



# SIMBHAOLI SUGARS

**Simbhaoli Sugars Limited**

CIN-L15122UP2011PLC044210

GSTIN : 09AAPCS7569A1ZV

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

Corporate Office :

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

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E-mail : info@simbhaolisugars.com

www.simbhaolisugars.com

Ref: SSL: Stock Exchange

June 30, 2021

The Manager - Listing

National Stock Exchange of India Limited,

Exchange Plaza, Bandra Kurla Complex,

Bandra- (East),

Mumbai - 400 051.

Department of Corporate Services

BSE Limited,

Corporate Relationship Dept.,

P. J. Towers, Dalal Street,

Mumbai - 400 001

**Scrip Code: NSE: SIMBHALS BSE: 539742**

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,  
2015**

**Sub: Outcome of the Board meeting held on June 30, 2021**

Dear Sir,

The Board of Directors of Simbhaoli Sugars Limited in their meeting held today i.e., Wednesday, June 30, 2021, which commenced at 11:00 AM and concluded at 3.45 PM, have considered and approved the following:

1. Standalone and consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2021 and the Audited Financial results (Standalone and Consolidated) for the quarter and Year ended March 31, 2021. The copies of the aforesaid Financial Results along with Reports of Auditors thereon are attached herewith. A statement of impact of the Audit qualification is also enclosed.
2. Re-appointment of Ms. Gursimran Kaur Mann as Managing Director of the Company for a further period of two years w.e.f August 02, 2021 to August 01, 2023 subject to the confirmation of the lenders and approval of members of the Company at ensuing Annual General meeting.
3. Re-appointment of Mr. S N Misra as Chief Operating Officer of the Company in the category of Whole Time Director for a further period of two-years w.e.f September 18, 2021 to September 17, 2023 subject to the confirmation of the lenders and approval of members of the Company at ensuing Annual General meeting.

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

Thanking you

Yours faithfully,

For Simbhaoli Sugars Limited

  
Kamal Samtani

Company Secretary

M No. - FCS 5140

Specialty Sugars

Potable Alcohol

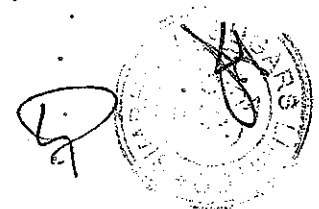
Ethanol

Power

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Sprits Limited')  
Regd. Office : Simbhaoli Dist. Hapur (U.P.) - 245207  
CIN - L15122UP2011PLC044210 E-mail: info@simbhaolisugars.com Website: www.simbhaolisugars.com  
**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED**  
**MARCH 31, 2021**

Sl. No.	Particulars	Quarter ended			Year Ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		Audited #	Unaudited	Audited #	Audited	Audited
1	<b>Income</b>					
	(a) Revenue from operations	48,132	31,159	40,517	1,45,691	1,20,832
	(b) Other income	510	359	1,193	1,681	2,574
	<b>Total revenue</b>	<b>48,642</b>	<b>31,518</b>	<b>41,710</b>	<b>1,47,372</b>	<b>1,23,406</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	42,696	31,827	43,150	87,181	82,202
	(b) Purchase of stock-in-trade	332	984	630	3,573	2,866
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(11,332)	(14,597)	(16,360)	9,284	(7,202)
	(d) Excise duty	5,544	5,720	4,592	19,413	19,888
	(e) Employee benefits expense	1,740	1,548	1,777	5,878	5,696
	(f) Finance costs	781	803	841	3,066	3,163
	(g) Depreciation and amortisation expense	877	923	882	3,548	3,601
	(h) Power & fuel	959	1,002	619	2,911	2,844
	(i) Other expenses	4,714	3,511	3,974	12,961	12,513
	<b>Total expenses</b>	<b>48,121</b>	<b>31,721</b>	<b>40,105</b>	<b>1,47,815</b>	<b>1,25,571</b>
3	<b>Profit/ (loss) before exceptional items and tax (1-2)</b>	<b>2,521</b>	<b>(203)</b>	<b>1,605</b>	<b>(443)</b>	<b>(2,165)</b>
4	Exceptional items	-	-	-	-	-
5	<b>Profit/ (loss) before Tax (3-4)</b>	<b>2,521</b>	<b>(203)</b>	<b>1,605</b>	<b>(443)</b>	<b>(2,165)</b>
6	<b>Tax expense :</b>					
	- Current tax	-	-	-	-	-
	- Deferred tax	-	-	-	-	-
	<b>Total tax expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7	<b>Net Profit/(loss) from ordinary activities after tax (5-6)</b>	<b>2,521</b>	<b>(203)</b>	<b>1,605</b>	<b>(443)</b>	<b>(2,165)</b>
8	<b>Other Comprehensive Income (net of tax)</b>					
	A) I. Items that will not be reclassified to profit & loss	11	-	(272)	11	(272)
	II. Income Tax relating to items that will not be reclassified to profit or loss	-	-	(272)	-	(272)
	B) I. Items that will be reclassified to profit & loss	-	-	-	-	-
	II. Income Tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
9	<b>Total Comprehensive Income (net of tax) (7+8)</b>	<b>2,532</b>	<b>(203)</b>	<b>1,333</b>	<b>(432)</b>	<b>(2,437)</b>
10	Paid up equity share capital (face value Rs. 10/- each)	4,128	4,128	4,128	4,128	4,128
11	Other Equity	-	-	-	(5,769)	(5,359)
12	<b>Basic and Diluted Earning Per Share (Rs.) (not annualized)</b>					
	- EPS before exceptional item	6.11	(0.49)	3.89	(1.07)	(5.24)
	- EPS after exceptional item	6.11	(0.49)	3.89	(1.07)	(5.24)

# Refer note no.6

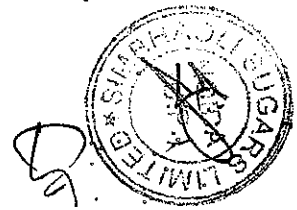


SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES  
 UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.  
 FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

(Rs. Lacs)

	Quarter ended			Year Ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	Audited #	Unaudited	Audited #	Audited	Audited
<b>(A). Segment Revenue</b>					
(a) Sugar	41,308	23,452	34,738	1,16,275	92,040
(b) Distillery	11,541	11,079	8,438	39,324	35,252
<b>Total</b>	<b>52,849</b>	<b>34,531</b>	<b>43,176</b>	<b>1,55,599</b>	<b>1,27,292</b>
Less: Inter Segment Revenue	4,717	3,372	2,659	9,908	6,460
<b>Net sales/income from operations</b>	<b>48,132</b>	<b>31,159</b>	<b>40,517</b>	<b>1,45,691</b>	<b>1,20,832</b>
<b>(B). Segment Results</b>					
Profit/ (loss) before finance costs, unallocated expenditure, exceptional items and tax from each segment					
(a) Sugar	2,831	(113)	2,241	809	265
(b) Distillery	390	672	198	1,407	387
<b>Total</b>	<b>3,221</b>	<b>559</b>	<b>2,439</b>	<b>2,216</b>	<b>652</b>
Less:					
(a) Finance cost	781	803	841	3,066	3,163
(b) Other un-allocated expenses/ (income) (net)	(81)	(41)	(7)	(407)	(346)
<b>Total Profit/ (loss) before tax</b>	<b>2,521</b>	<b>(203)</b>	<b>1,605</b>	<b>(443)</b>	<b>(2,165)</b>
<b>(C). Segment Assets</b>					
(a) Sugar	1,45,638	1,36,426	1,60,072	1,45,638	1,60,072
(b) Distillery	45,610	43,425	42,024	45,610	42,024
(c) Unallocated	16,613	15,994	15,325	16,613	15,325
<b>Total</b>	<b>2,07,861</b>	<b>1,95,845</b>	<b>2,17,421</b>	<b>2,07,861</b>	<b>2,17,421</b>
<b>(D). Segment Liabilities</b>					
(a) Sugar	80,134	70,473	90,142	80,134	90,142
(b) Distillery	2,986	2,781	2,716	2,986	2,716
(c) Unallocated	23,287	23,279	21,332	23,287	21,332
(d) Borrowings	1,03,095	1,03,494	1,04,462	1,03,095	1,04,462
<b>Total</b>	<b>2,09,502</b>	<b>2,00,027</b>	<b>2,18,652</b>	<b>2,09,502</b>	<b>2,18,652</b>

# Refer note no.6

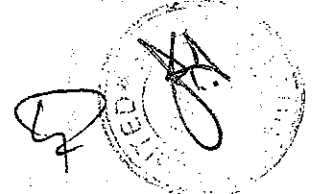


**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

Particular	Year ended	Year ended
	March 31, 2021	March 31, 2020
	Rs. lacs	Rs. lacs
	(Audited)	(Audited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit/(loss) before tax and exceptional items		
Adjustments for:	(443)	(2,165)
Depreciation and amortization		
Finance costs	3,548	3,601
Interest income on financial assets and others	3,066	3,163
Liability/provisions no longer required written back	(1,365)	(1,223)
Bad Debts and advances written off	(232)	(680)
Gain on foreign exchange fluctuation	1	14
Profit on redemption of Mutual Funds Units		(16)
Loss/ (profit) from sale /discard of property, plant and equipment (net)	(1)	(31)
Provision for doubtful debts and advances	0	449
Mollasses Storage Fund	668	140
Operating profit/(loss) before working capital changes	22	21
Adjustments for (increase)/decrease in operating assets:	5,264	3,273
Changes in trade and other receivables		
Changes in other non current and current financial asset	(1,654)	1,969
Changes in other non current and other current assets	(55)	(955)
Changes in inventories	(624)	(3,518)
Changes in trade and other payables	8,613	(6,994)
Changes in other non-current and other current financial liabilities	(9,611)	11,146
Changes in other non-current and other current liabilities	7	314
Changes in long term and short term provision	(5)	456
Cash (used)/generated from operations	8	59
Direct taxes (paid)/refund	1,943	5,750
Net cash (used) / from operating activities	357	(112)
	2,300	5,638
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Additions to property, plant & equipment and intangible assets		
Sale of property, plant & equipment and intangible assets	(528)	(1,444)
Purchase of national savings certificate		10
Interest received on debentures/fixed deposits/inter corporate deposits	(1)	
Investment in Mutual funds	319	1,140
Proceeds from Redemption of Mutual Funds	(780)	(3,020)
Changes in fixed deposit placed with Banks	781	3,051
Net cash (used) / from investing activities	501	(109)
	292	(372)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
EMD Paid to banks for OTS		
Payment of lease liability	(950)	(572)
Interest expenses	(4)	(6)
Repayment of long term borrowings	(975)	(1,207)
Proceeds/(repayment) of short term borrowings (net)	(45)	(225)
Net cash (used) / from financing activities	(1,321)	(274)
	(3,295)	(2,284)
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	(704)	2,982
<b>E. Cash and cash equivalents (opening balance)</b>	4,289	1,307
<b>F. Cash and cash equivalents (closing balance) (D+E)</b>		
Cash and bank balances (D+E)	3,585	4,289

**Notes:**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.



## STATEMENT OF ASSETS AND LIABILITIES

(Rs. lacs)

Particulars	Standalone	
	As at March 31, 2021	As at March 31, 2020
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
a) Property, Plant and Equipment	1,23,858	1,26,108
b) Capital work-in-progress	62	836
c) Intangible assets	48	39
d) Right of use assets	-	3
e) Financial Assets		
i) Investments	11,115	11,168
ii) Other financial assets	1,226	1,329
f) Tax Assets	349	655
g) Other non - current assets	329	273
<b>Total non - current assets</b>	<b>1,36,987</b>	<b>1,40,411</b>
<b>Current assets</b>		
a) Inventories	46,476	55,089
b) Financial Assets		
i) Trade receivables	4,494	3,509
ii) Cash and cash equivalents	3,585	4,289
iii) Bank balances other than above	2,167	1,633
vi) Other financial assets	4,653	3,558
c) Other current assets	9,499	8,932
<b>Total current assets</b>	<b>70,874</b>	<b>77,010</b>
<b>Total assets</b>	<b>2,07,861</b>	<b>2,17,421</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a) Equity share capital	4,128	4,128
b) Other equity	(5,769)	(5,359)
<b>Share holder's Funds</b>	<b>(1,641)</b>	<b>(1,231)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
a) Financial Liabilities		
i) Borrowings	313	359
ii) Other financial liabilities	22	49
b) Provisions	458	457
<b>Total non - current Liabilities</b>	<b>793</b>	<b>865</b>
<b>Current liabilities</b>		
a) Financial Liabilities		
i) Trade payables		
-Total outstanding dues to micro and small enterprises	358	272
-Total outstanding dues of other than micro and small enterprises	79,883	89,744
ii) Other financial liabilities	1,26,827	1,26,128
iii) Lease Liability on right of use assets	-	3
b) Provisions	115	108
c) Other current liabilities	1,526	1,532
<b>Total current Liabilities.</b>	<b>2,08,709</b>	<b>2,17,787</b>
<b>Total Equity and Liabilities</b>	<b>2,07,861</b>	<b>2,17,421</b>



### Notes to Standalone Results:

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

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

On account of delays in servicing of loans, certain lenders to the Company have initiated recovery proceedings at various forums, including filing of applications before the Hon'ble National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016 and approached Debt Recovery Tribunals in Delhi and Uttar Pradesh as well. Against a criminal complaint filed by one of the lenders with the investigating agency, the Enforcement Directorate had passed an attachment order on certain assets of the Company to the extent of Rs. 109.80 Crore, against which the Company has preferred an appeal with the appropriate authority and the matter is *sub-judice*. Enforcement Directorate had proceeded to take the constructive possession of the attached property on which an *interim stay* has been granted by the Hon'ble Appellate Tribunal.

The Company is continuing to pursue a comprehensive debt resolution proposal with all the lenders. The majority of commercial lenders have shown their inclination to accept the debt resolution proposal and accepted the Earnest Money offered thereof while Debt realignment proposal is submitted with other lenders. Considering the steps initiated for achieving turnaround of the Company and sugar sector, ongoing discussions with the lenders for resolution of their dues and continuing manufacturing operations in near foreseeable future with improved operational efficiency, these financial statements are continued to be presented on going concern basis, which contemplates realization of assets and settlement of liabilities, in the normal course of business.

### **2. Impact of COVID 19 Pandemic**

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

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

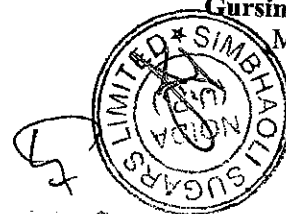


3. The credit facilities availed by the Company have been classified as non-performing assets (NPA) by all the lenders and interest thereon is not being charged to the loan accounts by commercial lenders as per RBI's circular. The Company has submitted comprehensive debt resolution proposals with all the lenders to commensurate with its future cash flows. The majority of commercial lenders have shown their inclination to accept the debt resolution proposal (OTS Proposal) of the Company and accordingly accepted the offered Earnest Money Deposit. Accordingly, the Interest expenses pertaining to commercial lenders, for the quarter and yearended March 31, 2021 amounting to Rs. 4,295 lacs and Rs. 15,461 lacs respectively (previous quarter and year ended March 31, 2020 amounting to Rs. 3,430 lacs, and Rs 13,146 lacs respectively) has not been recognized in profit and loss account. A total amount of Rs. 52,916 lacs towards accrued interest has not been provided for in the books of accounts as on March 31, 2021.
4. The Hon'ble High Court of Uttar Pradesh had directed the state government to determine the interest liability for the period of delayed payments of sugarcane price to cane growers for sugar seasons 2012-13 to 2014-15 by the UP sugar industry. No demand, pursuant to the order and for subsequent period has since been received by the Company. Considering this and also prevalent past practices, no such provision towards the interest on delayed payment of cane price has been made in the accounts.
5. The outstanding balance of the Company with its subsidiary company, Simbhaoli Power Private Limited (SPPL) as reported in standalone financial statements, is subject to reconciliation on account of difference in interpretation of certain long term commercial agreements. Pending reaching to final settlement with SPPL, no adjustment has been made in the books of accounts amounting to Rs. 511 lacs and Rs. 716 lacs for the quarter and year ended March 31, 2021 respectively (previous quarter and year ended March 31, 2020 amounting Rs. 253 lacs) being the difference in the value of bagasse sold and certain other claims made by SPPL. Total difference as on March 31, 2021 with SPPL is amounting to Rs. 969 lacs.
6. The figures for the last quarter are the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures upto the third quarter of the financial year.
7. Sugar, one of the major businesses of the Company, is a part of seasonal industry. The results may vary from quarter to quarter.
8. The previous periods figures have been regrouped/rearranged wherever necessary.
9. The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on June 30, 2021.

For **SIMBHAOLI SUGARS LIMITED**

**GURSIMRAN  
KAUR MANN**

**Gursimran Kaur Mann**  
Managing Director



Place: Simbhaoli, Hapur

Date: June 30, 2021

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



# Mittal Gupta & Co.

Chartered Accountants

14 Ratan Mahal 15/197 Civil Lines, Kanpur -208001

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

To  
**Board of Directors of  
Simbhaoli Sugars Limited**

**Report on the audit of Standalone Financial Results**

**Qualified Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Simbhaoli Sugars Limited (the "Company") for the quarter and year ended March 31, 2021 (the "Statement"). The Statement has been submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulation").

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

- i. is presented in accordance with the requirement of the listing regulation in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standard and other accounting principle generally accepted in India, of the net profit after tax and other comprehensive income and other financial information of the company for the quarter ended March 31, 2021 and of the net loss after tax and other comprehensive income and other financial information for the year ended March 31, 2021.

**Basis of Qualified Opinion**

- a) We draw attention to Note No.2 of the Statement regarding non provisions for impairment in the carrying value of Property, Plant and Equipments. We are not made available of appropriate impairment assessment carried out by the management and accordingly, we are unable to comment on the same including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.
- b) We draw attention to Note No. 3 of the Statements regarding non-provision of interest expense amounting Rs. 4,295 Lakhs and Rs.15,461 Lakhs (Previous year Rs.13,146 Lakhs) on certain borrowings for the quarter and year ended March 31, 2021 respectively





## Mittal Gupta & Co.

Chartered Accountants

14 Ratan Mahal 15/197 Civil Lines, Kanpur -208001

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for the reasons stated in the said note. Consequently, the Finance cost for the quarter and year has been understated; Net Profit after tax and total other comprehensive income for the quarter has been overstated; Net Loss and Total Comprehensive Income for the year has been understated by the aforesaid respective amounts. The aggregate amount of interest expense not provided for in the accounts aggregates to Rs. 52,916 Lakhs till March 31, 2021 (Rs. 37,454 Lakhs till March 31, 2020). Consequently, Current Financial Liabilities are understated and other equity as at March 31, 2021 and March 31, 2020 are overstated by the aforesaid respective amounts.

- c) We draw attention to Note No.4 of the Statement regarding non- provision of interest liability in respect of delayed payment of sugarcane price for the reasons stated in the said note. The amount of interest not provided for in the books has not been ascertained.
- d) We draw attention to Note No. 5 of the Statement, non provision of difference in the value of bagasse sold to and of certain claims made by Simbhaoli Power Private Limited, a subsidiary company aggregating to Rs. 511 Lakhs and Rs 716 (Previous year Rs.253 Lakhs) for the quarter and year ended March 31, 2021 respectively, for the reasons stated in the said note. Consequently, the Revenue for the quarter and year has been overstated; Net Profit after tax and total other comprehensive income for the quarter has been overstated; Net Loss and Total Comprehensive Income for the year has been understated by the aforesaid respective amounts. The aggregate amount of non provision of difference in the value of bagasse sold to and of certain claims not provided for in the accounts aggregates to Rs. 969 Lakhs till March 31, 2021 (Rs. 253 Lakhs till March 31, 2020). Consequently, Receivables and Total Equity as at March 31, 2021 and March 31, 2020 are overstated by the aforesaid respective amounts.

Our opinion is qualified in respect of the above matters.

### **Material Uncertainty related to Going Concern:**

As stated in Note No. 1, Statement has been prepared on going concern basis. Events or conditions as set forth in Note No. 1 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as going concern. The ability of the Company to continue as going concern depends on the decision of National Company Law Tribunal under the Insolvency and Bankruptcy Code 2016, the Company's ability to get its borrowings restructured as stated in the said note and turnaround of its sugar and distilleries operations on sustainable basis.

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

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the " Auditor's Responsibilities for the Audit of the financial results" section of our report .We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India



# Mittal Gupta & Co.

Chartered Accountants

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Tel: 0512-2303234, 2303235, 4009111 E-mail: mgco@mgcoca.in

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together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

## **Management's Responsibilities for the Standalone financial Results**

The Statement has been prepared on the basis of the annual financial statements. The Management and the Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness the accounting records, relevant to the preparation and presentation of the Statement, that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the Statement.

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



## Mittal Gupta & Co.

Chartered Accountants

14 Ratan Mahal 15/197 Civil Lines, Kanpur -208001

Tel: 0512-2303234, 2303235, 4009111 E-mail: mgco@mgcoca.in

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

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.



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## Other Matters

- a) We draw your attention to Note No. 2 to these financial results, which describes the Management's assessment of the impact of COVID-19 pandemic and the resultant lockdowns on the significant uncertainties involved in developing some of the estimates involved in preparing the financial statements. Based on the information available on this date, Management believes that no further adjustments are required to the financial results. However, in view of very uncertain economic environment, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and actual results may differ from those estimated as at the date of approval of these financial statements.
- b) Due to COVID-19 related lock-down restriction, we were not able to physically observe the stock verification at the end of the year carried out by the management. Consequently, we have performed alternate procedures to audit the existence of inventory as per guidance provided in SA 501 "Audit Evidence- Specific Considerations for Selected Items", which include inspection of supporting documentation relating to purchases and consumption, results of cyclical count performed by the management through the year and such other third party evidences, where applicable, and have obtained sufficient supporting evidence to issue our opinion on the Statement.
- c) The standalone annual financial results include the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For MITTAL GUPTA & CO.**

**Chartered Accountants**

FRN : 01874C

BIHARI LAL GUPTA

(B. L. Gupta)

Partner

Membership No.:073794

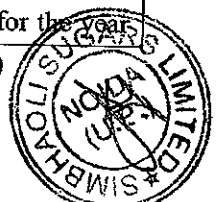
**Place of Signature: Kanpur**

**Date:30.06.2021**

UDIN: 21073794AAAADY5488

**Statement on Impact of Audit Qualifications on Standalone Audited Financial Results for the Financial  
Year ended March 31, 2021**  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

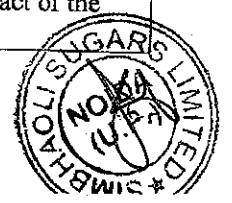
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	147372	146656
	2	Total Expenditure	147815	163276
	3	Net Profit/(Loss)	(443)	(16620)
	4	Earnings Per Share	(1.07)	(40.26)
	5	Total Assets	207861	206892
	6	Total Liabilities	209502	262418
	7	Net Worth	(1641)	(55526)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<b>a.</b>	<b>Details of Audit Qualification:</b>		
		<ol style="list-style-type: none"> <li>Non provisions for impairment in the carrying value of Property, Plant and Equipments. Auditors were not made available of appropriate impairment assessment carried out by the management and accordingly, they were unable to comment on the same including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.</li> <li>Non-provision of interest expense amounting Rs. 4,295 Lacs and Rs. 15,461 Lacs (Previous year Rs.13,146 Lacs) on certain borrowings for the quarter and year ended March 31, 2021 respectively for the reasons stated in the note no.3. Consequently, the Finance cost for the quarter and year has been understated; Net Profit after tax and total other comprehensive income for the quarter has been overstated; Net Loss and Total Comprehensive Income for the year has been understated by the aforesaid respective amounts. The aggregate amount of interest expense not provided for in the accounts aggregates to Rs. 52,916 Lakhs till March 31, 2021 (Rs. 37,454 Lakhs till March 31, 2020). Consequently, Current Financial Liabilities are understated and other equity as at March 31, 2021 and March 31, 2020 are overstated by the aforesaid respective amounts.</li> <li>Non-provision of interest liability in respect of delayed payment of sugarcane price. The amount of interest not provided for in the books has not been ascertained.</li> <li>Non provision of difference in the value of bagasse sold to and of certain claims made by Simbhaoli Power Private Limited, a subsidiary company, aggregating to Rs. 511 Lakhs and Rs 716 (Previous year Rs.253 Lakhs) for the quarter and year ended March 31, 2021 respectively. Consequently, the Revenue for the quarter and year has been overstated; Net Profit after tax and total other comprehensive income for the quarter has been overstated; Net Loss and Total Comprehensive Income for the year</li> </ol>		

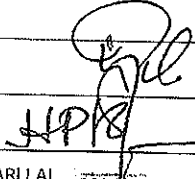


		has been understated by the aforesaid respective amounts. The aggregate amount of non provision of difference in the value of bagasse sold to and of certain claims not provided for in the accounts aggregates to Rs. 969 Lakhs till March 31, 2021 (Rs. 253 Lakhs till March 31, 2020). Consequently, Receivables and Total Equity as at March 31, 2021 and March 31, 2020 are overstated by the aforesaid respective amounts.
	b.	<b>Type of Audit Qualification:</b> 1. Qualified Opinion 2. Qualified Opinion 3. Qualified Opinion 4. Qualified Opinion
	c.	<b>Frequency of qualification:</b> 1. Second Time 2. Fourth Time 3. Third Time 4. Second Time
	d.	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> 2. The Company has submitted comprehensive debt resolution proposal by way of One Time Settlement (OTS) to all its commercial lenders against their entire outstanding and waiver of unpaid interest. Accordingly, interest expense is not being recognised in the books of accounts. Accounts being NPA, banks are also not charging interest in our accounts. 4. Due to difference in interpretation of certain long term commercial agreements with SPPL for ascertaining the value of bagasse sold and some other claims, accounts could not be reconciled. Matter is under discussion and Company is hopeful that the differences will be reconciled shortly.
	e.	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>
	(i)	<b>Management's estimation on the impact of audit qualification: N.A.</b>
	(ii)	<b>If management is unable to estimate the impact, reasons for the same:</b> 1. The impact of COVID 19 as well as negative outlook of sugar sector on the carrying amount of its Property, Plant and Equipment's and consequential impairment could not be ascertained and provided for due to non- availability of requisite information on account of lockdown restrictions. 3. Considering that no notice of demand has been served upon the Company in this regard and the amount has not been ascertained, no provision has been made in this regards. Based on the past industry practices, the management is confident that no interest liability will arise for these period.
	(iii)	<b>Auditors' Comments on (i) or (ii) above:</b> 1. Since, we were not made available of appropriate impairment assessment carried out by the management, we were unable to comment on the same including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results. 3. Since, the amount of the interest on delayed payment to sugarcane farmers has not been quantified by the management, we were not able to report the impact of the same..

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III.	<u>Signatories:</u>	GURSIMRAN KAUR
	• Managing Director	MANN
	• CFO	
	• Audit Committee Chairman	
	• Statutory Auditor	BIHARI LAL GUPTA

Place: Simbhaoli, Hapur

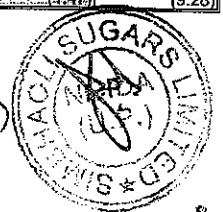
Date: June 30, 2021



**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
Regd. Office : Simbhaoli Dist. Hapur (U.P.) - 245207  
CIN - L15122UP2011PLC044210 E-mail: info@simbhaolisugars.com Website: www.simbhaolisugars.com  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED**  
**MARCH 31, 2021**

Sl. No.	Particulars	Quarter ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		Audited #	Unaudited	Audited / recasted #	Audited	Audited / recasted
<b>1</b>	<b>Income</b>					
	(a) Revenue from operations	48,262	31,229	43,745	1,46,068	1,28,021
	(b) Other income	551	367	348	1,743	809
	<b>Total revenue</b>	<b>48,813</b>	<b>31,596</b>	<b>44,093</b>	<b>1,47,811</b>	<b>1,28,830</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of materials consumed	42,606	31,827	43,826	87,184	84,111
	(b) Purchase of stock-in-trade	332	984	641	3,573	2,895
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(11,332)	(14,597)	(16,354)	9,284	(7,194)
	(d) Excise duty	5,544	5,720	4,592	19,443	19,888
	(e) Employee benefits expense	1,902	1,657	2,650	6,315	8,021
	(f) Finance costs	785	803	1,271	3,071	5,190
	(g) Depreciation and amortisation expense	670	923	1,116	3,548	4,663
	(h) Power and Fuel	863	1,003	609	2,916	1,490
	(i) Other expenses	4,767	3,483	4,070	13,031	13,595
	<b>Total expenses</b>	<b>46,346</b>	<b>31,803</b>	<b>42,421</b>	<b>1,48,332</b>	<b>1,32,649</b>
<b>3</b>	<b>Profit/(loss) before exceptional items and tax (1-2)</b>	<b>2,467</b>	<b>(207)</b>	<b>1,672</b>	<b>(521)</b>	<b>(3,819)</b>
<b>4</b>	<b>Exceptional items</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>72</b>	<b>-</b>
<b>5</b>	<b>Profit/(loss) before Tax (3-4)</b>	<b>2,395</b>	<b>(207)</b>	<b>1,672</b>	<b>(593)</b>	<b>(3,819)</b>
<b>6</b>	<b>Tax expense :</b>					
	- Current tax	(0)	-	(1)	1	9
	- Deferred tax	(7)	(3)	(2)	(20)	3
	- Income Tax Adjustment	33	-	-	33	-
	<b>Total tax expenses</b>	<b>26</b>	<b>(3)</b>	<b>(3)</b>	<b>14</b>	<b>12</b>
<b>7</b>	<b>Net Profit/(loss) from ordinary activities after tax (5-6)</b>	<b>2,369</b>	<b>(204)</b>	<b>1,675</b>	<b>(607)</b>	<b>(3,831)</b>
<b>8</b>	<b>Other Comprehensive Income (net of tax)</b>					
	A) I. Items that will not be reclassified to profit & loss	14	-	(285)	14	(285)
	II. Income Tax relating to Items that will not be reclassified to profit or loss	(1)	-	1	(1)	1
	B) I. Items that will be reclassified to profit & loss	-	-	-	-	-
	II. Income Tax relating to Items that will be reclassified to profit or loss	-	-	-	-	-
<b>9</b>	<b>Total Comprehensive Income (net of tax) (7+8)</b>	<b>2,383</b>	<b>(204)</b>	<b>1,390</b>	<b>(593)</b>	<b>(4,116)</b>
	<b>Profit/Loss for the year attributable to :</b>					
	I. Owners of the parent	2,378	(203)	1,537	(593)	(3,436)
	II. Non-Controlling Interest	(9)	(1)	138	(14)	(395)
	<b>Other Comprehensive Income attributable to:</b>					
	I. Owners of the parent	13	-	(279)	13	(279)
	II. Non-Controlling Interest	1	-	(6)	1	(6)
	<b>Total Comprehensive Income attributable to:</b>					
	I. Owners of the parent	<b>2,391</b>	<b>(203)</b>	<b>1,258</b>	<b>(580)</b>	<b>(3,715)</b>
	II. Non-Controlling Interest	<b>(8)</b>	<b>(1)</b>	<b>132</b>	<b>(13)</b>	<b>(401)</b>
<b>10</b>	<b>Paid up equity share capital (face value Rs. 10/- each)</b>	<b>4,128</b>	<b>4,128</b>	<b>4,128</b>	<b>4,128</b>	<b>4,128</b>
<b>11</b>	<b>Other Equity</b>				<b>(7,325)</b>	<b>(6,767)</b>
<b>12</b>	<b>Basic and Diluted Earning Per Share (Rs.) (not annualized)</b>					
	- EPS before exceptional item	5.91	(0.49)	4.06	(1.30)	(9.28)
	- EPS after exceptional item	5.74	(0.49)	4.06	(1.47)	(9.28)

# Refer note no. 11





SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES  
 UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.  
 FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

Particulars	Quarter ended			Year ended		(Rs. Lacs)
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020	
	Audited #	Unaudited	Audited / recasted #	Audited	Audited / recasted	
<b>(A). Segment Revenue</b>						
(a) Sugar	41,308	23,452	34,738	1,16,276	92,040	
(b) Distillery	11,541	11,079	8,438	39,324	35,252	
(c) Power	-	-	2,358	-	6,440	
(d) Others	193	114	1,016	570	2,376	
<b>Total</b>	<b>53,042</b>	<b>34,645</b>	<b>46,550</b>	<b>1,56,169</b>	<b>1,35,108</b>	
Less: Inter Segment Revenue	4,780	3,416	2,805	10,101	8,087	
<b>Net sales/income from operations</b>	<b>48,262</b>	<b>31,229</b>	<b>43,745</b>	<b>1,46,068</b>	<b>1,28,021</b>	
<b>(B). Segment Results</b>						
Profit/ (loss) before finance costs, unallocated expenditure, exceptional items and tax from each segment						
(a) Sugar	2,947	(113)	1,819	925	(157)	
(b) Distillery	390	672	198	1,407	387	
(c) Power	-	-	488	-	1,015	
(d) Others	(30)	(13)	(22)	(80)	21	
<b>Total</b>	<b>3,307</b>	<b>546</b>	<b>2,463</b>	<b>2,252</b>	<b>1,268</b>	
Less:						
(a) Finance cost	785	803	1,271	3,071	5,180	
(b) Other un-allocated expenses/ (income) (net)	55	(50)	(480)	(298)	(105)	
(c) Exceptional item	72	-	-	72	-	
<b>Total Profit/ (loss) before tax</b>	<b>2,395</b>	<b>(207)</b>	<b>1,672</b>	<b>(593)</b>	<b>(3,819)</b>	
<b>(C). Segment Assets</b>						
(a) Sugar	1,40,725	1,31,821	1,55,287	1,40,725	1,55,287	
(b) Distillery	45,610	43,425	42,024	45,610	42,024	
(c) Power	35,048	35,048	35,048	35,048	35,048	
(d) Others	1,217	1,635	1,641	1,217	1,641	
(e) Unallocated	6,742	6,086	5,425	6,742	5,425	
<b>Total</b>	<b>2,29,342</b>	<b>2,18,015</b>	<b>2,39,425</b>	<b>2,29,342</b>	<b>2,39,425</b>	
<b>(D). Segment Liabilities</b>						
(a) Sugar	79,247	69,707	89,376	79,247	89,376	
(b) Distillery	2,986	2,781	2,716	2,986	2,716	
(c) Power	1,980	1,980	1,980	1,980	1,980	
(d) Others	1,083	1,351	1,378	1,083	1,378	
(e) Unallocated	26,482	26,624	24,473	26,482	24,473	
(f) Borrowings	1,09,184	1,09,593	1,10,560	1,09,184	1,10,560	
<b>Total</b>	<b>2,20,972</b>	<b>2,12,036</b>	<b>2,30,483</b>	<b>2,20,972</b>	<b>2,30,483</b>	

# Refer note no. 11



## Statement Of Assets and Liabilities

(Rs. lacs)

Particulars	Consolidated	
	March-21	March-20
	Audited	Audited/ Recasted
<b>ASSETS</b>		
<b>Non-current assets</b>		
a) Property, Plant and Equipment	1,51,618	1,53,871
b) Capital work-in-progress	62	836
c) Intangible Assets	60	50
d) Goodwill	1,240	1,311
e) Financial Assets		
i) Investments	3	2
ii) Trade receivables	683	683
ii) Other financial assets	158	261
f) Non-Current Tax Assets	429	840
g) Other non - current assets	511	463
h) Deferred Tax Assets	131	114
<b>Total non - current assets</b>	<b>1,54,895</b>	<b>1,58,431</b>
<b>Current assets</b>		
a) Inventories	46,581	55,194
b) Financial Assets		
i) Current Investments	598	598
ii) Trade receivables	9,609	9,362
iii) Cash and cash equivalents	3,749	4,433
iv) Bank balances other than above	2,188	1,694
v) Other financial assets	2,037	617
c) Other current assets	9,651	9,082
d) Assets classified as held for sale	34	34
<b>Total current assets</b>	<b>74,447</b>	<b>80,994</b>
<b>Total assets</b>	<b>2,29,342</b>	<b>2,39,425</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a) Equity share capital	4,128	4,128
b) Other equity	(7,325)	(6,767)
c) Non controlling interest	11,567	11,581
<b>Share holder's Funds</b>	<b>8,370</b>	<b>8,942</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
a) Financial Liabilities		
i) Borrowings	4,815	4,861
ii) Other financial liabilities	2,820	2,820
b) Provisions	470	473
<b>Total non - current Liabilities</b>	<b>8,105</b>	<b>8,154</b>
<b>Current liabilities</b>		
a) Financial Liabilities		
i) Trade payables		
-Total outstanding dues to micro and small enterprises	361	275
-Total outstanding dues of other than micro and small enterprises	81,105	91,229
ii) Other financial liabilities	1,28,788	1,28,094
b) Other current liabilities		
c) Provisions	224	217
d) Other current liabilities	1,884	2,009
e) Current Tax Liabilities (Net)	505	505
<b>Total current Liabilities.</b>	<b>2,12,867</b>	<b>2,22,329</b>
<b>Total Equity and Liabilities</b>	<b>2,29,342</b>	<b>2,39,425</b>

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

Particular	Year ended March 31, 2021	Year ended March 31, 2020
	Rs. lacs	Rs. lacs
	Audited	Audited/ recasted
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit/(loss) before tax and exceptional items		
Adjustments for:	(521)	(3,819)
Depreciation and amortization (net of revaluation reserve)		
Finance costs	3,548	4,653
Interest income on financial assets and others	3,071	5,190
Liability/provisions no longer required written back	(1,396)	(99)
Bad Debts and advances written off	(272)	(137)
Unrealised foreign exchange fluctuation	30	14
Profit on redemption of Mutual Funds Units		18
Loss/ (profit) from sale of property, plant and equipment (net)	(1)	(77)
Provision for doubtful debts and advances	0	449
Molasses Storage Fund	706	173
Operating profit/(loss) before working capital changes	22	21
Adjustments for (increase)/decrease in operating assets:	5,187	6,386
Changes in trade and other receivables	(973)	4,240
Changes in other non current and current financial asset	(338)	327
Changes in other non current and other current assets	(646)	(3,530)
Changes in inventories	8,613	(7,015)
Changes in trade and other payables	(9,833)	10,526
Changes in other non-current and other current financial liabilities	2	451
Changes in other non-current and other current liabilities	(125)	564
Changes in long term and short term provision	4	82
Cash (used)/generated from operations	1,887	12,031
Direct taxes (paid)/refund	433	(366)
Net cash (used) / from operating activities	2,320	11,665
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Additions to property, plant & equipment and intangible assets	(528)	(1,438)
Sale of property, plant & equipment and intangible assets		10
Sale of (Investments) Mutual Funds ( Net)	1	(208)
Purchase of national savings certificate	(1)	-
Interest received on debentures/ fixed deposits/inter corporate deposits	278	27
Changes in fixed deposit placed with Banks	541	(48)
Net cash (used) / from investing activities	291	(1,657)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
EMD Paid to banks for OTS	(950)	(572)
Interest expenses	(979)	(3,484)
Repayment of long term borrowings	(46)	(2,541)
Proceeds/(repayment) of short term borrowings (net)	(1,320)	(367)
Net cash (used) / from financing activities	(3,295)	(6,964)
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	(684)	3,045
<b>E. Cash and cash equivalents (opening balance)</b>	4,433	1,388
<b>F. Cash and cash equivalents (closing balance) (D+E)</b>		
Cash and bank balances (D+E)	3,749	4,433

Note: Cash flow statement are prepared in accordance with 'indirect method' as per Ind As 7-'Statement of Cash Flows



### Notes to Consolidated Results:

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

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

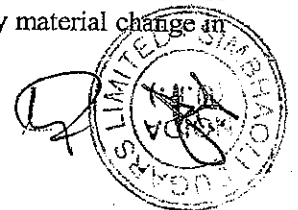
On account of delays in servicing of loans, certain lenders to the Company have initiated recovery proceedings at various forums, including filing of applications before the Hon'ble National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016 and approached Debt Recovery Tribunals in Delhi and Uttar Pradesh as well. Against a criminal complaint filed by one of the lenders with the investigating agency, the Enforcement Directorate had passed an attachment order on certain assets of the Company to the extent of Rs. 109.80 Crore, against which the Company has preferred an appeal with the appropriate authority and the matter is *sub-judice*. Enforcement Directorate had proceeded to take the constructive possession of the attached property on which an *interim stay* has been granted by the Hon'ble Appellate Tribunal.

The Company is continuing to pursue a comprehensive debt resolution proposal with all the lenders. The majority of commercial lenders have shown their inclination to accept the debt resolution proposal and accepted the Earnest Money offered thereof while Debt realignment proposal is submitted with other lenders. Considering the steps initiated for achieving turnaround of the Company and sugar sector, ongoing discussions with the lenders for resolution of their dues and continuing manufacturing operations in near foreseeable future with improved operational efficiency, these financial statements are continued to be presented on going concern basis, which contemplates realization of assets and settlement of liabilities, in the normal course of business.

### **2. Impact of COVID 19 Pandemic**

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

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



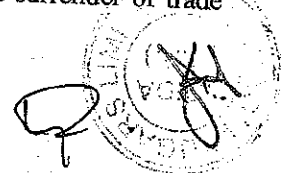
3. The credit facilities availed by the Company have been classified as non-performing assets (NPA) by all the lenders and interest thereon is not being charged to the loan accounts by commercial lenders as per RBI's circular. The Company has submitted comprehensive debt resolution proposals with all the lenders to commensurate with its future cash flows. The majority of commercial lenders have shown their inclination to accept the debt resolution proposal (OTS Proposal) of the Company and accordingly accepted the offered Earnest Money Deposit. Accordingly, the Interest expenses pertaining to commercial lenders, for the quarter and yearended March 31, 2021 amounting to Rs. 4,295 lacs and Rs. 15,461 lacs respectively (previous quarter and year ended March 31, 2020 amounting to Rs. 3,430 lacs and Rs 13,146 lacs respectively) has not been recognized in profit and loss account. A total amount of Rs. 52,916 lacs towards accrued interest has not been provided for in the books of accounts as on March 31, 2021.
4. The Hon'ble High Court of Uttar Pradesh had directed the state government to determine the interest liability for the period of delayed payments of sugarcane price to cane growers for sugar seasons 2012-13 to 2014-15 by the UP sugar industry. No demand, pursuant to the order and for subsequent period has since been received by the Company. Considering this and also prevalent past practices, no such provision towards the interest on delayed payment of cane price has been made in the accounts.
5. In the audited financial statements of Simbhaoli Power Private Limited ('SPPL') for the year ended March 31, 2020, the statutory auditor of the SPPL has drawn Emphasis of Matter in respect of following "During the year ended March 31, 2020, Uttar Pradesh Electricity Regulatory Commission ('UPERC') has notified UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019 ('CRE Regulations, 2019') which has, inter alia, reduced the tariff applicable to bagasse-based generation plants operating in the state of Uttar Pradesh w.e.f. April 1, 2019. SPPL, along with bagasse-based co-generators operating in the State, have filed a writ petition with Hon'ble High Court of Allahabad, Lucknow Bench, challenging CRE Regulations, 2019 which have been accepted by the Court.

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

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

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

6. In the consolidated financial results of the Company for the quarter and year ended March 31, 2021, the financial results of SPPL, a material subsidiary has not been consolidated, as the quarterly and year ended financial results of SPPL have not been yet finalized and approved till date.  
The transactions entered into between the Company and SPPL for the year ended March 31, 2021, which have not been eliminated in the consolidated financial results, have resulted in increase in the total revenue by Rs. 2,516 lacs and total expenses by Rs. 1,739 lacs. Further, increase in the balances of subsidiary of Rs. 985 lacs have been included in the consolidated balance sheet in the respective assets heads.
7. During this quarter, the Hon'ble NCLT, Allahabad Bench has passed an order dated March 17, 2021 for the approval of the resolution plan of Uniworld Sugars Private Limited, a joint venture entity.
8. The Company has submitted an application for de-registration of Simbhaoli Global Commodities DMCC, a 100% wholly owned foreign subsidiary company and termination of business and surrender of trade License thereof with Dubai Multi Commodities Centre Authority.



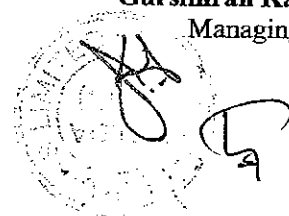
9. The standalone results are available on Company's website [www.simbhaolisugars.com](http://www.simbhaolisugars.com). The particulars in respect of standalone results are as under:

Particulars (Standalone)	Quarter ended			Year ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
Net Sales/Income from operations	42,588	25,439	35,926	1,26,278	1,00,944
Profit/(Loss) before tax	2,521	(203)	1,605	(443)	(2,165)
Profit/ (Loss) after tax	2,521	(203)	1,605	(442)	(2,165)
Other Comprehensive Income	11	-	(272)	11	(272)
<b>Total Comprehensive Income</b>	2,532	(203)	1,333	(432)	(2,437)
EBITDA	4,179	1,523	3,328	6,171	4,599

10. The figures for the previous year ended March 31, 2020 have been restated in consolidated results on account of consolidation of audited financial results of SPPL for the year ended March 31, 2020 as disclosed in note no. 8 of financial results published on February 12, 2021. Last year consolidated accounts were prepared by consolidating the results of SPPL for the nine months ended December 31, 2019.
11. The figures for the last quarter are the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures upto the third quarter of the financial year.
12. Sugar, one of the major businesses of the Company, is a part of seasonal industry. The results may vary from quarter to quarter.
13. The previous periods figures have been reground/rearranged wherever necessary.
14. The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on June 30, 2021.

For **SIMBHAOLI SUGARS LIMITED**  
**GURSIMRAN**  
**KAUR MANN**  
**Gursimran Kaur Mann**  
 Managing Director

Place: Simbhaoli, Hapur  
 Date: June 30, 2021  
 Company Website: [www.simbhaolisugars.com](http://www.simbhaolisugars.com)





# Mittal Gupta & Co.

Chartered Accountants

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

To  
**The Board of Directors of  
Simbhaoli Sugars Limited**

## **Report on the audit of Annual Consolidated Financial Results**

### **Adverse Opinion**

We have audited the accompanying statement of quarterly and annual consolidated financial results of Simbhaoli Sugars Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together hereinafter referred to as 'the Group') for the quarter ended March 31, 2021 and for the year ended March 31, 2021 ("Consolidated Annual Financial Results"). The Consolidated Annual Financial Results have been submitted by the Holding Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulation')

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

- i. Includes financial results of the following subsidiaries:
  - a. Integrated Casetech Consultants Private Limited,
  - b. Simbhaoli Specialty Sugars Private Limited,
  - c. Simbhaoli Power Private Limited.
- ii. are presented in accordance with the requirement of Regulation 33 of the Listing Regulation in this regard; and
- iii. because of the significance of the matter discussed in the matter of Adverse Opinion section and the matters described in basis of Qualified Opinion Section of our report, the Consolidated Annual Financial Results do not give a true and fair view in conformity with applicable Indian Accounting Standards and other accounting principles, generally accepted in India, of the net profit after tax and other comprehensive income and other financial information for the quarter ended March 31, 2021 and of the net loss after tax and other comprehensive income and other financial information for the group for the year ended March 31, 2021.

### **Basis of Adverse Opinion**

As explained in Note No.6 , the Group has not consolidated the financial statements of its material subsidiary viz Simbhaoli Private Limited (SPPL) for financial year 2020-21, for



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the reasons stated in the said note. Under the accounting principles generally accepted in India, the subsidiary should have been consolidated because it is controlled by the Company. Had the result of subsidiary have consolidated, many elements in the accompanying consolidated financial results would have been materially affected. The effects on the financial results due to the failure to consolidate have not been determined.

## **Basis of Qualified Opinion**

- a) We draw attention to Note No.2 of the Statement regarding non provisions for impairment in the carrying value of Property, Plant and Equipments by the holding company. We are not made available of appropriate impairment assessment carried out by the management and accordingly, we are unable to comment on the same including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.
- b) We draw attention to Note No. 3 of the Statements regarding non-provision of interest expense amounting Rs. 4,295 Lakhs and Rs.15,461 Lakhs (Previous year Rs.13,146 Lakhs) on certain borrowings for the quarter and year ended March 31, 2021 respectively for the reasons stated in the said note. Consequently, the Finance cost for the quarter and year has been understated; Net Profit after tax and total other comprehensive income for the quarter has been overstated; Net Loss and Total Comprehensive Income for the year has been understated by the aforesaid respective amounts. The aggregate amount of interest expense not provided for in the accounts aggregates to Rs. 52,916 Lakhs till March 31, 2021 (Rs. 37,454 Lakhs till March 31, 2020). Consequently, Current Financial Liabilities are understated and other equity as at March 31, 2021 and March 31, 2020 are overstated by the aforesaid respective amounts.
- c) We draw attention to Note No.4 of the Statement regarding non- provision of interest liability in respect of delayed payment of sugarcane price for the reasons stated in the said note. The amount of interest not provided for in the books has not been ascertained.

Our opinion is qualified in respect of the above matters.

## **Emphasis of matter**

As stated in Note no.5 of the statement, SPPL has recorded revenue from operations for the period April to September, 2019 at or basis pre CRE Regulation 2019 Tariff Rate instead at the reduced tariff as per CRE Regulation 2019. Management's computation, as reviewed by the statutory auditors of SPPL, shows that revenue from operations for the year ended March 31, 2020 would have been lower by Rs 683 Lakhs, if accounted for at or basis reduced tariff as per CRE Regulations 2019. The Statutory Auditor of SPPL had reported this under Emphasis of Matter section in its audit report on the account of SPPL for the year ended March 31, 2020.

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





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## **Material Uncertainty related to Going Concern**

- a) As stated in Note No. 1 of the consolidated annual financial results, the standalone financial statement of holding company has been prepared on going concern basis. Events or conditions as set forth in Note No. 1 indicate that a material uncertainty exists that may cast significant doubt on the holding company's ability to continue as going concern. The ability of the holding company to continue as going concern depends on the decision of National Company Law Tribunal under the Insolvency and Bankruptcy Code 2016, the holding company's ability to get its borrowings restructured as stated in the said note and turnaround of its sugar and distilleries operations on sustainable basis.
- b) As stated in Note No. 5, the statutory auditors of SPPL in its audit report on the financial statements for the year ended March 31, 2020 has reported for the existence of a material uncertainty that may cast significant doubts about SPPL's ability to continue as a going concern on accounts of incurring of losses due to significant reduction in tariff rate by UPERC and also for the reason of not making provisions in respect of the difference in the value of bagasse purchased from the holding company and for other claims.

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

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

## **Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results**

The Consolidated Annual Financial Results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors of the Company are responsible for the preparation and presentation of the Consolidated Annual Financial Results that gives a true and fair view of the Consolidated net profit/loss and other comprehensive income/loss and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of



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appropriate accounting policies; making judgments and estimates that are reasonable and prudent, design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness the accounting records, relevant to the preparation and presentation of the Consolidated Annual Financial Results, that give a true and fair view and is free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Annual Financial Results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Annual Financial Results, the respective Management and the Board of Directors of the Companies included in the Group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Annual Financial Results as a whole is free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the Consolidated Annual Financial Results.

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

- Identify and assess the risks of material misstatement of the Consolidated Annual Financial Results, whether due to fraud or error, and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Annual Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Annual Financial Results, including the disclosures, and whether the Consolidated Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Annual Financial Results. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Consolidated Annual Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Annual Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

## **Other Matters**

- a) The consolidated annual financial results include the audited financial results of one subsidiary, whose financial statements / financial information reflect total assets of Rs



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143.33 Lakhs as at March 31, 2021, total revenue of Rs. 1.00 Lakhs and Rs. 4.78 Lakhs, net profit after tax and total comprehensive income of Rs. 0.11 Lakhs and Rs. 1.63 Lakhs for the quarter and year ended March 31, 2021 respectively and cash outflows of Rs. 0.02 Lakhs for the year ended March 31, 2021, as considered in the consolidated financial results. which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of the entity, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

- b) We draw your attention to Note No. 2 to these consolidated annual financial results, which describes the Management's assessment of the impact of COVID-19 pandemic and the resultant lockdowns on the significant uncertainties involved in developing some of the estimates involved in preparing the financial statements. Based on the information available on this date, Management believes that no further adjustments are required to the financial results. However, in view of very uncertain economic environment, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and actual results may differ from those estimated as at the date of approval of these consolidated annual financial results.
- c) Due to COVID-19 related lock-down restriction, we were not able to physically observe the stock verification at the end of the year carried out by the management of Holding Company. Consequently, we have performed alternate procedures to audit the existence of inventory as per guidance provided in SA 501 "Audit Evidence- Specific Considerations for Selected Items", which include inspection of supporting documentation relating to purchases and consumption, results of cyclical count performed by the management through the year and such other third party evidences, where applicable, and have obtained sufficient supporting evidence to issue our opinion on the Statement.
- d) The consolidated annual financial results include the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

**For MITTAL GUPTA & CO.**

**Chartered Accountants**

FRN : 01874C

BIHARI LA  
GUPTA

(B. L. Gupta)

Partner

Membership No.:073794

**Place of Signature: Kanpur**

**Date: 30.06.2021**

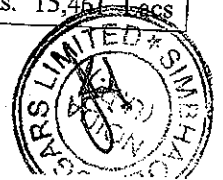
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**Statement on Impact of Audit Qualifications on Consolidated Audited Financial Results for the  
Financial**

**Year ended March 31, 2021**

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

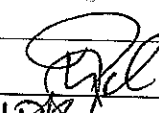
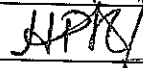
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	147811	147811
	2	Total Expenditure	148332	163794
	3	Net Profit/(Loss)	(593)	(16055)
	4	Earnings Per Share	(1.47)	(38.93)
	5	Total Assets	229342	228659
	6	Total Liabilities	220972	273887
	7	Net Worth	8370	(45229)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<b>a.</b>	<b>Details of Audit Qualification:</b>		
		<p>1. The Group has not consolidated the financial statements of its material subsidiary viz Simbhaoli Private Limited (SPPL) for financial year 2020-21, for the reasons stated in the said note. Under the accounting principles generally accepted in India, the subsidiary should have been consolidated because it is controlled by the Company. Had the result of subsidiary have consolidated, many elements in the accompanying consolidated financial results would have been materially affected. The effects on the financial results due to the failure to consolidate have not been determined.</p> <p>2. SPPL has recorded revenue from operations for the period April to September, 2019 at or basis pre CRE Regulation 2019 Tariff Rate instead at the reduced tariff as per CRE Regulation 2019. As per SPPL's computation, as reviewed by the statutory auditors of SPPL, shows that revenue from operations for the year ended March 31, 2020 would have been lower by Rs 683 Lakhs, if accounted for at or basis reduced tariff as per CRE Regulations 2019. The Statutory Auditor of SPPL had reported this under Emphasis of Matter section in its audit report on the account of SPPL for the year ended March 31, 2020.</p> <p>3. Non provisions for impairment in the carrying value of Property, Plant and Equipments. Auditors were not made available of appropriate impairment assessment carried out by the management and accordingly, they were unable to comment on the same including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.</p> <p>4. Non-provision of interest expense amounting Rs. 4,295 Lacs and Rs. 15,461 Lacs</p>		



		<p>(Previous year Rs.13,146 Lacs) on certain borrowings for the quarter and year ended March 31, 2021 respectively for the reasons stated in the note no.3. Consequently, the Finance cost for the quarter and year has been understated; Net Profit after tax and total other comprehensive income for the quarter has been overstated; Net Loss and Total Comprehensive Income for the year has been understated by the aforesaid respective amounts. The aggregate amount of interest expense not provided for in the accounts aggregates to Rs. 52,916 Lakhs till March 31, 2021 (Rs. 37,454 Lakhs till March 31, 2020). Consequently, Current Financial Liabilities are understated and other equity as at March 31, 2021 and March 31, 2020 are overstated by the aforesaid respective amounts.</p> <p>5. Non- provision of interest liability in respect of delayed payment of sugarcane price. The amount of interest not provided for in the books has not been ascertained.</p>
	<b>b. Type of Audit Qualification:</b>	<ol style="list-style-type: none"> <li>1. Adverse Opinion</li> <li>2. Not modified Opinion</li> <li>3. Qualified Opinion</li> <li>4. Qualified Opinion</li> <li>5. Qualified Opinion</li> </ol>
	<b>c. Frequency of qualification:</b>	<ol style="list-style-type: none"> <li>1. First Time</li> <li>2. Second Time</li> <li>3. Second Time</li> <li>4. Fourth Time</li> <li>5. Third Time</li> </ol>
	<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>	<ol style="list-style-type: none"> <li>2. Writ petition has been filed with Hon'ble High Court of Allahabad, Lucknow bench against the reduction of tariff by UPERC w.e.f. April 1, 2019. As the matter is sub-judice, SPPL has accounted for sale of power to Uttar Pradesh Power Corporation Ltd. (UPPCL), the customer at reduced tariff rate.</li> <li>4. The Company has submitted comprehensive debt resolution proposal by way of One Time Settlement (OTS) to all its commercial lenders against their entire outstanding and waiver of unpaid interest. Accordingly, interest expense is not being recognised in the books of accounts. Accounts being NPA, banks are also not charging interest in our accounts.</li> </ol>
	<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>	
	(i)	Management's estimation on the impact of audit qualification: N.A.
	(ii)	<p><b>If management is unable to estimate the impact, reasons for the same:</b></p> <ol style="list-style-type: none"> <li>1. the annual standalone financial statements for the year ended for March 31, 2021 have not been submitted by the management of SPPL for the purpose of consolidation. Hence the impact of non-consolidation of transactions of SPPL for the year could not be ascertained by the Holding company.</li> <li>3. The impact of COVID 19 as well as negative outlook of sugar sector on the carrying amount of its Property, Plant and Equipment's and consequential impairment could not</li> </ol>

*[Handwritten Signature]*



		<p>be ascertained and provided for due to non-availability of requisite information on account of lockdown restrictions.</p> <p>5. Considering that no notice of demand has been served upon the Company and the amount has not been ascertained, no provision has been made in this regards. Based on the past industry practices, the management is confident that no interest liability will arise for these period.</p>
	(iii)	<p><b>Auditors' Comments on (i) or (ii) above:</b></p> <p>1. Since, the Group has not consolidated the financial statements of its material subsidiary viz Simbhaoli Private Limited (SPPL) for the financial year 2020-21, we are unable to comment on these financial statement due to non consolidation of aforesaid subsidiary company.</p> <p>3. Since, we were not made available of appropriate impairment assessment carried out by the management, we were unable to comment on the same including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.</p> <p>5. Since, the amount of the interest on delayed payment to sugarcane farmers has not been quantified by the management, we were not able to report the impact of the same.</p>
<b>III. Signatories:</b>		
	• Managing Director	GURSIMRAN KAUR MANN
	• CFO	
	• Audit Committee Chairman	
	• Statutory Auditor	BIHARI LAL GUPTA

Place: Simbhaoli, Hapur  
Date: June 30, 2021



Digitally signed by Gursimran Kaur Mann, DN: cn=Gursimran Kaur Mann, o=Simbhaoli Private Limited, ou=Simbhaoli Private Limited, email=Gursimran.Kaur.Mann@simbhaoli.co.in, c=IN, date=2021.06.30 11:58:00 +05'30'

Digitally signed by Bihari Lal Gupta, DN: cn=BIHARI LAL GUPTA, o=Simbhaoli Private Limited, ou=Simbhaoli Private Limited, email=BIHARI.LAL.GUPTA@SIMBHAOLI.CO.IN, c=IN, date=2021.06.30 11:58:00 +05'30'



**SIMBHAOLI SUGARS LIMITED**

(Formerly known as 'Simbhaoli Spirits Limited')

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

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

**EXTRACT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021**

Sl. No.	Particulars	Quarter ended			Year Ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		Audited #	Unaudited	Audited / recasted #	Audited	Audited / recasted #
1.	Total income from operations (net)	42,718	25,509	39,153	126,655	108,133
2.	Net Profit/ (loss) for the period before Tax and exceptional items	2,467	(207)	1,672	(521)	(3,819)
3.	Net Profit/ (loss) for the period before Tax and after exceptional items	2,395	(207)	1,672	(593)	(3,819)
4.	Net Profit/ (loss) for the period after Tax and exceptional items	2,369	(204)	1,675	(607)	(3,831)
5.	Total Comprehensive Income for the period [comprising net profit/(loss) for the period (after tax) and Other Comprehensive Income (after tax)]	2,383	(204)	1,390	(593)	(4,116)
6.	Paid up equity share capital (face value Rs.10/- each)	4,128	4,128	4,128	4,128	4,128
7.	Other Equity	-	-	-	-	-
8.	-EPS before exceptional item	5.91	(0.49)	4.06	(1.30)	(9.28)
	-EPS after exceptional item	5.74	(0.49)	4.06	(1.47)	(9.28)

# Refer Note no.12

**Notes :**

- The above is an extract of the detailed format of financial results for the quarter and year ended March 31, 2021 filed with the Stock Exchange under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of financial results for the quarter and year ended March 31, 2021 are available on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and the Company's website (www.simbhaolisugars.com).
- For the year ended March 31, 2021 and in earlier years, the Company has incurred losses due to high sugarcane costs fixed by the state government, and comparatively lower prices of finished sugar due to higher production which are determined by the market forces based on demand-supply situation and other market dynamics. Due to above-stated external factors, the company had incurred huge losses in past resulting in complete erosion of its net worth. This has resulted in delay in meeting the payment obligations to the lenders and sugarcane farmers in terms of their respective agreements and understanding. Although, the operations of the Company remained intact at sub-optimum levels over the years and it has been continuously striving for improvement in operation efficiency in form of improvement in sugar recovery, reduction in overheads and other costs etc. The Company has successfully completed crushing for Sugar season 2020-21 in all of its three sugar mills with better operational performance.  
  
Recognizing the status of the sugar industry, the state and central governments have taken a number of measures to improve the financial health, support for liquidation of cane arrears, fixing minimum obligation for exports to manage the sugar inventory and providing subsidy to compensate export expenses, fixing minimum support price of sugar, and mandatory blending of ethanol with petrol with long term tendering and providing remunerative price of ethanol etc. All these measures have resulted in revival of the sugar industry and the financial performance of the company has also improved during the year. Further, pursuant to an order of Hon'ble High Court of Uttar Pradesh, the Uttar Pradesh sugar industry as well as the Company is confident to receive accrued benefits from the state government under the erstwhile New Sugar Industrial Promotion Policy (NSIPP 2004-09).  
  
On account of delays in servicing of loans, certain lenders to the Company have initiated recovery proceedings at various forums, including filing of applications before the Hon'ble National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016 and approached Debt Recovery Tribunals in Delhi and Uttar Pradesh as well. Against a criminal complaint filed by one of the lenders with the investigating agency, the Enforcement Directorate had passed an attachment order on certain assets of the Company to the extent of Rs. 109.80 Crore, against which the Company has preferred an appeal with the appropriate authority and the matter is sub-judice. Enforcement Directorate had proceeded to take the constructive possession of the attached property on which an interim stay has been granted by the Hon'ble Appellate Tribunal.  
  
The Company is continuing to pursue a comprehensive debt resolution proposal with all the lenders. The majority of commercial lenders have shown their inclination to accept the debt resolution proposal and accepted the Earnest Money offered thereof while Debt realignment proposal is submitted with other lenders. Considering the steps initiated for achieving turnaround of the Company and sugar sector, ongoing discussions with the lenders for resolution of their dues and continuing manufacturing operations in near foreseeable future with improved operational efficiency, these financial statements are continued to be presented on going concern basis, which contemplates realization of assets and settlement of liabilities, in the normal course of business.
- Impact of COVID 19 Pandemic**  
The Company has considered the potential impact of spread of Coronavirus Disease (COVID-19), throughout the country, in preparation of financial results for the quarter and year ended March 31, 2021 based on the information available to it up to the date of approval of these financial results. However, the impact of COVID-19 as well as negative outlook of sugar sector on the carrying amount of its property, plant and equipment's and consequential impairment could not be ascertained and provided for due to non-availability of requisite information on account of lockdown restrictions.  
  
The impact of COVID-19 may differ from what has been assessed by the Management as at the date of approval of these financial results. The Company will continue to closely monitor any material change in future economic conditions and take appropriate action as may be required.
- The credit facilities availed by the Company have been classified as non-performing assets (NPA) by all the lenders and interest thereon is not being charged to the loan accounts by commercial lenders as per RBI's circular. The Company has submitted comprehensive debt resolution proposals with all the lenders to commensurate with its future cash flows. The majority of commercial lenders have shown their inclination to accept the debt resolution proposal (OTS Proposal) of the Company and accordingly accepted the offered Earnest Money Deposit. Accordingly, the Interest expenses pertaining to commercial lenders, for the quarter and year ended March 31, 2021 amounting to Rs. 4,295 lacs and Rs. 15,461 lacs respectively (previous quarter and year ended March 31, 2020 amounting to Rs. 3,430 lacs and Rs 13,146 lacs respectively) has not been recognized in profit and loss account. A total amount of Rs. 52,916 lacs towards accrued interest has not been provided for in the books of accounts as on March 31, 2021.
- The Hon'ble High Court of Uttar Pradesh had directed the state government to determine the interest liability for the period of delayed payments of sugarcane price to cane growers for sugar seasons 2012-13 to 2014-15 by the UP sugar industry. No demand, pursuant to the order and for subsequent period has since been received by the Company. Considering this and also prevalent past practices, no such provision towards the interest on delayed payment of cane price has been made in the accounts.
- In the audited financial statements of Simbhaoli Power Private Limited ('SPPL') for the year ended March 31, 2020, the statutory auditor of the SPPL has drawn Emphasis of Matter in respect of following "During the year ended March 31, 2020, Uttar Pradesh Electricity Regulatory Commission ('UPERC') has notified UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019 ('CRE Regulations, 2019') which has, inter alia, reduced the tariff applicable to bagasse-based generation plants operating in the state of Uttar Pradesh w.e.f. April 1, 2019. SPPL, along with bagasse-based co-generators operating in the State, have filed a writ petition with Hon'ble High Court of Allahabad, Lucknow Bench, challenging CRE Regulations, 2019 which have been accepted by the Court.  
  
Based on the writ petition filed and legal opinion obtained, SPPL has recorded revenue from operations for the period from April 2019 to September 2019 at per CRE Regulations, 2019 tariff instead at the reduced tariff as per CRE Regulations, 2019. W.e.f. October 1, 2019, SPPL has accounted for sale of power to Uttar Pradesh Power Corporation Ltd. (UPPCL), the customer at reduced tariff rate under protest and subject to outcome of Hon'ble High Court decision on writ petition. SPPL's computation, shows that revenue from operations for year ended March 31, 2020 would have been lower by Rs. 683 lacs, if accounted for at or basis reduced tariff as per CRE Regulations, 2019.  
  
With regard to the above stated conditions and on account of difference in interpretation of certain long term commercial agreements, the statutory auditors of SPPL have drawn material uncertainty related to going concern.
- In the consolidated financial results of the Company for the quarter and year ended March 31, 2021, the financial results of SPPL, a material subsidiary has not been consolidated, as the quarterly and year ended financial results of SPPL have not been yet finalized and approved till date.  
  
The transactions entered into between the Company and SPPL for the year ended March 31, 2021, which have not been eliminated in the consolidated financial results, have resulted in increase in the total revenue by Rs. 2,516 lacs and total expenses by Rs. 1,739 lacs. Further, increase in the balances of subsidiary of Rs. 985 lacs have been included in the consolidated balance sheet in the respective assets heads.



- 8 During this quarter, the Hon'ble NCLT, Allahabad Bench has passed an order dated March 17, 2021 for the approval of the resolution plan of Uniworld Sugars Private Limited, a joint venture entity.
- 9 The Company has submitted an application for de-registration of Simbhaoli Global Commodities DMCC, a 100% wholly owned foreign subsidiary company and termination of business and surrender of trade License thereof with Dubai Multi Commodities Centre Authority.
- 10 The standalone results are available on Company's website [www.simbhaolisugars.com](http://www.simbhaolisugars.com). The particulars in respect of standalone results are as under:

Particulars of standalone	Quarter ended		Year ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2020
Net Sales/Income from operations (Net)	42,588	25,439	35,926	126,278
Profit/(Loss) before tax	2,521	(203)	1,605	(443)
Profit/(Loss) after tax	2,521	(203)	1,605	(443)
Other Comprehensive Income	11	-	(272)	11
Total Comprehensive Income	2,532	(203)	1,333	(432)
EBITDA	4,179	1,523	3,328	6,171

- 11 The figures for the previous year ended March 31, 2020 have been restated in consolidated results on account of consolidation of audited financial results of SPPL for the year ended March 31, 2020 as disclosed in note no. 8 of financial results published on February 12, 2021. Last year consolidated accounts were prepared by consolidating the results of SPPL for the nine months ended December 31, 2019.
- 12 The figures for the last quarter are the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures upto the third quarter of the financial year.
- 13 Sugar, one of the major businesses of the Company, is a part of seasonal industry. The results may vary from quarter to quarter.
- 14 The previous periods figures have been regrouped/rearranged wherever necessary.
- 15 The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on June 30, 2021.

For Simbhaoli Sugars Limited

GURSIMRAN  
KAUR MANN

Gursimran Kaur Mann  
Managing Director  
DIN: 00642094

Place: Simbhaoli (Hapur), India  
Date : June 30, 2021

