

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 quarter ended 31st December, 2016. 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.175.99 lacs for the quarter ended 31st December 2016 and net loss after tax of Rs. 161.36 lacs for the quarter 31st December 2016. The financial statements of SBEC Stockholding and Investment Limited reflect total revenues from operation of Rs. NIL for the quarter ended 31st December 2016 and net loss after tax of Rs. 0.063 lacs for the quarter 31st December 2016. 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.

1. During the quarter the company has not made provision for interest, on late payment of cane dues amounting to Rs1024.98 lacs (Rs2572.71lacs for the nine months ended 31 December 2016).

2. As per the directions of Special secretary to the cane commissioner the concessions granted to the Sugar Manufacturer vide PNCN Cabinet decision dated 18th January 2016 (to which we have given Emphasis of matter in the quarterly results for the quarter ended on 31.03.2016) has since been withdrawn vide the letter dated 22/12/2016 requiring provision of Rs 2544.14 lacs, which has not been provided for by the company. (Refer foot Note no-3 to the quarterly results attached)

Had the company made provisions as per point (1) and (2) above the expense and loss for the quarter ended 31st December 2016 and nine months ended 31st December 2016 would have been higher by Rs.3569.12 lacs and Rs.5116.85 lacs respectively and its consequential impact on EPS.

3. In SBEC Bio-energy limited the impact on the result of non provision of doubtful debts ,recoverability of which is subject to the approval of AAIFR.



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 recognized 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


Mukti Marwah
Partner
M.No. 511239



Place: New Delhi

Date: 08/02/2017

S No.	PARTICULARS	STANDARDISED				CONSOLIDATED							
		Quarter Ended 31.12.2016 (Unaudited)	Quarter Ended 30.09.2016 (Unaudited)	Quarter Ended 31.12.2015 (Unaudited)	Quarter Ended 31.12.2015 (Unaudited)	Year Ended 31.03.2016 (Audited)	Quarter Ended 31.12.2016 (Unaudited)	Quarter Ended 30.09.2016 (Unaudited)	Quarter Ended 31.12.2015 (Unaudited)	Quarter Ended 31.12.2015 (Unaudited)	Year Ended 31.03.2016 (Audited)		
1	Income from Operations (a) Net Sales / Income from Operations (Net of excise duty) (b) Other Operating Income	5,422.10	100.11	4,956.42	12,028.26	19,664.40	35,955.81	5,596.09	100.11	5,130.88	12,263.91	20,283.22	39,894.37
2	Total Income from Operations (Net)	5,445.45	102.03	4,959.74	12,054.38	19,676.99	35,969.26	5,621.44	102.02	5,132.20	12,289.53	20,300.92	39,907.82
3	EXPENSES												
4	a) Cost of materials consumed	6,455.18	0.99	7,591.31	7,417.37	11,311.22	27,526.92	6,455.18	0.60	7,591.31	11,311.22	27,526.92	
5	b) Purchases of Stock in Trade	(1,245.75)	247.76	(3,105.12)	3,147.52	7,921.04	7,127.76	(1,245.75)	251.53	(1,109.25)	3,150.77	7,505.52	7,134.42
6	c) Change in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	286.64	202.95	280.90	753.44	656.47	987.29	426.99	240.85	329.27	871.57	743.20	1,162.43
7	d) Employee benefits expense	202.95	69.91	78.61	209.92	234.70	311.14	84.29	80.70	89.31	243.52	266.64	303.93
8	e) Depreciation and amortisation expense	72.07	915.83	797.56	1,511.90	1,590.13	2,482.12	586.32	1,064.52	981.45	1,959.24	1,593.00	3,026.17
9	f) Other Expenses	6,148.91	1,437.14	5,643.27	13,060.14	21,717.57	28,435.23	6,304.75	1,628.29	5,801.09	12,642.84	22,279.60	39,192.88
10	g) Total Expenses	(703.46)	(1,335.11)	(685.53)	(1,005.76)	(2,040.50)	324.82	(483.31)	(749.79)	(1,592.61)	(1,592.61)	(2,183.48)	714.94
11	Profit (+)/Loss(-) from Operations before Other Income/Finance Costs and Exceptional Items (1-2)	65.24	1.14	1.01	313.03	414.10	509.05	67.57	3.15	22.87	319.38	465.29	597.77
12	Profit (+)/Loss(-) from Ordinary Activities before Finance Costs and Exceptional Items (1+4)	(628.22)	(1,333.96)	(684.52)	(682.74)	(1,626.40)	1,043.27	(615.74)	(1,533.12)	(725.92)	(1,033.24)	(1,274.50)	1,272.71
13	Finance Cost	232.66	252.77	128.59	546.38	405.96	526.94	406.55	435.62	358.72	1,082.69	759.59	1,038.37
14	Profit (+)/Loss(-) from Ordinary Activities after Finance Costs but before Exceptional Items (1+5)	(860.88)	(1,586.74)	(813.11)	(1,229.12)	(2,032.44)	516.14	(1,022.29)	(1,968.73)	(984.65)	(2,115.92)	(2,476.48)	238.34
15	Exceptional Items	(860.88)	(1,586.74)	(813.11)	(1,229.12)	(2,032.44)	516.14	(1,022.29)	(1,968.73)	(984.65)	(2,115.92)	(2,476.48)	238.34
16	Minority Interest	(860.88)	(1,586.74)	(813.11)	(1,229.12)	(2,032.44)	516.14	(1,022.29)	(1,968.73)	(984.65)	(2,115.92)	(2,476.48)	238.34
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52	Net Profit (+) / Loss(-) after taxes, minority interest (13-14)	(860.88)	(1,586.74)	(813.11)	(1,229.12)	(2,032.44)	516.14	(1,022.29)	(1,968.73)	(984.65)	(2,115.92)	(2,476.48)	238.34
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54	Net Profit (+) / Loss(-) after taxes, minority interest (13-14)	(860.88)	(1,586.74)	(813.11)	(1,229.12)	(2,032.44)	516.14	(1,022.29)	(1,968.73)	(984.65)	(2,115.92)	(2,476.48)	238.34
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57	Net Profit (+) / Loss(-) after taxes, minority interest (13-14)	(860.88)	(1,586.74)	(813.11)	(1,229.12)	(2,032.44)	516.14	(1,022.29)	(1,968.73)	(984.65)	(2,115.92)	(2,476.48)	238.34
58	Net Profit (+) / Loss(-) after taxes, minority interest (13-14)	(860.88)	(1,586.74)	(813.11)	(1,229.12)	(2,032.44)	516.14	(1,022.29)	(1,968.73)	(984.65)	(2,115.92)	(2,476.48)	238.34
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62	Net Profit (+) / Loss(-) after taxes, minority interest (13-14)	(860.88)	(1,586.74)	(813.11)	(1,229.12								

NOTES :

- 1 Sugar Industry being seasonal in nature, the results of any quarter may not be a true and for proportionate reflection of the annual performance of the
- 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 and reimbursement of cane commission payable to society of Rs 3.00 Per Qlt for the sugar industry for crushing season 2015-16 linked to the average selling price of sugar and it's by products. Accordingly the Company has accounted for cash subsidy of Rs. 23.30 per Qlt of cane purchased by it aggregating to Rs. 96.83 lacs in Financial Year 2016-17 and Rs2167.1 lacs in Financial Year 2015-16 and reimbursement of cane commission amounting to Rs. 290.20 lacs. Special Secretary Government of Uttar Pradesh vide his letter dated 22.12.16 addressed to the cane commissioner has withdrawn the said financial assistance/ grant. The management has decided to challenge the said withdrawal of assistance/ grant.
- 4 The Company has not made provision for interest, on late payment of cane dues for the period of Rs. 2572.71 lacs & for earlier years Rs. 469.23 lacs aggregating to Rs. 3041.94 lacs. Accordingly had the provision being made the net loss for the period would have been lower by Rs. 2572.71 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. 3/(S-22)/BC/2013 dated 21st 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)(C) of SICA and appointed IDBI as operating agency u/s 17(3) of the Act. In its hearing held on dated 04.02.2014 & 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 08/02/2017
- 7 Previous Year's/Quarter's figures have been regrouped/rearranged, wherever necessary.

Date : 08th FEBRUARY 2017
Place : New Delhi



For and on behalf of Board of Directors
Neeraj
(R.K. AGARWAL)
Director
DIN:00298252

