

**INDEPENDENT AUDITOR'S REVIEW REPORT ON CONSOLIDATED UNAUDITED  
QUARTERLY FINANCIAL RESULTS AND YEAR TO DATE RESULTS OF THE COMPANY  
PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS) REGULATION 2015 (AS AMENDED)**

**TO THE BOARD OF DIRECTORS OF  
SBEC Sugar Limited**

1. We have reviewed the accompanying Statement of unaudited Consolidated Financial Results ('the statement') of **SBEC Sugar Limited** ('the holding company'), and its subsidiaries (the holding companies and its subsidiaries together refer to as the group) for the quarter and nine months ended 31<sup>st</sup> December 2021, attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations'), read with Circular No. CIR/CFD/CMD1/80/2019 dated 19 July, 2019 ('the Circular') and amendment thereto.
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 Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.
5. The Statement includes the result of the subsidiaries (a) SBEC-Bio Energy Limited and (b) SBEC Stock Holding & Investment Limited.

**6. Basis of qualified opinion**

- a) *During the quarter and nine months period ended 31<sup>st</sup> December, 2021 the company has not made provision for interest, on late payment of cane dues amounting to Rs56.37 lacs and Rs56.37 lacs respectively for sugar season 2021-22, Rs802.10 lacs and Rs3158.95 lacs respectively for sugar season 2020-21 and Rs NIL and Rs15.35 lacs respectively for sugar season 2019-20, had the company made provisions, the expense and loss for the quarter and nine months ended 31<sup>st</sup> December, 2021 would have been higher by Rs 858.47 lacs and Rs 3230.67 lacs, respectively and its consequential impact on EPS.*





- b) The company has taken the debt of IDBI, PNB & IFCI in Modi Industries Limited. As at 31<sup>st</sup> December, 2021 the company has net exposure of Rs.14685lacs. No Interest on the said amount has been provided as there is no reasonable certainty of its collection since the net worth of Modi Industries Limited has been completely eroded. Recoverability of the above balance is also doubtful. However, no provisions for doubtful debts were made in the financial statements of the company and consequently we are unable to opine on the appropriateness of the same and its consequential impact on the financial statements.
- c) During the quarter molasses of 76130.35 Qlt was burnt due to spontaneous combustion which was insured, pending claim settlement the company has continued to value the same quantity under inventory. The above treatment as stated do not comply with the IND AS-2 "Inventories".

7. Based on our review conducted except for the possible effects of the matters described in the "Basis of qualified opinion" in para 6 above, and based on the consideration of the review reports of other auditor, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian accounting standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation 33 read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

8. **Emphasis of Matter**

Attention is invited to note no (d) of the standalone audited financial statement regarding interest payment on cane dues where the High Court vide its order dated 9th March, 2017 has set aside the decision of State Government for the waiver of Interest for the year 2012-13, 2013-14 and 2014-15 and asked the Cane Commissioner to take a final call in the matter, pending final order the Company has not made provision for interest, on the late payment of cane dues for years 2012-13, 2013-14 and 2014-15. The Hon'ble Supreme Court vide its order dated 23.04.2018 has upheld the Hon'ble High Court order dated 9th March, 2017. The matter is still sub-judice. Our opinion is not qualified in respect of this matter.

9. We did not audit the financial statements/financial information of two subsidiaries included in the consolidated quarterly results whose financial statements / financial information reflect total revenues of Rs 290.76 lacs and Rs1173.64 lacs, total net profit/(loss) after tax of Rs(102.30) Lacs and Rs.97.51 lacs , and total comprehensive income of Rs (0.19) lacs and Rs (0.57) lacs for the quarter and nine months ended on that date respectively, as considered in the consolidated financial results.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our opinion on the Statement is not modified in respect of the above matters.

For K. K. JAIN & CO.  
Chartered Accountants  
FRN 002465N

*Simmi Jain*

Simmi Jain  
Partner

M. No. 086496

UDIN: 22086496ABPHIF4945



Place: New Delhi  
Date: 12.02.2022

SBEC SUGAR LIMITED							
Corporate Identification Number (CIN) : L15421UP1991PLC019160							
Registered Office : Village Layan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh - 250611							
Consolidated Unaudited Financial Results for the Quarter and Nine month Ended 31st December, 2021							
(Rs. in Lacs)							
S.No.	Particulars	QUARTER ENDED			Nine Months Ended		Year Ended
		31-12-21	30-09-21	31-12-20	31-12-21	31-12-20	31-03-21
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	15,188.66	14,719.54	13,774.50	45,615.37	41,342.87	57,951.5
II	Other income	0.24	0.45	1.32	508.30	15.58	118.28
III	Total income (I + II)	15,188.90	14,719.98	13,775.82	46,123.67	41,358.45	58,069.79
IV	Expenses						
	Cost of materials consumed	13,493.93	20.09	12,297.57	28,815.14	25,277.96	47,668.80
	Changes in Inventories of finished goods, stock - in - trade and	246.57	12,609.17	452.90	10,246.22	12,377.61	1,637.33
	Excise Duty on Sales	0.00	0.00	0.00	0.00	0.00	0.00
	Employee benefits expenses	470.52	360.69	426.05	1,266.83	1,183.67	1,822.30
	Finance costs	485.57	447.55	600.26	1,435.97	1,695.07	2,238.29
	Depreciation and amortization expenses	529.93	528.31	513.38	1,586.14	1,535.73	2,110.14
	Other expenses	1,698.41	1,118.10	1,905.32	5,188.27	4,263.97	5,307.68
	Total expenses	16,924.92	15,083.90	16,195.47	48,538.57	46,334.01	60,784.54
V	Profit / (loss) before exceptional items and tax (I - IV)	(1,736.03)	(363.92)	(2,419.64)	(2,414.90)	(4,975.56)	(2,714.76)
VI	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
VII	Profit / (loss) before tax (V - VI)	(1,736.03)	(363.92)	(2,419.64)	(2,414.90)	(4,975.56)	(2,714.76)
VIII	Tax expense						
	(1) Current tax	0.00	0.03	0.00	113.82	0.00	0.00
	(2) Deferred tax	0.00	0.00	0.00	0.00	0.00	0.00
	(3) Adjustment of Tax for Earlier Years	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.03	0.00	113.82	0.00	0.00
IX	Profit / (loss) from continuing operations (VII - VIII)	(1,736.03)	(363.95)	(2,419.64)	(2,528.71)	(4,975.56)	(2,714.76)
X	Profit / (loss) from discontinued operations (VII - VIII)	0.00	0.00	0.00	0.00	0.00	0.00
XI	Tax expense of discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00
XII	Profit / (loss) from discontinued operations (after tax) (X - XI)	0.00	0.00	0.00	0.00	0.00	0.00
XIII	Profit / (loss) for the period (IX + XII)	(1,736.03)	(363.95)	(2,419.64)	(2,528.71)	(4,975.56)	(2,714.76)
XIV	Other comprehensive income						
	A (i) Items that will not be reclassified to profit or loss		(0.02)	8.42	(0.07)	25.27	(0.09)
		(0.03)					
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00	0.00
	B (i) Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00	0.00
		(0.03)	(0.02)	8.42	(0.07)	25.27	(0.09)
XV	Total comprehensive income for the period (XIII + XIV)	(1,736.01)	(363.93)	(2,428.07)	(2,528.65)	(5,000.83)	(2,714.67)
XVI	Total comprehensive income for the period (XIII + XIV)/ (Comprising profit/loss and other comprehensive income for the period) Attributable to :-	(1,736.01)	(363.93)	(2,428.07)	(2,528.65)	(5,000.83)	(2,714.67)
	Owners of the parent	(1,689.90)	(210.98)	(2,367.56)	(2,347.07)	(4,701.69)	(2,443.36)
	Non-Controlling interests	(46.11)	(152.96)	(60.51)	(181.58)	(299.13)	(271.30)
XVII	Of the total comprehensive income above, profit for the attributable to:						
	Owners of the parent	(1,690.00)	(211.09)	(2,359.60)	(2,347.39)	(4,677.82)	(2,443.80)
	Non-Controlling interests	(46.03)	(152.87)	(60.04)	(181.32)	(297.74)	(270.96)
XVIII	Of the total comprehensive income above, other comprehensive income attributable to						
	Owners of the parent	0.11	(0.11)	7.96	0.33	23.88	(0.43)
	Non-Controlling interests	(0.08)	0.09	0.46	(0.26)	1.39	0.34
XIX	Paid Up Equity Share Capital (Face Value Rs. 10/- Per Share)	4,765.39	4,765.39	4,765.39	4,765.39	4,765.39	4,765.39
XX	Earnings per equity share (for continuing operations)						
	(1) Basic	(3.64)	(0.76)	(5.08)	(5.31)	(10.44)	(5.70)
	(2) Diluted	(3.64)	(0.76)	(5.08)	(5.31)	(10.44)	(5.70)





Notes:

- a The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective Meetings held on 12th February, 2022. The Statutory Auditors have carried out a limited review for the quarter and nine month ended 31st December, 2021.
- b The Company operates under single activity, hence IND AS -108 'Segment Reporting' is not applicable.
- c During the nine month ended December -2021, the company has not made provision for interest on late payment of cane dues amounting to Rs.56.37 lacs, Rs.3158.95 lacs and Rs.15.35 lacs for the sugar season 2021-22, 2020-21 and sugar season 2019-20 respectively. Had the company made provisions, the loss for the quarter would have been higher by Rs.3230.67 lacs and its consequential impact on EPS.
- d The Hon'ble Supreme Court vide its order dated 23.04.2018 has upheld the order passed by the Hon'ble High Court of Judicature at Allahabad dated 9th March, 2017 in PIL No. 67617/2004, where the said court has set aside the decision of the State Government for the waiver of interest for the year 2012-13, 2013-14 and 2014-15 and proceeded to ask the Cane Commissioner to take a final call in the matter. Pending final order, the Company has not made provision for interest on the late payment of cane dues for the years 2012-13, 2013-14 and 2014-15. The Matter is Sub-Judice.  
Under the power vested with the Cane Commissioner (U.P.) for waiver of interest under UP Sugar Cane (Regulation of Supply & Purchase) Act, 1953 in respect of loss making/sick companies, the company had made an application to Cane Commissioner (U.P.) for waiver of interest on cane dues. Pending receipt of the Cane Commissioner's decision, no interest has been provided on the cane dues. The company has decided to account for the same upon decision in the matter/payment.
- e The company has taken into account the possible impact of COVID-19 in preparation of financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non financial assets, impact on revenues etc. The company has considered internal and certain external sources of information including reliable credit reports, economic forecast up to the date of approval of the financial results.
- f Due to the seasonal nature of the industry, the results for any quarter may not be a true and appropriate reflection of the annual profitability of the company and may not be strictly comparable.
- g Total molasses of 76130.35 qtl was burnt due to spontaneous combustion in the month of July 2021 which was insured and the claim of the same is under process.
- h Figures pertaining to previous quarters have been regrouped/reclassified wherever found necessary to confirm to current quarter.

Date : 12th February, 2022  
Place : Dubai

For and on behalf of Board of Directors of  
SBEC Sugar Limited

  
Umesh Kumar Modi  
Chairman & President  
DIN : 00002757

