



Ref: SSL: Stock Exchange/2023
November 07, 2023

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 November 07, 2023

Dear Sir,

In the meeting of the Board of Directors of Simbhaoli Sugars Limited, held today, Tuesday, November 07, 2023, which commenced at 3:00 PM and concluded at 4:30 PM, the decisions were taken as follows:

1. The Board has considered and approved the unaudited financial results for the quarter and six months period ended on September 30, 2023. The copies of the financial results along-with the Limited Review report of the auditors are enclosed herewith.
2. Based on the recommendation of the Nomination and Remuneration Committee, the Board has considered and unanimously approved the re-appointment of Mr. H P Kain (DIN 08277248) as an Independent Director of the Company for a second term of five consecutive years commencing from November 14, 2023 to November 13, 2028, not liable to retire by rotation. The re-appointment is subject to the approval of the shareholder of the Company.

Mr. Kain present tenure as Independent Director will conclude on November 13, 2023.

There are no inter-se relations between Mr. Kain and other Members of the Board. Further, Mr. Kain is not debarred from holding office of Director by virtue of any order passed by the Securities and Exchange Board of India or any other such authority

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

Thanking you

Yours faithfully,

For Simbhaoli Sugars Limited

SHUBHAM
KANDHWAY

Digitally signed by
SHUBHAM KANDHWAY
Date: 2023.11.07
16:32:07 +05'30'

Shubham Kandhway
Company Secretary
M No. - FCS 10757

Specialty Sugars

Potable Alcohol

Ethanol

Power

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



Mittal Gupta & Co.

Chartered Accountants

10/437, Khalasi Lines, Kanpur -208001

Tel: 0512-3158490 E-mail: mgco@mgcoca.in

Independent Auditor's Review Report on standalone unaudited 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.

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 September 30, 2023 and year to date from April 1, 2023 to September 30, 2023, ("the Statement") attached herewith. The Statement has been prepared by the company pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the Listing Regulation 2015) as amended to date, which has been initialed by us for identification purpose.
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 Modified Conclusion

4. We draw attention to Note No. 2 of the Statement regarding non provisions for impairment in the carrying value of Property, Plant and Equipments. We are not made available of appropriate impairment assessment carried out by the management and accordingly, we are unable to comment on the same including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.
5. We draw attention to Note No. 3 of the Statements regarding non-provision of interest expense aggregating to Rs. 2,199.46 Lakhs and Rs. 7,304.09 Lakhs for the quarter and for the year to date ending September 30, 2023 respectively on certain borrowings for the reasons stated in the said



Mittal Gupta & Co.

Chartered Accountants

10/437, Khalasi Lines, Kanpur -208001

Tel: 0512-3158490 E-mail: mgco@mgcoca.in

note. The aggregate amount of interest expense not provided for in the accounts aggregates to Rs. 96,252.12 Lakhs till September 30, 2023. Consequently, finance cost and Loss for the quarter and year to date ending September 30, 2023 has been understated by the aforesaid amount as for the respective periods. Further, other equity as at September 30, 2023 has been overstated and Current Financial Liabilities as at September 30, 2023 has been understated by Rs. 96,252.12 Lakhs.

6. 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. Accordingly, we are unable to comment on the any consequential adjustments that may arise in this regard in these financial results.
7. We draw attention to Note No. 5 of the Statement regarding differences in accounting of certain transactions by Simbhaoli Power Private Limited (SPPL), a material subsidiary company, since last three years which have been disputed by the Company. We are not made available the reconciliation statement of the accounts with SPPL and the details of the transactions in disputes, and hence we are not able to comment on its consequential impact on these financial results. Further, the company had invested substantial funds in (SPPL), which had been incurring losses since FY 2019-20. The auditors of SPPL, in its latest available audit report for the year ended March 31, 2022, 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 September 30, 2023, the carrying amount of investments in Equity Shares and Compulsory Convertible Debentures in SPPL in the books of the Company aggregates to Rs.10,386.53 Lakhs and the carrying amounts of receivables and other dues aggregates to Rs. 8,327.58 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 comment 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.
8. As stated in Note No. 6 of the Statement, the company has paid/ provided remuneration to directors amounting to Rs. 22.28 lakhs and Rs. 301.82 lakhs for the quarter and year to date



Mittal Gupta & Co.

Chartered Accountants

10/437, Khalasi Lines, Kanpur -208001

Tel: 0512-3158490 E-mail: mgco@mgcoca.in

ending September 30, 2023 respectively, 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.

Our conclusion is modified in respect of the above matters.

Material Uncertainty related to Going Concern:

9. As stated in Note No. 2, the Statement has been prepared on going concern basis. Events or conditions as set forth in Note No. 1& 2 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.

10. Based on our review conducted as above, and except for the matters referred to in paragraph 4 to 8 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.

For MITTAL GUPTA & CO.

Chartered Accountants

FRN: 001874C

BIHARI LAL
GUPTA

Digitally signed by BIHARI
LAL GUPTA
Date: 2023.11.07 16:40:31
+05'30'

(B. L. Gupta)

Partner

Membership No. 073794

Place of Signature: Kanpur

Date: 07.11.2023

UDIN: 23073794BGWHCT1523

SIMBHAOLI SUGARS LIMITED

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

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

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED
SEPTEMBER 30, 2023**



(Rs. Lacs)

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30,2023	June 30,2023	September 30,2022	September 30,2023	September 30,2022	March 31,2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	29,901.38	30,519.43	26,977.97	60,420.81	60,552.16	1,37,832.27
	(b) Other income	504.66	604.13	437.85	1,108.79	868.82	1,759.84
	Total Income	30,406.04	31,123.56	27,415.82	61,529.60	61,420.98	1,39,592.11
2	Expenses						
	(a) Cost of materials consumed	112.74	8,431.79	86.78	8,544.53	11,842.83	89,964.84
	(b) Purchase of stock-in-trade	1,618.31	2,308.28	1,257.02	3,926.59	3,245.98	6,481.74
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23,102.02	11,616.48	20,225.13	34,718.50	32,107.31	1,535.64
	(d) Excise duty	4,074.43	3,869.97	3,589.96	7,944.40	7,207.58	16,646.24
	(e) Employee benefits expense	1,478.61	1,431.39	2,198.16	2,910.00	3,635.21	7,156.53
	(f) Finance costs	673.14	653.90	638.17	1,327.04	1,279.04	2,529.82
	(g) Depreciation and amortisation expense	697.35	688.89	804.11	1,386.24	1,595.44	3,193.92
	(h) Power & fuel	144.71	783.10	104.59	927.81	959.29	2,593.24
	(i) Other expenses	2,439.55	2,369.93	2,532.60	4,809.48	5,220.79	12,628.50
	Total expenses	34,340.86	32,153.73	31,436.52	66,494.59	67,093.47	1,42,730.47
3	Profit/ (loss) before exceptional items and tax (1-2)	(3,934.82)	(1,030.17)	(4,020.70)	(4,964.99)	(5,672.49)	(3,138.36)
4	Exceptional items	-	-	-	-	-	-
5	Profit/ (loss) before Tax (3-4)	(3,934.82)	(1,030.17)	(4,020.70)	(4,964.99)	(5,672.49)	(3,138.36)
6	Tax expense :						
	- Current tax	-	-	-	-	-	-
	- Deferred tax	-	-	-	-	-	-
	Total tax expenses	-	-	-	-	-	-
7	Net Profit/(loss) from ordinary activities after tax (5-6)	(3,934.82)	(1,030.17)	(4,020.70)	(4,964.99)	(5,672.49)	(3,138.36)
8	Other Comprehensive Income (net of tax)						(153.66)
	A) I. Items that will not be reclassified to profit & loss	-	-	-	-	-	(153.66)
	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 loss	-	-	-	-	-	-
9	Total Comprehensive Income (net of tax) (7+8)	(3,934.82)	(1,030.17)	(4,020.70)	(4,964.99)	(5,672.49)	(3,292.02)
10	Paid up equity share capital (face value Rs. 10/- each)	4,127.90	4,127.90	4,127.90	4,127.90	4,127.90	4,127.90
11	Other Equity						(9,951.24)
12	Basic and Diluted Earning Per Share (Rs.) (not annualized)						
	- EPS before exceptional item	(9.53)	(2.50)	(9.74)	(12.03)	(13.74)	(7.60)
	- EPS after exceptional item	(9.53)	(2.50)	(9.74)	(12.03)	(13.74)	(7.60)

SIMBHAOLI SUGARS LIMITED

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

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



STATEMENT OF UNAUDITED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. Lacs)

	Quarter ended			Year ended		
	September 30,2023	June 30,2023	September 30,2022	September 30,2023	September 30,2022	March 31,2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(A). Segment Revenue						
(a) Sugar	19,634.31	22,493.05	19,166.06	42,127.36	46,299.12	1,11,981.58
(b) Distillery	10,423.32	12,116.81	7,852.63	22,540.13	18,041.43	38,984.92
Total	30,057.63	34,609.86	27,018.69	64,667.49	64,340.55	1,50,966.50
Less: Inter Segment Revenue	156.25	4,090.43	40.72	4,246.68	3,788.39	13,134.23
Net sales/income from operations	29,901.38	30,519.43	26,977.97	60,420.81	60,552.16	1,37,832.27
(B). Segment Results						
Profit/ (loss) before finance costs, unallocated Expenditure, exceptional items and tax from each segment						
(a) Sugar	(2,899.80)	(750.82)	(2,670.76)	(3,650.62)	(3,471.03)	172.48
(b) Distillery	(571.97)	234.24	(772.84)	(337.73)	(1,100.18)	(1,332.87)
Total	(3,471.77)	(516.58)	(3,443.60)	(3,988.35)	(4,571.21)	(1,160.39)
Less:						
(a) Finance cost	673.14	653.90	638.17	1,327.04	1,279.04	2,529.82
(b) Other un-allocated expenses/ (income) (net)	(210.09)	(140.31)	(61.07)	(350.40)	(177.76)	(551.85)
Total Profit/ (loss) before tax	(3,934.82)	(1,030.17)	(4,020.70)	(4,964.99)	(5,672.49)	(3,138.36)
(C). Segment Assets						
(a) Sugar	1,02,723.99	1,23,603.83	1,08,918.59	1,02,723.99	1,08,918.59	1,35,172.29
(b) Distillery	36,025.90	40,172.29	36,202.83	36,025.90	36,202.83	41,152.47
(c) Unallocated	19,534.17	18,281.68	17,854.35	19,534.17	17,854.35	17,494.35
Total	1,58,284.06	1,82,057.80	1,62,975.77	1,58,284.06	1,62,975.77	1,93,819.11
(D). Segment Liabilities						
(a) Sugar	39,882.82	59,991.86	44,035.82	39,882.82	44,035.82	71,121.82
(b) Distillery	2,050.40	2,254.58	2,315.67	2,050.40	2,315.67	2,600.52
(c) Unallocated	25,998.33	25,404.44	23,084.76	25,998.33	23,084.76	24,595.08
(d) Borrowings	1,01,131.83	1,01,253.22	1,01,760.56	1,01,131.83	1,01,760.56	1,01,325.03
Total	1,69,063.38	1,88,904.10	1,71,196.81	1,69,063.38	1,71,196.81	1,99,642.45

STANDALONE STATEMENT OF ASSETS AND LIABILITIES



(Rs. lacs)

Sr.No.	Particulars	As at September 30,2023	As at March 31,2023
		Unaudited	Audited
I.	ASSETS		
	Non current assets		
	a) Property, plant and equipment	1,17,864.94	1,19,090.90
	b) Capital work in progress	734.58	251.92
	c) Intangible assets	32.78	24.41
	d) Financial assets		
	i) Investments	11,010.38	11,010.88
	ii) Others	202.80	129.04
	e) Income tax assets (net)	1,001.93	950.35
	f) Other non-current assets	374.36	386.88
	Total non - current assets	1,31,221.77	1,31,844.38
	Current assets		
	a) Inventories	9,769.70	45,082.87
	b) Financial assets		
	i) Trade receivables	2,406.19	3,021.95
	ii) Cash & cash equivalents	1,168.43	1,472.75
	iii) Bank balance other than (ii) above	3,835.76	2,752.54
	iv) Others	8,185.73	8,001.82
	c) Other current assets	1,696.48	1,642.80
	Total current assets	27,062.29	61,974.73
	TOTAL ASSETS	1,58,284.06	1,93,819.11
II.	Equity and liabilities		
	Equity		
	a) Equity share capital	4,127.90	4,127.90
	b) Other equity	(14,907.22)	(9,951.24)
		(10,779.32)	(5,823.34)
	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	i) Borrowings	304.90	304.90
	(b) Provisions	525.61	496.01
	Total non - current liabilities	830.51	800.91
	Current liabilities		
	(a) Financial liabilities		
	i) Borrowings	1,00,826.93	1,01,020.13
	ii) Trade payable		
	(a) Total outstanding dues of the Micro, Small Enterprises	408.83	475.04
	(b) Total outstanding other than (a) above	37,113.20	68,482.83
	iii) Other financial Liabilities	28,188.61	27,143.88
	(b) Other current liabilities	1,556.02	1,577.73
	(c) Provisions	139.28	141.93
	Total current liabilities	1,68,232.87	1,98,841.54
	TOTAL EQUITY AND LIABILITIES	1,58,284.06	1,93,819.11

SIMBHAOLI SUGARS LIMITED



STANDALONE STATEMENT OF CASH FLOW

(Rs. Lacs)

Particular	For the Six Month Ended As At		For the Year Ended As At
	September 30, 2023	September 30, 2022	March 31, 2023
	Unaudited	Unaudited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net profit/(loss) before tax and exceptional items	(4,964.99)	(5,672.49)	(3,138.36)
Adjustments for:			
Depreciation and amortization	1,386.24	1,595.44	3,193.92
Finance costs	1,327.04	1,279.04	2,529.82
Interest income on financial assets & Others	(867.71)	(808.12)	(1,593.54)
Liability/provisions no longer required written back	(97.14)	(9.16)	(42.68)
Bad Debts and advances written off	6.21	-	1.31
Profit on redemption of Mutual Funds Units	-	(5.69)	(5.69)
Loss/ (profit) from sale /discard of property, plant and equipment (net)	-	(2.95)	34.11
Provision for obsolete items	-	-	76.04
Provision for Credit Loss allowance	(19.68)	34.36	30.36
Mollasses Storage Fund	9.01	7.89	25.12
Operating profit/(loss) before working capital changes	(3,221.02)	(3,581.68)	1,110.41
<i>Adjustments for (increase)/decrease in operating assets:</i>			
Changes in trade and other receivables	629.23	496.41	452.78
Changes in other non current and current financial asset	(54.23)	(26.35)	(65.94)
Changes in other non current and other current assets	(41.16)	(4.33)	(373.32)
Changes in inventories	35,313.17	32,018.25	1,347.00
Changes in trade and other payables	(31,338.70)	(29,386.12)	(2,389.24)
Changes in other non-current and other current financial liabilities	(51.69)	723.57	773.02
Changes in other non-current and other current liabilities	(21.71)	(127.82)	351.09
Changes in long term and short term provision	26.95	22.20	75.87
Cash (used)/generated from operations	1,240.84	134.13	1,281.67
Direct taxes (paid)/refund	(51.58)	(49.05)	(581.84)
Net cash (used) / from operating activities	1,189.26	85.08	699.83
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Additions to property, plant & equipment and intangible assets	(667.29)	(409.77)	(1,004.77)
Sale of property, plant & equipment and intangible assets	-	4.55	12.66
Redemption/(Purchase) of national savings certificate	0.50	(1.00)	(1.00)
Interest received on debentures/fixed deposits/inter corporate deposits	734.33	386.69	510.61
Investment in Mutual funds	-	(601.60)	(3,550.00)
Proceeds from Redemption of Mutual Funds	-	607.29	3,555.69
Changes in fixed deposit with Banks	(3.28)	7.46	(3.69)
Net cash (used) / from investing activities	64.26	(6.38)	(480.50)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
EMD Paid to banks for OTS	(1,150.00)	(170.00)	(690.00)
Interest paid	(214.64)	(388.44)	(540.45)
Repayment of long term borrowings	-	-	(0.80)
Proceeds/(repayment) of short term borrowings(net)	(193.21)	(30.78)	(276.73)
Net cash (used) / from financing activities	(1,557.85)	(589.22)	(1,507.98)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(304.33)	(510.52)	(1,288.65)
E. Cash and cash equivalents (opening balance)	1,472.75	2,761.40	2,761.40
F. Cash and cash equivalents (closing balance) (D+E)			
Cash and bank balances (D+E)	1,168.42	2,250.88	1,472.75

Notes to Standalone Results:

1. For the half year ended September 30, 2023 and in previous years, due to higher raw material cost i.e. sugarcane costs (SAP) fixed by State government and relatively lower sales realization of finished sugar on adverse demand & supply scenario, 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 towards its lenders as well as to the sugarcane farmers in terms of their respective agreements and understanding. All the production units of the Company are operational and continue to operate at sub-optimum levels on year-on-year basis while consistent efforts are being made for improvement in operational efficiency viz. improvement in sugar recovery, reduction in overheads and reduction in other operational and administrative costs etc. However, due to lack of required working capital and no capex being undertaken towards augmentation and modernization, the operations of distillery and sugar plants are still adversely impacted. Further, the availability of required sugarcane for optimal utilization of production capacities is still a challenge on account of aforesaid reasons. In distillery segment, non-installation of incineration boilers and other equipment's to meet the stringent requirement of Pollution Control Board is still resulting in curtailed production levels. Further, the expected accrued benefits under the Sugar Industries Promotion policy 2004 has not been yet disbursed by the State Government as the matter is sub-judice.

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 of sugar mills and to support the liquidation of sugarcane arrears by grant of soft loan, 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 and incurring losses on account of non-availability of sufficient sugar cane commensurate to its crushing capacities, on account of delayed payment of sugar cane prices due to adverse liquidity position, which have resulted in the diversion of sugar cane in the command areas to the other adjoining sugar mills. Benefits under soft loan could also not be availed, since credit facility accounts with its lenders were having NPA categorisation.

2. Due to default in repayment of credit facilities, 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 and also filing of recovery proceedings against personal guarantors (Promoters) before NCLT under section 95 of Insolvency and Bankruptcy Code, 2016 in addition to approaching Debt Recovery Tribunals in Delhi as well as in Lucknow, Uttar Pradesh. One of the lenders had declared the Company and Guarantors to the credit facility, as Willful Defaulters, such impugned order of lender was *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 the decision is kept in Abeyance. One lender has categorized company with Fraud tag and same is challenged before Delhi High Court. While 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 before with the appropriate authority and the matter is *sub-judice*. The 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 the company 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 by the commercial lenders, while application filed with Hon'ble NCLT Bench, Allahabad is being heard. The Commercial Lenders have also appointed two independent valuers for the valuation of the assets of the Company.

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, pending receipt of the final valuation reports from the two independent valuers appointed by the Commercial Lenders.

3. As stated aforesaid, 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, internal accruals, monetization of assets etc. which contemplates the total waiver of interest, concession in repayment of principal amount. Commercial lenders have accepted the Earnest Money Deposit (EMD) offered in consonance with the Debt Resolution Proposal. Accordingly, the estimated Interest expenses on credit facilities pertaining to commercial lenders, for the quarter and six month ended September 30, 2023 amounting to Rs. 2199.46 Lakhs and Rs.7304.09 Lakhs respectively (previous quarter and six month ended September 30,2022 amounting to Rs.4622.20 Lakhs and Rs.9285.68 Lakhs respectively) has not been recognized in statement of profit and loss account. An estimated accumulated amount of Rs. 96,252.12 Lakhs towards accrued interest has not been provided for in the books of accounts as on September 30, 2023.
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 had received a notice for payment of interest on delayed payment of cane price for sugar season 2012-13 but considering the past practice of waiver/non-levying of any interest on account of delayed payment of cane price by the State Government, no provision towards the interest on delayed payment of cane price for the aforesaid and subsequent sugar seasons has been made in the accounts. Since, 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 not be quantified.
5. The Board of the Simbhaoli Power Private Limited (SPPL), a 51% subsidiary with a joint venture with Sindicatum Bagasse India Pte Limited, has not yet approved its accounts for the financial year 2022-23 due to accounting of certain transactions with the company since last 3 years, based on its own assumption, which have been objected by the company as these are not in accordance with the terms stipulated under Joint Venture agreement executed by both the parties at the time of formation of joint venture in FY 2012-13. Pending resolution of the differences, SPPL has also stopped sharing copy of ledger accounts of the company for reconciliation and confirmation. The company continued to pass accounting entries of the transactions entered

into with SPPL as per the terms of joint venture agreements. However, due to non-availability of confirmation and copy of ledger accounts, the amount in disputes with SPPL could not be quantified. The Company has exposure aggregating to Rs. 18714.11 Lakhs in the aforesaid subsidiary, by way of investments, trade and receivables, accumulated interest on debentures. As per audited financial statements for the Financial Year 2021-22, the company has incurred losses on account of reduction in power tariff and its auditors has reported the existence of material uncertainty that may cast significant doubts about its ability to as continue going concern. The management is of the view that sufficient efforts are being undertaken to make the operations of the said subsidiary financially viable in the foreseeable future so as to recover the carrying amount of investments, trade and other receivables, and accumulated interest and the impairment, if any exists, is of temporary nature and accordingly, no provision, other than those already accounted for, has been considered necessary.

6. In 10th Annual General Meeting held on September 27 ,2021, the shareholders of the company, through special resolution, approved the appointment and remunerations of the managing director, Mrs Gursimran Kaur Mann and whole time director, Mr. S.N. Misra for 2 year w.e.f. August 02,2021. Lenders with majority share in outstanding debt, led by the State Bank of India, had 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, the payment of remuneration had been made to the above named persons as per resolution, from the date of re-appointment till August 1, 2023 amounting to Rs. 301.82 lakhs including Rs. 22.28 Lakhs for the quarter ended 30.09.2023.
7. The sugar industry in Uttar Pradesh faces a higher molasses levy obligation due to the flawed calculation method introduced in the amended molasses policy on April 28, 2023, for the Molasses Year 2022-23. The amended policy aims to treat B heavy and C heavy molasses as equivalent rather than distinguishing between them based on their respective alcohol output. This is in complete departure from the Original Molasses Policy notified by the State Government. The financial results for the quarter ending Sept. 30, 2023 are drawn after considering the impact of the higher levy obligations of 'B' heavy molasses for the Molasses Year 2022-23, as determined by the State Government Authorities, which has resulted in an increase in expenditure of Rs. 1087.09 Lacs for the quarter ended September 30, 2023.
8. Sugar production, one of the core business activity of the Company, is a part of seasonal and cyclical industry. The results may vary from quarter to quarter.
9. The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on November 7th, 2023.

For **SIMBHAOLI SUGARS LIMITED**

Gursimran Kaur
Mann

Digitally signed by Gursimran Kaur
Mann
Date: 2023.11.07 16:34:08 +05'30'

Gursimran Kaur Mann

Managing Director

Place: Simbhaoli, Hapur

Date: November 7th, 2023

Company Website: www.simbhaolisugars.com



Mittal Gupta & Co.

Chartered Accountants

10/437, Khalasi Lines, Kanpur -208001

Tel: 0512-3158490 E-mail: mgco@mgcoca.in

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 unaudited Consolidated Financial Results of Simbhaoli Sugars Limited ('the Holding Company') and its subsidiaries (hereinafter referred to as 'the Group') for the quarter ended September 30, 2023 and year to date from April 1, 2023 to September 30, 2023, ("the Statement") attached herewith. The Statement has been prepared by the company pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the Listing Regulation 2015) as amended to date, which has been initialed by us for identification purpose.
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.
4. We also performed the procedures in accordance with the circular CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by SEBI under Regulation 33(8) of Listing Regulations, to the extent applicable.

Basis of Adverse Conclusion

5. 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 the quarter and year to date ending September 30, 2023 and for earlier periods presented in the Statement for the reason stated in said note. Under the accounting principles generally accepted in India, the



Mittal Gupta & Co.

Chartered Accountants

10/437, Khalasi Lines, Kanpur -208001

Tel: 0512-3158490 E-mail: mgco@mgcoca.in

subsidiary should have been consolidated because it is controlled by the Company. Had the results 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.

6. We draw attention to Note No. 2 of the Statement regarding non provisions for impairment in the carrying value of Property, Plant and Equipments. We are not made available of appropriate impairment assessment carried out by the management and accordingly, we are unable to comment on the same including compliance with the Ind AS-36 ('Impairment of Assets') and any consequential adjustments that may arise in this regard in these financial results.
7. We draw attention to Note No. 3 of the Statements regarding non-provision of interest expense aggregating to Rs. 2,199.46 Lakhs and Rs. 7,304.09 Lakhs for the quarter and for the year to date ending September 30, 2023 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. 96,252.12 Lakhs till September 30, 2023. Consequently, finance cost and Loss for the quarter and year to date ending September 30, 2023 has been understated by the aforesaid amount as for the respective periods. Further, other equity as at September 30, 2023 has been overstated and Current Financial Liabilities as at September 30, 2023 has been understated by Rs. 96,252.12 Lakhs.
8. 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. Accordingly, we are unable to comment on the any consequential adjustments that may arise in this regard in these financial results.
9. As stated in Note No. 5(i) of the statement, disputed unbilled revenue of Rs. 462.57 Lakhs recognized by ICCPL in earlier years and earnest deposits of Rs. 105.00 Lakhs are continued to be carried over without making any provision for expected credit losses and estimated probable losses on account of disputes. 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.
10. As stated in Note No. 5(ii) of the statement, ICCPL had made provision of Rs. 167.85 lakhs as expected credit losses in respect of unconfirmed receivables overdue for more than one years aggregating to Rs. 302.20 Lakhs which had not been accepted by the counter parties as payable on account of certain disputes in fulfillment of the contracts. In our opinion and considering the fact of non-confirmation and disputes by the counter parties, the entire



Mittal Gupta & Co.

Chartered Accountants

10/437, Khalasi Lines, Kanpur -208001

Tel: 0512-3158490 E-mail: mgco@mgcoca.in

amount of Rs. 302.20 Lakhs should have been provided for. Consequently, loss for the quarter ended September 30, 2023 and accumulated losses up to date has been understated by Rs. 134.35 lakhs.

11. As stated in Note No. 5(iii) of the statement, recognition of deferred tax assets of Rs. 167.52 Lakhs by ICCPL in respect of past losses and other deductible temporary differences is not in consonance with Ind AS-12 as the probability of earning sufficient taxable profits in future is remote. Consequently, loss for the quarter ended September 30, 2023 and accumulated losses up to date has been understated by the aforesaid amount.
12. As stated in Note no. 6 of the Statement, SPPL had recorded higher revenue from operations for the period April to September, 2019 by Rs 683 Lakhs, which has not been provided for or reversed till March 31,2022. Consequently, loss for the quarter ended September 30,2023 and accumulated losses up to date has been understand by the aforesaid amount.
13. As stated in Note No. 8 of the Statement, the holding company has paid/ provided remuneration to directors amounting to Rs. 22.28 lakhs and Rs. 301.82 lakhs for the quarter and year to date ending September 30, 2023 respectively, 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

14. 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. 1& 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.
15. 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, 2022 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.

16. Based on our review conducted as above, and after considering the matters referred to in Paragraph No. 5 to 15 above, we are of the opinion that the accompanying Statement are not prepared in all material respects in accordance with applicable Indian Accounting Standards



Mittal Gupta & Co.

Chartered Accountants

10/437, Khalasi Lines, Kanpur -208001

Tel: 0512-3158490 E-mail: mgco@mgcoca.in

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.

17. The statement includes the results of the following Subsidiary Companies:

- A. Integrated Casetech Consultants Private Limited
- B. Simbhaoli Specialty Sugars Private Limited
- C. Simbhaoli Power Private Limited till March 31,2022

Other Matter

18. The unaudited consolidated financial results include the financial results of one subsidiary, whose interim financial results reflect total assets of Rs. 148.27 Lakhs as at September 30, 2023, total revenue of Rs. 4.56 lakhs, total net profit after tax and total comprehensive income of Rs.0.69 Lakhs and cash outflows of Rs. 2.33 Lakhs for year to date September 30, 2023 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 unaudited consolidated 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: 001874C

BIHARI LAL
GUPTA

Digitally signed by BIHARI
LAL GUPTA
Date: 2023.11.07 16:41:11
+05'30'

(B. L. Gupta)

Partner

Membership No.:073794

Place of Signature: Kanpur

Date: 07.11.2023

UDIN: [23073794BGWHCU3893](https://www.mca21.org/UDIN/23073794BGWHCU3893)

SIMBHAOLI SUGARS LIMITED
Regd. Office : Simbhaoli Dist. Hapur (U.P.) - 245207
CIN - L15122UP2011PLC044210 E-mail: info@simbhaolisugars.com Website: www.simbhaolisugars.com
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED
SEPTEMBER 30, 2023

(Rs. Lacs)

Sl. No.	Particulars	Quarter Ended			Six months ended		Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	29,960.44	30,695.31	27,274.34	60,655.75	61,164.67	1,39,919.64
	(b) Other income	542.81	605.80	445.18	1,148.61	888.52	1,823.51
	Total Income	30,503.25	31,301.11	27,719.52	61,804.36	62,053.19	1,41,743.15
2	Expenses						
	(a) Cost of materials consumed	112.74	8,431.79	86.78	8,544.53	11,842.83	89,964.84
	(b) Purchase of stock-in-trade	1,618.31	2,308.28	1,257.02	3,926.59	3,245.98	6,515.45
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23,102.02	11,616.48	20,225.13	34,718.50	32,107.31	1,535.64
	(d) Excise duty	4,074.43	3,869.97	3,589.96	7,944.40	7,207.58	16,646.24
	(e) Employee benefits expense	1,588.74	1,612.36	2,479.56	3,201.10	4,197.66	8,450.80
	(f) Finance costs	692.26	675.39	638.78	1,367.65	1,279.65	2,547.04
	(g) Depreciation and amortisation expense	698.08	689.65	804.90	1,387.73	1,596.92	3,196.93
	(h) Power and Fuel	144.71	792.37	104.62	937.08	959.50	2,593.24
	(i) Other expenses	2,478.89	2,458.71	2,544.24	4,937.60	5,263.45	13,360.43
	Total expenses	34,510.18	32,455.00	31,730.99	66,965.18	67,700.88	1,44,810.61
3	Profit/ (loss) before exceptional items and tax (1-2)	(4,006.93)	(1,153.89)	(4,011.47)	(5,160.82)	(5,647.69)	(3,067.46)
4	Exceptional items	-	-	-	-	-	-
5	Profit/ (loss) before Tax (3-4)	(4,006.93)	(1,153.89)	(4,011.47)	(5,160.82)	(5,647.69)	(3,067.46)
6	Tax expense :						
	- Current tax	(0.07)	0.31	0.21	0.24	1.47	1.36
	- Deferred tax	(18.06)	(31.44)	0.12	(49.50)	0.97	14.87
	- Income Tax Adjustment	-	-	-	-	-	0.61
	Total tax expenses	(18.13)	(31.13)	0.33	(49.26)	2.44	16.84
7	Net Profit/(loss) from ordinary activities after tax (5-6)	(3,988.80)	(1,122.76)	(4,011.80)	(5,111.56)	(5,650.13)	(3,084.30)
8	Other Comprehensive Income (net of tax)						(165.18)
	A) I. Items that will not be reclassified to profit & loss	-	-	-	-	-	(169.05)
	II. Income Tax relating to Items that will not be reclassified to profit or loss	-	-	-	-	-	3.87
	B) I. Items that will be reclassified to profit & loss	-	-	-	-	-	-
	II. Income Tax relating to Items that will be reclassified to profit	-	-	-	-	-	-
9	Total Comprehensive Income (net of tax) (7+8)	(3,988.80)	(1,122.76)	(4,011.80)	(5,111.56)	(5,650.13)	(3,249.48)
	Profit/Loss for the year attributable to :						
	I. Owners of the parent	(3,980.81)	(1,108.89)	(4,011.94)	(5,089.70)	(5,651.16)	(3,086.90)
	II. Non-Controlling Interest	(7.99)	(13.87)	0.14	(21.86)	1.03	2.60
	Other Comprehensive Income attributable to:						
	I. Owners of the parent	-	-	-	-	-	(163.47)
	II. Non-Controlling Interest	-	-	-	-	-	(1.71)
	Total Comprehensive Income attributable to:						
	I. Owners of the parent	(3,980.81)	(1,108.89)	(4,011.94)	(5,089.70)	(5,651.16)	(3,250.37)
	II. Non-Controlling Interest	(7.99)	(13.87)	0.14	(21.86)	1.03	0.89
10	Paid up equity share capital (face value Rs. 10/- each)	4,127.90	4,127.90	4,127.90	4,127.90	4,127.90	4,127.90
11	Other Equity						(16,018.98)
12	Basic and Diluted Earning Per Share (Rs.) (not annualized)						
	- EPS before exceptional item	(9.66)	(2.72)	(9.72)	(12.38)	(13.69)	(7.47)
	- EPS after exceptional item	(9.66)	(2.72)	(9.72)	(12.38)	(13.69)	(7.47)

SIMBHAOLI SUGARS LIMITED

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

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

STATEMENT OF UNAUDITED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs.Lacs)

Particulars	Quarter Ended			Year ended		
	September 30,2023	June 30,2023	September 30,2022	September 30,2023	September 30,2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(A). Segment Revenue						
(a) Sugar	19,634.31	22,493.05	19,166.06	42,127.36	46,299.12	1,11,981.58
(b) Distillery	10,423.32	12,116.81	7,852.63	22,540.13	18,041.43	38,984.92
(c) Power	-	-	-	-	-	-
(d) Others	117.00	227.03	348.65	344.03	714.55	2,279.37
Total	30,174.63	34,836.89	27,367.34	65,011.52	65,055.10	1,53,245.87
Less: Inter Segment Revenue	214.19	4,141.58	93.00	4,355.77	3,890.43	13,326.23
Net sales/income from operations	29,960.44	30,695.31	27,274.34	60,655.75	61,164.67	1,39,919.64
(B). Segment Results						
Profit/ (loss) before finance costs, unallocated expenditure, exceptional items and tax from each segment						
(a) Sugar	(2,899.80)	(750.82)	(2,670.76)	(3,650.62)	(3,471.03)	172.48
(b) Distillery	(571.97)	234.24	(772.84)	(337.73)	(1,100.18)	(1,332.87)
(c) Power	-	-	-	-	-	-
(d) Others	(53.28)	(102.68)	1.21	(155.96)	7.97	50.83
Total	(3,525.05)	(619.26)	(3,442.39)	(4,144.31)	(4,563.24)	(1,109.56)
Less:						
(a) Finance cost	692.26	675.39	638.78	1,367.65	1,279.65	2,547.04
(b) Other un-allocated expenses/ (income) (net)	(210.38)	(140.76)	(69.70)	(351.14)	(195.20)	(589.14)
(c) Exceptional item	-	-	-	-	-	-
Total Profit/ (loss) before tax	(4,006.93)	(1,153.89)	(4,011.47)	(5,160.82)	(5,647.69)	(3,067.46)
(C). Segment Assets						
(a) Sugar	95,904.57	1,16,661.85	1,02,968.22	95,904.57	1,02,968.22	1,28,143.28
(b) Distillery	36,025.90	40,172.29	36,202.83	36,025.90	36,202.83	41,152.47
(c) Power	31,131.33	31,131.33	33,085.12	31,131.33	33,085.12	31,131.33
(d) Others	1,281.56	1,465.14	2,274.52	1,281.56	2,274.52	2,105.02
(e) Unallocated	8,512.96	7,239.89	6,673.80	8,512.96	6,673.80	6,385.83
Total	1,72,856.32	1,96,670.50	1,81,204.49	1,72,856.32	1,81,204.49	2,08,917.93
(D). Segment Liabilities						
(a) Sugar	39,882.82	59,991.86	44,035.82	39,882.82	44,035.82	71,121.82
(b) Distillery	2,050.40	2,254.58	2,315.67	2,050.40	2,315.67	2,600.52
(c) Power	2,916.70	2,916.70	2,069.92	2,916.70	2,069.92	2,916.70
(d) Others	1,217.75	1,326.70	1,958.91	1,217.75	1,958.91	1,808.08
(e) Unallocated	30,568.84	29,852.46	26,619.16	30,568.84	26,619.16	28,955.25
(f) Borrowings	1,02,819.66	1,02,941.05	1,05,735.25	1,02,819.66	1,05,735.25	1,03,012.86
Total	1,79,456.17	1,99,283.35	1,82,734.73	1,79,456.17	1,82,734.73	2,10,415.23

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES



(Rs. lacs)

Sr.No.	Particulars	As at September 30,2023	As at March 31,2023
		Unaudited	Audited
I.	ASSETS		
	Non current assets		
	a) Property, plant and equipment	1,43,598.92	1,44,825.67
	b) Capital work in progress	734.58	251.92
	c) Other intangible assets	39.23	30.93
	d) Financial assets		
	i) Investments	5.27	5.77
	ii) Trade receivables	683.03	683.03
	iii) Others	235.38	161.62
	e) Deferred tax assets (net)	167.52	118.02
	f) Income tax assets (net)	1,108.27	1,020.20
	g) Other non-current assets	554.45	566.73
	Total non - current assets	1,47,126.65	1,47,663.89
	Current assets		
	a) Inventories	9,936.37	45,254.66
	b) Financial assets		
	i) Investment	669.61	669.61
	ii) Trade receivables	4,756.68	6,045.32
	iii) Cash & cash equivalents	1,862.20	2,156.05
	iv) Bank balance other than (iii) above	3,858.49	2,774.53
	v) Others	1,860.68	1,619.97
	c) Other current assets	2,751.91	2,700.17
	d) Assets classified as held for sale	33.73	33.73
	Total current assets	25,729.67	61,254.04
	TOTAL ASSETS	1,72,856.32	2,08,917.93
II.	Equity and liabilities		
	Equity		
	a) Equity share capital	4,127.90	4,127.90
	b) Other equity	(21,099.67)	(16,018.98)
	c) Non-controlling interest	10,371.92	10,393.78
		(6,599.85)	(1,497.30)
	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	i) Borrowings	304.90	304.90
	(b) Provisions	541.07	511.01
	Total non - current liabilities	845.97	815.91
	Current liabilities		
	(a) Financial liabilities		
	i) Borrowings	1,02,514.76	1,02,707.96
	ii) Trade payable		
	(a) Total outstanding dues of the Micro, Small Enterprises	414.33	480.54
	(b) Total outstanding other than (a) above	39,492.63	70,961.54
	iii) Other financial Liabilities	33,434.77	32,477.78
	(b) Other current liabilities	1,983.62	2,178.00
	(c) Provisions	268.16	291.81
	(d) Income tax liabilities (net)	501.93	501.69
	Total current liabilities	1,78,610.20	2,09,599.32
	TOTAL EQUITY AND LIABILITIES	1,72,856.32	2,08,917.93

SIMBHAOLI SUGARS LIMITED



CONSOLIDATED STATEMENT OF CASH FLOW

(Rs. Lacs)

Particular	For the Six Month Ended As At		For the Year Ended As At
	September 30, 2023	September 30, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES :	Unaudited	Unaudited	Audited
Net profit/(loss) before tax and exceptional items	(5,160.82)	(5,647.69)	(3,067.46)
Adjustments for:			
Depreciation and amortization	1,387.73	1,596.92	3,196.93
Finance costs	1,367.65	1,279.65	2,547.04
Interest income on financial assets and others	(868.08)	(821.22)	(1,629.94)
Liability/provisions no longer required written back	(153.51)	(14.16)	(65.14)
Bad Debts and advances written off	6.21	-	18.27
Profit on redemption of Mutual Funds Units	-	(5.69)	(5.69)
Loss/ (profit) from sale/discard of property, plant and equipment (net)	-	(2.95)	34.11
Provision for obsolete items	-	-	76.04
Provision for Credit Loss allowance	86.44	34.36	59.98
Mollasses Storage Fund	9.01	7.89	25.12
Operating profit/(loss) before working capital changes	(3,325.37)	(3,572.89)	1,189.26
<i>Adjustments for (increase)/decrease in operating assets:</i>			
Changes in trade and other receivables	1,195.99	820.31	(425.77)
Changes in other non current and current financial asset	(111.43)	(12.85)	(36.09)
Changes in other non current and other current assets	(39.46)	(224.20)	583.20
Changes in inventories	35,318.29	32,032.74	1,327.79
Changes in trade and other payables	(31,381.61)	(29,519.57)	(2,424.72)
Changes in other non-current and other current financial liabilities	(139.43)	707.59	564.58
Changes in other non-current and other current liabilities	(194.38)	(59.87)	450.98
Changes in long term and short term provision	6.41	17.17	62.20
Cash (used)/generated from operations	1,329.01	188.43	1,291.43
Direct taxes (paid)/refund	(88.07)	(113.21)	(598.41)
Net cash (used) / from operating activities	1,240.94	75.22	693.02
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Additions to property, plant and equipment & intangible assets	(667.92)	(387.92)	(983.18)
Sale of property, plant and equipment & intangible assets	-	4.55	12.66
Sale of/ (Investments in) Mutual Funds (Net)	-	5.69	5.69
Redemption/(Purchase) of national savings certificate	0.50	(1.00)	(1.00)
Interest received on debentures/fixed deposits/inter corporate deposits	735.10	386.83	511.14
Changes in fixed deposit with Banks	(4.02)	7.40	(4.15)
Net cash (used) / from investing activities	63.66	15.55	(458.84)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
EMD Paid to banks for OTS	(1,150.00)	(170.00)	(690.00)
Interest paid	(255.25)	(389.04)	(540.44)
Repayment of long term borrowings	-	-	(0.80)
Proceeds/(repayment) of short term borrowings(net)	(193.20)	(30.78)	(276.73)
Net cash (used) / from financing activities	(1,598.45)	(589.82)	(1,507.97)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(293.85)	(499.05)	(1,273.79)
E. Cash and cash equivalents (opening balance)	2,156.05	4,642.61	3,429.84
F. Cash and cash equivalents (closing balance) (D+E)	1,862.20	4,143.56	2,156.05

Notes to Consolidated Results:

1. For the half year ended September 30, 2023 and in previous years, due to higher raw material cost i.e. sugarcane costs (SAP) fixed by State government and relatively lower sales realization of finished sugar on adverse demand & supply scenario, and other external factors, the Holding Company had continuously incurred huge cash losses resulting in complete erosion of its net worth, rendering the Company unable to meet payment obligations towards its lenders as well as to the sugarcane farmers in terms of their respective agreements and understanding. All the production units of the Holding Company are operational continue to operate at sub-optimum levels on year-on-year basis while consistent efforts are being made for improvement in operational efficiency viz. improvement in sugar recovery, reduction in overheads and reduction in other operational and administrative costs etc. However, due to lack of required working capital and no capex being undertaken towards augmentation and modernization, the operations of distillery and sugar plants are still adversely impacted. Further, the availability of required sugarcane for optimal utilization of production capacities is still a challenge on account of aforesaid reasons. In distillery segment, non-installation of incineration boilers and other equipment's to meet the stringent requirement of Pollution Control Board is still resulting in curtailed production levels. Further, the expected accrued benefits under the Sugar Industries Promotion policy 2004 has not been yet disbursed by the State Government as the matter is sub-judice.

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 of sugar mills and to support the liquidation of sugarcane arrears by grant of soft loan, 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 Holding Company is continuing to suffer and incurring losses on account of non-availability of sufficient sugar cane commensurate to its crushing capacities, on account of delayed payment of sugar cane prices due to adverse liquidity position, which have resulted in the diversion of sugar cane in the command areas to the other adjoining sugar mills. Benefits under soft loan could also not be availed, since credit facility accounts with its lenders were having NPA categorisation.

2. Due to default in repayment of credit facilities, lenders to the Holding 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 and also filing of recovery proceedings against personal guarantors (Promoters) before NCLT under section 95 of Insolvency and Bankruptcy Code, 2016 in addition to approaching Debt Recovery Tribunals in Delhi as well as in Lucknow, Uttar Pradesh. One of the lenders had declared the Holding Company and Guarantors to the credit facility, as Willful Defaulters, such impugned order of lender was *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 Holding Company's representations the decision is kept in Abeyance. One lender has categorized Holding company with Fraud tag and same is challenged before Delhi High Court. While 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 Holding 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 Holding Company to the extent of Rs. 109.80 Crore, against which the Holding Company has preferred an appeal before with the appropriate authority and the matter is *sub-judice*. The 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 Holding 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 the Holding company 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 by the commercial lenders, while application filed with Hon'ble NCLT Bench, Allahabad is being heard. The Commercial Lenders have also appointed two independent valuers for the valuation of the assets of the Holding Company.

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, the financial results of Holding Company 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, pending receipt of the final valuation reports from the two independent valuers appointed by the Commercial Lenders

3. As stated, aforesaid, the Holding 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, internal accruals, monetization of assets etc. which contemplates the total waiver of interest and concession in repayment of principal amount. Commercial lenders have accepted the Earnest Money Deposit (EMD) offered in consonance with the Debt Resolution Proposal. Accordingly, the estimated Interest expenses on credit facilities pertaining to commercial lenders, for the quarter and six month ended September 30, 2023 amounting to Rs. 2,199.46 Lakhs and Rs.7304.09 respectively (previous quarter and six month ended September 30,2022 amounting to Rs.4,622.20 Lakhs and Rs. 9,285.68 respectively) has not been recognized in profit and loss account. An estimated accumulated amount of Rs.96,252.12 Lakhs towards accrued interest has not been provided for in the books of accounts as on September 30, 2023.
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 Holding Company had received a notice for payment of interest on delayed payment of cane price for sugar season 2012-13, but considering the past practice of waiver/non-levying of any interest on account of delayed payment of cane price by the State Government, no provision towards the interest on delayed payment of cane price for the aforesaid and

subsequent sugar seasons has been made in the accounts. Since, no demand notices have been raised on the Holding 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 not be quantified.

5. The auditors of Integrated Cashtech Consultants Private Limited ('ICCPL'), a subsidiary company have qualified its conclusion on the financial results for the half ended Sep 30, 2023 in respect of following matters:-

- i. ICCPL had recognized revenue of Rs. 462.57 Lakhs as unbilled revenue in the earlier financial years, which had been in disputes with the counter parties. Further the counter parties had also hold back the payment of Earnest Money Deposits of Rs. 105.00 Lakhs, which has been shown as recoverable in the books. Pending final settlement of the disputes, the unbilled revenue and Earnest Money Deposits balances are continued to be carried forward at the same amount, without making any provision for the expected credit losses and estimated probable losses on account of disputes. The auditors are not made available of appropriate impairment assessment carried out by the management and accordingly, expressed their opinion that they are unable to comment on the same, including the compliance of the Ind AS 36 and any consequential adjustment that may arise in this regard in the financial results of ICCPL.
- ii. Trade receivables includes overdue receivables for more than one year amounting to Rs. 302.20 Lakhs, which has been classified as considered good and against which provision for expected credit loss of Rs. 167.85 Lakhs has been made. Examination of records of ICCPL revealed that the counter parties had not accepted the invoices raised by ICCPL on account of various disputes in fulfillment of the contracts and are also not confirming that these payments are due to IPPCL as per their records. In absence of the confirmation and considering the fact of non admission of invoices, the auditor expressed their opinion that the entire receivable amount of Rs. 134.35 Lakhs should have been provided for by ICCPL.
- iii. The recognition of net deferred tax assets of Rs. 167.52 Lakhs in respect of past losses and other deductible temporary differences is not in consonance with the Ind AS 12, as in the opinion of the auditors, the probability of earning sufficient taxable profits in future is remote in view of the above mentioned qualifications and continuing losses

6. In the audited financial statements of Simbahaoli Power Private Limited ('SPPL') for the year ended March 31, 2022, the statutory auditor of the SPPL had qualified their opinion on the matter of certain accounting disputes with the holding company aggregating to Rs.1,197.90 Lakhs, resulting in understatement of loss after tax and overstatement of equity by the aforesaid amount. The auditors further drawn Emphasis of Matter in respect of existence of material uncertainty on account of reduction in power tariff w.e.f. April 1, 2019, against which a writ petition has been filed by SSPL and others before High Court of Allahabad, Lucknow Bench; accounting of power supplied during the period April 1, 2019 to September 31, 2019 resulting in higher recognition of revenue by Rs. 683 Lakhs having consequential impact on the profits and financial statements; and consequential impact on impairment on Property, Plant and Equipment, if any, on account of the aforesaid tariff reduction. The auditors had further drawn attention on the existence of material uncertainty due to

incurring of losses on account of reduction in power tariff having adverse impact on the liquidity of SPPL and reported that the aforesaid facts cast significant doubts about the SPPL's ability to continue as a going concern.

7. In the consolidated financial results of the Company for the six month ended 30 September, 2023 and other presented periods, the financial results of SPPL, a material subsidiary has not been consolidated, as the financial results of SPPL after financial year ending on March 31, 2022 have not been yet finalized and approved till date.

The transactions entered into between the Company and SPPL for the six month ended September 30, 2023, which have not been eliminated in the consolidated financial results, have resulted in increase in the total revenue by Rs. 1038.01 Lakhs and total expenses by Rs. 314.64 Lakhs. Further, increase in the balances of subsidiary of Rs. 1,420.73 Lakhs as on 30 Sep, 2023 have been included in the consolidated balance sheet in the respective asset heads.

8. In 10th Annual General Meeting held on September 27 ,2021, the shareholders of the company, through special resolution, approved the appointment and remunerations of the managing director Mrs Gursimren Kaur Mann and whole time director, Mr S.N.Misra for 2 year w.e.f..August 02,2021. Lenders with majority share in outstanding debt, led by the State Bank of India, had 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, the payment of remuneration had been made to the above named persons as per resolution, from the date of re-appointment till August 1, 2023 amounting to Rs. 301.82 lakhs including Rs. 22.28 Lakhs for the quarter ended 30.09.2023.

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

(Rs. in Lakhs)

Particulars	Quarter ended			Six months ended		Year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
Net Sales/Income from operations (Net)	25826.95	26649.46	23388.01	52476.41	53344.58	121186.03
Profit/(Loss) before tax	(3934.82)	(1030.17)	(4020.70)	(4964.99)	(5672.49)	(3138.36)
Profit/ (Loss) after tax	(3934.82)	(1030.17)	(4020.70)	(4964.99)	(5672.49)	(3138.36)
Other Comprehensive Income	0.00	0.00	0.00	0.00	0.00	(153.66)
Total Comprehensive Income	(3934.82)	(1030.17)	(4020.70)	(4964.99)	(5672.49)	(3292.02)
EBITDA	(2564.33)	312.62	(2578.42)	(2251.71)	(2798.01)	2585.38

10. The sugar industry in Uttar Pradesh faces a higher molasses levy obligation due to the flawed calculation method introduced in the amended molasses policy on April 28, 2023, for the Molasses Year 2022-23. The amended policy aims to treat B heavy and C heavy molasses as equivalent rather than distinguishing between them based on their respective alcohol output. This is in complete departure from the Original Molasses Policy notified by the State Government. The financial results for the quarter ending Sept. 30, 2023 are drawn after considering the impact of the higher levy obligations of 'B' heavy molasses for the Molasses Year 2022-23, as determined by the State Government Authorities, which has resulted in an increase in expenditure of Rs. 1087.09 Lacs for the quarter ended September 30, 2023.

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 November 7th, 2023.

For **SIMBHAOLI SUGARS LIMITED**

Gursimran
Kaur Mann

Digitally signed by
Gursimran Kaur Mann
Date: 2023.11.07
16:34:53 +05'30'

Gursimran Kaur Mann

Managing Director

Place: Simbhaoli, Hapur

Date: November 7th, 2023

Company Website: www.simbhaolisugars.com