



SS/FQ002/7.4/R0

# SIMBHAOLI SUGARS

**Simbhaoli Sugars Limited**

CIN-L15122UP2011PLC044210

**Regd. Office :**

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

Tel : (05731) 223117, 223118, 223023

Fax: (05731) 223039, 223262

E-mail : info@simbhaolisugars.com

www.simbhaolisugars.com

Ref: SSL: Stock Exchange/ 2022

August 10, 2022

**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: Unaudited Financial Results approved in Board meeting held on August 10, 2022**

Dear Sir,

In the meeting of the Board of Directors of Simbhaoli Sugars Limited, held today, Wednesday, August 10, 2022, which commenced at 1:30 PM and concluded at 4:45 PM, the decisions were taken as follows:


1. The Board has considered and approved the unaudited financial results for the quarter and three months' ended on June 30, 2022. The copies of the financial results along-with the Limited Review report of the auditors are enclosed herewith.
2. The Board has authorized Chairperson and Company Secretary of the Company to finalize the date for convening of 11<sup>th</sup> Annual General Meeting of the members of the Company and complete the necessary formalities in this regards.

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

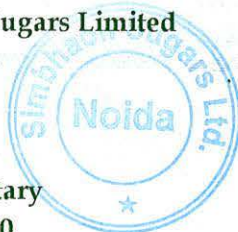
Thanking you

Yours faithfully,

**For Simbhaoli Sugars Limited**

  
**Kamal Samtani**  
**Company Secretary**

**M No. - FCS 5140**



**Specialty Sugars**

**Potable Alcohol**

**Ethanol**

**Power**

**(AN ISO 9001 ; 14001 & FSSC 22000 CERTIFIED COMPANY)**

**Noida Office : A-112, Sector 63, Noida - 201301 (U.P.)**

**Tel. : 0120-2427155 Fax : 0120-2427166**

**GST No. : 09AAPCS7569A1ZV | PAN No. AAPCS7569A**

**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 ENDED**

**JUNE 30, 2022**

(Rs. Lacs)



Sl. No.	Particulars	Quarter ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Unaudited	Audited #	Unaudited	Audited
<b>1</b>	<b>Income</b>				
	(a) Revenue from operations	33,574.19	39,441.86	38,281.60	137,112.01
	(b) Other income	430.97	1,499.60	440.96	2,753.17
	<b>Total Income</b>	<b>34,005.16</b>	<b>40,941.46</b>	<b>38,722.56</b>	<b>139,865.18</b>
<b>2</b>	<b>Expenses</b>				
	(a) Cost of materials consumed	11,756.05	44,110.12	7,659.30	81,677.44
	(b) Purchase of stock-in-trade	1,988.96	1,590.66	2,053.51	6,835.37
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	11,882.18	(20,947.22)	16,490.97	170.70
	(d) Excise duty	3,617.62	5,260.50	6,753.54	23,633.84
	(e) Employee benefits expense	1,437.05	1,588.09	1,379.82	5,947.96
	(f) Finance costs	640.87	790.48	731.73	2,878.69
	(g) Depreciation and amortisation expense	791.33	803.14	826.27	3,228.51
	(h) Power & fuel	854.70	1,121.69	728.53	3,047.47
	(i) Other expenses	2,688.19	4,565.08	2,558.59	13,367.64
	<b>Total expenses</b>	<b>35,656.95</b>	<b>38,882.54</b>	<b>39,182.26</b>	<b>140,787.62</b>
<b>3</b>	<b>Profit/ (loss) before exceptional items and tax (1-2)</b>	<b>(1,651.79)</b>	<b>2,058.92</b>	<b>(459.70)</b>	<b>(922.44)</b>
<b>4</b>	Exceptional items	-	-	-	-
<b>5</b>	<b>Profit/ (loss) before Tax (3-4)</b>	<b>(1,651.79)</b>	<b>2,058.92</b>	<b>(459.70)</b>	<b>(922.44)</b>
<b>6</b>	<b>Tax expense :</b>				
	- Current tax	-	-	-	-
	- Deferred tax	-	97.25	-	97.25
	- Income Tax Adjustment	-	97.25	-	97.25
	<b>Total tax expenses</b>		<b>194.50</b>		<b>194.50</b>
<b>7</b>	<b>Net Profit/(loss) from ordinary activities after tax (5-6)</b>	<b>(1,651.79)</b>	<b>1,961.67</b>	<b>(459.70)</b>	<b>(1,019.69)</b>
<b>8</b>	<b>Other Comprehensive Income (net of tax)</b>		<b>84.05</b>		<b>84.05</b>
	A) I. Items that will not be reclassified to profit & loss	-	84.05	-	84.05
	II. Income Tax relating to Items that will not be reclassified to profit	-	-	-	-
	B) I. Items that will be reclassified to profit & loss	-	-	-	-
	II. Income Tax relating to Items that will be reclassified to profit or	-	-	-	-
<b>9</b>	<b>Total Comprehensive Income (net of tax) (7+8)</b>	<b>(1,651.79)</b>	<b>2,045.72</b>	<b>(459.70)</b>	<b>(935.64)</b>
<b>10</b>	Paid up equity share capital (face value Rs. 10/- each)	4,127.90	4,127.90	4,127.90	4,127.90
<b>11</b>	Other Equity				(6,684.34)
<b>12</b>	<b>Basic and Diluted Earning Per Share (Rs.) (not annualized)</b>				
	- EPS before exceptional item	(4.00)	4.75	(1.11)	(2.47)
	- EPS after exceptional item	(4.00)	4.75	(1.11)	(2.47)

# 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 ENDED JUNE 30, 2022**

**(Rs. Lacs)**

Particulars	Quarter ended			Year ended
	June 30,2022	March 31,2022	June 30,2021	March 31,2022
	Unaudited	Audited #	Unaudited	Audited
<b>(A). Segment Revenue</b>				
(a) Sugar	27,133.06	32,299.77	27,343.52	97,022.75
(b) Distillery	10,188.80	12,436.85	12,966.79	50,268.25
<b>Total</b>	<b>37,321.86</b>	<b>44,736.62</b>	<b>40,310.31</b>	<b>147,291.00</b>
Less: Inter Segment Revenue	3,747.67	5,294.76	2,028.71	10,178.99
<b>Net sales/income from operations</b>	<b>33,574.19</b>	<b>39,441.86</b>	<b>38,281.60</b>	<b>137,112.01</b>
<b>(B). Segment Results</b>				
Profit/ (loss) before finance costs, unallocated expenditure, exceptional items and tax from each segment				
(a) Sugar	(800.27)	3,390.93	(77.97)	2,830.50
(b) Distillery	(327.34)	(390.91)	250.70	(1,033.21)
<b>Total</b>	<b>(1,127.61)</b>	<b>3,000.02</b>	<b>172.73</b>	<b>1,797.29</b>
<b>Less:</b>				
(a) Finance cost	640.87	790.48	731.73	2,878.69
(b) Other un-allocated expenses/ (income) (net)	(116.69)	150.62	(99.30)	(158.96)
<b>Total Profit/ (loss) before tax</b>	<b>(1,651.79)</b>	<b>2,058.92</b>	<b>(459.70)</b>	<b>(922.44)</b>
<b>(C). Segment Assets</b>				
(a) Sugar	124,558.69	138,187.04	126,861.89	138,187.04
(b) Distillery	41,237.88	41,136.07	44,268.42	41,136.07
(c) Unallocated	17,576.35	17,328.96	17,466.75	17,328.96
<b>Total</b>	<b>183,372.92</b>	<b>196,652.07</b>	<b>188,597.06</b>	<b>196,652.07</b>
<b>(D). Segment Liabilities</b>				
(a) Sugar	60,425.34	72,367.52	61,085.81	72,367.52
(b) Distillery	2,453.40	2,746.66	2,804.53	2,746.66
(c) Unallocated	22,903.68	22,303.00	23,881.23	22,303.00
(d) Borrowings	101,791.33	101,791.33	102,922.76	101,791.33
<b>Total</b>	<b>187,573.75</b>	<b>199,208.51</b>	<b>190,694.33</b>	<b>199,208.51</b>

# Refer note no.8



### Notes to Standalone Results:

1. For the quarter ended June 30, 2022 and in earlier years, due to higher sugarcane costs (SAP) fixed by State government and comparatively lower sales realization of finished sugar, adverse demand & supply scenario, national - international market dynamics and other external factors, the Company had continuously incurred huge cash losses resulting in complete erosion of its net worth, rendering the Company unable to meet payment obligations to its lenders as well as to the sugarcane farmers in terms of their respective agreements and understanding. All the units of the Company are operational and continue to operate at sub-optimum levels on year on year basis while consistent efforts have been made for improvement in operational efficiency viz. improvement in sugar recovery, reduction in overheads and reduction in other operational and administrative costs etc, but lack of required working capital and capex required for augmentation of distillery units/sugar plants is still adversely impacting the operations. During the quarter ended June 2022, the Company has completed crushing for Sugar season 2021-22 in all of its three sugar mills. However, availability of required sugarcane for optimal utilization of production capacities is still a challenge on account of aforesaid reasons.
2. Recognizing the status of the sugar industry, the state and central governments have taken a number of measures in past to improve the financial health, support for liquidation of cane arrears by announcing grant of soft loan, fixing minimum obligation for export of sugar to liquidate the sugar inventory in the country and providing subsidy to offset/compensate export expenses, fixing minimum support price of sugar, and Ethanol blending program with petrol coupled with long term tendering and fixing remunerative selling price of ethanol etc. All these measures specifically ethanol blending programme, have resulted in revival of the sugar industry, but the Company is continuing to suffer on account of non-availability of sufficient sugar cane, commensurate to its capacities on account of delayed payment of sugar cane prices, due to adverse liquidity position, which resulted in the diversion of sugar cane in the command areas to the other adjoining sugar mills and Company could not avail the benefits of soft loan, since its accounts with its lenders are having NPA status. To curb the inflation in the country, recently government had put a ban on export of sugar resulting in reduced cash flow available with the Company.
3. Due to default in repayment of credit facilities, 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 Section 7 of the Insolvency and Bankruptcy Code, 2016 in addition to approaching Debt Recovery Tribunals in Delhi and Uttar Pradesh as well. One of the lenders had declared the Company and Guarantors to the credit facility, as Willful Defaulters, such impugned order has been *Set Aside* by Hon'ble Punjab and Haryana High court at Chandigarh, while another lender had started the proceedings to examine the Willful Default and a personal hearing was also granted, basis Company's representations decision is kept in Abeyance. One of the lenders had initiated recovery proceedings under section 138 of the Negotiable Instrument Act, wherein non-bailable warrants were issued against the erstwhile directors and officials of the Company, which is being contested at the appropriate forum. Against a criminal complaint filed by one of the lenders, the Enforcement Directorate had passed an Attachment Order on certain assets of the Company to the extent of 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. Commercial lenders have shown their inclination to accept the debt resolution proposal and accepted the Earnest Money offered thereof, while Debt realignment proposal was submitted to other lenders against which SSL had initiated the repayments, pending approval of respective lenders. Revised and improved debt resolution proposal given to commercial lenders on bilateral basis is under consideration while application filed with Hon'ble NCLT Bench, Allahabad is being heard.



Considering the steps initiated for achieving turnaround of the Company and sugar sector, 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. Accordingly, property, plant and equipment's are continued to be stated at carrying amount without testing for impairment, if any.

4. 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 including infusion of funds by strategic investor, promoters and internal accruals, which contemplates the total waiver of interest. Commercial lenders have accepted the Earnest Money Deposit (EMD) offered in consonance with the Debt Resolution Proposal. Accordingly, the Interest expenses on credit facilities pertaining to commercial lenders, for the quarter ended June 30, 2022, amounting to Rs. 4,663.48 lacs (previous quarter ended June 30, 2021 amounting to Rs. 4,136.11 lacs) has not been recognized in profit and loss account. An accumulated amount of Rs. 74,592.96 lacs towards accrued interest has not been provided for in the books of accounts as on June 30, 2022.
5. The Hon'ble High Court of Uttar Pradesh had directed the state government to determine the interest liability for the period of delayed payments of sugarcane price to cane growers for the sugar seasons 2012-13 to 2014-15 by the UP sugar industry. The Company has received a notice for payment of interest on delayed payment of cane price for sugar season 2012-13, and the Company had made a representation against the aforesaid demand notice with the Cane Commissioner based on past practice of waiver/non-levying of any interest on account of delayed payment of cane price. Considering the above, no provision towards the interest on delayed payment of cane price for the aforesaid and subsequent sugar seasons has been made in the accounts. No demand notices have been raised on the Company, except for sugar season 2012-13. The amount of interest on account of delayed payment of cane price not provided for in the accounts, could also not be quantified.
6. 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 of expenses/(income) amounting to (Rs. 56.53 lacs) for the quarter ended June 30, 2022 (previous quarter June 30, 2021 amounting to Rs. 0.83 lacs) being the difference in the value of bagasse sold and certain other claims made by SPPL. Total difference as on June 30, 2022 with SPPL is amounting to Rs. 1,490.63 lacs.
7. The Board of Directors of the Company has proposed the re-appointment of Ms. Gursimran Kaur Mann, as Managing Director of the Company w.e.f. August 02, 2021 and Mr. Sachchida Nand Misra as Chief Operating Officer and Whole Time Director w.e.f. September 18, 2021 for a period of 2 years. The Company has also approached the lenders for acceding consent for payment of the remuneration to MD and COO & WTD. The Special Resolutions were passed at the 10th Annual General Meeting (AGM) held on September 27, 2021. Lenders with majority share in outstanding debt have already provided their consent to pay the remuneration to above named persons. The Company is actively pursuing with other lenders for obtaining their consent, having belief that consent will be received in due course, and has proceeded with the payment of remuneration, as stipulated by the majority of lenders led by the State Bank of India, payable from the date of reappointment till June 30, 2022 amounting to Rs.125.25 Lacs.
8. The figures for the quarter ending March 31, 2022 are the balancing figures between the audited figures in respect full Financial year and the published unaudited year to date figures up to the third quarter of the financial year.
9. Sugar, one of the major business of the Company, is a part of seasonal industry. The results may vary from quarter to quarter.

10. The previous period 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 respective meetings held on August 10, 2022.

Certified True Copy

For SIMBHAOLI SUGARS LIMITED  
GURSIMRAN Digitally signed by  
KAUR MANN GURSIMRAN KAUR  
MANN  
Gursimran Kaur Mann  
Managing Director

Place: Simbhaoli, Hapur  
Date: August,10,2022  
Company Website: [www.simbhaolisugars.com](http://www.simbhaolisugars.com)





# Mittal Gupta & Co.

Chartered Accountants

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

Tel: 0512-2303234, 2303235, 4009111 E-mail: [mgco@mgcoca.in](mailto:mgco@mgcoca.in)

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**Independent Auditor's Review Report on standalone unaudited quarterly financial results of Simbhaoli Sugars Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

**To**

**The Board of Directors of**

**Simbhaoli Sugars Limited**

1. We have reviewed the unaudited standalone financial results of Simbhaoli Sugars Limited ("the Company") for the quarter ended June 30, 2022 which is included in the accompanying statement of standalone unaudited financial results for the quarter ended June 30, 2022 ("the Statement"). 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 to date, which has been initialed by us for identification purposes.
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. Our responsibility is to issue a report on the Statement based on our review.
3. We have 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 an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



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Chartered Accountants

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## **Basis of Modified Conclusion**

4. We draw attention to Note No. 3 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. 4 of the Statements regarding non-provision of interest expense aggregating to Rs. 74,592.96 lakhs, including Rs. 4,663.48 Lakhs for the quarter ended June 30, 2022 on certain borrowings for the reasons stated in the said note. Consequently, loss for the quarter ended June 30, 2022 and accumulated losses up to date has been understated by the aforesaid amount.
6. We draw attention to Note No.5 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.
7. We draw attention to Note No. 6 of the Statement regarding non provision of difference in the value of bagasse sold to and certain claims made by Simbhaoli Power Private Limited, a subsidiary company amounting to Rs. 1,490.63 Lakhs including expenses/(income) amounting to (Rs 56.53 Lakhs) for quarter ended June 30, 2022, for the reasons stated in the said note. Consequently, loss for the quarter ended June 30, 2022 has been overstated and accumulated losses up to date has been understated by the aforesaid amount.
8. As stated in Note No. 7 of the Statement, the company has paid/ provided remuneration to directors amounting to Rs. 125.25 lakhs during the quarter in accordance with the special resolutions passed in the Annual General Meeting, after obtaining consent from lenders having majority outstanding and not from all the lenders, which is not in compliance with the provisions of sections 197 of the Companies Act, 2013.





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9. The company had invested substantial funds in Simbhaoli Power Private Limited (SPPL), a subsidiary company, which had been incurring losses since 2019-20. The auditors of SPPL, in its latest audit report for the year ended March 31, 2021, reported for the existence of material uncertainty that might cast significant doubts about SPPL's ability to continue as a going concern and also reported for existence of conditions for the impairment in the value of property, plant and equipment, which the management of SPPL had not determined. As at June 30, 2022 the carrying amount of investments in SPPL in the books of the company aggregates to Rs. 5,493.59 Lakhs and the carrying amounts of receivables and other dues aggregates to Rs. 7,247.25 Lakhs. The management of the company has not carried out a detailed exercise to determine impairment in the carrying amount of investments in and other recoverable from SPPL and had made a provision of Rs. 125.00 Lakhs as credit loss allowance against the various dues. Due to non availability of information with regard to appropriate impairment assessment carried out by the management of the company and financial and other information from the management of SPPL, we are unable to draw conclusion on the recoverability of the carrying amount of investments in and money recoverable from SPPL, including compliance with Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.

Our conclusion is modified in respect of the above matters.

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

10. As stated in Note No. 3, Statement has been prepared on going concern basis. Events or conditions as set forth in Note No. 3 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.

11. Based on our review conducted as above, and except for the matters referred to in paragraph 4 to 9 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



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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.

**For MITTAL GUPTA & CO.**

Chartered Accountants

**Certified True Copy**

FRN : 01874C

BIHARI LAL  
GUPTA

Digitally signed by  
BIHARI LAL GUPTA  
Date: 2022.08.10  
16:45:29 +05'30'

(B. L. Gupta)

Partner

Membership No. :073794

Place of Signature: Kanpur

Date: 10.08.2022

UDIN: 22073794AOTCUX1435



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 ENDED

JUNE 30, 2022

(Rs. Lacs)

Sl. No.	Particulars	Quarter ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Unaudited	Audited #	Unaudited	Audited
1	<b>Income</b>				
	(a) Revenue from operations	33,890.33	40,376.55	38,281.60	138,530.07
	(b) Other income	443.34	1,510.32	446.95	2,782.58
	<b>Total Income</b>	<b>34,333.67</b>	<b>41,886.87</b>	<b>38,728.55</b>	<b>141,312.65</b>
2	<b>Expenses</b>				
	(a) Cost of materials consumed	11,756.05	44,110.12	7,659.30	81,677.44
	(b) Purchase of stock-in-trade	1,988.96	1,632.87	2,053.51	6,877.58
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	11,882.18	(20,947.22)	16,490.97	170.70
	(d) Excise duty	3,617.62	5,260.50	6,753.54	23,633.84
	(e) Employee benefits expense	1,718.10	2,196.14	1,435.32	6,948.71
	(f) Finance costs	640.87	793.29	731.73	2,883.52
	(g) Depreciation and amortisation expense	792.02	803.87	826.94	3,231.28
	(h) Power and Fuel	854.88	1,121.21	728.53	3,047.56
	(i) Other expenses	2,719.21	4,850.63	2,518.63	13,724.18
	<b>Total expenses</b>	<b>35,969.89</b>	<b>39,821.41</b>	<b>39,198.47</b>	<b>142,194.81</b>
3	<b>Profit/ (loss) before exceptional items and tax (1-2)</b>	<b>(1,636.22)</b>	<b>2,065.46</b>	<b>(469.92)</b>	<b>(882.16)</b>
4	Exceptional items		1,239.95	-	1,239.95
5	<b>Profit/ (loss) before Tax (3-4)</b>	<b>(1,636.22)</b>	<b>825.51</b>	<b>(469.92)</b>	<b>(2,122.11)</b>
6	<b>Tax expense :</b>				
	- Current tax	1.26	0.18	-	2.66
	- Deferred tax	0.85	(2.20)	(4.05)	(0.55)
	- Income Tax Adjustment	-	120.01	-	120.01
	<b>Total tax expenses</b>	<b>2.11</b>	<b>117.99</b>	<b>(4.05)</b>	<b>122.12</b>
7	<b>Net Profit/(loss) from ordinary activities after tax (5-6)</b>	<b>(1,638.33)</b>	<b>707.52</b>	<b>(465.87)</b>	<b>(2,244.23)</b>
8	<b>Other Comprehensive Income (net of tax)</b>		<b>92.51</b>		<b>92.51</b>
	A) I. Items that will not be reclassified to profit & loss	-	95.47	-	95.47
	II. Income Tax relating to Items that will not be reclassified to profit or loss	-	(2.96)	-	(2.96)
	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>(1,638.33)</b>	<b>800.03</b>	<b>(465.87)</b>	<b>(2,151.72)</b>
	<b>Profit/Loss for the year attributable to :</b>				
	I. Owners of the parent	(1,639.22)	710.48	(464.06)	(2,243.04)
	II. Non-Controlling Interest	0.89	(2.96)	(1.81)	(1.19)
	<b>Other Comprehensive Income attributable to:</b>				
	I. Owners of the parent	-	91.25	-	91.25
	II. Non-Controlling Interest	-	1.26	-	1.26
	<b>Total Comprehensive Income attributable to:</b>				
	I. Owners of the parent	<b>(1,639.22)</b>	<b>801.73</b>	<b>(464.06)</b>	<b>(2,151.79)</b>
	II. Non-Controlling Interest	<b>0.89</b>	<b>(1.70)</b>	<b>(1.81)</b>	<b>0.07</b>
10	Paid up equity share capital (face value Rs. 10/- each)	4,127.90	4,127.90	4,127.90	4,127.90
11	Other Equity	-	-	-	(11,053.15)
12	Basic and Diluted Earning Per Share (Rs.) (not annualized)				
	- EPS before exceptional item	(3.97)	4.72	(1.13)	(2.43)
	- EPS after exceptional item	(3.97)	1.71	(1.13)	(5.44)

# Refer note no. 10



**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES**  
**UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS,**  
**2015.**  
**FOR THE QUARTER ENDED JUNE 30, 2022**

(Rs.Lacs)

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited #	Unaudited	Audited
<b>(A). Segment Revenue</b>				
(a) Sugar	27,133.06	32,299.77	27,343.52	97,022.75
(b) Distillery	10,188.80	12,436.85	12,966.79	50,268.24
(c) Power	-	-	-	-
(d) Others	365.90	995.67	44.40	1,617.03
<b>Total</b>	<b>37,687.76</b>	<b>45,732.29</b>	<b>40,354.71</b>	<b>148,908.02</b>
Less: Inter Segment Revenue	3,797.43	5,355.74	2,073.11	10,377.95
<b>Net sales/income from operations</b>	<b>33,890.33</b>	<b>40,376.55</b>	<b>38,281.60</b>	<b>138,530.07</b>
<b>(B). Segment Results</b>				
Profit/ (loss) before finance costs, unallocated expenditure, exceptional items and tax from each segment				
(a) Sugar	(800.27)	3,390.93	(77.97)	2,830.50
(b) Distillery	(327.34)	(390.91)	250.70	(1,033.21)
(c) Power	-	-	-	-
(d) Others	6.76	(4.42)	(16.89)	9.52
<b>Total</b>	<b>(1,120.85)</b>	<b>2,995.60</b>	<b>155.84</b>	<b>1,806.81</b>
<b>Less:</b>				
(a) Finance cost	640.87	793.29	731.73	2,883.52
(b) Other un-allocated expenses/ (income) (net)	(125.50)	136.85	(105.97)	(194.55)
(c) Exceptional item	-	1,239.95	-	1,239.95
<b>Total Profit/ (loss) before tax</b>	<b>(1,636.22)</b>	<b>825.51</b>	<b>(469.92)</b>	<b>(2,122.11)</b>
<b>(C). Segment Assets</b>				
(a) Sugar	118,749.97	132,425.57	121,964.50	132,425.57
(b) Distillery	41,237.88	41,136.07	44,268.42	41,136.07
(c) Power	33,085.12	33,085.12	35,047.68	33,085.12
(d) Others	2,204.06	2,131.22	1,182.90	2,131.22
(e) Unallocated	6,383.09	6,134.03	7,618.20	6,134.03
<b>Total</b>	<b>201,660.12</b>	<b>214,912.01</b>	<b>210,081.70</b>	<b>214,912.01</b>
<b>(D). Segment Liabilities</b>				
(a) Sugar	60,425.34	72,367.52	60,199.51	72,367.52
(b) Distillery	2,453.40	2,746.66	2,804.53	2,746.66
(c) Power	2,069.92	2,069.92	1,979.68	2,069.92
(d) Others	1,891.45	1,836.69	1,070.59	1,836.69
(e) Unallocated	26,572.88	26,013.16	27,098.68	26,013.16
(f) Borrowings	105,766.06	105,766.06	109,020.57	105,766.06
<b>Total</b>	<b>199,179.05</b>	<b>210,800.01</b>	<b>202,173.56</b>	<b>210,800.01</b>

# Refer note no. 10



### Notes to Consolidated Results:

1. For the quarter ended June 30, 2022 and in earlier years, due to higher sugarcane costs (SAP) fixed by the state government, and comparatively lower sales realization of finished sugar, adverse demand & supply scenario, national - international market dynamics and other external factors, the Company had continuously incurred huge cash losses resulting in complete erosion of its net worth, rendering Company unable to meet payment obligations to its lenders as well as to the sugarcane farmers in terms of their respective agreements and understanding. All the units of the Company are operational and continue to operate at sub-optimum levels on year on year basis while consistent efforts has been made for improvement in operational efficiency viz. improvement in sugar recovery, reduction in overheads and reduction in other operational and administrative costs etc, but lack of required working capital and capex required for augmentation of distillery units/ sugar plants is still adversely impacting the operations. During the quarter ended June 2022, the Company has completed crushing for Sugar season 2021-22 in all of its three sugar mills however, availability of required sugarcane for optimal utilization of production capacities is still a challenge on account of aforesaid reasons.

Recognizing the status of the sugar industry, the state and central governments have taken a number of measures in past to improve the financial health, support for liquidation of cane arrear by announcing grant of soft loan, fixing minimum obligation for exports of sugar to liquidate the sugar inventory in the country and providing subsidy to offset/ compensate export expenses, fixing minimum support price of sugar, and ethanol blending programme with petrol coupled with long term tendering and fixing remunerative selling price of ethanol etc. All these measures specifically ethanol blending programme, have resulted in revival of the sugar industry but the Company is continuing to suffer on account of non-availability of sufficient sugar cane, commensurate to its capacities, in two of its sugar mills on account of delayed payment of sugar cane prices, due to adverse liquidity position, which resulted in the diversion of sugar cane in the command areas to the other adjoining sugar mills and Company could not avail the benefits of soft loan, since its accounts with its lenders are having NPA status. To curb the inflation in the country, recently government had put a ban on export of sugar resulting in reduced cash flow available with the Company.

2. Due to default in repayment of credit facilities, 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 Section 7 of the Insolvency and Bankruptcy Code, 2016 in addition to approaching Debt Recovery Tribunals in Delhi and Uttar Pradesh as well. One of the lenders had declared the Company and Guarantors to the credit facility, as Willful Defaulters, such impugned order has been *Set Aside* by Hon'ble Punjab and Haryana High court at Chandigarh, while another lender had started the proceedings to examine the Willful Default and a personal hearing was also granted, basis Company's representations decision is kept in Abeyance. One of the lenders had initiated recovery proceedings under section 138 Negotiable Instrument Act wherein non-bailable warrants were issued against the erstwhile directors and officials of the Company which is being contested at the appropriate forum. Against a criminal complaint filed by one of the lenders, the Enforcement Directorate had passed an Attachment Order on certain assets of the Company to the extent of 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. Commercial lenders have shown their inclination to accept the debt resolution proposal and accepted the Earnest Money offered thereof, while Debt realignment proposal was submitted to other lenders against which SSL had initiated the repayments, pending approval of respective lenders. Revised and improved debt resolution proposal given to commercial lenders on bilateral basis is under consideration while application filed with the Hon'ble NCLT Bench, Allahabad is being heard.

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

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 including infusion of funds by strategic investor, promoters and internal accruals which contemplates the total waiver of interest. Commercial lenders have accepted the Earnest Money Deposit (EMD) offered in consonance with the Debt Resolution Proposal. Accordingly, the Interest expenses on credit facilities pertaining to commercial lenders, for the quarter June 30, 2022 amounting to Rs. 4,663.48 lac (previous quarter ended June 30, 2021 amounting to Rs. 4,136.11 lacs) has not been recognized in profit and loss account. An accumulated amount of Rs. 74,592.96 lacs towards accrued interest has not been provided for in the books of accounts as on June 30, 2022.
4. The Hon'ble High Court of Uttar Pradesh had directed the state government to determine the interest liability for the period of delayed payments of sugarcane price to cane growers for the sugar seasons 2012-13 to 2014-15 by the UP sugar industry. The Company has received a notice for payment of interest on delayed payment of cane price for sugar season 2012-13, and Company had made a representation against the aforesaid demand notice with the Cane Commissioner based on past practice of waiver/non-levying of any interest on account of delayed payment of cane price. Considering the above, no provision towards the interest on delayed payment of cane price for the aforesaid and subsequent sugar seasons has been made in the accounts. No demand notices have been raised on the Company, except for sugar season 2012-13. The amount of interest on account of delayed payment of cane price not provided for in the accounts, could also not be quantified.
5. Integrated Cashtech Consultants Private Limited ('ICCPL'), a subsidiary company had recognized revenue of Rs. 462.57 lacs in the financial year 2020-21 as unbilled revenue in respect of certain customers in accordance with the terms of agreements entered into between ICCPL and its customers as the customers had not accepted the claims of ICCPL, on account of certain disputes. ICCPL moved to arbitration for the settlement of disputes and expects that the matter will be settled in its favour. Accordingly, unbilled revenue had been carried on at the same amount and the final adjustments, if any, will be made after the settlement with the parties. The statutory auditors have given qualified opinion on the reviewed financial statements of ICCPL for the quarter ended June 30, 2022, on non-provision of credit loss and of probable estimated loss arising on the settlement of the aforesaid unbilled revenue.



6. In the audited financial statements of Simbhaoli Power Private Limited ('SPPL') for the year ended March 31, 2021, the statutory auditor of the SPPL has drawn Emphasis of Matter in respect of following "During the year ended March 31, 2021, 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. The statutory auditors have also reported that the above condition indicate the existence of Material certainty in relation to tariff under CRE Regulation 2019, and its consequential impact on the Ind AS financial statements including impairment of PPE, if any.

The statutory auditors have also reported that due to reduction in tariff, the SPPL is incurring losses and considering it and other factors, material uncertainty exists that may cast significant doubt about the SPPL's ability to continue going concern.

7. In the consolidated financial results of the Company for quarter ended 30 June, 2022 and year ended March 31, 2022 including for all the preceding quarters, the financial results of SPPL, a material subsidiary has not been consolidated, as the financial results of SPPL have not been yet finalized and approved till date.

The transactions entered into between the Company and SPPL for quarter ended June 30, 2022, which have not been eliminated in the consolidated financial results, have resulted in increase in the total revenue by Rs. 528.34 lacs and total expenses by Rs. 221.51 lacs. Further, increase in the balances of subsidiary of Rs. 340.41 lacs have been included in the consolidated balance sheet in the respective asset heads.

8. The Board of Directors of the Company has proposed the re-appointment of Ms. Gursimran Kaur Mann, as Managing Director w.e.f. August 02, 2021 and Mr. Sachchida Nand Misra as Chief Operating Officer and Whole Time Director w.e.f. September 18, 2021 for a further period of 2 years. The Company has also approached the lenders for acceding consent for payment of the remuneration to MD and COO & WTD. The Special Resolutions were passed at the 10<sup>th</sup> Annual General Meeting (AGM) held on September 27, 2021. Lenders with majority share in outstanding debt have already provided their consent to pay the remuneration to above named persons. The Company is actively pursuing with other lenders for obtaining their consent, having belief that consent will be received in due course, and has proceeded with the payment of remuneration, as stipulated by the majority of lenders led by State Bank of India, payable from the date of reappointment till June 30, 2022 amounting to Rs. 125.25 lacs.

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)	(Rs. in Lacs)			
	Quarter ended			Year ended
	30.06.2022	31.03.2022	30.06.2021	31.03.2022
Net Sales/Income from operations	29956.57	34181.36	31528.06	1,13478.17
Profit/(Loss) before tax	(1651.79)	2058.92	(459.70)	(922.44)
Profit/ (Loss) after tax	(1651.79)	1961.67	(459.70)	(1019.69)
Other Comprehensive Income	-	84.05	-	84.05
Total Comprehensive Income	(1651.79)	2045.72	(459.70)	(935.64)
EBITDA	(219.59)	3652.54	1098.30	5,184.76

10. The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the financial year.
11. Sugar, one of the major business of the Company, is a part of seasonal industry. The result may Vary from quarter to quarter.
12. The previous periods figures have been regrouped/rearranged wherever necessary.
13. 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 August 10, 2022.

For SIMBHAOLI SUGARS LIMITED

GURSIMRA Digitally signed  
N KAUR by GURSIRAN  
MANN KAUR MANN

Gursimran Kaur Mann  
Managing Director

Certified True Copy

Place: Simbhaoli, Hapur

Date: August 10, 2022

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





# Mittal Gupta & Co.

Chartered Accountants

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

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

**Independent Auditor's Review Report on unaudited consolidated quarterly financial results of the Group Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

**To**

**The Board of Directors of**

**Simbhaoli Sugars Limited**

1. We have reviewed the unaudited consolidated Financial Results of Simbhaoli Sugars Limited ('the Company') and its subsidiaries (hereinafter referred to as 'the Group') for the quarter ended on June 30, 2022, which are included in the accompanying statement of consolidated unaudited Financial Results for the quarter ended on June 30, 2022 ("the Statement"). 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 to date, which has been initialed by us for identification us.
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. Our responsibility is to issue a report on the Statement based on our review.
3. We have 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 an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

**Basis of Adverse Conclusion**

4. As explained in Note No. 7, the Company has not consolidated the financial statements of its material subsidiary viz Simbhaoli Power Private Limited (SPPL) for





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the quarter ended June 30, 2022 and for the year ended March 31, 2022 for the reason stated in 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 been consolidated, many elements in the accompanying financial results would have been materially affected. The effects on the financial results due to the failure to consolidate have not been determined.

5. We draw attention to Note No. 2 of the Statement regarding non provisions for impairment in the carrying value of Property, Plant and Equipment. We are not made available of 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.
6. We draw attention to Note No. 3 of the Statements regarding non-provision of interest expense aggregating to Rs. 74,592.96 lakhs including Rs. 4,663.48 Lakhs for the quarter ended June 30, 2022 on certain borrowings for the reasons stated in the said note. Consequently, loss for the quarter ended June 30, 2022 and accumulated losses up to date has been understated by the aforesaid amount.
7. 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.
8. As stated in Note No. 5 of the statement, Integrated Casetech Consultants Private Limited ('ICCPL') had recognized revenue of Rs. 462.57 Lacs as unbilled revenue in the financial year 2020-21, which had been in disputes with the counter parties and pending final settlement of disputes, the same is continued to be carried on at the same amount without making any provision for credit loss and probable estimated loss on account of disputes. We were not made available of appropriate impairment assessment carried out by the management of ICCPL and hence unable to comment on the above matter, including the compliance of the Ind AS 36 and any consequential adjustments that may arise in this regard in the consolidated financial results.
9. As stated in Note no. 6 of the Statement, no provisions have been made in respect of excess revenue recognized by SPPL amounting to Rs. 683 Lakhs in the FY 2019-20. Consequently, loss of the quarter ended June 30, 2022 and accumulated losses up to





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the date has been understated by the aforesaid amount.

10. As stated in Note No. 8 of the Statement, the company has paid/ provided remuneration to directors amounting to Rs. 125.25 lakhs during the quarter in accordance with the special resolutions passed in the Annual General Meeting, after obtaining consent from lenders having majority outstanding and not from all the lenders, which is not in compliance with the provisions of sections 197 of the Companies Act, 2013.

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

11. As stated in Note No. 2 of the statement, the standalone financial statement of holding company has been prepared on going concern basis. Events or conditions as set forth in Note No. 2 indicate that a material uncertainty exists that may cast significant doubt on the 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.
12. As stated in Note No. 6, of the Statement, the statutory auditors of SPPL in its audit report on the financial statements for the year ended March 31, 2021 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 other factors.

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

13. Based on our review conducted as above, and after considering the matters referred to in Paragraph No. 4 to 12 above, we are of the opinion that the accompanying Statement are not 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 also 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.
14. The statement includes the results of the following Subsidiary Companies:
- A. Integrated Casetech Consultants Private Limited
  - B. Simhaoli Specialty Sugars Private Limited



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15. The consolidated unaudited financial results include the financial results of one subsidiary, whose interim financial results reflect total assets of Rs. 143.99 Lakhs as at June 30, 2022 total revenue of Rs. 2.13 lakhs, net profit after tax and total comprehensive income of Rs. 1.04 Lakhs for the quarter ended June 30, 2022 as considered in the Statement which have been reviewed by its respective independent auditor. The independent auditors' reports on financial results/financial information of the entity have been furnished to us and our opinion on the consolidated unaudited 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 auditor and the procedures performed by us are as stated in paragraph above.

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

**For MITTAL GUPTA & CO.**

**Chartered Accountants**

FRN : 01874C

BIHARI LAL  
GUPTA

Digitally signed by BIHARI  
LAL GUPTA  
Date: 2022.08.10 16:46:19  
+05'30'

(B. L. Gupta)

Partner

Membership No.:073794

Place of Signature: Kanpur

Date: 10.08.2022

UDIN: 22073794AOTBUT4521

Certified True Copy



**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**  
**ENDED JUNE 30, 2022**



Sl. No	Particulars	Quarter ended		Year ended	
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Unaudited	Audited #	Unaudited	Audited
1	Total income from operations (net)	30,272.71	35,116.05	31,528.06	114,896.23
2	Net Profit/ (loss) for the period before Tax and exceptional items	(1,636.22)	2,065.46	(469.92)	(882.16)
3	Net Profit/ (loss) for the period before Tax and after exceptional items	(1,636.22)	825.51	(469.92)	(2,122.11)
4	Net Profit/ (loss) for the period after Tax and exceptional items	(1,638.33)	707.52	(465.87)	(2,244.23)
5	Total Comprehensive Income for the period [comprising net profit/(loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(1,638.33)	800.03	(465.87)	(2,151.72)
6	Paid up equity share capital (face value Rs.10/- each)	4,127.90	4,127.90	4,127.90	4,127.90
7	Other Equity				(11,053.15)
8	- EPS before exceptional item	(3.97)	4.72	(1.13)	(2.43)
	- EPS after exceptional item	(3.97)	1.71	(1.13)	(5.44)

# Refer Note no. 10

Notes :

- The above is an extract of the detailed format of financial results for the quarter June 30, 2022 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 June 30, 2022 are available on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and the Company's website (www.simbhaolisugars.com).
- For the quarter ended June 30, 2022 and in earlier years, due to higher sugarcane costs (SAP) fixed by the state government, and comparatively lower sales realization of finished sugar, adverse demand & supply scenario, national - international market dynamics and other external factors, the Company had continuously incurred huge cash losses resulting in complete erosion of its net worth, rendering Company unable to meet payment obligations to its lenders as well as to the sugarcane farmers in terms of their respective agreements and understanding. All the units of the Company are operational and continue to operate at sub-optimum levels on year on year basis while consistent efforts has been made for improvement in operational efficiency viz. improvement in sugar recovery, reduction in overheads and reduction in other operational and administrative costs etc, but lack of required working capital and capex required for augmentation of distillery units/ sugar plants is still adversely impacting the operations. During the quarter ended June 2022, the Company has completed crushing for Sugar season 2021-22 in all of its three sugar mills however, availability of required sugarcane for optimal utilization of production capacities is still a challenge on account of aforesaid reasons.

Recognizing the status of the sugar industry, the state and central governments have taken a number of measures in past to improve the financial health, support for liquidation of cane arrears by announcing grant of soft loan, fixing minimum obligation for exports of sugar to liquidate the sugar inventory in the country and providing subsidy to offset/compensate export expenses, fixing minimum support price of sugar, and ethanol blending programme with petrol coupled with long term tendering and fixing remunerative selling price of ethanol etc. All these measures specifically ethanol blending programme, have resulted in revival of the sugar industry but the Company is continuing to suffer on account of non-availability of sufficient sugar cane, commensurate to its capacities, in two of its sugar mills on account of delayed payment of sugar cane prices, due to adverse liquidity position, which resulted in the diversion of sugar cane in the command areas to the other adjoining sugar mills and Company could not avail the benefits of soft loan, since its accounts with its lenders are having NPA status. To curb the inflation in the country, recently government had put a ban on export of sugar resulting in reduced cash flow available with the Company.

- Due to default in repayment of credit facilities, 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 Section 7 of the Insolvency and Bankruptcy Code, 2016 in addition to approaching Debt Recovery Tribunals in Delhi and Uttar Pradesh as well. One of the lenders had declared the Company and Guarantors to the credit facility, as Willful Defaulters, such impugned order has been *Set Aside* by Hon'ble Punjab and Haryana High court at Chandigarh, while another lender had started the proceedings to examine the Willful Default and a personal hearing was also granted, basis Company's representations decision is kept in Abeyance. One of the lenders had initiated recovery proceedings under section 138 Negotiable Instrument Act wherein non-bailable warrants were issued against the erstwhile directors and officials of the Company which is being contested at the appropriate forum. Against a criminal complaint filed by one of the lenders, the Enforcement Directorate had passed an Attachment Order on certain assets of the Company to the extent of 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. Commercial lenders have shown their inclination to accept the debt resolution proposal and accepted the Earnest Money offered thereof, while Debt realignment proposal was submitted to other lenders against which SSL had initiated the repayments, pending approval of respective lenders. Revised and improved debt resolution proposal given to commercial lenders on bilateral basis is under consideration while application filed with the Hon'ble NCLT Bench, Allahabad is being heard.

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

- 4 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 including infusion of funds by strategic investor, promoters and internal accruals which contemplates the total waiver of interest. Commercial lenders have accepted the Earnest Money Deposit (EMD) offered in consonance with the Debt Resolution Proposal. Accordingly, the Interest expenses on credit facilities pertaining to commercial lenders, for the quarter June 30, 2022 amounting to Rs. 4,663.48 lac (previous quarter ended June 30, 2021 amounting to Rs. 4,136.11 lacs) has not been recognized in profit and loss account. An accumulated amount of Rs. 74,592.96 lacs towards accrued interest has not been provided for in the books of accounts as on June 30, 2022.
- 5 The Hon'ble High Court of Uttar Pradesh had directed the state government to determine the interest liability for the period of delayed payments of sugarcane price to cane growers for the sugar seasons 2012-13 to 2014-15 by the UP sugar industry. The Company has received a notice for payment of interest on delayed payment of cane price for sugar season 2012-13, and Company had made a representation against the aforesaid demand notice with the Cane Commissioner based on past practice of waiver/non-levying of any interest on account of delayed payment of cane price. Considering the above, no provision towards the interest on delayed payment of cane price for the aforesaid and subsequent sugar seasons has been made in the accounts. No demand notices have been raised on the Company, except for sugar season 2012-13. The amount of interest on account of delayed payment of cane price not provided for in the accounts, could also not be quantified.
- 6 Integrated Cashtech Consultants Private Limited ('ICCPL'), a subsidiary company had recognized revenue of Rs. 462.57 lacs in the financial year 2020-21 as unbilled revenue in respect of certain customers in accordance with the terms of agreements entered into between ICCPL and its customers as the customers had not accepted the claims of ICCPL, on account of certain disputes. ICCPL moved to arbitration for the settlement of disputes and expects that the matter will be settled in its favour. Accordingly, unbilled revenue had been carried on at the same amount and the final adjustments, if any, will be made after the settlement with the parties. The statutory auditors have given qualified opinion on the reviewed financial statements of ICCPL for the quarter ended June 30, 2022, on non-provision of credit loss and of probable estimated loss arising on the settlement of the aforesaid unbilled revenue.
- 7 In the audited financial statements of Simbhaoli Power Private Limited ('SPPL') for the year ended March 31, 2021, the statutory auditor of the SPPL has drawn Emphasis of Matter in respect of following "During the year ended March 31, 2021, 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. The statutory auditors have also reported that the above condition indicate the existence of Material certainty in relation to tariff under CRE Regulation 2019, and its consequential impact on the Ind AS financial statements including impairment of PPE, if any.

The statutory auditors have also reported that due to reduction in tariff, the SPPL is incurring losses and considering it and other factors, material uncertainty exists that may cast significant doubt about the SPPL's ability to continue going concern.

- 8 In the consolidated financial results of the Company for quarter ended 30 June, 2022 and year ended March 31, 2022 including for all the preceding quarters, the financial results of SPPL, a material subsidiary has not been consolidated, as the financial results of SPPL have not been yet finalized and approved till date.

The transactions entered into between the Company and SPPL for quarter ended June 30, 2022, which have not been eliminated in the consolidated financial results, have resulted in increase in the total revenue by Rs. 528.34 lacs and total expenses by Rs. 221.51 lacs. Further, increase in the balances of subsidiary of Rs. 340.41 lacs have been included in the consolidated balance sheet in the respective asset heads.

- 9 The Board of Directors of the Company has proposed the re-appointment of Ms. Gursimran Kaur Mann, as Managing Director w.e.f. August 02, 2021 and Mr. Sachchida Nand Misra as Chief Operating Officer and Whole Time Director w.e.f. September 18, 2021 for a further period of 2 years. The Company has also approached the lenders for acceding consent for payment of the remuneration to MD and COO & WTD. The Special Resolutions were passed at the 10<sup>th</sup> Annual General Meeting (AGM) held on September 27, 2021. Lenders with majority share in outstanding debt have already provided their consent to pay the remuneration to above named persons. The Company is actively pursuing with other lenders for obtaining their consent, having belief that consent will be received in due course, and has proceeded with the payment of remuneration, as stipulated by the majority of lenders led by State Bank of India, payable from the date of reappointment till June 30, 2022 amounting to Rs. 125.25 lacs.

- 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	(Rs.lacs)			
	Quarter ended		Year ended	
	30.06.2022	31.03.2022	30.06.2021	31.03.2022
Net Sales/Income from operations (Net)	29,956.57	34,181.36	31,528.06	113,478.17
Profit/(Loss) before tax	(1,651.79)	2,058.92	(459.07)	(922.44)
Profit/(Loss) after tax	(1,651.79)	1,961.67	(459.07)	(1,019.69)
Other Comprehensive Income	-	84.05	-	84.05
Total Comprehensive Income	(1,651.79)	2,045.72	(459.07)	(935.64)
EBITDA	(219.59)	3,652.54	1,098.30	5,184.76



