



# SIMBHAOLI SUGARS

Ref: SSL: Stock Exchange  
February 13, 2020

Bombay Stock Exchange Limited  
PhirozeJeejeebhoy Towers  
Dalal Street, Fort  
Mumbai  
Fax No. 022-22723121/2037/2041

The National Stock Exchange of India Limited  
Exchange Plaza, Bandra -Kurla Complex,  
Mumbai- 400051  
Fax No. 022-26598237/38

## Simbhaoli Sugars Limited

CIN-L15122UP2011PLC044210  
(An FSSC 22000 : 2011, ISO 9001 : 2008  
& 14001 : 2004 Certified Company)

### Corporate Office :

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

Tel. : +91-120-480 6666

Fax : +91-120-2427166

E-mail : info@simbhaolisugars.com

www.simbhaolisugars.com

GSTIN: 09AAPCS7569A1ZV

Scrip Code: NSE: SIMBHALS BSE: 539742

Re: Outcome of the meeting of the Board of Directors held on February 13, 2020

Dear Sir/Madam,

The Board of Directors of the Company, in their meeting held today i.e., Thursday, February 13, 2020 which commenced at 03:30 PM and concluded at 5:00PM, has inter alia considered and approved the following:

- a) The Board has considered and approved unaudited financial results for the nine months/ quarter ended on December 31, 2019. Copies of the financial results along-with the Limited Review report of the auditors are enclosed herewith.
- b) Mr. Shyam Sunder is appointed as a director to the Board of Simbhaoli Sugars Limited. He will be an Independent Director within the meaning of Sections 149, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with the corporate governance norms of the Listing Agreement with the Stock Exchange under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

Mr. Shyam does not have any relationship with the promoters and any other Director and Key Managerial Personnel of the Company and/ or its subsidiary/ associate companies. He does not hold any shares in the share capital of the Company. A brief profile to Mr. Shyam is given as Annexure A.

We request you to take the above information on your records.

Thanking you,

Yours sincerely,

For Simbhaoli Sugars Limited

(Kamal Samtani)  
Company Secretary

Membership No. F5140

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

Specialty Sugars

Potable Alcohol

Ethanol

Power

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

Annexure - A

*Mr. Shyam Sunder is Practicing Chartered Accountant since 1991. He started practice as Proprietorship Firm and later on associated with M/s Parikh & Jain, Chartered Accountants, Kanpur, established in 1970, and conducted the Statutory Audit of Banks, PSUs, Companies and State Governments Corporations. He has been appointed as Central Statutory Auditor of UCO bank, Punjab National Bank and Allahabad Bank including Branches /Concurrent Auditor of SBI, Bank of Baroda and other banks. Presently, he is partner of M/s Bhuvanesh & Shyam, Chartered Accountants, in Kanpur providing Audit and Assurance services, and Advisory in Direct and Indirect Taxes.*





**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 UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED  
DECEMBER 31, 2019**

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		Dec 31, 2019	Sep 30, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	March 31, 2019
		Unaudited	Unaudited	Unaudited #	Unaudited	Unaudited #	Audited/ Recasted
1.	Total income from operations (net)	26,913	25,636	29,887	84,276	76,976	1,24,120
2.	Net Profit/ (loss) for the period before Tax and exceptional items	(1,359)	(3,360)	(3,096)	(5,491)	(5,691)	(1,659)
3.	Net Profit/ (loss) for the period before Tax and after exceptional items	(1,359)	(3,360)	(3,096)	(5,491)	(5,691)	(2,678)
4.	Net Profit/ (loss) for the period after Tax and exceptional items	(1,362)	(3,299)	(3,098)	(5,506)	(5,695)	(3,128)
5.	Total Comprehensive Income for the period [comprising net profit/(loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(1,362)	(3,299)	(3,098)	(5,506)	(5,695)	(3,063)
6.	Paid up equity share capital (face value Rs.10/- each)	4,128	4,128	3,928	4,128	3,928	4,128
7.	Other Equity				-		(3,072)
8.	-EPS before exceptional item	(3.30)	(7.99)	(7.89)	(13.34)	(14.50)	(5.37)
	-EPS after exceptional item	(3.30)	(7.99)	(7.89)	(13.34)	(14.50)	(7.96)

# Refer Note no. 9

**Notes :**

1 The above is an extract of the detailed format of financial results for the quarter and nine months ended December 31, 2019 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 nine months ended December 31, 2019 are available on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and the Company's website (www.simbhaolisugars.com).

2 Indian sugar industry has been facing difficulties on account of high sugar production in the country in last three sugar years resulting in glut of sugar. For the quarter and nine months ended December 31, 2019 and previous periods, the Company has incurred losses due to high raw material cost fixed by the Government and relatively market driven lower price of finished goods which is external factors. Due to continuous losses, net worth of the Company has been fully eroded and it has failed in meeting its payment obligations to lenders and farmers, though the Company continues to operate its plant operations at sub optimal level.

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

The lenders to the Company initiated recovery proceeding at various forums and certain bankers have filed application before National Company Law Tribunal under Section 7 of the Insolvency and Bankruptcy Code, 2016. One of such lender had declared the Company and the Guarantors as Willful defaulters, against which the Company and the Guarantors had preferred a Writ Petition in the Hon'ble Chandigarh High Court and Court is pleased to Set Aside such impugned order of the lender. Against criminal complaint filed by one of the lenders with the investigating agency, Enforcement Directorate had issued an Attachment Order on certain assets of the Company to the extent of Rs. 109.80 crores against which the Company has preferred an appeal with the appropriate authority.

The Company has submitted a debt resolution proposal through One Time Settlement mechanism (OTS)/ARC/realignment along with waiver of outstanding interest on certain loan accounts with commercial banks, while loan liabilities owed to lenders other than commercial banks would be realigned commensurate with its available cash flows. Majority of commercial banks/lenders have shown their inclination for resolution of debt with the company.

In view of the above, these financial statements are continued to be presented on going concern basis, which contemplates realisation of assets and settlement of liabilities, in the normal course of business and therefore, testing of impairment of assets if any, will be ascertained and accounted for at the year end.

3 The loans availed by the Company have been classified as Non-Performing Assets (NPA) by all the lenders to the Company and interest thereon is not being charged to the loan accounts as per prevailing practices. The Company is hopeful of resolution of debt through OTS including waiver of un-paid interest on certain loan accounts with commercial banks. Accordingly, interest expenses for the quarter and nine months ended December 31, 2019 amounting to Rs. 3,294 lacs and Rs. 9,739 lacs (previous quarter and nine months ended December 31, 2018 Rs. 3,276 lacs and Rs. 9,497 lacs) respectively have not been recognized in the books of accounts. A total amount of Rs. 34,047 lacs towards accrued interest has not been provided for in the books of accounts as at December 31, 2019.

4 The Hon'ble High Court of Uttar Pradesh has directed the State Government to determine the interest liability for the period of delayed payment of sugarcane price for sugar season 2012-13 to 2014-15. Considering that no such notice of demand has been made, the estimated amount of interest aggregating to Rs. 11,187 lacs on delayed payment of sugarcane price for aforesaid sugar seasons has not been provided for in the books of accounts. Further estimated amount of interest for the period of delayed payment of sugarcane price for subsequent sugar seasons aggregating to Rs. 16,621 lacs upto March 31, 2019 and Rs 1,864 lacs and Rs. 6,686 lacs for the quarter and nine months ended December 31, 2019 respectively have also not been provided for in the books of accounts.

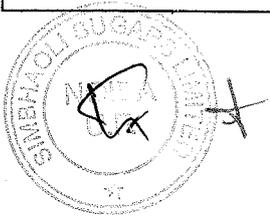
5 Effective from April 01, 2019, the Company has adopted Ind AS 116 "Leases", and applied to all lease contracts existing on April 01, 2019 using the prospective method.

6 From April 01, 2019 the Company has revised the accounting policy for "Deferment of Off Season Expenditure" in accordance with the requirement of Ind AS 34 'Interim Financial Reporting'. Accordingly, during current period off season expenses have been recognized in the profit and loss account. Comparative figures for the quarter and nine months ended December 31, 2018 have been restated to give effect to this change in accounting policy. Consequently, loss for quarter and nine months ended December 31, 2018 is higher by Rs. 248 lacs and Rs. 2,835 lacs respectively as compared to earlier published results.

7 During the quarter ended September 30, 2019, 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 in the state of Uttar Pradesh w.e.f. April 1, 2019 which is significantly lower than the prevailing tariff. As per CRE Regulations, such reduction in tariff was made by UPERC citing lower fixed and variable costs for these power plants. This reduction in tariff may have an adverse impact on the business and operations of Simbhaoli Power Private Limited ("SPPL"), a subsidiary company. The management of SPPL believes that there are anomalies in the process of tariff fixation and this reduced tariff notified by UPERC is based on unrealistic assumptions and is contrary to past practices. During the current quarter, 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. The writ petition has challenged the validity of these regulations due to lacks necessary quorum of UPERC for notifying the regulations, retrospective application of CRE Regulations 2019, etc. Pending outcome of the petition, the management of SPPL basis on opinion of legal counsel, is confident of relief from the Hon'ble High Court and suitable modification in CRE Regulations 2019 and thus does not expect the financial implications of this, if any, to be material.

SPPL has accounted for revenues from operations from April to September, 2019 at or basis pre CRE Regulations 2019 tariff rates. W.e.f. October 01, 2019, SPPL has billed and accounted for sale of power to the Uttar Pradesh Power Corporation Limited ('UPPCL'), the customer of SPPL, 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 the quarter and nine months ended December 31, 2019 would have been lower by Rs. 16 lacs and Rs. 797 lacs, respectively, if accounted for at or basis reduced tariff as per CRE Regulations 2019. Considering the current status and the matter is sub-judice, it is not possible for the management of SPPL to estimate the extent of the change, if any, in the tariff.

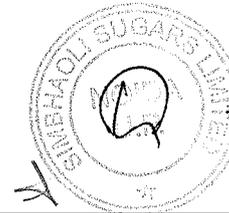


8 The standalone results are available on Company's website www.simbhaolisugars.com. The particulars in respect of standalone results are as under:

Particulars of standalone	Quarter ended			Nine months ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
Net Sales/Income from operations	21,375	18,594	20,312	65,019	58,082	95,212
Profit/(Loss) before tax	(901)	(1,910)	(3,489)	(3,770)	(6,242)	(4,730)
Profit/ (Loss) after tax	(901)	(1,910)	(3,489)	(3,770)	(6,242)	(4,915)
Other Comprehensive Income	-	-	-	-	-	(2,261)
Total Comprehensive Income	(901)	(1,910)	(3,489)	(3,770)	(6,242)	(7,176)
EBITDA	784	(209)	(1,799)	1,271	(1,074)	2,294

- 9 Figures for the quarter and nine months ended December 31, 2018 have not been reviewed by auditors.
- 10 Sugar, one of the major businesses of the Company, is a part of seasonal industry. The results may vary from quarter to quarter.
- 11 The previous periods figures have been regrouped/rearranged wherever necessary.
- 12 The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on February 13, 2020.

Place: Noida  
Date : February 13, 2020



For Simbhaoli Sugars Limited

*Gursimran Kaur Mann*

Gursimran Kaur Mann  
Managing Director  
DIN: 00642094

Simbhaoli Sugars Ltd.

FSSAI 22200, ISO 9001 ISO 14001 Certified Co.

Simbhaoli-245207, Distt. Hapur, (U.P.), India

Email : customerfeedback@simbhaolisugars.com or call at : 1800-11-7609 web : www.simbhaolisugars.com | www.facebook.com/trust.sugar



Trust the healthier sugar

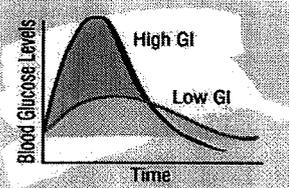
**1st**  
TIME IN INDIA  
with **100%**  
**NATURAL**  
sugarcane extracts



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DOESN'T SPIKE YOUR BLOOD SUGAR LEVELS

ACTIVE LIFESTYLE



**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 STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED**  
**DECEMBER 31, 2019**

Sl. No.	Particulars	Quarter ended			Nine Months Ended		(Rs. Lacs)
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	Year ended March 31, 2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations	25,370	25,374	25,680	80,315	69,139	1,11,109
	(b) Other income	540	428	336	1,381	1,081	1,585
	<b>Total revenue</b>	<b>25,910</b>	<b>25,802</b>	<b>26,016</b>	<b>81,696</b>	<b>70,220</b>	<b>1,12,694</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	26,405	224	25,137	39,052	43,431	87,478
	(b) Purchase of stock-in-trade	838	743	841	2,236	1,577	2,154
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(11,707)	14,498	(9,360)	9,158	1,772	(14,631)
	(d) Excise duty	3,995	6,780	5,368	15,296	11,057	15,897
	(e) Employee benefits expense	1,466	1,232	1,484	3,919	3,894	5,400
	(f) Finance costs	778	794	766	2,322	2,405	3,354
	(g) Depreciation and amortisation expense	907	907	924	2,719	2,763	3,670
	(h) Other expenses	4,129	2,534	4,345	10,764	9,563	14,102
	<b>Total expenses</b>	<b>26,811</b>	<b>27,712</b>	<b>29,505</b>	<b>85,466</b>	<b>76,462</b>	<b>1,17,424</b>
<b>3</b>	<b>Profit/ (loss) before exceptional items and tax (1-2)</b>	<b>(901)</b>	<b>(1,910)</b>	<b>(3,489)</b>	<b>(3,770)</b>	<b>(6,242)</b>	<b>(4,730)</b>
<b>4</b>	Exceptional items	-	-	-	-	-	185
<b>5</b>	<b>Profit/ (loss) before Tax (3-4)</b>	<b>(901)</b>	<b>(1,910)</b>	<b>(3,489)</b>	<b>(3,770)</b>	<b>(6,242)</b>	<b>(4,915)</b>
<b>6</b>	<b>Tax expense :</b>						
	- Current tax	-	-	-	-	-	-
	- Income Tax Adjustment	-	-	-	-	-	-
	<b>Total tax expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7</b>	<b>Net Profit/(loss) from ordinary activities after tax (5-6)</b>	<b>(901)</b>	<b>(1,910)</b>	<b>(3,489)</b>	<b>(3,770)</b>	<b>(6,242)</b>	<b>(4,915)</b>
<b>8</b>	<b>Other Comprehensive Income (net of tax)</b>						
	A) I. Items that will not be reclassified to profit & loss	-	-	-	-	-	(2,261)
	II. Income Tax relating to Items that will not be reclassified to profit or loss	-	-	-	-	-	-
	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>(901)</b>	<b>(1,910)</b>	<b>(3,489)</b>	<b>(3,770)</b>	<b>(6,242)</b>	<b>(7,176)</b>
<b>10</b>	Paid up equity share capital (face value Rs. 10/- each)	4,128	4,128	3,928	4,128	3,928	4,128
<b>11</b>	Other Equity						(2,943)
<b>12</b>	Basic and Diluted Earning Per Share (Rs.) (not annualized)						
	- EPS before exceptional item	(2.18)	(4.63)	(8.88)	(9.13)	(15.89)	(12.04)
	- EPS after exceptional item	(2.18)	(4.63)	(8.88)	(9.13)	(15.89)	(12.51)



**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES  
UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.  
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019**

(Rs. Lacs)

	Quarter ended			Nine Months Ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>(A). Segment Revenue</b>						
(a) Sugar	19,885	15,191	18,235	57,302	50,353	84,470
(b) Distillery	7,150	10,558	7,951	26,814	19,551	29,015
<b>Total</b>	<b>27,035</b>	<b>25,749</b>	<b>26,186</b>	<b>84,116</b>	<b>69,904</b>	<b>1,13,485</b>
Less: Inter Segment Revenue	1,665	375	506	3,801	765	2,376
<b>Net sales/income from operations</b>	<b>25,370</b>	<b>25,374</b>	<b>25,680</b>	<b>80,315</b>	<b>69,139</b>	<b>1,11,109</b>
<b>(B). Segment Results</b>						
Profit/ (loss) before finance costs, unallocated expenditure, exceptional items and tax from each segment						
(a) Sugar	(295)	(802)	(3,178)	(1,976)	(5,736)	(5,006)
(b) Distillery	(16)	(372)	651	189	2,081	3,408
<b>Total</b>	<b>(311)</b>	<b>(1,174)</b>	<b>(2,527)</b>	<b>(1,787)</b>	<b>(3,655)</b>	<b>(1,598)</b>
Less:						
(a) Finance cost	778	794	766	2,322	2,405	3,354
(b) Other un-allocated expenses/ (income) (net)	(188)	(58)	196	(339)	182	(222)
(c) Exceptional item	-	-	-	-	-	185
<b>Total Profit/ (loss) before tax</b>	<b>(901)</b>	<b>(1,910)</b>	<b>(3,489)</b>	<b>(3,770)</b>	<b>(6,242)</b>	<b>(4,915)</b>
<b>(C). Segment Assets</b>						
(a) Sugar	1,42,788	1,30,876	1,34,389	1,42,788	1,34,389	1,52,903
(b) Distillery	41,154	39,932	39,904	41,154	39,904	40,359
(c) Unallocated	15,188	14,772	17,236	15,188	17,236	13,574
<b>Total</b>	<b>1,99,130</b>	<b>1,85,580</b>	<b>1,91,529</b>	<b>1,99,130</b>	<b>1,91,529</b>	<b>2,06,836</b>
<b>(D). Segment Liabilities</b>						
(a) Sugar	73,771	59,842	60,982	73,771	60,982	79,883
(b) Distillery	2,894	2,557	2,591	2,894	2,591	2,017
(c) Unallocated	20,514	20,291	18,616	20,514	18,616	18,790
(d) Borrowings	1,04,522	1,04,567	1,07,056	1,04,522	1,07,056	1,04,961
<b>Total</b>	<b>2,01,701</b>	<b>1,87,257</b>	<b>1,89,245</b>	<b>2,01,701</b>	<b>1,89,245</b>	<b>2,05,651</b>



**Notes to Standalone results:**

1. Indian sugar industry has been facing difficulties on account of high sugar production in the country in last three sugar years resulting in glut of sugar. For the quarter and nine months ended December 31, 2019 and previous periods, the Company has incurred losses due to high raw material cost fixed by the Government and relatively market driven lower price of finished goods which is external factors. Due to continuous losses, net worth of the Company has been fully eroded and it has failed in meeting its payment obligations to lenders and farmers, though the Company continues to operate its plant operations at sub optimal level.

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

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2. The loans availed by the Company have been classified as Non-Performing Assets (NPA) by all the lenders to the Company and interest thereon is not being charged to the loan accounts as per prevailing practices. The Company is hopeful of resolution of debt through OTS including waiver of un-paid interest on certain loan accounts with commercial banks. Accordingly, interest expenses for the quarter and nine months ended December 31, 2019 amounting to Rs. 3,294 lacs and Rs. 9,739 lacs (previous quarter and nine months ended December 31, 2018 Rs. 3,276 lacs and Rs. 9,497 lacs) respectively have not been recognized in the books of accounts. A total amount of Rs. 34,047 lacs towards accrued interest has not been provided for in the books of accounts as at December 31, 2019.
3. The Hon'ble High Court of Uttar Pradesh has directed the State Government to determine the interest liability for the period of delayed payment of sugarcane price for sugar season 2012-13 to 2014-15. Considering that no such notice of demand has been made, the estimated amount of interest aggregating to Rs. 11,187 lacs on delayed payment of sugarcane price for aforesaid sugar seasons has not been provided for in the books of accounts. Further estimated amount of interest for the period of delayed payment of sugarcane price for subsequent sugar seasons aggregating to Rs. 16,621 lacs upto March 31, 2019 and Rs 1,864 lacs and Rs. 6,686 lacs for the quarter and nine months ended December 31, 2019 respectively have also not been provided for in the books of accounts.
4. Effective from April 01, 2019, the Company has adopted Ind AS 116 "Leases", and applied to all lease contracts existing on April 01, 2019 using the prospective method.
5. From April 01, 2019 the Company has revised the accounting policy for "Deferment of Off Season Expenditure" in accordance with the requirement of Ind AS 34 'Interim Financial Reporting'. Accordingly, during current period off season expenses have been recognized in the profit and loss account. Comparative figures for the quarter and nine months ended December 31, 2018 have been restated to give effect to this change in accounting policy. Consequently, loss for quarter and nine months ended December 31, 2018 is higher by Rs. 248 lacs and Rs. 2,835 lacs respectively as compared to earlier published results.
6. Sugar, one of the major businesses of the Company, is a part of seasonal industry. The results may vary from quarter to quarter.
7. The previous periods figures have been regrouped/rearranged wherever necessary.
8. The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on February 13, 2020.

For SIMBHAOLI SUGARS LIMITED

  
Gursimran Kaur Mann  
Managing Director

Place: Noida

Date: February 13, 2020

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





**MITTAL GUPTA & CO.**  
C H A R T E R E D A C C O U N T A N T S

14, Ratan Mahal, 15/197, Civil Lines, Kanpur - 208 001  
Tel. : 0512-2303234, 2303235 • Fax : +91512-4009111 • E-mail : mgco@mgcoca.com

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

To

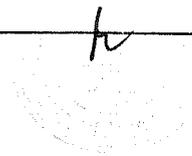
**The Board of Directors,**

**Simbhaoli Sugars Limited**

1. We have reviewed the accompanying statement of unaudited standalone Financial Results of Simbhaoli Sugars Limited ('the Company') for the quarter and nine months ended December 31, 2019, (the "Statement") attached herewith. The Statement has been prepared by the company pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the Listing Regulation 2015) as amended read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated July 19, 2019.
2. The statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, 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. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance so as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

**Basis of Qualified Opinion**

4. We draw attention to Note No.1 of the Statement regarding non provisions for impairment in the carrying value of Property, Plant and Equipments. We are not made available of appropriate





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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.

5. We draw attention to Note No. 2 of the Statement regarding non-provision of interest expenses amounting Rs. 3,294 Lakhs for the quarter and Rs. 9,739 Lakhs for the nine months ended December 31, 2019, respectively on certain borrowings for the reasons stated in the said note. The aggregate amount of interest expense not provided for in the accounts aggregates to Rs. 34,047 Lakhs till December 31, 2019. Consequently, financial cost and loss for the quarter and nine months ended December 31, 2019 and unallocated segment liabilities for the aforesaid periods have been understated by the aforesaid amount.
6. We draw attention to Note No. 3 of the Statement regarding non-provision of interest expenses amounting Rs. 1,864 Lakhs for the quarter and Rs. 6,686 Lakhs for the nine months ended December 31, 2019, respectively for the period of delayed payments of cane price for the reasons stated in the said note. The aggregate amount of interest expense not provided for in the accounts aggregates to Rs. 34,494 Lakhs till December 31, 2019. Consequently, financial cost and loss for the quarter and nine months ended December 31, 2019 and unallocated segment liabilities for the aforesaid periods have been understated by the aforesaid amount.

Our conclusion is qualified on the above matters.

**Material Uncertainty related to Going Concern:**

7. 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 depends on the outcome of Corporate Insolvency and Resolution Process (CIRP) application filed by the lenders against the company with National Company Law Tribunal (NCLT) and the Company's ability to get its borrowings restructured as stated in the said note and turnaround of its sugar operation on sustainable basis.

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

8. Based on our review conducted as above, and except for the matters referred to in paragraph no. 4 to 6 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in all material respects in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, and other recognized accounting practices





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**CHARTERED ACCOUNTANTS**

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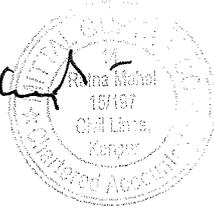
and policies, has not disclosed the information required to be disclosed in accordance with requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For MITTAL GUPTA & CO.**

Chartered Accountants

FRN : 01874C

*Bilari W Gupta*



(B. L. Gupta)

Partner

Membership No. :073794

Place: Noida

Dated: 13.02.2020

UDIN: 20073794 AAAAF 2667

**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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED**  
**DECEMBER 31, 2019**

(Rs. Lacs)

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
		Unaudited	Unaudited	Unaudited #	Unaudited	Unaudited #	Audited/ recasted
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations	26,913	25,636	29,887	84,276	76,976	1,24,120
	(b) Other income	354	35	67	461	210	318
	<b>Total revenue</b>	<b>27,267</b>	<b>25,671</b>	<b>29,954</b>	<b>84,737</b>	<b>77,186</b>	<b>1,24,438</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	26,957	225	27,050	40,285	46,729	92,274
	(b) Purchase of stock-in-trade	838	753	840	2,254	1,577	2,180
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(11,682)	14,543	(9,353)	9,160	1,814	(14,590)
	(d) Excise duty	3,995	6,780	5,369	15,296	11,057	15,897
	(e) Employee benefits expense	2,218	1,570	1,914	5,371	4,986	7,139
	(f) Finance costs	1,285	1,339	1,338	3,919	4,124	5,609
	(g) Depreciation and amortisation expense	1,181	1,190	1,207	3,537	3,604	4,788
	(h) Other expenses	3,834	2,631	4,685	10,406	8,986	12,800
	<b>Total expenses</b>	<b>28,626</b>	<b>29,031</b>	<b>33,050</b>	<b>90,228</b>	<b>82,877</b>	<b>1,26,097</b>
<b>3</b>	<b>Profit/ (loss) before exceptional items and tax (1-2)</b>	<b>(1,359)</b>	<b>(3,360)</b>	<b>(3,096)</b>	<b>(5,491)</b>	<b>(5,691)</b>	<b>(1,659)</b>
<b>4</b>	<b>Exceptional items</b>	-	-	-	-	-	1,019
<b>5</b>	<b>Profit/ (loss) before Tax (3-4)</b>	<b>(1,359)</b>	<b>(3,360)</b>	<b>(3,096)</b>	<b>(5,491)</b>	<b>(5,691)</b>	<b>(2,678)</b>
<b>6</b>	<b>Tax expense :</b>						
	- Current tax	1	(64)	(4)	10	(11)	447
	- Deferred tax	2	3	6	5	15	3
	- Income Tax Adjustment	-	-	-	-	-	-
	<b>Total tax expenses</b>	<b>3</b>	<b>(61)</b>	<b>2</b>	<b>15</b>	<b>4</b>	<b>450</b>
<b>7</b>	<b>Net Profit/(loss) from ordinary activities after tax (5-6)</b>	<b>(1,362)</b>	<b>(3,299)</b>	<b>(3,098)</b>	<b>(5,506)</b>	<b>(5,695)</b>	<b>(3,128)</b>
<b>8</b>	<b>Other Comprehensive Income (net of tax)</b>						<b>65</b>
	A) I. Items that will not be reclassified to profit & loss	-	-	-	-	-	66
	II. Income Tax relating to Items that will not be reclassified to profit or loss	-	-	-	-	-	(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>(1,362)</b>	<b>(3,299)</b>	<b>(3,098)</b>	<b>(5,506)</b>	<b>(5,695)</b>	<b>(3,063)</b>
	<b>Profit/Loss for the year attributable to :</b>						
	1) Owners of the parent	(1,245)	(2,720)	(3,931)	(4,973)	(6,325)	(3,872)
	2) Non-Controlling Interest	(117)	(579)	833	(533)	630	744
	<b>Other Comprehensive Income attributable to:</b>						
	1) Owners of the parent	-	-	-	-	-	73
	2) Non-Controlling Interest	-	-	-	-	-	(8)
	<b>Total Comprehensive Income attributable to:</b>						
	1) Owners of the parent	(1,245)	(2,720)	(3,931)	(4,973)	(6,325)	(3,799)
	2) Non-Controlling Interest	(117)	(579)	833	(533)	630	736
<b>10</b>	<b>Paid up equity share capital (face value Rs. 10/- each)</b>	<b>4,128</b>	<b>4,128</b>	<b>3,928</b>	<b>4,128</b>	<b>3,928</b>	<b>4,128</b>
<b>11</b>	<b>Other Equity</b>						<b>(3,072)</b>
<b>12</b>	<b>Basic and Diluted Earning Per Share (Rs.) (not annualized)</b>						
	- EPS before exceptional item	(3.30)	(7.99)	(7.89)	(13.34)	(14.50)	(5.37)
	- EPS after exceptional item	(3.30)	(7.99)	(7.89)	(13.34)	(14.50)	(7.96)

# Refer note no. 8



**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES**  
**UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**  
**FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019**

(Rs. Lacs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
	Unaudited	Unaudited	Unaudited #	Unaudited	Unaudited #	Audited/recasted
<b>(A). Segment Revenue</b>						
(a) Sugar	19,885	15,191	18,235	57,302	50,353	84,470
(b) Distillery	7,151	10,557	7,951	26,814	19,551	29,015
(c) Power	1,524	154	4,451	4,082	9,004	15,224
(d) Others	778	296	388	1,360	934	1,623
<b>Total</b>	<b>29,338</b>	<b>26,198</b>	<b>31,025</b>	<b>89,558</b>	<b>79,842</b>	<b>1,30,332</b>
Less: Inter Segment Revenue	2,425	562	1,138	5,282	2,866	6,212
<b>Net sales/income from operations</b>	<b>26,913</b>	<b>25,636</b>	<b>29,887</b>	<b>84,276</b>	<b>76,976</b>	<b>1,24,120</b>
<b>(B). Segment Results</b>						
Profit/ (loss) before finance costs, unallocated expenditure, exceptional items and tax from each segment						
(a) Sugar	(295)	(802)	(3,168)	(1,976)	(5,728)	(5,088)
(b) Distillery	(16)	(372)	651	189	2,081	3,408
(c) Power	210	(659)	1,363	547	3,096	6,403
(d) Others	1	36	16	43	56	22
<b>Total</b>	<b>(100)</b>	<b>(1,797)</b>	<b>(1,138)</b>	<b>(1,197)</b>	<b>(495)</b>	<b>4,745</b>
<b>Less:</b>						
(a) Finance cost	1,285	1,339	1,338	3,919	4,124	5,609
(b) Other un-allocated expenses/ (income) (net)	(26)	224	620	375	1,072	795
(c) Exceptional item	-	-	-	-	-	1,019
<b>Total Profit/ (loss) before tax</b>	<b>(1,359)</b>	<b>(3,360)</b>	<b>(3,096)</b>	<b>(5,491)</b>	<b>(5,691)</b>	<b>(2,678)</b>
<b>(C). Segment Assets</b>						
(a) Sugar	1,38,579	1,26,451	1,30,441	1,38,579	1,30,441	1,48,032
(b) Distillery	41,154	39,932	39,904	41,154	39,904	40,359
(c) Power	34,481	35,686	37,585	34,481	37,585	39,960
(d) Others	1,261	880	864	1,261	864	899
(e) Unallocated	5,570	5,252	3,643	5,570	3,643	4,022
<b>Total</b>	<b>2,21,045</b>	<b>2,08,201</b>	<b>2,12,437</b>	<b>2,21,045</b>	<b>2,12,437</b>	<b>2,33,272</b>
<b>(D). Segment Liabilities</b>						
(a) Sugar	73,892	59,963	61,111	73,892	61,111	80,004
(b) Distillery	2,894	2,556	2,591	2,894	2,591	2,017
(c) Power	1,404	1,021	1,995	1,404	1,995	2,569
(d) Others	946	682	582	946	582	730
(e) Unallocated	23,739	23,770	21,501	23,739	21,501	21,547
(f) Borrowings	1,10,625	1,11,308	1,14,472	1,10,625	1,14,472	1,13,368
<b>Total</b>	<b>2,13,500</b>	<b>1,99,300</b>	<b>2,02,252</b>	<b>2,13,500</b>	<b>2,02,252</b>	<b>2,20,235</b>

# Refer note no. 8



## Notes to Consolidated results:

1. Indian sugar industry has been facing difficulties on account of high sugar production in the country in last three sugar years resulting in glut of sugar. For the quarter and nine months ended December 31, 2019 and previous periods, the Company has incurred losses due to high raw material cost fixed by the Government and relatively market driven lower price of finished goods which is external factors. Due to continuous losses, net worth of the Company has been fully eroded and it has failed in meeting its payment obligations to lenders and farmers, though the Company continues to operate its plant operations at sub optimal level.

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

The lenders to the Company initiated recovery proceeding at various forums and certain bankers have filed application before National Company Law Tribunal under Section 7 of the Insolvency and Bankruptcy Code, 2016. One of such lender had declared the Company and the Guarantors as Willful defaulters, against which the Company and the Guarantors had preferred a Writ Petition in the Hon'ble Chandigarh High Court and Court is pleased to Set Aside such impugned order of the lender. Against criminal complaint filed by one of the lenders with the investigating agency, Enforcement Directorate had issued an Attachment Order on certain assets of the Company to the extent of Rs. 109.80 crores against which the Company has preferred an appeal with the appropriate authority.

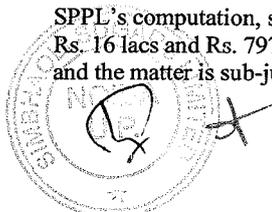
The Company has submitted a debt resolution proposal through One Time Settlement mechanism (OTS)/ARC/realignment along with waiver of outstanding interest on certain loan accounts with commercial banks, while loan liabilities owed to lenders other than commercial banks would be realigned commensurate with its available cash flows. Majority of commercial banks/lenders have shown their inclination for resolution of debt with the company.

In view of the above, these financial statements are continued to be presented on going concern basis, which contemplates realisation of assets and settlement of liabilities, in the normal course of business and therefore, testing of impairment of assets if any, will be ascertained and accounted for at the year end.

2. The loans availed by the Company have been classified as Non-Performing Assets (NPA) by all the lenders to the Company and interest thereon is not being charged to the loan accounts as per prevailing practices. The Company is hopeful of resolution of debt through OTS including waiver of un-paid interest on certain loan accounts with commercial banks. Accordingly, interest expenses for the quarter and nine months ended December 31, 2019 amounting to Rs. 3,294 lacs and Rs. 9,739 lacs (previous quarter and nine months ended December 31, 2018 Rs. 3,276 lacs and Rs. 9,497 lacs) respectively have not been recognized in the books of accounts. A total amount of Rs. 34,047 lacs towards accrued interest has not been provided for in the books of accounts as at December 31, 2019.
3. The Hon'ble High Court of Uttar Pradesh has directed the State Government to determine the interest liability for the period of delayed payment of sugarcane price for sugar season 2012-13 to 2014-15. Considering that no such notice of demand has been made, the estimated amount of interest aggregating to Rs. 11,187 lacs on delayed payment of sugarcane price for aforesaid sugar seasons has not been provided for in the books of accounts. Further estimated amount of interest for the period of delayed payment of sugarcane price for subsequent sugar seasons aggregating to Rs. 16,621 lacs upto March 31, 2019 and Rs 1,864 lacs and Rs. 6,686 lacs for the quarter and nine months ended December 31, 2019 respectively have also not been provided for in the books of accounts.
4. Effective from April 01, 2019, the Company has adopted Ind AS 116 "Leases", and applied to all lease contracts existing on April 01, 2019 using the prospective method.
5. From April 01, 2019 the Company has revised the accounting policy for "Deferment of Off Season Expenditure" in accordance with the requirement of Ind AS 34 'Interim Financial Reporting'. Accordingly, during current period off season expenses have been recognized in the profit and loss account. Comparative figures for the quarter and nine months ended December 31, 2018 have been restated to give effect to this change in accounting policy. Consequently, loss for quarter and nine months ended December 31, 2018 is higher by Rs. 248 lacs and Rs. 2,835 lacs respectively as compared to earlier published results.
6. During the quarter ended September 30, 2019, 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 in the state of Uttar Pradesh w.e.f. April 1, 2019 which is significantly lower than the prevailing tariff. As per CRE Regulations, such reduction in tariff was made by UPERC citing lower fixed and variable costs for these power plants. This reduction in tariff may have an adverse impact on the business and operations of Simbhaoli Power Private Limited ("SPPL"), a subsidiary company. The management of SPPL believes that there are anomalies in the process of tariff fixation and this reduced tariff notified by UPERC is based on unrealistic assumptions and is contrary to past practices. During the current quarter ended December 31, 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. The writ petition has challenged the validity of these regulations due to lacks necessary quorum of UPERC for notifying the regulations, retrospective application of CRE Regulations 2019 etc. Pending outcome of the petition, the management of SPPL basis on opinion of legal counsel, is confident of relief from the Hon'ble High Court and suitable modification in CRE Regulations 2019 and thus does not expect the financial implications of this, if any, to be material.

SPPL has accounted for revenues from operations from April to September, 2019 at or basis pre CRE Regulations 2019 tariff rates. W.e.f. October 01, 2019, SPPL has billed and accounted for sale of power to the Uttar Pradesh Power Corporation Limited ('UPPCL'), the customer of SPPL, 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 the quarter and nine months ended December 31, 2019 would have been lower by Rs. 16 lacs and Rs. 797 lacs, respectively, if accounted for at or basis reduced tariff as per CRE Regulations 2019. Considering the current status and the matter is sub-judice, it is not possible for the management of SPPL to estimate the extent of the change, if any, in the tariff.



7. 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:

(Rs in Lacs)

Particulars (Standalone)	Quarter ended			Nine months ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
Net Sales/Income from operations	21,375	18,594	20,312	65,019	58,082	95,212
Profit/(Loss) before tax	(901)	(1,910)	(3,489)	(3,770)	(6,242)	(4,730)
Profit/(Loss) after tax	(901)	(1,910)	(3,489)	(3,770)	(6,242)	(4,915)
Other Comprehensive Income	-	-	-	-	-	(2,261)
Total Comprehensive Income	(901)	(1,910)	(3,489)	(3,770)	(6,242)	(7,176)
EBITDA	784	(209)	(1,799)	1,271	(1,074)	2,294

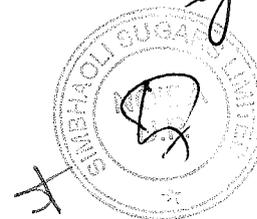
8. Figures for the quarter and nine months ended December 31, 2018 have not been reviewed by auditors.
9. Sugar, one of the major businesses of the Company, is a part of seasonal industry. The results may vary from quarter to quarter.
10. The previous periods figures have been regrouped/rearranged wherever necessary.
11. The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on February 13, 2020.

For SIMBHAOLI SUGARS LIMITED

*Gursimran Kaur Mann*

Gursimran Kaur Mann  
Managing Director

Place: Noida  
Date: February 13, 2020  
Company Website: [www.simbhaolisugars.com](http://www.simbhaolisugars.com)





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

**To**

**The Board of Directors**

**Simbhaoli Sugars Limited**

1. We have reviewed the accompanying statement of unaudited Consolidated Financial Results of Simbhaoli Sugars Limited ('the Company') and its subsidiaries (hereinafter referred to as "the Group") for the quarter and nine months ended on December 31, 2019 ("the Statement") attached herewith. The Statement has been prepared by the company pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the Listing Regulation 2015) as amended read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated July 19, 2019. Attention is drawn to the Note No. 8 of the Statement which state that consolidated figures for the corresponding quarter and nine months ended December 31, 2018 as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.
2. The statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, 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. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance so as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical



# MITTAL GUPTA & CO.

## CHARTERED ACCOUNTANTS

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procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also perform procedures in accordance with the circular issued by SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended, to the extent applicable.

### **Basis for Qualified Opinion**

4. We draw attention to Note No.1 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.
5. We draw attention to Note No. 2 of the Statement regarding non-provision of interest expenses amounting Rs. 3,294 Lacs for the quarter and Rs. 9,739 Lacs for the nine months ended December 31, 2019, respectively on certain borrowings for the reasons stated in the said note. The aggregate amount of interest expense not provided for in the accounts aggregates to Rs. 34,047 Lakhs till December 31, 2019. Consequently, financial cost and loss for the quarter and nine months ended December 31, 2019 and unallocated segment liabilities for the aforesaid periods have been understated by the aforesaid amount.
6. We draw attention to Note No. 3 of the Statement regarding non-provision of interest expenses amounting Rs. 1,864 Lakhs for the quarter and Rs. 6,686 Lakhs for the nine months ended December 31, 2019, respectively for the period of delayed payments of cane price for the reasons stated in the said note. The aggregate amount of interest expense not provided for in the accounts aggregates to Rs. 34,494 Lakhs till December 31, 2019. Consequently, financial cost and loss for the quarter and nine months ended December 31, 2019 and unallocated segment liabilities for the aforesaid periods have been understated by the aforesaid amount.

Our opinion is qualified on the above matters.

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

7. 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 depends on the outcome of Corporate Insolvency and Resolution Process (CIRP) application filed by the lenders





**MITTAL GUPTA & CO.**  
**CHARTERED ACCOUNTANTS**

14, Ratan Mahal, 15/197, Civil Lines, Kanpur - 208 001  
Tel.: +91512-2303234, 2303235 • Fax +91512-3012748 • E-mail : mgco@mgcoa.com

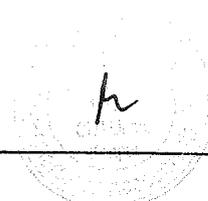
against the company with National Company Law Tribunal (NCLT) and the Company's ability to get its borrowings restructured as stated in the said note and turnaround of its sugar operation on sustainable basis.

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

8. Based on our review conducted as above, and except for the matters referred to in paragraph no. 4 to 6 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in all material respects in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in accordance with requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Emphasis of matter:**

9. We draw attention to the Note No 6 of the Statement which states that during the quarter ended September 30, 2019, Uttar Pradesh Electricity Regulatory Commission ('UPREC') has notified UPREC (Captive and Renewable Energy Generation Plants) Regulations, 2019 ('CRE Regulation 2019') which has, inter alia, reduced the tariff applicable to bagasse based generation plants in the state of Uttar Pradesh w. e. f. April 1, 2019. During the current quarter, Simbhaoli Power Private. Limited, the subsidiary company (SPPL) along with bagasse based co-generation operating in the state, have filed a writ petition with High Court challenging CRE Regulations 2019 which have been accepted by the Court. Based on writ petition filed and legal opinion obtained, 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. W.e.f. October 01, 2019, the SPPL has accounted for the sale of power to Uttar Pradesh Power Corporation Limited ('UPPCL'), The customer, at reduced tariff rate under protest and subject to outcome of Hon'ble High Court Decision on the petition. Management's computation, as reviewed by the statutory auditors of SPPL, shows that revenue from operations for the quarter and nine months ended December 31, 2019 would have been lower by Rs. 16 Lakhs and Rs. 797 Lakhs, respectively, if accounted for at or basis reduced tariff as per CRE Regulations 2019. These conditions as discussed in detail in Note No 6 indicate the existence





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C H A R T E R E D A C C O U N T A N T S

14, Ratan Mahal, 15/197, Civil Lines, Kanpur - 208 001  
Tel.: +91512-2303234, 2303235 • Fax +91512-3012748 • E-mail : mgco@mgcoca.com

of material uncertainty in relation to tariff under CRE Regulations 2019 and its consequential impact on the financial statements, if any.

Our conclusion is not modified in respect of above matter.

10. The statement includes the results of the following subsidiary Companies:- (i) Integrated Casetech Consultants Private Limited (ii) Simbhaoli Specialty Sugars Private Limited (iii) Simbhaoli Power Pvt. Ltd.

11. We did not review the interim financial statement of one subsidiary, included in the consolidated unaudited financial results, whose interim financial results reflects total assets of Rs. 34,495 lakhs as at December 31, 2019, and total revenue of Rs. 1612 lakhs and Rs. 4,199 lakhs for the quarter and nine months ended December 31, 2019 respectively, total net loss after tax of Rs 149 Lakhs and Rs. 1,007 Lakhs for the quarter and nine months ended December 31, 2019 respectively and total comprehensive loss of Rs. 149 lakhs and Rs. 1,007 lakhs for the quarter and nine months ended December 31, 2019 respectively as considered in the Statement. These interim financial statement has been reviewed by other auditors whose report has been furnished to us by the Management and our conclusion on the Statement, in so far it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of the other auditor and the procedure performed by us as stated in paragraph 3 above.

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

12. The consolidated financial unaudited financial results include the interim financial results of one subsidiary, which have not been reviewed by their auditors, whose interim. financial results reflect total assets of Rs. 141 lakhs as at December 31, 2019, and total revenue of Rs. 2 lakhs and Rs. 5 lakhs for the quarter and nine months ended December 31, 2019 respectively, total net profit after tax of Rs. 1 lakh and Rs. 2 lakhs for the quarter and nine months ended December 31, 2019 respectively and total comprehensive income of Rs. 1 lakh and Rs. 2 lakhs for the quarter and nine months ended December 31, 2019 respectively as considered in the Statement. According to the information and explanation given by the management, these interim financial results are not material to the Group.



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Our conclusion on the Statement is not modified in respect of our reliance on the interim financial results certified by the management.

**For MITTAL GUPTA & CO.**

**Chartered Accountants**

FRN : 01874C

*B. L. Gupta*

(B. L. Gupta)



Partner

Membership No.:073794

Place: Noida

Dated: 13.02.2020

UDIN: 20073794 AAAAG 6802



# SIMBHAOLI SUGARS

**Simbhaoli Sugars Limited**

CIN-L 15122UP2011PLC044210

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

Corporate Office :

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

Tel. : +91-120-480 6666

Fax : +91-120-2427166

E-mail : info@simbhaolisugars.com

www.simbhaolisugars.com

GSTIN: 09AAPCS7569A1ZV

Ref: SSL/SEBI/2020

February 11, 2020

**Bombay Stock Exchange Limited**

**PhirozeJeejeebhoy Towers**

**Dalal Street, Fort**

**Mumbai**

**Fax No. 022-22723121/2037/2041**

**The National Stock Exchange of India Limited**

**Exchange Plaza, Bandra -Kurla Complex,**

**Mumbai- 400051**

**Fax No. 022-26598237/38**

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

**Sub: Disclosure regarding deviation or Variation for proceeds of public issue, rights issue, preferential issue, Qualified Institutions Placement (QIP) etc.**

Dear Sir/Ma'am,

With reference to SEBI Circular CIR/CFD/CMD1/162/209 dated December 24, 2019 regarding the provisions as per Regulations 32(1), 32(2) and 32(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') for disclosure on deviation or variation for proceeds of public issue, rights issue, preferential issue, Qualified Institutions Placement (QIP) etc, we hereby submit the details required as per the above-mentioned circular as Annexure-A.

We hope that the above information will suffice the requirements of your good office.

Thanking You,

Yours faithfully,

**For Simbhaoli Sugars Limited**

  
**Kamal Samtani**

**(Company Secretary)**

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

Specialty Sugars

Potable Alcohol

Ethanol

Power

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

## ANNEXURE-A

## Statement Of Deviation / Variation In Utilisation Of Funds Raised

Name of listed entity	SIMBHAOLI SUGARS LIMITED
Mode of Fund Raising	PREFERENTIAL ISSUES
Date of Raising Funds	DECEMBER 22, 2017
Amount Raised / to be raised / Issue Size	RS. 16,05,00,000/-*
Report filed for Quarter ended	DECEMBER 31, 2017
Monitoring Agency	NOT APPLICABLE
Monitoring Agency Name, if applicable	NOT APPLICABLE
Is there a Deviation / Variation in use of funds raised	NO
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	NOT APPLICABLE
If Yes, Date of shareholder Approval	NOT APPLICABLE
Explanation for the Deviation / Variation	NOT APPLICABLE
Comments of the Audit Committee after review	NOT APPLICABLE
Comments of the auditors, if any	NOT APPLICABLE
Objects for which funds have been raised and where there has been a deviation, in the following table	NOT APPLICABLE

*\*Subscription of 50,00,000 share warrants by the promoter directors under the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 on preferential basis with rights attached thereto entitling the holder of the warrants to apply for and subscribe against payment in cash to one fully paid-up equity share of face value of Rs. 10/- each in the share capital of the Company for every warrant held, within a period of 18 months from the date of allotment at a price of Rs 32.10 (including premium of Rs. 22.10) per equity share for an aggregate amount not exceeding Rs. 16,05,00,000/-, at the option of such warrant holder.*

*The issue proceeds received have been utilized for the objects as per the Explanatory Statement under which the Resolution was passed at the 6<sup>th</sup> Annual General Meeting of the members of the Company.*

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/Variation for the quarter according to applicable object	Remarks if any

For Simbhaoli Sugars Limited

  
Kamal Samtani  
Company Secretary  
F-5140