

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE QUARTERLY UNAUDITED  
STANDALONE FINANCIAL 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 Standalone Unaudited Financial Results of SBEC Sugar Limited ("the Company"), for the quarter ended June 30, 2022 ("the Statement"), 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/CMD1/44/2019 dated 29 March, 2019 ("the Circular").
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 the relevant rules issued thereunder 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 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 specified under section 143(10) of the Companies Act, 2013 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. **Basis of qualified opinion**
  - 1) During the quarter ended 30th June 2022, the company has not made provision for interest on late payment of cane dues amounting to Rs.1,233.09 lacs & Rs.101.50 lacs for the sugar season 2021-22 and 2020-21 respectively, had the company made provisions the profit for the quarter would have been lower by Rs. 1,334.59 lacs and its consequential impact on EPS.
  - 2) The company has taken the debt of IDBI, PNB & IFCI in Modi Industries Limited. As at 30<sup>th</sup> June, 2022 the company has net exposure of Rs.1,4686 lacs. 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.





- 3) The company has valued the closing stock at NRV instead of " the lower of cost and net realizable value" as required under IND AS-2 "Inventories". Since the NRV is higher than cost this has resultant in overstatement of Inventories (Finished Goods and WIP-Sugar) by Rs. 637.41lacs , overstatement of profit for the quarter by Rs.637.41 lacs and its consequential impact on EPS.
5. Based on our review conducted except for the possible effects of the matters described in the "Basis of qualified opinion" in para 4 above, 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, including the manner in which is to be disclosed, or that it contains any material misstatement.
6. **Emphasis of Matter**

We draw attention 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.

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.

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

For K.K.JAIN & CO.  
Chartered Accountants  
Firm Registration No. 02465N

*Simmi Jain*

(Simmi Jain)  
Partner  
Membership No. 086496  
UDIN: 22086496AOLOXO4844



Place : New Delhi  
Date : 06th August, 2022



<b>SBEC SUGAR LIMITED</b> <b>Corporate Identification Number (CIN) : L15421UP1991PLC019160</b> <b>Registered Office : Village Lohan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh - 250611</b> <b>Unaudited Financial Results for the Quarter Ended 30th JUNE, 2022</b>				
(Rs. in Lakhs)				
S.No.	Particulars	QUARTER ENDED		Year Ended
		30-06-2022	31-03-2022	30-06-2021
		Unaudited	Audited	Unaudited
I	Revenue from operations	16328.99	15276.12	15325.43
II	Other income	346.60	76.49	6.46
III	<b>Total income (I + II)</b>	<b>16675.59</b>	<b>15352.61</b>	<b>15331.90</b>
IV	<b>Expenses</b>			
	Cost of materials consumed	11528.50	23448.53	15301.12
	Changes in inventories of finished goods, stock - in - trade and work in - progress	2234.35	(12520.63)	(2602.75)
	Employee benefits expenses	375.83	569.13	367.21
	Finance costs	369.32	327.87	408.11
	Depreciation and amortization expenses	465.77	429.45	472.99
	Other expenses	1140.85	1651.63	2240.36
	<b>Total expenses</b>	<b>16114.62</b>	<b>13905.98</b>	<b>16187.04</b>
V	<b>Profit / (loss) before exceptional items and tax (I - IV)</b>	<b>560.98</b>	<b>1446.63</b>	<b>(855.15)</b>
VI	Exceptional items	0.00	0.00	0.00
VII	<b>Profit / (loss) before tax (V - VI)</b>	<b>560.98</b>	<b>1446.63</b>	<b>(855.15)</b>
VIII	<b>Tax expense</b>			
	(1) Current tax	0.00	0.00	0.00
	(2) Deferred tax	0.00	0.00	0.00
	(3) Adjustment of Tax for Earlier Years	0.00	0.00	0.00
		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
IX	<b>Profit / (loss) from continuing operations (VII - VIII)</b>	<b>560.98</b>	<b>1446.63</b>	<b>(855.15)</b>
X	Profit / (loss) from discontinued operations (VII - VIII)	0.00	0.00	0.00
XI	Tax expense of discontinued operations	0.00	0.00	0.00
XII	<b>Profit / (loss) from discontinued operations (after tax) (X - XI)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
XIII	<b>Profit / (loss) for the period (IX + XII)</b>	<b>560.98</b>	<b>1446.63</b>	<b>(855.15)</b>
XIV	<b>Other comprehensive income</b>			
	A (i) Items that will not be reclassified to profit or loss	18.73	75.58	(0.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.00		
	B (i) Items that will be reclassified to profit or loss	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
		<b>18.73</b>	<b>75.58</b>	<b>(0.21)</b>
XV	<b>Total comprehensive income for the period (XIII + XIV)</b>	<b>542.24</b>	<b>1371.05</b>	<b>(854.93)</b>
XVI	Other Equity	-	-	(8835.35)
XVII	Paid Up Equity Share Capital (Face Value Rs. 10/- Per Share)	4765.39	4765.39	4765.39
XVIII	<b>Earnings per equity share (for continuing operations)</b>			
	(1) Basic	<b>1.18</b>	<b>3.03</b>	<b>(1.79)</b>
	(2) Diluted	<b>1.18</b>	<b>3.03</b>	<b>(1.79)</b>

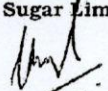


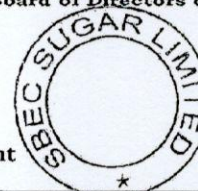


**Notes:**

- 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 06th August, 2022. The Statutory Auditors have carried out a limited review of the results for the quarter ended 30th June, 2022.
- b The Company operates under single activity, hence IND AS -108 'Segment Reporting' is not applicable.
- c During the quarter ended 30th June, 2022, the company has not made provision for interest on late payment of cane dues amounting to Rs.12,33.09 lacs and Rs. 101.50 lacs for the sugar season 2021-22 and sugar season 2020-21 respectively. Had the company made provisions, the profit for the quarter would have been lower by Rs.13,34.59 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 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.
- f Total molasses of 76,130.35 Qtl was burnt due to spontaneous combustion in the month of July 2021 which was insured. Based on the report of the surveyors & loss assessors the company has accounted a claim of Rs. 340.99 lacs on account of provisional loss/damage. The remaining quantity unsold of such molasses has been restated at net realisable value
- g The figures of the quarter ended 31st March 2022 is the balancing figures between the audited figures in respect to the full Financial year and the published figures of nine months ending 31st December, 2021 which was subject to limited review by the statutory auditors.
- h The company has valued the closing stock at NRV instead of "the lower of cost and net realisable value" as required under IND AS-2 "Inventories". Since the NRV is higher than cost this has resultant in overstatement of Inventories by Rs. 637.61 lacs, Overstatement of profit for the year by Rs. 637.61 lacs and its consequential impact on EPS.
- i These results have been prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. Also other equity is to be given below paid up capital only for March'22 year end.
- j Figures pertaining to previous quarters have been regrouped/reclassified wherever found necessary to confirm to current quarter.

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

  
Umesh Kumar Modi  
Chairman & President  
DIN : 00002757



Date :06th August,2022  
Place :New Delhi