

**LIMITED REVIEW REPORT FOR THE QUARTER AND NINE MONTHS ENDED  
DECEMBER 31, 2022**

**TO**  
**THE BOARD OF DIRECTORS**  
**SIR SHADI LAL ENTERPRISES LIMITED**

1. We have reviewed the accompanying statement of unaudited financial results of Sir Shadi Lal Enterprises Limited ("the company") for the quarter and Nine months ended December 31, 2022 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the "Listing Regulations, 2015") read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This 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 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (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 as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We draw attention to Note No. 7 of the Standalone financial results, regarding non provision of Arrear of wages towards revision of wages of employees covered under wage board with retrospective effect from 1<sup>st</sup> October, 2018, pursuant to notification no. 2156788/2022/shrum-2 dated 03.08.2022 issued by the Government of Uttar Pradesh. As stated by the Company in the said note that liability has not been determined. Accounts are not maintained on "Accrual Basis" to the extent of said liability. Had such liability been provided the reported loss for the quarter and Nine months ended December 31, 2022 would have been higher to that extent.
5. Without qualifying our opinion, we draw your attention that:
  - a) The Company has not maintained accounts on " Accrual Basis" to the extent
  - i) Of Rs. 15446.40 Lakh as stated in Note No. 2 of the aforesaid Financial Statement in respect of Interest on late payment of cane price and



ii) As stated in Note No. 3 of the aforesaid Financial statement in respect of liability (Not determined by the Company) towards bonus relating to financial year 2014-15 in accordance with revised Bonus Notification dated 1st January, 2016

6. Based on our aforementioned review, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results has been prepared in accordance with the applicable Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder and other recognized accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the listing Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement, except as stated in Note No. 4 of the aforesaid Statement. In view of carried forward losses and uncertainty of future profitability, the management has decided, not to account for the effect of Deferred Taxation for the current period, which is not in line with Indian Accounting Standard-12.
7. Attention is invited to note no. 6 to the accompanying statement, wherein it is explained that the Company has significant accumulated losses which have resulted in erosion of the net worth of the Company. The reasons for improvement explained by the Company in the said Note No. 6 that it will continue as going concern and it will likely to pay its liabilities from expected generation of cash flow are, in our opinion uncertain. We are unable to comment upon the said uncertainties. Our opinion in respect of the matter is not qualified.
8. The review of the unaudited financial results for the Nine months ended December 2021 and quarter ended December 31, 2021 included in the statement were reviewed by the predecessor auditors who have issued an unmodified review report dated 12.02.2022 whose reports have been furnished to us by the Management and which have been relied upon by us for the purpose of our review of the Statement. Our review report is not modified in respect of this matter.

Place: New Delhi  
Date: 11.02.2023



**For BASANT RAM & SONS**

**Chartered Accountants**

**(F.R.N-000569N)**

*Rakesh K. Nayar*

**(RAKESH KUMAR NAYAR)**

**Partner**

**(M.No- 087112)**

UDIN - 23087112B4YQDK1032



STATEMENT OF SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER REGULATION 33 OF SEBI (LODR) REGULATIONS, 2015										(Rs In Lacs)							
Sl. No.	Particulars	Quarter ended			Nine months ended		Previous Accounting Year ended 31st March 2022	Quarterly reporting of segmentwise Revenue, results and capital employed under Regulation 33 of SEBI (LODR) Regulations, 2015							Previous Accounting Year ended 31st March 2022		
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021		Quarter ended			Nine months ended		Audited				
								31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021					
		U	n	a	u	d		i	t	e	d	U		n		a	u
		3	4	5	6	7	8			3	4	5	6	7	8		
1	Income	15007.03	8977.08	10134.02	36129.05	32555.50	45998.97	1	Segment Revenue	13373.05	8481.50	9031.37	32882.06	30413.05	44187.85		
	(a) Revenue from operations	3.58	29.47	10.10	43.93	34.00	30.70		(a) Sugar	2472.87	1058.92	982.60	7405.22	3781.78	7207.19		
	(b) Other Income	15011.21	9008.53	10144.12	36172.98	32589.50	47029.87		(b) Distillery	-	26.03	-	26.03	3.23	3.38		
	Total Income	15511.21	9008.53	10144.12	36172.98	32589.50	47029.87		(c) Others	15845.72	8549.45	10013.97	40313.31	34198.06	51398.22		
2	Expenses	12152.40	9.20	11805.17	20971.10	20446.97	38512.44		Total Segment Revenue	15845.72	8549.45	10013.97	40313.31	34198.06	51398.22		
	(a) Cost of raw materials consumed	1509.50	8978.03	12277.73	11981.15	8708.92	1351.72		Less: Inter Segment revenue	334.51	539.92	469.85	4140.33	1608.58	4368.55		
	(b) Purchase of stock-in-trade	795.80	600.05	603.32	2177.34	2163.05	3071.11		Total Revenue from operation	15511.21	8008.53	10144.12	36172.98	32589.50	47029.67		
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	192.22	265.90	258.14	743.61	873.51	1150.41	2	Segment Results	-250.84	-1257.30	-1219.52	-1895.88	-1631.04	-609.83		
	(d) Excise duty and Cess	282.11	280.91	165.28	843.93	407.34	738.95		(a) Sugar	-46.77	-267.45	68.59	-494.05	545.64	598.09		
	(e) Employee benefits expense	1118.04	690.33	797.05	2710.57	2105.77	3859.54		(b) Distillery	-297.41	-1524.84	-1152.93	-2389.93	-1085.40	-11.54		
	(f) Finance Costs (net)	16050.07	10823.02	11851.23	39436.70	34845.85	48882.17		Total segment profit before Finance Costs, tax and unallocable items	-297.41	-1524.84	-1152.93	-2389.93	-1085.40	-11.54		
	(g) Depreciation and amortisation expense	-538.86	-1816.49	-1507.11	-3263.72	-2258.06	-1652.50		Less: (i) Finance Cost	102.22	265.90	258.14	743.61	873.51	1150.41		
	(h) Other expenses	0.00	0.00	0.00	0.00	0.00	0.00		(ii) Other Unallocable Expenses (net of unallocable income)	49.23	25.75	98.04	130.18	297.15	490.55		
	Total Expenses	-538.86	-1816.49	-1507.11	-3263.72	-2258.06	-1652.50		Total Profit before tax	-538.86	-1816.49	-1507.11	-3263.72	-2258.06	-1652.50		
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	-538.86	-1816.49	-1507.11	-3263.72	-2258.06	-1652.50	3	Segment Assets	6326.42	10136.18	13911.39	8326.42	13911.39	20454.18		
4	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00		(a) Sugar	8584.22	8131.69	8143.59	8584.22	8143.59	9040.11		
5	Profit/(Loss) before Tax (3+4)	-538.86	-1816.49	-1507.11	-3263.72	-2258.06	-1652.50		(b) Distillery	546.44	272.20	418.93	540.44	418.93	418.45		
6	Tax expenses	0.00	0.00	0.00	0.00	0.00	0.00		(c) Unallocable Assets	17457.08	18540.05	22473.97	17457.08	22473.97	29912.74		
	-Current	0.00	0.00	0.00	0.00	0.00	0.00	4	Segment Liabilities	33500.42	34257.85	35837.20	33500.42	35837.20	42494.95		
	-Excess provision of UTA relating to earlier year	0.00	0.00	0.00	0.00	0.00	0.00		(a) Sugar	3942.35	4048.43	4338.43	3942.35	4338.43	4504.88		
	-Deferred	0.00	0.00	0.00	0.00	0.00	0.00		(b) Distillery	2593.81	2297.87	2283.52	2593.81	2283.52	2296.85		
	Total Tax expenses	0.00	0.00	0.00	0.00	0.00	0.00		(c) Unallocable Liabilities	40045.58	40804.15	42459.15	40045.58	42459.15	49296.88		
7	Net Profit for the period (5-6)	-538.86	-1816.49	-1507.11	-3263.72	-2258.06	-1652.50		Total Segment Liabilities	40045.58	40804.15	42459.15	40045.58	42459.15	49296.88		
8	Other Comprehensive Income	14.46	-30.62	24.14	59.18	97.90	95.84										
	(i) Items that will not be reclassified subsequently to profit or loss	0.00	0.00	0.00	0.00	0.00	0.00										
	(ii) Items that will be reclassified subsequently to profit or loss	14.46	-30.62	24.14	59.18	97.90	95.84										
9	Total Comprehensive Income for the period (Comprising Profit and other comprehensive income for the period) (7+8)	-524.40	-1847.11	-1482.97	-3204.54	-2158.03	-1556.86										
10	Paid-up equity share capital (Face value per share Rs.10/- each)	525.00	525.00	525.00	525.00	525.00	525.00										
11	Reserves excluding revaluation reserve (Rs.44559.14 Lacs)						(-13027.85)										
12	Earnings per equity share (Rs.10/- each) (not annualised)	-10.729	-34.600	-28.707	-62.166	-42.973	-31.478										
	(a) Basic	-10.729	-34.600	-28.707	-62.166	-42.973	-31.478										
	(b) Diluted																

## Notes

- The above quarterly financial results do not reflect the true and fair proportional position of the year as the working of the Sugar Factory, being the major operation of the Company, is completely seasonal. The unaudited Profit/Loss before tax on a rolling basis for the year ended 31st December are as under:-  
Rs. (-) 2060.16 Lacs  
Rs. (-) 335.94 Lacs  
Year ended 31st December, 2022  
Year ended 31st December, 2021
- The interest aggregating to Rs.607.19 Lakhs on delayed payment of sugar cane price for sugar seasons 2011-12 to 2014-15 is due for payment in view of the Supreme Court's order no.35113/2017 dated 23.04.2018. The company is contemplating to file a review petition against above mentioned order of Supreme Court. Therefore, no provision has been made for the above mentioned liability of Rs.607.19 Lakhs and also for Rs.12351.23 Lakhs relating to the subsequent financial years 2015-16 to 2021-22 and Rs.2487.98 Lakhs for the nine months ended 31.12.2022 to that extent the accounts are not maintained on accrual basis.
- The Central Govt. Ministry of Law & Justice, have issued Notification No.6/2016 dated 1.1.2016 regarding payment of bonus (Amendment Act 2015) in terms of which the ceiling for payment of bonus has been revised w.e.f. 1st April, 2014. Certain High Courts have stayed the implementation of revision of Bonus from retrospective effect. ISMA has also filed writ against implementation of the order with regard to its retrospective effect from 1st April, 2014 and the matter is subjudice. Therefore the Company has not made provision for this liability for the year ending on 31.03.2015.
- In view of current period loss, Accumulated losses, and uncertainty of future profitability the Board have decided not to make any provision for Deferred Tax Assets for the current period, though not in line with Indian Accounting Standard-12.
- These results have been prepared in accordance with the Ind-AS notified under the Companies (Indian Accounting Standards) Rules 2015. The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 11.02.2023. The Limited Review for the period ended 31st December 2022 has been carried out by the Statutory Auditors, as required under Regulation 33 of SEBI (LODR) Regulations, 2015.
- The net worth of the company has since been eroded on account of operational losses, incurred by the company upto the F.Y. 2014-15, which was basically on account of low recovery of sugar from sugarcane. Whereas on account of improvement in the sugar manufacturing unit, during the season 2015-16, the recovery has substantially improved with the result that the company has earned profit during the year 2016-17. The Company has also reported profit during the year ending on 31.03.2020 Rs.384.91 Lakhs as compared to loss of Rs.1410.62 Lakhs during the previous year ending on 31.03.2021. The Company is continuously striving for improvement in the operational efficiencies in other parameters. The Company continue to operate at optimum levels and expects improvement in the operational efficiency in form of improvement in sugar recovery, increase of production of alcohol through using B Heavy Molasses, reduction of overheads, finance and other cost. The Government has taken different measures to improve the financial health of Sugar industry to fix obligation for export of sugar (MIEQ-minimum indicative export quota) to reduce sugar availability, fixation of minimum support price (MSP) for sugar. All these measures are expected to turnaround the operations of sugar industry on sustainable basis. As such the company will remain as a going concern and is likely to pay its liabilities including cane dues from expected generation of cash flow. However, the accumulated losses of the company as at 31.03.2022 were Rs.13027.85 Lakhs (excluding revaluation reserve) as against the paid up capital of Rs.525 Lakhs.
- The Company has not provided for arrear of Wages upto 31.03.2022 and Quarter and nine months ended on 31.12.2022, pursuant to notification No. 2158788/2022/shrum-2 dated August 3, 2022 issued by Government of Uttar Pradesh towards revision of wages of Employee covered under Wage Board with retrospective effect from October -1, 2018. The Company is still in the process of determining the above said liability.
- Revenue from operations includes Rs. 54.99 Lakhs on account of relief granted by OMC Industry Committee to Distilleries on supply of Ethanol to Oil manufacturing Companies due to increase in price of DFG and fuel and power.
- Revenue from operations includes Rs. 814.76 Lakhs on account of sale of Export Quota allotted to the Company as per notification No. F. No. 1(1)/2022-Trade dated 05.11.2022 issued by Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution (DFPD), Directorate of Sugar & Vegetable Oils.
- The figure of the previous period has been regrouped / reclassified, wherever necessary, to conform to the classification for the quarter/Nine months ended 31st December, 2022.

For Sir Shadi Lal Enterprises Ltd.

(RAJAT LAL)  
MANAGING DIRECTOR  
DIN : 00112489

As per our report of even date attached

For Basant Ram & Sons  
Chartered Accountants  
(FRN: 000569N)

Rakesh K. Nayyar  
(Rakesh Kumar Nayyar)  
M. No. 087112  
Partner



PLACE : NEW DELHI  
DATED : 11th February, 2023

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UPIN - 23087112BG4C9OK1032