

**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, 2019 ("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**
  - (i) *During the quarter ended 30th June 2019, the company has not made provision for interest, on late payment of cane dues amounting to Rs 815.87 lacs for the sugar season 2018-19, had the company made provisions the expense and loss for the quarter would have been higher by Rs.815.87 lacs and its consequential impact on EPS.*
  - (ii) *The company has taken the debt of IDBI, PNB & IFCI in Modi Industries Limited. As at 30th June, 2019 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.*
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

Attention is invited 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.

Our opinion is not qualified in respect of this matter

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

*Simmi Jain*



(Simmi Jain)  
Partner

Membership No. 086496  
UDIN: 19086496AAAAR 3361

Place : New Delhi  
Date : 14<sup>th</sup> August, 2019

**SBEC SUGAR LIMITED**  
**Corporate Identification Number (CIN) : L15421UP1991PLC019160**  
**Registered Office : Village Lohan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh - 250611**  
**Un-Audited Financial Results for the Quarter Ended 30th June, 2019**


S.No.	Particulars	(Rs. in Lakhs)			
		QUARTER ENDED			YEAR ENDED
		30-06-2019	31-03-2019	30-06-2018	31-03-2019
	Unaudited	Audited	Unaudited	Audited	
I	Revenue from operations	11569.12	14925.13	7226.37	40098.78
II	Other income	52.61	27.97	1.12	31.20
III	<b>Total income (I + II)</b>	<b>11621.74</b>	<b>14953.10</b>	<b>7227.49</b>	<b>40129.98</b>
IV	<b>Expenses</b>				
	Cost of materials consumed	9555.96	20976.59	9436.52	42606.47
	Changes in inventories of finished goods, stock - in-trade and work - in - progress	(878.00)	(8432.18)	(2942.81)	(5138.37)
	Excise Duty on Sales	0.00	0.00	0.00	0.00
	Employee benefits expenses	369.05	491.14	294.74	1394.29
	Finance costs	386.34	274.18	43.32	506.43
	Depreciation and amortization expenses	453.12	486.92	447.29	1811.89
	Other expenses	1337.22	1614.57	547.08	3695.64
	<b>Total expenses</b>	<b>11223.68</b>	<b>15411.21</b>	<b>7826.15</b>	<b>44876.35</b>
V	<b>Profit / (loss) before exceptional items and tax (I - IV)</b>	<b>398.06</b>	<b>(458.10)</b>	<b>(598.66)</b>	<b>(4746.36)</b>
VI	Exceptional items	0.00	0.00	0.00	0.00
VII	<b>Profit / (loss) before tax (V - VI)</b>	<b>398.06</b>	<b>(458.10)</b>	<b>(598.66)</b>	<b>(4746.36)</b>
VIII	<b>Tax expense</b>				
	(1) Current tax	0.00	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	1.31	0.00	1.31
IX	<b>Profit / (loss) from continuing operations (V.II - VIII)</b>	<b>298.06</b>	<b>(459.41)</b>	<b>(598.66)</b>	<b>(4747.67)</b>
X	Profit / (loss) from discontinued operations (VII - VI.I)	0.00	0.00	0.00	0.00
XI	Tax expense of discontinued operations	0.00	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>	<b>0.00</b>
XIII	<b>Profit / (loss) for the period (IX + XII)</b>	<b>298.06</b>	<b>(459.41)</b>	<b>(598.66)</b>	<b>(4747.67)</b>
XIV	<b>Other comprehensive income</b>				
	A (i) Items that will not be reclassified to profit or loss	0.17	7.23	(2.18)	0.69
	(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
		0.17	7.23	(2.18)	0.69
XV	<b>Total comprehensive income for the period (XIII + XIV)</b>	<b>327.89</b>	<b>(466.64)</b>	<b>(596.48)</b>	<b>(4748.31)</b>
XVI	Paid Up Equity Share Capital (Face Value Rs. 10/- Per Share)	4765.39	4765.39	4765.39	4765.39
XVII	<b>Earnings per equity share (for continuing operations)</b>				
	(1) Basic	0.84	(0.96)	(1.25)	(9.96)
	(2) Diluted	0.84	(0.96)	(1.25)	(9.96)



**Notes:**

- a The above results has been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective Meetings held on 14 August, 2019. The Statutory Auditors have carried out a limited review of the results for the quarter ended 30th June, 2019.
- b The Company operates under single activity, hence IND AS -108 'Segment Reporting' is not applicable.
- c During the quarter ended 30th June 2019, the company has not made provision for interest, on late payment of cane dues amounting to Rs 815.87 lacs for the sugar season 2018-19, had the company made provisions the expense and loss for the quarter would have been higher by Rs.815.87 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 proceed 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 decision, no interest has been provided on the cane dues. The company has decided to account for the same on actual payment basis.
- e Figures pertaining to previous quarters have been regrouped/reclassified wherever found necessary to confirm to current quarter/half year's presentation.

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

  
Umesh Kumar Modi  
Chairman and President  
DIN : 00002787

Date : 14-August-2019  
Place : New Delhi

