



26.05.2023

To

The Manager  
BSE Limited  
25<sup>th</sup> Floor, P.J. Towers,  
Dalal Street,  
Mumbai-400001

**Subject: Outcome of the Board Meeting as per Regulation 30, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

**Scrip Code: 532102**

Dear Sir(s)

We would like to inform you that the Board of Directors ("the Board") of the Company at its meeting held today i.e. May 26, 2023 **inter-alia** have approved the following:

- Audited Financial Results (Standalone & Consolidated) for the quarter & year ended March 31, 2023 along with Auditors Report thereon with Statement on Impact of Audit Qualification (for audit report with modified opinion) under Regulations 33(3)(d) of SEBI (LODR) Regulations, 2015.
- Appointment of M/s Thakur Vaidyanath Aiyar & CO., Chartered Accountants as Internal Auditors of the Company for the F.Y. 2023-24.

Pursuant to SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 a brief profile of Internal Auditors is enclosed herewith as Annexure - I.

The meeting commenced at 04:10 P.M. and concluded at 05:00 P.M.

You are requested to take on record the above for your reference and record.

**Thanking You,**

**Yours faithfully**

**For SBEC Sugar Limited**



**Ankit K. Srivastava**  
**Company Secretary & Compliance Officer**

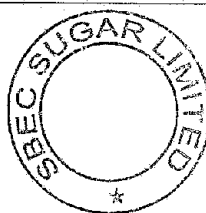


**Annexure-I**

**Disclosure of information pursuant to Regulation 30 of SEBI (Listing obligations and Disclosure Regulations) 2015 and SEBI circular CIR/CFD/CMD/4/2015 dated 09<sup>th</sup> September, 2015.**

Particulars	Details
Name of Internal Auditor	M/s Thakur Vaidyanath Aiyar & CO., Chartered Accountants
Reason for Change viz., appointment, resignation, removal, death or otherwise.	Appointment, due to completion of the existing term of present Internal Auditors.
Date and Term of appointment	Appointment for the F.Y. 2023-24 in the Board meeting held on May 26, 2023.
brief profile (in case of appointment)	M/s Thakur Vaidyanath Aiyar & CO., Chartered Accountants was formed as a results of re-organisation in 1970 of S Vaidyanath Aiyar Co. established in 1934 and Thakur Co. established in 1952. ICAI Reg no. of the Firm is 000038N, C&AG Reg no. DE0016, MEF Reg no. MEF30519. The address of the firm is - 221-223 Deen Dayal Marg, New Delhi - 110002
Disclosure of relationships between directors	-

*[Handwritten Signature]*



# DOOGAR & ASSOCIATES

CHARTERED ACCOUNTANTS

**Independent Auditor's Report on Quarterly and Year to Date Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended).**

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

## **Report on the audit of the Standalone Financial Results**

### **Qualified Opinion**

We have audited the accompanying standalone quarterly and year to date standalone financial results of **SBEC Sugar Limited**("the Company") for the quarter and year ended 31<sup>st</sup> March, 2023, ('Statement'), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

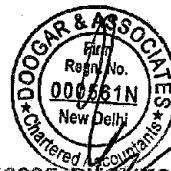
In our opinion and to the best of our information and according to the explanations given to us **except for the possible effects of the matters described in the "Basis of qualified opinion"** para below, these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit/(loss) and other comprehensive income and other financial information for the quarter and year ended 31<sup>st</sup> March, 2023.

### **Basis for Qualified Opinion**

1) During the quarter and year ended 31<sup>st</sup> March 2023, the company has not made provision for interest on late payment of cane dues amounting to Rs. 673.80 lacs & Rs. 725.41 lacs respectively for the sugar season 2022-23, Rs. 510.48 lacs & Rs. 3850.13 lacs respectively for the sugar season 2021-22 and Rs. NIL & Rs. 101.50 lacs respectively for the sugar season 2020-21, had the company made provisions the profit for the quarter and loss for the year would have been lower/higher by Rs. 1184.28 lacs and Rs. 4677.04 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 31<sup>st</sup> March, 2023 the company has net exposure of Rs. 14685.98 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.



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 resultant in overstatement of Inventories (Finished Goods and WIP-Sugar) by Rs.720.54 lacs , understatement of losses for the year by an even amount 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 Standalone Financial Results section of our report. We are independent of the Company 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 results 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 we have obtained 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 Standalone Financial Results**

The statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that gives a true and fair view of the net profit and other comprehensive income and other financial information 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the statement as a whole is 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 standalone 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 statement, 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 Company's ability 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results 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 Standalone Financial Results.

We communicate with those charged with governance 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.



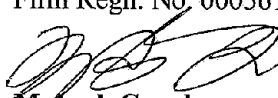
**Other Matter**

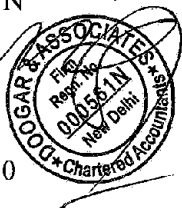
The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the third quarter of the current financial year which were subjected to limited review by us, as required under the Listing Regulations.

Our opinion on the Statement is not modified in respect of the above matter.

**For Doogar & Associates**

Chartered Accountants  
Firm Regn. No. 000561N

  
**Mukesh Goyal**  
Partner  
Membership No. 081810



UDIN: 23081810BGZCJH4655

Place : New Delhi  
Date : 26<sup>th</sup> May, 2023

**SBEC SUGAR LIMITED**

Corporate Identification Number (CIN) : L15421UP1991PLC019160

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

Standalone Audited Financial Results for the Quarter and Year Ended 31st March , 2023

(Rs. in Lakhs)

S.No.	Particulars	QUARTER ENDED			Year Ended	
		31-03-2023	31-12-2022	31-03-2022	31-03-2023	31-03-2022
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from operations	21457.44	14858.08	15276.12	64698.49	60218.99
II	Other income	(279.52)	34.79	76.49	147.66	83.64
III	<b>Total income (I + II)</b>	<b>21177.92</b>	<b>14892.87</b>	<b>15352.61</b>	<b>64846.14</b>	<b>60302.63</b>
IV	<b>Expenses</b>					
	Cost of materials consumed	26771.38	14096.87	23448.53	52415.47	52263.67
	Changes in inventories of finished goods, stock - in - trade and work in - progress	(10271.61)	(1541.19)	(12520.63)	2687.87	(2265.13)
	Employee benefits expenses	581.72	630.53	569.13	1874.93	1629.09
	Finance costs	429.45	364.38	327.87	1545.50	1506.28
	Depreciation and amortization expenses	480.33	492.22	429.45	1897.85	1850.60
	Other expenses	1918.01	1663.29	1651.63	5715.24	6383.89
	<b>Total expenses</b>	<b>19909.28</b>	<b>15706.10</b>	<b>13905.98</b>	<b>66136.86</b>	<b>61368.40</b>
V	<b>Profit / (loss) before exceptional items and tax (I - IV)</b>	<b>1268.64</b>	<b>(813.23)</b>	<b>1446.63</b>	<b>(1290.72)</b>	<b>(1065.77)</b>
VI	Exceptional items	0.00	0.00	0.00	0.00	0.00
VII	<b>Profit / (loss) before tax (V - VI)</b>	<b>1268.64</b>	<b>(813.23)</b>	<b>1446.63</b>	<b>(1290.72)</b>	<b>(1065.77)</b>
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	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00
IX	<b>Profit / (loss) from continuing operations (VII - VIII)</b>	<b>1268.64</b>	<b>(813.23)</b>	<b>1446.63</b>	<b>(1290.72)</b>	<b>(1065.77)</b>
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	<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>	<b>0.00</b>
XIII	<b>Profit / (loss) for the period (IX + XII)</b>	<b>1268.64</b>	<b>(813.23)</b>	<b>1446.63</b>	<b>(1290.72)</b>	<b>(1065.77)</b>
XIV	<b>Other comprehensive income</b>					
	A (i) Items that will not be reclassified to profit or loss	66.74	(18.73)	(75.58)	10.54	(74.94)
	(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
		66.74	(18.73)	(75.58)	10.54	(74.94)
XV	<b>Total comprehensive income for the period (XIII + XIV)</b>	<b>1335.38</b>	<b>(831.97)</b>	<b>1371.05</b>	<b>(1280.19)</b>	<b>(1140.71)</b>
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	2.66	(1.71)	3.03	(2.71)	(2.24)
	(2) Diluted	2.66	(1.71)	3.03	(2.71)	(2.24)



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 26th May, 2023. The Statutory Auditors have carried out a statutory Audit of the results for the quarter and year ended 31st March, 2023.

The Company operates under single activity, hence IND AS -108 'Segment Reporting' is not applicable.

During the year ended 31st March, 2023, the company has not made provision for interest on late payment of cane dues amounting to Rs.725.41 lacs, Rs.3850.13 lacs and Rs.101.50 lacs for the sugar season 2022-23, 2021-22 and sugar season 2020-21 respectively. Had the company made provisions, the loss for the quarter would have been higher by Rs.4677.04 lacs and its consequential impact on EPS.

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 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.


Due to the seasonal nature of the industry, the results for any quarter may not be a true and appropriate reflection of the annual profitability of the company and may not be strictly comparable.

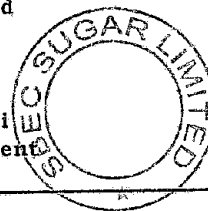
The figures of the quarter ended 31st March 2023 and 31st March 2022 are the balancing figures between the audited figures in respect to the full Financial year and the published figures of nine months ending 31st December, 2022 and 31st December, 2021 respectively which were subject to limited review by the statutory auditors.

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 by Rs.720.54 lacs, understatement of losses for the year by Rs.720.54 lacs and its consequential impact on EPS.

Total molasses of 76,130.35 Qtl was burnt due to spontaneous combustion in the month of July 2021 which was insured. Based on the report of the surveyors & loss assessors the company has accounted a claim of Rs. 340.99 lacs on account of provisional loss/damage in second quarter of the financial year 2022-23. Due to rejection of insurance claim the same has been reversed in the current quarter (reflecting in other income). Meanwhile the management is exploring the possibility to appeal against the said rejection. Figures pertaining to previous quarters have been regrouped/reclassified wherever found necessary to confirm to current quarter.

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

  
Umesh Kumar Modi  
Chairman & President  
DIN : 00002757





## STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH , 2023

(Rs. In lacs)

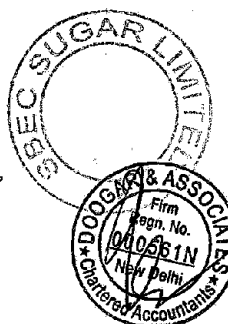
Particulars	As at 31.03.2023 'Audited'	As at 31.03.2022 Audited'
<b>ASSETS</b>		
(1) Non - current assets		
(a) Property, plant and equipment	20,217.65	19,378.88
(b) Other intangible assets	0.34	0.60
(c) Capital work - in - progress	357.33	1,756.86
(d) Financial assets		
- Investments	1,725.83	1,725.83
- Others	14,685.98	14,685.98
(e) Other non - current assets	64.43	28.14
	<b>37,051.55</b>	<b>37,576.28</b>
(2) Current assets		
(a) Inventories	21,561.01	24,308.80
(b) Financial assets		
(i) Trade receivables	1,216.95	822.80
(ii) Cash and cash equivalents	354.80	336.88
(iii) Loans	243.08	2,042.66
(iv) Other Bank Balances	25.00	16.20
(c) Other current assets	140.52	850.63
	<b>23,541.36</b>	<b>28,377.96</b>
(d) Non Current assets held for sale		
	<b>23,541.36</b>	<b>28,377.96</b>
<b>Total assets</b>	<b>60,592.91</b>	<b>65,954.25</b>
<b>EQUITY AND LIABILITIES</b>		
(1) EQUITY		
(a) Equity share capital	4,769.40	4,769.40
(b) Other equity	(10,115.54)	(8,835.35)
	<b>(5,346.14)</b>	<b>(4,065.95)</b>
<b>LIABILITIES</b>		
(2) Non - current liabilities		
(a) Financial liabilities		
(i) Borrowings	695.40	5,489.18
(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	616.62	437.35
(c) Other non-current liabilities	11.55	10.47
	<b>1,323.56</b>	<b>5,937.00</b>
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	9,503.64	9,253.36
(ii) Trade payables		
- Total Outstanding dues of micro enterprises and small enterprises	294.68	58.84
- Total Outstanding dues of creditors other than micro enterprises and small enterprises	50,798.91	50,595.00
(iii) Other financial liabilities	3,427.46	3,694.86
(b) Other current liabilities	562.83	338.86
(c) Provisions	27.96	142.27
	<b>64,615.48</b>	<b>64,083.19</b>
<b>Total Equity &amp; Liabilities</b>	<b>60,592.91</b>	<b>65,954.25</b>



# CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2023

Particulars	(Rs. In lacs)	
	As at 31.03.2023 'Audited'	As at 31.03.2022 Audited'
<b>A. Cash flow from operating activities</b>		
Profit for the year before tax	(1,290.72)	(1,065.77)
<u>Adjustments for:</u>		
Finance costs	1,545.50	1,506.28
Interest income	(2.86)	(1.43)
Depreciation and amortisation expense	1,897.85	1,850.60
Loss/(Profit) on sale of Fixed Assets	(21.70)	(1.43)
Provision for Bad & doubtful debts/Advances	-	-
Provision written back	(25.59)	(80.78)
Dividend Income	(91.60)	-
<b>Operating Profit/(Loss) before working capital changes</b>	<b>2,010.87</b>	<b>2,207.48</b>
<u>Movements in working capital:</u>		
Trade receivables	(394.15)	1,171.95
Other assets	665.02	381.50
Inventories	2,747.79	(2,300.31)
Loans	1,799.58	496.76
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	439.75	6,044.53
Other liabilities	225.05	(83.63)
Other financial liabilities	(267.40)	1,226.99
Provisions/other items	101.08	145.62
<b>Cash generated from operations</b>	<b>7,327.59</b>	<b>9,290.89</b>
Income tax paid	-	-
<b>Net cash generated by operating activities (A)</b>	<b>7,327.59</b>	<b>9,290.89</b>
<b>B. Cash flow from investing activities</b>		
Investment	-	(0.00)
Purchases of fixed assets( including WIP)	(1,464.43)	(2,015.75)
Interest received	2.86	1.43
Dividend received	91.60	-
Proceeds from Sales of Fixed Assets	149.30	1.88
Non Current assets held for sale	-	-
<b>Net cash generated by/(used in) investing activities (B)</b>	<b>(1,220.67)</b>	<b>(2,012.45)</b>
<b>C. Cash flow from financing activities</b>		
Proceed /Repayment of term loan	(4,543.50)	(5,677.42)
Interest paid	(1,545.50)	(1,506.28)
<b>Net cash generated by/(used in) financing activities (C)</b>	<b>(6,089.00)</b>	<b>(7,183.70)</b>
<b>Net Increase/decrease in Cash and cash equivalents (A+B+C)</b>	<b>17.92</b>	<b>94.74</b>
Cash and cash equivalents at the beginning of the year	336.88	242.14
<b>Cash and cash equivalents at the end of year end</b>	<b>354.80</b>	<b>336.88</b>

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**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, 2023**

I.	SI No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total Income	64846.14	64846.14
	2.	Total Expenditure	66136.86	66136.86
	3.	Net Profit/ (Loss)	(1290.72)	(1290.72)
	4.	Earnings Per Share	(2.71)	(2.71)
	5.	Total Assets	60,592.91	60,592.91
	6.	Total Liabilities	60,592.91	60,592.91
	7.	Net Worth	(5,346.14)	(5,346.14)
	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 2018-2019.

Point no. 3 - Appeared first time in the Standalone Audit Report from 2019-2020.

**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. Abhishek Modi (Whole Time Director)**

**Mr. A. K. Goel (CFO)**

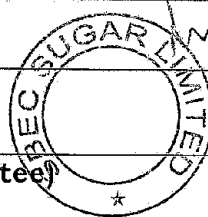
**Mr. Vijay K. Modi (Chairman's Audit Committee)**

**For Doogar & Associates  
Chartered Accountants  
Firm Registration No. 000561N**

**Mukesh Goyal  
Partner  
M. No. 081810**



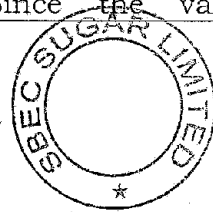
*26<sup>th</sup> May, 2023*



*[Handwritten signatures and initials]*

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

SI.	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 2023, the company has not made provision for interest on late payment of cane dues amounting to Rs. 673.80 & Rs.725.41 lacs respectively for the sugar season 2022-23, Rs. 510.48 & Rs.3850.13 lacs respectively for the sugar season 2021-22 and Rs. NIL & Rs.101.50 lacs respectively for the sugar season 2020-21, had the company made provisions the profit for the quarter and loss for the year would have been lower/higher by Rs.1184.28 lacs and Rs.4677.04 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's 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 debt of IDBI, PNB & IFCI in Modi Industries Limited. As at 31st March, 2023 the company has net exposure of Rs.14685.98lacs. 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 the 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.
3	The company has valued the	The Company has valued closing	Since the valuation

	<p>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 and WIP-Sugar) by Rs. 720.54 lacs, understatement of losses for the year by Rs. 720.54 lacs and its consequential impact on EPS.</p>	<p>stock at NRV of Rs. 3517.24 considering the current market price of around Rs. 3520.00 per quintal. The same is lower than the Market price.</p>	<p>has not been done as per IND AS-2 "Inventories" therefore our opinion still remains the same as mentioned in our auditor's report.</p>
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# DOOGAR & ASSOCIATES

CHARTERED ACCOUNTANTS

## 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: Loyan, 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, 2023, 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 31<sup>st</sup> march, 2023.

### Basis of qualified opinion

1) During the quarter and year ended 31st March 2023, the company has not made provision for interest on late payment of cane dues amounting to Rs. 673.80 lacs & Rs. 725.41 lacs respectively for the sugar season 2022-23, Rs. 510.48 & Rs. 3850.13 lacs respectively for the sugar season 2021-22 and Rs. NIL & Rs. 101.50 lacs respectively for the sugar season 2020-21, had the company made provisions the profit for the quarter and loss for the year would have been lower/higher by Rs. 1184.28 lacs and Rs. 4677.04 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, 2023 the company has net exposure of Rs. 14685.98 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.

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 resultant in overstatement of Inventories (Finished Goods and WIP-Sugar) by Rs. 720.54 lacs, understatement of losses for the year by an even amount 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 years 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 11140.69 lacs (PY Rs. 12974.22lacs) as at 31st March, 2023, total income of Rs 2155.44Lacs (PY Rs 1773.92Lacs), total net profit after tax of Rs 289.04Lacs (PY 208.74Lacs) total comprehensive income/(loss) of Rs (1.36) Lacs (PY Rs 11.52 Lacs) 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, 2023 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 by us.

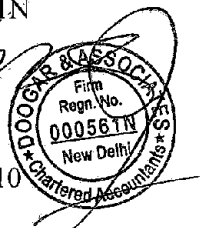
#### For Doogar & Associates

Chartered Accountants  
Firm Regn. No. 000561N

  
**Mukesh Goyal**

Partner

Membership No. 081810



UDIN: 23081810BGZC1J3833

Place : New Delhi

Date : 26<sup>th</sup> May, 2023

**SBEC SUGAR LIMITED**  
**Corporate Identification Number (CIN) : L15421UP1991PLC019160**  
**Registered Office : Village Loyan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh - 250611**  
**Consolidated Audited Financial Results for the Quarter and Year Ended 31st March , 2023**

(Rs. in Lakhs)

S.No.	Particulars	QUARTER ENDED			Year Ended	
		31-03-2023	31-12-2022	31-03-2022	31-03-2023	31-03-2022
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from operations	22093.36	15147.85	15785.96	65846.19	61401.33
II	Other income	(276.79)	(10.71)	145.65	1064.40	653.95
III	<b>Total income (I + II)</b>	<b>21816.57</b>	<b>15137.14</b>	<b>15931.61</b>	<b>66910.59</b>	<b>62055.28</b>
IV	<b>Expenses</b>					
	Cost of materials consumed	26771.38	14096.87	23448.53	52415.47	52263.67
	Changes in inventories of finished goods, stock - in - trade and work - in -	(10262.77)	(1541.19)	(12510.48)	2688.99	(2264.26)
	Employee benefits expenses	672.58	727.91	647.11	2211.12	1913.94
	Finance costs	507.57	428.87	408.95	1836.75	1844.92
	Depreciation and amortization expenses	535.06	547.22	484.47	2117.59	2070.61
	Other expenses	2132.67	1922.72	1780.72	6470.73	6958.99
	<b>Total expenses</b>	<b>20356.49</b>	<b>16182.40</b>	<b>14259.31</b>	<b>67740.65</b>	<b>62797.88</b>
V	<b>Profit / (loss) before exceptional items and tax (I - IV)</b>	<b>1460.09</b>	<b>(1045.26)</b>	<b>1672.30</b>	<b>(830.06)</b>	<b>(742.60)</b>
VI	Exceptional items	0.00	0.00	0.00	0.00	0.00
VII	<b>Profit / (loss) before tax (V - VI)</b>	<b>1460.09</b>	<b>(1045.26)</b>	<b>1672.30</b>	<b>(830.06)</b>	<b>(742.60)</b>
VIII	<b>Tax expense</b>					
	(1) Current tax	(4.70)	(3.30)	0.62	225.18	114.44
	(2) Deferred tax	0.00	0.00	0.00	0.00	0.00
	(3) Adjustment of Tax for Earlier Years	(8.07)	0.00	0.00	(8.07)	0.00
		(12.77)	(3.30)	0.62	217.11	114.44
IX	<b>Profit / (loss) from continuing operations (VII - VIII)</b>	<b>1472.86</b>	<b>(1041.97)</b>	<b>1671.69</b>	<b>(1047.17)</b>	<b>(857.03)</b>
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	<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>	<b>0.00</b>
XIII	<b>Profit / (loss) for the period (IX + XII)</b>	<b>1472.86</b>	<b>(1041.97)</b>	<b>1671.69</b>	<b>(1047.17)</b>	<b>(857.03)</b>
XIV	<b>Other comprehensive income</b>					
	A (i) Items that will not be reclassified to profit or loss	58.59	(16.47)	(63.49)	9.17	(63.42)
	(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
		58.59	(16.47)	(63.49)	9.17	(63.42)
XV	<b>Total comprehensive income for the period (XIII + XIV)</b>	<b>1531.46</b>	<b>(1058.44)</b>	<b>1608.20</b>	<b>(1038.00)</b>	<b>(920.45)</b>
XVI	<b>Total comprehensive income for the period (XIII + XIV)/ (Comprising</b>					
	Owners of the parent	1426.12	(981.42)	1501.08	(862.55)	(845.99)
	Non-Controlling interests	105.31	(77.01)	107.13	(175.46)	(74.45)
XVII	<b>Of the total comprehensive income above, profit for the attributable to:</b>					
	Owners of the parent	1363.86	(963.93)	1570.00	(872.33)	(777.39)
	Non-Controlling Interests	108.98	(78.03)	101.69	(174.84)	(79.64)
XVIII	<b>Of the total comprehensive income above, other comprehensive income attributable to</b>					
	Owners of the parent	62.26	(17.49)	68.93	9.79	(68.60)
	Non-Controlling interests	(3.67)	1.02	(5.44)	(0.61)	5.18
XIX	<b>Paid Up Equity Share Capital (Face Value Rs. 10/- Per Share)</b>	<b>4765.39</b>	<b>4765.39</b>	<b>4765.39</b>	<b>4765.39</b>	<b>4765.39</b>
XX	<b>Earnings per equity share (for continuing operations)</b>					
	(1) Basic	3.09	(2.19)	3.68	(2.20)	(1.80)
	(2) Diluted	3.09	(2.19)	3.68	(2.20)	(1.80)



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


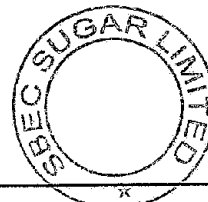
**Notes:**

- 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 26th May, 2023. The Statutory Auditors have carried out a statutory Audit of the results for the quarter and year ended 31st March, 2023.
- b The Company operates under single activity, hence IND AS -108 'Segment Reporting' is not applicable.
- c During the year ended 31st March, 2023, the company has not made provision for interest on late payment of cane dues amounting to Rs.725.41 lacs, Rs.3850.13 lacs and Rs.101.50 lacs for the sugar season 2022-23, 2021-22 and sugar season 2020-21 respectively. Had the company made provisions, the loss for the quarter would have been higher by Rs.4677.04 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 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 Due to the seasonal nature of the industry, the results for any quarter may not be a true and appropriate reflection of the annual profitability of the company and may not be strictly comparable.
- f The figures of the quarter ended 31st March 2023 and 31st March 2022 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, 2022 and 31st December, 2021 respectively which were subject to limited review by the statutory auditors.
- g 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 by Rs.720.54 lacs, understatement of losses for the year by Rs.720.54 lacs and its consequential impact on EPS.
- h Total molasses of 76,130.35 Qtl was burnt due to spontaneous combustion in the month of July 2021 which was insured. Based on the report of the surveyors & loss assessors the company has accounted a claim of Rs. 340.99 lacs on account of provisional loss/damage in second quarter of the financial year 2022-23. Due to rejection of insurance claim the same has been reversed in the current quarter (reflecting in other income). Meanwhile the management is exploring the possibility to appeal against the said rejection.
- i Figures pertaining to previous quarters have been regrouped/reclassified wherever found necessary to confirm to current quarter.

For and on behalf of Board of Directors of

SBEC Sugar Limited

  
Umesh Kumar Modi  
Chairman & President  
DIN : 00002757

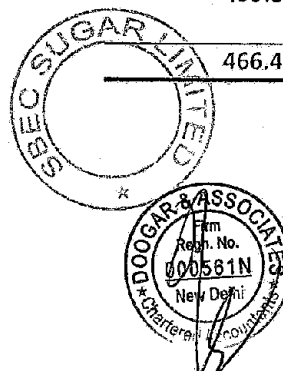


Date : 26th May, 2023  
Place : New Delhi

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST March, 2023 (CONSOLIDATED)

(Rs. In Lakhs)

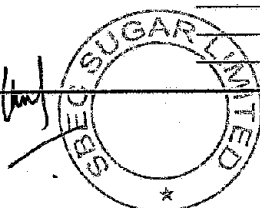
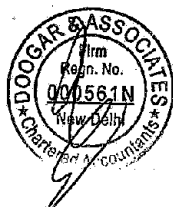
Particulars	As at 31.03.2023 Audited'	As at 31.03.2022 ' Audited'
<b>A. Cash flow from operating activities</b>		
Profit for the year before tax	(830.07)	(742.60)
<u>Adjustments for:</u>		
Finance costs	1,836.75	1,844.92
Interest income	(2.86)	(1.43)
Depreciation and amortisation expense	2,117.59	2,070.61
Loss/(Profit) on sale of Fixed Assets	-	(0.01)
Provision for Bad & doubtful debts/Advances	-	-
Provision written back	-	-
Dividend Income	(1,005.61)	(501.15)
<b>Operating Profit/(Loss) before working capital changes</b>	<b>2,115.80</b>	<b>2,670.35</b>
<u>Movements in working capital:</u>		
Trade receivables	(269.29)	1,327.31
Other assets	652.59	449.96
Inventories	2,740.10	(2,300.23)
Loans	(58.88)	54.66
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	418.04	6,013.40
Other current liabilities	239.74	(15.29)
Other financial liabilities	1,146.73	1,703.45
Provisions/other items	80.87	70.39
<b>Cash generated from operations</b>	<b>7,065.70</b>	<b>9,974.01</b>
Income tax paid	(217.11)	(114.44)
<b>Net cash generated by operating activities (A)</b>	<b>6,848.59</b>	<b>9,859.57</b>
<b>B. Cash flow from investing activities</b>		
Investment	-	(0.00)
Purchases of fixed assets( including WIP)	(1,464.43)	(2,053.06)
Interest received	2.86	1.43
Dividend received	1,005.61	501.15
Proceeds from Sales of Fixed Assets	127.60	25.77
Non Current assets held for sale	-	-
<b>Net cash generated by/(used in) investing activities (B)</b>	<b>(328.36)</b>	<b>(1,524.72)</b>
<b>C. Cash flow from financing activities</b>		
Proceed /Repayment of term loan	(4,716.38)	(6,345.66)
Interest paid	(1,836.75)	(1,844.92)
<b>Net cash generated by/(used in) financing activities (C)</b>	<b>(6,553.13)</b>	<b>(8,190.58)</b>
<b>Net Increase/decrease in Cash and cash equivalents (A+B+C)</b>	<b>(32.90)</b>	<b>144.27</b>
Cash and cash equivalents at the beginning of the year	499.37	355.11
<b>Cash and cash equivalents at the end of year end</b>	<b>466.47</b>	<b>499.37</b>



# Consolidated Statement of Assets and Liabilities as at 31st MARCH, 2023

(Rs. In Lakhs)

Particulars	As at 31.03.2023 Audited'	As at 31.03.2022 Audited'
<b>ASSETS</b>		
(1) Non - current assets		
(a) Property, plant and equipment	24,774.87	24,155.83
(b) Other intangible assets	0.34	0.60
(c) Capital work - in - progress	357.33	1,756.86
(d) Financial assets		
(i) Investments	3,803.34	3,803.34
(ii) Others	14,685.98	14,685.98
(e) Other non - current assets	124.72	87.31
(f) Deferred tax assets (net)	569.28	569.28
	44,315.85	45,059.20
(2) Current assets		
(a) Inventories	21,874.63	24,614.73
(b) Financial assets		
(i) Trade receivables	1,688.72	1,419.43
(ii) Cash and cash equivalents	466.47	499.37
(iii) Loans & other financial assets	281.54	222.65
(iv) Other Bank Balances	25.00	16.20
(c) Other current assets	202.80	901.60
	24,539.15	27,673.99
(d) Non Current assets held for sale	-	-
	24,539.15	27,673.99
<b>Total Assets</b>	<b>68,855.01</b>	<b>72,733.19</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	4,769.40	4,769.40
(b) Other equity	(6,992.39)	(6,129.84)
	(2,222.99)	(1,360.44)
Non Controlling Interest	2,799.21	2,974.67
<b>LIABILITIES</b>		
(1) Non - current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,895.91	5,497.32
(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	691.54	503.36
(d) Other financial liabilities	0.45	0.45
(e) Other non-current liabilities	11.55	10.47
	2,599.44	6,011.60
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	10,142.74	11,257.70
(ii) Trade payables		
- Total Outstanding dues of micro enterprises and small enterprises	329.59	58.94
- Total Outstanding dues of creditors other than micro enterprises and small enterprises	50,965.95	50,818.56
(iii) Other financial liabilities	3,515.87	2,369.14
(b) Other current liabilities	691.48	452.82
(c) Provisions	33.71	150.20
	65,679.34	65,107.37
<b>Total Equity &amp; Liabilities</b>	<b>68,855.01</b>	<b>72,733.19</b>



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

(Rs. In Lacs)

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023**

I.	SI No.	Particulars	Audited Figures(as reported before adjusting for qualifications)	Adjusted Figures(audited figures after adjusting for qualifications)
	1.	Turnover/ Total Income	66910.59	66910.59
	2.	Total Expenditure	67740.65	67740.65
	3.	Net Profit/ (Loss) after taxes and minority Interest	(1047.17)	(1047.17)
	4.	Earnings Per Share	(2.20)	(2.20)
	5.	Total Assets	68,855.01	68,855.01
	6.	Total Liabilities	68,855.01	68,855.01
	7.	Net Worth	(2,222.99)	(2,222.99)
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

**II. Audit Qualification (each audit qualification separately) : (As per Annexure 2)**

- a) Details of Audit Qualification:** **As per Annexure 2**
- 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
- d) Point No.1 - Appearing since F.Y.12-13, but the figures of provision for interest are changed every year.
- e) Point No.2- Appearing since F.Y. ended 13-14.
- f) Point No.3- Appearing first time in the F.Y. 2019-2020.
- g) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: **Not Applicable**
- 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 2**
- iii. Auditors' Comments on (i) or (ii) above: **As per Annexure 2**

**III. Signatories**

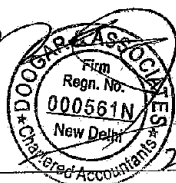
**Mr. Abhishek Modi (Whole Time Director)**

**Mr. A. K. Goel (CFO)**

**Mr. Vijay K. Modi (Chairman's Audit Committee) \***

**For Doogar & Associates,  
Chartered Accountants  
Firm Registration No. 000561N**

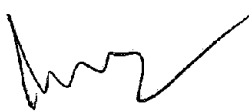

**Mukesh Goyal  
Partner  
M. No. 081810**




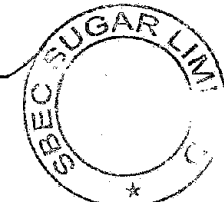
26<sup>th</sup> May, 2023

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

SI.	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 2023, the company has not made provision for interest on late payment of cane dues amounting to Rs. 673.80 & Rs.725.41 lacs respectively for the sugar season 2022-23, Rs. 510.48 & Rs.3850.13 lacs respectively for the sugar season 2021-22 and Rs. NIL & Rs.101.50 lacs respectively for the sugar season 2020-21, had the company made provisions the profit for the quarter and loss for the year would have been lower/higher by Rs.1184.28 lacs and Rs.4677.04 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 debt of IDBI, PNB & IFCL in Modi Industries Limited. As at 31st March, 2023 the company has net exposure of Rs.14685.98lacs. 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 Modi Industries Limited. Our opinion still remains the same as mentioned in our auditor's report and actual impact is currently not ascertainable.
3	The company has valued the	The Company has valued closing	Since the valuation



<p>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 and WIP-Sugar) by Rs. 720.54 lacs, understatement of losses for the year by Rs. 720.54 lacs and its consequential impact on EPS.</p>	<p>stock at NRV of Rs. 3517.24 considering the current market price of around Rs. 3520.00 per quintal. The same is lower than the Market price.</p>	<p>has not been done as per IND AS-2 "Inventories" therefore our opinion still remains the same as mentioned in our auditor's report</p>
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