Independent Directors during the financial year 2018-19 is as follows:

(Amount in ₹)

| Name of Director           | Sitting Fees |
|----------------------------|--------------|
| Mr. S K Ganguli            | 300,000      |
| Mr. B K Goswami*           | 300,000      |
| Justice (Retd) C K Mahajan | 65,000       |
| Lt Gen D S Sidhu, (Retd.)  | 1,15,000     |
| Mr. HP Kain#               | 65,000       |

\*Ceased to be director w.e.f. April 12, 2019

# Was appointed on November 14, 2018

During the year, no equity shares and/or convertible securities were issued to the executive/non-executive directors, except conversion of warrants held by specified Promoters, into equity shares, details of which are disclosed elsewhere.

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

In the Company, Mr. Gurmit Singh Mann, Chairperson, and Mr.

Gurpal Singh, Director are non-executive promoter directors of the Company.

During the year, the aggregate remuneration paid to these directors 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. During the year, 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.

Ms. Gursimran Kaur Mann, Mr. S N Misra are the executive directors and Ms. Gursimran Kaur Mann belongs to the Promoters category.

In view of the amended provisions, the Company has obtained the no objection certificate from the lead banker/leader of consortium of lenders and fresh resolutions are being placed before the members for approval, forming part of the Notice of this Annual General Meeting (AGM).

#### 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 date of annual general meeting for the year 2018-19, will be fixed and book closure will be announced accordingly. The last three AGMs were held as follows:

| AGM | Day and Date         | Venue  |
|-----|----------------------|--|
| 5th | Monday, 26-09-2016   | Venue : Officers' Club, Sugar Mills Complex, at Simbhaoli - 245 207, Distt. Hapur, Uttar Pradesh |
| 6th | Monday, 18-09-2017   |  |
| 7th | Thursday, 27-09-2018 |  |

##### 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 offered E-voting facility to its members to cast their vote electronically on all resolutions set forth in the Notice of 8th AGM.

##### Special resolutions passed at the last three annual general meetings

| AGM | Date       | Subject matter of special resolution  |
|-----|------------|---|
| 5th | 26-09-2016 | 1) Approval of material related party contracts/ transactions/arrangements entered into by the Company  |
| 6th | 18-09-2017 | 1) Approval of the appointment of Ms. Gursimran Kaur Mann as the Managing Director<br>2) Approval of the Appointment of Mr. Sachchida Nand Misra as the Chief Operating Officer and Whole Time Director<br>3) Approval of the appointment of Mr. Karan Singh as Chief General Manager & the Whole Time Director |

|     |            |   |
|-----|------------|---|
|     |            | 4) Approval of the re-classification of certain specified promoters from promoters category to public category<br>5) Approval of the conversion of loan into share capital under the provisions of 62 of the Companies Act, 2013<br>6) Approval for the empowering the Board for conversion of unsecured loan into share capital<br>7) Approval of the mortgage and or charge upto an amount of ₹1600 crore under section 180(1)(a) of the Companies Act, 2013<br>8) Approval of the empowering the Board for the borrowings powers upto ₹1600 Crore under section 180(1)(c) of the Companies Act, 2013<br>9) Approval of the limits for investments upto ₹500 crore under section 186 of the Companies Act, 2013 |
| 7th | 27-09-2018 | No Special Resolution   |

#### 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 Annual General Meeting require passing a special resolution through postal ballot.

#### Information on appointment of directors

The details of appointment of directors are given in the Board's report.

#### 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 is disclosed on Company's website on the weblink:

<http://www.simbhaolisugars.com/pdfs/Policy-for-determining-material-subsidiaries.pdf>.

#### 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 procedural framework to directors, employees, customers, vendors and/or third party 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.

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 financial year

2018-19, 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 is provided as Annexure-2 of Board's 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.

All Related Party Transactions are presented to the Audit Committee and the Board. The Company has been in process to obtain omnibus approval for the transactions, which are foreseen and repetitive in nature. However, a statement of all related party transactions has been approved by the Audit Committee on regular basis.

A policy has been formulated on Related Party Transactions which is disclosed on Company's website on weblink as provided below:

<http://www.simbhaolisugars.com/pdfs/related-party-transaction-policy.pdf>

### 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 Practicing Company Secretaries have carried out the Reconciliation of Share Capital 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 at the weblink: [http://simbhaolisugars.com/company\\_policies.asp](http://simbhaolisugars.com/company_policies.asp)

### 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 with effect from April 1, 2019.

### 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 mainly in Business Standard. The Company provides comprehensive details of the operations of the Company, the financial results and other information on the Company's website and all the policies of the Company are available at the link [http://www.simbhaolisugars.com/company\\_policies.asp](http://www.simbhaolisugars.com/company_policies.asp)

### 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.

### Listing of Equity Shares

|  |  |
|--|--|
| <b>BSE Limited,</b><br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.<br>Tel: 91-22-22721233/34,<br>Fax: 91-22-22721919<br>Website: <a href="http://www.bseindia.com">www.bseindia.com</a><br>Scrip Code: 539742 | <b>National Stock Exchange of India Limited,</b><br>Exchange Plaza, Bandra Kurla Complex, Mumbai<br>Tel : 91-22-26598100<br>Fax : 91-22-265988120<br>Website: <a href="http://www.nseindia.com">www.nseindia.com</a><br>Scrip code :SIMBHALS |
|--|--|

The annual Listing fee for the financial year 2018-19 has been paid to both the stock exchanges.



### Depositories

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

ISIN: Equity Shares-INE748T01016 and Warrants ISIN-INE748T13011

### 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-18 | 16.80           | 12.68 | 35213.30   | 32972.56 | 16.95           | 12.55 | 10759    | 10111.30 |
| May-18 | 14.40           | 11.30 | 35993.53   | 34302.89 | 14.60           | 10.65 | 10929.2  | 10417.80 |
| Jun-18 | 12.50           | 8.98  | 35877.41   | 34784.68 | 12.70           | 8.75  | 10893.25 | 10550.9  |
| Jul-18 | 10.47           | 8.20  | 37644.59   | 35106.57 | 10.40           | 8.30  | 11366    | 10604.65 |
| Aug-18 | 10.90           | 8.50  | 38989.65   | 37128.99 | 10.80           | 9.00  | 11760.20 | 11234.55 |
| Sep-18 | 17.50           | 8.71  | 38934.35   | 35985.63 | 18.05           | 8.60  | 11751.80 | 10850.30 |
| Oct-18 | 14.05           | 11.10 | 36616.64   | 33291.58 | 14.15           | 11.10 | 11035.65 | 10004.55 |
| Nov-18 | 13.75           | 11.65 | 36389.22   | 34303.38 | 13.90           | 11.50 | 10922.45 | 10341.90 |
| Dec-18 | 12.35           | 9.80  | 36554.99   | 34426.29 | 12.40           | 9.90  | 10985.15 | 10333.85 |
| Jan-19 | 12.10           | 10.05 | 36701.03   | 35375.51 | 11.70           | 9.85  | 10987.45 | 10583.65 |
| Feb-19 | 10.55           | 7.80  | 37172.18   | 35287.16 | 10.75           | 7.50  | 11118.1  | 10585.65 |
| Mar-19 | 11.02           | 8.70  | 38748.54   | 35928.94 | 11.30           | 8.65  | 11630.35 | 10817.00 |

### Distribution of share holding as at March 31, 2019:

| Category         | No. of Shareholders | % of no. of shareholders | No. of shares | % of capital |
|------------------|---------------------|--------------------------|---------------|--------------|
| 1 to 5000        | 11866               | 78.31                    | 1903933       | 4.61         |
| 5001 to 10000    | 1532                | 10.11                    | 1133531       | 2.75         |
| 10001 to 20000   | 832                 | 5.49                     | 1205821       | 2.92         |
| 20001 to 30000   | 284                 | 1.87                     | 715380        | 1.73         |
| 30001 to 40000   | 140                 | 0.92                     | 490994        | 1.19         |
| 40001 to 50000   | 93                  | 0.61                     | 425852        | 1.03         |
| 50001 to 100000  | 223                 | 1.47                     | 1578208       | 3.82         |
| 100001 and above | 183                 | 1.21                     | 33825301      | 81.94        |
| Total            | 15153               | 100                      | 41279020      | 100          |

As on March 31, 2019, 3,87,30,962 Equity Shares of the Company constituting 98.50% of total equity capital were under demat categories with NSDL and CDSL.

### Shareholding Pattern as on March 31, 2019

#### 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               | 0.00         |
| Foreign Institutional Investors (FI)   | 1                  | 0.00         |
| Financial Institutions and Banks       | 4357               | 0.01         |
| Private Corporate Bodies               | 9539849            | 23.11        |
| Indian Public (individuals)            | 12475941           | 30.22        |
| NRIs/ OCBs                             | 269412             | 0.65         |
| Any other (Clearing Members and Trust) | 167600             | 0.41         |
| <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 ended March 31, 2019; 20,00,000 (previous year 18,00,000) fully paid up equity shares of ₹ 10 each were issued at an exercise price of ₹ 32.10 (including premium of ₹ 22.10) per equity share to the specified promoters on conversion of warrants.

### 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<br>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<br>Tel. No. +91 9917473169       |
| <b>*Gandhidham Complex</b> | Village Versamedi, Tehsil Anjar, Gandhidham, District Bhuj -Kachchh, Gujarat -370201 | Tel. No. +91 283-6294594                                 |

\*1000 TPD Raw Sugar refining plant of Uniworld Sugars Private Limited, a joint venture company.

Any correspondence with units can be sent to 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 www.simbhaolisugars.com. 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, exclusively for investor servicing.

### Share Transfer System

Share transfer requests under physical and demat categories are normally affected/confirmed within a period of 15 days from the date of receipt. Shares are transferred and depository services are provided 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
- Registered Office: Simbhaoli, District Hapur, Uttar Pradesh- 245 207  
Phone No. +91-5731-226411/223118  
E-mail: 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 promoter Executive Director.

**b. Shareholder Rights:** The Company's quarterly and half yearly results are published in the newspapers and also uploaded on its website: www.simbhaolisugars.com and in Stock Exchange websites. Therefore, no individual communications are sent to the shareholders in this regard.

**c. 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 annual 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. The amount of dividend/debenture installment or interest thereon remaining un-claimed for a period of 7 years has been transferred to the credit of investors' education and protection fund.

During this year, the Company has transferred unpaid and unclaimed amount of ₹ 4,72,215 pertaining to the rights issue of 28,14,210, 14% Secured Partly Convertible Debentures of 1994-95, and the same was credited to the Investor Education and Protection Fund (IEPF) maintained with Ministry of Corporate Affairs.

#### CEO AND CFO CERTIFICATION

The Chief Operating Officer and Chief Financial Officer of the Company have submitted the annual certificate on financial reporting and internal controls to the Board in terms of the Listing Regulations, which form part of this report. COO, CFO and CS also place before the meetings of the Board the quarterly certificates on financial results and other related compliances in terms of the Listing Regulations.

#### Certificate on Compliance with Code of Conduct

We hereby confirm that the Company has obtained an affirmation from all the members of the Board and management personnel that they have complied with the Code of Conduct for the financial year 2018-19.

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

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

Place : Noida  
Date : May 30, 2019

#### CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

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, 2019, as stipulated in regulations 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 Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (SEBI Listing Regulations).
- 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.

- 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, 2019.
- 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

Place : Lucknow  
Date : May 30, 2019

Membership No. : F5478  
C.P. No. 4682

## 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, 2019

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, 2019, profit and loss account, the cash flow statement and the boards' report for the year ended March 31, 2019 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, 2019

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 : May 27, 2019**

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

## Report on the audit of the Standalone financial statements

### Qualified Opinion

- 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, 2019, 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 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, 2019, and total comprehensive loss (comprising of loss and other comprehensive loss), its cash flows and the changes in equity for the year then ended.

### Basis for Qualified opinion

- We draw attention to Note No. 10 of the Statements regarding non-provision of interest expense amounting ₹12,336.00 Lacs (Previous year ₹ 11,971.59 Lacs) on certain borrowings for the year ended March 2019 for the reasons stated in the said note. The aggregate amount of interest expense not provided for in the accounts aggregates to ₹ 24,307.59 Lacs till 31st March 2019. Had the aforesaid interest expense been provided for, the Finance Cost for the year ended 31st March 2019 would have been ₹15,689.83 Lacs (Previous year ₹16,577.87 Lacs) instead of reported amount of ₹3,353.83 Lacs (Previous year ₹ 4,606.28 Lacs); the Net loss after tax for the year ended 31st March 2019 would have been ₹17,250.51 Lacs (Previous year ₹30,099.75 Lacs) instead of reported amount of ₹4,914.51 Lacs (Previous year ₹18,128.16 Lacs); the total comprehensive loss for the year ended 31st March 2019 would have been ₹19,511.78 Lacs (Previous Year ₹ 30,080.08 Lacs) instead of reported amount of ₹ 7,175.78 Lacs (Previous Year ₹18,108.49) ; the other current financial liability as at 31st March 2019 and 2018 would have been ₹1,48,360.98 Lacs and ₹57,151.09 Lacs respectively instead of reported amount of ₹ 1,24,053.39 Lacs and ₹ 45,179.50 respectively and the Other Equity as at 31st March 2019 and 2018 would have been negative ₹27,250.23 Lacs and negative ₹ 7,762.25 Lacs respectively instead of reported amount of negative ₹ 2,942.64 and ₹4,209.34 Lacs respectively.
- We draw attention to Note No.6, of the Statement regarding non- provision of interest liability in respect of delayed payment of sugarcane price for the reasons stated in the said note. The amount of interest not provided for in the books has not been

ascertained.

Our report is modified in respect of above matters.

### Material Uncertainty related to Going Concern:

- As stated in Note No. 4, the 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 as well as on the carrying amount of Property, Plant & Equipments appearing in the financial statements. The ability of the Company to continue depends on the restructuring of debts as stated in the said note and turnaround of the sugar operation on sustainable basis.

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

### Emphasis of Matter

- As stated in Note No.11 to the Statement, the company has paid managerial remunerations of ₹ 170.67 Lacs during the year (Previous Year ₹102.13Lacs) which is subject to the approval of shareholders of the company in accordance with the amended provisions of sections 197 and 200 of the Companies Act, 2013, as due to said amendments, the application earlier filed by the company for the approval of the appointment and remuneration to the directors before the Central Government has been abated.

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

### 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 subsidy accruals/claims and their recoverability</b></p> <p>During the year, the Company has recognized accruals/subsidy claims amounting to ₹ 4,201.83 Lacs as at March 31, 2019, the Company has receivables of ₹ 3,699.98 Lacs relating to such claims which is significant to the financial statements.</p> <p>We focused on this area because recognition of accruals/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</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</p> |

| S. No. | Key Audit Matters  | Auditor's Response  |
|--------|--|---|
|        | <p>in the notifications/policies, collections, provisions thereof, likelihood of variation in the related computation rates, and basis for determination of accruals/ claims.</p> <p>For details: - Refer Note No. 21 to the Financial Statements.</p>   | <p>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/ accrual.</p> <p>Based on the above procedures performed, the management's estimates related to recognition of subsidy accruals/claim and their recoverability is considered to be reasonable.</p>                             |
| 2.     | <p><b>Determination of net realizable value of inventory of sugar as at the year ended March 31, 2019.</b></p> <p>As on March 31, 2019, the Company has inventory of sugar with the carrying value ₹ 43,000.82Lacs. The inventory of sugar is valued at the lower of cost and net realizable value.</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 in determination of net realizable value 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> |

#### Other Information

8. 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 financial statements and our auditor's report thereon.
9. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
10. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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

11. 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.
12. 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.

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

13. 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 financial statements.
14. 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 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 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 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

15. 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;
16. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) 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.

- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive loss), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) 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.
- (e) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) 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".
- (h) 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 subject to the approval of shareholders of the company in accordance with the amended provisions of section 197 and 200 of the Act as due to said amendments, the application earlier filed by the company for the approval of the appointment and remuneration before the Central Government has been abated.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note no 6 to the financial statement.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were 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 Company.

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

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

Place : Noida  
Date : May 30, 2019

(Membership No. 073794)

## 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, 2019.)**

- i. In respect of company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a phased program of physical verification of its fixed assets 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 fixed assets 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.
  - c) The title deeds of all immovable properties, as disclosed in the financial statements, except in case of an immovable properties situated at Brijnathpur having carrying amount of ₹ 8.62 Lacs, are held in the name of the company.
- ii. 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.
- iii. 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.
- iv. 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 loans, or provided any security or guarantee to the parties covered under Section 185 of the Companies Act, 2013. The company has complied with the provisions of the Section 186 of the Companies Act, 2013 in respect of the investment made or loans or guarantee or security provided to the parties covered under Section 186 of the Companies Act, 2013.
- v. 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. a) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company have generally been regularly deposited 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 31st March, 2019 outstanding for a period of more than six months from the date they become payable except for the following:
  - Purchase Tax ₹15.34 Lacs
  - Import duty of ₹ 386.15Lacs
  - TDS demand of ₹ 1.71 Lacs
 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 31st March, 2019 which have not been deposited on account of any dispute, are as reported in Note No.17 to the accompanying financial statements.
- viii. According to the information and explanations given to us, 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. 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, except as stated as Note No. 9, no other material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has paid/provided for managerial remuneration which is subject to approval from shareholders under the provisions of the Companies Act, 2013 as stated in Note No. 11(iv) to the accompanying financial statements.
- xii. According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company is not a Nidhi Company. Accordingly the paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the company is in compliance with

the provisions of sections 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of such related party transactions have been disclosed in the 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. In our opinion, the price at which the company has made preferential allotment of shares to parties covered in the Register maintained under section 189 of the Companies Act, 2013 during the year is not prejudicial to the interest of the company.
- xv. In our opinion and according to the information and explanations given to us, during the year 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. In our opinion, 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 : Noida  
Date : May 30, 2019

(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, 2019)

### **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 31st March, 2019 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 with reference to financial statement 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

and Emphasis of Matter 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 31st March, 2019, 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  
(Membership No. 073794)

Place : Noida  
Date : May 30, 2019



**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**BALANCE SHEET**  
**AS AT MARCH 31, 2019**

|  | Notes | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|--|-------|-----------------------------------|-----------------------------------|
| <b>ASSETS</b>  |       |                                   |                                   |
| <b>Non-current assets</b>  |       |                                   |                                   |
| Property plant and equipment   | 3.1   | 1,29,423.27                       | 1,32,573.31                       |
| Capital work-in-progress   | 3.1   | 135.88                            | 202.62                            |
| Intangible assets  | 3.2   | 13.08                             | 14.21                             |
| <b>Financial assets</b>  |       |                                   |                                   |
| Investments  | 3.3   | 11,223.42                         | 13,619.00                         |
| Other financial assets   | 3.4   | 3,256.49                          | 197.44                            |
| Non-current Tax Assets   | 3.5   | 543.70                            | 378.65                            |
| Other non-current assets   | 3.6   | 330.65                            | 572.26                            |
| <b>Total non-current assets</b>  |       | <b>1,44,926.49</b>                | <b>1,47,557.49</b>                |
| <b>Current assets</b>  |       |                                   |                                   |
| Inventories  | 3.7   | 48,094.92                         | 33,503.70                         |
| <b>Financial assets</b>  |       |                                   |                                   |
| Trade and other receivables  | 3.8   | 5,668.00                          | 3,673.50                          |
| Cash and cash equivalents  | 3.9   | 1,306.69                          | 803.43                            |
| Bank balances other than cash & cash equivalents                                       | 3.10  | 1,022.51                          | 955.89                            |
| Loans  | 3.11  | -                                 | 22.24                             |
| Other financial assets   | 3.12  | 492.37                            | 3,508.22                          |
| Other current assets   | 3.13  | 5,325.48                          | 919.66                            |
| <b>Total current assets</b>  |       | <b>61,909.97</b>                  | <b>43,386.64</b>                  |
| <b>Total assets</b>  |       | <b>2,06,836.46</b>                | <b>1,90,944.13</b>                |
| <b>EQUITY AND LIABILITIES</b>  |       |                                   |                                   |
| <b>Equity</b>  |       |                                   |                                   |
| Equity share capital   | 3.14  | 4,127.90                          | 3,927.90                          |
| Other equity   | 3.15  | (2,942.64)                        | 4,209.34                          |
| <b>Total equity</b>  |       | <b>1,185.26</b>                   | <b>8,137.24</b>                   |
| <b>LIABILITIES</b>   |       |                                   |                                   |
| <b>Non current liabilities</b>   |       |                                   |                                   |
| <b>Financial liabilities</b>   |       |                                   |                                   |
| Borrowings   | 3.16  | 525.22                            | 32,319.44                         |
| Other financial liabilities  | 3.17  | 75.08                             | 101.64                            |
| Provisions   | 3.18  | 415.89                            | 346.54                            |
| <b>Total non-current liabilities</b>   |       | <b>1,016.19</b>                   | <b>32,767.62</b>                  |
| <b>Current liabilities</b>   |       |                                   |                                   |
| <b>Financial liabilities</b>   |       |                                   |                                   |
| Borrowings   | 3.19  | 137.95                            | 47,067.75                         |
| <b>Trade and other payables</b>  |       |                                   |                                   |
| Total outstanding dues of micro enterprises and small enterprises                      | 3.20  | 57.64                             | 23.21                             |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 3.20  | 79,220.38                         | 56,344.75                         |
| Other financial liabilities  | 3.21  | 1,24,053.39                       | 45,179.50                         |
| Provisions   | 3.22  | 89.73                             | 94.39                             |
| Other Current liabilities  | 3.23  | 1,075.92                          | 1,329.67                          |
| <b>Total current liabilities</b>   |       | <b>2,04,635.01</b>                | <b>1,50,039.27</b>                |
| <b>Total equity and liabilities</b>  |       | <b>2,06,836.46</b>                | <b>1,90,944.13</b>                |
| <b>See accompanying notes forming part of the financial statements</b>                 |       | 1 to 29                           |                                   |

**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  
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

Sanjay Kulshrestha  
GM- Finance & Accounts  
FCA - 93900

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Noida  
Date : May 30, 2019

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**STATEMENT OF STANDALONE PROFIT AND LOSS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

|  | Notes   | Year ended<br>March 31, 2019<br>₹ lacs | Year ended<br>March 31, 2018<br>₹ lacs |
|--|---------|--|--|
| <b>Revenue from operations</b>   |         |  |  |
| Revenue from operations  | 3.24    | 1,11,109.11                            | 90,467.67                              |
| Other Income   | 3.25    | 1,585.35                               | 2,491.28                               |
| <b>Total income</b>  |         | <b>1,12,694.46</b>                     | <b>92,958.95</b>                       |
| <b>Expenses</b>  |         |  |  |
| Cost of materials consumed   | 3.26    | 87,477.74                              | 81,733.42                              |
| Purchases of stock-in-trade  |         | 2,154.49                               | 264.73                                 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade      | 3.27    | (14,631.19)                            | 1,771.13                               |
| Excise Duty on sale of goods   | 3.28    | 15,896.54                              | 1,719.80                               |
| Employee benefits expense  | 3.29    | 5,400.48                               | 4,986.03                               |
| Finance costs  | 3.30    | 3,353.83                               | 4,606.28                               |
| Depreciation and amortization expense  | 3.31    | 3,670.22                               | 4,628.38                               |
| Other expenses   | 3.32    | 14,102.27                              | 10,407.55                              |
| <b>Total expenses</b>  |         | <b>1,17,424.38</b>                     | <b>1,10,117.32</b>                     |
| <b>Profit/(loss) before exceptional items and tax</b>                              |         | <b>(4,729.92)</b>                      | <b>(17,158.37)</b>                     |
| Exceptional items  | 3.33    | 184.59                                 | 970.79                                 |
| <b>Profit/(loss) before tax</b>  |         | <b>(4,914.51)</b>                      | <b>(18,129.16)</b>                     |
| Tax expense:   |         |  |  |
| - Current Tax  |         | -                                      | -                                      |
| <b>Profit after Tax</b>  |         | <b>(4,914.51)</b>                      | <b>(18,129.16)</b>                     |
| <b>Other Comprehensive Income</b>  |         |  |  |
| A. (i) Items that will not be re-classified to profit or loss                      |         | (2,261.27)                             | 20.67                                  |
| (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>(2,261.27)</b>                      | <b>20.67</b>                           |
| <b>Total Comprehensive Income</b>  |         | <b>(7,175.78)</b>                      | <b>(18,108.49)</b>                     |
| <b>Earnings per equity share-basic/diluted (₹)</b>                                 |         |  |  |
| - Before exceptional items   |         | (12.04)                                | (45.76)                                |
| - After exceptional items  |         | (12.51)                                | (48.35)                                |
| <b>See accompanying notes forming part of the financial statements</b>             | 1 to 29 |  |  |

**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  
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

Sanjay Kulshrestha  
GM- Finance & Accounts  
FCA - 93900

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Noida  
Date : May 30, 2019

**SIMBHAOLI SUGARS LIMITED**  
**(Formerly known as 'Simbhaoli Spirits Limited')**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

| Particular   | Year ended<br>March 31, 2019<br>₹ lacs | Year ended<br>March 31, 2018<br>₹ lacs |
|--|--|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>                                  |  |  |
| Net profit/(loss) before tax and exceptional items                               | (4,729.92)                             | (17,158.37)                            |
| <b>Adjustments for:</b>  |  |  |
| Depreciation and amortization  | 3,670.22                               | 4,628.38                               |
| Finance costs  | 3,353.83                               | 4,606.28                               |
| Interest income on financial assets  | (1,167.11)                             | (1,363.25)                             |
| Rental income  | (59.06)                                | (51.04)                                |
| Liability/provisions no longer required written back                             | (44.14)                                | (637.23)                               |
| Bad Debts and advances written off   | 60.29                                  | 59.02                                  |
| Loss/ (profit) from sale of property, plant and equipment (net)                  | 0.03                                   | 4.00                                   |
| Management Fees Written off  | -                                      | 985.82                                 |
| Provision for doubtful debts and advances  | 58.11                                  | 215.20                                 |
| Mollasses Storage Fund   | 11.23                                  | 4.62                                   |
| <b>Operating profit/(loss) before working capital changes</b>                    | <b>1,153.48</b>                        | <b>(8,706.57)</b>                      |
| Adjustments for (increase)/decrease in operating assets:                         |  |  |
| Changes in trade and other receivables   | (2,235.31)                             | 59.65                                  |
| Changes in other non current and current financial asset                         | (104.60)                               | 354.12                                 |
| Changes in other non current and other current assets                            | (4,131.24)                             | 969.86                                 |
| Changes in inventories   | (14,591.22)                            | 6,231.89                               |
| Changes in trade and other payables  | 23,015.22                              | (1,093.99)                             |
| Changes in other non-current and other current financial liabilities             | (737.79)                               | 404.96                                 |
| Changes in other non-current and other current liabilities                       | (253.75)                               | (2,190.78)                             |
| Changes in long term and short term provision                                    | 64.69                                  | 168.75                                 |
| <b>Cash (used)/generated from operations</b>                                     | <b>2,179.48</b>                        | <b>(3,802.11)</b>                      |
| Direct taxes (paid)/refund   | (165.05)                               | 116.66                                 |
| <b>Net cash (used) / from operating activities</b>                               | <b>2,014.43</b>                        | <b>(3,685.45)</b>                      |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>                                  |  |  |
| Additions to property, plant & equipment and intangible assets                   | (487.08)                               | (1,572.24)                             |
| Sale of property, plant & equipment and intangible assets                        | 1.77                                   | 30.66                                  |
| Proceeds from maturity of national savings certificate                           | 0.50                                   | -                                      |
| Purchase of national savings certificate   | -                                      | (1.00)                                 |
| Interest received on debentures/ fixed deposits/inter corporate deposits         | 1,223.18                               | 913.94                                 |
| Rental income  | 59.06                                  | 239.48                                 |
| Loan given to related party  | -                                      | (22.24)                                |
| Changes in fixed deposit placed with Banks                                       | (54.99)                                | 6,325.06                               |
| <b>Net cash (used) / from investing activities</b>                               | <b>742.44</b>                          | <b>5,913.66</b>                        |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>                                  |  |  |
| Proceeds from share warrants/ Share Capital                                      | 212.53                                 | 313.65                                 |
| Interest expenses  | (675.20)                               | (2,220.79)                             |
| Repayment of long term borrowings  | (828.26)                               | (378.65)                               |
| Proceeds/(repayment) of short term borrowings( net)                              | (962.69)                               | (302.99)                               |
| <b>Net cash (used) / from financing activities</b>                               | <b>(2,253.62)</b>                      | <b>(2,588.78)</b>                      |
| <b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>           | <b>503.25</b>                          | <b>(360.57)</b>                        |
| <b>E. Cash and cash equivalents (opening balance)</b>                            | <b>803.43</b>                          | <b>1,164.00</b>                        |
| <b>F. Cash and cash equivalents (closing balance) (Refer Note No. 3.9) (D+E)</b> |  |  |
| Cash and bank balances (D+E)   | <b>1,306.69</b>                        | <b>803.43</b>                          |

**Notes:**

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- 2) Interest expense is inclusive of, and additions to property, plant and equipment and intangible assets are exclusive of, interest capitalized is ₹ Nil (previous year ₹ Nil).
- 3) Additions to fixed assets include movement of Capital work-in-progress during the year.
- 4) Cash and cash equivalents do not include any amount which is not available to the Company for its use.
- 5) **Cash and cash equivalents as at the Balance Sheet date consists of:**

| Particular  | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|---|-----------------------------------|-----------------------------------|
| (a) Balance with Banks on current accounts                    | 1,297.82                          | 797.67                            |
| (b) Cash in hand  | 8.87                              | 5.76                              |
| <b>Closing Cash and Cash Equivalents (Refer Note No. 3.9)</b> | <b>1,306.69</b>                   | <b>803.43</b>                     |

- 6) Proceed/(repayment) of/from Short-term borrowings qualify for disclosure on net basis.
- 7) Figure in brackets represent cash outflow for respective activities.
- 8) As breakup of cash and cash equivalents is also available in Note no 3.9, reconciliation of items of cash and cash equivalents as per Cash Flow Statement with the respective items reported in the Balance Sheet is not required and hence not provided.

**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 : Noida  
Date : May 30, 2019

Gurmit Singh Mann  
Chairman  
DIN - 00066653

Dayal Chand Popli  
Chief Financial Officer  
FCMA - 12257

Gursimran Kaur Mann  
Director  
DIN - 00642094

Sanjay Kulshrestha  
GM- Finance & Accounts  
FCA - 93900

Sachchida Nand Misra  
Chief Operating Officer  
DIN -06714324

Kamal Samtani  
Company Secretary  
FCS - 5140

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**STATEMENT OF STANDALONE CHANGES IN EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**EQUITY SHARE CAPITAL**

(₹ lacs)

| For the year ended March 31, 2018 |   |                      | For the year ended March 31, 2019 |   |                      |
|-----------------------------------|---|----------------------|-----------------------------------|---|----------------------|
| Balance as at April 01, 2017      | Changes in Equity share capital during the year | As at March 31, 2018 | Balance as at April 01, 2018      | Changes in Equity share capital during the year | As at March 31, 2019 |
| 3,747.90                          | 180.00  | 3,927.90             | 3,927.90                          | 200.00  | 4,127.90             |

**OTHER EQUITY**

(₹ lacs)

| Particulars  | Reserve and Surplus        |               |                                   |                    | Other Comprehensive Income                            |  | Total other equity |
|--|----------------------------|---------------|-----------------------------------|--------------------|---|--|--------------------|
|  | Securities premium account | Share warrant | Storage fund for molasses account | Retained Earning   | Equity instruments through other comprehensive income | Actuarial gain/(loss) on employee benefit plan |                    |
| <b>As at April 01, 2017</b>  | <b>45,461.99</b>           | -             | <b>8.33</b>                       | <b>(21,796.49)</b> | <b>(2,284.19)</b>                                     | -  | <b>21,389.65</b>   |
| Profit/(loss) for the year   | -                          | -             | -                                 | (18,129.16)        | -   | -  | (18,129.16)        |
| Transfer to storage fund for molasses                                    | -                          | -             | 4.62                              | -                  | -   | -  | 4.62               |
| Other comprehensive income   | -                          | -             | -                                 | -                  | (75.00)   | 95.67  | 20.67              |
| Add: Money received against share warrant                                | -                          | 1,103.57      | -                                 | -                  | -   | -  | 1,103.57           |
| Less: Money utilised for conversion of share warrants into equity shares | -                          | (577.80)      | -                                 | -                  | -   | -  | (577.80)           |
| Premium on issue of equity share capital                                 | 397.80                     | -             | -                                 | -                  | -   | -  | 397.80             |
| Transferred from/to other comprehensive income/retained earning          | -                          | -             | -                                 | 95.67              | -   | (95.67)  | -                  |
| <b>As at March 31, 2018</b>  | <b>45,859.79</b>           | <b>525.77</b> | <b>12.95</b>                      | <b>(39,829.98)</b> | <b>(2,359.19)</b>                                     | -  | <b>4,209.34</b>    |
| Profit/(loss) for the year   | -                          | -             | -                                 | (4,914.51)         | -   | -  | (4,914.51)         |
| Transfer to storage fund for molasses                                    | -                          | -             | 11.23                             | -                  | -   | -  | 11.23              |
| Other comprehensive income   | -                          | -             | -                                 | -                  | (2,322.47)  | 61.20  | (2,261.27)         |
| Add: Money received against share warrant                                | -                          | 212.53        | -                                 | -                  | -   | -  | 212.53             |
| Less: Money utilised for conversion of share warrants into equity shares | -                          | (642.00)      | -                                 | -                  | -   | -  | (642.00)           |
| Premium on issue of equity share capital                                 | 442.00                     | -             | -                                 | -                  | -   | -  | 442.00             |
| Transferred from/to other comprehensive income/retained earning          | -                          | -             | -                                 | 61.20              | -   | (61.20)  | -                  |
| <b>As at March 31, 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>  |

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  
Director  
DIN - 00642094

Sachchida Nand Misra  
Chief Operating Officer  
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FCA - 93900

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Noida  
Date : May 30, 2019

## 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 now 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 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 separate subsidiaries, the details are given below:

| S. No. | Name of subsidiary/ Joint Venture               | Business                   | Country of Incorporation | % voting power held as at March 31, 2019 | % voting power held as at March 31, 2018 |
|--------|---|----------------------------|--------------------------|--|--|
| 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.     | Uniwold Sugars Private Limited                  | Raw sugar refinery         | India                    | 20.71                                    | 43.74                                    |
| 5.     | Simbhaoli Speciality Sugars Pvt. Ltd.           | Packaging                  | India                    | 100.00                                   | 100.00                                   |

### 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.

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 the accounting policy hitherto in use.

#### ii) Recent Accounting Pronouncements

**Ind AS 116 Leases:** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind

AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The effect of this amendment on the financial statements of the Company is being evaluated.

#### Ind AS 12 Appendix C, Uncertainty over Income Tax

**Treatments:** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The effect of this amendment on the financial statements of the Company is being evaluated.

**Amendment to Ind AS 12 – Income taxes:** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

#### Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

#### **Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The company does not expect this amendment to have any impact on its financial statements.

#### **Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

#### **Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not expect any impact from this amendment.

#### **Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

#### **iii) Basis of preparation**

The financial statements have been prepared on the historical cost convention on accrual 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 require. 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 functional currency. All amounts have been rounded off to nearest in 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 their realization in cash and cash equivalents.

### **2.2 Significant Accounting Policies**

#### **i) Revenue recognition**

The Group derives revenue primarily from sale of sugar, power, chemicals and other by-products produced from processing of sugar cane and from service contracts.

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to the contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

The company identifies each performance obligation at contract inception to determine whether it satisfies the performance obligation over time or at a point of time. Accordingly:

- In respect of fixed price maintenance and support services contracts where the Company 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 over time by measuring the progress toward complete satisfaction of performance obligation at the reporting date.

The Company 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 Company 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 Company 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.

Company's contract with customers does not contain any significant financing component or non-cash consideration or right to return with customers.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer within a period of one year.

### **Contract balances**

#### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company 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 Company'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 Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company 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 Company performs under the contract. Contract liabilities are shown as "Advance from Customers".

#### **Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion 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.

#### **ii) 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 condition.

Government grants relating to expenses are deferred and recognized in profit & loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Governments Grants relating to the purchase of property, plant & equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

#### **iii) Expenses & Other income**

All expenses and other incomes are accounted for on accrual basis.

#### **iv) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

##### **(a) As a lessee**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Lease Rental payables under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases,

such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

**(b) As a lessor**

Where the Company as a lessor has leased assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Lease rental income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

**v) Borrowings**

Long term borrowings 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 borrowings using the effective interest method.

**vi) 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.

**vii) 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.

**A. 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 a net basis or simultaneously.

**B. 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.

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.

**viii) 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 in 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.

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

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 do 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 12 months for the purpose of current and non-current classification of assets and liabilities.

**ix) Property, Plant & Equipment & Capital work in Progress**

**A. 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 during 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 material, 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 equipment and servicing equipment 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.

The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for a provision 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 loss 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 the 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.

**B. 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.

**x) Intangible Assets**

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.

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 use or disposal. 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.

**xi) Depreciation & 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 Fixed Assets except Vehicles | - | Straight line method      |
| - Vehicles                                     | - | Written down value method |

Except in case of fixed assets 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.

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.

## xii) Financial Instruments

### A. Financial Asset

#### 1) Classification

The company classified 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.

#### 2) Initial Recognition and Measurement

All financial assets, except trade receivables are recognised initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss plus transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price.

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

#### 3) Subsequent Measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- At amortised cost,
- At fair value through other comprehensive income (FVTOCI), and
- At fair value through profit or loss (FVTPL).

#### i) 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, 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, 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 and premium and fee or costs that are an integral part of an EIR.

## ii) Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiaries carried at deemed cost. 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 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.

#### 4) 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

#### 5) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with the assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

For trade receivables, the company applies the simplified approach permitted by Ind AS 109 "Financial Instruments" which requires expected life time losses to be recognised from initial recognition of receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date

these historical default rates are reviewed and changes in the forward looking estimates are analysed

## **B. Financial liabilities**

### **1) Classification**

The company classifies all financial liabilities as subsequently measured at amortized cost.

### **2) Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loan and borrowings and payables net of directly attributable transaction cost.

### **3) Loan and borrowings**

Financial Liabilities are carried at amortised cost using effective interest method or FVTPL.

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.

Amortized cost is calculated by taking into account any discount or premium on acquisition and transaction cost. Their amortization is included as finance cost in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximate fair value due to the short maturity of these instruments.

### **4) De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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.

## **C. 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.

### **xiii) Derivative Financial Instruments and Hedge Accounting**

A Company uses various derivative financial instruments to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item

affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

#### **A. Cash Flow Hedge:**

A Company designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognized asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

#### **B. Fair Value Hedge:**

A Company designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

#### **xiv) Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### xv) Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. The basis 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)   |
| By products                   | - | At Net realizable value   |

#### xvi) Employee Benefits

##### A. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, 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.

##### B. 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 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 has no other obligations beyond its quarterly contributions.

##### C. 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 in OCI. 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 profit or loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

##### D. Other long-term employee benefits

The Company 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 profit or loss in the period in which they arise.

#### **E. Voluntary Retirement Scheme**

Expenditure on voluntary retirement scheme is charge to the Statement of Profit and Loss in the year in which it is incurred.

#### **xvii) Provisions and Contingencies**

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.

#### **xviii) 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.

#### **xix) Foreign currency transactions and translations**

##### **A. Functional and presentation currency**

Standalone financial statements have been presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

##### **B. Transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency spot rate prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities related to foreign currency transactions remaining 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.

Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction.

**Effective April 1, 2018, the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.**

#### **xx) Impairment of 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. Impairment is charged to the profit and loss account 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.

**xxi) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which are subject to an insignificant risk of changes in value.

**xxii) Non-current assets (or disposal group) held for sale and discontinued operations:**

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

**xxiii) 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 differing 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".

**xxiv) 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.

**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 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 recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving critical judgement are as follows:

**i) 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 statement is 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.

**ii) 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 where possible, but if this is not feasible, a review of judgment is required to establish fair values. Changes in assumption relating to these assumptions could affect the fair value of financial instrument.

**iii) 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 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

**iv) Recoverability of trade receivables:**

The Company 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 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.

**v) 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 judgement to existing facts and circumstances, which can be subject to change.

**vi) 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 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.

**vii) 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.

**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, 2017</b> | 85,108.31#       | 13,716.57        | 0.50           | 47,112.01         | 223.54               | 181.62        | 727.61           | 1,47,070.16        | 1,414.38                 |
| Additions during the year                         | -                | 17.06            | -              | 2,007.36          | 1.71                 | 0.90          | 9.49             | 2,036.52           | 495.84                   |
| Disposals/Transfer during the year                | -                | -                | -              | 49.19             | 0.73                 | -             | 4.99             | 54.90              | 1,707.60                 |
| <b>Gross carrying amount as at March 31, 2018</b> | <b>85,108.31</b> | <b>13,733.63</b> | <b>0.50</b>    | <b>49,070.18</b>  | <b>224.52</b>        | <b>182.52</b> | <b>732.12</b>    | <b>1,49,051.78</b> | <b>202.62</b>            |
| <b>Depreciation</b>                               |                  |                  |                |                   |                      |               |                  |                    |                          |
| Accumulated depreciation as at April 01, 2017     | -                | 2,297.36         | 0.20           | 9,016.47          | 94.14                | 125.51        | 338.42           | 11,872.10          | -                        |
| Depreciation for the year                         | -                | 797.35           | 0.10           | 3,690.39          | 40.86                | 23.90         | 72.85            | 4,625.46           | -                        |
| Disposals/Transfer during the year                | -                | -                | -              | 13.81             | 0.54                 | -             | 4.74             | 19.09              | -                        |
| Accumulated depreciation as at March 31, 2018     | -                | 3,094.71         | 0.30           | 12,693.05         | 134.46               | 149.41        | 406.54           | 16,478.47          | -                        |
| <b>Net carrying amount as at March 31, 2018</b>   | <b>85,108.31</b> | <b>10,638.92</b> | <b>0.20</b>    | <b>36,377.13</b>  | <b>90.06</b>         | <b>33.11</b>  | <b>325.58</b>    | <b>1,32,573.31</b> | <b>202.62</b>            |
| <b>Gross block</b>                                |                  |                  |                |                   |                      |               |                  |                    |                          |
| <b>Gross carrying amount</b>                      |                  |                  |                |                   |                      |               |                  |                    |                          |
| <b>Gross carrying amount as at April 01, 2018</b> | 85,108.31        | 13,733.63        | 0.50           | 49,070.18         | 224.52               | 182.52        | 732.12           | 1,49,051.78        | 202.62                   |
| Additions during the year                         | -                | 79.99            | -              | 391.37            | 3.75                 | 12.02         | 31.05            | 518.18             | 241.66                   |
| Disposals/Transfer during the year                | -                | -                | -              | 0.90              | -                    | 6.23          | 3.36             | 10.49              | 308.40                   |
| <b>Gross carrying amount as at March 31, 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>1,49,559.47</b> | <b>135.88</b>            |
| <b>Depreciation</b>                               |                  |                  |                |                   |                      |               |                  |                    |                          |
| Accumulated depreciation as at April 01, 2018     | -                | 3,094.71         | 0.30           | 12,693.05         | 134.46               | 149.41        | 406.54           | 16,478.47          | -                        |
| Depreciation for the year                         | -                | 798.39           | 0.10           | 2,721.29          | 32.12                | 13.20         | 102.97           | 3,668.07           | -                        |
| Disposals/Transfer during the year                | -                | -                | -              | 0.90              | -                    | 6.19          | 3.22             | 10.31              | -                        |
| Accumulated depreciation as at March 31, 2019     | -                | 3,893.10         | 0.40           | 15,413.44         | 166.58               | 156.42        | 506.29           | 20,136.23          | -                        |
| <b>Net carrying amount as at March 31, 2019</b>   | <b>85,108.31</b> | <b>9,920.52</b>  | <b>0.10</b>    | <b>34,047.21</b>  | <b>61.69</b>         | <b>31.89</b>  | <b>253.52</b>    | <b>1,29,423.27</b> | <b>135.88</b>            |

**Notes:**

- The company has availed loans from banks and other entities against securities of aforesaid assets. The details of charge created, security terms against borrowing are stated at Note No. 10
  - Refer note no. 6(v) for information on contractual commitments for acquisition of property, plant and equipment.
- # Includes ₹ 8.62 lacs (previous year ₹ 8.62 lacs) pertaining to land situated at Brijnathpur pending registration in favour of the Company

## 3.2 INTANGIBLE ASSETS

₹ lacs

| Particulars  | Software              |                       |
|--|-----------------------|-----------------------|
| <b>Gross Block</b>                                   |                       |                       |
| <b>Gross carrying amount as at April 01, 2017</b>    | 33.73                 |                       |
| Additions during the year                            | 2.82                  |                       |
| Disposals/Transfer during the year                   | 10.43                 |                       |
| <b>Gross carrying amount as at March 31, 2018</b>    | <b>26.11</b>          |                       |
| <b>Amortisation</b>                                  |                       |                       |
| <b>Accumulated amortisation as at April 01, 2017</b> | 18.90                 |                       |
| Amortisation for the year                            | 2.91                  |                       |
| Disposals/Transfer during the year                   | 9.91                  |                       |
| <b>Accumulated amortisation as at March 31, 2018</b> | <b>11.90</b>          |                       |
| <b>Net carrying amount as at March 31, 2018</b>      | <b>14.21</b>          |                       |
| <b>Gross block</b>                                   |                       |                       |
| <b>Gross carrying amount as at April 01, 2018</b>    | 26.11                 |                       |
| Additions during the year                            | 1.04                  |                       |
| Disposals/Transfer during the year                   | -                     |                       |
| <b>Gross carrying amount as at March 31, 2019</b>    | <b>27.14</b>          |                       |
| <b>Amortisation</b>                                  |                       |                       |
| <b>Accumulated amortisation as at April 01, 2018</b> | 11.90                 |                       |
| Amortisation for the year                            | 2.16                  |                       |
| Disposals/Transfer during the year                   | -                     |                       |
| <b>Accumulated amortisation as at March 31, 2019</b> | <b>14.06</b>          |                       |
| <b>Net carrying amount as at March 31, 2019</b>      | <b>13.08</b>          |                       |
| <b>NON CURRENT ASSETS / FINANCIAL ASSETS</b>         |                       |                       |
|  | <b>As at</b>          | <b>As at</b>          |
|  | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
|  | <b>₹ lacs</b>         | <b>₹ lacs</b>         |

## 3.3 INVESTMENTS

**Investment in Government securities (at cost)**

Unquoted

6-Years Post Office National Savings Certificate  
(Deposited with government authorities)

2.11

2.61

**Investment in Equity instruments****- Subsidiaries (at deemed cost) #**

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 ##

-

39.94

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

**- Associate (at fair value through other comprehensive income)#**

Unquoted

1,68,07,062 (Previous year 1,68,07,062) equity shares of ₹ 10 each  
fully paid up of Uniworld Sugars Private Limited [Refer Footnote (a) (b)]

-

2,322.29

**- Others (at deemed cost)**One share of ₹ 20 fully paid up in Simbhaoli Co-operative  
Cane Development Union Limited (\*₹ 20)

\*

\*

|  | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|--|-----------------------------------|-----------------------------------|
| <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 | 5,108.99                          | 5,141.84                          |
| <b>Other Investment</b>  |                                   |                                   |
| <b>- Subsidiary (at cost)</b>  |                                   |                                   |
| Business transfer agreement consideration receivable   | 45.00                             | 45.00                             |
|  | <b>11,223.42</b>                  | <b>13,619.00</b>                  |
| <b>Aggregate amount of</b>   |                                   |                                   |
| - Quoted investment  | -                                 | -                                 |
| [Market value ₹ Nil (Previous year ₹ Nil)]   |                                   |                                   |
| - Unquoted investment  | 11,223.42                         | 13,619.00                         |
| - Unquoted investment - Impairment in the value of investments   | 39.94                             | -                                 |
| <b>Summary:</b>  |                                   |                                   |
| - Aggregate investments carried at deemed cost   | 6,114.43                          | 6,154.87                          |
| - Aggregate investments carried at amortised cost  | 5,108.99                          | 5,141.84                          |
| - Aggregate investments carried at fair value through other comprehensive income   | -                                 | 2,322.29                          |
| <b>Total carrying amount of pledged investments</b>  | <b>1,913.93</b>                   | <b>4,236.22</b>                   |

# 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.

(a) Due to continuous losses, Uniworld Sugars Private Limited (USPL), a associate of the Company, discontinued its operations during the F.Y. 2017-18. On the application of one of the vendors of the USPL, Corporate Insolvency Resolution Process (CIRP) has been initiated against USPL by the Hon'ble National Company Law Tribunal, Allahabad Bench and liquidation order has been passed against USPL. The Company had pledged as on March 31, 2019: 2,90,11,770 (Previous year 2,90,11,770) equity shares of USPL with the USPL term lenders as a security for USPL term loans. In F.Y. 2017-18 out of total 2,90,11,770 equity shares pledged, one of the lender of USPL had invoked pledge in respect of 1,12,04,708 equity shares and transferred to its own account.

(b) Out of total summary of equity shares of USPL as mentioned here above, 10,00,000 (Previous year 10,00,000) equity shares had been agreed to be transferred in favor of the Company by the Board of Directors of USPL in its meeting held on March 28, 2013, but due to shares being pledged with IDBI, the effect has not been taken into the records of the depository participant of the Company.

# Refer Note No. 1- for extent of holding / voting power

## Net of Impairment

### 3.4 OTHER FINANCIAL ASSETS (carried at amortised cost)

|   | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|---|-----------------------------------|-----------------------------------|
| (Unsecured and considered good unless otherwise stated) |                                   |                                   |
| Fixed deposits with banks (Earmarked)                   | 127.19                            | 138.82                            |
| (Bank deposits with more than 12 months maturity)       |                                   |                                   |
| Interest accrued on fixed deposits                      | 19.03                             | 3.36                              |
| Interest accrued on debentures #                        | 3,046.10                          | -                                 |
| Security deposits                                       | 64.17                             | 55.26                             |
|   | <b>3,256.49</b>                   | <b>197.44</b>                     |

# includes

| Name of Subsidiaries            | Amount outstanding as at |                | Maximum amount outstanding during |                |
|---------------------------------|--------------------------|----------------|-----------------------------------|----------------|
|                                 | March 31, 2019           | March 31, 2018 | March 31, 2019                    | March 31, 2018 |
| Simbhaoli Power Private Limited | 3,046.10                 | -              | 3,334.10                          | -              |

|  | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |  |                       |
|--|-----------------------------------|-----------------------------------|--|-----------------------|
| <b>3.5 NON CURRENT TAX ASSETS</b>                                      |                                   |                                   |  |                       |
| (Unsecured and considered good unless otherwise stated)                |                                   |                                   |  |                       |
| Advance tax  | 543.70                            | 378.65                            |  |                       |
| Less: Provision for tax  | -                                 | -                                 |  |                       |
|  | <b>543.70</b>                     | <b>378.65</b>                     |  |                       |
| <b>3.6 OTHER NON-CURRENT ASSETS</b>                                    |                                   |                                   |  |                       |
| (Unsecured and considered good unless otherwise stated)                |                                   |                                   |  |                       |
| Capital advances   | 32.97                             | -                                 |  |                       |
| Security deposit   | 17.78                             | 17.25                             |  |                       |
| Other advances *   | 279.90                            | 555.01                            |  |                       |
|  | <b>330.65</b>                     | <b>572.26</b>                     |  |                       |
| * Includes amount deposited with Government authorities under protest. |                                   |                                   |  |                       |
| <b>CURRENT ASSETS</b>  |                                   |                                   |  |                       |
| <b>3.7 INVENTORIES</b>   |                                   |                                   |  |                       |
| (at lower of cost and net realisable value)                            |                                   |                                   |  |                       |
| Raw materials  | 175.25                            | 342.22                            |  |                       |
| Work-in-progress   | 1,405.57                          | 897.36                            |  |                       |
| Finished goods   | 44,859.44                         | 30,804.78                         |  |                       |
| Stores and spares  | 1,646.49                          | 1,451.94                          |  |                       |
| Loose Tools  | 8.17                              | 7.40                              |  |                       |
|  | <b>48,094.92</b>                  | <b>33,503.70</b>                  |  |                       |
| Note.  |                                   |                                   |  |                       |
| includes Goods in Transit  | 78.58                             | -                                 |  |                       |
| Carrying amount of inventories pledged as security for borrowing       | 48,094.92                         | 33,503.70                         |  |                       |
| Amount of write down of inventories recognized as expenses             | 1,727.99                          | 6,471.96                          |  |                       |
| <b>FINANCIAL ASSETS</b>  |                                   |                                   |  |                       |
| <b>3.8 TRADE AND OTHER RECEIVABLES (carried at amortised cost)</b>     |                                   |                                   |  |                       |
| Trade receivables Secured, considered good                             | -                                 | -                                 |  |                       |
| Trade receivables Unsecured, considered good*                          | 5,668.00                          | 3,673.50                          |  |                       |
| Trade receivables Significant Increase in Credit Risk                  | -                                 | -                                 |  |                       |
| Trade receivables -Credit Impaired #                                   | 315.43                            | 140.76                            |  |                       |
| <b>Sub-total</b>   | <b>5,983.43</b>                   | <b>3,814.26</b>                   |  |                       |
| Less: allowance for credit loss!                                       | 315.43                            | 140.76                            |  |                       |
|  | <b>5,668.00</b>                   | <b>3,673.50</b>                   |  |                       |
| * includes:  |                                   |                                   |  |                       |
|  | <b>Amount outstanding as at</b>   |                                   | <b>Maximum amount outstanding during</b> |                       |
|  | <b>March 31, 2019</b>             | <b>March 31, 2018</b>             | <b>March 31, 2019</b>                    | <b>March 31, 2018</b> |
| <b>Name of Subsidiaries</b>  |                                   |                                   |  |                       |
| #Simbhaoli Global Commodities DMCC                                     | 122.41                            | 114.41                            | 122.41                                   | 114.41                |
| #Simbhaoli Power Private Limited                                       | 860.56                            | 847.00                            | 860.56                                   | 892.04                |
| !Allowance for Credit loss - Simbhaoli<br>Global Commodities DMCC      | 122.41                            | -                                 | 122.41                                   | -                     |
| <b>3.9 CASH AND CASH EQUIVALENTS</b>                                   |                                   |                                   |  |                       |
|  | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |  |                       |
| <b>Balances with banks:</b>  |                                   |                                   |  |                       |
| - on current account   | 1,297.82                          | 797.67                            |  |                       |
| Cash on hand   | 8.87                              | 5.76                              |  |                       |
|  | <b>1,306.69</b>                   | <b>803.43</b>                     |  |                       |

|   | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|---|-----------------------------------|-----------------------------------|
| <b>3.10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>  |                                   |                                   |
| Balances with bank (Earmarked )   | -                                 | 4.79                              |
| Fixed deposit with bank (Earmarked)<br>(Bank deposits with more than 3 months and less than 12 months maturity) | 791.25                            | 578.62                            |
| Fixed deposit with bank (Earmarked)<br>(Bank deposits with less than 3 months maturity)                         | 231.26                            | 372.48                            |
|   | <b>1,022.51</b>                   | <b>955.89</b>                     |
| <b>3.11 LOANS (carried at amortised cost)</b>   |                                   |                                   |
| Receivables Secured, considered good  | -                                 | -                                 |
| Receivables Unsecured, considered good  | -                                 | 22.24                             |
| Receivables Significant Increase in Credit Risk   | -                                 | -                                 |
| Receivables -Credit Impaired *  | 22.24                             | -                                 |
| Sub-total   | <b>22.24</b>                      | <b>22.24</b>                      |
| Allowance for credit loss   | 22.24                             | -                                 |
|   | -                                 | <b>22.24</b>                      |

\* includes

| Name of Subsidiaries   | Amount outstanding as at |                | Maximum amount outstanding during |                |
|--|--------------------------|----------------|-----------------------------------|----------------|
|  | March 31, 2019           | March 31, 2018 | March 31, 2019                    | March 31, 2018 |
| Simbhaoli Global Commodities DMCC                                | 22.24                    | 22.24          | 22.24                             | 22.24          |
| Allowance for credit loss - Simbhaoli<br>Global Commodities DMCC | 22.24                    | -              | 22.24                             | -              |

Note: Inter corporate deposits are receivables on demand. The purpose of utilisation of loan by the loanee company is for general corporate purpose.

|  | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|--|-----------------------------------|-----------------------------------|
| <b>3.12 OTHER FINANCIAL ASSETS (carried at amortised cost)</b> |                                   |                                   |
| (Unsecured and considered good unless otherwise stated)        |                                   |                                   |
| Interest accrued on fixed deposits                             | 26.57                             | 92.01                             |
| Interest accrued on debentures #                               | -                                 | 2,964.90                          |
| Security deposit   | 95.97                             | 82.11                             |
| Others #   | 369.83                            | 369.20                            |
|  | <b>492.37</b>                     | <b>3,508.22</b>                   |

# includes

| Name of Subsidiaries            | Amount outstanding as at |                | Maximum amount outstanding during |                |
|---------------------------------|--------------------------|----------------|-----------------------------------|----------------|
|                                 | March 31, 2019           | March 31, 2018 | March 31, 2019                    | March 31, 2018 |
| Simbhaoli Power Private Limited | 369.20                   | 3,334.10       | 3,334.10                          | 3,334.10       |
| <b>Name of the Associate</b>    |                          |                |                                   |                |
| Uniworld Sugars Private Limited | -                        | 0.10           | -                                 | 1,070.45       |

|  | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|--|-----------------------------------|-----------------------------------|
| <b>3.13 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  | 961.58                            | 342.54                            |
| Considered doubtful  | 13.76                             | 13.85                             |
|  | 975.34                            | 356.39                            |
| Less : Allowance for doubtful advances                             | 13.76                             | 13.85                             |
|  | 961.58                            | 342.54                            |
| Claims receivable  | 179.62                            | 76.06                             |
| Prepaid expenses   | 150.21                            | 135.92                            |
| Advance to employees   | 31.21                             | 40.37                             |
| Government Grants  | 3,700.72                          | -                                 |
| Balance with authorities   | 227.73                            | 269.75                            |
| Security deposits  |                                   |                                   |
| Considered good  | 74.41                             | 55.02                             |
| Considered doubtful  | 25.00                             | 27.50                             |
|  | 99.41                             | 82.52                             |
| Less : Allowance for doubtful security deposits                    | 25.00                             | 27.50                             |
|  | 74.41                             | 55.02                             |
|  | <b>5,325.48</b>                   | <b>919.66</b>                     |

### 3.14 EQUITY SHARE CAPITAL

|   | As at March 31, 2019 |                  | As at March 31, 2018 |                  |
|---|----------------------|------------------|----------------------|------------------|
|   | (No. of Shares)      | ₹ lacs           | (No. of Shares)      | ₹ lacs           |
| <b>Authorized</b>   |                      |                  |                      |                  |
| Equity shares of ₹ 10 each with voting rights               | 6,80,00,000          | 6,800.00         | 6,80,00,000          | 6,800.00         |
| Preference shares of ₹ 100 each                             | 40,00,000            | 4,000.00         | 40,00,000            | 4,000.00         |
|   | <b>7,20,00,000</b>   | <b>10,800.00</b> | <b>7,20,00,000</b>   | <b>10,800.00</b> |
| <b>Issued, subscribed and paid up</b>                       |                      |                  |                      |                  |
| Equity shares of ₹ 10 each with voting rights fully paid-up | 4,12,79,020          | 4,127.90         | 3,92,79,020          | 3,927.90         |
|   | <b>4,12,79,020</b>   | <b>4,127.90</b>  | <b>3,92,79,020</b>   | <b>3,927.90</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, 2019 |                | As at March 31, 2018 |                 |
|--|----------------------|----------------|----------------------|-----------------|
|  | (No. of Shares)      | ₹ lacs         | (No. of Shares)      | ₹ lacs          |
| Equity shares with voting rights (one per share) |                      |                |                      |                 |
| As at beginning of the year                      | 6,80,00,000          | 6800.00        | 6,80,00,000          | 6,800.00        |
| Add: Addition during the year                    | -                    | -              | -                    | -               |
| <b>As at end of the year</b>                     | <b>6,80,00,000</b>   | <b>6800.00</b> | <b>6,80,00,000</b>   | <b>6,800.00</b> |
| Preference shares                                |                      |                |                      |                 |
| As at beginning of the year                      | 40,00,000            | 4000.00        | 40,00,000            | 4,000.00        |
| Add: Addition during the year                    | -                    | -              | -                    | -               |
| <b>As at end of the year</b>                     | <b>40,00,000</b>     | <b>4000.00</b> | <b>40,00,000</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, 2019 |                 | As at March 31, 2018 |                 |
|---|----------------------|-----------------|----------------------|-----------------|
|   | (No. of Shares)      | ₹ lacs          | (No. of Shares)      | ₹ lacs          |
| Equity shares with voting rights (one per share)                            |                      |                 |                      |                 |
| As at beginning of the year   | 3,92,79,020          | 3,927.90        | 3,74,79,020          | 3,747.90        |
| "Add: Issue of shares against conversion of share warrants during the year" | 20,00,000            | 200.00          | 18,00,000            | 180.00          |
| <b>As at end of the year</b>  | <b>4,12,79,020</b>   | <b>4,127.90</b> | <b>3,92,79,020</b>   | <b>3,927.90</b> |

C) Shareholders holding more than 5% of the shares in the Company

| S.No. | Name of the Shareholders                   | As at March 31, 2019 |                    | As at March 31, 2018 |                    |
|-------|--|----------------------|--------------------|----------------------|--------------------|
|       |  | (No. of Shares)      | % of share holding | (No. of Shares)      | % of share holding |
| i)    | Dholadhar Investments Private Limited      | 74,62,114            | 18.08              | 74,62,114            | 19.00              |
| ii)   | Mr. Gurmit Singh Mann                      | 47,26,154            | 11.45              | 42,26,154            | 10.76              |
| iii)  | Ms. Gursimran Kaur Mann                    | 41,86,672            | 10.14              | 26,86,672            | 6.84               |
| iv)   | Mr. Gурpal Singh                           | 24,02,770            | 5.82               | 24,02,770            | 6.12               |
| v)    | Pearl Innovative Marketing Private Limited | 22,70,623            | 5.50               | 22,70,623            | 5.78               |
| vi)   | Pritam Singh Sandhu Associates Pvt. Ltd.   | 20,77,735            | 5.03               | 20,77,735            | 5.29               |

D) The Company has allotted 3,74,79,020 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 18,00,000 and 20,00,000 equity shares of ₹ 10/- each at a premium of ₹ 22.10 per share on March 29, 2018 and March 29, 2019 respectively to the specified promoters and directors on conversion of 38,00,000 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<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|--|-----------------------------------|-----------------------------------|
| <b>3.15 OTHER EQUITY</b>   |                                   |                                   |
| <b>Mollasses Storage Fund</b>  |                                   |                                   |
| Opening balance  | 12.95                             | 8.33                              |
| Add: Addition during the year  | 11.23                             | 4.62                              |
| <b>Closing balance</b>   | <b>24.18</b>                      | <b>12.95</b>                      |
| <b>Share Warrant</b>   |                                   |                                   |
| Opening balance  | 525.77                            | -                                 |
| Add: Money received against share warrant                                | 212.53                            | 1,103.57                          |
| Less: Money utilised for conversion of share warrants into equity shares | 642.00                            | 577.80                            |
| <b>Closing balance</b>   | <b>96.30</b>                      | <b>525.77</b>                     |
| <b>Securities premium account</b>  |                                   |                                   |
| Opening balance  | 45,859.79                         | 45,461.99                         |
| Add: addition during the year  | 442.00                            | 397.80                            |
| <b>Closing balance</b>   | <b>46,301.79</b>                  | <b>45,859.79</b>                  |

|   | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|---|-----------------------------------|-----------------------------------|
| <b>Retained Earnings</b>                      |                                   |                                   |
| Opening balance                               | (39,829.98)                       | (21,796.49)                       |
| Add: Profit/(loss) during the year            | (4,914.51)                        | (18,129.16)                       |
| Add: transfer from Other Comprehensive Income | 61.20                             | 95.67                             |
| <b>Closing balance</b>                        | <b>(44,683.29)</b>                | <b>(39,829.98)</b>                |
| <b>Other Comprehensive Income</b>             |                                   |                                   |
| Opening balance                               | (2,359.19)                        | (2,284.19)                        |
| Add: Other Comprehensive Income for the year  | (2,261.27)                        | 20.67                             |
| Less: Transfer to Retained earnings           | 61.20                             | 95.67                             |
| <b>Closing balance</b>                        | <b>(4,681.66)</b>                 | <b>(2,359.19)</b>                 |
|   | <b>(2,942.64)</b>                 | <b>4,209.34</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 Niyantaran (Sansodhan) Adesh, 1974 and the said storage fund is represented by investment in the form of fixed deposits with banks amounting to ₹82.07 lacs (Previous year ₹ 92.09 lacs).
- ii) Share warrant represents its subscription money:  
On December 22, 2017, 50,00,000 equity warrants of face value of ₹ 32.10 per warrant were allotted to specific promoters and directors of the Company, which are to be converted within 18 months of allotment into Equity Shares of ₹ 10 each at a price of ₹ 32.10 (including premium of ₹ 22.10) per share. The Company, on the request of the specified promoters and directors, has appropriated the amount payable to them aggregating to ₹ 789.92 lacs in form of outstanding unsecured loans (including interest thereon) as on the date of allotment toward the application money ₹ 8.025 per warrant aggregating ₹ 401.25 lacs. The balance outstanding loan of ₹ 388.67 lacs along with further receipt of ₹ 44.68 lacs has been appropriated towards balance due of ₹ 22.975 per warrant in respect of 18,00,000 warrants converted in to equity share in F.Y. 2017-18. The Company has further received ₹ 268.97 lacs and ₹ 212.53 lacs in F.Y. 2017-18 and F.Y. 2018-19 towards part payments of balance due on remaining warrants. The break-up of paid up amount of remaining 12,00,000 Equity Warrants of face value of ₹ 32.10 per warrant is as under:  
12,00,0000 Equity Warrants allotted to Ms. Gursimran Kaur Mann ₹ 96.30 lacs
- 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) Retained earnings represents the undistributed profit/ amount of accumulated loss of the Company.
- v) 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.

**NON-CURRENT LIABILITIES****FINANCIAL LIABILITIES**

|  | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|--|-----------------------------------|-----------------------------------|
| <b>3.16 BORROWINGS (carried at amortised cost)</b> |                                   |                                   |
| <b>Secured</b>                                     |                                   |                                   |
| Term loans *                                       |                                   |                                   |
| - from banks [Refer Note No. 10]                   | -                                 | 31,507.79                         |
| - from others [Refer Note No. 10]                  | -                                 | 6.33                              |
| <b>Unsecured</b>                                   |                                   |                                   |
| - from related parties [Refer Note No. 10]         | 525.22                            | 805.32                            |
|  | <b>525.22</b>                     | <b>32,319.44</b>                  |

\*Since all the term loans are recalled during the year, these are classified as Recalled Loan under " other current financial liabilities"



|   | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|---|-----------------------------------|-----------------------------------|
| <b>3.17 OTHER FINANCIAL LIABILITIES (carried at amortised cost)</b>   |                                   |                                   |
| Deferred Income   | 75.08                             | 101.64                            |
|   | <b>75.08</b>                      | <b>101.64</b>                     |
| <b>3.18 PROVISIONS</b>  |                                   |                                   |
| Provision for employee benefit  |                                   |                                   |
| Compensated absences  | 415.89                            | 346.54                            |
|   | <b>415.89</b>                     | <b>346.54</b>                     |
| <b>CURRENT LIABILITIES</b>  |                                   |                                   |
| <b>FINANCIAL LIABILITIES</b>  |                                   |                                   |
| <b>3.19 BORROWINGS (carried at amortised cost)</b>  |                                   |                                   |
| <b>Secured</b>  |                                   |                                   |
| Loans repayable on demand *   |                                   |                                   |
| - from banks [Refer Note No. 10]  | -                                 | 31,294.19                         |
| <b>Unsecured</b>  |                                   |                                   |
| Loans repayable on demand   |                                   |                                   |
| - from banks [Refer Note No. 10] *  | -                                 | 15,576.51                         |
| - from others [Refer Note No. 10]   | 137.95                            | 197.05                            |
|   | <b>137.95</b>                     | <b>47,067.75</b>                  |
| *Since all the term loans are recalled during the year, these are classified as Recalled Loan under "other current financial liabilities" |                                   |                                   |
| <b>3.20 TRADE AND OTHER PAYABLES</b>  |                                   |                                   |
| Total outstanding dues to micro and small enterprises [Refer Note No. 7]  | 57.64                             | 23.21                             |
| Total outstanding dues of other than micro and small enterprises  | 79,220.38                         | 56,344.75                         |
|   | <b>79,278.02</b>                  | <b>56,367.96</b>                  |
| <b>3.21 OTHER FINANCIAL LIABILITIES (carried at amortised cost)</b>   |                                   |                                   |
| Current maturities of long-term debt (secured)  |                                   |                                   |
| - from banks [Refer Note No. 10]  | -                                 | 24,310.09                         |
| - from others [Refer Note No. 10]   | 100.00                            | 3,055.02                          |
| Recalled Loans - dues to Banks/ Financial Institutions [Refer Note No. 10]  | 1,04,198.18                       | -                                 |
| Interest accrued but due on borrowings [Refer Note No. 10]  | 18,459.05                         | 15,780.39                         |
| Interest accrued but not due on borrowings  | -                                 | 0.05                              |
| Employees dues  | 1,193.00                          | 1,834.58                          |
| Others liabilities (including capital creditors)  | 76.60                             | 172.81                            |
| Deferred income   | 26.56                             | 26.56                             |
|   | <b>1,24,053.39</b>                | <b>45,179.50</b>                  |
| <b>3.22 PROVISIONS</b>  |                                   |                                   |
| Provision for employee benefits   |                                   |                                   |
| Compensated absences  | 89.73                             | 94.39                             |
|   | <b>89.73</b>                      | <b>94.39</b>                      |
| <b>3.23 OTHER CURRENT LIABILITIES</b>   |                                   |                                   |
| Statutory dues payable  | 85.78                             | 556.39                            |
| Advance received from customers   | 789.47                            | 597.48                            |
| Security deposits   | 182.69                            | 154.77                            |
| Others payable  | 17.98                             | 21.03                             |
|   | <b>1,075.92</b>                   | <b>1,329.67</b>                   |

|   | Year ended<br>March 31, 2019<br>₹ lacs | Year ended<br>March 31, 2018<br>₹ lacs |
|---|--|--|
| <b>3.24 REVENUE FROM OPERATIONS</b>   |  |  |
| <b>Revenue from sale of products</b>  |  |  |
| Sale of Products [Refer Note No. 20]  | 1,09,211.72                            | 90,327.78                              |
|   | <u>1,09,211.72</u>                     | <u>90,327.78</u>                       |
| <b>Other Operating revenue</b>  |  |  |
| Sale of Scrap   | 91.97                                  | 108.08                                 |
| Cane Subsidy  | 403.02                                 | 3.60                                   |
| Freight and Insurance charges recovered   | 1,180.98                               | -                                      |
| Job Work Charges  | 194.19                                 | 26.88                                  |
| Other miscellaneous income  | 27.23                                  | 1.33                                   |
|   | <u>1,11,109.11</u>                     | <u>90,467.67</u>                       |
| <b>3.25 OTHER INCOME</b>  |  |  |
| <b>Interest income on financial assets carried at amortised cost</b>                      |  |  |
| Fixed deposits with banks   | 58.16                                  | 158.92                                 |
| Debentures  | 1,107.16                               | 1,195.67                               |
| Others  | 1.79                                   | 8.66                                   |
| <b>Other Non operating income</b>   |  |  |
| Rent  | 59.06                                  | 51.04                                  |
| Profit on sale of fixed assets  | -                                      | 4.59                                   |
| Liabilities/provisions no longer required, written back                                   | 44.14                                  | 637.23                                 |
| Miscellaneous   | 315.04                                 | 435.17                                 |
|   | <u>1,585.35</u>                        | <u>2,491.28</u>                        |
| <b>3.26 COST OF MATERIALS CONSUMED</b>  |  |  |
| Sugarcane   | 86,889.27                              | 78,867.76                              |
| Molasses  | 181.57                                 | 2,643.34                               |
| ENA and others  | 406.90                                 | 222.32                                 |
|   | <u>87,477.74</u>                       | <u>81,733.42</u>                       |
| <b>3.27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b> |  |  |
| Opening stock   |  |  |
| Finished goods  | 30,804.78                              | 33,780.95                              |
| Work-in-progress  | 897.36                                 | 1,200.75                               |
| Stock-in-trade  | -                                      | -                                      |
|   | <u>31,702.14</u>                       | <u>34,981.70</u>                       |
| Closing stock   |  |  |
| Finished goods #  | 44,852.37                              | 30,804.78                              |
| Work-in-progress  | 1,480.94                               | 897.36                                 |
| Stock-in-trade  | -                                      | -                                      |
|   | <u>46,333.31</u>                       | <u>31,702.14</u>                       |
| Less : Excise Duty *  | -                                      | 1,508.43                               |
| Net (increase)/ decrease in inventories   | <u>(14,631.19)</u>                     | <u>1,771.13</u>                        |

\* The amount of excise duty on stock represents differential excise duty on opening and closing stock.

# Includes Goods in transit amounting to ₹ 78.38 lacs (Previous year ₹Nil 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 ₹ 1,727.99 lacs (Previous year ₹6,471.96 lacs).

|  | Year ended<br>March 31, 2019<br>₹ lacs | Year ended<br>March 31, 2018<br>₹ lacs |
|--|--|--|
| <b>3.28 EXCISE DUTY ON SALE OF GOODS</b>   |  |  |
| Excise duty on sale of goods   | 15,896.54                              | 1,719.80                               |
|  | <b>15,896.54</b>                       | <b>1,719.80</b>                        |
| <b>3.29 EMPLOYEE BENEFITS EXPENSE</b>  |  |  |
| Salaries and wages   | 4,746.63                               | 4,352.81                               |
| Contribution to provident and other funds #  | 534.82                                 | 515.01                                 |
| Staff welfare expenses   | 119.03                                 | 118.21                                 |
|  | <b>5,400.48</b>                        | <b>4,986.03</b>                        |
| # includes gratuity expense [Refer Note No. 16]                                      |  |  |
| <b>3.30 FINANCE COSTS</b>  |  |  |
| Interest expense on financial liabilities measured at amortized cost                 | 3,205.08                               | 4,530.15                               |
| Other interest   | 6.33                                   | 5.28                                   |
| Other borrowing costs  | 142.42                                 | 70.85                                  |
|  | <b>3,353.83</b>                        | <b>4,606.28</b>                        |
| <b>3.31 DEPRECIATION AND AMORTISATION EXPENSE</b>                                    |  |  |
| Depreciation of property, plant and equipment [Refer Note No. 3.1]                   | 3,668.06                               | 4,625.47                               |
| Amortization of intangible assets [Refer Note No. 3.2]                               | 2.16                                   | 2.91                                   |
|  | <b>3,670.22</b>                        | <b>4,628.38</b>                        |
| <b>3.32 OTHER EXPENSES</b>   |  |  |
| Consumption of stores and spare parts *  | 3,773.88                               | 2,516.39                               |
| Power and fuel   | 1,690.68                               | 1,451.74                               |
| Rent   | 170.45                                 | 144.80                                 |
| Repairs  |  |  |
| - Buildings  | 72.87                                  | 78.99                                  |
| - Machinery  | 1,879.81                               | 1,225.81                               |
| - Others   | 149.87                                 | 131.86                                 |
| Donations  | -                                      | 0.73                                   |
| Insurance  | 123.35                                 | 107.51                                 |
| Rates and taxes  | 146.86                                 | 252.52                                 |
| Bad debts and advances written off (net)   | 60.29                                  | 59.02                                  |
| Allowance for credit loss on receivables and advances                                | 58.11                                  | 215.20                                 |
| Freight, Unloading & Material shifting   | 1,748.79                               | 400.77                                 |
| Commission to selling agents   | 452.32                                 | 297.26                                 |
| Recovery Charges   | 190.72                                 | -                                      |
| Travelling and conveyance  | 171.83                                 | 216.56                                 |
| Other Selling Expense  | 432.94                                 | 443.09                                 |
| Export expenses  | 190.30                                 | 47.63                                  |
| Loss on sale of property, plant and equipment  | 0.03                                   | 8.59                                   |
| Management fees written off  | -                                      | 985.78                                 |
| Sugar development expense  | 37.93                                  | 203.13                                 |
| Loss on foreign exchange fluctuation   | -                                      | 3.41                                   |
| Printing and stationery  | 35.13                                  | 30.04                                  |
| Contractor & security charges  | 393.86                                 | 317.69                                 |
| Legal and professional expense [includes auditor's remuneration - Refer Note No. 19] | 364.39                                 | 398.78                                 |
| Commitment Charges   | 1,250.43                               | -                                      |
| Miscellaneous expenses   | 707.43                                 | 870.25                                 |
|  | <b>14,102.27</b>                       | <b>10,407.55</b>                       |

\*Stores, oils and chemicals allocated to other revenue heads ₹1,390.64 lacs (previous year ₹ 1,248.15 lacs)

|  | Year ended<br>March 31, 2019<br>₹ lacs | Year ended<br>March 31, 2018<br>₹ lacs |
|--|--|--|
| <b>3.33 EXCEPTIONAL ITEMS</b>  |  |  |
| Write back of loan liabilities [Refer Note No. 15 (ii)]  | -                                      | 970.79                                 |
| Impairment of Investment in, loan and trade receivable from subsidiaries [Refer Note No. 15 (i)] | 184.59                                 | -                                      |
|  | <b>184.59</b>                          | <b>970.79</b>                          |

4. Indian sugar industry has been facing difficulties on account of highest ever sugar production in the country in the sugar year 2018-19 resulting in glut of sugar thereby central government has fixed quota for domestic sale while Minimum Indicative Export Quota (MIEQ) on sugar mill basis was fixed for all the sugar mills operating in the country for depletion of sugar stock outside India. For the year ended March 31, 2019 and previous periods, the Company has incurred losses due to high raw material cost fixed by the Government and relatively market driven lower price of finished goods i.e. sugar and molasses both of which are external factors. Due to continuous losses, the Company failed in meeting its payment obligations to lenders and farmers, though the Company continues to operate its capacities at optimal levels.

The Government has implemented various measures to improve the financial health of the sugar industry, including support for liquidation of cane arrears, fixing obligation for export to reduce the sugar inventory, fixation of Sugar Realization (MSP), providing subsidy on export of sugar, subsidy on production of sugar, Interest subvention on loan for creation of additional manufacturing facilities for ethanol production and increase in the realization of ethanol price etc. All these measures are expected to turnaround operations of the sugar industry on sustainable basis. The Company has also initiated various steps for further de-risking its business. Further pursuant to an Order of Hon'ble High Court of Uttar Pradesh in favour of sugar industry, the Company is confident to receive amount on account of benefits available under the Sugar Promotion Policy 2004.

The debt restructuring exercise of the loan liabilities of the Company has been suspended by the lenders by virtue of Circular dated 12th February 2018 issued by RBI, which is recently been quashed by Hon'ble Supreme Court vide its judgement dated April 2, 2019 terming it as ultra vires. The lenders to the Company, in the meanwhile while initiated recovery steps under various forums. However, considering the nature of industry and ongoing discussions with the lenders, the Company is hopeful that debt resolution will be attained through One Time Settlement Process (OTS) / through determination of sustainable debt, including waiver of outstanding interest on certain loan accounts, shall be worked out in future, while some loan liabilities would be realigned commensurate with its available cash flow, for which discussions are under way.

In view of the above, these financial statements are continued to be presented on going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business and therefore, impairment of assets if any, has not been ascertained and provided for.

**5. Disclosure in respect of Non-Cancellable Operating Lease:**

The company has taken premises on operating lease for primary lease period of 6 years from the date of lease. The lease

period may be further extended and lease rental levy modified as per mutual decision of the parties. Details of future minimum lease payments in accordance with terms agreed as at year end under non-cancellable operating lease are as follows:

(₹ lacs)

| Description   | As at March<br>31, 2019 | As at March<br>31, 2018 |
|---|-------------------------|-------------------------|
| <b>(A) Future minimum lease payments:</b>   |                         |                         |
| - Not later than one year   | 6.00                    | 6.00                    |
| - Later than one year and not later than five years   | 3.50                    | 9.50                    |
| - Later than five years   | -                       | -                       |
| <b>(B) Lease payment recognized in the statement of Profit &amp; Loss during the year :</b> |                         |                         |
| Minimum Lease payments  | 6.00                    | 17.85                   |

The company has given various premises on operating lease for primary lease period of 3 years to 15 years from the date of lease. The lease period may be further extended and lease rental levy modified as per mutual decision of the parties. Details of future minimum lease income in accordance with terms agreed as at year end under non-cancellable operating lease are as follows:

(₹ lacs)

| Description  | As at March<br>31, 2019 | As at March<br>31, 2018 |
|--|-------------------------|-------------------------|
| <b>(A) Future minimum lease income:</b>  |                         |                         |
| - Not later than one year  | 11.70                   | 12.90                   |
| - Later than one year and not later than five years  | 30.10                   | 37.94                   |
| - Later than five years  | 10.74                   | 14.60                   |
| <b>(B) Lease income recognized in the statement of Profit &amp; Loss during the year :</b> |                         |                         |
| Minimum Lease income   | 12.90                   | 18.30                   |

**6. Contingent liabilities and commitments (to the extent not provided for):**

i) Claims against the Company not acknowledged as debts ₹ 812.11 lacs (Previous Year ₹ 1,506.25 lacs).

(₹ lacs)

| Description             | As at March<br>31, 2019 | As at March<br>31, 2018 |
|-------------------------|-------------------------|-------------------------|
| Sales Tax/Trade Tax Act | 54.42                   | 5.28                    |
| Central Excise Act      | 258.78                  | 897.36                  |
| Finance Act, 1994       | 83.06                   | 187.76                  |
| Others                  | 415.85                  | 415.85                  |
| <b>Total</b>            | <b>812.11</b>           | <b>1506.25</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 Allahabad has directed the State Government to determine the interest liability for the delayed payment of sugarcane price for sugar seasons 2012-13, 2013-14 and 2014-15. Considering that no notice of demand has been served upon the Company in this regard and the amount not being 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 the said periods.
- 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) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The company will make provision, on receiving further clarity on the subject.

**v) Capital and other commitment**

Estimated value of contracts (net of advances) remaining to be executed on Capital account ₹ 20.79 lacs (Previous year ₹ 211.31 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, 2019 | As at March 31, 2018 |
|--------|---|----------------------|----------------------|
| 1.     | Principal amount remaining unpaid to any supplier as at the end of the accounting year.   | 57.64                | 23.21                |
| 2.     | Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.   | 12.80                | 3.83                 |
| 3.     | 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.  | -                    | -                    |
| 4.     | 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            | 9.34                 | -                    |
| 5.     | The amount of interest accrued but not due during the year.   | 1.50                 | 3.83                 |
| 6.     | The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED Act, 2006. | 22.14                | -                    |

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 Special Resolution for reclassification of promoters' category was passed at 6th Annual General Meeting of the members of the Company. Thereafter, an application seeking reclassification of Mr. Gurpal Singh, Mr. Govind Singh Sandhu, Ms. Jai Inder Kaur, Mr. Anand Singh and M/s Pritam Singh Sandhu Associates Private Limited (Collectively referred to as 'Sandhu Group/ Exiting Promoter'), from existing promoter group to the public category shareholders, in terms of provisions of regulation 31A (7) of SEBI (LODR) Regulations, 2015, was filed with SEBI/Stock Exchanges. The approval from SEBI/Stock Exchanges is awaited.
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), one of its 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 "Suspected Fraud" liability in March 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.

Recently, OBC has arbitrarily initiated recovery actions against the Company for the restructured corporate loan including an application filed before National Company Law Tribunal (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 wilful defaulters against which company and guarantors have contested such declaration in the High Court and the matter is sub-judice. Further 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. 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.

Since all the lenders have recalled their Credit Facilities during the current year, their principal and interest outstanding dues as at March 31, 2019 have been classified and shown under "Other Current Financial Liabilities". Last year as at March 31, 2018, the dues of OBC had been classified and shown under "Other Current Financial Liabilities", the dues of other two banks had been classified as "Financial Liabilities – Borrowing under Non-Current Liabilities" and the principal and interest dues of one bank, who had not given its consents, had been classified and shown under "Financial Liabilities – Unsecured Borrowing under Current Liabilities" and "Other Current Financial Liabilities" respectively.

10. The loans availed by the Company have been classified as Non-Performing Assets (NPA) by all the lenders to the Company and interest thereon is not being charged to the loan accounts as per applicable practices. The Company is hopeful that Resolution of Debt through One Time Settlement (OTS) / through determination of sustainable debt including waiver of un-paid interest on certain loan accounts, shall be worked out in near future, for which further discussions have been initiated. Accordingly, interest expenses for the ensuing year ended March 31, 2019 amounting to ₹ 12,336.00 lacs respectively (previous year ₹ 11,971.59 lacs) has not been recognized in the books of accounts. A total amount of ₹ 24,307.59 lacs (previous year ₹ 11,971.59 lacs) towards outstanding interest has not been provided for in the books of accounts. The terms of repayment, nature of security and overdue, 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, 2019 | As at March 31, 2018      |                  |   |   |
| From Commercial Banks<br>- Under Long Term Borrowings<br>- Under Current Maturities<br>- Under Recalled Loans | -<br>-<br>17,438.33  | 9,557.67<br>8,661.49<br>- | 12.50%<br>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.<br>2 First pari passu charge on pledge of 26.32 lacs equity shares of the Company held by Promoters.<br>3 Personal guarantees of Mr. Gurmit Singh Mann, Chairman, Mr. Gурpal Singh, Director and Ms. Gursimran Kaur Mann, MD of the Company.<br>4 First Charge on the Divestment proceeds from Sale of investments in Uniworld Sugar Pvt. Ltd. and Chilwaria Sugar Complex | Principal overdue below 90 days ₹ Nil (Previous year - ₹ 218.49 lacs) and above 90 days ₹ 17,438.33 lacs (Previous year ₹ 7,212.02 lacs).<br>Interest overdue below 90 days of ₹ Nil (Previous year - ₹ Nil) and above 90 days ₹ 2,319.99 lacs (Previous year - ₹ 2,354.54 lacs). |
| From Commercial Bank<br>- Under Current Maturities<br>- Under Recalled Loans                                  | -<br>10,321.27       | 10,381.05<br>-            | 11.35%<br>p.a.   | 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)<br>2 Credit facilities are also secured by Personal guarantee of Mr. Gurmit Singh Mann, Chairman and Mr. Gурpal Singh, Director.   | Principal overdue below 90 days ₹ Nil (Previous year - ₹ Nil) and above 90 days ₹ 10,321.27 lacs (Previous year ₹ 10,381.05 lacs).<br>Interest overdue below 90 days of ₹ Nil (Previous year - ₹ Nil) and above 90 days ₹ 855.58 lacs (Previous year - ₹ 855.58 lacs).            |
| From Commercial Bank<br>- Under Long Term Borrowings<br>- Under Current Maturities<br>- Under Recalled Loans  | -<br>-<br>22,347.00  | 21,950.12<br>353.81<br>-  | 8.60%<br>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.<br>2 Personal guarantees Mr. Gurmit Singh Mann, Chairman and Ms. Gursimran Kaur Mann, Director of the Company.   | Principal overdue below 90 days ₹ Nil (Previous year - ₹ 67.00 lacs) and above 90 days ₹ 22,347.00 lacs (Previous year - ₹ 67.00 lacs).<br>Interest overdue below 90 days of ₹ Nil (Previous year - ₹ Nil) and above 90 days ₹ Nil (Previous year - ₹ Nil).                       |

| Term Loan  | Outstanding (₹ lacs) |                      | Rate of Interest                     | Nature of security  | Overdue at the end of the year   |
|--|----------------------|----------------------|--------------------------------------|---|--|
|  | As at March 31, 2019 | As at March 31, 2018 |                                      |   |  |
| From Co-operative Bank<br>- Under Current Maturities<br>- Under Recalled Loans | -<br>4,913.74        | 4,913.74<br>-        | 12.00%<br>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.<br>2 Mortgage of residential property of Promoter Director.<br>3 Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company.   | Principal overdue below 90 days ₹ Nil (Previous year- ₹ 520.24 lacs) and above 90 days ₹ 4,913.74 lacs (Previous year- ₹ 4,393.50 lacs).<br>Interest overdue below 90 days of ₹ 168.55 lacs (Previous year- ₹ 121.17 lacs) and above 90 days ₹ 793.65 lacs (Previous year- ₹ 218.09 lacs). |
| Others<br>- Under Current Maturities<br>- Under Recalled Loans                 | -<br>3,054.74        | 3,052.54<br>-        | Range between 1.57 % to 10.00 % p.a. | 1 Term loan from Sugar Development Fund of ₹ 2,954.74 lacs (previous year ₹ 2,952.54 lacs) is secured by way of second exclusive charge on all movable and immovable fixed assets of the respective division.<br>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 below 90 days ₹ Nil (Previous year - ₹ Nil) and above 90 days ₹ 3,054.74 lacs (Previous year - ₹ 3,052.54 lacs).<br>Interest overdue below 90 days of ₹ 124.70 lacs (Previous year - ₹ 91.63 lacs) and above 90 days ₹ 1,306.21 lacs (Previous year - ₹ 926.87 lacs).    |
| Other<br>- Under Long Term Borrowings<br>- Under Current Maturities            | -<br>-               | 6.33<br>2.48         | 10.00%<br>p.a.                       | 1. Hypothecation of specific vehicle acquired under the scheme.   | ₹ Nil  |

**(B) Unsecured loans from Related Parties of ₹ 525.22 lacs (Previous year - ₹ 805.32 lacs) carry interest rate (Ranges between) from 11.00 % to 11.10 % 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, 2019 | As at March 31, 2018 |                  |  |   |
| From Commercial Banks<br>- Under Short Term Borrowings<br>- Under Recalled Loans  | -<br>17,224.28       | 16,913.97<br>-       | 12.5%<br>p.a.    | 1 First pari passu charge by way of hypothecation of all current assets of respective division.<br>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.<br>3 First pari passu charge on pledge of 26.32 lacs equity shares of the Company held by Promoters.<br>4 Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company.<br>5 Charge over SSL's Share of Dividend in Simbhaoli Power Private Limited  | Interest overdue of below 90 days ₹ Nil (Previous year - ₹ Nil) and above 90 days ₹ 4,575.74 lacs (Previous year- ₹ 4,575.74 lacs).               |
| From Co-operative Bank<br>- Under Short Term Borrowings<br>- Under Recalled Loans | -<br>9,039.27        | 9,455.22<br>-        | 11.25%<br>p.a    | 1 Pledge of sugar stock of the respective division of the Company.<br>2 Personal guarantees of Mr. Gurmit Singh Mann, Chairman Mr. Gurpal Singh and Ms Gursimran Kaur Mann, Director of the Company.<br>3 Equitable Mortgage of the Property of M/s. Simbhaoli Specialty Sugars Ltd.<br>4 Collaterally Secured by way of Hypothecation of Debtors of the Mill<br>5 First Charge on the Semi-finished sugar including sugar in process, raw material of the Respective division of the company.<br>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 ₹ 260.28 lacs (Previous year - ₹ 138.27 lacs) and above 90 days ₹ 1,172.95 lacs (Previous year - ₹ 180.03 lacs) |

| Loan repayable on demand      | Outstanding (₹ lacs) |                      | Rate of Interest | Nature of security  | Overdue at the end of the year  |
|-------------------------------|----------------------|----------------------|------------------|---|---|
|                               | As at March 31, 2019 | As at March 31, 2018 |                  |   |   |
| From Co-operative Bank        |                      |                      |                  |   |   |
| - Under Short Term Borrowings | -                    | 4,925.00             | 11.50% p.a       | 1 Pledge of sugar stock of the respective division of the Company.  | Interest overdue below 90 days of ₹ 199.71 lacs (Previous year - ₹ 153.53 lacs) and above 90 days ₹ 947.44 lacs (Previous year - ₹ 442.09 lacs) |
| - Under Recalled Loans        | 4,895.78             | -                    |                  | 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 guarantees of Chairman & Managing Director and Director of the Company.  |   |

**(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, 2019 | As at March 31, 2018 |                                |                    |   |
| From Commercial Banks         |                      |                      |                                |                    |   |
| - Under Short Term Borrowings | -                    | 15,576.51            | Range between 9% to 10.70% p.a | N.A                | Principal overdue above 90 days of ₹ 15,063.76 lacs (Previous year - ₹ 15,576.51 lacs).<br>Interest overdue below 90 days of ₹ Nil (Previous year- ₹ Nil) and above 90 days ₹ 5,720.86 lacs (Previous year- ₹ 5,722.86 lacs). |
| - Under Recalled Loans        | 15,063.76            | -                    |                                |                    |   |

**(E) Unsecured loans from Related Parties of ₹ 25.00 lacs (Previous year ₹ 25.00 lacs) and Others ₹ 112.95 lacs (Previous year ₹ 172.05 lacs) carry interest rate (ranges between) from 10.65 % to 10.95 % p.a. are payable on demand.**

**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).

**Key Management Personnel (KMP):**

- Mr. G. M. S. Mann - Chairman
- Mr. Gurpal Singh – Director
- Ms. Gursimran Kaur Mann - Director
- Mr. Sanjay Tapriya – Director
- Mr. S.N. Misra – Chief Operating Officer (w.e.f. September 18, 2017)
- Mr. S.K. Ganguli – Independent Director
- Mr. B.K. Goswami – Independent Director
- Mr. Dalbir Singh – Independent Director
- Mr. C.K. Mahajan – Independent Director
- Mr. D.C.Popli – Chief Financial officer
- Mr. Kamal Samtani – Company Secretary
- Mr. H. P. Kain- Independent Director (w.e.f. November 14, 2018)

- Mr. S.C Kumar (ceased to be key management personnel w.e.f. August 2, 2017)

- Mr. Sangeet Shukla (ceased to be key management personnel w.e.f. March 17, 2018)

- Mr. J.M Seth (ceased to be key management personnel w.e.f. March 1, 2018)

**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. Gurpal Singh),
- Mr. G.M.S. Mann (HUF)

**Enterprise over which key management personnel exercise significant influence:**

- Dholadhar Investments Private Limited, (enterprise over which Mr. G. M. S. Mann and Ms. Gursimran Kaur Mann exercise significant influence)
- Mahajan Law House (enterprise over which Mr. C.K. Mahajan exercise significant influence)
- Raghav& Co (enterprise over which Mr. J.M Seth exercise significant influence)

**Trusts:**

- Simbhaoli Superannuation Trust
- Simbhaoli Gratuity Trust
- Simbhaoli Foundation Trust



**ii) Transactions with the above parties :**

(₹ lacs)

| Description  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| <b>Transactions</b>  |                              |                              |
| <b>Rent Paid</b>   | <b>16.92</b>                 | <b>18.93</b>                 |
| Mrs. Mamta Tapriya   | 1.08                         | 1.08                         |
| Mrs. Usha Misra  | 9.84                         | -                            |
| SSSPL  | 6.00                         | 17.85                        |
| <b>Rent Received</b>   | <b>3.72</b>                  | <b>12.72</b>                 |
| ICCP   | 3.60                         | 12.60                        |
| Simbhaoli Foundation Trust   | 0.12                         | 0.12                         |
| <b>Managerial Remuneration</b>                                       | <b>254.56</b>                | <b>190.99</b>                |
| Ms. Gursimran Kaur Mann  | 119.44                       | 71.53                        |
| Mr. S.N.Misra  | 51.23                        | 30.60                        |
| Mr. D.C.Popli  | 59.15                        | 53.10                        |
| Mr. Kamal Samtani  | 24.74                        | 21.49                        |
| Mr. Karan Singh  | -                            | 14.27                        |
| <b>Loans taken</b>   | <b>-</b>                     | <b>25.00</b>                 |
| Mr. Sanjay Tapriya   | -                            | 25.00                        |
| <b>Loan given</b>  | <b>-</b>                     | <b>21.01</b>                 |
| DMCC   | -                            | 21.01                        |
| <b>Loans Repaid</b>  | <b>328.00</b>                | <b>312.38</b>                |
| Dholadhar Investments Private Limited                                | 214.00                       | 80.00                        |
| Mr. G.M.S. Mann  | 114.00                       | -                            |
| Mr. G. M. S. Mann (HUF)  | -                            | 213.26                       |
| Mr. Gurpal Singh   | -                            | 19.12                        |
| <b>Expenses paid</b>   | <b>2,538.83</b>              | <b>1,047.64</b>              |
| SPPL   | 2,531.46                     | 1,021.05                     |
| Mahajan Law House  | 7.37                         | 9.68                         |
| Raghav & Co  | -                            | 16.91                        |
| <b>Interest paid</b>   | <b>56.09</b>                 | <b>110.03</b>                |
| Mr. G.M.S. Mann  | -                            | 6.11                         |
| Mr. G.M.S. Mann (HUF)  | -                            | 15.01                        |
| Mr. Sanjay Tapriya   | 2.86                         | 1.33                         |
| Ms. Gursimran Kaur Mann  | -                            | 26.02                        |
| Dholadhar Investments Private Limited                                | 53.23                        | 61.56                        |
| <b>Sale of finished goods</b>  | <b>1,600.16</b>              | <b>1,165.03</b>              |
| SPPL   | 1,600.16                     | 1,165.03                     |
| <b>Sitting Fees paid</b>   | <b>8.45</b>                  | <b>11.75</b>                 |
| Mr. S.C.Kumar  | -                            | 0.75                         |
| Mr. S.K.Ganguli  | 3.00                         | 2.75                         |
| Mr. B.K.Goswami  | 3.00                         | 3.00                         |
| Mr. Sangeet Shukla   | -                            | 2.50                         |
| Mr. Dalbir Singh   | 1.15                         | 1.25                         |
| Mr. C.K.Mahajan  | 0.65                         | 0.75                         |
| Mr. J.M.Seth   | -                            | 0.75                         |
| Mr. H.P. Kain  | 0.65                         | -                            |
| <b>Exceptional items</b>   | <b>184.59</b>                | <b>-</b>                     |
| Impairment in the value of equity in DMCC                            | 39.94                        | -                            |
| Credit loss provision in respect of loan to DMCC                     | 22.24                        | -                            |
| Credit loss provision in respect of trade receivable from DMCC       | 122.41                       | -                            |
| <b>Other Comprehensive Income</b>                                    | <b>2,322.29</b>              | <b>75.00</b>                 |
| Fair valuation loss in the equity investment of USL                  | 2,322.29                     | 75.00                        |
| <b>Expenses recovered</b>  | <b>11.23</b>                 | <b>208.43</b>                |
| ICCP   | 6.03                         | 1.52                         |
| SPPL   | 3.53                         | 200.33                       |
| USPL   | 1.67                         | 3.33                         |
| DMCC   | -                            | 3.25                         |
| <b>Contribution in Trusts</b>  | <b>21.54</b>                 | <b>39.05</b>                 |
| Simbhaoli Foundation Trust   | -                            | 0.63                         |
| Simbhaoli Supernuation Trust   | 21.54                        | 10.92                        |
| Simbhaoli Gratuity Trust   | -                            | 27.50                        |
| <b>Interest Income</b>   | <b>1,113.45</b>              | <b>1,218.13</b>              |
| SPPL   | 1,113.45                     | 1,218.13                     |
| <b>Management fees charged</b>                                       | <b>245.67</b>                | <b>245.97</b>                |
| SPPL   | 245.67                       | 245.97                       |
| <b>Management fees written off</b>                                   | <b>-</b>                     | <b>977.64</b>                |
| USPL   | -                            | 977.64                       |
| <b>Operation and job work charges paid</b>                           | <b>159.25</b>                | <b>156.00</b>                |
| USPL   | 3.25                         | -                            |
| ICCP   | 156.00                       | 156.00                       |
| <b>Unsecured loan converted into share warrant application money</b> | <b>-</b>                     | <b>789.92</b>                |
| Mr. G. M. S. Mann  | -                            | 124.82                       |

(₹ lacs)

| Description  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| Ms. Gursimran Kaur Mann  | -                            | 665.10                       |
| <b>Share application money received during the year</b>                            | <b>212.53</b>                | <b>313.65</b>                |
| Mr. G. M. S. Mann  | 75.18                        | 121.00                       |
| Ms. Gursimran Kaur Mann  | 137.35                       | 192.65                       |
| <b>Share warrant application money converted into Equity share during the year</b> | <b>642.00</b>                | <b>577.80</b>                |
| Mr. G. M. S. Mann  | 160.50                       | 160.50                       |
| Ms. Gursimran Kaur Mann  | 481.50                       | 417.30                       |
| <b>Share warrant issued during the year (no.)</b>                                  | <b>-</b>                     | <b>50.00</b>                 |
| Mr. G. M. S. Mann  | -                            | 10.00                        |
| Ms. Gursimran Kaur Mann  | -                            | 40.00                        |
| <b>Share warrant converted into equity share during the year (no.)</b>             | <b>20.00</b>                 | <b>18.00</b>                 |
| Mr. G. M. S. Mann  | 5.00                         | 5.00                         |
| Ms. Gursimran Kaur Mann  | 15.00                        | 13.00                        |

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<br>March 31,<br>2019 | Year ended<br>March 31,<br>2018 |
|---|---------------------------------|---------------------------------|
| <b>Other financial assets - Non current</b>           | <b>3,046.10</b>                 | <b>-</b>                        |
| SPPL  | 3,046.10                        | -                               |
| <b>Other financial assets</b>                         | <b>369.20</b>                   | <b>3,334.20</b>                 |
| SPPL  | 369.20                          | 3,334.10                        |
| USPL  | -                               | 0.10                            |
| <b>Short term borrowings</b>                          | <b>25.00</b>                    | <b>25.00</b>                    |
| Mr. Sanjay Tapriya                                    | 25.00                           | 25.00                           |
| <b>Trade payables</b>                                 | <b>61.70</b>                    | <b>111.21</b>                   |
| Mr. G.M.S. Mann                                       | -                               | 2.24                            |
| Mr. Gurpal Singh                                      | 0.28                            | 0.28                            |
| Ms. Gursimran Kaur Mann                               | 5.62                            | 9.89                            |
| Mr. S.N.Misra   | 0.09                            | 10.68                           |
| Mr. Karan Singh                                       | 0.41                            | 0.41                            |
| Mr. S.C.Kumar   | 1.02                            | 1.02                            |
| Mr. S.K.Ganguli                                       | 2.65                            | 1.78                            |
| Mr. B.K.Goswami                                       | 2.70                            | 1.82                            |
| Mr. Sangeet Shukla                                    | -                               | 1.10                            |
| Mr. Dalbir Singh                                      | 0.58                            | 0.90                            |
| Mr. C.K.Mahajan                                       | -                               | 0.81                            |
| Mr.J.M.Seth   | -                               | 0.23                            |
| Mr. D.C.Popli   | 0.77                            | 2.23                            |
| Mr. Kamal Samtani                                     | 0.88                            | 0.83                            |
| Mr. Sanjay Tapriya                                    | 0.41                            | 1.52                            |
| Mrs. Mamta Tapriya                                    | 1.54                            | 0.57                            |
| Mahajan Law House                                     | 0.67                            | 4.20                            |
| Mrs. Usha Misra                                       | 0.74                            | -                               |
| USPL  | 1.59                            | -                               |
| ICCP  | -                               | 31.99                           |
| SSSPL   | 41.75                           | 38.60                           |
| Simbhaoli Foundation Trust                            | -                               | 0.11                            |
| <b>Long-term borrowings</b>                           | <b>525.22</b>                   | <b>805.32</b>                   |
| Mr. G.M.S. Mann                                       | 198.82                          | 312.83                          |
| Dholadhar Investments Private Limited                 | 326.40                          | 492.49                          |
| <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>1,017.21</b>                 | <b>961.41</b>                   |
| DMCC  | 122.41                          | 114.41                          |
| ICCP  | 34.21                           | -                               |
| SPPL  | 860.56                          | 847.00                          |
| Simbhaoli Foundation Trust                            | 0.03                            | -                               |
| <b>Impairment/ Credit loss provision</b>              | <b>144.65</b>                   | <b>-</b>                        |
| Loan and advances - DMCC                              | 22.24                           | -                               |
| Trade Receivable -DMCC                                | 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 [Refer Note No. 3.3(a)]                          | 290.12                          | 290.12                          |
| <b>Share warrant at the end of the year (no.)</b>     | <b>12.00</b>                    | <b>32.00</b>                    |
| Mr. G. M. S. Mann                                     | -                               | 5.00                            |
| Ms. Gursimran Kaur Mann                               | 12.00                           | 27.00                           |

(₹ lacs)

| Description   | Year ended<br>March 31,<br>2019 | Year ended<br>March 31,<br>2018 |
|---|---------------------------------|---------------------------------|
| <b>Investment outstanding - equity instruments (₹ lacs)</b> | <b>6,067.32</b>                 | <b>8,429.55</b>                 |
| ICCPL   | 383.73                          | 383.73                          |
| DMCC  | -                               | 39.94                           |
| SSSPL   | 190.00                          | 190.00                          |
| SPPL  | 5,493.59                        | 5,493.59                        |
| USPL  | -                               | 2,322.29                        |
| <b>Investment outstanding - debt instruments (₹ lacs)</b>   | <b>5,108.99</b>                 | <b>5,141.84</b>                 |
| SPPL  | 5,108.99                        | 5,141.84                        |
| <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) The Board has approved the appointment and remuneration of Ms. Gursimran Kaur Mann as Managing director and Mr. Sachchida Nand Misra as chief operating officer/whole time directors in the Company for a period of three years, and the consent on terms of appointment has been accorded at 6th Annual General Meeting of the members of the Company held on September 18, 2017. The application filed by the Company for approval of the appointment and remuneration before Central Government is abated in accordance with the amendment made in the provisions of Sections 197 and 200 of the Companies Act 2013. The Company shall obtain the necessary approvals from shareholders within one year from date of the amendment. It has paid aggregate remuneration of ₹ 170.67 lacs during the year (previous year ₹ 102.13 lacs) and ₹ 272.80 lacs since appointment, to these directors.

(₹ lacs)

| Details of Remuneration paid/payable to KMP               |                         |                |                |                   |                 |
|---|-------------------------|----------------|----------------|-------------------|-----------------|
| Particulars   | Ms. Gursimran Kaur Mann | Mr. S.N. Misra | Mr. D.C. Popli | Mr. Kamal Samtani | Mr. Karan Singh |
| <b>Year ended March 31, 2019</b>                          |                         |                |                |                   |                 |
| <b>Short-term employee benefits</b>                       |                         |                |                |                   |                 |
| Salary  | 96.59                   | 42.77          | 53.74          | 21.01             | -               |
| Perquisites   | 14.69                   | 6.02           | 3.17           | 2.17              | -               |
| <b>Post-employment benefits</b>                           |                         |                |                |                   |                 |
| Contribution to Provident Fund, Gratuity and other Funds* | 8.16                    | 2.44           | 2.24           | 1.56              | -               |
|   | <b>119.44</b>           | <b>51.23</b>   | <b>59.15</b>   | <b>24.74</b>      | <b>-</b>        |
| <b>Year ended March 31, 2018</b>                          |                         |                |                |                   |                 |
| <b>Short-term employee benefits</b>                       |                         |                |                |                   |                 |
| Salary  | 63.74                   | 27.70          | 48.39          | 18.56             | 12.58           |
| Perquisites   | 3.96                    | 1.64           | 2.73           | 1.92              | 0.94            |
| <b>Post-employment benefits</b>                           |                         |                |                |                   |                 |
| Contribution to Provident Fund, Gratuity and other Funds* | 3.83                    | 1.26           | 1.98           | 1.01              | 0.75            |
|   | <b>71.53</b>            | <b>30.60</b>   | <b>53.10</b>   | <b>21.49</b>      | <b>14.27</b>    |

\* The said amount does not include amount in respect of gratuity and 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>A. Segment revenue</b>       |                  |                  |                  |                 |                   |                 |              |               |                    |                    |
| External sales:                 | 80,442.87        | 85,945.29        | 28,768.85        | 4,382.49        | -                 | -               | -            | -             | 1,09,211.72        | 90,327.78          |
| Inter segment sales             | 2,346.09         | 462.04           | 29.48            | 57.77           | (2,375.56)        | (519.81)        | -            | -             | -                  | -                  |
| Other operating Revenue         | 1,680.60         | 97.02            | 216.79           | 42.87           | -                 | -               | -            | -             | 1,897.39           | 139.89             |
| <b>Total revenue</b>            | <b>84,469.56</b> | <b>86,504.35</b> | <b>29,015.12</b> | <b>4,483.13</b> | <b>(2,375.56)</b> | <b>(519.81)</b> | -            | -             | <b>1,11,109.11</b> | <b>90,467.67</b>   |
| <b>B. Segment results</b>       | (5,005.78)       | (10,102.92)      | 3,408.06         | (2,748.52)      | -                 | -               | -            | -             | (1,597.72)         | (12,851.44)        |
| Unallocated net expenses/income | -                | -                | -                | -               | -                 | -               | (221.63)     | (299.35)      | (221.63)           | (299.35)           |
| Operating profit/(loss)         | -                | -                | -                | -               | -                 | -               | -            | -             | (1,376.09)         | (12,552.09)        |
| Finance cost                    | -                | -                | -                | -               | -                 | -               | 3,353.83     | 4,606.28      | 3,353.83           | 4,606.28           |
| Exceptional items (net)         | -                | -                | -                | -               | -                 | -               | 184.59       | 970.79        | 184.59             | 970.79             |
| Provision for taxes             | -                | -                | -                | -               | -                 | -               | -            | -             | -                  | -                  |
| <b>Net Profit/(loss)</b>        | -                | -                | -                | -               | -                 | -               | -            | -             | <b>(4,914.51)</b>  | <b>(18,129.16)</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.

iv) (b) Information About Business Segments

(₹ lacs)

| Particulars                   | Sugar                |                      | Alcohol              |                      | Unallocated          |                      | Total                |                      |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                               | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| <b>OTHER INFORMATIONS</b>     |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>ASSETS</b>                 |                      |                      |                      |                      |                      |                      |                      |                      |
| Segment assets                | 1,52,903.00          | 1,36,335.34          | 40,359.00            | 39,881.30            | -                    | -                    | 1,93,262.00          | 1,76,216.64          |
| Unallocated assets            | -                    | -                    | -                    | -                    | 2,351.46             | 1,108.49             | 2,351.46             | 1,108.49             |
| Investment                    | -                    | -                    | -                    | -                    | 11,223.00            | 13,619.00            | 11,223.00            | 13,619.00            |
| <b>Total assets</b>           | <b>1,52,903.00</b>   | <b>1,36,335.34</b>   | <b>40,359.00</b>     | <b>39,881.30</b>     | <b>13,574.46</b>     | <b>14,727.49</b>     | <b>2,06,836.46</b>   | <b>1,90,944.13</b>   |
| <b>EQUITY AND LIABILITIES</b> |                      |                      |                      |                      |                      |                      |                      |                      |
| Segment liabilities           | 79,883.27            | 56,776.56            | 2,017.38             | 2,306.66             | -                    | -                    | 81,900.65            | 59,083.22            |
| Shares capital and reserves   | -                    | -                    | -                    | -                    | 1,185.26             | 8,137.24             | 1,185.26             | 8,137.24             |
| Secured and unsecured loans   | -                    | -                    | -                    | -                    | 1,04,961.35          | 1,05,213.57          | 1,04,961.35          | 1,05,213.57          |
| Unallocated liabilities       | -                    | -                    | -                    | -                    | 18,789.20            | 18,510.10            | 18,789.20            | 18,510.10            |
| <b>Total liabilities</b>      | <b>79,883.27</b>     | <b>56,776.56</b>     | <b>2,017.38</b>      | <b>2,306.66</b>      | <b>1,24,935.81</b>   | <b>1,31,860.91</b>   | <b>2,06,836.46</b>   | <b>1,90,944.13</b>   |

iv) (c) Reconciliations of amounts reflected in the financial statement

| i) Reconciliation of assets       |                      |                      | (₹ lacs)             |                      |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|
| Particulars                       | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Segment operating assets          | 2,06,836.46          | 1,90,944.13          |                      |                      |
| <b>Total Assets</b>               | <b>2,06,836.46</b>   | <b>1,90,944.13</b>   |                      |                      |
| ii) Reconciliation of liabilities |                      |                      | (₹ lacs)             |                      |
| Particulars                       | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Segment operating liabilities     | 2,06,836.46          | 1,90,944.13          |                      |                      |
| <b>Total Liabilities</b>          | <b>2,06,836.46</b>   | <b>1,90,944.13</b>   |                      |                      |

iv) (d) Geographical information:

The Company operated only in India during the year ended March 31, 2019 and March 31, 2018.

iv) (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, 2019 and March 31, 2018.

iv) (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>E. OTHER INFORMATIONS</b>                                       |              |               |              |               |              |               |              |               |
| Capital expenditure  | 145.88       | 472.09        | 297.66       | 345.65        | 8.97         | 9.85          | 452.51       | 827.59        |
| Depreciation and amortization expense (net of revaluation reserve) | 2,607.18     | 3,569.33      | 1,046.90     | 1,036.59      | 16.14        | 22.46         | 3,670.22     | 4,628.38      |
| Non cash expenses other than depreciation                          | 135.20       | 60.14         | 93.35        | 222.49        | 74.47        | 1,956.76      | 303.02       | 2,239.39      |

Note: Capital expenditure consists of additions to property, plant and equipment, capital work in progress and intangible assets

**13. In 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:

**A. Details of recognised Deferred Tax Asset/ (Liability)**

(₹ lacs)

|   | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| <b>Deferred Tax Asset :</b>   |                      |                      |
| On account of carried forward losses  | 4,440.68             | 3,949.62             |
| On account of carried forward unabsorbed depreciation                               | 14,070.42            | 13,780.99            |
| Liabilities and provisions tax deductible only upon payment/actual crystallization: |                      |                      |
| -Interest payable to banks/financial institutions                                   | 8,019.36             | 7,991.18             |
| -Others   | 334.47               | 1,768.56             |
|   | <b>26,864.93</b>     | <b>27,490.35</b>     |
| <b>Deferred Tax Liability :</b>   |                      |                      |
| On account of accelerated depreciation for tax purposes                             | 11,189.18            | 11,738.27            |
| On account of difference in the tax base value and carrying amount of land          | 15,675.75            | 15,752.08            |
|   | <b>26,864.93</b>     | <b>27,490.35</b>     |
| <b>Net Deferred Tax</b>   | -                    | -                    |

**B. Movement in recognised Deferred Tax Assets / (Liabilities)**

(₹ lacs)

|                                | Carried forward losses & Unabsorbed Depreciation | Property Plant & Equipment | Interest payable to banks/ financial institutions | Other items     | Total    |
|--------------------------------|--|----------------------------|---|-----------------|----------|
| <b>At 31st March 2017</b>      | <b>20,439.57</b>                                 | <b>(28,268.14)</b>         | <b>7,115.12</b>                                   | <b>713.45</b>   | <b>-</b> |
| (Charged)/credited:-           |  |                            |   |                 |          |
| -to profit & loss              | (2,708.96)                                       | 777.80                     | 876.06  | 1,055.10        | -        |
| -to other comprehensive income | -  | -                          | -   | -               | -        |
| <b>At 31st March 2018</b>      | <b>17,730.61</b>                                 | <b>(27,490.34)</b>         | <b>7,991.18</b>                                   | <b>1,768.55</b> | <b>-</b> |
| (Charged)/credited:-           |  |                            |   |                 |          |
| -to profit & loss              | 780.49   | 625.42                     | 28.18   | (1,434.09)      | -        |
| -to other comprehensive income | -  | -                          | -   | -               | -        |
| <b>At 31st March 2019</b>      | <b>18,511.10</b>                                 | <b>(26,864.92)</b>         | <b>8,019.36</b>                                   | <b>334.46</b>   | <b>-</b> |

**C. Details of unrecognised Deferred Tax Asset**

(₹ lacs)

|   | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| <b>Deferred Tax Asset :</b>   |                      |                      |
| Tax Effect on Tax Losses  | 8,792.36             | 7,038.00             |
| Tax Effect on difference in the tax base value and carrying amount of Investments other than charged to OCI | 1,713.41             | 1,538.98             |
| Tax effect on items charged to OCI ( Net)   | 1,033.29             | 513.71               |
|   | <b>11,539.06</b>     | <b>9,090.69</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   | 3,917.96             | 2,163.60             |
|   | <b>8,792.36</b>      | <b>7,038.00</b>      |

**14 A. Income Tax Expenses**

(₹ lacs)

|                           | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------|----------------------|----------------------|
| Current Tax               | -                    | -                    |
| Deferred tax              | -                    | -                    |
| Total Income Tax Expenses | -                    | -                    |

**B. Reconciliation of tax expense and accounting profit multiplied by India's tax rate:**

(₹ lacs)

|   | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Profit/(Loss) for the year (before income tax expense)                        | (4,914.51)           | (18,129.16)          |
| Applicable tax rate   | 34.94%               | 34.94%               |
| <b>Computed tax expenses</b>  | <b>(6,310.84)</b>    | <b>(1,145.22)</b>    |
| Loan Liability written back/( reversed ) not taxable /allowable under tax law | -                    | 335.97               |
| Expenses not allowed for tax purposes   | 39.31                | 4.72                 |
| Reversal of Deferred Tax liability on land (Net)                              | (76.34)              | 30.25                |
| Deferred Tax Assets on business losses not recognised                         | 1,754.36             | 5,964.11             |
| <b>Total</b>  | <b>-</b>             | <b>-</b>             |

**15. Exceptional items represent:**

- During the current year, the Company has written off the carrying value of investment amounting to ₹ 39.94 lacs in Simbhaoli Global Commodities, DMCC and also made provision for credit loss in respect of loans and advances ₹ 22.24 lacs and trade receivables for ₹ 122.41 lacs due from Simbhaoli Global Commodities, DMCC.
- The company has entered into a one-time settlement agreement with one of its lenders in the financial year 2016-17. The settlement amount was to be paid in six structured instalments by November 14, 2017. The company has recognised ₹ 970.79 lacs being remission of liability as exceptional item in previous year March 31, 2017. However, on the account of downturn in the sugar industry the company could not repay as per agreed settlement terms, the lender terminated the settlement agreement. Accordingly, the company has restated the liability as per original agreement during the financial year

2017-18 by reversing the said exceptional gain recognized in financial year 2016-17.

**16. 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<br>March 31,<br>2019 | Year ended<br>March 31,<br>2018 |
|--|---------------------------------|---------------------------------|
| - Employers' Contribution to Provident Fund      | 390.97                          | 369.98                          |
| - Employers' Contribution to Superannuation Fund | 18.97                           | 9.51                            |

**ii) Disclosure in respect of defined benefit plans (Gratuity & compensated absence) is as under:**

| <b>(A) Principal Assumptions</b>                       |                                       |                                       |                                       |                                       |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Particulars  | Gratuity (Funded)                     |                                       | Compensated Absence (Unfunded)        |                                       |
|  | 2018-19                               | 2017-18                               | 2018-19                               | 2017-18                               |
| Discount Rate (Per Annum)                              | 7.55%                                 | 7.75%                                 | 7.55%                                 | 7.75%                                 |
| Expected Rate of Salary Increase                       | 8% for the first Year & 5% thereafter | 8% for the first Year & 5% thereafter | 8% for the first Year & 5% thereafter | 8% for the first Year & 5% thereafter |
| 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)                    | NA                                    | NA                                    | Earned Leave-0%<br>Sick Leave-10%     | Earned Leave-0%<br>Sick Leave-10%     |
| Rate of Leave Encashment during Employment (Per Annum) | NA                                    | NA                                    | 0%                                    | 0%                                    |

(₹ lacs)

| <b>(B) Amount Recognised in Statement of Profit &amp; Loss in respect of the Defined Benefit Obligation</b> |                   |         |                                |         |
|---|-------------------|---------|--------------------------------|---------|
| Particulars   | Gratuity (Funded) |         | Compensated Absence (Unfunded) |         |
|   | 2018-19           | 2017-18 | 2018-19                        | 2017-18 |
| <b>Components of defined benefit cost recognised in profit or loss</b>                                      |                   |         |                                |         |
| Current Service Cost  | 88.81             | 84.43   | 80.94                          | 141.05  |
| Past Service Cost   | -                 | 17.22   | -                              | -       |
| Interest Cost   | 31.76             | 30.09   | 34.15                          | 27.57   |
| Actuarial (gain)/loss from change in financial assumptions  | -                 | -       | 20.53                          | 5.00    |

(₹ lacs)

| Particulars  | Gratuity (Funded) |                | Compensated Absence (Unfunded) |               |
|--|-------------------|----------------|--------------------------------|---------------|
|  | 2018-19           | 2017-18        | 2018-19                        | 2017-18       |
| Actuarial (gain)/loss arising from experience adjustments                          |                   | -              | (70.94)                        | 118.13        |
| <b>Components of defined benefit cost recognised in profit or loss</b>             | <b>120.57</b>     | <b>131.74</b>  | <b>64.68</b>                   | <b>291.75</b> |
| <b>Components of defined benefit cost recognised in Other Comprehensive Income</b> |                   |                |                                |               |
| Actuarial (gain)/loss from change in financial assumptions                         | 58.88             | 13.59          | -                              | -             |
| Actuarial (gain)/loss arising from experience adjustments                          | (131.06)          | (100.39)       | -                              | -             |
| Return on plan assets (higher)/lower than discount rate                            | 11.16             | (8.86)         | -                              | -             |
| <b>Total actuarial (gain)/loss recognised in Other Comprehensive Income</b>        | <b>(61.02)</b>    | <b>(95.66)</b> | <b>-</b>                       | <b>-</b>      |
| <b>Total amount recognised in statement of profit &amp; loss</b>                   | <b>59.55</b>      | <b>36.08</b>   | <b>64.68</b>                   | <b>291.75</b> |

(₹ lacs)

(C) 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) |                 |
|--|-------------------|-----------------|--------------------------------|-----------------|
|  | 2018-19           | 2017-18         | 2018-19                        | 2017-18         |
| Present Value of Defined Benefit Obligation                  | 1,441.29          | 1,370.20        | 505.61                         | 440.93          |
| Fair Value of Plan Asset                                     | 971.64            | 960.10          | -                              | -               |
| <b>Net liability arising from defined benefit obligation</b> | <b>(469.65)</b>   | <b>(410.10)</b> | <b>(505.61)</b>                | <b>(440.93)</b> |
| * Non Current Liability                                      |                   |                 | (415.88)                       | (346.54)        |
| * Current Liability  | (469.65)          | (410.10)        | (89.73)                        | (94.39)         |

(₹ lacs)

(D) Movement in the fair value of plan assets are as follows:

| Particulars   | Gratuity (Funded) |               | Compensated Absence (Unfunded) |           |
|---|-------------------|---------------|--------------------------------|-----------|
|   | 2018-19           | 2017-18       | 2018-19                        | 2017-18   |
| Opening fair value of plan assets                         | 960.10            | 1,074.98      | NA                             | NA        |
| Expected return on plan assets                            | 74.36             | 80.57         | NA                             | NA        |
| Employer Contribution                                     | -                 | 27.50         | NA                             | NA        |
| Remeasurement gain/(loss)                                 |                   |               |                                |           |
| * Return on plan assets (higher)/lower than discount rate | (11.16)           | 8.86          | NA                             | NA        |
| Benefit Paid  | (51.66)           | (231.80)      | NA                             | NA        |
| <b>Closing fair value of plan assets</b>                  | <b>971.64</b>     | <b>960.11</b> | <b>NA</b>                      | <b>NA</b> |

(₹ lacs)

(E) Movement in the present value of defined benefit obligations are as follows:

| Particulars  | Gratuity (Funded) |                 | Compensated Absence (Unfunded) |               |
|--|-------------------|-----------------|--------------------------------|---------------|
|  | 2018-19           | 2017-18         | 2018-19                        | 2017-18       |
| <b>Opening defined benefit obligation</b>                    | <b>1,370.20</b>   | <b>1,476.49</b> | <b>440.93</b>                  | <b>367.85</b> |
| Current service cost   | 88.81             | 84.43           | 80.94                          | 141.05        |
| Interest cost  | 106.12            | 110.66          | 34.15                          | 27.57         |
| <b>Remeasurement (gains)/losses:</b>                         |                   |                 |                                |               |
| * Actuarial (gain)/loss from change in financial assumptions | 58.88             | 13.59           | 20.53                          | 5.00          |
| * Actuarial (gain)/loss arising from experience adjustments  | (131.06)          | (100.39)        | 15.32                          | 118.13        |
| Past Service Cost  | -                 | 17.22           | -                              | -             |
| Benefits paid by employer                                    | (51.66)           | (231.80)        | (86.26)                        | (218.67)      |
| Benefits paid from plan assets                               | -                 | -               | -                              | -             |
| <b>Closing defined benefit obligation</b>                    | <b>1,441.29</b>   | <b>1,370.20</b> | <b>505.61</b>                  | <b>440.93</b> |

| <b>(F) Sensitivity Analysis<br/>Gratuity (Funded)</b> |                         |                                      |           |           |                        |           | (₹ lacs) |
|---|-------------------------|--------------------------------------|-----------|-----------|------------------------|-----------|----------|
| Particulars   | Change in assumption by | Impact on defined benefit obligation |           |           |                        |           |          |
|   |                         | Increase in assumption               |           |           | Decrease in assumption |           |          |
|   |                         | Increase/decrease                    | 31-Mar-19 | 31-Mar-18 | 31-Mar-19              | 31-Mar-18 |          |
| Discounting rate                                      | 1.00%                   | In ₹                                 | 1,345.85  | 1,277.89  | 1,548.79               | 1,474.66  |          |
|   |                         | In %                                 | (6.60%)   | (6.70%)   | 7.50%                  | 7.60%     |          |
| Future salary growth rate                             | 1.00%                   | In ₹                                 | 1,548.69  | 1,475.26  | 1,344.03               | 1,275.55  |          |
|   |                         | In %                                 | 7.50%     | 7.70%     | (6.70%)                | (6.90%)   |          |
| Attrition rate  | 0.50%                   | In ₹                                 | 1,457.42  | 1,387.61  | 1,423.59               | 1,351.00  |          |
|   |                         | In %                                 | 1.10%     | 1.30%     | (1.20%)                | (1.40%)   |          |
| Mortality rate  | 10.00%                  | In ₹                                 | 1,442.16  | 1,371.12  | 1,440.42               | 1,369.28  |          |
|   |                         | In %                                 | 0.10%     | 0.10%     | (0.10%)                | (0.10%)   |          |

| <b>Compensated Absence (Unfunded)</b> |                         |                                      |           |           |                        |           | (₹ lacs) |
|---------------------------------------|-------------------------|--------------------------------------|-----------|-----------|------------------------|-----------|----------|
| Particulars                           | Change in assumption by | Impact on defined benefit obligation |           |           |                        |           |          |
|                                       |                         | Increase in assumption               |           |           | Decrease in assumption |           |          |
|                                       |                         | Increase/decrease                    | 31-Mar-19 | 31-Mar-18 | 31-Mar-19              | 31-Mar-18 |          |
| Discounting rate                      | 1.00%                   | In ₹                                 | 473.91    | 413.42    | 541.55                 | 472.22    |          |
|                                       |                         | In %                                 | (6.30%)   | (6.20%)   | 7.10%                  | 7.10%     |          |
| Future salary growth rate             | 1.00%                   | In ₹                                 | 541.97    | 472.65    | 473.02                 | 412.60    |          |
|                                       |                         | In %                                 | 7.20%     | 7.20%     | (6.40%)                | (6.40%)   |          |
| Attrition rate                        | 0.50%                   | In ₹                                 | 505.85    | 441.35    | 505.16                 | 440.30    |          |
|                                       |                         | In %                                 | 0.00%     | 0.10%     | (0.10%)                | (0.10%)   |          |
| Mortality rate                        | 10.00%                  | In ₹                                 | 505.62    | 440.95    | 505.61                 | 440.92    |          |
|                                       |                         | 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) |          |          |          |         |
|---|-------------------|----------|----------|----------|---------|-----------------------------------|----------|----------|----------|---------|
|   | 2018-19           | 2017-18  | 2016-17  | 2015-16  | 2014-15 | 2018-19                           | 2017-18  | 2016-17  | 2015-16  | 2014-15 |
| Present value of obligation as at the end of the year | 1,441.29          | 1,370.20 | 1,888.69 | 1,646.45 | 162.86  | 505.61                            | 440.93   | 367.85   | 239.01   | 34.08   |
| Fair value of plan assets as at the end of the year   | 971.64            | 960.10   | 1,074.98 | 1,008.32 | 111.49  | -                                 | -        | -        | -        | -       |
| Net asset/(liability) recognised in the balance sheet | (469.65)          | (410.10) | (813.71) | (638.13) | (51.37) | (505.61)                          | (440.93) | (367.85) | (239.01) | (34.08) |

### 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:

- 1) 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.
- 2) 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.
- 3) 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.

- 4) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability.
- 5) 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).
- 6) 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.
- 7) 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.

#### H. Method and Assumptions related terms:

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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).

17. 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, 2019.

| 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                      | -                                  |
|                          |                |  | 2013-2014                          | 138.45                    | 0.12                               |
|                          |                |  | 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                          | 83.06                     | 14.87                              |

\* Amount as per demand orders including interest and 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 ₹ 1.77 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.

#### 18. Earnings per share (₹ lacs)

| Description   |       | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|-------|---------------------------|---------------------------|
| Profit/(loss) after tax and exceptional items as per Statement of Profit and Loss | (A)   | (4,914.51)                | (18,129.16)               |
| Add/Less: Exceptional Items net of taxes  |       | 184.59                    | 970.79                    |
| Profit/(loss) after tax and before exceptional items                              | (B)   | (4,729.92)                | (17,158.37)               |
| Weighted average number of equity shares outstanding (Par value ₹ 10 per share)   |       |                           |                           |
| - For basic and diluted earnings per share (Nos.)                                 | (C)   | 39,295,458                | 37,493,815                |
| <b>Earnings per share (₹)</b>   |       |                           |                           |
| - Basic and diluted EPS before exceptional item                                   | (B÷C) | (12.04)                   | (45.76)                   |
| - Basic and diluted EPS after exceptional item                                    | (A÷C) | (12.51)                   | (48.35)                   |

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. Auditors' remuneration (excluding service tax/Goods and Service Tax): (₹ lacs)

| Description   | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---------------------------|---------------------------|
| - Statutory audit   | 10.00                     | 10.00                     |
| - Audit of Consolidated Financial Statement                             | 5.00                      | 2.50                      |
| - Limited review of unaudited financial results                         | 15.00                     | 15.00                     |
| - Reimbursement of out of pocket expense for statutory audit and others | 1.79                      | 0.84                      |

#### 20. Details of sales of goods manufactured: (₹ lacs)

| Sales                                 | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---------------------------------------|---------------------------|---------------------------|
| - Sugar                               | 78,278.35                 | 84,129.66                 |
| - Rectified spirit and country spirit | 17,857.02                 | 9.12                      |
| - Denatured spirit                    | 9,767.18                  | 3,800.31                  |
| - Whisky, brandy and civil rum        | 1,039.77                  | 431.40                    |
| - Others                              | 2,269.40                  | 1,957.29                  |
| <b>Total</b>                          | <b>1,09,211.72</b>        | <b>90,327.78</b>          |



## 21. 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<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--------|---|--|------------------------------|------------------------------|
| 1      | Production subsidy from Central Government.<br>[Refer Note No. 21(iii)]   | Deducted from Cost of Raw material consumed [Refer Note No. 3.26]  | 2,896.43                     | -                            |
| 2      | Government Grant of ₹ 4.50 per quintal of cane purchase during SS 2017-18 as announced by the U.P. State Government<br>[Refer Note No. 21 (ii)] | Shown as separate line items "Subsidy from Central Government under MIEQ" under "Revenue from operations"<br>[Refer Note No. 3.24] | 403.02                       | -                            |
|        |   | Deducted from Cost of Raw material consumed [Refer Note No. 3.26]  | 98.83                        | -                            |
| 3      | Transport Subsidy from Central Government.<br>[Refer Note No. 21 (iv)]  | Deducted from "Export Expenses".<br>[Refer Note No. 3.32]  | 803.55                       | -                            |
| 4      | Production subsidy from Central Government.<br>[Refer Note No. 21 (i)]  | Shown as separate line items "Subsidy from Central Government under MIEQ" under "Revenue from operations"<br>[Refer Note No. 3.24] | -                            | 3.60                         |
| 5      | Interest subvention @10% per annum granted by the Government of India.<br>[Refer Note No. 21 (v)]   | Deducted from finance cost   | -                            | 135.50                       |

- i) The Central Government vide its Notification No. 1(10)/2015-SP-I dated September 18, 2015 announced Minimum Indicative Export Quota (MIEQ) under tradeable export scrip scheme in order to export surplus sugar inventory out of the country. Under the said scheme, the Company was allotted quota of 28,190 MT for export in respect of its all three sugar units. The Central government vide its Notification No. 20(43)/2015-SP-I dated December 02, 2015 announced a scheme for extending production subsidy @ ₹ 4.50 per quintal of actual cane crushed during sugar season 2015-16 or the proportionate cane crushed for average sugar production of the Company's each unit in the last three sugar seasons, whichever is lower, for the sugar units who have fulfilled stipulated conditions including export obligations.
- ii) The Company has received government grant of ₹ 4.50 per quintal of cane purchase during sugar season 2017-18 under the scheme announced by the U.P State Government vide notifications no. 13/2011/1697/46-3-18-3(37)/2018 dtd. October 01, 2018 which has been accounted for in the financial statements as mentioned herein above. .
- iii) 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 Scheme will be 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 atleast 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, 2019, the Company has complied with all the conditions as stated in the scheme and the management is also confident that all the conditions set out in the Scheme shall be fully complied with at the time of submission of the claim. Accordingly subsidy accrued under the Scheme till 31st March 2019 has been recognised during the year

- iv) 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 @ ₹ 3000 per MT. of sugar exported for Mills located in other than coastal states or actual expenditure, whichever is lower. The conditions stipulated under this scheme are the same as stipulated in the Scheme for Assistance to Sugar Mills as stated hereinabove and the Management is confident to comply those. Accordingly, subsidy accrued under the Scheme till 31st March 2019 has been recognised during the year.

- v) Under Interest Subvention Scheme of Extending Financial Assistance to Sugar Undertaking 2014, the company is eligible for the reimbursement of interest paid on loan taken from banks under the Scheme. The company has availed benefit under the scheme.

## 22. Capital Management

The capital structure as at March 31, 2019 and March 31, 2018 is as follows.

(₹ lacs)

| Particulars   | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Total equity attributable to equity shareholders                                | 1,185.26             | 8,137.24             |
| Borrowings  | 58,700.50            | 59,684.55            |
| <b>Total Capital</b>  | <b>59,885.76</b>     | <b>67,821.79</b>     |
| Total equity attributable to equity shareholders as percentage of total capital | 1.98%                | 12.00%               |
| Total borrowing as percentage of total capital                                  | 98.02%               | 88.00%               |

Due to continuous losses, the Company has defaulted in payment of interest and principal dues to its lenders. The Company had approached for debt restructuring of its outstanding debts and had also raised additional capital during the year through preferential issue of warrant to the promoters, to comply with the condition for infusion of capital imposed by the lenders.

## 23. 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, 2019 | As at March 31, 2018 |
|--------------------------|----------------------|----------------------|
| Up to 6 months           | 5172.01              | 3,420.49             |
| More than 6 months       | 810.42               | 393.77               |
| <b>Total receivables</b> | <b>5,983.43</b>      | <b>3,814.26</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, 2017</b>   | <b>115.29</b>     | <b>-</b>          | <b>34.86</b>      |
| Provided during the year 2017-18      | 46.13             | 13.85             | -                 |
| Amount written off                    | -                 | -                 | 7.36              |
| Reversed during the year 2017-18      | 20.66             | -                 | -                 |
| <b>Balance as at March 31, 2018</b>   | <b>140.76</b>     | <b>13.85</b>      | <b>27.50</b>      |
| Provided made during the year 2018-19 | 180.70            | 22.24             | -                 |
| Amount written off                    | 6.03              | -                 | 2.50              |
| Reversed during the year 2018-19      | -                 | 0.09              | -                 |
| <b>Balance as at March 31, 2019</b>   | <b>315.43</b>     | <b>36.00</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, 2019 (₹ lacs) |                   |               |              |                   |
|--------------------------------------|-------------------------------|-------------------|---------------|--------------|-------------------|
|                                      | Carrying amount               | Less than 1 Year  | 1 to 5 Years  | More 5 Years | Total             |
| Borrowings                           | 104,961.35                    | 104,436.13        | 525.22        | -            | 104,961.35        |
| Trade payables                       | 79,278.02                     | 79,278.02         | -             | -            | 79,278.02         |
| Other financial liabilities- Current | 19,728.65                     | 19,728.65         | -             | -            | 19,728.65         |
| <b>Total</b>                         | <b>203,968.02</b>             | <b>203,442.80</b> | <b>525.22</b> | <b>-</b>     | <b>203,968.02</b> |

| Particulars                          | As at March 31, 2018 (₹ lacs) |                   |                  |              |                   |
|--------------------------------------|-------------------------------|-------------------|------------------|--------------|-------------------|
|                                      | Carrying amount               | Less than 1 Year  | 1 to 5 Years     | More 5 Years | Total             |
| Borrowings                           | 106,752.30                    | 74,432.86         | 32,319.44        | -            | 106,752.30        |
| Trade payables                       | 56,367.96                     | 56,367.96         | -                | -            | 56,367.96         |
| Other financial liabilities- Current | 17,787.83                     | 17,787.83         | -                | -            | 17,787.83         |
| <b>Total</b>                         | <b>180,908.09</b>             | <b>148,588.65</b> | <b>32,319.44</b> | <b>-</b>     | <b>180,908.09</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, 2019              |                 | As at March 31, 2018              |                 |
|--------------------------------------|-----------------------------------|-----------------|-----------------------------------|-----------------|
|                                      | Amount in foreign currency (Lacs) | Amount (₹ Lacs) | Amount in foreign currency (Lacs) | Amount (₹ Lacs) |
| Trade Receivables -USD               | \$3.62                            | 250.71          | \$3.40                            | 218.72          |
| Advance Received from Customer – USD | \$0.13                            | 8.99            | -                                 | -               |

#### 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.

### 24. Financial instruments - Accounting, Classification and Fair value measurements

#### i) Financial instruments by category

As at March 31, 2019 (₹ 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                               | -               | 5,108.99          | -     | -      | 5,108.99          |
| - Government securities                          | 2.11            | -                 | -     | -      | 2.11              |
| - Others   | -               | 45.00             | -     | -      | 45.00             |
| Trade receivables                                | -               | 5,668.00          | -     | -      | 5,668.00          |
| Cash and cash equivalent                         | -               | 1,306.69          | -     | -      | 1,306.69          |
| Bank balances other than cash & cash equivalents | -               | 1,022.51          | -     | -      | 1,022.51          |
| Other financial assets                           | -               | 3,748.86          | -     | -      | 3,748.86          |
| <b>Total financial assets</b>                    | <b>6,069.43</b> | <b>16,900.05</b>  | -     | -      | <b>22,969.48</b>  |
| <b>Financial liabilities</b>                     |                 |                   |       |        |                   |
| Borrowings                                       | -               | 763.17            | -     | -      | 763.17            |
| Trade payables                                   | -               | 79,278.02         | -     | -      | 79,278.02         |
| Other financial liabilities                      | -               | 124,028.47        | -     | -      | 124,028.47        |
| <b>Total financial liabilities</b>               | <b>-</b>        | <b>204,069.66</b> | -     | -      | <b>204,069.66</b> |

As at March 31, 2018

(₹ lacs)

| Particulars                                      | Cost            | Carrying Value    |       |                 | Total             |
|--|-----------------|-------------------|-------|-----------------|-------------------|
|  |                 | Amortised Cost    | FVTPL | FVTOCI          |                   |
| <b>Financial assets</b>                          |                 |                   |       |                 |                   |
| Investment                                       |                 |                   |       |                 |                   |
| - Equity instruments                             | 6,107.26        | -                 | -     | 2,322.29        | 8,429.55          |
| - Debt instruments                               | -               | 5,141.84          | -     | -               | 5,141.84          |
| - Government securities                          | 2.61            | -                 | -     | -               | 2.61              |
| - Others   | -               | 45.00             | -     | -               | 45.00             |
| Trade receivables                                | -               | 3,673.50          | -     | -               | 3,673.50          |
| Cash and cash equivalent                         | -               | 803.43            | -     | -               | 803.43            |
| Bank balances other than cash & cash equivalents | -               | 955.89            | -     | -               | 955.89            |
| Loans  | -               | 22.24             | -     | -               | 22.24             |
| Other financial assets                           | -               | 3,705.66          | -     | -               | 3,705.66          |
| <b>Total financial assets</b>                    | <b>6,109.87</b> | <b>14,347.56</b>  | -     | <b>2,322.29</b> | <b>22,779.72</b>  |
| <b>Financial liabilities</b>                     |                 |                   |       |                 |                   |
| Borrowings                                       | -               | 106,752.30        | -     | -               | 106,752.30        |
| Trade payables                                   | -               | 56,367.96         | -     | -               | 56,367.96         |
| Other financial liabilities                      | -               | 17,916.03         | -     | -               | 17,916.03         |
| <b>Total financial liabilities</b>               | <b>-</b>        | <b>181,036.29</b> | -     | -               | <b>181,036.29</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 Company'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, 2019</b> |                 |                              |         |                 |
| <b>Financial Assets</b>     |                 |                              |         |                 |
| - Investments               | -               | -                            | -       | -               |
| <b>Total</b>                | -               | -                            | -       | -               |
| <b>As at March 31, 2018</b> |                 |                              |         |                 |
| <b>Financial Assets</b>     |                 |                              |         |                 |
| - Investments               | 2,322.29        | -                            | -       | 2,322.29        |
| <b>Total</b>                | <b>2,322.29</b> |                              |         | <b>2,322.29</b> |

Following table shows the reconciliation from the opening balances to its closing balances of the Level 3 values:

(₹ lacs)

| Particulars  | Carrying Amount |
|--|-----------------|
| Balance as at April 01, 2017   | 2,397.29        |
| <b>Less</b> : Fair value loss recognized in Other Comprehensive Income in FY 2017-18 | 75.00           |
| Balance as at March 31, 2018   | 2,322.29        |
| <b>Less</b> : Fair value loss recognized in Other Comprehensive Income in FY 2018-19 | 2,322.29        |
| Balance as at March 31, 2019   | -               |

25. Financial statement of earlier years have been restated as under to rectify the error committed earlier in calculation of fair value of investment in CCD of SPPL; its consequential effect on deferred interest income and recognition of its interest income in the Statement of Profit & Loss account:

(₹ lacs)

| Particulars  | Original Amount | Restated Amount |
|--|-----------------|-----------------|
| Other Equity as at 1st April 2017  | 21,703.02       | 21,390.42       |
| Other Equity as at 31st March 2018   | 4,592.02        | 4,209.29        |
| Recognition of Interest Income on CCD in Statement of Profit and Loss for F.Y. 2017-18 | 1,209.59        | 1,195.67        |
| Investment Value as at 31st March 2018   | 7,062.99        | 5,141.84        |
| Non-current Deferred Interest income as at 31st march 2018                             | 1,227.99        | 101.64          |
| Current Deferred Interest income as at 31st march 2018                                 | 438.63          | 26.56           |
| Profit/(loss) after tax for the year ended 31st march 2018                             | (18,059.86)     | (18,129.99)     |
| Total Comprehensive income for the year ended 31st march 2018                          | (18,039.19)     | (18,109.32)     |

26. Recent accounting pronouncements notified by Ministry of corporate affairs during the year has been disclosed in Note No. 2.1(ii)

27. The Company has been carrying out the conversion of bagasse for the Simbhaoli and Chilwaria Sugar plants of SSL under long term Bagasse Conversion Agreement ('BCA') with Simbhaoli Power Private Limited(SPPL) whereby it has been supplying the required quantity of steam and power to SSL by converting bagasse for agreed conversion charges. SPPL, based on legal opinion, has concluded that the BCA entered into with SSL is in the nature of job work and accordingly, has applied the provision of the Goods and Service Tax (GST) Act thereon.

During the current year, the Company has entered into an amended and restated BCA with SPPL to ensure compliance with GST Act w.r.t. arm's length price. As per amended and restated BCA, conversion charges for each billing period shall be computed based on conversion method in the BCA provided that such conversion charges to be charged from SSL shall not be less than its cost of generation of steam and power at the plus 10% mark up.

28. 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.

29. 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 29

**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  
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

Sanjay Kulshrestha  
GM- Finance & Accounts  
FCA - 93900

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Noida  
Date : May 30, 2019

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

## Report on the Consolidated Financial Statements

### Qualified Opinion

1. 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, 2019, and 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 ended on that date (hereinafter referred to as "the Consolidated financial statement").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group as at March 31, 2019, 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 Qualified Opinion

3. We draw attention to Note No. 10 of the consolidated financial Statements regarding non-provision of interest expense amounting ₹ 12,336.00 Lacs (Previous year ₹ 11,971.59 Lacs) on certain borrowings for the year ended March 2019 respectively for the reasons stated in the said note. The aggregate amount of interest expense not provided for in the accounts aggregates to ₹ 24,307.59 Lacs till 31st March 2019. Had the aforesaid interest expense been provide for, the Finance Cost for the year ended 31st March 2019 would have been ₹17,944.87 Lacs (Previous year ₹19,220.70 Lacs) instead of reported amount of ₹5,608.87 Lacs (Previous year ₹ 7,249.11 Lacs); the Net loss after tax for the year ended 31st March 2019 would have been ₹15,318.14 Lacs (Previous year ₹30,182.63 Lacs) instead of reported amount of ₹2,982.14 Lacs (Previous year ₹18,211.04 Lacs); the total comprehensive loss for the year ended 31st March 2019 would have been ₹ 15,253.82 Lacs (Previous Year ₹ 30,071.85 Lacs) instead of reported amount of ₹ 2,917.82 Lacs (Previous Year ₹ 181,00.26 Lacs); the other current financial liability as at 31st March 2019 and 2018 would have been ₹1,51,598.07 Lacs and ₹62,591.68 Lacs respectively instead of reported amount of ₹ 1,27,290.48 Lacs and ₹50,620.09

Lacs respectively and the Other Equity as at 31st March 2019 and 2018 would have been negative ₹ 27,306.22 and negative ₹11,268.61 respectively instead of reported amount of negative ₹ 2,998.63 and ₹ 703.02 respectively.

4. 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.
5. We have relied on the unaudited financial statements of a subsidiary company viz. Simbhaoli Power pvt. Ltd. This is material to the group and whose financial statements reflect total assets of ₹ 39,972.23 Lacs as at march 31,2019, total revenue of ₹ 15,180.51 Lacs and net cash outflow amounting to ₹ 1,702.40 Lacs for the year then ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements / financial information furnished by the management.

Our opinion is modified on the above matters.

### Material Uncertainty related to Going Concern:

6. As stated in Note No. 4, the financial statement of the holding 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 as well as on the carrying amount of Property, Plant & Equipments appearing in the consolidated financial statements. The ability of the holding company to continue depends on the restructuring of debts as stated in the said note and turnaround of the sugar operation on sustainable basis.

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

### Emphasis of Matter

7. As stated in Note No. 11 to the consolidated financial statement, the holding company has paid managerial remunerations of ₹170.67 Lacs during the year (Previous Year ₹ 102.13 Lacs) which is subject to the approval of shareholders of the holding company in accordance with the amended provisions of sections 197 and 200 of the Companies Act, 2013, as due to said amendments, the application earlier filed by the holding company for the approval of the appointment and remuneration to the directors before the Central Government has been abated.

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

**Key Audit Matters**

8. 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 subsidy accruals/claims and their recoverability</b></p> <p>During the year, the Company has recognized accruals/ subsidy claims amounting to ₹ 4,201.83 Lacs as at March 31, 2019 the Company has receivables of ₹ 3,699.98 Lacs relating to such claims which is significant to the financial statements.</p> <p>We focused on this area because recognition of accruals/ 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 accruals/ claims.</p> <p>For details: - Refer Note No.18 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 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 fulfillment of the conditions as precedent in relevant notification management is reasonably certain about the recoverability of the claims/ accrual.</p> <p>Based on the above procedures performed, the management's estimates related to recognition of subsidy accruals/claim and their recoverability are considered to be reasonable.</p> |
| 2.     | <p><b>Determination of net realizable value of inventory of sugar as at the year ended March 31, 2019</b></p> <p>As on March 31, 2019, the holding company has inventory of sugar with the carrying value ₹ 43,000.82 Lacs. The inventory of sugar is valued at the lower of cost and net realizable value.</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 in determination of net realizable value 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>  |

**Other Information**

- The Holding 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 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 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 Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of 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

16. 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.
17. 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.

18. 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.
19. 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.
20. 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

21. We did not audit the financial statements of one subsidiary viz, Simbhaoli Speciality Sugars Private Limited, whose financial statements reflect total assets of ₹ 138.34 Lacs as at 31st March, 2019 as well as total revenue ₹ 6.48 Lacs and net cash outflow amounting to ₹ 0.02 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditor whose report have been furnished to us by the Management, and our report on the consolidated financial statements, in so far as it relates to the amounts and disclosure included in respect of the subsidiary and are report in terms of sub-section (3) and (11) of the Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

We have relied on the unaudited financial statements of a subsidiary company viz. Simbhaoli Global commodities DMCC whose financial statements reflect total assets of ₹ 27.29 Lacs as at march 31,2019, total revenue of ₹ 7.60 Lacs and net cash outflow amounting to ₹ 4.38 Lacs for the year then ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statements / financial information furnished by the management.

Our opinion is not modified in respect of the above matters

with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management in respect of subsidiaries which are not material to the group.

**Report on Other Legal and Regulatory Requirements**

22. As required by Section-143(3) of the Act, we report, to the extent applicable, that :-

- (a) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph and Emphasis of matter paragraph above, 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 possible effects of the matter described in the Basis for Qualified Opinion paragraph and Emphasis of matter 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 possible effects of the matter described in the Basis for Qualified Opinion paragraph and Emphasis of matter 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 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The going concern matter described in Material Uncertainty related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company.
- (g) 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'

- (h) 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 subject to the approval of shareholders of the company in accordance with the amended provisions of section 197 and 200 of the Act as due to said amendments, the application earlier filed by the Holding Company for the approval of the appointment and remuneration before the Central Government has been abated.

- (i) 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  
(Membership No. 073794)

Place : Noida  
Date : Aug. 14, 2019



## 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, 2019)

### **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, 2019 and for the year ended March 31, 2019, 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 transactions 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 Qualified Opinion, Material Uncertainty on Going Concern and Emphasis of Matter paragraph, 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, 2019, 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.

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

**(B. L. Gupta)**  
Partner  
(Membership No. 073794)

Place : Noida  
Date : Aug. 14, 2019



**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CONSOLIDATED BALANCE SHEET**  
**AS AT MARCH 31, 2019**

|  | Notes | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|--|-------|-----------------------------------|-----------------------------------|
| <b>ASSETS</b>  |       |                                   |                                   |
| <b>Non-current assets</b>  |       |                                   |                                   |
| Property plant and equipment   | 3.1   | 1,58,235.85                       | 1,63,534.78                       |
| Capital work-in-progress   | 3.1   | 135.88                            | 202.62                            |
| Intangible assets  | 3.2   | 27.03                             | 30.87                             |
| Goodwill   |       | 1,311.48                          | 1,311.48                          |
| Financial assets   |       |                                   |                                   |
| Investments  | 3.3   | 2.26                              | 2.76                              |
| Other financial assets   | 3.4   | 242.60                            | 219.85                            |
| Deferred Tax Assets  | 3.5   | 115.50                            | 119.37                            |
| Non-current Tax Assets   | 3.5A  | 780.12                            | 528.44                            |
| Other non-current assets   | 3.6   | 559.64                            | 747.96                            |
| <b>Total non-current assets</b>  |       | <b>1,61,410.36</b>                | <b>1,66,698.13</b>                |
| <b>Current assets</b>  |       |                                   |                                   |
| Inventories  | 3.7   | 48,179.40                         | 33,798.54                         |
| Financial assets   |       |                                   |                                   |
| Current Investment   | 3.8   | 313.23                            | 666.40                            |
| Trade and other receivables  | 3.9   | 14,490.95                         | 8,929.55                          |
| Cash and cash equivalents  | 3.10  | 1,387.97                          | 2,575.26                          |
| Bank balances other than cash & cash equivalents                                       | 3.11  | 1,112.51                          | 1,018.44                          |
| Other financial assets   | 3.12  | 862.46                            | 502.05                            |
| Other current assets   | 3.13  | 5,515.14                          | 1,032.56                          |
| <b>Total current assets</b>  |       | <b>71,861.66</b>                  | <b>48,522.80</b>                  |
| <b>Total</b>   |       | <b>2,33,272.02</b>                | <b>2,15,220.93</b>                |
| <b>EQUITY AND LIABILITIES</b>  |       |                                   |                                   |
| <b>Equity</b>  |       |                                   |                                   |
| Equity share capital   | 3.14  | 4,127.90                          | 3,927.90                          |
| Other equity   | 3.15  | (2,998.63)                        | 703.02                            |
| Non-controlling interest   |       | 12,052.19                         | 11,244.61                         |
| <b>Total equity</b>  |       | <b>13,181.46</b>                  | <b>15,875.53</b>                  |
| <b>LIABILITIES</b>   |       |                                   |                                   |
| <b>Non current liabilities</b>   |       |                                   |                                   |
| Financial liabilities  |       |                                   |                                   |
| Borrowings   | 3.16  | 6,137.23                          | 40,161.34                         |
| Other financial liabilities  | 3.17  | 2,961.50                          | -                                 |
| Provisions   | 3.18  | 433.98                            | 364.61                            |
| <b>Total non-current liabilities</b>   |       | <b>9,532.71</b>                   | <b>40,525.95</b>                  |
| <b>Current liabilities</b>   |       |                                   |                                   |
| Financial liabilities  |       |                                   |                                   |
| Borrowings   | 3.19  | 137.95                            | 47,067.49                         |
| Trade and other payables   |       |                                   |                                   |
| Total outstanding dues of micro enterprises and small enterprises                      | 3.20  | 57.64                             | 23.21                             |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 3.20  | 80,771.65                         | 58,589.19                         |
| Other financial liabilities  | 3.21  | 1,27,290.48                       | 50,620.09                         |
| Provisions   | 3.22  | 173.05                            | 170.75                            |
| Other Current liabilities  | 3.23  | 1,444.70                          | 1,847.05                          |
| Current Tax Liabilities  | 3.24  | 682.38                            | 501.67                            |
| <b>Total current liabilities</b>   |       | <b>2,10,557.85</b>                | <b>1,58,819.45</b>                |
| <b>Total equity and liabilities</b>  |       | <b>2,33,272.02</b>                | <b>2,15,220.93</b>                |
| <b>See accompanying notes forming part of the financial statements</b>                 |       | 1 to 29                           |                                   |

**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  
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

Sanjay Kulshrestha  
GM- Finance & Accounts  
FCA - 93900

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Noida  
Date : August 14, 2019

Place: Noida  
Date : May 30, 2019

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

|  | Notes | Year ended<br>March 31, 2019<br>₹ lacs | Year ended<br>March 31, 2018<br>₹ lacs |
|--|-------|--|--|
| <b>Revenue from operations</b>   |       |  |  |
| Revenue from operations  | 3.25  | 1,24,120.46                            | 1,02,715.18                            |
| Other Income   | 3.26  | 317.78                                 | 1,187.32                               |
| <b>Total income</b>  |       | <b>1,24,438.24</b>                     | <b>1,03,902.50</b>                     |
| <b>Expenses</b>  |       |  |  |
| Cost of materials consumed   | 3.27  | 92,273.76                              | 85,615.00                              |
| Purchases of stock-in-trade  | 3.28  | 2,179.70                               | 281.41                                 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade      | 3.29  | (14,589.77)                            | 1,765.13                               |
| Excise Duty on sale of goods   | 3.30  | 15,896.53                              | 1,719.80                               |
| Employee benefits expense  | 3.31  | 7,138.53                               | 6,311.28                               |
| Finance costs  | 3.32  | 5,608.87                               | 7,249.11                               |
| Depreciation and amortization expense  | 3.33  | 4,788.34                               | 5,762.47                               |
| Other expenses   | 3.34  | 12,799.91                              | 10,927.53                              |
| <b>Total expenses</b>  |       | <b>1,26,095.87</b>                     | <b>1,19,631.73</b>                     |
| <b>Profit/(loss) before exceptional items and tax</b>                              |       | <b>(1,657.63)</b>                      | <b>(15,729.23)</b>                     |
| Exceptional items - expenses/(income)  | 3.35  | 1,019.17                               | 970.79                                 |
| <b>Profit/ (loss) before sharing of Profit/(loss) in Joint Venture and Tax</b>     |       | <b>(2,676.80)</b>                      | <b>(16,700.02)</b>                     |
| Share of Profit/(loss) of Joint Venture [accounted for using the equity method]    |       | -                                      | (989.28)                               |
| <b>Profit/(loss) before tax</b>  |       | <b>(2,676.80)</b>                      | <b>(17,689.30)</b>                     |
| Tax expense:   |       |  |  |
| - Current Tax  |       | 302.48                                 | 487.13                                 |
| - Deferred Tax   |       | 2.61                                   | 25.72                                  |
| - Tax adjustments related to earlier years   |       | 0.25                                   | 8.89                                   |
| <b>Total Tax Expense</b>   |       | <b>305.34</b>                          | <b>521.74</b>                          |
| <b>Profit after Tax</b>  |       | <b>(2,982.14)</b>                      | <b>(18,211.04)</b>                     |
| <b>Other Comprehensive Income</b>  |       |  |  |
| A. (i) Items that will not be re-classified to profit or loss                      |       | 65.93                                  | 115.64                                 |
| (ii) Income tax relating to items that will not be re-classified to profit or loss |       | (1.26)                                 | (4.71)                                 |
| B. (i) Items that will be re-classified to profit or loss                          |       | (0.35)                                 | (0.15)                                 |
| (ii) Income Tax relating to items that may be reclassified to profit or loss       |       | -                                      | -                                      |
| <b>Total Other Comprehensive Income (net of tax)</b>                               |       | <b>64.32</b>                           | <b>110.78</b>                          |
| <b>Total Comprehensive Income</b>  |       | <b>(2,917.82)</b>                      | <b>(18,100.26)</b>                     |
| <b>Profit/loss for the year attributable to:</b>                                   |       |  |  |
| 1). Owners of the parent   |       | (3,797.86)                             | (19,024.34)                            |
| 2). Non Controlling Interest   |       | 815.72                                 | 813.30                                 |
| <b>Other Comprehensive Income attributable to:</b>                                 |       |  |  |
| 1). Owners of the parent   |       | 72.45                                  | 105.78                                 |
| 2). Non Controlling Interest   |       | (8.14)                                 | 5.00                                   |
| <b>Total Comprehensive Income attributable to:</b>                                 |       |  |  |
| 1). Owners of the parent   |       | (3,725.40)                             | (18,918.56)                            |
| 2). Non Controlling Interest   |       | 807.58                                 | 818.30                                 |
| <b>Earnings per equity share-basic/diluted (₹)</b>                                 |       |  |  |
| - Before exceptional items   |       | (7.07)                                 | (48.15)                                |
| - After exceptional items  |       | (9.66)                                 | (50.74)                                |
| <b>See accompanying notes forming part of the financial statements</b>             |       | 1 to 29                                |  |

**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  
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

Sanjay Kulshrestha  
GM- Finance & Accounts  
FCA - 93900

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Noida  
Date : August 14, 2019

Place: Noida  
Date : May 30, 2019

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

| Particular  | Year ended<br>March 31, 2019<br>₹ lacs | Year ended<br>March 31, 2018<br>₹ lacs |
|---|--|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>                               |  |  |
| Net profit/(loss) before tax and exceptional items                            | (1,657.63)                             | (15,729.23)                            |
| <b>Adjustments for:</b>   |  |  |
| Depreciation and amortization (net of revaluation reserve)                    | 4,788.34                               | 5,762.47                               |
| Finance income/cost   | 5,608.87                               | 7,249.11                               |
| Interest income/cost  | (76.04)                                | (148.35)                               |
| Rent/Financial lease income   | (10.18)                                | (6.78)                                 |
| Liability/provisions no longer required written back                          | (54.77)                                | (638.73)                               |
| Bad Debts and advances written off  | 81.86                                  | 59.02                                  |
| Loss/ (profit) from sale of property, plant and equipment (net)               | 0.03                                   | 4.00                                   |
| Management Fees Written off   | -                                      | 985.78                                 |
| Unrealised foreign exchange fluctuation                                       | 5.29                                   | 3.61                                   |
| Cane Commission subsidy written off   | -                                      | 10.00                                  |
| Fair value gain on investments at fair value through profit or loss           | (61.77)                                | -                                      |
| Provision for doubtful debts and advances                                     | 149.42                                 | 215.20                                 |
| Mollasses Storage Fund  | 11.23                                  | 4.62                                   |
| <b>Operating profit/(loss) before working capital changes</b>                 | <b>8,784.65</b>                        | <b>(2,229.28)</b>                      |
| Adjustments for (increase)/decrease in operating assets:                      |  |  |
| Changes in trade and other receivables  | (5,797.97)                             | (2,458.08)                             |
| Changes in other non current and current financial asset                      | (536.12)                               | 2,472.35                               |
| Changes in other non current and other current assets                         | (4,215.63)                             | (82.27)                                |
| Changes in inventories  | (14,380.86)                            | 6,374.80                               |
| Changes in trade and other payables   | 22,337.40                              | (516.36)                               |
| Changes in other non-current and other current financial liabilities          | (728.40)                               | (631.48)                               |
| Changes in other non-current and other current liabilities                    | (402.35)                               | (2,584.38)                             |
| Changes in long term and short term provision                                 | 71.67                                  | 86.96                                  |
| <b>Cash (used)/generated from operations</b>                                  | <b>5,132.39</b>                        | <b>432.25</b>                          |
| Direct taxes (paid)/refund  | (373.81)                               | 128.08                                 |
| <b>Net cash (used) / from operating activities</b>                            | <b>4,758.58</b>                        | <b>560.33</b>                          |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>                               |  |  |
| Additions to property, plant and equipment                                    | (518.43)                               | (876.52)                               |
| Sale of property, plant and equipment   | 1.77                                   | 30.66                                  |
| Sale of /(Investments) in mutual funds  | 414.94                                 | (375.30)                               |
| Proceeds from maturity of national savings certificate                        | 0.50                                   | -                                      |
| Purchase of national savings certificate                                      | -                                      | (1.00)                                 |
| Interest received on debentures/ fixed deposits                               | 249.57                                 | 217.45                                 |
| Rental income   | 10.18                                  | 6.78                                   |
| Changes in fixed deposit placed with Banks                                    | (114.64)                               | 6,317.47                               |
| <b>Net cash (used) / from investing activities</b>                            | <b>43.89</b>                           | <b>5,319.54</b>                        |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>                               |  |  |
| Proceeds from share warrants/ Share Capital                                   | 212.53                                 | 313.65                                 |
| Finance Cost  | (2,756.47)                             | (3,028.57)                             |
| Repayment of long term borrowings   | (2,483.13)                             | (3,343.75)                             |
| Proceeds/(repayment) of short term borrowings( net)                           | (962.69)                               | (302.99)                               |
| <b>Net cash (used) / from financing activities</b>                            | <b>(5,989.76)</b>                      | <b>(6,361.66)</b>                      |
| <b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>        | <b>(1,187.29)</b>                      | <b>(481.79)</b>                        |
| <b>E. Cash and cash equivalents (opening balance)</b>                         | <b>2,575.26</b>                        | <b>3,057.05</b>                        |
| <b>F. Cash and cash equivalents (closing balance) (Refer note 3.10) (D+E)</b> | <b>1,387.97</b>                        | <b>2,575.26</b>                        |

**Notes:**

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- 2) Interest expense is inclusive of, and additions to property, plant and equipment and intangible assets are exclusive of, interest capitalized is ₹ Nil (previous year ₹ Nil).
- 3) Additions to fixed assets include movement of Capital work-in-progress during the year.
- 4) Cash and cash equivalents do not include any amount which is not available to the Group for its use.
- 5) **Cash and cash equivalents as at the Balance Sheet date consists of:**

| Particular  | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|---|-----------------------------------|-----------------------------------|
| (a) Balance with Banks on current accounts                    | 1,369.55                          | 2,565.89                          |
| (b) Cash in hand  | 18.42                             | 9.37                              |
| <b>Closing Cash and Cash Equivalents(Refer Note No. 3.10)</b> | <b>1,387.97</b>                   | <b>2,575.26</b>                   |

- 6) Proceed/(repayment) of/from Short-term borrowings qualify for disclosure on net basis.
- 7) Figure in brackets represent cash outflow for respective activities.
- 8) As breakup of cash and cash equivalents is also available in Note No. 3.10, reconciliation of items of cash and cash equivalents as per Cash Flow Statement with the respective items reported in the Balance Sheet is not required and hence not provided.

**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  
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

Sanjay Kulshrestha  
GM- Finance & Accounts  
FCA - 93900

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Noida  
Date : August 14, 2019

Place : Noida  
Date : May 30, 2019

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**EQUITY SHARE CAPITAL**

(₹ lacs)

| For the year ended March 31, 2018 |   |                      | For the year ended March 31, 2019 |   |                      |
|-----------------------------------|---|----------------------|-----------------------------------|---|----------------------|
| Balance as at April 01, 2017      | Changes in Equity share capital during the year | As at March 31, 2018 | Balance as at April 01, 2018      | Changes in Equity share capital during the year | As at March 31, 2019 |
| 3,747.90                          | 180.00  | 3,927.90             | 3,927.90                          | 200.00  | 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 account                            | Share warrant | Storage fund for molasses account | Capital Reserve | Retained Earning   |                                      |  |                   |                          |                  |
| <b>As at April 01, 2017</b>  | <b>45,461.99</b>                                      | -             | <b>8.33</b>                       | -               | <b>(26,777.26)</b> | <b>0.31</b>                          | -  | <b>18,693.37</b>  | <b>10,426.31</b>         | <b>29,119.68</b> |
| Profit/(loss) for the year   | -   | -             | -                                 | -               | (19,024.33)        | -                                    | -  | (19,024.33)       | 813.30                   | (18,211.03)      |
| Transfer to storage fund for molasses                                    | -   | -             | 4.62                              | -               | -                  | -                                    | -  | 4.62              | -                        | 4.62             |
| Other comprehensive income   | -   | -             | -                                 | -               | -                  | (0.15)                               | 105.94   | 105.79            | 5.00                     | 110.79           |
| Add: Money received against share warrant                                | -   | 1,103.57      | -                                 | -               | -                  | -                                    | -  | 1,103.57          | -                        | 1,103.57         |
| Less: Money utilised for conversion of share warrants into equity shares | -   | (577.80)      | -                                 | -               | -                  | -                                    | -  | (577.80)          | -                        | (577.80)         |
| Premium on issue of equity share capital                                 | 397.80  | -             | -                                 | -               | -                  | -                                    | -  | 397.80            | -                        | 397.80           |
| Transferred from/to other comprehensive income/retained earning          | -   | -             | -                                 | -               | 105.94             | -                                    | (105.94)                                       | -                 | -                        | -                |
| <b>As at March 31, 2018</b>  | <b>45,859.79</b>                                      | <b>525.77</b> | <b>12.95</b>                      | -               | <b>(45,695.65)</b> | <b>0.16</b>                          | -  | <b>703.02</b>     | <b>11,244.61</b>         | <b>11,947.63</b> |
| Profit/(loss) for the year   | -   | -             | -                                 | -               | (3,797.86)         | -                                    | -  | (3,797.86)        | 815.72                   | (2,982.14)       |
| Transfer to storage fund for molasses                                    | -   | -             | 11.23                             | -               | -                  | -                                    | -  | 11.23             | -                        | 11.23            |
| Other comprehensive income   | -   | -             | -                                 | -               | -                  | (0.35)                               | 72.80  | 72.45             | (8.14)                   | 64.32            |
| Add: Money received against share warrant                                | -   | 212.53        | -                                 | -               | -                  | -                                    | -  | 212.53            | -                        | 212.53           |
| Less: Money utilised for conversion of share warrants into equity shares | -   | (642.00)      | -                                 | -               | -                  | -                                    | -  | (642.00)          | -                        | (642.00)         |
| Premium on issue of equity share capital                                 | 442.00  | -             | -                                 | -               | -                  | -                                    | -  | 442.00            | -                        | 442.00           |
| Transferred from/to other comprehensive income/retained earning          | -   | -             | -                                 | -               | 72.80              | -                                    | (72.80)  | -                 | -                        | -                |
| <b>As at March 31, 2019</b>  | <b>46,301.79</b>                                      | <b>96.30</b>  | <b>24.18</b>                      | -               | <b>(49,420.71)</b> | <b>0.19</b>                          | -  | <b>(2,998.63)</b> | <b>12,052.19</b>         | <b>9,053.60</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  
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

Sanjay Kulshrestha  
GM- Finance & Accounts  
FCA - 93900

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Noida  
Date : Aug. 14, 2019

Place : Noida  
Date : May 30, 2019

## 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 now 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 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 separate subsidiaries and associates, the details are given below:

| S. No.                 | Name of subsidiary/ Joint Venture               | Business                   | Country of Incorporation | % voting power held as at March 31, 2019 | % voting power held as at March 31, 2018 |
|------------------------|---|----------------------------|--------------------------|--|--|
| <b>A. Subsidiaries</b> |   |                            |                          |  |  |
| 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                                   |
| <b>B. Associates</b>   |   |                            |                          |  |  |
| 1.                     | Uniwold Sugars Private Limited                  | Raw sugar refinery         | India                    | 21.37*                                   | 44.89*                                   |

\*Group

### 2.1 Basis of preparation and presentation

#### i) Statement of Compliance

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 issued thereafter and accounting principles generally accepted in India.

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 the accounting policy hitherto in use.

#### ii) Recent Accounting Pronouncements

**Ind AS 116 Leases:** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The effect of this amendment on the financial statements of the Company is being evaluated.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The effect of this amendment on the financial statements of the group is being evaluated.

**Amendment to Ind AS 12 – Income taxes :** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company



is currently evaluating the effect of this amendment on the standalone financial statements.

**Amendment to Ind AS 19 – plan amendment, curtailment or settlement:** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group does not have any impact on account of this amendment.

#### **Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

#### **Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

#### **Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not expect any impact from this amendment.

#### **Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

### **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
- i) 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.
- ii) 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.
- iii) 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.
- iv) 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 the Group, i.e. year ended on March 31, 2019.
- v) 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:

- i) 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.
- ii) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- iii) 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.

- iv) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- v) 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.
- vi) 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.
- vii) 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**

The consolidated financial statements have been prepared on the historical cost convention on accrual 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 require. 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 their realization in cash and cash equivalents.

**2.2 Significant Accounting Policies**

**i) Revenue recognition**

The Group derives revenue primarily from sale of sugar, power, chemicals and other by-products produced from processing of sugar cane and from service contracts.

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to the contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

The company identifies each performance obligation at contract inception to determine whether it satisfies the performance obligation over time or at a point of time. Accordingly:

- In respect of fixed price maintenance and support services contracts where the Company 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 over time by measuring the progress toward complete satisfaction of performance obligation at the reporting date.

The Company 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 Company 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 Company 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.

Company's contract with customers does not contain any significant financing component or non- cash consideration or right to return with customers.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that

the promised good or service will be transferred to the customer within a period of one year.

#### **Contract balances**

##### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company 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 Company'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 Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company 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 Company performs under the contract. Contract liabilities are shown as "Advance from Customers".

##### **Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion 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.

##### **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.

#### **ii) 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 condition.

Government grants relating to expenses are deferred and recognized in statement of profit & loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Governments Grants relating to the purchase of property, plant & equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

#### **iii) Expenses & Other income**

All expenses and other incomes are accounted for on accrual basis.

#### **iv) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

##### **(a) As a lessee**

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Lease Rental payables under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

##### **(b) As a lessor**

Where the Group as a lessor has leased assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Lease rental income from operating leases where the Group is a lessor is recognised in income on a

straight-line basis over the lease term unless receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

**v) Borrowings**

Long term borrowings 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 borrowings using the effective interest method.

**vi) 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.

**vii) 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.

**A. 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 a net basis or simultaneously.

**B. 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 Group in future.

**viii) 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 in 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.

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

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 do 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 12 months for the purpose of current and non-current classification of assets and liabilities.

**ix) Property Plant & Equipment & Capital work in Progress**

**A. 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 during 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 material, 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 equipment and servicing equipment 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 PPE have different useful lives, they are accounted for as separate component.

The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for a provision 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 loss 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 the 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.

**B. 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.

**x) Intangible Assets**

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. For this purpose, cost includes deemed cost on the date of transition.

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 use or disposal. 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.

**xi) Depreciation & 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 over 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 fixed assets                        | 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      |

In case of fixed assets 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.

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.

**xii) Financial Instruments**

**A. Financial Asset**

**1) Classification**

The Group classified 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.

**2) Initial Recognition and Measurement**

All financial assets, except trade receivables are recognised initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss plus transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price.

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

**3) Subsequent Measurement**

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- At amortised cost,
- At fair value through other comprehensive income (FVTOCI), and
- At fair value through profit or loss (FVTPL).

**i) 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, 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, 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 and premium and fee or costs that are an integral part of an EIR.

**ii) Equity investments**

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiaries carried at deemed cost. 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 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 gain, is deferred and after initial recognition deferred difference 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.

**4) 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

**5) Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with the assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 “Financial Instruments” which requires expected life time losses to be recognised from initial recognition of receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed

**B. Financial liabilities**

**1) Classification**

The Group classifies all financial liabilities as subsequently measured at amortized cost.

**2) Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loan and borrowings and payables net of directly attributable transaction cost.

**3) Subsequent measurement**

Financial Liabilities are carried at amortised cost using effective interest method or FVTPL.

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.

Amortized cost is calculated by taking into account any discount or premium on acquisition and transaction cost.

Their amortization is included as finance cost in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximate fair value due to the short maturity of these instruments.

**4) De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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.

**C. 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.

**xiii) Derivative Financial Instruments and Hedge Accounting**

A Company uses various derivative financial instruments to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

**A. Cash Flow Hedge:**

A Company designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognized asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow

hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

**B. Fair Value Hedge:**

A Company designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

**xiv) Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

**xv) Inventories**

Inventories are valued at the lower of cost and 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)   |
| By products                   | - | At Net realizable value   |

**xvi) Employee Benefits**

**A. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, 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.

**B. 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 has no other obligations beyond its quarterly contributions.

**C. 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 in OCI. 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 profit or loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**D. Other long-term employee benefits**

The Company 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 profit or loss in the period in which they arise.

**E. 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.

**xvii) Provisions and Contingencies**

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.

**xviii) 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.

**xix) Foreign currency transactions and translations**

**A. Functional and presentation currency**

Consolidated financial statements have been presented in Indian Rupees (INR), which is the Group's functional and presentation currency.

**B. Transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency spot rate prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities related to foreign currency transactions remaining 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.

Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction.

**Effective April 1, 2018, the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.**

**xx) Impairment of 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. Impairment is charged to the profit and loss account 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.

**xxi) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which are subject to an insignificant risk of changes in value.

**xxii) Non-current assets (or disposal group) held for sale and discontinued operations:**

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the consolidated statement of profit and loss, with all prior periods being presented on this basis.

**xxiii) 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 differing 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”

**xxiv) 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.

**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 recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving critical judgement are as follows:

- i) 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. Financial statement is 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. .4
- ii) 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 where possible, but if this is not feasible, a review of judgment is requiring this establishing fair values. Changes in assumption relating to these assumptions could affect the fair value of financial instrument.
- iii) 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 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

**iv) 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.

**v) 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 judgement to existing facts and circumstances, which can be subject to change.

**vi) 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 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.

**vii) 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.

**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, 2017</b> | 85,125.11        | 16,533.68#       | 0.50           | 77,357.56\$       | 246.93               | 209.61        | 744.05           | 1,80,217.44        | 1,414.37                 |
| Additions during the year                         | -                | 37.46            | -              | 2,110.95          | 1.71                 | 0.90          | 20.02            | 2,171.04           | 495.84                   |
| Disposals/transfers during the year               | -                | -                | -              | 49.19             | 0.73                 | -             | 4.99             | 54.90              | 1,707.59                 |
| <b>Gross carrying amount as at March 31, 2018</b> | <b>85,125.11</b> | <b>16,571.14</b> | <b>0.50</b>    | <b>79,419.32</b>  | <b>247.92</b>        | <b>210.51</b> | <b>759.08</b>    | <b>1,82,333.58</b> | <b>202.62</b>            |
| <b>Depreciation</b>                               |                  |                  |                |                   |                      |               |                  |                    |                          |
| Accumulated depreciation as at April 01, 2017     | -                | 2,561.59         | 0.20           | 9,919.56          | 96.79                | 138.79        | 346.45           | 13,063.38          | -                        |
| Depreciation for the year                         | -                | 1,034.27         | 0.10           | 4,574.34          | 41.15                | 28.48         | 78.27            | 5,756.61           | -                        |
| Disposals/transfers during the year               | -                | -                | -              | 13.81             | 0.54                 | -             | 4.74             | 19.09              | -                        |
| Accumulated depreciation as at March 31, 2018     | -                | 3,595.86         | 0.30           | 14,480.09         | 137.40               | 167.27        | 417.88           | 18,798.80          | -                        |
| <b>Net carrying amount as at March 31, 2018</b>   | <b>85,125.11</b> | <b>12,975.28</b> | <b>0.20</b>    | <b>64,939.23</b>  | <b>110.52</b>        | <b>43.24</b>  | <b>341.20</b>    | <b>1,63,534.78</b> | <b>202.62</b>            |
| <b>Gross block</b>                                |                  |                  |                |                   |                      |               |                  |                    |                          |
| <b>Gross carrying amount</b>                      |                  |                  |                |                   |                      |               |                  |                    |                          |
| <b>Gross carrying amount as at April 01, 2018</b> | 85,125.11        | 16,571.14        | 0.50           | 79,419.32         | 247.92               | 210.51        | 759.08           | 1,82,333.58        | 202.62                   |
| Additions during the year                         | -                | 79.99            | -              | 392.80            | 3.85                 | 12.02         | 60.90            | 549.56             | 241.66                   |
| Disposals/transfers during the year               | -                | -                | -              | 1,190.88          | -                    | 6.23          | 3.36             | 1,200.48           | 308.40                   |
| <b>Gross carrying amount as at March 31, 2019</b> | <b>85,125.11</b> | <b>16,651.13</b> | <b>0.50</b>    | <b>78,621.24</b>  | <b>251.77</b>        | <b>216.30</b> | <b>816.62</b>    | <b>1,81,682.66</b> | <b>135.88</b>            |
| <b>Depreciation</b>                               |                  |                  |                |                   |                      |               |                  |                    |                          |
| Accumulated depreciation as at April 01, 2018     | -                | 3,595.86         | 0.30           | 14,480.09         | 137.40               | 167.27        | 417.88           | 18,798.80          | -                        |
| Depreciation for the year                         | -                | 1,014.37         | 0.10           | 3,606.84          | 34.44                | 16.38         | 111.35           | 4,783.47           | -                        |
| Disposals/transfers during the year               | -                | -                | -              | 126.04            | -                    | 6.19          | 3.22             | 135.45             | -                        |
| Accumulated depreciation as at March 31, 2019     | -                | 4,610.23         | 0.40           | 17,960.88         | 171.84               | 177.45        | 526.01           | 23,446.81          | -                        |
| <b>Net carrying amount as at March 31, 2019</b>   | <b>85,125.11</b> | <b>12,040.90</b> | <b>0.10</b>    | <b>60,660.36</b>  | <b>79.93</b>         | <b>38.84</b>  | <b>290.62</b>    | <b>1,58,235.85</b> | <b>135.88</b>            |

**Notes:**

- The company has availed loans from banks and other entities against securities of aforesaid assets. The details of charge created, security terms against borrowing are stated at Note No. 10
- Refer note no. 6(v) for information on contractual commitments for acquisition of property, plant and equipment.  
 \$ Disposal under plant & equipment contains written off of turbine and fuel handling system having capacity of 12 MW as at March 31, 2019  
 # Includes ₹ 8.62 lacs (previous year ₹ 8.62 lacs) pertaining to land situated at Brijnathpur pending registration in favour of the Company

**3.2 INTANGIBLE ASSETS**

₹ lacs

| Particulars  | Software     |
|--|--------------|
| <b>Gross Block</b>                                   |              |
| <b>Gross carrying amount as at April 01, 2017</b>    | 63.93        |
| Additions during the year                            | 2.82         |
| Disposals/transfers during the year                  | 10.43        |
| <b>Gross carrying amount as at March 31, 2018</b>    | <b>56.31</b> |
| <b>Amortisation</b>                                  |              |
| <b>Accumulated amortisation as at April 01, 2017</b> | 29.49        |
| Amortisation for the year                            | 5.86         |
| Disposals/transfers during the year                  | 9.91         |
| Accumulated amortisation as at March 31, 2018        | <b>25.44</b> |
| <b>Net carrying amount as at March 31, 2018</b>      | <b>30.87</b> |
| <b>Gross block</b>                                   |              |
| <b>Gross carrying amount as at April 01, 2018</b>    | 56.31        |
| Additions during the year                            | 1.04         |
| Disposals/transfers during the year                  | -            |
| <b>Gross carrying amount as at March 31, 2019</b>    | <b>57.35</b> |
| <b>Amortisation</b>                                  |              |
| <b>Accumulated amortisation as at April 01, 2018</b> | 25.44        |
| Amortisation for the year                            | 4.87         |
| Disposals/transfers during the year                  | -            |
| Accumulated amortisation as at March 31, 2019        | 30.31        |
| <b>Net carrying amount as at March 31, 2019</b>      | <b>27.03</b> |

|   | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ 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<br>(Deposited with government authorities)         | 2.11                              | 2.61                              |
| <b>Others (at deemed cost)</b>  |                                   |                                   |
| One share of ₹ 20 fully paid up in Simbhaoli Co-operative<br>Cane Development Union Limited (*₹ 20) | *                                 | *                                 |
| <b>Other</b>  |                                   |                                   |
| - Unquoted  |                                   |                                   |
| Casetech Employees Share Plan Trust   | 0.15                              | 0.15                              |
|   | <b>2.26</b>                       | <b>2.76</b>                       |
| <b>Aggregate amount of</b>  |                                   |                                   |
| - Quoted  | -                                 | -                                 |
| [Market value ₹ Nil lacs (March 31, 2018: ₹ Nil lacs)]  |                                   |                                   |
| - Unquoted  | 2.26                              | 2.76                              |
| <b>Summary:</b>   |                                   |                                   |
| - Aggregate investments carried at cost   | 2.26                              | 2.76                              |
| - Aggregate investments carried at amortised cost   | -                                 | 0.00                              |
| - Aggregate investments carried at fair value through other comprehensive income                    | -                                 | -                                 |
| <b>3.4 OTHER FINANCIAL ASSETS (carried at amortised cost)</b>                                       |                                   |                                   |
| (Unsecured and considered good unless otherwise stated)   |                                   |                                   |
| Fixed deposits with banks (Earmarked)<br>(Bank deposits with more than 12 months maturity)          | 159.40                            | 138.83                            |
| Interest accrued on fixed deposits  | 19.03                             | 3.36                              |
| Security deposits   | 64.17                             | 77.66                             |
|   | <b>242.60</b>                     | <b>219.85</b>                     |
| <b>3.5 DEFERRED TAX ASSET/ (LIABILITY)</b>  |                                   |                                   |
| <b>A) Deferred Tax Asset/ (Liability)</b>   |                                   |                                   |
| <b>Deferred Tax Asset :</b>   |                                   |                                   |
| On account of carried forward losses  | 4,440.68                          | 11,160.20                         |
| On account of carried forward unabsorbed depreciation   | 20,918.92                         | 13,780.99                         |
| Liabilities and provisions tax deductible only upon payment/actual crystallization:                 |                                   |                                   |
| -Interest payable to banks/financial institutions   | 8,019.36                          | 7,991.18                          |
| -Others   | 357.19                            | 1,829.04                          |
|   | <b>33,736.15</b>                  | <b>34,761.41</b>                  |
| <b>Deferred Tax Liability :</b>   |                                   |                                   |
| On account of accelerated depreciation for tax purposes   | 17,958.65                         | 18,898.58                         |
| On account of difference in the tax base value and carrying amount of land                          | 15,675.75                         | 15,752.08                         |
|   | <b>33,634.40</b>                  | <b>34,650.66</b>                  |
| Mat Credit Entitlement  | 13.75                             | 8.62                              |
| <b>Net Deferred Tax</b>   | <b>115.50</b>                     | <b>119.37</b>                     |

**B) Movement in Deferred Tax Liabilities / Deferred Tax Assets**

(₹ lacs)

|                                | Carried forward losses & Unabsorbed Depreciation | Property Plant & Equipment | Interest payable to banks/ financial institutions | Other items     | Mat Credit entitlement | Total         |
|--------------------------------|--|----------------------------|---|-----------------|------------------------|---------------|
| <b>At 31st March 2017</b>      | <b>20,485.23</b>                                 | <b>(28,265.06)</b>         | <b>7,115.12</b>                                   | <b>814.52</b>   | <b>-</b>               | <b>149.80</b> |
| (charged)/credited:-           |  |                            |   |                 |                        |               |
| -to profit & loss              | 4,455.96   | (6,385.59)                 | 876.06  | 1,019.23        | 8.62                   | (25.72)       |
| -to other comprehensive income | -  | -                          | -   | (4.71)          | -                      | (4.71)        |
| <b>At 31st March 2018</b>      | <b>24,941.19</b>                                 | <b>(34,650.66)</b>         | <b>7,991.18</b>                                   | <b>1,829.04</b> | <b>8.62</b>            | <b>119.37</b> |
| (charged)/credited:-           |  |                            |   |                 |                        |               |
| -to profit & loss              | 418.41   | 1,016.26                   | 28.18   | (1,470.59)      | 5.13                   | (2.61)        |
| -to other comprehensive income | -  | -                          | -   | (1.26)          | -                      | (1.26)        |
| <b>At 31st March 2019</b>      | <b>25,359.60</b>                                 | <b>(33,634.40)</b>         | <b>8,019.36</b>                                   | <b>357.19</b>   | <b>13.75</b>           | <b>115.50</b> |

**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<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|---|-----------------------------------|-----------------------------------|
| <b>Deferred Tax Asset :</b>   |                                   |                                   |
| Tax Effect on Tax Losses  | 8,792.36                          | 7,038.00                          |
| Tax Effect on Unabsorbed depreciation   | 7,198.01                          | 7,216.87                          |
| Tax Effect on difference in the tax base value and carrying amount of Investments other than charged to OCI | 1,773.14                          | 1,583.30                          |
| Tax effect on items charged to OCI ( Net)   | 1,033.29                          | 513.71                            |
| MAT Credit Entitlement  | 771.40                            | 475.20                            |
|   | <b>19,568.20</b>                  | <b>16,827.08</b>                  |
| <b>Expiry profile of unrecognised unused tax losses</b>   |                                   |                                   |
| <b>Unused tax losses (business loss) shall expire on-</b>   |                                   |                                   |
| March, 31, 2026   | 4,874.40                          | 4,874.40                          |
| March, 31, 2024   | 3,917.96                          | 2,163.60                          |
|   | <b>8,792.36</b>                   | <b>7,038.00</b>                   |
| <b>Expiry profile of unrecognised unused mat credit entitlement:</b>  |                                   |                                   |
| <b>Mat Credit Entitlement shall expire on -</b>   |                                   |                                   |
| March, 31, 2033   | 475.20                            | 475.20                            |
| March, 31, 2034   | 296.20                            | -                                 |
|   | <b>771.40</b>                     | <b>475.20</b>                     |
| <b>3.5A NON-CURRENT TAX ASSETS</b>  |                                   |                                   |
| (Unsecured and considered good unless otherwise stated)   |                                   |                                   |
| Advance tax (net)   | 780.12                            | 528.44                            |
|   | <b>780.12</b>                     | <b>528.44</b>                     |
| <b>3.6 OTHER NON-CURRENT ASSETS</b>   |                                   |                                   |
| (Unsecured and considered good unless otherwise stated)   |                                   |                                   |
| Capital advances  | 32.97                             | -                                 |
| Security deposit  | 18.46                             | 17.92                             |
| Other advances *  | 508.21                            | 730.04                            |
|   | <b>559.64</b>                     | <b>747.96</b>                     |

\* Includes amount deposited with Government authorities under protest.

**CONSOLIDATED**

|   | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|---|-----------------------------------|-----------------------------------|
| <b>CURRENT ASSETS</b>   |                                   |                                   |
| <b>3.7 INVENTORIES</b>  |                                   |                                   |
| (at lower of cost and net realisable value)   |                                   |                                   |
| Raw materials   | 188.53                            | 458.62                            |
| Work-in-progress  | 1,405.57                          | 897.20                            |
| Finished goods#   | 44,870.04                         | 30,856.78                         |
| Stores and spares   | 1,707.09                          | 1,578.54                          |
| Loose Tools   | 8.17                              | 7.40                              |
|   | <b>48,179.40</b>                  | <b>33,798.54</b>                  |
| Note.   |                                   |                                   |
| # includes Goods in Transit   | 78.58                             | -                                 |
| Carrying amount of inventories pledged as security for borrowing  | 48,179.40                         | 33,798.54                         |
| Amount of write down of inventories recognized as expenses  | 1,727.99                          | 6,471.96                          |
| <b>FINANCIAL ASSETS</b>   |                                   |                                   |
| <b>3.8 CURRENT INVESTMENT</b>   |                                   |                                   |
| <b>Investments in mutual funds - quoted</b>   |                                   |                                   |
| 10,740.64 units (31 March 2018: 24,541.94 units) in SBI premier liquid fund - Regular plan - growth             |                                   |                                   |
|   | 313.23                            | 666.40                            |
|   | <b>313.23</b>                     | <b>666.40</b>                     |
| <b>Aggregate book value of quoted investments</b>   | 304.60                            | 654.00                            |
| <b>Aggregate market value of quoted investments</b>   | 313.23                            | 666.40                            |
| <b>3.9 TRADE AND OTHER RECEIVABLES (carried at amortised cost)</b>  |                                   |                                   |
| Trade receivables Secured, considered good  | -                                 | -                                 |
| Trade receivables Unsecured, considered good  | 14,490.95                         | 8,929.55                          |
| Trade receivables Significant Increase in Credit Risk   | -                                 | -                                 |
| Trade receivables -Credit Impaired  | 193.02                            | 244.80                            |
| <b>Sub-total</b>  | <b>14,683.97</b>                  | <b>9,174.35</b>                   |
| Less: allowance for credit loss   | 193.02                            | 244.80                            |
|   | <b>14,490.95</b>                  | <b>8,929.55</b>                   |
| <b>3.10 CASH AND CASH EQUIVALENTS</b>   |                                   |                                   |
| <b>Balances with banks:</b>   |                                   |                                   |
| - on current account  | 1,369.55                          | 2,565.89                          |
| Cash on hand  | 18.42                             | 9.37                              |
|   | <b>1,387.97</b>                   | <b>2,575.26</b>                   |
| <b>3.11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>  |                                   |                                   |
| Balances with bank (Earmarked)  | -                                 | 4.79                              |
| Fixed deposit with bank (Earmarked)<br>(Bank deposits with more than 3 months and less than 12 months maturity) | 881.25                            | 624.12                            |
| Fixed deposit with bank (Earmarked)<br>(Bank deposits with less than 3 months maturity)                         | 231.26                            | 389.53                            |
|   | <b>1,112.51</b>                   | <b>1,018.44</b>                   |
| <b>3.12 OTHER FINANCIAL ASSETS (carried at amortised cost)</b>  |                                   |                                   |
| (Unsecured and considered good unless otherwise stated)   |                                   |                                   |
| Interest accrued on fixed deposits  | 31.84                             | 221.03                            |
| Security deposit  | 113.88                            | 97.51                             |
| Unbilled Revenue  | 698.11                            | -                                 |
| Others  | 18.63                             | 183.51                            |
|   | <b>862.46</b>                     | <b>502.05</b>                     |

|  | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|--|-----------------------------------|-----------------------------------|
| <b>3.13 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  | 1,016.73                          | 386.75                            |
| Considered doubtful  | 105.42                            | 35.55                             |
|  | 1,122.15                          | 422.30                            |
| Less : Allowance for doubtful advances                             | 105.42                            | 35.55                             |
|  | 1,016.73                          | 386.75                            |
| Claim Receivables  | 179.62                            | 76.06                             |
| Prepaid expenses   | 205.64                            | 176.52                            |
| Advance to employees   |                                   |                                   |
| Considered good  | 51.32                             | 55.72                             |
| Considered doubtful  | -                                 | 5.22                              |
|  | 51.32                             | 60.94                             |
| Less: Provision for doubtful                                       | -                                 | 5.22                              |
|  | 51.32                             | 55.72                             |
| Government Grant   | 3,700.72                          | -                                 |
| Balance with authorities   | 227.73                            | 269.75                            |
| Asset held for sale  | 45.66                             | -                                 |
| Security deposits  |                                   |                                   |
| Considered good  | 87.72                             | 67.76                             |
| Considered doubtful  | 25.00                             | 27.50                             |
|  | 112.72                            | 95.26                             |
| Less : Allowance for doubtful security deposits                    | 25.00                             | 27.50                             |
|  | 87.72                             | 67.76                             |
|  | <b>5,515.14</b>                   | <b>1032.56</b>                    |

**3.14 EQUITY SHARE CAPITAL**

|   | As at March 31, 2019 |                  | As at March 31, 2018 |                  |
|---|----------------------|------------------|----------------------|------------------|
|   | (No. of Shares)      | ₹ lacs           | (No. of Shares)      | ₹ lacs           |
| <b>Name of Subsidiaries</b>                                 |                      |                  |                      |                  |
| Equity shares of ₹ 10 each with voting rights               | 6,80,00,000          | 6,800.00         | 6,80,00,000          | 6,800.00         |
| Preference shares of ₹ 100 each                             | 40,00,000            | 4,000.00         | 40,00,000            | 4,000.00         |
|   | <b>7,20,00,000</b>   | <b>10,800.00</b> | <b>7,20,00,000</b>   | <b>10,800.00</b> |
| <b>Issued, subscribed and paid up</b>                       |                      |                  |                      |                  |
| Equity shares of ₹ 10 each with voting rights fully paid-up | 4,12,79,020          | 4,127.90         | 3,92,79,020          | 3,927.90         |
|   | <b>4,12,79,020</b>   | <b>4,127.90</b>  | <b>3,92,79,020</b>   | <b>3,927.90</b>  |

**A) Reconciliation of number of Authorised shares and amount outstanding at the beginning and at the end of the year**

|  |                    |                |                    |                 |
|--|--------------------|----------------|--------------------|-----------------|
| Equity shares with voting rights (one per share) |                    |                |                    |                 |
| As at beginning of the year                      | 6,80,00,000        | 6800.00        | 6,80,00,000        | 6,800.00        |
| Add: Addition during the year                    | -                  | -              | -                  | -               |
| <b>As at end of the year</b>                     | <b>6,80,00,000</b> | <b>6800.00</b> | <b>6,80,00,000</b> | <b>6,800.00</b> |
| Preference shares                                |                    |                |                    |                 |
| As at beginning of the year                      | 40,00,000          | 4000.00        | 40,00,000          | 4,000.00        |
| Add: Addition during the year                    | -                  | -              | -                  | -               |
| <b>As at end of the year</b>                     | <b>40,00,000</b>   | <b>4000.00</b> | <b>40,00,000</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, 2019 |                 | As at March 31, 2018 |                 |
|---|----------------------|-----------------|----------------------|-----------------|
|   | (No. of Shares)      | ₹ lacs          | (No. of Shares)      | ₹ lacs          |
| Equity shares with voting rights (one per share)                            |                      |                 |                      |                 |
| As at beginning of the year   | 3,92,79,020          | 3,927.90        | 3,74,79,020          | 3,747.90        |
| "Add: Issue of shares against conversion of share warrants during the year" | 20,00,000            | 200.00          | 18,00,000            | 180.00          |
| <b>As at end of the year</b>  | <b>4,12,79,020</b>   | <b>4,127.90</b> | <b>3,92,79,020</b>   | <b>3,927.90</b> |

C) Shareholders holding more than 5% of the shares in the Company

| S.No. | Name of the Shareholders                   | As at March 31, 2019 |                    | As at March 31, 2018 |                    |
|-------|--|----------------------|--------------------|----------------------|--------------------|
|       |  | (No. of Shares)      | % of share holding | (No. of Shares)      | % of share holding |
| i)    | Dholadhar Investments Private Limited      | 74,62,114            | 18.08              | 74,62,114            | 19.00              |
| ii)   | Mr. Gurmit Singh Mann                      | 47,26,154            | 11.45              | 42,26,154            | 10.76              |
| iii)  | Ms. Gursimran Kaur Mann                    | 41,86,672            | 10.14              | 26,86,672            | 6.84               |
| iv)   | Mr. Gурpal Singh                           | 24,02,770            | 5.82               | 24,02,770            | 6.12               |
| v)    | Pearl Innovative Marketing Private Limited | 22,70,623            | 5.50               | 22,70,623            | 5.78               |
| vi)   | Pritam Singh Sandhu Associates Pvt. Ltd.   | 20,77,735            | 5.03               | 20,77,735            | 5.29               |

D) The Company has allotted 3,74,79,020 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 18, 00,000 and 20,00,000 equity shares of ₹ 10/- each at a premium of ₹ 22.10 per share on March 29, 2018 and March 29, 2019 respectively to the specified promoters and directors on conversion of 38,00,000 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<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|--|-----------------------------------|-----------------------------------|
| <b>3.15 OTHER EQUITY</b>   |                                   |                                   |
| <b>Mollasses Storage Fund</b>  |                                   |                                   |
| Opening balance  | 12.95                             | 8.33                              |
| Add: Addition during the year  | 11.23                             | 4.62                              |
| <b>Closing balance</b>   | <b>24.18</b>                      | <b>12.95</b>                      |
| <b>Share Warrant</b>   |                                   |                                   |
| Opening balance  | 525.77                            | -                                 |
| Add: Money received against share warrant                                | 212.53                            | 1,103.57                          |
| Less: Money utilised for conversion of share warrants into equity shares | 642.00                            | 577.80                            |
| <b>Closing balance</b>   | <b>96.30</b>                      | <b>525.77</b>                     |
| <b>Securities premium account</b>  |                                   |                                   |
| Opening balance  | 45,859.79                         | 45,461.99                         |
| Add: addition during the year  | 442.00                            | 397.80                            |
| <b>Closing balance</b>   | <b>46,301.79</b>                  | <b>45,859.79</b>                  |



|   | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|---|-----------------------------------|-----------------------------------|
| <b>Foreign Currency Translation Reserve</b>   |                                   |                                   |
| Opening balance                               | 0.16                              | 0.31                              |
| Add: Additions during the year                | (0.35)                            | (0.15)                            |
| Closing balance                               | <b>0.19</b>                       | <b>0.16</b>                       |
| <b>Retained Earnings</b>                      |                                   |                                   |
| Opening balance                               | (45,695.65)                       | (26,777.26)                       |
| Add: Profit/(loss) during the year            | (3,797.86)                        | (19,024.33)                       |
| Add: transfer from Other Comprehensive Income | 72.80                             | 105.94                            |
| <b>Closing balance</b>                        | <b>(49,420.71)</b>                | <b>(45,695.65)</b>                |
| <b>Other Comprehensive Income</b>             |                                   |                                   |
| Opening balance                               | -                                 | -                                 |
| Add: Other Comprehensive Income for the year  | 72.80                             | 105.94                            |
| Less: Transfer to Retained earnings           | 72.80                             | 105.94                            |
| <b>Closing balance</b>                        | <b>-</b>                          | <b>-</b>                          |
|   | <b>(2,998.63)</b>                 | <b>703.00</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 ₹82.07 lacs (Previous year ₹ 92.09 lacs).
- ii) Share warrant represents its subscription money:  
On December 22, 2017, 50,00,000 equity warrants of face value of ₹ 32.10 per warrant were allotted to specific promoters and directors of the Company, which are to be converted within 18 months of allotment into Equity Shares of ₹ 10 each at a price of ₹ 32.10 (including premium of ₹ 22.10) per share. The Company, on the request of the specified promoters and directors, has appropriated the amount payable to them aggregating to ₹ 789.92 lacs in form of outstanding unsecured loans (including interest thereon) as on the date of allotment toward the application money ₹ 8.025 per warrant aggregating ₹ 401.25 lacs.  
The balance outstanding loan of ₹ 388.67 lacs along with further receipt of ₹ 44.68 lacs has been appropriated towards balance due of ₹ 22.975 per warrant in respect of 18,00,000 warrants converted in to equity share in F.Y. 2017-18. The Company has further received ₹ 268.97 lacs and ₹ 212.53 lacs in F.Y. 2017-18 and F.Y. 2018-19 towards part payments of balance due on remaining warrants .  
The break-up of paid up amount of remaining 12,00,000 Equity Warrants of face value of ₹ 32.10 per warrant is as under:  
12,00,000 Equity Warrants allotted to Ms. Gursimran Kaur Mann **₹ 96.30 lacs**
- 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) Retained earnings represents the undistributed profit/ amount of accumulated loss of the Company.
- v) 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.
- vi) 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**
**3.16 BORROWINGS (carried at amortised cost)**
**Secured**
**Term loans\***

|                                   |          |           |
|-----------------------------------|----------|-----------|
| - from banks [Refer Note No. 10]# | 5,612.01 | 39,349.69 |
| - from others [Refer Note No. 10] | -        | 6.33      |

**Unsecured**

|  |        |        |
|--|--------|--------|
| - from related parties [Refer Note No. 10] | 525.22 | 805.32 |
|--|--------|--------|

|  |                 |                  |
|--|-----------------|------------------|
|  | <b>6,137.23</b> | <b>40,161.34</b> |
|--|-----------------|------------------|

\*Since all the term loans of parent company are recalled during the year, these are classified as Recalled Loan under "other current financial liabilities".

# SPPL's Term loan of ₹ 8,406.80 lacs (March 31, 2018: ₹ 10,061.90 lacs) from Uttar Pradesh Cooperative Bank is secured by way of (i) First charges on all the present and future Property, Plant & Equipment and current assets of SPPL; (ii) 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 said Bank; (iii) Pledge of 1,929,655 equity shares held by the Company in SPPL; (iv) An irrevocable and unconditional guarantee(s) from Mr. Gurmit Singh Mann and Mr. Gurpal Singh, the Directors of the Company; (v) First Charge on receivables from Uttar Pradesh Power Corporation Limited by way of escrow account mechanism; and (vi) The loan carries interest @ 12.5% payable monthly. The loan is repayable with quarterly repayments of ₹ 170.00 lacs and ₹ 395.00 lacs for Chilwaria and Simbhaoli units respectively.

|   | As at<br>March 31, 2019<br>₹ lacs | As at<br>March 31, 2018<br>₹ lacs |
|---|-----------------------------------|-----------------------------------|
| <b>3.17 OTHER FINANCIAL LIABILITIES (carried at amortised cost)</b>   |                                   |                                   |
| Interest accrued but not due on borrowings  | 2,961.50                          | -                                 |
|   | <b>2,961.50</b>                   | <b>-</b>                          |
| <b>3.18 PROVISIONS</b>  |                                   |                                   |
| Provision for employee benefit<br>Compensated absences  | 433.98                            | 364.61                            |
|   | <b>433.98</b>                     | <b>364.61</b>                     |
| <b>CURRENT LIABILITIES</b>  |                                   |                                   |
| <b>FINANCIAL LIABILITIES</b>  |                                   |                                   |
| <b>3.19 BORROWINGS (carried at amortised cost)</b>  |                                   |                                   |
| <b>Secured</b>  |                                   |                                   |
| Loans repayable on demand*  |                                   |                                   |
| - from banks [Refer Note No. 10]  | -                                 | 31,294.19                         |
| <b>Unsecured</b>  |                                   |                                   |
| Loans repayable on demand   |                                   |                                   |
| - from banks [Refer Note No. 10]*   | -                                 | 15,576.25                         |
| - from others [Refer Note No. 10]   | 137.95                            | 197.05                            |
|   | <b>137.95</b>                     | <b>47,067.49</b>                  |
| *Since all the term loans of parent company are recalled during the year, these are classified as Recalled Loan under "other current financial liabilities" |                                   |                                   |
| <b>3.20 TRADE AND OTHER PAYABLES</b>  |                                   |                                   |
| Total outstanding dues to micro and small enterprises [Refer Note No. 7]  | 57.64                             | 23.21                             |
| Total outstanding dues of other than micro and small enterprises  | 80,771.65                         | 58,589.19                         |
|   | <b>80,829.29</b>                  | <b>58,612.40</b>                  |
| <b>3.21 OTHER FINANCIAL LIABILITIES (carried at amortised cost)</b>   |                                   |                                   |
| <b>Current maturities of long-term debt (secured)</b>   |                                   |                                   |
| - from banks [Refer Note No. 10]  | 2,794.81                          | 26,435.87                         |
| - from others [Refer Note No. 10]   | 100.00                            | 3,149.22                          |
| Recalled Loans - dues to Banks/ Financial Institutions [Refer Note No 10]   | 1,04,198.18                       | -                                 |
| Interest accrued but due on borrowings  | 18,632.05                         | 15,780.39                         |
| Interest accrued but not due on borrowings  | -                                 | 2,960.76                          |
| Employees dues  | 1,446.57                          | 2,070.24                          |
| Others liabilities (including capital creditors)  | 118.87                            | 223.61                            |
|   | <b>1,27,290.48</b>                | <b>50,620.09</b>                  |
| <b>3.22 PROVISIONS</b>  |                                   |                                   |
| Provision for employee benefits<br>Compensated absences   | 173.05                            | 170.75                            |
|   | <b>173.05</b>                     | <b>170.75</b>                     |
| <b>3.23 OTHER CURRENT LIABILITIES</b>   |                                   |                                   |
| Statutory dues payable  | 440.89                            | 1,059.79                          |
| Advance received from customers   | 797.87                            | 611.45                            |
| Security deposits   | 187.96                            | 154.77                            |
| Others payable  | 17.98                             | 21.04                             |
|   | <b>1,444.70</b>                   | <b>1,847.05</b>                   |

|  | As at<br>March 31, 2019<br>₹ lacs      | As at<br>March 31, 2018<br>₹ lacs      |
|--|--|--|
| <b>3.24 CURRENT TAX LIABILITIES</b>                                  |  |  |
| Current tax liabilities  | 682.38                                 | 501.67                                 |
|  | <b>682.38</b>                          | <b>501.67</b>                          |
|  |  |  |
|  | Year ended<br>March 31, 2019<br>₹ lacs | Year ended<br>March 31, 2018<br>₹ lacs |
| <b>3.25 REVENUE FROM OPERATIONS</b>                                  |  |  |
| <b>Revenue from sale of products</b>                                 |  |  |
| Sale of Products   | 1,20,795.62                            | 1,00,829.10                            |
| Sale of Services   | 1,289.83                               | 1,282.98                               |
|  | <b>1,22,085.45</b>                     | <b>1,01,112.08</b>                     |
| <b>Other Operating revenue</b>                                       |  |  |
| Sale of Scrap  | 91.97                                  | 119.18                                 |
| Cane Subsidy   | 403.02                                 | 3.60                                   |
| Freight and Insurance charges recovered                              | 1,180.98                               | -                                      |
| Job Work Charges   | 194.19                                 | 26.88                                  |
| Other miscellaneous income   | 164.85                                 | 453.44                                 |
|  | <b>1,24,120.46</b>                     | <b>1,02,715.18</b>                     |
| <b>3.26 OTHER INCOME</b>   |  |  |
| <b>Interest income on financial assets carried at amortised cost</b> |  |  |
| Fixed deposits with banks  | 72.30                                  | 139.75                                 |
| Others   | 1.79                                   | 0.11                                   |
| <b>Interest income on income tax refund</b>                          | 1.95                                   | 8.49                                   |
| <b>Other Non operating income</b>                                    |  |  |
| Rent   | 10.18                                  | 6.78                                   |
| Profit on sale of Property, plant and equipment                      | -                                      | 4.59                                   |
| Gain on sale of current investment                                   | 65.60                                  | -                                      |
| Liabilities/provisions no longer required, written back              | 54.77                                  | 638.73                                 |
| Gain on foreign exchange fluctuation                                 | -                                      | 0.44                                   |
| Miscellaneous  | 111.19                                 | 388.43                                 |
|  | <b>317.78</b>                          | <b>1,187.32</b>                        |
| <b>3.27 COST OF MATERIALS CONSUMED</b>                               |  |  |
| Sugarcane  | 86,889.27                              | 78,867.76                              |
| Molasses   | 181.57                                 | 2,643.34                               |
| ENA and others   | 5,202.92                               | 4,103.90                               |
|  | <b>92,273.76</b>                       | <b>85,615.00</b>                       |
| <b>3.28 PURCHASES OF STOCK-IN-TRADE</b>                              |  |  |
| Purchases of stock-in-trade  | 2,179.70                               | 281.41                                 |
|  | <b>2,179.70</b>                        | <b>281.41</b>                          |

|  | Year ended<br>March 31, 2019<br>₹ lacs | Year ended<br>March 31, 2018<br>₹ lacs |
|--|--|--|
| <b>3.29 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>  |  |  |
| Opening stock  |  |  |
| Finished goods   | 30,856.78                              | 33,826.95                              |
| Work-in-progress   | 897.36                                 | 1,200.75                               |
| Stock-in-trade   | -                                      | -                                      |
|  | 31,754.14                              | 35,027.70                              |
| Closing stock  |  |  |
| Finished goods #   | 44,862.97                              | 30,856.78                              |
| Work-in-progress   | 1,480.94                               | 897.36                                 |
| Stock-in-trade   | -                                      | -                                      |
|  | 46,343.91                              | 31,754.14                              |
| Less : Excise Duty *   | -                                      | 1,508.43                               |
| <b>Net (increase)/ decrease in inventories</b>   | <b>(14,589.77)</b>                     | <b>1,765.13</b>                        |
| * The amount of excise duty on stock represents differential excise duty on opening and closing stock.   |  |  |
| # Includes Goods in transit amounting to ₹ 78.38 lacs (Previous year ₹ Nil 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 ₹ 1,727.99 lacs (Previous year ₹6,471.96 lacs). |  |  |
| <b>3.30 EXCISE DUTY ON SALE OF GOODS</b>   |  |  |
| Excise duty on sale of goods   | 15,896.54                              | 1,719.80                               |
|  | <b>15,896.54</b>                       | <b>1,719.80</b>                        |
| <b>3.31 EMPLOYEE BENEFITS EXPENSE</b>  |  |  |
| Salaries and wages   | 6,381.57                               | 5,568.09                               |
| Contribution to provident and other funds @  | 622.17                                 | 606.41                                 |
| Staff welfare expenses   | 134.79                                 | 136.78                                 |
|  | <b>7,138.53</b>                        | <b>6,311.28</b>                        |
| @ includes gratuity expense [Refer Note No. 14]  |  |  |
| <b>3.32 FINANCE COSTS</b>  |  |  |
| Interest expense on financial liabilities measured at amortized cost   | 5,450.88                               | 7,170.17                               |
| Other interest   | 14.17                                  | 6.08                                   |
| Other borrowing costs  | 143.82                                 | 72.86                                  |
|  | <b>5,608.87</b>                        | <b>7,249.11</b>                        |
| <b>3.33 DEPRECIATION AND AMORTISATION EXPENSE</b>  |  |  |
| Depreciation of property, plant and equipment [Refer Note No. 3.1]   | 4,783.46                               | 5,754.50                               |
| Amortization of intangible assets [Refer Note No. 3.2]   | 4.87                                   | 5.86                                   |
|  | <b>4,788.34</b>                        | <b>5,762.47</b>                        |
| <b>3.32 OTHER EXPENSES</b>   |  |  |
| Consumption of stores and spare parts *  | 3,773.88                               | 2,516.39                               |
| Power and fuel   | 22.32                                  | 643.11                                 |
| Rent   | 204.25                                 | 158.95                                 |
| Repairs  |  |  |
| - Buildings  | 80.37                                  | 80.19                                  |
| - Machinery  | 2,318.43                               | 1,429.51                               |
| - Others   | 153.60                                 | 150.06                                 |
| Donations  | -                                      | 0.73                                   |
| Insurance  | 172.30                                 | 161.32                                 |
| Rates and taxes  | 168.70                                 | 271.97                                 |
| Bad debts and advances written off   | 81.86                                  | 59.02                                  |
| Allowance for credit loss on receivable  | 149.42                                 | 215.20                                 |
| Freight Loading, Unloading & Material shifting   | 1,748.79                               | 400.77                                 |
| Commission to selling agents   | 452.32                                 | 365.00                                 |

|  | Year ended<br>March 31, 2019<br>₹ lacs | Year ended<br>March 31, 2018<br>₹ lacs |
|--|--|--|
| Recovery Charges   | 190.72                                 | -                                      |
| Travelling and conveyance  | 280.32                                 | 358.97                                 |
| Other Selling Expenses   | 444.98                                 | 443.09                                 |
| Export expenses  | 190.30                                 | 48.68                                  |
| Loss on sale of Property, Plant & Equipment  | 0.03                                   | 8.59                                   |
| Management fees written off  | -                                      | 985.78                                 |
| Sugar development expense  | 37.93                                  | 203.13                                 |
| Loss on foreign exchange fluctuation   | 4.95                                   | 4.05                                   |
| Printing and stationery  | 36.17                                  | 31.88                                  |
| Contractor & security charges  | 475.25                                 | 494.19                                 |
| Legal and professional expense [includes auditor's remuneration - Refer Note No. 17] | 478.01                                 | 505.05                                 |
| Cane Commission subsidy written off  | -                                      | 10.00                                  |
| Miscellaneous expenses   | 1,331.18                               | 1,381.90                               |
| Fair value loss on current investment  | 3.83                                   | -                                      |
|  | <b>12,799.91</b>                       | <b>10,927.53</b>                       |

\*Stores, oils and chemicals allocated to other revenue heads ₹1,390.64 lacs (previous year ₹ 1,248.15 lacs)

### 3.35 EXCEPTIONAL ITEMS

|  |                 |               |
|--|-----------------|---------------|
| Write back of loan liabilities [Refer Note No. 13 (i)] | -               | 970.79        |
| Fixed Assets written off [Refer Note No. 13 (ii)]      | 1,019.17        | -             |
|  | <b>1,019.17</b> | <b>970.79</b> |

4. Indian sugar industry has been facing difficulties on account of highest ever sugar production in the country in the sugar year 2018-19 resulting in glut of sugar thereby central government has fixed quota for domestic sale while Minimum Indicative Export Quota (MIEQ) on sugar mill basis was fixed for all the sugar mills operating in the country for depletion of sugar stock outside India. For the year ended March 31, 2019 and previous periods, the Company has incurred losses due to high raw material cost fixed by the Government and relatively market driven lower price of finished goods i.e. sugar and molasses both of which are external factors. Due to continuous losses, the Company failed in meeting its payment obligations to lenders and farmers, though the Company continues to operate its capacities at optimal levels.

The Government has implemented various measures to improve the financial health of the sugar industry, including support for liquidation of cane arrears, fixing obligation for export to reduce the sugar inventory, fixation of Sugar Realization (MSP), providing subsidy on export of sugar, subsidy on production of sugar, Interest subvention on loan for creation of additional manufacturing facilities for ethanol production and increase in the realization of ethanol price etc. All these measures are expected to turnaround operations of the sugar industry on sustainable basis. The Company has also initiated various steps for further de-risking its business. Further pursuant to an Order of Hon'ble High Court of Uttar Pradesh in favour of sugar industry, the Company is confident to receive amount on account of accrued benefits under the Sugar Promotion Policy 2004.

The debt restructuring exercise of the loan liabilities of the Company has been suspended by the lenders by virtue of Circular dated 12th February 2018 issued by RBI, which is recently been quashed by Hon'ble Supreme Court vide its judgement dated April 2, 2019 terming it as ultra vires. The lenders to the Company, in the meanwhile while initiated recovery steps under various forums. However, considering the nature of industry and ongoing discussions with the lenders, the

Company is hopeful that debt resolution will be attained through One Time Settlement Process (OTS) / through determination of sustainable debt, including waiver of outstanding interest on certain loan accounts, shall be worked out in future, while some loan liabilities would be realigned commensurate with its available cash flow, for which discussions are under way.

In view of the above, these financial statements are continued to be presented on going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business and therefore, impairment of assets if any, has not been ascertained and provided for.

5. In view of the above, these financial statements are continued to be presented on going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business and therefore, impairment of assets if any, has not been ascertained and provided for.

#### Disclosure in respect of Non-Cancellable Operating Lease:

The company has given various premises on operating lease for primary lease period of 3 years to 15 years from the date of lease. The lease period may be further extended and lease rental levy modified as per mutual decision of the parties. Details of future minimum lease income in accordance with terms agreed as at year end under non-cancellable operating lease are as follows:

(₹ lacs)

| Description  | As at March<br>31, 2019 | As at March<br>31, 2018 |
|--|-------------------------|-------------------------|
| <b>(A) Future minimum lease income:</b>  |                         |                         |
| - Not later than one year  | 8.05                    | 9.30                    |
| - Later than one year and not later than five years  | 28.04                   | 32.23                   |
| - Later than five years  | 10.74                   | 14.60                   |
| <b>(B) Lease income recognized in the statement of Profit &amp; Loss during the year :</b> |                         |                         |
| Minimum Lease income   | 9.30                    | 5.70                    |

**6. Contingent liabilities and commitments (to the extent not provided for):**

- i) Claims against the Company not acknowledged as debts ₹ 1,132.03 lacs (Previous Year ₹ 1,681.25 lacs). (₹ lacs)

| Description             | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------|----------------------|----------------------|
| Sales Tax/Trade Tax Act | 54.42                | 5.28                 |
| Central Excise Act      | 433.78               | 1,072.36             |
| Finance Act, 1994       | 83.06                | 187.76               |
| Others                  | 560.77               | 415.85               |
| <b>Total</b>            | <b>1,132.03</b>      | <b>1,681.25</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.

The liability with regard Excise Duty on assets transferred under Business Transfer Agreements (BTA) to subsidiary "Simbhaoli Power Private Limited (SPPL)" has not been quantified by the department. However, ₹ 175.00 lacs (March 31, 2018: ₹ 175.00 lacs) has been paid under protest to the Excise Authorities has been shown under "Other non-current assets".

No provision has been made in respect of MAT liability u/s 115JB of Income Tax Act on profits earned on sale of REC amounting to ₹ 671.50 lacs (previous year ₹ Nil) on the basis of legal opinion and judicial pronouncements.

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 Allahabad has directed the State Government to determine the interest liability for the delayed payment of sugarcane price for sugar seasons 2012-13, 2013-14 and 2014-15. Considering that no notice of demand has been served upon the Company in this regard and the amount not being 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 the said periods.
- 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) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The company will make provision, on receiving further clarity on the subject.

**v) Capital and other commitment**

Estimated value of contracts (net of advances) remaining to be execute on Capital account ₹ 20.79 lacs (Previous year ₹ 211.31 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 Group who have registered under the MSMED Act, 2006, the following are the details:

(₹ lacs)

| S. No. | Description   | As at March 31, 2019 | As at March 31, 2018 |
|--------|---|----------------------|----------------------|
| 1.     | Principal amount remaining unpaid to any supplier as at the end of the accounting year.   | 57.64                | 23.21                |
| 2.     | Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.   | 11.30                | 3.83                 |
| 3.     | 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.  | -                    | -                    |
| 4.     | 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            | 9.34                 | -                    |
| 5.     | The amount of interest accrued but not due during the year.   | 1.50                 | 3.83                 |
| 6.     | The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED Act, 2006. | 22.14                | -                    |

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 Special Resolution for reclassification of promoters' category was passed at 6th Annual General Meeting of the members of the Company. Thereafter, an application seeking reclassification of Mr. Gural Singh, Mr. Govind Singh Sandhu, Ms. Jai Inder Kaur, Mr. Anand Singh and M/s Pritam Singh Sandhu Associates Private Limited (Collectively referred to as 'Sandhu Company/ Exiting Promoter'), from existing promoter Company to the public category shareholders, in terms of provisions of regulation 31A (7) of SEBI (LODR) Regulations, 2015, was filed with SEBI/ Stock Exchanges. The approval from SEBI/Stock Exchanges is awaited.

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), one of its 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 "Suspected Fraud" liability in March 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.

Recently, OBC has arbitrarily initiated recovery actions against

the Company for the restructured corporate loan including an application filed before National Company Law Tribunal (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 wilful defaulters against which company and guarantors have contested such declaration in the High Court and the matter is sub-judice. Further 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. 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.

Since all the lenders have recalled their Credit Facilities during the current year, their principal and interest outstanding dues as at March 31, 2019 have been classified and shown under "Other Current Financial Liabilities". Last year as at March 31, 2018, the dues of OBC had been classified and shown under "Other Current Financial Liabilities", the dues of other two banks had been classified as "Financial Liabilities – Borrowing under Non-Current Liabilities" and the principal and interest dues of one bank, who had not given its consents, had been classified and shown under "Financial Liabilities – Unsecured Borrowing under Current Liabilities" and "Other Current Financial Liabilities" respectively.

10. The loans availed by the Company have been classified as Non-Performing Assets (NPA) by all the lenders to the Company and interest thereon is not being charged to the loan accounts as per applicable practices. The Company is hopeful that Resolution of Debt through One Time Settlement (OTS) / through determination of sustainable debt including waiver of un-paid interest on certain loan accounts, shall be worked out in near future, for which further discussions have been initiated. Accordingly, interest expenses for the ensuing year ended March 31, 2019 amounting to ₹ 12,336.00 lacs (previous year ₹ 11,971.59 lacs) has not been recognized in the books of accounts. A total amount of ₹ 24,307.59 lacs (previous year ₹ 11,971.59 lacs) towards outstanding interest has not been provided for in the books of accounts. The terms of repayment, nature of security and overdue, 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, 2019 | As at March 31, 2018 |                  |  |   |
| From Commercial Banks        |                      |                      |                  |  |   |
| - Under Long Term Borrowings | -                    | 9,557.67             | 12.50% 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.<br>2 First pari passu charge on pledge of 26.32 lacs equity shares of the Company held by Promoters.<br>3 Personal guarantees of Mr. Gurmit Singh Mann, Chairman, Mr. Gural Singh, Director and Ms. Gursimran Kaur Mann, MD of the Company.<br>4 First Charge on the Divestment proceeds from Sale of investments in Uniworld Sugar Pvt. Ltd. and Chilwaria Sugar Complex | Principal overdue below 90 days ₹ Nil (Previous year - ₹ 218.49 lacs) and above 90 days ₹ 17,438.33 lacs (Previous year ₹ 7,212.02 lacs).<br>Interest overdue below 90 days of ₹ Nil (Previous year - ₹ Nil) and above 90 days ₹ 2,319.99 lacs (Previous year - ₹ 2,354.54 lacs). |
| - Under Current Maturities   | -                    | 8,661.49             |                  |  |   |
| - Under Recalled Loans       | 17,438.33            | -                    |                  |  |   |
| From Commercial Bank         |                      |                      |                  |  |   |
| - Under Current Maturities   | -                    | 10,381.05            | 11.35% p.a.      | 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)<br>2 Credit facilities are also secured by Personal guarantee of Mr. Gurmit Singh Mann, Chairman and Mr. Gural Singh, Director.   | Principal overdue below 90 days ₹ Nil (Previous year - ₹ Nil) and above 90 days ₹ 10,321.27 lacs (Previous year ₹ 10,381.05 lacs).<br>Interest overdue below 90 days of ₹ Nil (Previous year - ₹ Nil) and above 90 days ₹ 855.58 lacs (Previous year - ₹ 855.58 lacs).            |
| - Under Recalled Loans       | 10,321.27            | -                    |                  |  |   |

| Term Loan                    | Outstanding (₹ lacs) |                      | Rate of Interest                     | Nature of security  | Overdue at the end of the year   |
|------------------------------|----------------------|----------------------|--------------------------------------|---|--|
|                              | As at March 31, 2019 | As at March 31, 2018 |                                      |   |  |
| From Commercial Bank         |                      |                      |                                      |   |  |
| - Under Long Term Borrowings | -                    | 21,950.12            | 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.<br>2 Personal guarantees Mr. Gurmit Singh Mann, Chairman and Ms. Gursimran Kaur Mann, Director of the Company.   | Principal overdue below 90 days ₹ Nil (Previous year - ₹ 67.00 lacs) and above 90 days ₹ 22,347.00 lacs (Previous year - ₹ 67.00 lacs).<br>Interest overdue below 90 days of ₹ Nil (Previous year - ₹ Nil) and above 90 days ₹ Nil (Previous year - ₹ Nil).                                    |
| - Under Current Maturities   | -                    | 353.81               |                                      |   |  |
| - Under Recalled Loans       | 22,347.00            | -                    |                                      |   |  |
| From Co-operative Bank       |                      |                      |                                      |   |  |
| - Under Current Maturities   | -                    | 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.<br>2 Mortgage of residential property of Promoter Director.<br>3 Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company.   | Principal overdue below 90 days ₹ Nil (Previous year - ₹ 520.24 lacs) and above 90 days ₹ 4,913.74 lacs (Previous year - ₹ 4,393.50 lacs).<br>Interest overdue below 90 days of ₹ 168.55 lacs (Previous year - ₹ 121.17 lacs) and above 90 days ₹ 793.65 lacs (Previous year - ₹ 218.09 lacs). |
| - Under Recalled Loans       | 4,913.74             | -                    |                                      |   |  |
| Others                       |                      |                      |                                      |   |  |
| - Under Current Maturities   | -                    | 3,052.54             | Range between 1.57 % to 10.00 % p.a. | 1 Term loan from Sugar Development Fund of ₹ 2,954.74 lacs (previous year ₹ 2,952.54 lacs) is secured by way of second exclusive charge on all movable and immovable fixed assets of the respective division.<br>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 below 90 days ₹ Nil (Previous year - ₹ Nil) and above 90 days ₹ 3,054.74 lacs (Previous year - ₹ 3,052.54 lacs).<br>Interest overdue below 90 days of ₹ 124.70 lacs (Previous year - ₹ 91.63 lacs) and above 90 days ₹ 1,306.21 lacs (Previous year - ₹ 926.87 lacs).        |
| - Under Recalled Loans       | 3,054.74             | -                    |                                      |   |  |
| Other                        |                      |                      |                                      |   |  |
| - Under Long Term Borrowings | -                    | 6.33                 | 10.00% p.a.                          | 1. Hypothecation of specific vehicle acquired under the scheme.   | ₹ Nil  |
| - Under Current Maturities   | -                    | 2.48                 |                                      |   |  |

**(B) Unsecured loans from Related Parties of ₹ 525.22 lacs (Previous year - ₹ 805.32 lacs) carry interest rate (Ranges between) from 11.00 % to 11.10 % 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, 2019 | As at March 31, 2018 |                  |   |   |
| From Commercial Banks         |                      |                      |                  |   |   |
| - Under Short Term Borrowings | -                    | 16,913.97            | 12.5% p.a.       | 1 First pari passu charge by way of hypothecation of all current assets of respective division.<br>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.<br>3 First pari passu charge on pledge of 26.32 lacs equity shares of the Company held by Promoters.<br>4 Personal guarantees of Mr. Gurmit Singh Mann, Chairman and Mr. Gurpal Singh, Director of the Company.<br>5 Charge over SSL's Share of Dividend in Simbhaoli Power Private Limited | Interest overdue of below 90 days ₹ Nil (Previous year - ₹ Nil) and above 90 days ₹ 4,575.74 lacs (Previous year - ₹ 4,575.74 lacs).              |
| - Under Recalled Loans        | 17,224.28            | -                    |                  |   |   |
| From Co-operative Bank        |                      |                      |                  |   |   |
| - Under Short Term Borrowings | -                    | 9,455.22             | 11.25% p.a       | 1 Pledge of sugar stock of the respective division of the Company.<br>2 Personal guarantees of Mr. Gurmit Singh Mann, Chairman Mr. Gurpal Singh and Ms Gursimran Kaur Mann, Director of the Company.<br>3 Equitable Mortgage of the Property of M/s. Simbhaoli Specialty Sugars Ltd.<br>4 Collaterally Secured by way of Hypothecation of Debtors of the Mill   | Interest overdue below 90 days of ₹ 260.28 lacs (Previous year - ₹ 138.27 lacs) and above 90 days ₹ 1,172.95 lacs (Previous year - ₹ 180.03 lacs) |
| - Under Recalled Loans        | 9,039.27             | -                    |                  |   |   |



| Loan repayable on demand  | Outstanding (₹ lacs) |                      | Rate of Interest | Nature of security   | Overdue at the end of the year  |
|---|----------------------|----------------------|------------------|--|---|
|   | As at March 31, 2019 | As at March 31, 2018 |                  |  |   |
|   |                      |                      |                  | 5 First Charge on the Semi-finished sugar including sugar in process, raw material of the Respective division of the company.<br>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.                                |   |
| From Co-operative Bank<br>- Under Short Term Borrowings<br>- Under Recalled Loans | -<br>4,895.78        | 4,925.00<br>-        | 11.50%<br>p.a    | 1 Pledge of sugar stock of the respective division of the Company.<br>2 First Charge on the Semi-finished sugar including sugar in process, raw material of the Respective division of the company.<br>3 Second Charge on the Land, Building Plant & Machinery of the respective division of the company<br>4 Personal guarantees of Chairman & Managing Director and Director of the Company. | Interest overdue below 90 days of ₹ 199.71 lacs (Previous year - ₹ 153.53 lacs) and above 90 days ₹ 947.44 lacs (Previous year - ₹ 442.09 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, 2019 | As at March 31, 2018 |                                   |                    |   |
| From Commercial Banks<br>- Under Short Term Borrowings<br>- Under Recalled Loans | -<br>15,063.76       | 15,576.51<br>-       | Range between 9% to 10.70%<br>p.a | N.A                | Principal overdue above 90 days of ₹ 15,063.76 lacs (Previous year - ₹ 15,576.51 lacs).<br>Interest overdue below 90 days of ₹ Nil (Previous year- ₹ Nil) and above 90 days ₹ 5,720.86 lacs (Previous year- ₹ 5,722.86 lacs). |

**(E) Unsecured loans from Related Parties of ₹ 25.00 lacs (Previous year ₹ 25.00 lacs) and Others ₹ 112.95 lacs (Previous year ₹ 172.05 lacs) carry interest rate (ranges between) from 10.65 % to 10.95 % p.a. are payable on demand.**

**11. Related Party disclosures under IND AS 24**

i) Name of related parties and description of relationship:

**Key Management Personnel (KMP):**

- Mr. G. M. S. Mann - Chairman
- Mr. Gurpal Singh – Director
- Ms. Gursimran Kaur Mann - Director
- Mr. Sanjay Tapriya – Director
- Mr. S.N. Misra – Chief Operating Officer
- Mr. S.K. Ganguli – Independent Director
- Mr. B.K. Goswami – Independent Director
- Mr. Dalbir Singh – Independent Director
- Mr. C.K. Mahajan – Independent Director
- Mr. D.C.Popli – Chief Financial officer
- Mr. Kamal Samtani – Company Secretary
- Mr. H. P. Kain- Independent Director (w.e.f. November 14, 2018)
- Mr. S.C. Kumar – (ceased to be key management personnel w.e.f August 2, 2017)
- Mr. Sangeet Shukla – (ceased to be key management personnel w.e.f March 17, 2018)
- Mr. J.M Seth (ceased to be key management personnel w.e.f March 1, 2018)

**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. Gurpal Singh),
- Mr. G.M.S. Mann (HUF)

**Enterprise over which key management personnel exercise significant influence:**

- Dholadhar Investments Private Limited, (enterprise over which Mr. G. M. S. Mann and Ms. Gursimran Kaur Mann exercise significant influence)
- Mahajan Law House (enterprise over which Mr. C.K. Mahajan exercise significant influence)
- Raghav& Co (enterprise over which Mr. J.M Seth exercise significant influence)

**Trusts:**

- Simbhaoli Superannuation Trust
- Simbhaoli Gratuity Trust
- Simbhaoli Foundation Trust
- Casetech Employee Share Plan Trust

ii) Transactions with the above parties : (₹ lacs)

| Description  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| <b>Transactions</b>  |                              |                              |
| <b>Rent Paid</b>   | <b>10.92</b>                 | <b>1.08</b>                  |
| Mrs. Mamta Tapriya   | 1.08                         | 1.08                         |
| Mrs. Usha Misra  | 9.84                         | -                            |
| <b>Rent Received</b>   | <b>0.60</b>                  | <b>0.60</b>                  |
| Dholadhar Investments Private Limited  | 0.48                         | 0.48                         |
| Simbhaoli Foundation Trust   | 0.12                         | 0.12                         |
| <b>Managerial Remuneration</b>   | <b>254.56</b>                | <b>190.99</b>                |
| Ms. Gursimran Kaur Mann  | 119.44                       | 71.53                        |
| Mr. S.N.Misra  | 51.23                        | 30.60                        |
| Mr. D.C.Popli  | 59.15                        | 53.10                        |
| Mr. Kamal Samtani  | 24.74                        | 21.49                        |
| Mr. Karan Singh  | -                            | 14.27                        |
| <b>Loans taken</b>   | <b>-</b>                     | <b>25.00</b>                 |
| Mr. Sanjay Tapriya   | -                            | 25.00                        |
| <b>Loans Repaid</b>  | <b>328.00</b>                | <b>312.38</b>                |
| Dholadhar Investments Private Limited  | 214.00                       | 80.00                        |
| Mr. G.M.S. Mann  | 114.00                       | -                            |
| Mr. G. M. S. Mann (HUF)  | -                            | 213.26                       |
| Mr. Gurpal Singh   | -                            | 19.12                        |
| <b>Expenses paid</b>   | <b>7.37</b>                  | <b>26.59</b>                 |
| Mahajan Law House  | 7.37                         | 9.68                         |
| Raghav & Co  | -                            | 16.91                        |
| <b>Interest paid</b>   | <b>56.09</b>                 | <b>110.03</b>                |
| Mr. G.M.S. Mann  | -                            | 6.11                         |
| Mr. G.M.S. Mann (HUF)  | -                            | 15.01                        |
| Mr. Sanjay Tapriya   | 2.86                         | 1.33                         |
| Ms. Gursimran Kaur Mann  | -                            | 26.02                        |
| Dholadhar Investments Pvt. Ltd.  | 53.23                        | 61.56                        |
| <b>Sitting Fees paid - Total</b>   | <b>8.45</b>                  | <b>11.75</b>                 |
| Mr. S.C.Kumar  | -                            | 0.75                         |
| Mr. S.K.Ganguli  | 3.00                         | 2.75                         |
| Mr. B.K.Goswami  | 3.00                         | 3.00                         |
| Mr. Sangeet Shukla   | -                            | 2.50                         |
| Mr. Dalbir Singh   | 1.15                         | 1.25                         |
| Mr. C.K.Mahajan  | 0.65                         | 0.75                         |
| Mr. J.M.Seth   | -                            | 0.75                         |
| Mr. H.P. Kain  | 0.65                         | -                            |
| <b>Contribution in Trusts</b>  | <b>21.54</b>                 | <b>39.05</b>                 |
| Simbhaoli Foundation Trust   | -                            | 0.63                         |
| Simbhaoli Superannuation Trust   | 21.54                        | 10.92                        |
| Simbhaoli Gratuity Trust   | -                            | 27.50                        |
| <b>Unsecured loan converted into share warrant application money</b>               | <b>-</b>                     | <b>789.92</b>                |
| Mr. G. M. S. Mann  | -                            | 124.82                       |
| Ms. Gursimran Kaur Mann  | -                            | 665.10                       |
| <b>Share application money received during the year</b>                            | <b>212.53</b>                | <b>313.65</b>                |
| Mr. G. M. S. Mann  | 75.18                        | 121.00                       |
| Ms. Gursimran Kaur Mann  | 137.35                       | 192.65                       |
| <b>Share warrant application money converted into Equity share during the year</b> | <b>642.00</b>                | <b>577.80</b>                |
| Mr. G. M. S. Mann  | 160.50                       | 160.50                       |
| Ms. Gursimran Kaur Mann  | 481.50                       | 417.30                       |
| <b>Share warrant issued during the year (no.)</b>                                  | <b>-</b>                     | <b>50.00</b>                 |
| Mr. G. M. S. Mann  | -                            | 10.00                        |
| Ms. Gursimran Kaur Mann  | -                            | 40.00                        |
| <b>Share warrant converted into equity share during the year (no.)</b>             | <b>20.00</b>                 | <b>18.00</b>                 |
| Mr. G. M. S. Mann  | 5.00                         | 5.00                         |
| Ms. Gursimran Kaur Mann  | 15.00                        | 13.00                        |

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<br>March 31,<br>2019 | Year ended<br>March 31,<br>2018 |
|---|---------------------------------|---------------------------------|
| <b>Short term borrowings</b>                    | <b>25.00</b>                    | <b>25.00</b>                    |
| Mr. Sanjay Tapriya                              | 25.00                           | 25.00                           |
| <b>Trade payables</b>                           | <b>18.36</b>                    | <b>40.62</b>                    |
| Mr. G.M.S. Mann                                 | -                               | 2.24                            |
| Mr. Gurpal Singh                                | 0.28                            | 0.28                            |
| Ms. Gursimran Kaur Mann                         | 5.62                            | 9.89                            |
| Mr. S.N.Misra                                   | 0.09                            | 10.68                           |
| Mr. Karan Singh                                 | 0.41                            | 0.41                            |
| Mr. S.C.Kumar                                   | 1.02                            | 1.02                            |
| Mr. S.K.Ganguli                                 | 2.65                            | 1.78                            |
| Mr. B.K.Goswami                                 | 2.70                            | 1.82                            |
| Mr. Sangeet Shukla                              | -                               | 1.10                            |
| Mr. Dalbir Singh                                | 0.58                            | 0.90                            |
| Mr. C.K.Mahajan                                 | -                               | 0.81                            |
| Mr.J.M.Seth                                     | -                               | 0.23                            |
| Mr. D.C.Popli                                   | 0.77                            | 2.23                            |
| Mr. Kamal Samtani                               | 0.88                            | 0.83                            |
| Mr. Sanjay Tapriya                              | 0.41                            | 1.52                            |
| Mrs. Mamta Tapriya                              | 1.54                            | 0.57                            |
| Mahajan Law House                               | 0.67                            | 4.20                            |
| Mrs. Usha Misra                                 | 0.74                            | -                               |
| Simbhaoli Foundation Trust                      | -                               | 0.11                            |
| <b>Long-term borrowings</b>                     | <b>525.23</b>                   | <b>805.32</b>                   |
| Mr. G.M.S. Mann                                 | 198.83                          | 312.83                          |
| Dholadhar Investments Private Limited           | 326.40                          | 492.49                          |
| <b>Trade Receivable</b>                         | <b>0.03</b>                     | <b>-</b>                        |
| Simbhaoli Foundation Trust                      | 0.03                            | -                               |
| Share warrant at the end of the year (no.)      | 12.00                           | 32.00                           |
| Mr. G. M. S. Mann                               | -                               | 5.00                            |
| Ms. Gursimran Kaur Mann                         | 12.00                           | 27.00                           |
| <b>Investment outstanding - others (₹ lacs)</b> | <b>0.15</b>                     | <b>0.15</b>                     |
| Casetech Employee Share Plan Trust              | 0.15                            | 0.15                            |

iv) The Board has approved the appointment and remuneration of Ms. Gursimran Kaur Mann as Managing director and Mr. Sachchida Nand Misra as chief operating officer/whole time directors in the Company for a period of three years, and the consent on terms of appointment has been accorded at 6th Annual General Meeting of the members of the Company held on September 18, 2017. The application filed by the Company for approval of the appointment and remuneration before Central Government is abated in accordance with the amendment made in the provisions of Sections 197 and 200 of the Companies Act 2013. The Company shall obtain the necessary approvals from shareholders within one year from date of the amendment. It has paid aggregate remuneration of ₹ 170.67 lacs during the year (previous year ₹102.13 lacs) and ₹ 272.80 lacs since appointment, to these directors.

| Details of Remuneration paid/payable to KMP               |                         |                |                |                   |                 | (₹ lacs) |
|---|-------------------------|----------------|----------------|-------------------|-----------------|----------|
| Particulars   | Ms. Gursimran Kaur Mann | Mr. S.N. Misra | Mr. D.C. Popli | Mr. Kamal Samtani | Mr. Karan Singh |          |
| <b>Year ended March 31, 2019</b>                          |                         |                |                |                   |                 |          |
| <b>Short-term employee benefits</b>                       |                         |                |                |                   |                 |          |
| Salary  | 96.59                   | 42.77          | 53.74          | 21.01             | -               |          |
| Perquisites   | 14.69                   | 6.02           | 3.17           | 2.17              | -               |          |
| <b>Post-employment benefits</b>                           |                         |                |                |                   |                 |          |
| Contribution to Provident Fund, Gratuity and other Funds* | 8.16                    | 2.44           | 2.24           | 1.56              | -               |          |
|   | <b>119.44</b>           | <b>51.23</b>   | <b>59.15</b>   | <b>24.74</b>      | <b>-</b>        |          |
| <b>Year ended March 31, 2018</b>                          |                         |                |                |                   |                 |          |
| <b>Short-term employee benefits</b>                       |                         |                |                |                   |                 |          |
| Salary  | 63.74                   | 27.70          | 48.39          | 18.56             | 12.58           |          |
| Perquisites   | 3.96                    | 1.64           | 2.73           | 1.92              | 0.94            |          |
| <b>Post-employment benefits</b>                           |                         |                |                |                   |                 |          |
| Contribution to Provident Fund, Gratuity and other Funds* | 3.83                    | 1.26           | 1.98           | 1.01              | 0.75            |          |
|   | <b>71.53</b>            | <b>30.60</b>   | <b>53.10</b>   | <b>21.49</b>      | <b>14.27</b>    |          |

\* The said amount does not include amount in respect of gratuity and leaves as the same are not ascertainable.

## 12. Segment reporting

### i) Business segments:

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting", the Group's primary segments are business segments, viz. Sugar and Alcohol.

### ii) Geographical segments:

Since the Group'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 No. 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>A. Segment revenue</b>            |                  |                  |                  |                 |                  |                  |                 |                 |                   |                   |              |               |                    |                    |
| External sales:                      | 80,442.87        | 85,945.29        | 28,768.85        | 4,382.49        | 9,463.10         | 9,893.17         | 1,458.33        | 1,148.55        | -                 | -                 | -            | -             | 1,20,133.15        | 1,01,369.50        |
| Inter segment sales                  | 2,346.14         | 462.04           | 29.48            | 57.77           | 3,680.51         | 1,710.53         | 156.00          | 156.00          | (6,212.12)        | (2,386.34)        | -            | -             | -                  | -                  |
| Other operating Revenue              | 1,680.60         | 97.01            | 216.79           | 42.87           | 2,080.33         | 1,205.30         | 9.59            | 0.50            | -                 | -                 | -            | -             | 3,987.31           | 1,345.68           |
| <b>Total revenue</b>                 | <b>84,469.61</b> | <b>86,504.34</b> | <b>29,015.12</b> | <b>4,483.13</b> | <b>15,223.94</b> | <b>12,809.00</b> | <b>1,623.92</b> | <b>1,305.05</b> | <b>(6,212.12)</b> | <b>(2,386.34)</b> | <b>-</b>     | <b>-</b>      | <b>1,24,120.46</b> | <b>1,02,715.18</b> |
| <b>B. Segment results</b>            | (5,087.85)       | (10,111.77)      | 3,408.06         | (2,748.52)      | 6,403.32         | 4,800.40         | 21.55           | 47.03           |                   |                   |              |               | 4,745.08           | (8,012.86)         |
| Unallocated expenses (net of income) |                  |                  |                  |                 |                  |                  |                 |                 |                   |                   | 793.84       | 1,456.53      | 793.84             | 1,456.54           |
| Operating profit/(loss)              |                  |                  |                  |                 |                  |                  |                 |                 |                   |                   |              |               | 3,951.24           | (9,469.40)         |
| Finance cost                         |                  |                  |                  |                 |                  |                  |                 |                 |                   |                   | 5,608.87     | 7,249.11      | 5,608.87           | 7,249.11           |
| Exceptional items (net)              |                  |                  |                  |                 |                  |                  |                 |                 |                   |                   | 1,019.17     | 970.79        | 1,019.17           | 970.79             |
| <b>Net Profit/(loss)</b>             |                  |                  |                  |                 |                  |                  |                 |                 |                   |                   |              |               | (2,676.80)         | (17,689.30)        |

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.

iv) (b) Information About Business Segments

(₹ lacs)

| Particulars                      | Sugar               |                     | Alcohol             |                     | Others              |                     | Power               |                     | Unallocated         |                     | Total               |                     |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                  | As at March 31,2019 | As at March 31,2018 | As at March 31,2019 | As at March 31,2018 | As at March 31,2019 | As at March 31,2018 | As at March 31,2019 | As at March 31,2018 | As at March 31,2019 | As at March 31,2018 | As at March 31,2019 | As at March 31,2018 |
| <b>OTHER INFORMATIONS</b>        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>C. ASSETS</b>                 |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Segment assets                   | 1,48,031.97         | 1,36,448.08         | 40,358.88           | 39,881.30           | 899.36              | 632.91              | 39,959.76           | 35,645.70           | -                   | -                   | 2,29,249.97         | 2,12,607.99         |
| Unallocated assets               | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 4,022.05            | 2,612.94            | 4,022.05            | 2,612.94            |
| <b>Total assets</b>              | <b>1,48,031.97</b>  | <b>1,36,448.08</b>  | <b>40,358.88</b>    | <b>39,881.30</b>    | <b>899.36</b>       | <b>632.91</b>       | <b>39,959.76</b>    | <b>35,645.70</b>    | <b>4,022.05</b>     | <b>2,612.94</b>     | <b>2,33,272.02</b>  | <b>2,15,220.93</b>  |
| <b>D. EQUITY AND LIABILITIES</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Segment liabilities              | 80,003.99           | 56,784.90           | 2,017.38            | 2,306.66            | 729.86              | 429.69              | 2,568.46            | 12,788.90           | -                   | -                   | 85,319.68           | 72,310.15           |
| Shares capital and reserves      | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 1,129.27            | 4,630.92            | 1,129.27            | 4,630.92            |
| Minority Interest                | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 12,052.19           | 11,244.61           | 12,052.19           | 11,244.61           |
| Secured and unsecured loans      | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 1,13,368.16         | 1,16,814.18         | 1,13,368.16         | 1,16,814.18         |
| Unallocated liabilities          | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 21,402.72           | 10,221.07           | 21,402.72           | 10,221.07           |
| <b>Total liabilities</b>         | <b>80,003.99</b>    | <b>56,784.90</b>    | <b>2,017.38</b>     | <b>2,306.66</b>     | <b>729.86</b>       | <b>429.69</b>       | <b>2,568.46</b>     | <b>12,788.90</b>    | <b>1,47,952.34</b>  | <b>1,42,910.78</b>  | <b>2,33,272.02</b>  | <b>2,15,220.93</b>  |

iv) (c) Reconciliations of amounts reflected in the financial statement

| i) Reconciliation of assets       |                      |                      | (₹ lacs) |  |
|-----------------------------------|----------------------|----------------------|----------|--|
| Particulars                       | As at March 31, 2019 | As at March 31, 2018 |          |  |
| Segment operating assets          | 2,33,272.02          | 2,15,220.93          |          |  |
| <b>Total Assets</b>               | <b>2,33,272.02</b>   | <b>2,15,220.93</b>   |          |  |
| ii) Reconciliation of liabilities |                      |                      | (₹ lacs) |  |
| Particulars                       | As at March 31, 2019 | As at March 31, 2018 |          |  |
| Segment operating liabilities     | 2,33,272.02          | 2,15,220.93          |          |  |
| <b>Total Liabilities</b>          | <b>2,33,272.02</b>   | <b>2,15,220.93</b>   |          |  |

iv) (d) Geographical information:

The Company operated only in India during the year ended March 31, 2019 and March 31, 2018.

iv) (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, 2019 and March 31, 2018.

iv) (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>E. OTHER INFORMATIONS</b>                                       |              |               |              |               |              |               |              |               |              |               |              |               |
| Capital expenditure  | 145.88       | 472.09        | 297.66       | 345.65        | 30.70        | 132.20        | 0.65         | 2.31          | 8.97         | 9.85          | 483.86       | 962.09        |
| Depreciation and amortization expense (net of revaluation reserve) | 2,607.18     | 3,569.33      | 1,046.90     | 1,036.59      | 1,114.69     | 1,130.40      | 3.43         | 3.69          | 16.15        | 22.47         | 4,788.34     | 5,762.47      |
| Non cash expenses other than depreciation                          | 25.07        | 60.14         | 93.35        | 222.49        | 1,023.00     | -             | 112.88       | -             | 1,956.76     | -             | 1,254.30     | 2,239.39      |

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 fixed assets, impairment of investment, bad debts and credit balance written off.

13. Exceptional items represent:

- The company has entered into a one-time settlement agreement with one of its lenders in the financial year 2016-17. The settlement amount was to be paid in six structured instalments by November 14, 2017. The company has recognised ₹ 970.79 lacs being remission of liability as exceptional item in previous year March 31, 2017. However, on the account of downturn in the sugar industry the company could not repay as per agreed settlement terms, the lender terminated the settlement

agreement. Accordingly, the company has restated the liability as per original agreement during the financial year 2017-18 by reversing the said exceptional gain recognized in financial year 2016-17.

- The subsidiary "Simbhaoli Power Private Limited (SPPL)", the subsidiary has written off fixed assets consisting of 12MW Turbine and fuel handling system amounting to ₹1019.17 lacs during the year and shown it as an exceptional item.

**14. Employee Benefits**

The Group has classified the various benefits provided to employees as under: -

**i) Defined Contribution Plan:**

- A) Provident fund
- B) Superannuation fund

During the year, the Group has recognized the following amounts in the Consolidated Statement of Profit and Loss Account:

| Description                                      | Year ended<br>March 31,<br>2019 | Year ended<br>March 31,<br>2018 |
|--|---------------------------------|---------------------------------|
| - Employers' Contribution to Provident Fund      | 459.07                          | 434.81                          |
| - Employers' Contribution to ESIC                | -                               | 1.39                            |
| - Employers' Contribution to Superannuation Fund | 19.27                           | 9.81                            |

**ii) Disclosure in respect of defined benefit plans (Gratuity & compensated absence) is as under:**

| <b>(A) Principal Assumptions</b>                          |   |   |   |   |
|---|---|---|---|---|
| Particulars   | Gratuity (Funded)                           |   | Compensated Absence (Unfunded)              |   |
|   | As at March<br>31, 2019                     | As at March<br>31, 2018                     | As at March<br>31, 2019                     | As at March<br>31, 2018                     |
| Discount Rate (Per Annum)                                 | 7.55%                                       | 7.75%                                       | 7.55%                                       | 7.75%                                       |
| Expected Rate of Salary Increase                          | 8% for the first<br>Year & 5%<br>thereafter | 8% for the first<br>Year & 5%<br>thereafter | 8% for the first<br>Year & 5%<br>thereafter | 8% for the first<br>Year & 5%<br>thereafter |
| 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)                       | NA  | NA  | Earned Leave-0%<br>Sick Leave-10%           | Earned Leave-0%<br>Sick Leave-10%           |
| Rate of Leave Encashment during<br>Employment (Per Annum) | NA  | NA  | 0%  | 0%  |

| <b>(B) Amount Recognised in Statement of Profit &amp; Loss in respect of the Defined Benefit Obligation</b> |  |                 |                                   |               |
|---|--|-----------------|-----------------------------------|---------------|
| Particulars   | Gratuity (Funded)  |                 | Compensated Absence<br>(Unfunded) |               |
|   | 2018-19  | 2017-18         | 2018-19                           | 2017-18       |
|   | <b>Components of defined benefit cost recognised in profit or loss</b> |                 |                                   |               |
| Current Service Cost  | 104.98   | 100.22          | 91.47                             | 156.61        |
| Past Service Cost   | -  | 21.22           | -                                 | -             |
| Interest Cost   | 34.57  | 33.54           | 41.46                             | 33.53         |
| Actuarial (gain)/loss from change in financial assumptions  | -  | -               | 24.87                             | 5.75          |
| Actuarial (gain)/loss arising from experience adjustments   | -  | -               | (64.85)                           | 121.28        |
| <b>Components of defined benefit cost recognised in profit or loss</b>                                      | <b>139.55</b>  | <b>154.98</b>   | <b>92.95</b>                      | <b>317.17</b> |
| <b>Components of defined benefit cost recognised in Other Comprehensive Income</b>                          |  |                 |                                   |               |
| Actuarial (gain)/loss from change in financial assumptions  | 67.41  | 14.63           | -                                 | -             |
| Actuarial (gain)/loss arising from experience adjustments   | (145.76)   | (120.38)        | -                                 | -             |
| Return on plan assets (higher)/lower than discount rate   | 11.16  | (8.86)          | -                                 | -             |
| Return on plan assets excluding amount in net interest expense  | 1.25   | (1.13)          | -                                 | -             |
| <b>Total actuarial (gain)/loss recognised in Other Comprehensive Income</b>                                 | <b>(65.96)</b>   | <b>(115.74)</b> | <b>-</b>                          | <b>-</b>      |
| <b>Total amount recognised in statement of profit &amp; loss</b>  | <b>73.59</b>   | <b>39.24</b>    | <b>92.95</b>                      | <b>317.17</b> |

(₹ lacs)

| <b>(C) The amount included in Balance Sheet arising from the company's obligation in respect of its defined benefit plan is as follows:</b> |                   |                 |                                   |                 |
|---|-------------------|-----------------|-----------------------------------|-----------------|
| Particulars   | Gratuity (Funded) |                 | Compensated Absence<br>(Unfunded) |                 |
|   | 2018-19           | 2017-18         | 2018-19                           | 2017-18         |
| Present Value of Defined Benefit Obligation   | 1,640.19          | 1552.08         | 607.02                            | 535.26          |
| Fair Value of Plan Asset  | 1,125.72          | 1105.67         | -                                 | -               |
| <b>Net liability arising from defined benefit obligation</b>  | <b>(514.47)</b>   | <b>(446.41)</b> | <b>(607.02)</b>                   | <b>(535.26)</b> |
| * Non Current Liability   | -                 | -               | (508.26)                          | (432.08)        |
| * Current Liability   | (514.47)          | (446.41)        | (98.76)                           | (103.18)        |

| <b>(D) Movement in the fair value of plan assets are as follows:</b> |                   |                |                                |           | (₹ lacs) |
|--|-------------------|----------------|--------------------------------|-----------|----------|
| Particulars  | Gratuity (Funded) |                | Compensated Absence (Unfunded) |           |          |
|  | 2018-19           | 2017-18        | 2018-19                        | 2017-18   |          |
| Opening fair value of plan assets                                    | 1,105.67          | 1,212.02       | NA                             | NA        |          |
| Expected return on plan assets                                       | 85.63             | 90.84          | NA                             | NA        |          |
| Employer Contribution  | 5.55              | 40.46          | NA                             | NA        |          |
| Remeasurement gain/(loss)  | -                 | -              |                                |           |          |
| * Return on plan assets (higher)/lower than discount rate            | (12.41)           | 9.91           | NA                             | NA        |          |
| Benefit Paid   | (58.72)           | (247.63)       | NA                             | NA        |          |
| <b>Closing fair value of plan assets</b>                             | <b>1,125.72</b>   | <b>1105.68</b> | <b>NA</b>                      | <b>NA</b> |          |

| <b>(E) Movement in the present value of defined benefit obligations are as follows:</b> |                   |                |                                |               | (₹ lacs) |
|---|-------------------|----------------|--------------------------------|---------------|----------|
| Particulars   | Gratuity (Funded) |                | Compensated Absence (Unfunded) |               |          |
|   | 2018-19           | 2017-18        | 2018-19                        | 2017-18       |          |
| <b>Opening defined benefit obligation</b>   | <b>1,552.08</b>   | <b>1659.64</b> | <b>535.26</b>                  | <b>447.41</b> |          |
| Current service cost  | 104.98            | 100.22         | 91.47                          | 156.61        |          |
| Interest cost   | 120.20            | 124.39         | 41.46                          | 35.53         |          |
| Remeasurement (gains)/losses:   |                   |                |                                |               |          |
| * Actuarial (gain)/loss from change in financial assumptions                            | 67.41             | 14.63          | 24.87                          | 5.75          |          |
| * Actuarial (gain)/loss arising from experience adjustments                             | (145.76)          | (120.38)       | 21.41                          | 121.28        |          |
| Past Service Cost   | -                 | 21.22          | -                              | -             |          |
| Benefits paid by employer   | (58.72)           | (247.63)       | (107.45)                       | (229.32)      |          |
| Benefits paid from plan assets  | -                 | -              | -                              | -             |          |
| <b>Closing defined benefit obligation</b>   | <b>1,640.19</b>   | <b>1552.09</b> | <b>607.02</b>                  | <b>535.26</b> |          |

| <b>(F) Sensitivity Analysis Gratuity (Funded)</b> |                         |                                      |           |           |                        |           | (₹ lacs) |
|---|-------------------------|--------------------------------------|-----------|-----------|------------------------|-----------|----------|
| Particulars                                       | Change in assumption by | Impact on defined benefit obligation |           |           |                        |           |          |
|   |                         | Increase in assumption               |           |           | Decrease in assumption |           |          |
|   |                         | Increase/decrease                    | 31-Mar-19 | 31-Mar-18 | 31-Mar-19              | 31-Mar-18 |          |
| Discounting rate                                  | 1.00%                   | In ₹                                 | 1,529.00  | 1,440.60  | 1,765.75               | 1,673.99  |          |
| Future salary growth rate                         | 1.00%                   | In ₹                                 | 1,765.12  | 1,674.81  | 1,527.08               | 1,441.79  |          |
| Attrition rate                                    | 0.50%                   | In ₹                                 | 1,659.32  | 1,572.67  | 1,619.15               | 1,529.32  |          |
| Mortality rate                                    | 10.00%                  | In ₹                                 | 1,641.21  | 1,553.15  | 1,639.18               | 1,551.02  |          |

| <b>Compensated Absence (Unfunded)</b> |                         |                                      |           |           |                        |           | (₹ lacs) |
|---------------------------------------|-------------------------|--------------------------------------|-----------|-----------|------------------------|-----------|----------|
| Particulars                           | Change in assumption by | Impact on defined benefit obligation |           |           |                        |           |          |
|                                       |                         | Increase in assumption               |           |           | Decrease in assumption |           |          |
|                                       |                         | Increase/decrease                    | 31-Mar-19 | 31-Mar-18 | 31-Mar-19              | 31-Mar-18 |          |
| Discounting rate                      | 1.00%                   | In ₹                                 | 567.87    | 500.63    | 651.47                 | 574.72    |          |
| Future salary growth rate             | 1.00%                   | In ₹                                 | 652.00    | 575.26    | 566.77                 | 499.59    |          |
| Attrition rate                        | 0.50%                   | In ₹                                 | 607.34    | 535.80    | 606.41                 | 534.45    |          |
| Mortality rate                        | 10.00%                  | In ₹                                 | 526.00    | 535.28    | 607.02                 | 535.26    |          |

\* 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) |          |          |          |          |
|---|-------------------|----------|----------|----------|----------|-----------------------------------|----------|----------|----------|----------|
|   | 2018-19           | 2017-18  | 2016-17  | 2015-16  | 2014-15  | 2018-19                           | 2017-18  | 2016-17  | 2015-16  | 2014-15  |
| Present value of obligation as at the end of the year | 1,640.19          | 1,552.08 | 2,103.72 | 1,820.76 | 1,714.30 | 607.02                            | 535.26   | 479.11   | 298.98   | 389.07   |
| Fair value of plant assets as at the end of the year  | 1,125.72          | 1,105.67 | 1,234.02 | 1,145.04 | 1,140.02 | -                                 | -        | -        | -        | -        |
| Net asset/(liability) recognised in the balance sheet | (514.47)          | (446.41) | (869.70) | (675.72) | (574.28) | (607.02)                          | (535.26) | (479.11) | (298.98) | (389.07) |

### 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:

- 1) 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.
- 2) 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.
- 3) 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.
- 4) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability.
- 5) 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).
- 6) 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.
- 7) 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 consolidated financial statements. H)Method and Assumptions related terms:

- 1) Discount Rate: Discount rate is the rate which is used to discount future benefit cashflows 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.
- 2) 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.

- 3) 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.
- 4) 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.
- 5) 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, 2019.

| 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                      | -                                  |
|                          |                |  | 2001-2006                          | 42.88                     | -                                  |
|                          |                |  | 2002-2003                          | 16.63                     | -                                  |
|                          |                |  | 2005-2006                          | 15.88                     | -                                  |
|                          |                |  | 2006-2007                          | 2.58                      | -                                  |
|                          |                |  | 2013-2014                          | 138.45                    | 0.12                               |
|                          |                |  | 2014-2016                          | 8.64                      | 1.46                               |
| Finance Act, 1994        | Service Tax    | Customs, Excise & Service tax Appellate Tribunal | 2006-2007                          | 83.06                     | 14.87                              |
|                          |                |  | 2015-2016                          | 1.89                      | 0.19                               |
|                          |                |  | 2015-2018                          | 18.04                     | 1.36                               |

\* Amount as per demand orders including interest and 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 ₹ 1.77 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** (₹ lacs)

| Description   |       | Year ended<br>March 31,<br>2019 | Year ended<br>March 31,<br>2018 |
|---|-------|---------------------------------|---------------------------------|
| Profit/(loss) after tax and exceptional items as per Statement of Profit and Loss | (A)   | (3,797.86)                      | (19,024.34)                     |
| Add/Less: Exceptional Items net of taxes  |       | 1,019.17                        | 970.79                          |
| Profit/(loss) after tax and before exceptional items                              | (B)   | (2,778.68)                      | (18,053.55)                     |
| Weighted average number of equity shares outstanding (Par value ₹ 10 per share)   |       |                                 |                                 |
| - For basic and diluted earnings per share (Nos.)                                 | (C)   | 39,295,458                      | 37,493,815                      |
| <b>Earnings per share (₹)</b>   |       |                                 |                                 |
| - Basic and diluted EPS before exceptional item                                   | (B÷C) | (7.07)                          | (48.15)                         |
| - Basic and diluted EPS after exceptional item                                    | (A÷C) | (9.66)                          | (50.74)                         |

**17. Auditors' remuneration (excluding service tax/Goods and Services Tax):** (₹ lacs)

| Description   | Year ended<br>March 31,<br>2019 | Year ended<br>March 31,<br>2018 |
|---|---------------------------------|---------------------------------|
| - Statutory audit   | 27.48                           | 27.83                           |
| - Audit of Consolidated Financial Statement                             | 5.00                            | 2.50                            |
| - Limited review of unaudited financial results                         | 15.00                           | 15.00                           |
| - Certification and other services                                      | 7.50                            | 13.00                           |
| - Reimbursement of out of pocket expense for statutory audit and others | 1.79                            | 0.84                            |

**18. 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<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--------|--|---|------------------------------|------------------------------|
| 1      | Production subsidy from Central Government. [Refer Note No. 18(iii)]   | Deducted from Cost of Raw material consumed [Refer Note No. 3.27]   | 2,896.43                     | -                            |
| 2      | Government Grant of ₹ 4.50 per quintal of cane purchase during SS 2017-18 as announced by the U.P. State Government [Refer Note No. 18 (ii)] | Shown as separate line items "Subsidy from Central Government under MIEQ" under "Revenue from operations" [Refer Note No. 3.25] | 403.02                       | -                            |
|        |  | Deducted from Cost of Raw material consumed [Refer Note No. 3.27]   | 98.83                        | -                            |
| 3      | Transport Subsidy from Central Government. [Refer Note No. 18 (iv)]  | Deducted from "Export Expenses". [Refer Note No. 3.34]  | 803.55                       | -                            |
| 4      | Production subsidy from Central Government. [Refer Note No. 18 (i)]  | Shown as separate line items "Subsidy from Central Government under MIEQ" under "Revenue from operations" [Refer Note No. 3.25] | -                            | 3.60                         |
| 5      | Interest subvention @10% per annum granted by the Government of India. [Refer Note No. 18 (v)]   | Deducted from finance cost  | -                            | 135.50                       |

i) The Central Government vide its Notification No. 1(10)/2015-SP-I dated September 18, 2015 announced Minimum Indicative Export Quota (MIEQ) under tradeable export scrip scheme in order to export surplus sugar inventory out of the country. Under the said scheme, the Company was allotted quota of 28,190 MT for export in respect of its all three sugar units. The Central government vide its Notification No. 20(43)/2015-SP-I dated December 02, 2015 announced a scheme for extending production subsidy @ ₹ 4.50 per quintal of actual cane crushed during sugar season 2015-16 or the proportionate cane crushed for average sugar production of the Company's each unit

in the last three sugar seasons, whichever is lower, for the sugar units who have fulfilled stipulated conditions including export obligations.

ii) The Company has received government grant of ₹ 4.50 per quintal of cane purchase during sugar season 2017-18 under the scheme announced by the U.P State Government vide notifications no. 13/2011/1697/46-3-18-3(37)/2018 dtd. October 01, 2018 which has been accounted for in the financial statements as mentioned herein above. .

iii) 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 Scheme will be 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 atleast 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, 2019, the Company has complied with all the conditions as stated in the scheme and the management is also confident that all the conditions set out in the Scheme shall be fully complied with at the time of submission of the claim. Accordingly subsidy accrued under the Scheme till 31st March 2019 has been recognised during the year

- iv) 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 @ ₹ 3000 per MT. of sugar exported for Mills located in other than coastal states or actual expenditure, whichever is lower. The conditions stipulated under this scheme are the same as stipulated in the Scheme for Assistance to Sugar Mills as stated hereinabove and the Management is confident to comply those. Accordingly, subsidy accrued under the Scheme till 31st March 2019 has been recognised during the year.
- v) Under Interest Subvention Scheme of Extending Financial Assistance to Sugar Undertaking 2014, the company is eligible for the reimbursement of interest paid on loan taken from banks under the Scheme. The company has availed benefit under the scheme.

## 19. Capital Management

The Group manages its capital to ensure that it will continue as going concern, while maximizing the return to stakeholders through the optimisation of debt and equity balance. The capital structure as at March 31, 2019 and March 31, 2018 is as follows.

(₹ lacs)

| Particulars   | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Total equity attributable to equity shareholders                                | 13,181.46            | 15,875.53            |
| Borrowings  | 67,107.32            | 69,746.43            |
| <b>Total Capital</b>  | <b>80,288.78</b>     | <b>85,621.96</b>     |
| Total equity attributable to equity shareholders as percentage of total capital | 16.42%               | 18.54%               |
| Total borrowing as percentage of total capital                                  | 83.58%               | 81.46%               |

Due to continuous losses, the Company has defaulted in payment of interest and principal dues to its lenders. The Company had approached for debt restructuring of its outstanding debts and had also raised additional capital during the year through preferential issue of warrant to the promoters, to comply with the condition for infusion of capital imposed under sanctioned Debt Restructuring Scheme.

## 20. 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, 2019 | As at March 31, 2018 |
|--------------------------|----------------------|----------------------|
| Up to 6 months           | 13,036.05            | 8,676.54             |
| More than 6 months       | 1,647.92             | 497.81               |
| <b>Total receivables</b> | <b>14,683.97</b>     | <b>9,174.35</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.

(₹ lacs)

| Particulars                                | Trade Receivables | Loan and Advances* | Security Deposits |
|--|-------------------|--------------------|-------------------|
| <b>Provision as at March 31, 2017</b>      | <b>313.65</b>     | <b>37.60</b>       | <b>34.86</b>      |
| Provision made during the year 2017-18     | 45.17             | 13.85              | -                 |
| Amount written off                         | 94.32             | 10.44              | 7.36              |
| Provision reversed during the year 2017-18 | 19.70             | 0.24               | -                 |
| <b>Provision as at March 31, 2018</b>      | <b>244.80</b>     | <b>40.77</b>       | <b>27.50</b>      |
| Provision made during the year 2018-19     | 58.29             | 91.31              | -                 |
| Amount written off                         | 110.07            | 26.57              | 2.50              |
| Provision reversed during the year 2018-19 | -                 | 0.09               | -                 |
| <b>Provision as at March 31, 2019</b>      | <b>193.02</b>     | <b>105.42</b>      | <b>25.00</b>      |

\* includes advances to employees

- 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, 2019 (₹ lacs) |                   |                 |              |                   |
|--------------------------------------|-------------------------------|-------------------|-----------------|--------------|-------------------|
|                                      | Carrying amount               | Less than 1 Year  | 1 to 5 Years    | More 5 Years | Total             |
| Borrowings                           | 113,368.16                    | 107,230.92        | 6,137.24        | -            | 113,368.16        |
| Trade payables                       | 80,829.29                     | 80,829.29         | -               | -            | 80,829.29         |
| Other financial liabilities- Current | 20,197.49                     | 20,197.49         | -               | -            | 20,197.49         |
| <b>Total</b>                         | <b>214,394.94</b>             | <b>208,257.70</b> | <b>6,137.24</b> | <b>-</b>     | <b>214,394.94</b> |

| Particulars                          | As at March 31, 2018 (₹ lacs) |                   |                  |              |                   |
|--------------------------------------|-------------------------------|-------------------|------------------|--------------|-------------------|
|                                      | Carrying amount               | Less than 1 Year  | 1 to 5 Years     | More 5 Years | Total             |
| Borrowings                           | 116,813.92                    | 76,652.58         | 40,161.34        | -            | 116,813.92        |
| Trade payables                       | 58,612.40                     | 58,612.40         | -                | -            | 58,612.40         |
| Other financial liabilities- Current | 21,035.00                     | 21,035.00         | -                | -            | 21,035.00         |
| <b>Total</b>                         | <b>196,461.32</b>             | <b>156,299.98</b> | <b>40,161.34</b> | <b>-</b>     | <b>196,461.32</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) **Price Risk** :The group is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

C) **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.

D) **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, 2019              |                 | As at March 31, 2018              |                 |
|--------------------------------------|-----------------------------------|-----------------|-----------------------------------|-----------------|
|                                      | Amount in foreign currency (Lacs) | Amount (₹ Lacs) | Amount in foreign currency (Lacs) | Amount (₹ Lacs) |
| Trade Receivables –USD               | \$4.59                            | 318.13          | \$4.57                            | 294.72          |
| Advance Received from Customer – USD | \$0.13                            | 8.99            | -                                 | -               |

**Foreign Currency Sensitivity**

1% increase/decrease in foreign currency will have no material impact on Profit.

E) **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.

**21. Financial instruments - Accounting, Classification and Fair value measurements**

i) **Financial instruments by category**

As at March 31, 2019 (₹ lacs)

| Particulars                                      | Cost        | Carrying Value    |               |          | Total             |
|--|-------------|-------------------|---------------|----------|-------------------|
|  |             | Amortised Cost    | FVTPL         | FVTOCI   |                   |
| <b>Financial assets</b>                          |             |                   |               |          |                   |
| Investment                                       |             |                   |               |          |                   |
| - Mutual funds                                   | -           | -                 | 313.23        | -        | 313.23            |
| - Government securities                          | 2.11        | -                 | -             | -        | 2.11              |
| - Others   | -           | 0.15              | -             | -        | 0.15              |
| Trade receivables                                | -           | 14,490.95         | -             | -        | 14,490.95         |
| Cash and cash equivalent                         | -           | 1,387.97          | -             | -        | 1,387.97          |
| Bank balances other than cash & cash equivalents | -           | 1,112.51          | -             | -        | 1,112.51          |
| Other financial assets                           | -           | 1,105.06          | -             | -        | 1,105.06          |
| <b>Total financial assets</b>                    | <b>2.11</b> | <b>18,096.64</b>  | <b>313.23</b> | <b>-</b> | <b>18,411.98</b>  |
| <b>Financial liabilities</b>                     |             |                   |               |          |                   |
| Borrowings                                       | -           | 9,169.99          | -             | -        | 9,169.99          |
| Trade payables                                   | -           | 80,829.29         | -             | -        | 80,829.29         |
| Other financial liabilities                      | -           | 127,357.18        | -             | -        | 127,357.18        |
| <b>Total financial liabilities</b>               | <b>-</b>    | <b>217,356.46</b> | <b>-</b>      | <b>-</b> | <b>217,356.46</b> |

As at March 31, 2018 (₹ lacs)

| Particulars                                      | Cost        | Carrying Value    |               |          | Total             |
|--|-------------|-------------------|---------------|----------|-------------------|
|  |             | Amortised Cost    | FVTPL         | FVTOCI   |                   |
| <b>Financial assets</b>                          |             |                   |               |          |                   |
| Investment                                       |             |                   |               |          |                   |
| - Debt instruments                               | -           | -                 | 666.40        | -        | 666.40            |
| - Government securities                          | 2.61        | -                 | -             | -        | 2.61              |
| - Others   | -           | 0.15              | -             | -        | 0.15              |
| Trade receivables                                | -           | 8,929.55          | -             | -        | 8,929.55          |
| Cash and cash equivalent                         | -           | 2,575.26          | -             | -        | 2,575.26          |
| Bank balances other than cash & cash equivalents | -           | 1,018.44          | -             | -        | 1,018.44          |
| Other financial assets                           | -           | 721.90            | -             | -        | 721.90            |
| <b>Total financial assets</b>                    | <b>2.61</b> | <b>13,245.31</b>  | <b>666.40</b> | <b>-</b> | <b>13,914.31</b>  |
| <b>Financial liabilities</b>                     |             |                   |               |          |                   |
| Borrowings                                       | -           | 166,813.92        | -             | -        | 166,813.92        |
| Trade payables                                   | -           | 58,612.40         | -             | -        | 58,612.40         |
| Other financial liabilities                      | -           | 21,035.00         | -             | -        | 21,035.00         |
| <b>Total financial liabilities</b>               | <b>-</b>    | <b>196,461.32</b> | <b>-</b>      | <b>-</b> | <b>196,461.32</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, 2019</b> |                 |                              |         |         |
| <b>Financial Assets</b>     |                 |                              |         |         |
| - Investments-Current       | 313.23          | 313.23                       | -       | -       |
| <b>Total</b>                | <b>313.23</b>   | <b>313.23</b>                | -       | -       |
| <b>As at March 31, 2018</b> |                 |                              |         |         |
| <b>Financial Assets</b>     |                 |                              |         |         |
| - Investments-Current       | 666.40          | 666.40                       | -       | -       |
| <b>Total</b>                | <b>666.40</b>   | <b>666.40</b>                | -       | -       |

22. 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.

23. In previous year, consolidated financial statement have been prepared without consolidating the financial statement of Simbhaoli Power Private Limited (SPPL), the subsidiary company. The consolidated financial statement of the previous year is now restated to consolidate the same. The reconciliation of previous year's published accounts with the restated accounts figures are as under:

(₹ lacs)

| Particulars                   | Published Figure | Restated Figure |
|-------------------------------|------------------|-----------------|
| Total Revenue                 | 94,178.48        | 1,03,902.50     |
| Net profit/ (loss)            | (19,044.25)      | (18,211.04)     |
| Total Comprehensive Income    | (18,941.47)      | (18,100.26)     |
| Total Assets                  | 1,90,807.64      | 2,15,220.93     |
| Total Equity and Liabilities  | 1,90,807.64      | 2,15,220.93     |
| Equity Share and Other Equity | 5,987.35         | 4,630.92        |
| Non-Controlling Interest      | 52.60            | 11,244.61       |

24. Expenditure on corporate social responsibility activities under section 135 of the Companies Act 2013 is as under:

(₹ lacs)

| Particulars                 | As at March 31, 2019 | As at March 31, 2018 |
|-----------------------------|----------------------|----------------------|
| Amount required to be spent | 17.30                | 9.00                 |
| Amount actually spent       | -                    | -                    |

**25. TAX EXPENSE**
**A. Income Tax Expenses**

| Particulars                      | Year ended March 31, 2019<br>₹ lacs | Year ended March 31, 2018<br>₹ lacs |
|----------------------------------|-------------------------------------|-------------------------------------|
| Current Tax                      | 302.48                              | 487.13                              |
| Deferred tax                     | 2.61                                | 25.72                               |
| Income Tax adjustment            | 0.25                                | 8.89                                |
| <b>Total Income Tax Expenses</b> | <b>305.34</b>                       | <b>521.74</b>                       |

**B. Reconciliation of tax expense and accounting profit multiplied by India's tax rate:**

| Particulars   | Year ended March 31, 2019<br>₹ lacs | Year ended March 31, 2018<br>₹ lacs |
|---|-------------------------------------|-------------------------------------|
| Profit/(Loss) for the year (before income tax expense)                        | (2,676.80)                          | (17,689.30)                         |
| <b>Tax Expenses as per applicable tax rate*</b>                               | <b>(1,345.99)</b>                   | <b>(5,920.98)</b>                   |
| Loan Liability written back/( reversed ) not taxable /allowable under tax law | -                                   | 335.97                              |
| Expenses not allowed for tax purposes   | 118.57                              | 81.03                               |
| Income exempt from tax purposes   | (144.76)                            | -                                   |
| Reversal of Deferred Tax liability on land (Net)                              | (76.34)                             | 30.25                               |
| Deferred Tax Assets on business losses not recognised                         | 1,754.36                            | 5,964.11                            |
| Effect of change in tax rates as compared to previous years                   | (0.69)                              | 22.47                               |
| Adjustment of prior period tax  | 0.19                                | 8.89                                |
| <b>Total</b>  | <b>305.34</b>                       | <b>521.74</b>                       |

\* Applicable Tax Rate - For parent company 34.94%  
For Subsidiary companies 26.00%

26. 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, 2019</b>                            |                          |                   |  |                  |                                     |                    |   |                    |   |                    |
| <b>Parent</b>  |                          |                   |  |                  |                                     |                    |   |                    |   |                    |
| Simbhaoli Sugars Limited                               |                          |                   | 104.96   | 1,185.26         | 129.40                              | (4,914.51)         | (3,121.01)                                      | (2,261.27)         | 192.62  | (7,175.78)         |
| <b>Subsidiaries- Indian</b>                            |                          |                   |  |                  |                                     |                    |   |                    |   |                    |
| Simbhaoli Specialty Sugars Private Limited             | India                    | 100.00            | 12.10  | 136.64           | (0.08)                              | 2.87               | -   | -                  | (0.08)  | 2.87               |
| Integrated Casetech Consultants Private Limited        | India                    | 85.16             | 33.37  | 376.84           | (0.50)                              | 18.87              | (76.38)   | (55.34)            | 0.98  | (36.47)            |
| Simbhaoli Power Private Limited                        | India                    | 51.00             | 1471.06  | 16,612.67        | (43.68)                             | 1,659.01           | 0.22  | 0.16               | (44.54)   | 1,659.17           |
| <b>Subsidiaries- Foreign</b>                           |                          |                   |  |                  |                                     |                    |   |                    |   |                    |
| Simbhaoli Global Commodities, DMCC                     | Dubai                    | 100.00            | (10.24)  | (115.68)         | 2.19                                | (83.08)            | (0.48)  | (0.35)             | 2.24  | (83.43)            |
| <b>Non- Controlling interest</b>                       |                          |                   |  |                  |                                     |                    |   |                    |   |                    |
| Add/(less) : Consolidation adjustments                 |                          |                   | 1,067.23   | 12,052.19        | 21.48                               | 815.72             | 11.23   | (8.14)             | 21.68   | 807.58             |
|  |                          |                   | (2,578.46)   | (29,118.62)      | -8.81                               | (334.70)           | 3,286.43  | (2,381.12)         | (72.90)   | (2,715.82)         |
| <b>Total</b>   |                          |                   | <b>100.00</b>  | <b>1,129.30</b>  | <b>100.00</b>                       | <b>(3,797.88)</b>  | <b>100.00</b>                                   | <b>72.45</b>       | <b>100.00</b>                                   | <b>(3,725.40)</b>  |
| <b>As at March 31, 2018</b>                            |                          |                   |  |                  |                                     |                    |   |                    |   |                    |
| <b>Parent</b>  |                          |                   |  |                  |                                     |                    |   |                    |   |                    |
| Simbhaoli Sugars Limited                               |                          |                   | 183.98   | 8,519.92         | 94.93                               | (18,059.86)        | 19.54   | 20.67              | 95.35   | (18,039.19)        |
| <b>Subsidiaries- Indian</b>                            |                          |                   |  |                  |                                     |                    |   |                    |   |                    |
| Simbhaoli Specialty Sugars Private Limited             | India                    | 100.00            | 2.89   | 133.77           | (0.06)                              | 12.04              | -   | -                  | (0.06)  | 12.04              |
| Integrated Casetech Consultants Private Limited        | India                    | 85.16             | 8.93   | 413.31           | (0.01)                              | 2.62               | 5.08  | 5.37               | (0.04)  | 8.00               |
| Simbhaoli Power Private Limited                        | India                    | 51.00             | 328.88   | 15,230.16        | (8.77)                              | 1,667.96           | 7.56  | 8.00               | (8.86)  | 1,675.96           |
| <b>Subsidiaries- Foreign</b>                           |                          |                   |  |                  |                                     |                    |   |                    |   |                    |
| Simbhaoli Global Commodities, DMCC                     | Dubai                    | 100.00            | -0.70  | (32.25)          | 0.05                                | (9.77)             | (0.14)  | (0.15)             | 0.05  | (9.92)             |
| <b>Associates - Indian (account for equity method)</b> |                          |                   |  |                  |                                     |                    |   |                    |   |                    |
| Uniwold Sugars Private Limited. (USPL)                 | India                    | 44.89             | -  | -                | 5.20                                | (989.28)           | -   | -                  | 5.23  | (989.28)           |
| <b>Non- Controlling interest</b>                       |                          |                   |  |                  |                                     |                    |   |                    |   |                    |
| Add/(less) : Consolidation adjustments                 |                          |                   | 242.82   | 11,244.61        | (4.28)                              | 813.30             | 4.73  | 5.00               | (4.33)  | 818.30             |
|  |                          |                   | (666.79)   | (30,878.61)      | 12.94                               | (2,461.35)         | 63.23   | 66.89              | 12.66   | (2,394.46)         |
| <b>Total</b>   |                          |                   | <b>100.00</b>  | <b>4,630.92</b>  | <b>100.00</b>                       | <b>(19,024.34)</b> | <b>100.00</b>                                   | <b>105.78</b>      | <b>100.00</b>                                   | <b>(18,918.56)</b> |

27. Recent accounting pronouncements notified by Ministry of corporate affairs during the year has been disclosed in Note No. 2.1(ii)
28. 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.
29. 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 consolidated 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 29

**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  
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

Sanjay Kulshrestha  
GM- Finance & Accounts  
FCA - 93900

Kamal Samtani  
Company Secretary  
FCS - 5140

Place : Noida  
Date : August 14, 2019

Place: Noida  
Date : May 30, 2019





# SIMBHAOLI SUGARS LIMITED

Regd Off: 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

## FORM NO. MGT.11

### Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of  
 the Companies (Management and Administration) Rules, 2014]

Name of the member (s): \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Registered address: \_\_\_\_\_

|                      |  |
|----------------------|--|
| Folio No/ Client Id: |  |
| DP ID:               |  |

I/We, being the member(s) of \_\_\_\_\_ shares of ₹10 each of the above named Company, hereby appoint

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

or failing him

2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

or failing him

3. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote 'on a poll' for me/us and on my/our behalf at the 8th Annual General Meeting of the members of the Company, to be held at 10:00 AM on Wednesday, September 25, 2019, at Officers' Club, Sugar Mill Complex, Simbhaoli-245 207, District Hapur, Uttar Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

- Adoption of the Financial Statements of the Company for the Financial Year 2018-19 ended on March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
- Appointment of director in place of Mr. Sanjay Tapriya, who retires by rotation and being eligible offers himself for re-appointment.
- Continuation of appointment of Mr. Gurmit Singh Mann, as a Director of the Company with effect from April 1, 2019, who has completed the age of 75 years.
- Continuation of appointment of Mr. S K Ganguli, as an Independent Director of the Company with effect from April 1, 2019, who has completed the age of 75 years.
- Continuation of appointment of Justice (Retd) C K Mahajan, as an Independent Director of the Company with effect from April 1, 2019, who has completed the age of 75 years.
- Appointment of Mr. H P Kain as an Independent director of the Company.
- 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.
- Appointment of Mr. S N Misra as the Whole Time Director and Chief financial Officer of the Company for a period starting from February 14, 2019 to September 17, 2020.
- Approval of the remuneration to be paid to Mr. Satnam Singh Saggi as the cost auditors.

Signed this \_\_\_\_\_ day of September, 2019

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

Printed Matter



If undelivered please return to:  
Registered Office  
Simbhaoli Sugars Limited  
Simbhaoli, District Hapur  
Uttar Pradesh, 245207 India



India's largest integrated sugar refinery

• Simbhaoli Sugar Complex • Brijnathpur Sugar Complex • Chilwaria Sugar Complex