

Independent Auditor's Report on Consolidated Quarterly and Year to Date Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors
SBEC Sugar Limited
Vill: Lohan, Malakpur, Baraut,
Dist: Baghpat - 250 611, Uttar Pradesh

Opinion

We have audited the accompanying statement of consolidated financial results of SBEC Sugar Limited ('the Company'), comprising its subsidiaries (together, 'the Group') for the quarter and year ended March 31, 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No, CIRICFD/F AC/62/20 16 dated July 5, 2016.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on separate financial statements and the other financial information of subsidiaries these consolidated financial results for the year:

- a) includes the year-to-date results of two subsidiaries
 - I. SBEC Bioenergy Limited
 - II. SBEC Stockholding and Investment Limited
- b) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIRICFD/FAC/62/2016 dated July 5, 2016 in this regard; and
- c) except for the possible effects of the matters described in the "Basis of qualified opinion" para below gives a true and fair view in conformity with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated total comprehensive income (comprising of net Loss and other comprehensive income) and other financial information of the Group for the year ended 31st march, 2021.

Basis of qualified opinion

1) During the quarter and year ended 31st March 2021, the company has not made provision for interest on late payment of cane dues amounting to Rs. 570.94 & Rs.618.20 lacs respectively for the sugar season 2020-21 and Rs.372.57 lacs for the quarter (Rs.3108.53 Lacs for the year) for sugar season 2019-20, had the company made provisions the profit for the quarter and loss for the year would have been lower/higher by Rs.943.51 lacs and Rs.3726.73 lacs respectively and its consequential impact on EPS.



2) The company has taken the debt of IDBI, PNB & IFCI in Modi Industries Limited. As at 31st March, 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.

3) 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 resulted in overstatement of Inventories (Finished Goods and WIP-Sugar) by Rs. 614 lacs, understatement of losses for the year by Rs. 614 lacs and its consequential impact on EPS.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Company and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditor in terms of their report referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

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 opinion is not qualified in respect of this matter

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Company including its associate in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of



the company and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the statement by the Directors of the Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the company and of its associate are responsible for assessing the ability of the company and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company and its associate to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the company and its associate to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entity included in the consolidated financial results of which we are the independent auditors. For the other entity included in the consolidated Financial Results, which has been audited by other auditors, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by him. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Statement that individually or in aggregate. Make it probable that the economic decisions of a reasonably knowledgeable user of the Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Statement.

We communicate with those charged with governance of the Company and such other entity included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

1. We did not audit 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 13949.38lacs (PY Rs. 14753.13lac) as at 31st March, 2021, total revenues of Rs 1055.95Lacs (PY Rs 1107.21 Lacs), total net loss after tax of Rs 602.52Lacs (PY Rs, 417.50 Lacs) total comprehensive income of Rs (0.77) Lacs (PY Rs.(4.11)Lac) for the year ended on that date, 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 above. Our opinion on the Statement is not modified in respect of the above matters



2. The statement includes the results for the quarter ended 31st March, 2021 being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review byus.

For K. K. Jain & Co.
Chartered Accountants
Firm Registration No. 002465N

Simmi Jain

(Simmi Jain)

Partner

Membership No.086496

UDIN : 21086496AAAAFN9303



Place : New Delhi

Date : 13th May, 2021

SBEC SUGAR LIMITED

Corporate Identification Number (CIN) : L15421UP1991PLC019160

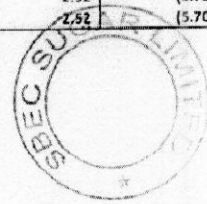
Registered Office : Village Lohan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh - 250611

Audited Consolidated Financial Results for the Quarter and Year Ended 31st March, 2021

(Rs. in Lacs)

S.No.	Particulars	QUARTER ENDED			YEAR ENDED	
		31-03-21	31-12-20	31-03-20	31-03-21	31-03-20
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from operations	16,608.64	13,774.50	13,930.38	57,951.51	48,180.79
II	Other income	102.70	1.32	3.65	118.28	36.40
III	Total income (I + II)	16,711.33	13,775.82	13,934.02	58,069.79	48,217.18
IV	Expenses					
	Cost of materials consumed	22,390.84	12,297.57	21,652.26	47,668.80	47,608.64
	Changes in inventories of finished goods, stock-in-trade and	(10,740.28)	452.90	(11,757.69)	1,637.33	(10,058.17)
	Excise Duty on Sales	0.00	0.00	0.00	0.00	0.00
	Employee benefits expenses	638.63	426.05	530.52	1,822.30	1,799.95
	Finance costs	543.22	600.26	513.47	2,238.29	2,192.82
	Depreciation and amortization expenses	574.41	513.38	514.17	2,110.14	2,044.71
	Other expenses	1,043.71	1,905.32	1,452.20	5,307.68	4,808.78
	Total expenses	14,450.53	16,195.47	12,904.94	60,784.54	48,307.74
V	Profit / (loss) before exceptional items and tax (I - IV)	2,260.80	(2,419.64)	1,029.08	(2,714.76)	(90.56)
VI	Exceptional items	0.00	0.00	0.00	0.00	0.00
VII	Profit / (loss) before tax (V - VI)	2,260.80	(2,419.64)	1,029.08	(2,714.76)	(90.56)
VIII	Tax expense					
	(1) Current tax	0.00	0.00	0.00	0.00	0.00
	(2) Deferred tax	0.00	0.00	(169.74)	0.00	(169.74)
	(3) Adjustment of Tax for Earlier Years	0.00	0.00	0.12	0.00	0.12
		0.00	0.00	(169.61)	0.00	(169.61)
IX	Profit / (loss) from continuing operations (VII - VIII)	2,260.80	(2,419.64)	1,198.70	(2,714.76)	79.05
X	Profit / (loss) from discontinued operations (VII - VIII)	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
XII	Profit / (loss) from discontinued operations (after tax) (X - XI)	0.00	0.00	0.00	0.00	0.00
XIII	Profit / (loss) for the period (IX + XII)	2,260.80	(2,419.64)	1,198.70	(2,714.76)	79.05
XIV	Other comprehensive income					
	A (i) Items that will not be reclassified to profit or loss		8.42	33.26	(0.09)	33.69
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(25.36)				
		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
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
		(25.36)	8.42	33.26	(0.09)	33.69
XV	Total comprehensive income for the period (XIII + XIV)	2,286.16	(2,428.07)	1,165.43	(2,714.67)	45.36
XVI	Total comprehensive income for the period (XIII + XIV) / (Comprising profit/loss and other comprehensive income for the period) Attributable to :-	2,286.16	(2,428.07)	1,165.43	(2,714.67)	45.36
	Owners of the parent	2,258.33	(2,367.56)	1,074.72	(2,443.36)	234.22
	Non-Controlling Interests	27.83	(60.51)	90.71	(271.30)	(188.85)
XVII	Of the total comprehensive income above, profit for the attributable to:					
	Owners of the parent	2,234.02	(2,359.60)	1,106.08	(2,443.80)	266.05
	Non-Controlling Interests	26.79	(60.04)	92.61	(270.96)	(187.00)
XVIII	Of the total comprehensive income above, other comprehensive income attributable to					
	Owners of the parent	(24.31)	7.96	31.37	(0.43)	31.84
	Non-Controlling Interests	(1.05)	0.46	1.89	0.34	1.85
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
XX	Earnings per equity share (for continuing operations)					
	(1) Basic	4.74	(5.08)	2.52	(5.70)	0.17
	(2) Diluted	4.74	(5.08)	2.52	(5.70)	0.17

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Notes:

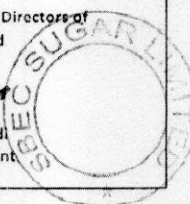
- a The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective Meetings held on 13 May, 2021. The Statutory Auditors have carried out a statutory Audit of the results for the quarter and year ended 31st March, 2021.
- b The Company operates under single activity, hence IND AS -108 'Segment Reporting' is not applicable.
- c During the quarter and year ended 31st March, 2021, the company has not made provision for interest on late payment of cane dues amounting to Rs.372.57 Lacs and Rs.3108.53 Lacs respectively for the sugar season 2019-2020 and Rs.570.94 Lacs and Rs.618.20 Lacs for the season 2020-2021. Had the company made provisions, the loss for the quarter and year ended 31st March, 2021 would have been higher by Rs.943.51 lacs and Rs.3726.73 lacs respectively 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. 07017/2004, 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 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(Finished Goods-Sugar) by Rs. 614 lacs, understatement of losses for the year by Rs. 614 lacs and its consequential impact on EPS.
- f Sugar being a seasonal industry, the performance of the quarter may not be representative of the annual performance of the Company.
- g 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.
- h Figures pertaining to previous quarters have been regrouped/reclassified wherever found necessary to conform to current quarter.
- i The figures of the quarter ended 31st March 2021 and 31st March 2020 are the balancing figures between the audited figures in respect to the full Financial year and the published figures of nine months ending 31st December, 2020 and 31st December, 2019 respectively which were subject to limited review by the statutory auditors.



Date : 13-May-2021
Place : New Delhi

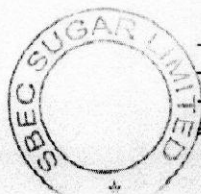
For and on behalf of Board of Directors of
SBEC Sugar Limited


Umesh Kumar Modi
Chairman & President
DIN : 00002757



Consolidated Statement of Assets and Liabilities as at 31st March, 2021

Particulars	As at 31.03.2021 'In Lakhs Audited'	As at 31.03.2020 'In Lakhs Audited'
ASSETS		
(1) Non - current assets		
(a) Property, plant and equipment	25,741.57	27,204.25
(b) Other intangible assets	0.86	1.85
(c) Capital work - in - progress	214.17	205.70
(d) Financial assets		
(i) Investments	3,803.34	3,803.34
(ii) Others	14,731.82	14,728.87
(e) Other non - current assets	63.25	63.48
(f) Deferred tax assets (net)	569.28	569.28
	<u>45,124.29</u>	<u>46,576.76</u>
(2) Current assets		
(a) Inventories	22,314.50	23,696.09
(b) Financial assets		
(i) Trade receivables	2,746.74	2,032.59
(ii) Cash and cash equivalents	355.11	645.19
(iii) Loans & other financial assets	277.31	203.01
(iv) Other Bank Balances	34.07	32.28
(c) Other current assets	1,311.90	1,112.67
	<u>27,039.64</u>	<u>27,721.82</u>
(d) Non Current assets held for sale	<u>-</u>	<u>-</u>
Total Assets	<u><u>72,163.93</u></u>	<u><u>74,298.59</u></u>
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	4,769.40	4,769.40
(b) Other equity	-5,283.85	-2,840.49
	<u>-514.45</u>	<u>1,928.92</u>
Non Controlling Interest	3,049.12	3,320.43
LIABILITIES		
(1) Non - current liabilities		
(a) Financial liabilities		
(i) Borrowings	11,404.60	18,174.15
(ii) Trade payables		
- Total Outstanding dues of micro enterprises and small enterprises	-	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(b) Deferred Revenue/Income	-	-
(c) Provisions	484.44	444.73
(d) Other financial liabilities	0.45	0.45
(e) Other non-current liabilities	10.77	11.06
	<u>11,900.25</u>	<u>18,630.38</u>
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,501.05	4,041.75
(ii) Trade payables		
- Total Outstanding dues of micro enterprises and small enterprises	27.76	39.77
- Total Outstanding dues of creditors other than micro enterprises and small enterprises	44,836.35	40,120.48
(iii) Other financial liabilities	6,860.73	6,020.14
(b) Other current liabilities	467.81	151.93
(c) Provisions	35.31	44.79
	<u>57,729.00</u>	<u>50,418.86</u>
Total Equity & Liabilities	<u><u>72,163.93</u></u>	<u><u>74,298.59</u></u>



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2021 (CONSOLIDATED)

Particulars	As at 31.03.2021 ' In Lakhs Audited'	As at 31.03.2020 ' In Lakhs Audited'
A. Cash flow from operating activities		
Profit for the year before tax	(2,714.76)	(90.56)
<u>Adjustments for:</u>		
Finance costs	2,238.29	2,103.82
Interest income	(2.38)	(4.33)
Depreciation and amortisation expense	2,110.14	2,044.71
Loss/(Profit) on sale of Fixed Assets	(2.18)	(11.54)
Provision for Bad & doubtful debts/Advances	-	-
Provision written back	-	-
Dividend Income	-	(1.20)
Operating Profit/(Loss) before working capital changes	1,629.11	4,040.90
<u>Movements in working capital:</u>		
Trade receivables	(714.16)	(765.54)
Other assets	(203.75)	37.15
Inventories	1,381.59	(10,081.05)
Loans	(74.30)	39.80
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	4,703.86	9,895.17
Other current liabilities	315.59	(431.97)
Other financial liabilities	840.59	1,751.62
Provisions/other items	30.31	65.03
Cash generated from operations	7,908.84	4,551.11
Income tax paid	-	(0.12)
Net cash generated by operating activities (A)	7,908.84	4,550.99
B. Cash flow from investing activities		
Investment	-	-
Purchases of fixed assets(including WIP)	(655.48)	(1,131.22)
Interest received	2.38	4.33
Dividend received	0.00	1.20
Proceeds from Sales of Fixed Assets	2.72	12.62
Non Current assets held for sale	-	-
Net cash generated by/(used in) investing activities (B)	(650.38)	(1,113.07)
C. Cash flow from financing activities		
Proceed /Repayment of term loan	(5,310.25)	(1,934.65)
Interest paid	(2,238.29)	(2,103.82)
Net cash generated by/(used in) financing activities (C)	(7,548.54)	(4,038.47)
Net Increase/decrease in Cash and cash equivalents (A+B+C)	(290.08)	(600.54)
Cash and cash equivalents at the beginning of the year	645.19	1,245.73
Cash and cash equivalents at the end of year end	355.11	645.19

(Signature)

