

To
The Board of Directors
SBEC Sugar Limited
New Delhi

1. We have audited the accompanying statement of Financial Results of SBEC Sugar Limited ("the Company), for the quarter and year ended March 31, 2019 (the "Statement") being submitted by the company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This statement which is the responsibility of the Company's management and approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standard prescribed under section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder ('Ind AS') and other accounting principle generally accepted in India. Our responsibility is to express an opinion on the statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Statement

4. **Basis of qualified opinion**

1) During the quarter and year ended 31st March, 2019 the company has not made provision for interest, on late payment of cane dues amounting to Rs. 520.82 Lacs & Rs 574.01 lacs respectively for sugar season 2018-19 and Rs 391.10 lacs (Rs. 3797.83 lacs for the year) for sugar season 2017-18, had the company made provisions, the expense and loss for the quarter and year ended 31st March 2019 would have been higher by Rs 911.92 lacs and Rs. 4371.84 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, 2019 the company has net exposure of Rs. 14685 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.



5. In our opinion and to the best of information and according to the explanation given to us, the Statement:

- i) is prepared in accordance with the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015; and
- ii) *except for the possible effects of the matters described in the "Basis of qualified opinion" para above gives a true and fair view in conformity with the aforesaid Indian accounting standards and other accounting principles generally accepted in India of the net loss and other financial information of the company for quarter ended March 31, 2019 as well as for the year ended on that date.*

6. 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

7. The statement includes the results for the quarter ended 31st March 2019 being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

Simmi Jain

(Simmi Jain)

Partner

Membership No. 086496



Place : New Delhi
Date : 25th May, 2019

SBEC SUGAR LIMITED

Corporate Identification Number (CIN) : L15421UP1991PLCO19160

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

Audited Financial Results for the Quarter and Year Ended 31st March, 2019

(Rs. in Lakhs)

S.No.	Particulars	QUARTER ENDED			YEAR ENDED	
		31-03-2019	31-12-2018	31-03-2018	31-03-2019	31-03-2018
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from operations	14925.13	13265.44	17390.03	40098.78	46904.22
II	Other income	27.97	0.94	28.60	31.20	50.52
III	Total income (I + II)	14953.10	13266.37	17418.63	40129.98	46954.75
IV	Expenses					
	Cost of materials consumed	20976.59	12067.98	21989.60	42606.47	44721.59
	Changes in inventories of finished goods, stock in - trade and work - in - progress	(8432.18)	891.97	(3610.63)	(5138.37)	3131.67
	Excise Duty on Sales	0.00	0.00	0.00	0.00	853.46
	Employee benefits expenses	491.14	400.96	403.01	1394.29	1299.52
	Finance costs	274.18	128.97	(3132.48)	506.43	806.43
	Depreciation and amortization expenses	486.92	438.59	774.95	1811.89	1789.16
	Other expenses	1614.57	1145.61	1342.85	3695.64	2801.46
	Total expenses	15411.21	15074.08	17767.30	44876.35	55403.30
V	Profit / (loss) before exceptional items and tax (I - IV)	(458.10)	(1807.70)	(348.67)	(4746.36)	(8448.55)
VI	Exceptional items	0.00	0.00	0.00	0.00	0.00
VII	Profit / (loss) before tax (V - VI)	(458.10)	(1807.70)	(348.67)	(4746.36)	(8448.55)
VIII	Tax expense					
	(1) Current tax	0.00	0.00	0.00	0.00	0.00
	(2) Deferred tax	0.00	0.00	0.00	0.00	0.00
	(3) Adjustment of Tax for Earlier Years	1.31	0.00	0.00	1.31	0.00
		1.31	0.00	0.00	1.31	0.00
IX	Profit / (loss) from continuing operations (VII - VIII)	(459.41)	(1807.70)	(348.67)	(4747.67)	(8448.55)
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)	(459.41)	(1807.70)	(348.67)	(4747.67)	(8448.55)
XIV	Other comprehensive income					
	A (i) Items that will not be reclassified to profit or loss	7.23	(2.18)	(32.32)	0.69	(8.72)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	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
		7.23	(2.18)	(32.32)	0.69	(8.72)
XV	Total comprehensive income for the period (XIII + XIV)	(466.64)	(1805.53)	(316.35)	(4748.36)	(8439.84)
XVI	Paid Up Equity Share Capital (Face Value Rs. 10/- Per Share)	4765.39	4765.39	4765.39	4765.39	4765.39
XVII	Earnings per equity share (for continuing operations)					
	(1) Basic	(0.96)	(3.79)	(0.73)	(9.96)	(17.73)
	(2) Diluted	(0.96)	(3.79)	(0.73)	(9.96)	(17.73)



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 25 May, 2019. The Statutory Auditors have carried out the Audit of the results for the quarter and year ended 31st March, 2019.
- 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, 2019 the company has not made provision for interest, on late payment of cane dues amounting to Rs. 520.82 Lacs & Rs 574.01 lacs respectively for sugar season 2018-19 and Rs 391.10 lacs (Rs. 3797.81 lacs for the year) for sugar season 2017-18, had the company made provisions, the expense and loss for the quarter and year ended 31st March 2019 would have been higher by Rs 911.92 lacs and Rs. 4371.84 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. 67617/2004, wherethe 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 U.P. Sugar Cane (Regulation of Supply and 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. Pursuant to UP State Government Order dated 1.10.2018, the Company has, during the current quarter and year to date received cane subsidy of Rs. 4.50 per quintal of cane crushed during the sugar season 2017-18 amounting to Rs. 171.03 Lakhs and Rs. 658.81 Lacs respectively for making payment of cane dues of the sugar season 2017-18 as stipulated in the said order and the same has been adjusted in the cost of materials consumed in these results.
- f. Excise duty realized is included in revenue from operations of periods upto June 30, 2017 and revenue from operations for the subsequent periods are net of Goods and service tax(GST).
- g. Effective April 01, 2018, the Company has adopted IND AS 115-"Revenue from Contract with Customers". The Adoption of this IND AS 115 did not have any impact on the results.
- h. Figures pertaining to previous quarters have been regrouped/reclassified wherever found necessary to confirm to current quarter/ year's presentation.

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




Umesh Kumar Modi
Chairman
DIN: 00002757

Date : 25-May-2019

Place : New Delhi

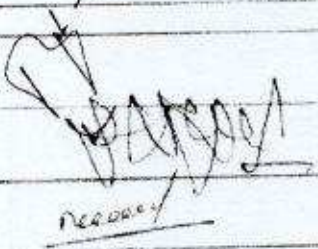

Statement of Assets and Liabilities as at 31st March, 2019 (Standalone)

Particulars	As at 31.03.2019 In Lakhs Audited'	As at 31.03.2018 In Lakhs Audited'
ASSETS		
(1) Non - current assets		
(a) Property, plant and equipment	22,618.01	24,354.16
(b) Other intangible assets	2.31	3.25
(c) Capital work - in - progress	296.99	30.44
(d) Financial assets		
- Investments	1,725.83	1,725.83
- Others	14,685.98	-
(e) Other non - current assets	4.88	7.14
	<u>39,334.00</u>	<u>26,120.82</u>
(2) Current assets		
(a) Inventories	13,280.98	8,213.55
(b) Financial assets		
(i) Trade receivables	713.17	1,057.36
(ii) Cash and cash equivalents	839.95	1,148.36
(iii) Loans	2,492.89	12,438.87
(iv) Other Bank Balances	20.92	19.26
(c) Other current assets	429.60	156.15
	<u>17,777.51</u>	<u>23,033.56</u>
(d) Non Current assets held for sale	-	-
	<u>17,777.51</u>	<u>23,033.56</u>
Total assets	<u>57,111.51</u>	<u>49,154.37</u>
EQUITY AND LIABILITIES		
(1) EQUITY		
(a) Equity share capital	4,769.40	4,769.40
(b) Other equity	-6,050.24	-1,301.88
	<u>-1,280.84</u>	<u>3,467.52</u>
LIABILITIES		
(2) Non - current liabilities		
(a) Financial liabilities		
(i) Borrowings	17,474.59	108.51
(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) Provisions	289.99	247.88
(c) Other non-current liabilities	12.26	12.26
	<u>17,776.84</u>	<u>368.65</u>
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,613.47	859.56
(ii) Trade payables		
- Total Outstanding dues of micro enterprises and small enterprises	18.74	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises	29,418.72	42,271.32
(iii) Other financial liabilities	7,322.88	1,775.30
(b) Other current liabilities	199.37	375.86
(c) Provisions	42.33	36.17
	<u>40,615.51</u>	<u>45,318.20</u>
Total Equity & Liabilities	<u>57,111.51</u>	<u>49,154.37</u>



**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
Submitted along-with Annual Audited Financial Results - (Standalone)**

(Rs. In Lacs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019				
I.	SI No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total Income	40129.98	40129.98
	2.	Total Expenditure	44876.35	44876.35
	3.	Net Profit/ (Loss)	(4747.67)	(4747.67)
	4.	Earnings Per Share	(9.96)	(9.96)
	5.	Total Assets	57111.51	57111.51
	6.	Total Liabilities	57111.51	57111.51
	7.	Net Worth	(1280.84)	(1280.84)
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II. Audit Qualification (each audit qualification separately) : (As per Annexure 1)				
	a.	Details of Audit Qualification:		As per Annexure 1
	b.	Type of Audit Qualification: Qualified Opinion/ Disclosure of Opinion/ Adverse Opinion: Qualified Opinion		
	c.	Frequency of qualification: Whether appeared first time/ repetitive/ since how long continuing Point No.1 - Appearing since F.Y.12-13, but the figures of provision for interest are changed every year. Point No.2- Appeared first time in the Standalone Audit Report from 2018-19.		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
		(i) Management's estimation on the impact of audit qualification:		Nil
		(ii) If management is unable to estimate the impact, reasons for the same:		As per Annexure 1
		(iii) Auditors' Comments on (i) or (ii) above:		As per Annexure 1
III. Signatories				
		Mr. R.K. Sharma (Manager)		
		Mr. A. K. Goel (Chief Financial Officer)		
		Mr. R.K. Agarwal (Audit Committee Chairman)		
		Simmi Jain Partner-K.K. Jain & Co Statutory Auditor Membership No- 86496 FRN : 002465N Place: New Delhi Date: 25.05.2019		 

**Statement on Impact of Audit Qualification (for audit report with modified opinion)
Submitted along with Annual Audited Financial Results- (Standalone)**

Sl.	Details of Audit Qualification	If Management is unable to estimate the impact, reasons for the same	Auditor's Comment on Management's reasons.
1	During the quarter and year ended 31st March, 2019 the company has not made provision for interest, on late payment of cane dues amounting to Rs. 520.82 Lacs & Rs 574.01 lacs respectively for sugar season 2018-19 and Rs 391.10 lacs (Rs. 3797.83 lacs for the year) for sugar season 2017-18, had the company made provisions, the expense and loss for the quarter and year ended 31st March 2019 would have been higher by Rs 911.92 lacs and Rs. 4371.84 lacs respectively and its consequential impact on EPS.	Under the power vested with the Cane Commissioner (U.P) for waiver of interest under U.P. Sugar Cane (Regulation of Supply and 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.	Pending the decision of the Cane Commissioner for the waiver of the interest on late payment cane dues, our opinion still remains the same as mentioned in our auditor's report.
2	The Company has taken the debts of IDBI, PNB & IFCI in Modi Industries Limited. As at 31st March, 2019 the company has net exposure of Rs.14685 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.	The management is of the opinion that no provision for doubtful debts is required as subsidiary company is the major secured creditor of Modi Industries Limited which owns substantial properties which are quite sufficient to take care of its entire liabilities. In view of that the management is confident for recovery of whole amount.	Since the amount is still pending to be recovered from the Modi Industries Limited our opinion still remains the same as mentioned in our auditor's report and actual impact is currently not ascertainable.

Sauri Jain

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