

BANSI S. MEHTA & CO.
CHARTERED ACCOUNTANTS

Bansi S. Mehta
(Chief Mentor)

A. A. DESAI	K. R. GANDHI (Ms.)
D. R. DESAI (Ms.)	Y. A. THAR
P. H. CLERK	R. G. DOSHI
M. V. SHAH	A. A. AGRAWAL (Ms.)
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Independent Auditor's Review Report on Unaudited Quarterly and Year to Date Financial Results of The United Provinces Sugar Company Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Board of Directors,

THE UNITED PROVINCES SUGAR COMPANY LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **THE UNITED PROVINCES SUGAR COMPANY LIMITED** ("the Company") for the quarter ended September 30, 2020 and for the year to date period from April 1, 2020 to September 30, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, as amended from time to time, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W

PLACE : Mumbai
DATED : November 13, 2020

PARESH H. CLERK
Partner
Membership No. 036148
UDIN : 20036148AAAAEE5307

THE UNITED PROVINCES SUGAR COMPANY LIMITED

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2020

(₹ in lakhs, except for EPS)

Particulars	Quarter ended			Half-year ended		
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	Year ended March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I. Revenue from Operations	5,640.64	13,320.16	5,473.73	18,960.80	11,433.30	34,599.35
II. Other Income	86.40	98.27	144.48	184.67	241.97	579.54
III. Total Income (I+II)	5,727.04	13,418.43	5,618.21	19,145.47	11,675.27	35,178.89
IV. Expenses :						
i. Cost of Materials consumed	5.39	1,921.01	11.32	1,926.40	4,474.26	26,356.04
ii. Changes in Inventories of Finished Goods, By-Products and Work-in-Progress	5,366.46	9,977.36	4,923.00	15,343.82	5,223.09	2,577.01
iii. Employee Benefits Expense	303.84	335.31	318.07	639.15	712.59	1,678.95
iv. Finance Costs	378.10	534.82	662.08	912.92	1,317.51	2,627.13
v. Depreciation and Amortisation Expense	170.09	168.34	153.06	338.43	305.75	633.29
vi. Other Expenses	319.08	218.18	449.71	537.26	783.87	1,920.75
Total Expenses (IV)	6,542.96	13,155.02	6,517.24	19,697.98	12,817.07	35,793.17
V. Profit/(Loss) before Exceptional Items and Tax (III-IV)	(815.92)	263.41	(899.03)	(552.51)	(1,141.80)	(614.28)
VI. Exceptional Items	NIL	NIL	NIL	NIL	NIL	NIL
VII. Profit/(Loss) before Tax (V-VI)	(815.92)	263.41	(899.03)	(552.51)	(1,141.80)	(614.28)
VIII. Tax Expenses						
i. Current Tax	NIL	NIL	NIL	NIL	NIL	NIL
ii. Deferred Tax	(336.90)	73.94	(221.01)	(262.96)	(165.02)	206.89
iii. (Excess)/Short provision of Earlier Years	0.45	-	-	0.45	-	-
Total Tax Expenses	(336.45)	73.94	(221.01)	(262.51)	(165.02)	206.89
IX. Profit/(Loss) for the Period (VII-VIII)	(479.47)	189.47	(678.02)	(290.00)	(976.78)	(821.17)
X. Other Comprehensive Income						
Items that will not be reclassified to Profit and Loss						
i. Gain/(Loss) on Remeasurement of Defined Benefit Plan	(6.34)	(6.35)	(1.83)	(12.69)	(3.67)	(23.08)
ii. Income Tax relating to (i) above	1.76	1.77	0.51	3.53	1.02	6.42
iii. Increase in carrying amount on Revaluation of Land	-	-	-	-	-	413.70
iv. Income Tax relating to (iii) above	-	-	-	-	-	(92.07)
Other Comprehensive Income	(4.58)	(4.58)	(1.32)	(9.16)	(2.65)	304.97
XI. Total Comprehensive Income (IX+X)	(484.05)	184.89	(679.35)	(299.16)	(979.43)	(516.20)
XII. Paid-up Equity Share Capital (Face value of ₹ 10 each)	255.00	255.00	255.00	255.00	255.00	255.00
XIII. Other Equity						2,328.56
XIV. Earnings per share (of ₹ 10 each) (Not Annualised)						
Basic EPS and Diluted EPS (₹)	(18.80)	7.43	(26.59)	(11.37)	(38.31)	(32.20)

THE UNITED PROVINCES SUGAR COMPANY LIMITED

Statement of Assets and Liabilities

(₹ in Lakhs)

Particulars	As At	
	September 30, 2020	March 31, 2020
	Unaudited	Audited
ASSETS		
Non-current Assets		
(a) Property, Plant and Equipment	15,299.71	15,630.91
(b) Capital Work-in-progress	40.81	NIL
(c) Right-of-Use Assets	21.35	31.79
(d) Other Intangible Assets	0.75	1.25
(e) Financial Assets		
(i) Loans	8.58	9.66
(ii) Other Financial Assets	13.88	7.86
(f) Deferred Tax Asset (Net)	1,018.15	751.66
(g) Other Non-current Assets	4.18	15.19
Total Non-current Assets	16,407.41	16,448.32
Current Assets		
(a) Inventories	3,711.64	19,039.66
(b) Financial Assets		
(i) Trade Receivables	2.65	45.36
(ii) Cash and Cash Equivalents	49.84	201.41
(iii) Bank Balances other than (ii) above	NIL	NIL
(iv) Other Financial Assets	96.87	92.83
(c) Other Current Assets	185.58	135.01
Total Current Assets	4,046.58	19,514.27
TOTAL ASSETS	20,453.99	35,962.59
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	255.00	255.00
(b) Other Equity	2,029.98	2,328.56
Total Equity	2,284.98	2,583.56
Liabilities		
Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,953.64	3,488.43
(ii) Lease Liabilities	2.21	3.01
(b) Provisions	496.34	449.06
(c) Other Non-current Liabilities	415.66	493.47
Total Non-current Liabilities	3,867.85	4,433.97
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	9,452.00	13,478.96
(ii) Trade Payables		
A. to total outstanding dues of micro enterprises and small enterprises	6.93	61.61
B. total outstanding dues of creditors other than micro enterprises and small enterprises	2,745.90	10,336.19
(iii) Lease Liabilities	3.41	4.25
(iv) Other Financial Liabilities	1,238.01	3,760.69
(b) Other Current Liabilities	512.41	960.86
(c) Provisions	342.50	342.50
Total Current Liabilities	14,301.16	28,945.06
Total Liabilities	18,169.01	33,379.03
TOTAL EQUITY AND LIABILITIES	20,453.99	35,962.59

Notes :

1. The above unaudited Financial Results for the quarter and half-year ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 13, 2020. The Financial Results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under the Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
2. The main business of the Company is manufacture of sugar and all other activities of the Company revolve around its main activities. Accordingly, there is only one operating segment as per Ind AS 108.
3. Sugar being a seasonal industry, the performance of the Company varies from quarter to quarter and results for the quarter as such are not representative of the annual performance of the Company.
4. Consequent to the outbreak of COVID-19, which has been declared a pandemic by the World Health Organisation (WHO), Government of India and State Government have declared Lockdown restrictions which have impacted business in general. Since, the Company is engaged in the manufacturing of essential commodities, the activities of the Company were carried out normally under the directives issued by the Ministry of Home Affairs and State Government. Owing to lockdown, demand for sugar was impacted to some extent which is gradually coming to its normal level. The Company's capital and financial resources as such have not been significantly impacted.

The Company has considered internal and external information while finalising various estimates and making assumptions to its financial statements and no material impact on financial results inter alia including the carrying value of various current and non-current assets are expected to arise. The actual impact of global health pandemic is dependent upon future development including policies and measures announced by Government. The Company will continue to closely monitor the variations in the situations and the same will be taken into consideration when it crystalizes.
5. Since the Company follows revaluation model for its Freehold Land as a class of Property, Plant and Equipment, it is measured at a revalued amount, being the fair value based on the valuation carried out during the financial year ended March 31, 2020. Accordingly, the carrying amount of the Freehold Land was increased and recognised in Other Comprehensive Income and accumulated in Other Equity under Revaluation Surplus, net of tax for the year ended March 31, 2020.
6. Sugar industry per se is agro-based as also cyclical and hence, the prices of sugar and consequently, the profits of the Company depend upon variety of factors such as agroclimatic conditions, availability of sugarcane, sugar recovery and international sugar scenario. In fact, in the last twenty one years, the Company made losses only in nine years. Thus, considering the cyclical nature of the Company's activities and its past records, as the losses incurred in one year gets generally recouped over a period of 2-3 years, the management of the Company expects that it is probable that future taxable profit will be available against which the unused tax losses can be utilised and accordingly, Deferred Tax Assets of ₹ 763.92 lakhs on unabsorbed depreciation and that of ₹ 2,123.08 lakhs (₹ 2,381.73 lakhs for the year ended March 31, 2020) on business losses was recognised upto September 30, 2020.
7. Figures for the previous period have been regrouped and/ or rearranged and/ or reclassified wherever necessary to make them comparable with those of current period.

For The United Provinces Sugar Company Limited

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Arvind K. Kanoria
Managing Director

Place : Mumbai
Dated : November, 13, 2020

THE UNITED PROVINCES SUGAR COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(₹ in Lakhs)

Particulars	Half year ended		Half year ended	
	September 30, 2020		September 30, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (Loss) Before Exceptional Items and Tax		(552.49)		(1,141.80)
Adjustments to reconcile Profit Before Exceptional Items and Extra Ordinary Items and Tax to Net Cash Flow provided by Operating Activities :				
Finance Costs	912.92		1,317.67	
Depreciation and Amortisation Expense	338.43		305.75	
Loss by Fire	-		-	
Bad Debts written off	-		-	
Doubtful Debts and Advances (Provision)	-		-	
Unspent Liabilities / Balances Written Back	(4.26)		-	
Interest Income	(0.70)		(2.04)	
Government Grants	(161.89)		(184.30)	
Profit on Sale of Property, Plant and Equipment	-		-	
Transfer to Storage Fund for Molasses	-	1,084.50	-	1,437.08
Operating Profit before Working Capital Changes		532.01		295.29
Adjustments to reconcile Operating Profit to Cash Flow provided by changes in Working Capital :				
Increase / (Decrease) in Trade Payables	(7,649.70)		(6,172.62)	
Increase / (Decrease) in Other Financial & Current Liabilities	(345.01)		(57.87)	
Increase / (Decrease) in Non-Current Liabilities and Provisions	46.48		16.88	
Increase / (Decrease) in Short-Term Provisions	-		-	
(Increase) / Decrease in Inventories	15,328.02		5,219.17	
Decrease / (Increase) in Trade and Other Receivables	42.71		31.90	
Decrease / (Increase) in Financial and Current Assets	(55.50)		9.74	
Decrease / (Increase) in Other Non-Current and Current Assets	6.97	7,373.97	(203.28)	(1,156.08)
Cash Generated from / (Used in) Operations		7,905.98		(860.79)
Taxes Paid/ (Refund Received)		NIL		NIL
Cash Flow before Exceptional and Extra Ordinary Items		7,905.98		(860.79)
Net Cash Generated / (Used in) Operating Activities		7,905.98		(860.79)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Additions to Property, Plant and Equipment and Intangible Assets	(0.36)		-	
Capital Work-in-Progress	(41.17)		(345.20)	
Sale of Property, Plant and Equipment and Intangible Assets	-		-	
Fixed deposits placed with banks	-		4,204.41	
Sale of Investments	NIL		NIL	
Interest Income	0.70	(40.83)	2.04	3,861.25
Net Cash Generated / (Used in) Investing Activities		(40.83)		3,861.25
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Long-Term Borrowings	-		-	
(Repayment) of Long-Term Borrowings	(3,257.60)		(306.30)	
Proceeds / (Repayment) of Short-Term Borrowings	(4,026.96)		(1,559.29)	
Interest Expense (Net)	(732.16)	(8,016.72)	(1,130.62)	(2,996.21)
Net Cash Generated / (Used in) Financing Activities		(8,016.72)		(2,996.21)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)		(151.57)		4.25
Cash in Hand		9.60		9.49
Balance with Banks on Current Accounts		191.81		44.28
Opening Balance of Cash and Cash Equivalents		201.41		53.77
Cash in Hand		0.45		2.98
Balance with Banks on Current Accounts		49.39		55.04
Closing Balance of Cash and Cash Equivalents		49.84		58.02
Net Increase / (Decrease) in Cash and Cash Equivalents		(151.57)		4.25

For The United Provinces Sugar Company Limited

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Arvind K. Kanoria
Managing Director

Place : Mumbai

Dated : November 13, 2020