



SBEC SUGAR LIMITED

29.05.2018

To,
The Bombay Stock Exchange Limited
25th Floor, P.J. Towers,
Dalal Street
Mumbai-400001

Scrip Code: 532102

Sub: Audited Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2018.

Dear Sirs,

Pursuant to regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors in its meeting held today has approved and taken on record the Audited Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2018. Please find enclosed the followings;

- (a) Audited Standalone and Consolidated Financial Results of the Company for the Quarter and Year ended on March 31, 2018;
- (b) Audit Report of the Statutory Auditors; and
- (c) Statement on Impact of Audit Qualifications (for Audit Report with Modified opinion).

Kindly take the same on record.

Thanking You,

Yours Faithfully

For SBEC SUGAR LIMITED


Shobit Nehra
Company Secretary & Compliance Officer
E-mail: investors@sbecsugar.com



Encl: a/a

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

To

The Board of Directors
SBEC Sugar Limited
New Delhi

We have audited the accompanying statement of Financial Results of SBEC Sugar Limited ("the Company), for the quarter and year ended March 31, 2018 (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.

The quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The standalone financial results for the quarter ended March 31, 2018 and year ended March 31, 2018 have been prepared on the basis of the standalone financial results for the nine-month period ended December 31, 2017, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2018 which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, Interim Financial Reporting specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2018; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations and Circular.



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.

Basis of qualified opinion

- 1) *During the quarter the company has not made provision for interest, on late payment of cane dues amounting to Rs 931.31lac for sugar season 2017-18 and Rs3540.85 for sugar season 2016-17, had the company made provisions, the expense and loss for the quarter and year ended 31st March 2018 would have been higher by Rs 4472.16 lac and its consequential impact on EPS.*
- 2) *The company had executed a deed of assignment with a subsidiary company "SBEC Bioenergy Limited" to transfer its claim and all securities and charges created by Modi Industries Limited in its favour for a consideration of Rs12,500 lacs of which Rs. 8,300 lacs was to be received as per the mutually agreed instalments within a period of five years from the date of execution of the deed. The company has not received any amount out of balance amount of Rs 8300lacs till the end of March 31st '2018. Since the period of five years has already elapsed it may affect the ultimate recoverability of the carrying value of the said amount due from SBEC Bioenergy Limited. These financial statements do not include any adjustments that might result from the uncertainty mentioned above.*

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, 2018 as well as for the year ended on that date.*



Attention is invited to

note no (e) of the standalone Un-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.

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

Simmi Jain



(Simmi Jain)
Partner
Membership No.86496

Place : New Delhi
Date : 29th May, 2018

SBEC SUGAR LIMITED

Regd. Off. : Village Lohan Malakpur, Tehsil Baraut, District Baghpat, Uttar Pradesh

CIN: L15421UP1991PLC019160

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED : 31st March, 2018

Rs. In Lakhs

S. NO	PARTICULARS	QUARTER ENDED			Yearly	
		31.03.18 AUDITED	31.12.17 UNAUDITED	31.03.17 AUDITED	31.03.18 AUDITED	31.03.17 AUDITED
I	Revenue from Operations	17,390.03	11,375.89	17,124.26	46904.22	29959.89
II	Other Income	28.60	0.66	(291.91)	50.52	21.12
III	Total Revenue(I+II)	17,418.63	11,376.55	16,832.36	46954.75	29981.02
IV	Expenses:					
	(a) Cost of Material Consumed/ Purchase of stock-in-trade	21,989.60	16,465.17	23,501.58	44721.59	30918.95
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,610.63)	(2,950.35)	(8,846.61)	3131.67	-5699.09
	(c) Excise Duty on Sales	-	-	898.52	853.46	1,679.77
	(d) Employee Benefit Expense	403.01	454.02	342.58	1299.52	1083.62
	(e) Finance Cost	(2,132.48)	1,131.50	232.22	806.42	789.45
	(f) Depreciation and amortization expense	774.95	335.00	768.27	1789.16	1791.35
	(g) Other Expenses	1,342.85	329.48	1,660.38	2801.46	3192.28
V	Total Expenses	17,767.30	15,764.82	18,556.93	55403.30	33756.32
VI	Profit/(Loss) before Exceptional and tax(III-IV)	(348.67)	(4,388.27)	(1,724.58)	(8448.55)	(3775.31)
VII	Exceptional items					
VIII	Profit/(Loss) before tax (V-VI)	(348.67)	(4,388.27)	(1,724.58)	(8448.55)	(3775.31)
IX	Tax Expense					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
	(3) Tax Adjustments for earlier years	-	-	-	-	-
X	Profit/(Loss) for the period (VIII-IX)	(348.67)	(4,388.27)	(1,724.58)	(8,448.55)	(3,775.31)
XI	Other comprehensive income					
	(A) Items that will be reclassified to profit or loss	(32.32)	7.87	24.10	(8.72)	26.88
	(B) Items that will not be reclassified to profit or loss	-	-	-	-	-
	Other comprehensive income for the period, net of tax	(32.32)	7.87	24.10	(8.72)	26.88
XII	Total comprehensive income for the period (X+XI)	(316.35)	(4,396.14)	(1,748.68)	(8,439.84)	(3,802.19)
XIII	Paid-up Equity Share Capital (face value Rs 10/- per share)	4,765.39	4,765.39	4,765.39	4,765.39	4,765.39
XIV	Earning per equity share:					
	Basic (Rs.)	(0.73)	(9.21)	(3.62)	(17.73)	(7.92)
	Diluted(Rs)	(0.73)	(9.21)	(3.62)	(17.73)	(7.92)

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 29th May, 2018. The Statutory Auditors have audited the results for the quarter and year ended 31st March, 2018.

b This statement has been prepared in accordance with the Companies(Indian Accounting Standards) Rules, 2015(Ind AS),



The Indian sugar industry, particularly in the state of Uttar Pradesh, had faced difficulties on account of increasing sugarcane prices, lower sugarcane recoveries and lower sugar prices resulting in under recovery of cost of production. A Public Interest Litigation PIL (c) No. 21444 of 2017 filed before the Hon'ble High Court (Lucknow Bench) against the Company where the Hon'ble Court on 18.01.2018 directed that the Company will not utilize any part of the sale proceeds of the sugar received for the year 2017-18 except for making payment of cane growers for the year 2017-18 and 2016-17. The Company has therefore not provided the interest in the books for the season 2017-18, 2016-17 and 2015-16 and has decided to account for the same on actual payment basis.

During the quarter and year ended 31st March, 2018 the company has not made provision for interest, on late payment of cane dues amounting to Rs 931.31 lac for sugar season 2017-18 and Rs 3540.85 for sugar season 2016-17, had the company made provisions, the expense and loss for the quarter and year ended 31st March 2018 would have been higher by Rs 4472.16 lacs.

Reconciliation of the standalone financial results reported under previous Indian Generally Accepted Accounting Principles(GAAP) to total comprehensive income in accordance with Ind AS is summarised as below:

Description	Quarter ended	Year Ended
	31.03.17 UNAUDITED	31.03.17 AUDITED
Profit/(Loss) after tax as per previous GAAP	(1,049.64)	(2,288.76)
Actuarial Gain/(Loss) reclassified to OCI	(24.10)	(26.88)
EIR Adjustment on Borrowing	0.42	1.65
Depreciation/Amortisation on PPE Fair Value	698.62	1,511.78
Net profit for the period as per Ind AS	(1,774.58)	(3,775.31)
Other comprehensive Income(Net of Tax)		
Adjustment due to Actuarial Gain/(Loss)	24.10	26.88
Total Comprehensive Income as reported under Ind AS	(1,748.68)	(3,802.19)

Reconciliation of total equity as at 31st March, 2017	
Description	31.03.2017
Total Equity(Shareholders funds) under previous GAAP	
Share Capital	4,769.40
Reserves and Surplus	(14,992.84)
Total	-10,223.43
Adjustments	
Changes in Fair Valuation as deemed cost of Property, Plant and Equipment	(22,129.14)
Impact of Measurement of Term loans at amortised cost	(1.65)
Total adjustment to equity	(22,130.79)
Total equity under Ind-AS	
Equity Share Capital	4,769.40
Other Equity	7,137.95
Total	11,907.36

The figures of the previous period have been regrouped/recast wherever considered necessary

PLACE: NEW DELHI
DATE: 29-May-18



For and on Behalf of Board of Directors



Rajeev
Rajeev Kumar Agarwal
Director
DIN: 00298252

To
The Board of Directors
SBEC Sugar Limited
New Delhi

1. We have audited the accompanying statement of consolidated financial results of SBEC Sugar Limited ('the Company'), comprising its subsidiaries (together, 'the Group') for the year ended March 31, 2018, 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, The consolidated financial results for the year ended March 31, 2018 have been prepared on the basis of the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018 and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company.

Basis of qualified opinion

- 1) *During the quarter the company has not made provision for interest, on late payment of cane dues amounting to Rs 931.31 lac for sugar season 2017-18 and Rs 3540.85 for sugar season 2016-17, had the company made provisions the expense and loss for the quarter and year ended 31st March 2018 would have been higher by Rs 4472.16 lac and its consequential impact on EPS.*
- 2) *In case of subsidiary Company, the company has taken the debt of IDBI, IFCI & SBEC Sugar Limited in Modi Industries Limited. As at 31st March, 2016 the company has net exposure of Rs.146.85lacs. 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.*

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:

- i. includes the year-to-date results of two subsidiaries
- ii. 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
- iii. *except for the possible effects of the matters described in the "Basis of qualified opinion" para above give a true and fair view of the consolidated net loss and other financial information for the consolidated year to date results for the year ended March 31, 2018.*

Attention is invited to

note no (e) of the Consolidated Un-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.



We did not review the financial statements of two subsidiaries included in the consolidated quarterly and yearly financial results. The financial statements of SBEC Bio-energy Limited reflect total revenues from operation of Rs835.73 lacs and Rs 1660.87 Lacs for the quarter and yearended 31st March 2018respectively and net profit after tax of Rs. 500.36 lacs and net loss of Rs 83.72Lacs for the quarter and year ended 31st March 2018 respectively. The financial statements of SBEC Stockholding and Investment Limited reflect total revenues from operation of Rs.Nil lacsfor the quarter and year ended 31st March 2018 and net loss after tax of Rs. 0.088 lacs and Rs 0.306Lacs for the quarter and year ended 31st March 2018. These financial statements have been audited by other auditors and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors.

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

Simmi Jain

(Simmi Jain)
Partner
Membership No.86496



Place : New Delhi
Date : 29th May, 2018

SBEC SUGAR LIMITED
Regd. Off. : Village Lohan Malakpur, Tehsil Baraut, District Bagpat, Uttar Pradesh
CIN: L15421UP1991PLC019160

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED : 31st March, 2018

S. NO	PARTICULARS	QUARTER ENDED			YEARLY	
		31.03.18 AUDITED	31.12.17 UNAUDITED	31.03.17 AUDITED	31.03.18 AUDITED	31.03.17 AUDITED
I	Revenue from Operations	18,225.76	11,944.82	17,870.60	48,565.09	30,941.78
II	Other Income	33.01	2.67	(289.90)	61.56	29.48
III	Total Revenue (I+II)	18258.77	11947.49	17580.70	48626.65	30971.26
IV	Expenses:					
	(a) Cost of Material Consumed/ Purchase of stock-in-trade	21,989.60	16,465.17	23,501.58	44,721.59	30,918.95
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,616.77)	(2,950.52)	(8,850.53)	3,132.89	(5,699.76)
	(c) Excise Duty on Sales	-	-	898.52	853.46	1,679.77
	(d) Employee Benefit Expense	467.84	526.38	405.87	1,542.38	1,263.53
	(e) Finance Cost	(2,978.77)	1,350.85	427.84	1,618.69	1,541.91
	(f) Depreciation and amortization expense	822.14	396.10	820.19	1,999.70	1,987.21
	(g) Other Expenses	1,412.89	513.06	1,808.79	3,280.28	3,767.90
V	Total Expenses	18096.92	16301.05	19012.26	57148.99	35459.50
VI	Profit/(Loss) before Exceptional and tax (III-IV)	161.84	(4353.56)	(1431.56)	(8522.34)	(4488.24)
VII	Exceptional items	-	-	-	-	-
VIII	Profit/(Loss) before tax (V-VI)	161.84	(4353.56)	(1431.56)	(8522.34)	(4488.24)
IX	Tax Expense					
	(1) Current Tax					
	(2) Deferred Tax	10.23		(51.04)	10.23	(51.04)
	(3) Tax Adjustments for earlier years					
X	Profit/(Loss) for the period (VIII-IX)	151.61	(4353.56)	(1380.52)	(8532.58)	(4437.20)
XI	Other comprehensive income					
	(A) Items that will be reclassified to profit or loss	(35.05)	7.99	24.05	(11.09)	26.69
	(B) Items that will not be reclassified to profit or loss					
	Other comprehensive income for the period, net of tax	-35.05	7.99	24.05	-11.09	26.69
XII	Total comprehensive income for the period (X+XI)	186.66	(4361.54)	(1404.57)	(8521.48)	(4463.89)
	Total Comprehensive Income for the period (X+XI) / (Comprising Profit (Loss) and Other Comprehensive Income for the period) Attributable to:					
	Owners of the parent	(39.73)	(4377.13)	(1559.54)	(8484.88)	(4166.44)
	Non-controlling interests	226.40	15.59	154.97	(36.60)	(297.45)
	Of the Total Comprehensive Income above, Profit for the year attributable to:					
	Owners of the parent	(73.55)	(4369.20)	(1535.47)	(8494.90)	(4139.66)
	Non-controlling interests	225.16	15.64	154.95	(37.67)	(297.53)
	Of the Total Comprehensive Income above, Other comprehensive income attributable to:					
	Owners of the parent	(33.82)	7.93	24.07	(10.02)	26.78
	Non-controlling interests	(1.23)	0.05	(0.02)	(1.07)	(0.09)
XIII	Paid-up Equity Share Capital (face value Rs 10/- per share)	4765.39	4765.39	4765.39	4765.39	4765.39
XIV	Earning per equity share:					
	Basic (Rs)	0.32	(9.14)	(2.90)	(17.91)	(9.31)
	Diluted (Rs)	0.32	(9.14)	(2.90)	(17.91)	(9.31)

Notes:

- i) 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 29th May, 2018. The Statutory Auditors have audited the results for the quarter and year ended 31st March, 2018.
- ii) This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), prescribed under section 133 of the Companies Act 2013, and other recognized accounting practices and policies to the extent applicable. Beginning April 1, 2017 Company has adopted Ind- AS for the first time.
- iii) 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. 67617/2014, 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.

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SBEC SUGAR LIMITED



The Indian sugar industry, particularly in the state of Uttar Pradesh, had faced difficulties on account of increasing sugarcane prices, lower sugarcane recoveries and lower sugar prices resulting in under recovery of cost of production. A Public Interest Litigation PIL (c) No. 21444 of 2017 filed before the Hon'ble High Court (Lucknow Bench) against the Company where the Hon'ble Court on 18.01.2018 directed that the Company will not utilize any part of the sale proceeds of the sugar received for the year 2017-18 except for making payment of cane growers for the year 2017-18 and 2016-17. The Company has therefore not provided the interest in the books for the season 2017-18, 2016-17 and 2015-16 and has decided to account for the same on actual payment basis.

During the quarter and year ended 31st March, 2018 the company has not made provision for interest, on late payment of cane dues amounting to Rs 931.31 lac for sugar season 2017-18 and Rs 3540.85 for sugar season 2016-17, had the company made provisions, the expense and loss for the quarter and year ended 31st March 2018 would have been higher by Rs 4472.16 lacs.

Reconciliation of the standalone financial results reported under previous Indian Generally Accepted Accounting Principles(GAAP) to total comprehensive income in accordance with Ind AS is summarised as below:

Description	Quarter Ended March 31st 2017 (Unaudited)	Year ended March 31st 2017 (Audited)
Profit after tax as per previous GAAP	(658.26)	(2,774.19)
Actuarial (Gain)/Loss reclassified to OCI	(24.05)	(26.69)
EBR Adjustment on Borrowing	6.67	26.65
Depreciation/Amortisation on PPE Fair Value	739.64	1,663.05
Net profit for the period as per Ind AS	(1,380.52)	(4,437.20)
Other comprehensive Income(Net of Tax)		
Adjustment due to Actuarial Gain/(Loss)	24.05	26.69
Total Comprehensive Income as reported under Ind AS	(1,404.57)	(4,463.89)

Reconciliation of total equity as at 31st March, 2017	
Description	31.03.2017
Total Equity(Shareholders funds) under previous GAAP	
Share Capital	4,769.40
Reserves and Surplus	(14,170.38)
Total	(9,400.97)
Adjustments	
Fair Valuation as deemed cost of Property, Plant and Equipment	(26,435.72)
Impact of Measurement of Term loans at amortised cost	(31.65)
Non Controlling Interest	1,951.46
Total adjustment to equity	(24,515.91)
Total equity under Ind-AS	
Equity Share Capital	4,769.40
Other Equity	10,345.53
Total	15,114.93

The figures of the previous period have been regrouped/recast wherever considered necessary

PLACE: NEW DELHI

DATE: 29-May-18

For and on Behalf of the Board of Directors



Rajeev
Rajeev Kumar Agarwal
Director
DIN: 00298252