



# SIMBHAOLI SUGARS

**Simbhaoli Sugars Limited**

CIN-L15122UP2011PLC044210

GSTIN : 09AAPCS7569A1ZV

(An FSSC 22000 : 2011, ISO 9001 : 2008

& 14001 : 2004 Certified Company)

Corporate Office :

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

Tel. : +91-120-480 6666

Fax : +91-120-2427166

E-mail : info@simbhaolisugars.com

www.simbhaolisugars.com

Ref: SSL: Stock Exchange

November 12, 2020

The Manager - Listing

National Stock Exchange of India Limited,

Exchange Plaza, Bandra Kurla Complex,

Bandra- (East),

Mumbai - 400 051.

Department of Corporate Services

BSE Limited,

Corporate Relationship Dept.,

P. J. Towers, Dalal Street,

Mumbai - 400 001

Scrip Code: NSE: SIMBHALS BSE: 539742

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

Sub: Outcome of the Board meeting held on November 12, 2020

Dear Sir,

In the meeting of the Board of Directors of Simbhaoli Sugars Limited, held today, Thursday, November 12, 2020, which commenced at 5:00 PM and concluded at 6:30 PM, the Board has considered and approved unaudited financial results for the quarter ended on September 30, 2020. Copies of the financial results along-with the Limited Review report of the auditors are enclosed herewith.

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

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

**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 SIX MONTHS ENDED**  
**SEPTEMBER 30, 2020**

(Rs. Lacs)

Sl. No.	Particulars	Quarter ended			Six months ended		Year Ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations	28,032	38,368	25,374	66,400	54,945	1,20,832
	(b) Other income	403	409	428	812	841	2,574
	<b>Total revenue</b>	<b>28,435</b>	<b>38,777</b>	<b>25,802</b>	<b>67,212</b>	<b>55,786</b>	<b>1,23,406</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	21	12,727	224	12,748	12,647	82,202
	(b) Purchase of stock-in-trade	1,366	891	743	2,257	1,398	2,866
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19,549	15,664	14,498	35,213	20,865	(7,202)
	(d) Excise duty	4,409	3,740	6,780	8,149	11,301	19,888
	(e) Employee benefits expense	1,277	1,313	1,232	2,590	2,453	5,696
	(f) Finance costs	678	804	794	1,482	1,544	3,163
	(g) Depreciation and amortisation expense	862	886	907	1,748	1,812	3,601
	(h) Power & fuel	272	778	331	1,050	1,537	2,844
	(i) Other expenses	2,263	2,473	2,203	4,736	5,098	12,513
	<b>Total expenses</b>	<b>30,697</b>	<b>39,276</b>	<b>27,712</b>	<b>69,973</b>	<b>58,655</b>	<b>1,25,571</b>
<b>3</b>	<b>Profit/ (loss) before exceptional items and tax (1-2)</b>	<b>(2,262)</b>	<b>(499)</b>	<b>(1,910)</b>	<b>(2,761)</b>	<b>(2,869)</b>	<b>(2,165)</b>
<b>4</b>	Exceptional items	-	-	-	-	-	-
<b>5</b>	<b>Profit/ (loss) before Tax (3-4)</b>	<b>(2,262)</b>	<b>(499)</b>	<b>(1,910)</b>	<b>(2,761)</b>	<b>(2,869)</b>	<b>(2,165)</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>(2,262)</b>	<b>(499)</b>	<b>(1,910)</b>	<b>(2,761)</b>	<b>(2,869)</b>	<b>(2,165)</b>
<b>8</b>	<b>Other Comprehensive Income (net of tax)</b>						<b>(272)</b>
	A) I. Items that will not be reclassified to profit & loss	-	-	-	-	-	(272)
	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>(2,262)</b>	<b>(499)</b>	<b>(1,910)</b>	<b>(2,761)</b>	<b>(2,869)</b>	<b>(2,437)</b>
<b>10</b>	Paid up equity share capital (face value Rs. 10/- each)	4,128	4,128	4,128	4,128	4,128	4,128
<b>11</b>	Other Equity						(5,359)
<b>12</b>	Basic and Diluted Earning Per Share (Rs.) (not annualized)						
	- EPS before exceptional item	(5.48)	(1.21)	(4.63)	(6.69)	(6.95)	(5.24)
	- EPS after exceptional item	(5.48)	(1.21)	(4.63)	(6.69)	(6.95)	(5.24)

**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES  
UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.  
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020**

(Rs. Lacs)

	Quarter ended			Six months ended		Year Ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>(A). Segment Revenue</b>						
(a) Sugar	19,648	31,867	15,191	51,515	37,417	92,040
(b) Distillery	8,744	7,960	10,558	16,704	19,664	35,252
<b>Total</b>	<b>28,392</b>	<b>39,827</b>	<b>25,749</b>	<b>68,219</b>	<b>57,081</b>	<b>1,27,292</b>
Less: Inter Segment Revenue	360	1,459	375	1,819	2,136	6,460
<b>Net sales/income from operations</b>	<b>28,032</b>	<b>38,368</b>	<b>25,374</b>	<b>66,400</b>	<b>54,945</b>	<b>1,20,832</b>
<b>(B). Segment Results</b>						
Profit/ (loss) before finance costs, unallocated expenditure, exceptional items and tax from each segment						
(a) Sugar	(1,457)	(452)	(802)	(1,909)	(1,681)	265
(b) Distillery	(255)	600	(372)	345	205	387
<b>Total</b>	<b>(1,712)</b>	<b>148</b>	<b>(1,174)</b>	<b>(1,564)</b>	<b>(1,476)</b>	<b>652</b>
<b>Less:</b>						
(a) Finance cost	678	804	794	1,482	1,544	3,163
(b) Other un-allocated expenses/ (income) (net)	(128)	(157)	(58)	(285)	(151)	(346)
<b>Total Profit/ (loss) before tax</b>	<b>(2,262)</b>	<b>(499)</b>	<b>(1,910)</b>	<b>(2,761)</b>	<b>(2,869)</b>	<b>(2,165)</b>
<b>(C). Segment Assets</b>						
(a) Sugar	1,25,073	1,45,132	1,30,876	1,25,073	1,30,876	1,60,072
(b) Distillery	40,479	43,012	39,932	40,479	39,932	42,024
(c) Unallocated	15,894	15,054	14,772	15,894	14,772	15,325
<b>Total</b>	<b>1,81,446</b>	<b>2,03,198</b>	<b>1,85,580</b>	<b>1,81,446</b>	<b>1,85,580</b>	<b>2,17,421</b>
<b>(D). Segment Liabilities</b>						
(a) Sugar	56,888	75,756	59,842	56,888	59,842	90,142
(b) Distillery	2,233	2,741	2,557	2,233	2,557	2,716
(c) Unallocated	22,431	21,980	20,291	22,431	20,291	21,332
(d) Borrowings	1,03,880	1,04,446	1,04,567	1,03,880	1,04,567	1,04,462
<b>Total</b>	<b>1,85,432</b>	<b>2,04,923</b>	<b>1,87,257</b>	<b>1,85,432</b>	<b>1,87,257</b>	<b>2,18,652</b>

<b>Statement of Assets &amp; Liabilities</b>		
(Rs. lacs)		
Particulars	Standalone	
	As at Sep 30, 2020	As at March 31, 2020
	Unaudited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
a) Property, Plant and Equipment	1,24,456	1,26,108
b) Capital work-in-progress	1,005	836
c) Intangible assets	57	39
d) Right of use assets	-	3
e) Financial Assets		
i) Investments	11,141	11,168
ii) Other financial assets	1,227	1,329
f) Tax Assets	307	655
g) Other non - current assets	273	273
<b>Total non - current assets</b>	<b>1,38,466</b>	<b>1,40,411</b>
<b>Current assets</b>		
a) Inventories	20,340	55,089
b) Financial Assets		
i) Trade receivables	2,758	3,562
ii) Cash and cash equivalents	3,682	4,289
iii) Bank balances other than above	1,487	1,633
iv) Other financial assets	4,099	3,558
c) Other current assets	10,614	8,879
<b>Total current assets</b>	<b>42,980</b>	<b>77,010</b>
<b>Total assets</b>	<b>1,81,446</b>	<b>2,17,421</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a) Equity share capital	4,128	4,128
b) Other equity	(8,114)	(5,359)
<b>Share holder's Funds</b>	<b>(3,986)</b>	<b>(1,231)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
a) Financial Liabilities		
i) Borrowings	329	359
ii) Other financial liabilities	35	49
b) Provisions	530	457
<b>Total non - current Liabilities</b>	<b>894</b>	<b>865</b>
<b>Current liabilities</b>		
a) Financial Liabilities		
i) Trade payables		
-Total outstanding dues to micro and small enterprises	283	272
-Total outstanding dues of other than micro and small enterprises	56,565	89,744
ii) Other financial liabilities	1,26,541	1,26,128
iii) Lease Liability on right of use assets	-	3
b) Provisions	21	107
c) Other current liabilities	1,128	1,532
<b>Total current Liabilities.</b>	<b>1,84,538</b>	<b>2,17,786</b>
<b>Total Equity and Liabilities</b>	<b>1,81,446</b>	<b>2,17,421</b>

# SIMBHAOLI SUGARS LIMITED

(Formerly known as 'Simbhaoli Spirits Limited')

## CASH FLOW STATEMENT FOR THE PERIOD ENDED SEP 30, 2020

Particular	Period ended Sep 30, 2020 Rs. lacs	Period ended Sep 30, 2019 Rs. lacs
	Unaudited	Unaudited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit/(loss) before tax and exceptional items	(2,761)	(2,869)
<b>Adjustments for:</b>		
Depreciation and amortization	1,748	1,812
Finance costs	1,482	1,544
Interest income on financial assets and others	(708)	(626)
Liability/provisions no longer required written back	(61)	(23)
Bad Debts and advances written off	-	12
Profit on redemption of Mutual Funds Units	(1)	(18)
Loss/ (profit) from sale /discard of property, plant and equipment (net)	-	451
Provision for doubtful debts and advances	-	35
Mollasses Storage Fund	6	8
<b>Operating profit/(loss) before working capital changes</b>	<b>(295)</b>	<b>326</b>
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Changes in trade and other receivables	804	1,295
Changes in other non current and current financial asset	(7)	119
Changes in other non current and other current assets	(1,735)	(1,451)
Changes in inventories	34,748	20,785
Changes in trade and other payables	(33,107)	(18,880)
Changes in other non-current and other current financial liabilities	(226)	99
Changes in other non-current and other current liabilities	(404)	(325)
Changes in long term and short term provision	(13)	(6)
<b>Cash (used)/generated from operations</b>	<b>(235)</b>	<b>1,962</b>
Direct taxes (paid)/refund	390	(150)
<b>Net cash (used) / from operating activities</b>	<b>155</b>	<b>1,812</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Additions to property, plant & equipment and intangible assets	(279)	(622)
Proceeds from maturity of national savings certificate	-	-
Interest received on debentures/fixed deposits/inter corporate deposits	162	492
Investment in Mutual funds	(500)	(2,429)
Proceeds from Redemption of Mutual Funds	501	1,688
Changes in fixed deposit placed with Banks	230	(32)
<b>Net cash (used) / from investing activities</b>	<b>114</b>	<b>(903)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Payment of lease liability	(3)	(3)
Interest expenses	(290)	(403)
Repayment of long term borrowings	(30)	(110)
Proceeds/(repayment) of short term borrowings( net)	(553)	(283)
<b>Net cash (used) / from financing activities</b>	<b>(876)</b>	<b>(799)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(607)</b>	<b>110</b>
<b>E. Cash and cash equivalents (opening balance)</b>	<b>4,289</b>	<b>1,307</b>
Cash and bank balances (D+E)	<b>3,682</b>	<b>1,417</b>

### **Notes to Standalone Results:**

1. Indian sugar industry has been facing difficulties on account of high sugar production in the country since 2016-17 resulting in surplus sugar and lower prices. For last several quarters, the Company has incurred losses due to high sugarcane costs fixed by the state government and comparatively lower prices of finished sugar which are also regulated and controlled. The operations of the Company remained intact and robust, due to stated reasons it has incurred continuing losses and its net worth has been fully eroded. This has resulted delays in meeting the payment obligations to the lenders and sugarcane farmers in terms of their respective agreements and understanding.

Recognizing the status of the sugar industry, the state and central governments have taken a number of measures to improve the financial health, support for liquidation of cane arrears, fixing minimum obligation for exports to manage the sugar inventory and providing subsidy to meet export expenses, fixing minimum support price of sugar, and mandatory blending of ethanol with petrol with long term tendering and providing remunerative price of ethanol etc. Pursuant to an order of Hon'ble high court of Uttar Pradesh, the sugar industry as well as the Company is confident to receive accrued benefits from state government under the erstwhile sugar promotion policy (NSIPP 2004-09).

All these measures including likely continuity of sugar exports assistance scheme, are expected to reflect in the revival of the sugar industry and as well as the Company, in time to come on sustainable basis. Based on these steps, along with other internal measures for improvement being undertaken, the management believes that the regular operations at its manufacturing facilities shall remain continued in the near foreseeable future.

On account of delays in servicing of loans, certain lenders to the Company have initiated recovery proceeding at various forums, including filing of applications before the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 and approached debt recovery tribunal. Against a criminal complaint filed by one of the lenders with the investigating agencies, the Enforcement Directorate had passed an attachment order against 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 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. Majority of commercial lenders have shown their inclination to accept the debt resolution proposal of the Company.

Considering the steps initiated for achieving turnaround of the company and sugar sector, ongoing discussions with the lenders for resolution of their dues and continuing manufacturing operations, these financial statements are continued to be presented on going concern basis, which contemplates realization of assets and settlement of liabilities, in the normal course of business.

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

The Company has considered the potential impact of COVID 19 in preparation of financial results for the quarter and period ended September 30, 2020 based on the information available to it up to the date of approval of these financial results. However, the impact of COVID 19 as well as negative outlook of sugar sector on the carrying amount of its property, plant and equipment's and consequential impairment could not be ascertained and provided for due to non-availability of requisite information on account of lockdown restrictions.

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

3. The Credit Facilities availed by the Company have been classified as non-performing assets (NPA) by all the lenders and interest thereon is not being charged to the loan accounts by commercial lenders as per circular of RBI. The Company has submitted comprehensive debt resolution proposals with all the lenders to commensurate with its future cash flows. Majority of commercial lenders have shown their inclination to accept the debt resolution proposal of the Company and some of them had accepted the offered Earnest Money deposit. Accordingly, interest expenses pertaining to commercial lenders, for the current quarter and six months ended September 30, 2020 amounting to Rs. 3,737 lacs and Rs. 7,330 Lacs (previous quarter and six months ended September, 2019 amounting to Rs. 3,284 lacs and Rs 6,444 lacs respectively) has not been recognized in profit and loss account. A total amount of Rs. 44,784 lacs towards accrued interest has not been provided for in the books of accounts as on September 30, 2020.
4. The Hon'ble High Court of Uttar Pradesh had directed the state government to determine the interest liability for the period of delayed payments of sugarcane price to cane growers for sugar seasons 2012-13 to 2014-15 by the UP sugar industry. No demand, pursuant to the order and for subsequent period has been received by the company. Considering this and also prevalent past practices, no provision towards the interest on delayed payment of cane price has been made in the accounts.
5. During this quarter ended Sept 30, 2020, on recommendation of Nomination and Remuneration Committee, the Board has re-appointed Ms. Gursimran Kaur Mann as Managing Director (MD) and Mr. S. N. Misra, as Whole Time Director (WTD) w.e.f. Aug. 02, 2020 and Sep. 18, 2020 respectively and remuneration of Rs. 19 lacs and Rs. 3 lacs respectively have been paid to them subject to approval of shareholders in the ensuing Annual General Meeting and other compliances.
6. The outstanding balances of the Company with its material subsidiary company, Simbhaoli Power Private Limited (SPPL) as reported in standalone financial statements, are subject to reconciliation on account of difference in interpretation of certain long term commercial agreements. Pending reaching to final settlement, no adjustment has been made in the accounts for Rs. 12 lacs and Rs 87 lacs for quarter and six months ended September 30, 2020 respectively (aggregating Rs. 214 lacs upto September 30, 2020) being the lower recognition of the value of bagasse sold and certain other claims made by SPPL in related period.
7. Sugar, one of the major businesses of the Company, is a part of seasonal industry. The results may vary from quarter to quarter.
8. The previous periods figures have been regrouped/rearranged wherever necessary.
9. The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on November 12, 2020.

For **SIMBHAOLI SUGARS LIMITED**

Digitally signed by Gursimran Kaur Mann  
DN: cn=Gursimran Kaur Mann, o, ou,  
email=gkmann@gmail.com, c=US  
Date: 2020.11.12 18:32:10 +05'30'

**Gursimran Kaur Mann**  
Managing Director

Place: Noida, India

Date: November 12, 2020

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

# **MITTAL GUPTA & CO.**

**Chartered Accountants**

**Regd. Off: 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.**

**Phone: 2303234 # E –mail: [mgco@mgco.com](mailto:mgco@mgco.com)**

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

**To**

**The Board of Directors of**

**Simbhaoli Sugars Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Simbhaoli Sugars Limited (‘the Company’) for the quarter and year to date from April 01, 2020 to September 30, 2020 being submitted 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



# MITTAL GUPTA & CO.

Chartered Accountants

Regd. Off: 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

Phone: 2303234 # E –mail: [mgco@mgcoca.com](mailto:mgco@mgcoca.com)

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.

#### 4. Basis of Qualified Conclusion

We draw attention to

- (i) Note No.2 to the Statement regarding non provisions for impairment in the carrying value of Property, Plant and Equipment's. 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.
- (ii) Note No. 3 to the Statement regarding non-provision of interest expenses amounting Rs. 3,737 Lakhs for the quarter and Rs. 7,330 Lakhs for the year to date ending September 30, 2020, 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. 44,784 Lakhs till September 30, 2020. Consequently, Financial cost and Loss for the quarter and year to date ending September 30, 2020 has been understated by the amount as stated in aforesaid note for the respective periods. Further other equity as at September 30, 2020 has been overstated and Current Financial Liabilities as at September 30, 2020 has been understated by Rs. 44,784 Lakhs.
- (iii) Note No.4 to 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.
- (iv) Note No.6 to the Statement regarding non provision of difference in value of bagasse sold and certain claims made by Simbhaoli Power Private Limited, a subsidiary company, amounting Rs. 12 Lakhs for the quarter and 87 Lakhs for year to date

# **MITTAL GUPTA & CO.**

**Chartered Accountants**

**Regd. Off: 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.**

**Phone: 2303234 # E –mail: [mgco@mgcoca.com](mailto:mgco@mgcoca.com)**

ending September 30, 2020. Pending reaching to final settlement, no adjustment has been made in the accounts for amount aggregating to Rs. 214 Lakhs for the reasons stated in the said note. Consequently, loss for the quarter and year to date ending September 30, 2020 has been overstated by the aforesaid amount.

Our Conclusion on the statement is qualified in respect of the above matters.

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

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

Our Conclusion on the statement is not modified in respect of the above matter.

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

## **7. Emphasis of Matter:**

As stated in Note No. 5 to the statement, during the quarter ended September 30, 2020, the Board of the company has re-appointed Ms. Gursimran Kaur Mann as Managing Director (MD) and Mr. S. N. Misra as Whole Time Director (WTD) w.e.f. Aug. 02, 2020 and Sep 18, 2020 respectively and paid/ provided remuneration of Rs. 19 Lakhs and Rs. 3 Lakhs

# MITTAL GUPTA & CO.

Chartered Accountants

Regd. Off: 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

Phone: 2303234 # E –mail: [mgco@mgco.com](mailto:mgco@mgco.com)

respectively which is subject to the approval of shareholders in the ensuing Annual General Meeting and other compliances of the provisions of section 197 of the Companies Act 2013.

**For MITTAL GUPTA & CO.**

Chartered Accountants

FRN: 01874C

BIHARI LAL  
GUPTA  
(B. L. Gupta)

Digitally signed by  
BIHARI LAL GUPTA  
Date: 2020.11.12  
18:21:50 +05'30'

Partner

Membership No.:073794

Place of Signature: Kanpur

Dated:12.11.2020

UDIN: 20073794AAAAEJ1906

**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 SIX MONTHS ENDED**  
**SEPTEMBER 30, 2020**

(Rs. Lacs)

Sl. No.	Particulars	Quarter ended			Six Months ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations	28,053	38,524	25,636	66,577	57,363	1,26,107
	(b) Other income	411	414	35	825	107	1,511
	<b>Total revenue</b>	<b>28,464</b>	<b>38,938</b>	<b>25,671</b>	<b>67,402</b>	<b>57,470</b>	<b>1,27,618</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	21	12,727	225	12,748	13,328	83,562
	(b) Purchase of stock-in-trade	1,366	891	753	2,257	1,416	2,895
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19,549	15,664	14,543	35,213	20,842	(7,200)
	(d) Excise duty	4,409	3,740	6,780	8,149	11,301	19,888
	(e) Employee benefits expense	1,376	1,380	1,570	2,756	3,153	7,821
	(f) Finance costs	679	804	1,339	1,483	2,634	4,733
	(g) Depreciation and amortisation expense	861	886	1,190	1,747	2,356	4,391
	(h) Power and Fuel	271	778	214	1,049	1,034	1,691
	(i) Other expenses	2,239	2,542	2,417	4,781	5,538	13,710
	<b>Total expenses</b>	<b>30,771</b>	<b>39,412</b>	<b>29,031</b>	<b>70,183</b>	<b>61,602</b>	<b>1,31,491</b>
<b>3</b>	<b>Profit/ (loss) before exceptional items and tax (1-2)</b>	<b>(2,307)</b>	<b>(474)</b>	<b>(3,360)</b>	<b>(2,781)</b>	<b>(4,132)</b>	<b>(3,873)</b>
<b>4</b>	Exceptional items	-	-	-	-	-	-
<b>5</b>	<b>Profit/ (loss) before Tax (3-4)</b>	<b>(2,307)</b>	<b>(474)</b>	<b>(3,360)</b>	<b>(2,781)</b>	<b>(4,132)</b>	<b>(3,873)</b>
<b>6</b>	<b>Tax expense :</b>						
	- Current tax	(4)	5	(64)	1	9	9
	- Deferred tax	(10)	-	3	(10)	3	3
	<b>Total tax expenses</b>	<b>(14)</b>	<b>5</b>	<b>(61)</b>	<b>(9)</b>	<b>12</b>	<b>12</b>
<b>7</b>	<b>Net Profit/(loss) from ordinary activities after tax (5-6)</b>	<b>(2,293)</b>	<b>(479)</b>	<b>(3,299)</b>	<b>(2,772)</b>	<b>(4,144)</b>	<b>(3,885)</b>
<b>8</b>	<b>Other Comprehensive Income (net of tax)</b>	-	-	-	-	-	<b>(274)</b>
	A) I. Items that will not be reclassified to profit & loss	-	-	-	-	-	(275)
	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>(2,293)</b>	<b>(479)</b>	<b>(3,299)</b>	<b>(2,772)</b>	<b>(4,144)</b>	<b>(4,159)</b>
	<b>Profit/Loss for the year attributable to :</b>						
	1) Owners of the parent	(2,287)	(481)	(2,720)	(2,768)	(3,729)	(3,352)
	2) Non-Controlling Interest	(6)	2	(579)	(4)	(415)	(533)
	<b>Other Comprehensive Income attributable to:</b>						
	1) Owners of the parent	-	-	-	-	-	(274)
	2) Non-Controlling Interest	-	-	-	-	-	-
	<b>Total Comprehensive Income attributable to:</b>						
	1) Owners of the parent	<b>(2,287)</b>	<b>(481)</b>	<b>(2,720)</b>	<b>(2,768)</b>	<b>(3,729)</b>	<b>(3,626)</b>
	2) Non-Controlling Interest	<b>(6)</b>	<b>2</b>	<b>(579)</b>	<b>(4)</b>	<b>(415)</b>	<b>(533)</b>
<b>10</b>	Paid up equity share capital (face value Rs. 10/- each)	4,128	4,128	4,128	4,128	4,128	4,128
<b>11</b>	Other Equity						(6,677)
<b>12</b>	Basic and Diluted Earning Per Share (Rs.) (not annualized)						
	- EPS before exceptional item	(5.55)	(1.16)	(7.99)	(6.71)	(10.04)	(9.41)
	- EPS after exceptional item	(5.55)	(1.16)	(7.99)	(6.71)	(10.04)	(9.41)

**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES**

UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

(Rs. Lacs)

Particulars	Quarter ended			Six Months ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>(A). Segment Revenue</b>						
(a) Sugar	19,648	31,867	15,191	51,515	37,417	92,040
(b) Distillery	8,744	7,960	10,558	16,704	19,664	35,252
(c) Power	-	-	154	-	2,558	4,082
(d) Others	63	200	295	263	581	2,376
<b>Total</b>	<b>28,455</b>	<b>40,027</b>	<b>26,198</b>	<b>68,482</b>	<b>60,220</b>	<b>1,33,750</b>
Less: Inter Segment Revenue	402	1,503	562	1,905	2,857	7,643
<b>Net sales/income from operations</b>	<b>28,053</b>	<b>38,524</b>	<b>25,636</b>	<b>66,577</b>	<b>57,363</b>	<b>1,26,107</b>
<b>(B). Segment Results</b>						
Profit/ (loss) before finance costs, unallocated expenditure, exceptional items and tax from each segment						
(a) Sugar	(1,457)	(452)	(802)	(1,909)	(1,681)	265
(b) Distillery	(255)	600	(372)	345	205	387
(c) Power	-	-	(659)	-	337	547
(d) Others	(52)	15	36	(37)	42	20
<b>Total</b>	<b>(1,764)</b>	<b>163</b>	<b>(1,797)</b>	<b>(1,601)</b>	<b>(1,097)</b>	<b>1,219</b>
<b>Less:</b>						
(a) Finance cost	679	804	1,339	1,483	2,634	4,733
(b) Other un-allocated expenses/ (income) (net)	(136)	(167)	224	(303)	401	359
<b>Total Profit/ (loss) before tax</b>	<b>(2,307)</b>	<b>(474)</b>	<b>(3,360)</b>	<b>(2,781)</b>	<b>(4,132)</b>	<b>(3,873)</b>
<b>(C). Segment Assets</b>						
(a) Sugar	1,20,928	1,41,019	1,26,451	1,20,928	1,26,451	1,55,989
(b) Distillery	40,479	43,012	39,932	40,479	39,932	42,025
(c) Power	34,481	34,481	35,686	34,481	35,686	34,481
(d) Others	1,617	1,590	880	1,617	880	1,641
(e) Unallocated	5,855	4,984	5,252	5,855	5,252	5,318
<b>Total</b>	<b>2,03,360</b>	<b>2,25,086</b>	<b>2,08,201</b>	<b>2,03,360</b>	<b>2,08,201</b>	<b>2,39,454</b>
<b>(D). Segment Liabilities</b>						
(a) Sugar	57,009	75,877	59,963	57,009	59,963	90,263
(b) Distillery	2,233	2,741	2,556	2,233	2,556	2,716
(c) Power	1,404	1,404	1,021	1,404	1,021	1,404
(d) Others	1,311	1,232	682	1,311	682	1,378
(e) Unallocated	25,299	24,870	23,770	25,299	23,770	24,240
(f) Borrowings	1,09,971	1,10,537	1,11,308	1,09,971	1,11,308	1,10,554
<b>Total</b>	<b>1,97,227</b>	<b>2,16,661</b>	<b>1,99,300</b>	<b>1,97,227</b>	<b>1,99,300</b>	<b>2,30,555</b>

## Statement of Assets and Liabilities

Particulars	(Rs. lacs)	
	Consolidated	
	As at Sep 30, 2020	As at March 31, 2020
	Unaudited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
a) Property, Plant and Equipment	1,52,479	1,54,133
b) Capital work-in-progress	1,005	836
c) Intangible Assets	69	51
d) Goodwill	1,311	1,311
e) Financial Assets		
i) Investments	2	2
ii) Other financial assets	194	262
f) Tax Assets	320	740
g) Other non - current assets	455	463
h) Deferred Tax Assets	123	113
<b>Total non - current assets</b>	<b>1,55,958</b>	<b>1,57,911</b>
<b>Current assets</b>		
a) Inventories	20,470	55,219
b) Financial Assets		
i) Current Investments	408	408
ii) Trade receivables	9,001	9,998
iii) Cash and cash equivalents	4,029	4,634
iv) Bank balances other than above	1,562	1,694
v) Other financial assets	1,019	534
c) Other current assets	10,879	9,022
d) Assets classified as held for sale	34	34
<b>Total current assets</b>	<b>47,402</b>	<b>81,543</b>
<b>Total assets</b>	<b>2,03,360</b>	<b>2,39,454</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a) Equity share capital	4,128	4,128
b) Other equity	(9,439)	(6,677)
c) Non controlling interest	11,444	11,448
<b>Share holder's Funds</b>	<b>6,133</b>	<b>8,899</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
a) Financial Liabilities		
i) Borrowings	4,263	4,292
b) Provisions	545	473
<b>Total non - current Liabilities</b>	<b>4,808</b>	<b>4,765</b>
<b>Current liabilities</b>		
a) Financial Liabilities		
i) Trade payables		
-Total outstanding dues to micro and small	283	272
-Total outstanding dues of other than micro	58,349	91,636
ii) Other financial liabilities	1,31,898	1,31,480
b) Provisions	119	205
c) Other current liabilities	1,272	1,699
d) Current Tax Liabilities (Net)	498	498
<b>Total current Liabilities.</b>	<b>1,92,419</b>	<b>2,25,790</b>
<b>Total Equity and Liabilities</b>	<b>2,03,360</b>	<b>2,39,454</b>

**SIMBHAOLI SUGARS LIMITED**  
(Formerly known as 'Simbhaoli Spirits Limited')  
**CONSOLIDATED CASH FLOW STATEMENT FOR SIX MONTHS ENDED SEPTEMBER 30, 2020**

S. Particular no.	Six Months ended	
	September 30, 2020 Rs. lacs	September 30, 2019 Rs. lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit/(loss) before tax and exceptional items	(2,781)	(4,132)
<b>Adjustments for:</b>		
Depreciation and amortization	1,747	2,356
Finance costs	1,483	2,634
Interest income on financial assets	(727)	(44)
Liability/provisions no longer required written back	(61)	(23)
Bad Debts and advances written off	-	12
Unrealised foreign exchange fluctuation	2	2
Profit on redemption of Mutual Funds Units	(1)	(43)
Loss/ (profit) from sale of property, plant and equipment (net)	-	451
Provision for doubtful debts and advances	-	35
Mollasses Storage Fund	6	7
<b>Operating profit/(loss) before working capital changes</b>	<b>(332)</b>	<b>1,255</b>
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Changes in trade and other receivables	995	5,608
Changes in other non current and current financial asset	46	558
Changes in other non current and other current assets	(1,849)	(1,434)
Changes in inventories	34,748	20,731
Changes in trade and other payables	(33,215)	(19,838)
Changes in other non-current and other current financial liabilities	(222)	472
Changes in other non-current and other current liabilities	(427)	(552)
Changes in long term and short term provision	(13)	14
<b>Cash (used)/generated from operations</b>	<b>(269)</b>	<b>6,814</b>
Direct taxes (paid)/refund	466	(173)
<b>Net cash (used) / from operating activities</b>	<b>197</b>	<b>6,641</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Additions to property, plant and equipment	(279)	(995)
Investments in Mutual Fund	(500)	(3,021)
Proceed from Redemption of Mutual Fund	501	1,688
Interest received on debentures/ fixed deposits/inter corporate deposits	167	(6)
Changes in fixed deposit placed and other balances with Banks	183	(12)
<b>Net cash (used) / from investing activities</b>	<b>72</b>	<b>(2,346)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest expenses	(291)	(1,586)
Repayment of long term borrowings	(30)	(110)
Proceeds/(repayment) of short term borrowings( net)	(553)	(1,950)
<b>Net cash (used) / from financing activities</b>	<b>(874)</b>	<b>(3,646)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(605)</b>	<b>649</b>
<b>E. Cash and cash equivalents (opening balance)</b>	<b>4,634</b>	<b>1,388</b>
<b>F. Cash and cash equivalents (closing balance) (D+E)</b>	<b>4,029</b>	<b>2,037</b>

## **Notes to Consolidated Results:**

1. Indian sugar industry has been facing difficulties on account of high sugar production in the country since 2016-17 resulting in surplus sugar and lower prices. For last several quarters, the Company has incurred losses due to high sugarcane costs fixed by the state government and comparatively lower prices of finished sugar which are also regulated and controlled. The operations of the Company remained intact and robust, due to stated reasons it has incurred continuing losses and its net worth has been fully eroded. This has resulted delays in meeting the payment obligations to the lenders and sugarcane farmers in terms of their respective agreements and understanding.

Recognizing the status of the sugar industry, the state and central governments have taken a number of measures to improve the financial health, support for liquidation of cane arrears, fixing minimum obligation for exports to manage the sugar inventory and providing subsidy to meet export expenses, fixing minimum support price of sugar, and mandatory blending of ethanol with petrol with long term tendering and providing remunerative price of ethanol etc. Pursuant to an order of Hon'ble high court of Uttar Pradesh, the sugar industry as well as the Company is confident to receive accrued benefits from state government under the erstwhile sugar promotion policy (NSIPP 2004-09).

All these measures including likely continuity of sugar exports assistance scheme, are expected to reflect in the revival of the sugar industry and as well as the Company, in time to come on sustainable basis. Based on these steps, along with other internal measures for improvement being undertaken, the management believes that the regular operations at its manufacturing facilities shall remain continued in the near foreseeable future.

On account of delays in servicing of loans, certain lenders to the Company have initiated recovery proceeding at various forums, including filing of applications before the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 and approached debt recovery tribunal. Against a criminal complaint filed by one of the lenders with the investigating agencies, the Enforcement Directorate had passed an attachment order against 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 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. Majority of commercial lenders have shown their inclination to accept the debt resolution proposal of the Company.

Considering the steps initiated for achieving turnaround of the company and sugar sector, ongoing discussions with the lenders for resolution of their dues and continuing manufacturing operations, these financial statements are continued to be presented on going concern basis, which contemplates realization of assets and settlement of liabilities, in the normal course of business.

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

The Company has considered the potential impact of COVID 19 in preparation of financial results for the quarter and period ended September 30, 2020 based on the information available to it up to the date of approval of these financial results. However, the impact of COVID 19 as well as negative outlook of sugar sector on the carrying amount of its property, plant and equipment's and consequential impairment could not be ascertained and provided for due to non-availability of requisite information on account of lockdown restrictions.

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



3. The Credit Facilities availed by the Company have been classified as non-performing assets (NPA) by all the lenders and interest thereon is not being charged to the loan accounts by commercial lenders as per circular of RBI. The Company has submitted comprehensive debt resolution proposals with all the lenders to commensurate with its future cash flows. Majority of commercial lenders have shown their inclination to accept the debt resolution proposal of the Company and some of them had accepted the offered Earnest Money deposit. Accordingly, interest expenses pertaining to commercial lenders, for the current quarter and six months ended September 30, 2020 amounting to Rs. 3,737 lacs and Rs. 7,330 Lacs (previous quarter and six months ended September, 2019 amounting to Rs. 3,284 lacs and Rs 6,444 lacs respectively) has not been recognized in profit and loss account. A total amount of Rs. 44,784 lacs towards accrued interest has not been provided for in the books of accounts as on September 30, 2020.
4. The Hon'ble High Court of Uttar Pradesh had directed the state government to determine the interest liability for the period of delayed payments of sugarcane price to cane growers for sugar seasons 2012-13 to 2014-15 by the UP sugar industry. No demand, pursuant to the order and for subsequent period has been received by the company. Considering this and also prevalent past practices, no provision towards the interest on delayed payment of cane price has been made in the accounts.
5. During this quarter ended Sept 30, 2020, on recommendation of Nomination and Remuneration Committee, the Board has re-appointed Ms. Gursimran Kaur Mann as Managing Director (MD) and Mr. S. N. Misra, as Whole Time Director (WTD) w.e.f. Aug. 02, 2020 and Sep. 18, 2020 respectively and remuneration of Rs. 19 lacs and Rs. 3 lacs respectively have been paid to them subject to approval of shareholders in the ensuing Annual General Meeting and other compliances.
6. In the consolidated financial results of the Company for the Quarter and six months ended September 30, 2020, the financial results of Simbhaoli Power Private Limited (SPPL), a material subsidiary has not been consolidated, as the quarterly and six months financial results of SPPL for period ended September 30, 2020 have not been yet finalized and approved by SPPL till date. The consolidated financial results of the Company as at quarter and year ended March 31, 2020 have also been prepared by consolidation based on the figures reported in the limited reviewed standalone balance sheet of SPPL as at December 31, 2019.

The transactions entered into between the Company and SPPL for the six months ended September 30, 2020 which have not been eliminated in the consolidated financial results, have resulted in increase in the Total Revenue by Rs. 776 lacs (for year ended March 31, 2020 amounting to Rs. 1366 Lacs) and Expenses by Rs. 605 lacs (for year ended March 31, 2020 amounting to Rs. 734 Lacs). Further, Decrease in the balances of subsidiary of Rs. 53 Lacs has been included in the consolidated balance sheet in the respective assets heads.

7. In the limited reviewed results of SPPL for the nine months ended December 31, 2020, statutory auditor of the SPPL has drawn Emphasis Of Matter in respect of following "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. 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. 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 nine months ended December 31, 2019 would have been lower by Rs. 797 lacs and cost of material consumed for the nine months ended December 31, 2019 would have been lower by Rs 52 Lacs, 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](http://www.simbhaolisugars.com). The particulars in respect of standalone results are as under:

Particulars (Standalone)	Quarter ended			Six months ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
Net Sales/Income from operations	23,623	34,628	18,594	58,251	43,644	1,00,944
Profit/(Loss) before tax	(2,262)	(499)	(1,910)	(2,761)	(2,869)	(2,165)
Profit/ (Loss) after tax	(2,262)	(499)	(1,910)	(2,761)	(2,869)	(2,165)
Other Comprehensive Income	-	-	-	-	-	(272)
Total Comprehensive Income	<b>(2,262)</b>	<b>(499)</b>	<b>(1,910)</b>	<b>(2,761)</b>	<b>(2,869)</b>	<b>(2,437)</b>
EBITDA	(722)	1,191	(209)	469	487	4,599

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 November 12, 2020.

For **SIMBHAOLI SUGARS LIMITED**

Digitally signed by Gursimran Kaur Mann  
DN: cn=Gursimran Kaur Mann, o, ou,  
email=gkmann@gmail.com, c=US  
Date: 2020.11.12 18:33:14 +05'30'

**Gursimran Kaur Mann**  
Managing Director

Place: Noida, India  
Date: November 12, 2020  
Company Website: [www.simbhaolisugars.com](http://www.simbhaolisugars.com)

# **MITTAL GUPTA & CO.**

**Chartered Accountants**

**Regd. Off: 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.**

**Phone: 2303234 # E –mail: [mgco@mgcoca.com](mailto:mgco@mgcoca.com)**

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

**To**

**The Board of Directors of**

**Simbhaoli Sugars Limited**

1. We have reviewed the accompanying statement of unaudited consolidated Financial Results of Simbhaoli Sugars Limited (‘the Holding Company’) and its subsidiaries (hereinafter referred to as ‘the Group’) for the quarter and year to date from April 1, 2020 to September 30, 2020, being submitted by the company pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the Listing Regulation 2015) as amended to date.
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

# **MITTAL GUPTA & CO.**

**Chartered Accountants**

**Regd. Off: 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.**

**Phone: 2303234 # E –mail: [mgco@mgcoca.com](mailto:mgco@mgcoca.com)**

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.

#### **4. Basis of Adverse Conclusion**

As explained in Note No.6, the Group has not consolidated the financial statements of its material subsidiary viz Simbhaoli Power Private Limited (SPPL) w.e.f January 1, 2020 for the reasons stated in the said note. Under the accounting principles generally accepted in India, the subsidiary should have been consolidated because it is controlled by the Company. Had the result of subsidiary been consolidated, many elements in the accompanying consolidated financial results would have been materially affected. The effects on the financial results due to the failure to consolidate have not been determined.

#### **5. Basis of Qualified Conclusion**

We draw attention to

- (i) Note No.2 to the Statement regarding non provisions for impairment in the carrying value of Property, Plant and Equipment's. 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.
- (ii) Note No. 3 to the Statement regarding non-provision of interest expenses amounting Rs. 3,737 Lakhs for the quarter and Rs. 7,330 Lakhs for the year to date ended September 30, 2020, respectively on certain borrowings for the reasons

# MITTAL GUPTA & CO.

Chartered Accountants

Regd. Off: 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

Phone: 2303234 # E –mail: [mgco@mgco.com](mailto:mgco@mgco.com)

stated in the said note. The aggregate amount of interest expense not provided for in the accounts aggregates to Rs. 44,784 Lakhs till September 30, 2020. Consequently, Financial cost and Loss for the quarter and year to date ended September 30, 2020 has been understated by the amount as stated in aforesaid note for the respective periods. Further other equity as at September 30, 2020 has been overstated and Current Financial Liabilities as at September 30, 2020 has been understated by Rs. 44,784 Lakhs.

- (iii) Note No.4 to 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.
  
- (iv) As stated in Note no. 7 of the Statement, SPPL had recorded revenue from operations for the period April to September, 2019 at or basis pre CRE Regulation 2019 Tariff Rate instead at the reduced tariff as per CRE Regulation 2019. Management's computation, as reviewed by the statutory auditors of SPPL, shows that revenue from operations for the nine months ended December 31, 2019 would have been lower by Rs 797 Lakhs and cost of material consumed for the nine months ended December 31, 2019 would have been lower by Rs 52 Lakhs, if accounted for at or basis reduced tariff as per CRE Regulations 2019.

Our Conclusion on the statement is qualified in respect of the above matters.

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

As stated in Note No. 1 of the consolidated financial results, the standalone financial statement of holding company has been prepared on going concern basis. Events or conditions as set forth in Note No. 1 indicate that a material uncertainty exists that may cast significant doubt on the holding company's ability to continue as going concern. The ability of the holding company to continue as going concern depends on the decision of

# MITTAL GUPTA & CO.

Chartered Accountants

Regd. Off: 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

Phone: 2303234 # E –mail: [mgco@mgcoca.com](mailto:mgco@mgcoca.com)

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.

Our Conclusion on the statement is not modified in respect of the above matter.

7. Based on our review conducted as above, and after considering the matters referred to in Paragraph No. 4 & 5 above, we conclude 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 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.
8. The statement includes the results of the following Subsidiary Companies:
  - A. Integrated Casetech Consultants Private Limited
  - B. Simbhaoli Specialty Sugars Private Limited
9. The consolidated unaudited financial results include the financial results of one subsidiary, whose interim financial results reflect total assets of Rs. 143.56 Lakhs as at September 30, 2020, total revenue of Rs. 3.24 Lakhs, total net profit after tax and, total comprehensive income of Rs. 1.71 Lakhs and cash outflows of Rs.0.009 Lakhs for year to date September 30, 2020 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.

# MITTAL GUPTA & CO.

Chartered Accountants

Regd. Off: 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

Phone: 2303234 # E –mail: [mgco@mgcoca.com](mailto:mgco@mgcoca.com)

## 10. Emphasis of Matter

As stated in Note No. 5 to the statement, during the quarter ended September 30, 2020, the Board of the Company has re-appointed Ms. Gursimran Kaur Mann as Managing Director (MD) and Mr. S. N. Misra as Whole Time Director (WTD) w.e.f. Aug 02, 2020 and Sep 18, 2020 respectively and paid/ provided remuneration of Rs. 19 Lakhs and Rs. 3 Lakhs respectively which is subject to the approval of shareholders in the ensuing Annual General Meeting and other compliances of the provisions of section 197 of the Companies Act 2013.

**For MITTAL GUPTA & CO.**

**Chartered Accountants**

FRN: 01874C

BIHARI LAL  
GUPTA  
(B. L. Gupta)

Digitally signed by BIHARI LAL  
GUPTA  
Date: 2020.11.12 18:23:05  
+05'30'

Partner

Membership No.:073794

Place of Signature: Kanpur

Date: 12.11.2020

UDIN: 20073794AAAAEK4983