

DOOGAR & ASSOCIATES

CHARTERED ACCOUNTANTS

LIMITED REVIEW REPORT

**The Board of Directors
SBEC Sugar Limited**

We have reviewed the accompanying consolidated statement of unaudited financial results of **SBEC Sugar Limited** (the Company) and its subsidiaries for the period ended 31st December 2015. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with 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 provided less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We did not review the financial statements of two subsidiaries included in the consolidated quarterly financial results. The financial statements of SBEC Bio-energy Limited reflect total revenues from operation of Rs. 174.46 lacs and 418.93 lacs for the quarter and nine months period ended 31st December 2015, respectively and net loss after tax of Rs. 148.63 lacs and Rs. 331.81 lacs for the quarter and nine months period ended 31st December 2015, respectively. The financial statements of SBEC Stockholding and Investment Limited reflect total revenues from operation of Rs. NIL for the quarter and nine months period ended 31st December 2015, respectively and net loss after tax of Rs. 22.92 lacs and Rs. 51.75 lacs for the quarter and nine months period ended 31st December 2015, respectively. These financial statements have been reviewed by other auditors and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors.

During the quarter the company has not made provision for interest, on late payment of cane dues amounting to Rs. 767.30 lacs. Accordingly the expenses and loss for the quarter and period ended on 31st December 2015 would have been higher by Rs. 767.30 lacs and Rs. 2469.09 respectively and its consequential impact on EPS.

Based on our review, *except for our observation in para supra*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Doogar & Associates
Chartered Accountants
Firm Regn. No. 000561N


Mukesh Goyal
Partner
M.No. 081810



Place: New Delhi
Date: 10/02/2016

NOTES :

1. Sugar industry being seasonal in nature, the results of any quarter may not be a true and/or proportionate reflection of the annual performance of the Company.
2. The Company is a single product, single location company and hence the requirements of AS-17 on Segment Reporting is not relevant.
3. The State Government of Uttar Pradesh has, as per PNCM Cabinet Decision dated 18th January 2016, inter alia, announced cash subsidy upto Rs. 23.30 per Qlt of cane purchased for the sugar industry, linked to the average selling price of sugar and its by products. Since the Management is virtually certain regarding realisation of subsidy, the Company has accounted for cash subsidy of Rs. 23.30 per Qlt of cane purchased by it, aggregating to Rs. 679.07 lacs.
4. The Company has not made provision for interest, on the payment of cane dues for the Period of Rs. 2469.09 lacs & for earlier years Rs. 426.57 lacs aggregating to Rs. 2895.66 lacs. Accordingly manufacturing expense and net losses for the year would have been higher by Rs. 2469.09 lacs and its consequential impact on current liabilities and EPS.
5. The company in terms of Board of Director's resolution dated 6th July 2013 has filed a reference with the Board for Industrial and Financial Reconstruction (BIFR) U/s 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) vide its letter dated 24th July 2013 and as per communication received from BIFR vide its letter No. 31(S-22)/SIC/2013 dated 27th August 2013. The said reference has been registered by BIFR as case No. 59/2013. The BIFR has declared the company as Sick u/s 3(1)(i) of SICA and appointed ICI as operating agency u/s 17(i) of the Act. In its hearing held on dated 02.02.2014 & the Draft Rehabilitation Scheme is Under Completion.
6. The above financial results have been reviewed by Statutory Auditors and Audit Committee of the Company & then approved and taken on record by the Board at their respective meeting held on the 10/02/2016
7. Previous Year's Quarters figures have been regrouped/rearranged, wherever necessary.

Date : 10th FEBRUARY 2016
Place : New Delhi



For and on behalf of Board of Directors
Neel
TRIK AGARWAL
Director

