

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE QUARTERLY UNAUDITED  
CONSOLIDATED 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 Un-Audited Consolidated Financial Results of **SBEC Sugar Limited** (herein after referred to as "the company"), and its associate and its share of profit/(loss) after tax and total comprehensive income/(loss) of its associate for the quarter ended June 30, 2021 ("the Statement") attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to date ("the Regulations").
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 as amended, read with 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. 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 Bioenergy Limited and (b) SBEC Stock Holding & Investment Limited.
6. **Basis of qualified opinion**
  - 1) *During the quarter ended 30th June 2021, the company has not made provision for interest on late payment of cane dues amounting to Rs.1,177.82 lacs & Rs.15.35 lacs for the sugar season 2020-21 and 2019-20 respectively, had the company made provisions the loss for the quarter would have been higher by Rs. 1,193.17 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, 2021 the company has net exposure of Rs.14686 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*



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**

We draw attention to note no (d) of the standalone un-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 opinion is not qualified in respect of this matter.

9. We did not review the financial statements/financial information of two subsidiaries included in the consolidated quarterly and yearly financial results, whose financial statements / financial information reflect total assets of Rs 13483.78lacs as at 30<sup>th</sup> June, 2021, total revenues of Rs 882.89 Lacs, total net profit after tax of Rs 426.40Lacs, total comprehensive income of Rs (0.19) Lacs for the quarter ended on that date, as considered in the consolidated financial results.

These financial statements / financial information have been reviewed 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 02465N

*Simmi Jain*

Simmi Jain  
Partner  
M.No. 086496  
UDIN: 21086496AAAAIF2861



Place: New Delhi  
Date: 13.08.2021



<div>SSEC SUGAR LIMITED</div> <div>Corporate Identification Number (CIN) : L15421UP1991PLC019160</div> <div>Registered Office : Village Loyan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh - 250611</div> <div>Consolidated Unaudited Financial Results for the Quarter Ended 30th June, 2021</div>					
(Rs. in Laacs)					
S.No.	Particulars	QUARTER ENDED			
		30-06-21	31-03-21	30-06-20	
		Unaudited	Audited	Unaudited	
		31-03-21			
		Audited		Audited	
I	Revenue from operations	15,707.18	16,608.64	12,548.24	57,951.51
II	Other income	507.61	102.70	5.72	118.28
III	Total income (I + II)	16,214.79	16,711.34	12,553.96	58,069.79
IV	Expenses				
	Cost of materials consumed	15,301.12	22,390.84	12,960.93	47,668.80
	Changes in inventories of finished goods, stock - in - trade and work	(2,609.52)	(10,740.28)	(2,950.17)	1,637.33
	Excise Duty on Sales	0.00	0.00	0.00	0.00
	Employee benefits expenses	435.63	638.63	439.05	1,822.30
	Finance costs	502.85	543.22	499.05	2,238.29
	Depreciation and amortization expenses	527.90	574.41	511.18	2,110.14
	Other expenses	2,371.76	1,043.71	1,551.75	5,307.68
	Total expenses	16,529.74	14,450.53	13,011.80	60,784.54
V	Profit / (loss) before exceptional items and tax (I - IV)	(314.95)	2,260.80	(457.84)	(2,714.76)
VI	Exceptional items	0.00	0.00	0.00	0.00
VII	Profit / (loss) before tax (V - VI)	(314.95)	2,260.80	(457.84)	(2,714.76)
VIII	Tax expense				
	(1) Current tax	113.79	0.00	0.00	0.00
	(2) Deferred tax	0.00	0.00	0.00	0.00
	(3) Adjustment of Tax for Earlier Years	0.00	0.00	0.00	0.00
		113.79	0.00	0.00	0.00
IX	Profit / (loss) from continuing operations (VII - VIII)	(428.74)	2,260.80	(457.84)	(2,714.76)
X	Profit / (loss) from discontinued operations (VII - VIII)	0.00	0.00	0.00	0.00
XI	Tax expense of discontinued operations	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
XIII	Profit / (loss) for the period (IX + XII)	(428.74)	2,260.80	(457.84)	(2,714.76)
XIV	Other comprehensive income				
	A (i) Items that will not be reclassified to profit or loss	(0.02)	(25.36)	8.42	(0.09)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	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
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00
		(0.02)	(25.36)	8.42	(0.09)
XV	Total comprehensive income for the period (XIII + XIV)	(428.72)	2,286.16	(466.26)	(2,714.67)
XVI	Total comprehensive income for the period (XIII + XIV)/ (Comprising profit/loss and other comprehensive income for the period) Attributable to :-	(428.72)	2,286.16	(466.26)	(2,714.67)
	Owners of the parent	(446.22)	2,258.33	(407.62)	(2,443.36)
	Non-Controlling interests	17.50	27.83	(58.64)	(271.30)
XVII	Of the total comprehensive income above, profit for the attributable to:				
	Owners of the parent	(446.33)	2,234.02	(399.66)	(2,443.80)
	Non-Controlling interests	17.58	26.79	(58.17)	(270.96)
XVIII	Of the total comprehensive income above, other comprehensive income attributable to				
	Owners of the parent	(0.11)	(24.31)	7.96	(0.43)
	Non-Controlling interests	0.09	(1.05)	0.46	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
XX	Earnings per equity share (for continuing operations)				
	(1) Basic	(0.90)	4.74	(0.96)	(5.70)
	(2) Diluted	(0.90)	4.74	(0.96)	(5.70)

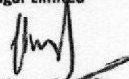


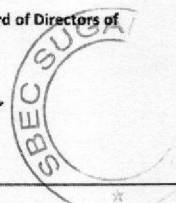
**Notes:**

- 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 13th August, 2021. The Statutory Auditors have carried out a limited review for the quarter ended 30th June, 2021
- b The Company operates under single activity, hence IND AS -108 'Segment Reporting' is not applicable.
- c During the quarter 30th June, 2021, the company has not made provision for interest on late payment of cane dues amounting to Rs.1177.82 lacs and Rs. 15.35 lacs for the sugar season 2020-21 and sugar season 2019-20 respectively. Had the company made provisions, the loss for the quarter would have been higher by Rs.1193.17 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 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 :13- August 2021

Place : 