


**FORM B**

1.	<b>Name of the Company</b>	SBEC Sugar Limited
2.	<b>Annual financial statements for the year ended</b>	31 <sup>st</sup> March 2015
3.	<b>Type of Audit qualification</b>	Qualified
4.	<b>Frequency of qualification</b>	Repetitive
5.	<b>Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:</b>	<p>Note No. (ii) appearing in paragraph "Basis for Qualified Opinion" to the Independent Auditor's Report regarding that the Company has not made provision for interest, on late payment of cane dues amounting to Rs.3541.64 lacs and for earlier years Rs.2504.79 lacs aggregating to Rs.6046.43 lacs. Accordingly manufacturing expenses and net losses for the year would have been higher by Rs. 3541.64 lacs respectively &amp; its consequential impact on EPS</p> <p><b><u>Management Response:</u></b></p> <p><b>The Company has not made provision of interest on late payment of cane dues, as it is negotiating with the farmers for its waiver. In case it has to be paid, it will be accounted for in the year of payment.</b></p> <p>Note No. 1 (b) appearing in ANNEXURE TO Auditors' Report that the Fixed assets have not been physically verified by the management during the year therefore discrepancies, if any, could not be determined.</p> <p>Note No. 2 (a) appearing in ANNEXURE TO Auditors' Report that the inventory has not been physically verified by the management during the year.</p> <p><b><u>Management Response:</u></b></p> <p>The Company appointed an agency for conducting the physical verification of fixed assets and inventory. But due to continuing losses the Company could not pay the cane dues to the farmers on time due to which they agitated and disturbed the operations at plant and management was forced to close down the plant from 20.04.2014 to 03.09.2014. Due to this reason the appointed</p>

		agency could not conduct physical verification. However, from time to time management has reconciled stock of inventory as appearing in the records of bank with the records of the Company and no discrepancy was observed.
6	<b>Additional comments from the board/audit committee chair:</b>	As explained above additional comments are not required.



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

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

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2015

  
**ABHISHEK MODI**  
(Executive Director & CEO)

  
**Lakhmi Chand Sharma**  
(Chief Financial Officer)

  
  
**R.K. Agarwal**  
(Audit Committee Chairman)



## SBEC SUGAR LIMITED

CIN: L15421UP1991PLC019160

Regd Off: Village- Loyan Malakpur, Tehsil- Baraut, Baghpat, Uttar Pradesh-250611

T.: 01234-259206, 259273, Email id: investors@sbecsugar.com, Website: www.sbecsugar.com

### NOTICE

Notice is hereby given that the **21<sup>st</sup>** Annual General Meeting of the Shareholders of **SBEC Sugar Limited** will be held on **Thursday, the 24<sup>th</sup> day of September, 2015** at the Registered Office of the company at **Village: Loyan, Malakpur, Tehsil: Baraut, District: Baghpat, Uttar Pradesh at 2.30 P.M.** to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and the Profit and Loss Account for the period ended as on that date along with Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Jayesh Modi (DIN 02849637), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 139, 142 and Companies (Audit and Auditors) Rules, 2014, (the rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s Doogar & Associates, Chartered Accountants, (Firm Registration No.000561N), who have offered themselves for re appointment and have confirmed their eligibility for re-appointment as Auditors, in terms of provisions of section 141 of the Act, and rule 4 of the rules, be and are hereby re-appointed as Statutory Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Audit committee/ Board of Directors in consultation with the Auditors.

#### SPECIAL BUSINESS:

##### **4. Regularization of Additional Director, Shri. Vijay Kumar Modi**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Shri. Vijay Kumar Modi (DIN: 00004606), who was appointed as an Additional Director with effect from February 06, 2015 on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 and Article 116 of Article of Association of the Company and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Shri. Vijay Kumar Modi as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation".

##### **5. Regularization of Additional Director, Shri. Narayan Prakash Bansal**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Shri. Narayan Prakash Bansal (DIN: 00010587), who was appointed as an Additional Director with effect from May 27, 2015 on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 and Article 116 of Article of Association of the Company and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Shri. Narayan Prakash Bansal as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation".

##### **6. Appointment of Shri. Jagdish Chander Chawla as an Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 149,152 and other applicable provisions of the Companies Act, 2013, and Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri. Jagdish Chander Chawla (DIN: 05316202), who was appointed as an Additional Independent Director of the Company by the Board of Directors of the Company with effect from May 27, 2015 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Shri. Jagdish Chander Chawla as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years commencing from **24<sup>th</sup> September, 2015** and whose office shall not be liable to retire by rotation".

##### **7. Appointment of Shri. Shyam Babu Vyas as an Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 149,152 and other applicable provisions of the Companies Act, 2013, and Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri. Shyam Babu Vyas (DIN: 02025415), who was appointed as an Additional Independent Director of the Company by the Board of Directors of the Company with effect from May 27, 2015 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013,



signifying his intention to propose Shri. Shyam Babu Vyas as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years commencing from **24<sup>th</sup> September, 2015** and whose office shall not be liable to retire by rotation.

**8. Appointment of Shri. R.K. Agarwal as an Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013, and Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri. R.K. Agarwal (DIN: 00298252), who was appointed as an Additional Independent Director of the Company by the Board of Directors of the Company with effect from April 29, 2015 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Shri. R.K. Agarwal as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years commencing from **24<sup>th</sup> September, 2015** and whose office shall not be liable to retire by rotation.

**9. Re-appointment of M/s. M.K. Singhal & Co., Cost Accountants, and ratified their remuneration.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. M.K. Singhal & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2015-16, be paid a remuneration of Rs. 60,000 per annum plus applicable service tax and out of pocket expenses that may be incurred.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board  
**For SBEC Sugar Limited**

Date: 13<sup>th</sup> August, 2015  
Place: New Delhi

Shobit Nehra  
**Company Secretary**

**NOTES:**

1. **The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the business under Item**

**Nos. 4 to 9 of the Notice, is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors under Items No. 4 to 8 of the Notice, are also annexed.**

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN HIS/HER BEHALF AND THE PROXY NEED NOT TO BE MEMBER OF THE COMPANY.

**The instrument appointing proxy in order to be effective should be duly completed, stamped and signed and must be deposited at the registered office of the company at least 48 (FOURTY EIGHT HOURS) before the scheduled time of commencement of the annual general meeting. A blank proxy form is annexed herewith.**

Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.

3. The Register of Members & Share Transfer Books of the Company will remain closed from 18<sup>th</sup> September, 2015 to 24<sup>th</sup> September, 2015 (both days inclusive).
4. Members, who hold shares in dematerialized form, are requested to notify, changes, if any, in their address, to their respective Depository Participant and those, who hold shares in physical form, may intimate the same to the Company.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Beetal Financial & Computer Services Pvt. Ltd for assistance in this regard.
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Beetal Financial & Computer Services Pvt. Ltd, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
7. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members/proxies are requested to bring attendance slips sent herewith duly filled in, for attending the meeting.
9. Members desiring any information as regards to accounts are requested to



address their questions to the Company Secretary at least 7 days before the date of the meeting so that the required information is made available at the meeting.

10. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Beetal Financial & Computer Services Pvt. Ltd / Company.
12. Members holding shares in physical form are advised to make nomination in Form SH-13 in respect of their shareholding in the Company. The nomination form will be made available by the Company on request.
13. Members may also note that the Notice of the Twenty First Annual General Meeting and the Annual Report for financial year 2014-15 will also be available on the Company's website i.e. [www.sbecsugar.com](http://www.sbecsugar.com) for their download.
14. Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 A.M to 1.00 P.M upto the date of Annual General Meeting.
15. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("**remote e-voting**") will be provided by Central Depository Services Limited (CDSL).

The Board of Directors has appointed Mrs. Simmi Jain, Practicing Chartered Accountant as Scrutinizer to scrutinize voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

#### Instructions for the voting through electronic means

The instructions for members for voting electronically are as under:-

#### In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

#### For Members holding shares in Demat Form and Physical Form

##### PAN\*

Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

— Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

— In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

##### DOB#

Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

##### Dividend Bank Details#

Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

— Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is



strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **SBEC SUGAR LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

- (B) The voting period begins on Monday 21<sup>st</sup> day of September, 2015 at 9:00 AM and ends on Wednesday 23<sup>rd</sup> day of September, 2015 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 17<sup>th</sup> September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (D) Mr. Shobit Nehra, Company Secretary of the Company shall be responsible for addressing all the grievances in relation to this 21<sup>st</sup> Annual General Meeting including e-voting his mail ID is [investors@sbecsugar.com](mailto:investors@sbecsugar.com) and may be contacted on phone no. 011-42504878.
- (E) The Notice of the 21<sup>st</sup> Annual General Meeting are being sent to all the Members, whose names appear in the Register of Members as on cut-off date (record date) i. e. 21<sup>st</sup> August, 2015 through the mode prescribed under the Companies Act, 2013 and also by E-Mail, wherever registered. The Members may also download a copy of the Notice from the Website of the Company ([www.sbecsugar.com](http://www.sbecsugar.com))
- (F) The Members of the Company, holding Equity Shares either in physical form or in dematerialized (demat) form as on 21<sup>st</sup> August, 2015 and not casting their vote electronically, may only cast their vote at the 21<sup>st</sup> Annual General Meeting. The voting rights of shareholders shall be in proportion to their shareholding of paid up share capital of the Company as on 21<sup>st</sup> August, 2015.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**ITEM NO. 4**

Shri. Vijay Kumar Modi was appointed as an Additional Director w.e.f. February 06, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 116 of Article of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Shri. Vijay Kumar Modi candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013 and his office is liable to retire by rotation. The Board feels that presence of Shri. Vijay Kumar Modi on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 4 for adoption.



Shri. O.P. Modi father of Shri. Vijay Kumar Modi and Shri. Vijay Kumar Modi, as appointee are interested in above resolution.

None of the Directors, and Key Managerial Personnel of the Company or their relatives except above mentioned are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolutions under Item No. 4 to be passed as an ordinary resolution.

#### **ITEM NO.5**

Shri. N.P. Bansal was appointed as an Additional Director w.e.f. May 27, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 116 of Article of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Shri. N.P. Bansal candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013 and his office is liable to retire by rotation. The Board feels that presence of Shri. Vijay Kumar Modi on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 5 for adoption.

None of the Directors, except Shri. N.P. Bansal and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolutions under Item No. 5 to be passed as an ordinary resolution.

#### **ITEM NO.6 to 8**

Shri. R.K. Agarwal was appointed as an Additional Director by the Board with effect from April 29, 2015, Shri. Jagdish Chander Chawla and Shri. Shyam Babu Vyas was appointed as an Additional Director by the Board with effect from May 27, 2015 pursuant to Section 161 of the Companies Act, 2013, read with Article 116 of the Articles of Association of the Company..

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri. Jagdish Chander Chawla, Shri. Shyam Babu Vyas & Shri. R.K. Agarwal will hold office up to the date of the ensuing AGM. The Company has received notice(s) in writing under the provisions of Section 160 of the Companies Act, 2013, from member(s) proposing the candidature of Shri. Jagdish Chander Chawla, Shri. Shyam Babu Vyas & Shri. R.K. Agarwal for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Shri. Jagdish Chander Chawla, Shri. Shyam Babu Vyas & Shri. R.K. Agarwal (i) consent in writing to act as director in

Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri. Jagdish Chander Chawla, Shri. Shyam Babu Vyas & Shri. R.K. Agarwal as an Independent Director of the Company for a term of five consecutive years commencing from 24<sup>th</sup> September, 2015 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. They are not liable to retire by rotation.

In the opinion of the Board of Directors, Shri. Jagdish Chander Chawla, Shri. Shyam Babu Vyas & Shri. R.K. Agarwal, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and they are independent of the Management. The terms and conditions for the appointment of above Directors shall be open for inspection at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

Shri. Jagdish Chander Chawla, Shri. Shyam Babu Vyas & Shri. R.K. Agarwal are interested in the resolutions set out respectively at item no. 6, 7 and 8 of the Notice with regard to their respective appointments.

None of the other Director, key managerial personnel or their relatives, except appointee directors, to whom the resolution relates, is interested or concerned, financial or otherwise, in above mentioned resolutions.

In compliance with the provisions of Section 149 read with schedule IV of the Act, the appointment of these Directors are now being placed before the Members for their approval as an Ordinary Resolution.

**Brief profile of Directors being appointed is annexed to this notice and forms an integral part of the Notice.**

#### **ITEM No. 9**

The Audit Committee and the Board has approved the appointment of M/s M.K. Singhal & Co., Cost Accountants as Cost Auditors for audit of the cost accounts for the year 2015-16 at a remuneration of Rs. 60,000. In accordance with the provisions of section 148 of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, consent of the Shareholders is being sought for ratification of the remuneration payable to the Cost Auditors for the year 2015-16. The Board recommends the Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.



Brief profile of the Directors to be appointed is given below :

Name of the Director(s)	DIN	Date of Birth	Date of Appointment	Qualification and experience	List of outside Directorships as on Appointment Date	No. of Committee (as on Appointment Date)	
						Member-ship(s)	Chairman-ship(s)
Mr. Jayesh Modi	02849637	14/11/1991	18/06/2010	Mr. Jayesh Modi, has completed his studies in United Kingdom.  Experience in various types of Packaging Products.	A to Z holdings Pvt. Ltd. Modi-Mundi pharma Pvt. Ltd. Chandil Power Ltd. Jayesh Tradex Pvt. Ltd. Longwell Investment Pvt. Ltd. Modi Hitech India Ltd. SBEC Bioenergy Ltd SBEC Sugar Ltd. Win-Medicare Pvt. Ltd.	Nil	Nil
Mr. Vijay Kumar Modi	00004606	01/12/1950	06/02/2015	Mr. V.K. Modi, Chemical Engineer having more than 40 years of experience in the field of industries.	Modi Diagnostics Pvt. Ltd. SBEC Bioenergy Limited SBEC Systems( India) Limited Modi-Senator ( India) Pvt. Ltd	1	Nil
Mr. N.P. Bansal	00010587	31/13/1950	27/05/2015	He is a Chartered Accountant having more than 40years of Experience in the field of Accounts and finance.	Madras Holdings Pvt. Limited Own Investment Pvt. Ltd Your Investment(India) Limited T C Healthcare Pvt. Ltd	1	Nil
Mr. Jagdish Chander Chawla	05316202	23/02/1946	27/05/2015	He has a vast experience in the area of Management and Administration of over 37 years.	Bihar Sponge Iron Limited SBEC Bioenergy Limited SBEC Systems( India) Limited	3	-
Mr. Rajeev Kumar Agarwal	00298252	03/01/1949	29/04/2015	Has experience in the area of Finance, Accounts, management, administration & technical aspects of the industry of over 30 Years	SBEC Bioenergy Limited SBEC Systems (India) Ltd. SBEC Stockholding and Investment Ltd.	4	3
Mr. Shyam Babu Vyas	02025415	21/10/1953	27/05/2015	He has a vast experience in the area of Management and Administration of over 33 years.	Bihar Sponge Iron Limited SBEC Systems( India) Limited Shyam Vyas Marc Pvt. Ltd	2	Nil



**SBEC SUGAR LIMITED**

Form No. MGT-11

CIN : L15421UP1991PLC019160

Regd. Off. Village - Loyan Malakpur, Tehsil-Baraut, Baghpat, Uttar Pradesh-250611  
T.: 01234-259206, 259273, Email Id. : investors@sbecsugar.com, Website : www.sbecsugar.com

**PROXY FORM****[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Members(s) : .....

Registered Address : .....

DPID: .....CLID: .....Reg. Folio No. : .....No. of Shares:.....

I / We, being the member(s) of .....shares of the above named Company, hereby appoint :

1. Name : .....of.....having an E-mail ID:....., failing him/her;

2. Name : .....of.....having an E-mail ID:....., failing him/her;

3. Name : .....of.....having an E-mail ID:....., failing him/her;

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on the 24th day of September, 2015 at the Registered Office of the company at Village: Loyan, Malakpur, Tehsil: Baraut, District: Baghpat, Uttar Pradesh at 2.30 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below :

S. No.	Resolution	Vote (Optional (Refer Note))		
		For	Against	Abstain
1	Adoption of Audited Financial Statements, Auditors Report & Directors Report along with their annexures for the year ended 31 <sup>st</sup> March, 2015.			
2.	Appointment of Mr. Jayesh Modi who retires by rotation and being eligible offers himself for re-appointment.			
3.	Re-appointment of M/s. Doogar & Associates., Chartered Accountants, Auditors and fixing their remuneration.			
<b>Special Business</b>				
4.	Regularization of Additional Director, Shri. Vijay Kumar Modi.			
5.	Regularization of Additional Director, Shri. N.P. Bansal.			
6.	Appointment of Shri. Jagdish Chander Chawla as an Independent Director of the Company.			
7.	Appointment of Shri. Shyam Babu Vyas as an Independent Director of the Company.			
8.	Appointment of Shri. R.K. Agarwal as an Independent Director of the Company.			
9.	Re-appointment of M/s. M.K. Singhal & Co., Cost Accountants, and ratified their remuneration.			

Signed this .....day of .....2015

Affix  
Revenue  
Stamp

Signature of shareholder

Signature of first proxy

**Notes :**

*This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of meeting.*

*It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.*

**SBEC SUGAR LIMITED**

CIN : L15421UP1991PLC019160

Regd. Off. Village - Loyan Malakpur, Tehsil-Baraut, Baghpat, Uttar Pradesh-250611  
T.: 01234-259206, 259273, Email Id. : investors@sbecsugar.com, Website : www.sbecsugar.com

**ATTENDANCE SLIP****21st Annual General Meeting held on Thursday, the 24th September, 2015 at 2.30 P.M.**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Slips on request.

Name of the Members(s) : .....

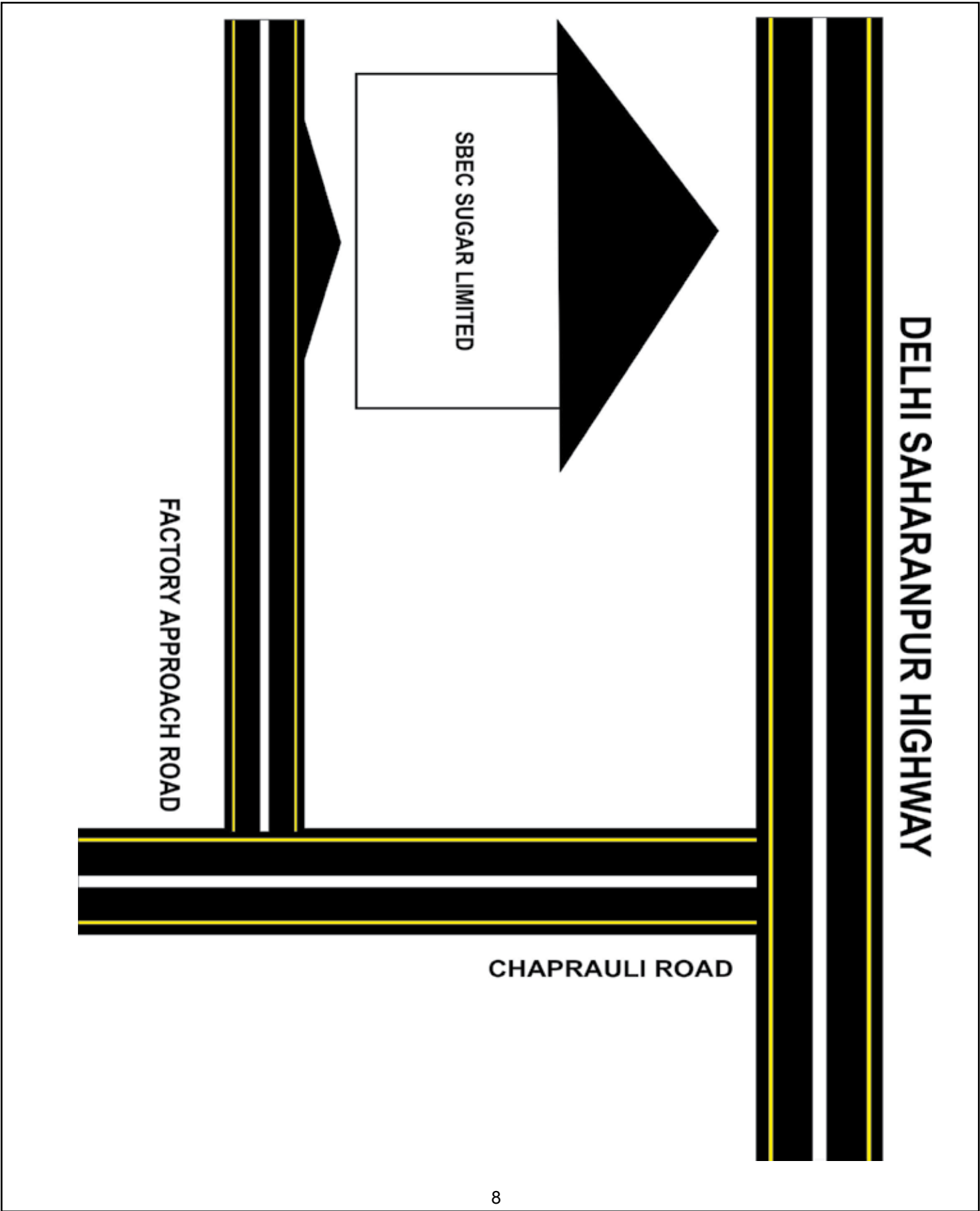
DPID: .....CLID: .....Reg. Folio No. : .....No. of Shares:.....

I hereby record my presence at the 24th day of September, 2015 at the Registered Office of the company at Village Loyan Malakpur, Tehsil Baraut, District Baghpat, U.P. at 2.30 P.M.

**SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING**

If, Shareholder, please sign here : .....

If Proxy, please sign here : .....





## DIRECTORS' REPORT

To,  
The Shareholders,  
SBEC Sugar Limited

Dear Members,

Your Directors take pleasure in presenting the 21st Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2015.

### FINANCIAL RESULTS

The summarised financial results of SBEC Sugar Ltd. as well as Consolidated with its subsidiaries i.e. M/s. SBEC Bioenergy Ltd., M/s. SBEC Stockholding and Investment Ltd for the financial year ended 31st March, 2015. The consolidation financial results of SBEC Sugar Ltd. with M/s Modi Casings & Packaging Private Limited (Formerly known as M/s Modi Gourmet Limited) is upto 30.06.2014 and on 27.07.2014 it ceases to be subsidiary of the Company:

	(Rs. in Lacs)			
	SBEC SUGAR LTD.		CONSOLIDATED	
Financial Parameters	Period ended 31.03.2015	Period ended 31.03.2014	Period ended 31.03.2015	Period ended 31.03.2014
Sales and other income	44638.61	40266.65	45729.18	41169.12
Profit/(Loss) Before Interest, Depreciation & Tax	(1635.97)	(1540.81)	(1155.73)	(1254.25)
Interest and Finance Charges	921.36	2584.05	1287.14	3261.12
Depreciation and Amortisation	281.15	613.14	324.19	753.76
Prior period expenses (net)	22.98	618.09	33.35	618.15
Profit/(Loss) before Extra-Ordinary Expenses & Provision for Taxation	(2861.45)	(5356.09)	(2800.41)	(5887.28)
Exceptional Items	-	-	-	-
Profit/(Loss) before Tax	(2861.45)	(5356.09)	(2800.41)	(5887.28)
Provision for Taxation	--	--	-	-
Deferred Tax Charge/ (Credit)	-	-	16.59	(158.72)
Taxes for earlier years				
MAT credit written back	-	19.69	-	19.69
Profit/(Loss) After Tax	(2861.45)	(5375.78)	(2817.00)	(5748.25)
Transfer to Minority Interest	-	-	20.39	(167.07)
Transfer to Molasses Storage Fund	1.52	8.44	1.52	8.44
Profit/(Loss) for the period after appropriation	(2862.97)	(5384.22)	(2838.91)	(5589.62)
Earning Per Share (in Rs.)	(6.00)	(11.28)	(5.95)	(11.71)

### OPERATIONS

For the Financial Year 2014-15, there is a loss of Rs. (2861.45) lac as against a loss of Rs. (5356.09) lac in the previous year for 12 months period. The Company has incurred significant operational losses in due to a steep decline in sugar prices and unrealistically high cane prices set by the U P Government.

### DIVIDEND & RESERVES

In view of the losses incurred, your Board is unable to recommend any dividend for the financial year ended March 31, 2015.

The Company has not transferred any amount to the reserves for the year ended March 31, 2015.

### SHARE CAPITAL

The paid up equity capital as on March 31, 2015 was Rs.47.65 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

**OPERATIONS**

The crushing for the season 2014-15 started on 29.11.2014 i.e. 5 days earlier as compared to 2013-14 in the previous season and ended on 27.04.2015 as against 2013-14, 5 days earlier than the previous season. During the season, the plant crushed 111.03 lac quintals of sugarcane in 155 days as against 91.23 lac quintals in 138 days in the previous season. The crushing was higher by 19.80 lac quintals during this season due to increase period of crushing. The sugar recovery overall was higher at 9.17% as against 8.76% in the previous season. The production of sugar was higher at 2.19 lacs quintals, as compared to 0.09 lac quintals in the previous session.

The Company continued to focus on cane development activities, comprising clean cane, varietal change and modern agriculture practices that is expected to improve recovery in the coming years.

The market sentiments for sugar during the financial year remained bearish owing the continued mismatch between sugar and demand of sugar, affecting sales realization. Further during the year the UP Government has announced very high cane price which has resulted in the Loss before extraordinary expenses and provisions for taxation to Rs. 2861.45 Lacs against the Loss of Rs. 5356.09 Lacs last year.

Due to continuing losses the company could not pay the cane dues to the farmer on time due to which they agitated and disturbed the operations at plant and the management was forced to close down the plant from 20th May, 2014 to 03rd September, 2014, which affected the administration, repair & maintenance work of the plant during the year under review.

As the members are aware, the Company had reported the erosion in the net worth of the Company by more than 50% of the peak net worth as required under Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 to BIFR and the BIFR has declared the Company as sick and appointed IDBI as operating agency u/s 17(3) of the Act in its hearing held on dated 04th February, 2014.

**SUBSIDIARY**

As on March 31st 2015, the Company has one Wholly Owned Subsidiary i.e. SBEC Stockholding & Investments Limited and one Subsidiary i.e. SBEC Bioenergy Limited. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

During the year 2014-15 M/s. Modi Casings and Packing Private Limited (formerly known as Modi Gourmet Limited) ceased to be Subsidiary of the Company w.e.f. 27.07.2014 under review.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies is also included in the Annual Report in "Annexure-A".

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, [www.sbecsugar.com](http://www.sbecsugar.com). Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company, [www.sbecsugar.com](http://www.sbecsugar.com). Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

On the basis of Audited Financials Accounts of the Company for the FY. 14-15 the Company has two Material Subsidiaries Company i.e. SBEC Bioenergy Limited and SBEC Stockholding & Investment Limited. The Minutes of the Board Meetings of the subsidiary companies are placed at the Board Meetings of the Company. Details of significant transactions and arrangements entered into by the subsidiary companies are noted by the Board. The Audit Committee of the Company reviews the financial Statement of the subsidiary companies including investments made.

The Company has adopted a policy for determining material subsidiaries. The said policy has been placed on the website of the Company [www.sbecsugar.com](http://www.sbecsugar.com) and can be accessed through the following link <http://sbecsugar.com/wp-content/uploads/2011/07/Material-Subsidiary-Policy.pdf>

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the provisions contained in Section 134 (5) of the Companies Act, 2013, your Directors to the best of their knowledge and belief and according to information and explanations obtained from the management, confirm that:

- in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed and there are no material departures from the same;



- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis.
- The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Shri. Santosh Chandra Gupta, expired on 03.09.2014 and Shri. G.C. Jain resigned from the office of Director of the Company with effect from 07.04.2015, due to old age.

The Board of Directors placed on record its sincere appreciation for the valuable support and guidance given by Shri Santosh Chandra Gupta and Shri G.C. Jain to the Company during their tenure as Director of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Shri. Jayesh Modi (DIN 02849637), Non-Executive Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Shri. Vijay Kumar Modi appointed as an additional Non-executive Director on the Board of the Company w.e.f. 06th February, 2015.

Shri. Rajeev Kumar Agarwal was appointed as an Additional Independent Director of the Company with effect from April 07, 2015 and holds office upto the date of the forthcoming Annual General Meeting.

Shri. Jagdish Chandra Chawla and Shri. Shyam Babu Vyas was appointed as an Additional Independent Director of the Company with effect from May 27, 2015 and holds office upto the date of the forthcoming Annual General Meeting.

Shri. Norland L.C. Suzor and Shri. Claude Philogene ceased to be the director of the Company under Section 167 of the Companies Act, 2013 w.e.f. 27th May, 2015.

Shri. N.P. Bansal who has been appointed as alternate director during the absence of Mr. Louis Claude Norland Suzor be and is hereby ceased to be the alternate director and appointed Non-executive Director on the Board of the Company w.e.f. 27th May, 2015.

As per provision of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Shri. Rajeev Kumar Agarwal, Shri. Jagdish Chandra Chawla and Shri. Shyam Babu Vyas are proposed to be appointed as Independent Directors of the Company for a period of five years commencing from September 24, 2015.

All the Independent Directors viz., Shri. Rajeev Kumar Agarwal, Shri. Jagdish Chandra Chawla and Shri. Shyam Babu Vyas have submitted declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Ms. Shwetambery Khurana has resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 31st December, 2014 and Mr. Shobit Nehra was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 07th April, 2015.

Mr. Arun Gupta has resigned from the post of Chief Financial Officer of the Company w.e.f. 06th February, 2015 and in place of him Mr. Lakhmi Chand Sharma was appointed as Chief Financial Officer of the Company w.e.f. 07th April, 2015.

The Board met Six times during the financial year 2014-15, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

In accordance with the provisions of Section 134 of the Act and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the performance of Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee and also the directors individually. The manner in which the evaluation was carried out and the process adopted has been mentioned in the Corporate Governance Report.



The Board, on the recommendation of the Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration and also framed the criteria for determining qualifications, positive attributes and independence of directors. The Remuneration Policy is given as “**Annexure –B**” to this Report. The Criteria, inter alia, includes: a person to be appointed on the Board of the Company should possess in addition to the fundamental attributes of character and integrity, appropriate qualifications, skills, experience and knowledge in one or more fields of engineering, banking, management, finance, marketing and legal, a proven track record, etc.

Mr. Abhishek Modi, Whole Time Director; Mr. Shobit Nehra, Company Secretary and Mr. Lakhmi Chand Sharma, Chief Financial Officer are the Key Managerial Personnel of the Company

As required under the provisions of Section 197(14) of the Companies Act, 2013, Mr. Abhishek Modi, Whole Time Director (Designated as Executive Director) of the Company confirms that he is receiving remuneration from (SBEC Bioenergy Limited) Subsidiary of the Company.

#### **STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS**

As required under Section 149 (7) of the Companies Act, 2013, all the Independent Directors have given their respective declarations that they meet the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013.

#### **AUDITORS AND AUDITORS REPORT**

The Shareholders at the 20th Annual General Meeting held on September 25, 2014, have appointed M/s Doogar & Associates., as Statutory Auditors of the Company to hold office until the conclusion of 21st Annual General Meeting subject to ratification of their appointment at every intermittent AGM. M/s Doogar & Associates., being eligible have expressed their willingness to continue as auditors of the Company and accordingly, the ratification of their appointment is recommended to the Shareholders.

##### **Qualifications**

The observation made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

Reference to the Auditors comments on non-provision for interest on late payment of cane dues, it is hereby clarified that the company has not made provision of interest on late payment of cane dues, as it is negotiating with the farmers for its waiver. In case it has to be paid, it will be accounted for in the year of payment.

Reference to the Auditors comments on physical verification of fixed assets and inventory, it is hereby clarified that the Company appointed an agency for conducting the physical verification of fixed assets and inventory. But due to continuing losses the Company could not pay the cane dues to the farmers on time due to which they agitated and disturbed the operations at plant and the management was forced to close down the plant from 20.05.2014 to 03.09.2014. Due to this reason the appointed agency could not conduct physical verification. However, from time to time management has reconciled stock of inventory as appearing in the records of bank with the records of the Company and no discrepancy was observed.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

#### **COST AUDITORS**

As per Section 148 of the Companies Act 2013 read with Rule 4 of the Companies (Cost Records and Audit) Rules, 2014, the cost records maintained by the Company in respect of its Sugar activity are required to be audited by a Cost Auditor. The Board of Directors, based on the recommendation of the Audit Committee, appointed M/s. M.K. Singhal & Co., Cost Accountants, as the Cost Auditors for auditing the cost accounting records maintained by the Company for the financial year 2015-16 on a remuneration of Rs.60,000/- plus service tax as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking member's approval of the remuneration payable to the Cost Auditor forms part of the notice convening the Annual General Meeting.

#### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s R.K. Singhal, Company Secretaries in practice as the Secretarial Auditor to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is given in “**Annexure-C**” to this Report.

The observation in secretarial audit report are self-explanatory and therefore not call for any further explanation.

Reference to the Secretarial Auditors comment that there is an undisputed liability of Water Cess of Rs. 5,62,265/- and interest of Rs. 1,59,674/- to U.P. Pollution Control Board for the year 2012-13 for which fresh demand order has been received by the Company it is hereby clarified that Reference to the Secretarial Auditors comment that there is an undisputed liability of Water Cess of Rs. 5,62,265/- and interest of Rs. 1,59,674/- to U.P. Pollution Control Board for the year 2012-13 for which fresh demand order has been received by the Company it is hereby clarified that the Company has made the payment Rs. 4,28,114 against the total demand raised by the U.P. Pollution Control Board.



## RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the Company has constituted a business risk management committee. The Risk Management Committee consisting of Shri. R.K. Agarwal (Independent Director), Shri. N.P. Bansal, Director and Shri. J.C. Chawla, Director as Members of the Committee.

After the decision of the Hon'ble Supreme Court empowering the State Government to fix the Cane Price, one of the threat to the Sugar Industry except that the Committee has not identified any element of risk which may threaten the existence of the company.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate Internal Financial Controls with proper checks to ensure that transactions are properly authorised, recorded and reported apart from safeguarding its assets. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis. The internal auditors of the Company reviews the controls across the key processes and submits reports periodically to the Management and significant observations are also presented to the Audit Committee for review. Follow up mechanism is in place to monitor the implementation of the various recommendations.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES.

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company i.e. (a) net worth of the Company to be Rs. 500 crore or more; or (b) turnover of the company to be Rs. 1,000 crore or more; or (c) net profit of the company to be Rs.5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of Section 135 are not applicable to the Company.

## RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered into during the financial year with the related parties were on arm's length basis and were in the ordinary course of business. Section 188(1) of the Companies Act, 2013 exempts related party transactions that are in the ordinary course of business and are on arm's length basis. However, under clause 49 of the Listing Agreement, all material Related Party Transactions requires approval of the shareholders through special resolution. Accordingly, the Company has obtained the approval of the shareholders by way of special resolution for the material related party transactions. The Board of Directors and the Audit Committee have also approved the said related party transactions.

There are no materially significant related party transactions with the promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on dealing with Related Party Transactions as approved by the Board is available at the investors section of the Company's website at [www.sbecsugar.com](http://www.sbecsugar.com) and can be accessed through the following link <http://sbecsugar.com/wp-content/uploads/2011/07/Related-Party-Transaction-Policy.pdf>.

The particulars of the material contract and arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 read with clause 49 of the Listing Agreement is disclosed separately in Form No. AOC -2 as "Annexure-D" and forms part of this report.

## CORPORATE GOVERNANCE

The Report on corporate governance as stipulated under the Listing Agreement forms part of this Report. The requisite certificate confirming compliance with the conditions of corporate governance is attached to the Corporate Governance Report. The report also contains the details as required to be provided on Board evaluation, remuneration policy whistle blower policy/vigil mechanism etc.

The Whole Time Director and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under the Listing Agreement.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement, form part of this Annual Report.

## DISCLOSURES

### Committees of the Board

During the year in accordance with the Companies Act, 2013 the Board re-constituted/re-named some of its Committees and presently the Company has the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

The details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in the "Report on Corporate Governance" forming part of this Annual Report.



**Vigil Mechanism & Whistle Blower Policy**

The Company has a vigil mechanism and a whistle blower policy. The same has been posted on the Company's website and the details of the same are given in the Corporate Governance Report.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 34(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in "**Annexure-E**" to this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

During the financial year 2014-15, the company has not made any investment nor given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

**PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197(12) read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to ratio of the remuneration of each Director to the median employee's remuneration and other details shall be provided on request, in accordance with the provisions of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employee is drawing remuneration in excess of the limits set out in the said Rules.

**EXTRACT OF THE ANNUAL RETURN**

The details of the extract of the Annual Return in Form MGT-9 are given in "**Annexure-F**" to this Report.

**FIXED DEPOSITS**

Fixed Deposits of Rs.6,58,25,000/- due for repayment on or before 31.03.2015 were not claimed by depositors as on that date.

Further, the net worth of the Company becomes negative, and Company does not fall the criteria stipulated under the Act, it has discontinuance acceptance and renewal of fresh/existing Fixed Deposits. Since the Company is facing a financial crunch, the Company is not in a position to repay the entire outstanding Fixed Deposits on or before as stipulated under Section 74 of the Companies Act, 2013 and for compliance of the Act, the Company has obtained expert legal opinion that since the Company is registered with BIFR and IDBI appointed as Operating Agency so, Company is not require to repay the amount of deposit till the final order of BIFR/AAIFR.

No significant or material orders were passed by the Regulators or courts or Tribunal which impact the going concern status and the Company's operations in future.

**PERSONNEL RELATIONS**

Your directors hereby place on record their appreciation for the services rendered by the executives, staff and workers of the Company for their hard work, dedication and commitment. During the year under review, relations between the employees and the management continued to remain cordial.

**APPRECIATION**

Your directors thank the various Central and State Government Authorities and Agencies for the continued help and cooperation extended by them. The Directors gratefully acknowledge all stakeholders of the Company viz., farmers, customers, members, dealers, vendors and banks for their excellent support during the year. The Directors also place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued cooperation to the Company.

**For & behalf of the Board**  
**SBEC Sugar Limited**

**Umesh Kumar Modi**  
**(Chairman & President)**  
**(DIN: 00002757)**

**Place: New Delhi**  
**Date: 13th August, 2015**



**"ANNEXURE -A "****ANNEXURES TO THE BOARD'S REPORT**

Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

(Rs. In Lacs) except % of Shareholding

S.No	Name of the Subsidiary Company	Financial period ended	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1.	SBEC Bioenergy Limited	31-Mar-15	INR	230000000	224824649	1765591217	1310766568	500100	108904662	6189971	4531130	Nil	55%
2.	SBEC Stockholding Investments Limited	31-Mar-15	INR	45500000	(380884)	278222872	278222872	277501000	0	(85582)	(85582)	Nil	100%
3.	Modi Casings and Packaging Pvt. Ltd*	31-Mar-15	INR										

\* Modi Casings and Packaging Private Limited ceased to be Subsidiary of the Company w.e.f. 27.07.2014

**"ANNEXURE-B"****REMUNERATION POLICY****PREAMBLE**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all the Directors, Key Managerial personnel and employees of the Company and in terms of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") as approved by the Board of Directors of the Company.

**CONSTITUTION OF COMMITTEE**

The Board of Directors of the Company (the Board) constituted the Committee be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than half are independent Directors. The Chairman of the Committee is an Independent Director. However, the Chairperson of the Company (whether executive or non-executive) may be appointed as member of the NRC but shall not chair such Committee.

**OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

**APPLICABILITY**

- a) Directors (Executive or Non-executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel

**DEFINITIONS**

"Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company.



**“Key Managerial Personnel”** means

- i. Chief Executive Officer or the Managing Director or the Manager and in their absence, a whole time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary;
- iv. such other officer as may be prescribed.

Policy for appointment and removal of Director, KMP and Senior Management

**1. Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**2. Term / Tenure**

**a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**b) Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**3. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**Broad Criteria for Evaluation the performance of Independent Directors;**

**Role & Accountability:** The Independent Director understands their nature, risks associated with the business and their role as a Director of the Company. Accordingly they have rendered advices to the management for resolution of business issues. The Independent Directors in the Board have actively engaged with the management and attentiveness to progress of decisions taken.

**Objectivity:** The Independent Directors in the Board have placed their suggestions, recommendations and views in an unbiased manner during the course of decision making on the matters of the Company.

**Leadership & Initiative:** Independent Directors have played a crucial role in dealing successfully within their areas of domain knowledge and experience.

**Personal Attributes:** The Independent Directors in the Board has shown firm commitment towards their role and fiduciary responsibilities as a Board member. Directors have attended and actively participated in the meeting of Board and Committees conducted time to time during the financial year. They have made every possible contribution to the Company through their proactive, strategic and lateral thinking.



#### 4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### 5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### POLICY FOR REMUNERATION TO DIRECTORS/ KMPs/ SENIOR MANAGEMENT PERSONNEL

#### 1. Remuneration to Managing/ Whole –time/ Executive/ Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director/ Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

#### 2. Remuneration to Non-Executive/ Independent Director:

The Non-Executive Independent Director may receive sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder and Articles of Association of the Company or any other enactment for the time being in force.

#### 3. Duties in Relation Nomination Matters:

The duties of Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act.
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Recommend any necessary changes to the Board; and
- Considering any other matters as may be requested by the Board.

### DUTIES IN RELATION TO REMUNERATION MATTERS

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee
- Considering any other matters as may be requested by the Board.

### REVIEW AND AMENDMENT

- The NRC or the Board may review the policy as and when it deems necessary.
- The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this policy, if it thinks necessary.
- This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

**Form No. MR-3****SECRETARIAL AUDIT REPORT****For The Financial Year Ended On 31st March, 2015**

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014)

To,

The Members

**SBEC SUGAR LIMITED****VIII. Lohan Malakpur, Baraut, Distt Baghpat, Uttar Pradesh**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SBEC SUGAR LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) **OTHER APPLICABLE ACTS,**

- (a) The Factories Act, 1948
- (b) The Payment of Wages Act, 1936, and rules made thereunder,
- (c) The Minimum Wages Act, 1948, and rules made thereunder,
- (d) The Payment of Gratuity Act, 1972
- (e) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
- (f) The Payment of Bonus Act, 1965, and rules made thereunder,
- (g) The Industrial Dispute Act, 1947
- (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control Pollution) Rules, 1975,
- (i) The Sugar Cess Act, 1982
- (j) The Levy Sugar Price Equilisation Fund Act, 1976
- (k) The Food & Safety Standards Act, 2006
- (l) The Essential Commodities Act, 1955
- (m) The Sick Industrial Companies (Special Provisions) Act, 1985

We have also examined compliance with the applicable clauses of the following:



- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent as mentioned below:

1. That due to partial operations in the Company and employees turnover as explained in point 1 on further report certain registers/ records including fixed assets register could not be updated.
2. That based on the Audited Financial Statements, the Company filed reference under Section 15(1) of The Sick Industrial Companies (Special Provisions) Act, 1985 which was duly registered on 28.08.2013. The Company was declared Sick Industrial Company in terms of section 3(1) clause (o) of The Sick Industrial Companies (Special Provisions) Act, 1985 by the Hon'ble Board of Industrial & Financial Reconstruction (BIFR) in its hearing on 04.02.2014 and appointed IDBI as the Operating Agency (OA) U/s 17(3) of the Act. The Bench directed the Company to prepare a fully tied up draft rehabilitation scheme (DRS) within 6 weeks. The said DRS is still under compilation.
3. The Company has Fixed Deposits of Rs.658.25 Lac and interest thereon of Rs. 19.05 Lac due for repayment on or before 31.03.2015 in compliance of section 74 of The Companies Act, 2013. Since the Company was declared Sick Industrial Company as detailed vide para 3 above, the Company sought for expert legal opinion on the said matter. In the opinion taken on record reference of section 22(1) of The Sick Industrial Companies (Special Provisions) Act, 1985 has been given whereby there is a specific provision that no suit for recovery or for enforcement of any security against the Sick Industrial Company in respect of any loan or advance granted to it shall lie or be proceeded further except with the consent of the Board or the Appellate Authority. However, in compliance 74(2) of The Companies Act 2013, it may be recommended that the Company may make an application to Company Law Board seeking time for repayment of deposits, presenting all the facts of its case and financial position.
4. That there is an undisputed liability of Water Cess of Rs. 5,62,265/- and interest of Rs. 1,59,674/- to U.P. Pollution Control Board for the year 2012-13 for which fresh demand order has been received by the Company.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report as under:

1. That the Plant remained in closed condition from 20.05.2014 to 03.09.2014 due to order of Magistrate, Baghpat who vide his letter no.273/C/GGA/MILL/2012-13 dated 12.05.2014 passed an order for tagging the complete inventory comprising of sugar, baggase, molasses etc. for the payment of cane overdues, leading to increase in losses of the Company and funds not being available for repair maintenance of Plant and payment to employees dues. In view of the same the management was forced to take the decision for shut down during the said period.
2. That an aggregate sum of Rs.32129.81 Lacs are outstanding Cane Dues (excluding interest) on the Company as at 31.03.2015.
3. The Company has two material subsidiaries M/s SBEC Bio-energy Limited and M/s SBEC Stockholding And Investment Limited. Its third subsidiary M/s Modi Casing And Packaging Pvt. Ltd. (formerly known as Modi Gorumment Limited) remained its subsidiary in accordance with section 2(87) of The Companies Act, 2013 till 12.07.2014. The company sold its investment in equity shares of Modi Casing And Packaging Pvt. Ltd. during the year under reference, by virtue of which the said company no longer remained its subsidiary.

**For R. Singhal & Associates  
Company Secretaries**

(Rahul Singhal)  
Prop  
M.No. 29599

**PLACE: NEW DELHI  
DATED: 13.08.2015**



**Note: This report is to be read with the note given below which forms an integral part of this report.**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the audited financial statements for the year ended on 31.03.2015 for the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. That the details of disputed liabilities and demands raised by various authorities including U P VAT, Central Excise, Service Tax Authorities, Corporate Guarantee given to Govt. of Jharkhand against soft loan given to group company Bihar Sponge Iron Ltd., Guarantee given on behalf of SBEC Bio Energy Ltd., interest and RCC charges on Cane Arrears payment that have not been acknowledged as debts by the company have been detailed in Notes to the Financial Statements. We have relied on the statement issued by the company and as incorporated in the audited Financial Statements for the year ending 31.03.2015.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For R. Singhal & Associates  
Company Secretaries**

**(Rahul Singhal)  
Prop  
M.No. 29599**

**PLACE: NEW DELHI  
DATED: 13.08.2015**

**"ANNEXURE- D"**

## **FORM NO. AOC-2- Related Party Transactions**

**[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with the related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

### **1. Details of contracts or arrangements or transactions not at arm's length basis:**

Sl. No	Name of the related party and nature of relationship	Nature of contracts/Arrangements/ Transactions	Duration of contracts/ arrangements/ transactions	Salient features of contracts/arrangements/ transactions including value, if any	Justification for entering into such contracts/ arrangements/	Date (s) of approval by the board	Amount paid as advances, if any	Date of which special resolution was passed in General Meeting u/s 188 (1).
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### **2. Details of material contracts or arrangements or transactions at arm's length basis.**

Sl. No	Name of the related party and nature of relationship	Nature of contracts/Arrangements/ Transactions	Duration of contracts/ arrangements/ transactions	Salient features of contracts/arrangements/ transactions including value, if any	Date (s) of approval by the board	Amount paid as advances, if any	Date of which special resolution was passed in General Meeting u/s 188 (1). and clause 49.
1.	Modi Industries Limited	Purchase/Sale of Sugar	Ongoing	Market Value	07.04.2015	-	23.05.2015
2.	Modiline Travel Service Pvt. Ltd.	Purchase of Air Ticket	Ongoing	Market Value	07.04.2015	-	23.05.2015
3.	Jayesh Tradex Pvt. Ltd.	Purchase of Item	Ongoing	Market Value	07.04.2015	-	23.05.2015
4.	Modi Ilva India Pvt. Ltd.	Sale of Sugar	Ongoing	Market Value	07.04.2015	-	23.05.2015
5.	Win-Medicare Pvt. Ltd.	Sale of Sugar	Ongoing	Market Value	07.04.2015	-	23.05.2015
6.	Longwell Investment Pvt. Ltd.	Interest on Inter Corporate Deposits	Ongoing subject to renewal as per contractual terms	-	07.04.2015	-	23.05.2015
7.	Arvind Continental Pvt. Ltd.	Interest on Inter Corporate	Ongoing subject to renewal as per contractual terms	-	07.04.2015	-	23.05.2015



**"ANNEXURE- E"**

## Information to be given under Section 134 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

**A. CONSERVATION OF ENERGY****i) The steps taken or impact on conservation of energy**

- Installed Waste Heat recovery system at Sulphur furnace station.
- Modified vapour bleeding arrangement for soda boiling, sugar melting, molasses conditioning, massecuite/magma pumps and centrifugal Machines screen cleaning.
- Steps taken to avoid blow off/ wastage of exhaust steam/ vapour.
- Started melting of B/C and Rori sugar in clear juice instead of hot water.
- V.F.D. installed at Raw Juice Pump, Mill Belt conveyor, Rake Elevator, De super heating station and Milk of lime pump & crystallisers.
- DCS installed at Boilers which eliminates fluctuation in steam pressure & flow.
- Hot imbibition of 80 degree celcius applied at mills.
- Raw juice pipelines and tank insulated to minimize temperature.
- All hot surfaces carrying useable energy insulated properly.
- Automation in continuous pan operation also assisted in reduced steam consumption.

Complete mill automation helped in effective, constant and enhance utilization which in turn resulted into reduced energy consumption.

Open storage tank of juice/ syrup are covered.

**ii) The steps taken by the Company for utilizing alternate sources of energy - Nil****iii) The Capital investment on energy conservation equipment - Nil****B. TECHNOLOGY ABSORPTION****i) The efforts made towards technology absorption**

- a) Efforts are initiated and implemented for heat energy conservation in boiling house.
- b) Waste heat recovery system installed at Sulphur furnace station.
- c) Vapour bleeding has been made from exhaust steam to vapour for soda boiling, sugar melting, molasses conditioning, masscuite/ magma pump and Centrifugal machines screen cleaning.
- d) Efforts done to minimize steam/ vapours/ hot media leakages to arrest energy losses.

**ii) The benefits derived like product improvement, cost reduction, product development or import substitution**

- a) Steam % cane reduced by 5%
- b) Power consumption per ton cane reduced by 1 Unit.

**iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Nil**

- (a) The details of technology imported - Nil
- (b) The year of import - Nil
- (c) Whether the technology been fully absorbed - Nil
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and - Nil
- (e) The expenditure incurred on Research and Development - Nil

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Rs. In Lacs)

	2014-15	2013-14
<b>The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows.</b>		
Foreign Exchange earned	-	-
Foreign Exchange outgo	29.68	8.89


**"Annexure-F"**
**Form No. MGT - 9  
EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on 31st March, 2015**
*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*
**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	L15421UP1991PLC019160
ii) Registration Date	03/05/1991
iii) Name of the Company	SBEC SUGAR LIMITED
iv) Category/Sub-Category of the Company	Public Company Limited by Shares
v) Address of the Registered office and contact details	Village: Lohan Malakpur, Teh: Baraut, Baghpat, Uttar Pradesh-250611 email: investors@sbecsugar.com / web: www.sbecsugar.com
vi) Whether listed company	YES
vii) Name, Address and Contact details of Registrar and Transfer Agent	M/s. Beetal Financial & Computer Services Pvt. Ltd Beetal House, 3rd Floor, Behind Local Shopping Complex, 99, Madangir, New Delhi-110062

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% of total turnover of the company
1	Sugar	10721-Manufacturing or refining of sugar (Surcose from sugarcane)	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiaries/ Associate	% of shares held	Applicable Section
1	SBEC Bioenergy Limited	U40105UP1996PLC037250	Subsidiary	55%	2(87)
2.	SBEC Stockholding and investment Ltd.	U67120DL2001PLC112424	Wholly owned subsidiary	100%	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**
**i) Category-wise Shareholding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the years				% change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	1626700	28310	1655010	3.47	1626700	28310	1655010	3.47	Nil
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	24296073	-	24296073	50.99	29400452	-	29400452	61.70	10.71
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL: (A) (1)</b>	<b>25922773</b>	<b>28310</b>	<b>25951083</b>	<b>54.46</b>	<b>31027152</b>	<b>28310</b>	<b>31055462</b>	<b>65.17</b>	<b>10.71</b>
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
"Total Shareholding of Promoter (A)= (A)(1)+(A)(2)"	<b>25922773</b>	<b>28310</b>	<b>25951083</b>	<b>54.46</b>	<b>31027152</b>	<b>28310</b>	<b>31055462</b>	<b>65.17</b>	<b>10.71</b>
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-





c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	959700	959700	2.01	-	959700	959700	2.01	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	-	<b>959700</b>	<b>959700</b>	<b>2.01</b>	-	<b>959700</b>	<b>959700</b>	<b>2.01</b>	-
(2) Non Institutions									
a) Bodies corporates	11306857	2411450	13718307	28.79	6202617	2411450	8614067	18.08	(10.71)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	388858	3795730	4184588	8.78	390234	3785430	4175664	8.76	(0.02)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	187412	2633000	2820412	5.92	202554	2633000	2835554	5.95	0.03
c) Others (specify)	-	-	-	-	-	-	-	-	-
(i) NRI	6772	-	6772	0.01	1272	-	1272	0.00	(0.01)
(ii) HUF	9703	3100	12803	0.03	9061	3100	12161	0.03	
(iii) Clearing Members	215	-	215	0.00	-	-	-	-	0
<b>SUB TOTAL (B)(2):</b>	<b>11899817</b>	<b>8843280</b>	<b>20743097</b>	<b>43.53</b>	<b>6805738</b>	<b>8832980</b>	<b>15638718</b>	<b>32.82</b>	<b>(10.71)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)"</b>	<b>11899817</b>	<b>9802980</b>	<b>21702797</b>	<b>45.54</b>	<b>6805738</b>	<b>9792680</b>	<b>16598418</b>	<b>34.83</b>	<b>(10.71)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs"</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>37822590</b>	<b>9831290</b>	<b>47653880</b>	<b>100</b>	<b>37832890</b>	<b>9820990</b>	<b>47653880</b>	<b>100</b>	-

## (ii) SHARE HOLDING OF PROMOTERS

S.No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the	% of Share pledged encumbered to total shares	No.. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	% change in share holding during the year
1	Umesh Kumar Modi	1571223	3.30	0	1571223	3.30	0.0	0
2	KumKum Modi	28300	0.06	0	28300	0.06	0.0	0
3	Jayesh Modi	55487	0.12	0	55487	0.12	0.0	0
4	Longwell Investment Pvt Ltd	2721500	5.71	0	2721500	5.71	0.0	0
5	A to Z Holding Pvt Ltd	3128400	6.56	0	3382500	7.10	0.0	0.54
6	Moderate Leasing and Capital Services Ltd	4215289	8.85	0	9065568	19.02	0.0	10.17
7	SBEC Systems (India) Ltd	14230884	29.86	7000000	14230884	29.86	0.0	0.00
	<b>Total</b>	<b>25951083</b>	<b>54.46</b>	<b>7000000</b>	<b>31055462</b>	<b>65.17</b>	<b>0</b>	<b>10.71</b>


**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

S.. No	Promoter's Shareholding	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Umesh Kumar Modi</b>				
	At the beginning of the year	1571223	3.3	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	1571223	3.3	-	-
2	<b>Kum Kum Modi</b>				
	At the beginning of the year	28300	0.06	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	28300	0.06	-	-
3	<b>Jayesh Modi</b>				
	At the beginning of the year	55487	0.12	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	55487	0.12	-	-
4	<b>Longwell Investment Pvt Ltd</b>				
	At the beginning of the year	2721500	5.71	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	2721500	5.71	-	-
5	<b>A to Z Holding Pvt. Ltd</b>				
	At the beginning of the year	3128400	6.56	3128400	6.56
	Purchase on 16.09.2014	254100	0.53	3382500	7.10
	At the end of the year			3382500	7.10
6	<b>Moderate Leasing and Capital Services Ltd</b>				
	At the beginning of the year	4215289	8.85	4215289	8.85
	Purchase on 25.08.2014	2352534	4.93	6567823	13.78
	Purchase on 16.09.2014	1874400	3.93	8442223	17.71
	Purchase on 18.03.2015	35253	0.07	8477476	17.78
	Purchase on 23.03.2015	588092	1.23	9065568	19.02
	At the end of the year			9065568	19.02
7	<b>SBEC Systems (India) Ltd</b>				
	At the beginning of the year	14230884	29.86	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	14230884	29.86	-	-

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

1	<b>Abhikum Leasing and Investment Pvt Ltd</b>				
	At the beginning of the year	1380955	2.90	1380955	2.90
	Purchase on 25.08.2014	28516	0.06	1409471	2.96
	Purchase on 26.08.2014	2130200	4.47	3539671	7.43
	Purchase on 18.03.2015	2085673	4.37	5625344	11.8
	At the end of the year			5625344	11.8
2	<b>Karvy Consultants Ltd</b>				
	At the beginning of the year	760500	1.596	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	760500	1.596	-	-
3	<b>Paras Mal Jain</b>				
	At the beginning of the year	711400	1.493	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	711400	1.493	-	-
4	<b>T C Healthcare Pvt Ltd</b>				
	At the beginning of the year	580218	1.218	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	580218	1.218	-	-
5	<b>Tech Engineers Ltd</b>				
	At the beginning of the year	402450	0.845	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	402450	0.845	-	-



<b>6</b>	<b>Jaykum Investment Pvt. Ltd</b>				
	At the beginning of the year	2375278	4.984	2375278	4.984
	Purchase on 18.09.2014	2695	0.005	2377973	4.989
	Sale on 18.03.2015	2085673	4.376	292300	0.613
	At the end of the year				
<b>7</b>	<b>Meghkum Leasing and Investments Pvt Ltd</b>				
	At the beginning of the year	2381650	4.99	2381650	4.99
	Sale on 26.08.2014	(-) 2130200	4.47	251450	0.528
	At the end of the year			251450	0.528
<b>8</b>	<b>ABC Holding Pvt Ltd</b>				
	At the beginning of the year	2383300	5.002	2383300	5.002
	Purchase on 18.09.2014	3450	0	2386750	5.002
	Sale on 16.09.2014	2128500	4.466	258250	0.536
	Sale on 18.03.2015	3450	0.014	254800	0.522
	At the end of the year				
<b>9</b>	<b>Jitendra Kumar</b>				
	At the beginning of the year	212700	0.446	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	212700	0.446	-	-
<b>10</b>	<b>Pramod Kumar</b>				
	At the beginning of the year	151100	0.317	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	151100	0.317	-	-
<b>(v)</b>	<b>Shareholding of Directors &amp; KMP</b>				
<b>1</b>	<b>Umesh K. Modi, Director &amp; Chairman</b>				
	At the beginning of the year	1571223	3.3	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	1571223	3.3	-	-
<b>2</b>	<b>KumKum Modi, Director</b>				
	At the beginning of the year	28300	0.06	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	28300	0.06	-	-
<b>3</b>	<b>Jayesh Modi, Director</b>				
	At the beginning of the year	55487	0.12	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	55487	0.12	-	-
<b>4</b>	<b>O.P. Modi, Director</b>				
	At the beginning of the year	500	0	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	500	0	-	-
	<b>Other KMP's</b>				
<b>1</b>	<b>Arun Kumar Gupta, Chief Financial Officer</b>				
	At the beginning of the year	Nil	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	Nil	Nil	-	-
	At the end of the year	Nil	Nil	-	-
<b>2</b>	<b>Shwetambery Khurana</b>				
	At the beginning of the year	Nil	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	Nil	Nil	-	-
	At the end of the year	Nil	Nil	-	-



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured	Loans Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	502482252	646274544	6832500	1217081796
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>502482252</b>	<b>646274544</b>	<b>68325000</b>	<b>1217081796</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	-	-	-	-
· Reduction	432671967	134534637	2500000	569706604
<b>NetChange</b>	<b>432671967</b>	<b>134534637</b>	<b>2500000</b>	<b>569706604</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	69810285	511739907	65825000	647375192
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>69810285</b>	<b>511739907</b>	<b>65825000</b>	<b>647375192</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Santosh Chandra Gupta, Director-Works (Whole time director and Key Managerial Personnel)

S.No.	Particulars of Remuneration	Santosh Chandra Gupta, Director-Works (Whole time director and Key Managerial Personnel)	Total Amount
1.	<b>Gross Salary</b>		
a)	Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	14,05,000	14,05,000
b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	57,000	57000
	Total (A)	14,62,000*	14,62,000
	Ceiling as per the Act	18,00,000	18,00,000

\* Mr. S.C. tenure was ended on June 17, 2014

### B. Remuneration to other directors:

S.No.	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors	G.C. Jain O.P. Modi Manmohan	
(a)	Fee for attending board meetings	5000 6000 1000	12000
2	Other Non Executive Directors		
	No fees or commission was paid to Non-executive Directors during the year.		
	Company provides Rs. 1000 per meeting as Sitting fees to Independent Directors only according to their presence in the Meeting		

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.No.	Particulars of Remuneration	Arun Kumar Gupta, CFO*	Shwetambery Khurana, Company Secretary**	Total
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	377722	180000	557722
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	260190	125301	385491
	Total	637912	305301	943213

\*Mr. Arun Kumar Gupta, CFO resigned from the company w.e.f. 06.02.2015

\*\* Ms. Shwetambery Khurana, Company Secretary resigned w.e.f. 31.12.2014

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Authority (RD/NCLT/Cour) Punishment/Compounding fees imposed	Appeal made if any (give details)
<b>A. COMPANY</b>				
Penalty	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>				
Penalty	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>				
Penalty	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil



## MANAGEMENT DISCUSSION & ANALYSIS

### Sugar Industry- Scenario in India

India is the second largest producer of sugar in the world. The sugar industry is the largest agro-processing sector in India. It is dominated by the co-operative sector in terms of number of units. However, with private players going in for major expansions, the gap between the private and co-operative sector is expected to narrow down in the future in terms of installed capacity as well as production. The industry is regulated by the Central and State Governments by way of cane growing area, sugarcane pricing, import-export policy, government policy etc. Sugar cane is cultivated in around 5 million hectares in India. The major sugarcane producers are Uttar Pradesh, Maharashtra, Tamilnadu and Karnataka. Uttar Pradesh alone contributes about 47% of the total acreage and has 38% share in the total domestic production. Sugar cane is the only source of sugar production in India unlike many other countries, which produce sugar from sugar beet.

### COMPANY STRUCTURE AND DEVELOPMENT

The Company is located at Village Malakpur, District Baghpat, Uttar Pradesh. The plant started with an initial crushing capacity of 3500 tons of cane crushed per day (tcd), which had been gradually increased to 8000 tcd over time. The Company has one of the most modern and efficient sugar factories in the country.

### OPPORTUNITIES & THREATS

The State Government has so far been unable to evolve an equitable policy for allocation of sugarcane area amongst factories. Efforts are continuing at various levels to evolve an equitable methodology for reservation of cane area on factory wise basis, in the overall interest of the industry.

After the decision of Hon'ble Supreme Court empowering the State Government to fix the Cane Price, one of the major threat to the Sugar Industry relates to the successive interventions of the State Government in the pricing as well as distribution of Sugarcane.

### OPERATIONAL PERFORMANCE

The cane crushing for the period under review was 111.03 Lacs quintals in 155 days with an average crushing rate of 71634 quintals per day as against 91.23 Lacs quintals in 134 days with an average crushing rate of 66109 quintals per day for the previous period. The sugar recovery has slightly increased to 9.17 % as against 8.76% in the previous period.

Due to continuing losses the company could not pay the cane dues to the farmers on time due to which they agitated and disturbed the operations at plant and the management was forced to close down the plant from 20th May, 2014 to 03rd September, 2014, which affected the administration, repair & maintenance work of the plant during the year under review.

### FUTURE OUTLOOK

The sugar industry will be a major player in producing cost effective energy and fuel from its by-products bagasse and molasses. Bagasse can be processed for co-generation of power. Also, ethanol produced from molasses can be used as motor fuel by blending it with petrol.

### RISK AND CONCERNS

Sugar Division being agro based is vulnerable to various risks enumerated below:

#### Raw Material Risk:

Sugarcane is the principal raw material for manufacture of Sugar, its shortages could be on account of pest attacks, crop diseases, diversion of land by farmers. Shortage of the basic raw materials would severely impact the working of the divisions of the Company. To mitigate these risks, the Company has adopted sound agronomic practice and improvement in basic infrastructure facilities.

#### Price Risk:

Sugar price is susceptible to fluctuations on account of international demand and supply, government pricing for cane as well as sugar, variance in production capacities of peers. Any change may affect the margins of the Company.

#### Regulatory Risk:

The policies of the Central and State Governments in terms of Fair Remunerative Price (FRP) and State Advised Price (SAP) for sugarcane have an impact on the operations of the Company.

### INTERNAL CONTROLS AND SYSTEMS

The Company has an appropriate internal control system for its various functions with the ultimate objective of improving efficiency in its operations, better financial management and compliance with regulations and applicable laws. The Company has appointed an Internal Auditor. All operating parameters are well defined and monitored periodically. The detail internal audit reports are discussed at length at various levels and thereafter the said reports are also placed before the Audit Committee for review and discussion.

### FINANCIAL PERFORMANCE

The market sentiments for sugar during the financial year remained bearish owing to the continued mismatch between supply and demand of sugar, affecting sales realization. Further during the year UP Government has announced very high cane price which has resulted Loss of Rs. 2861.45 Lacs against the Loss of Rs. 5356.09 lacs last year.

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company considers human capital as a critical asset and success factor for smooth organizational work flow. Efforts are made to improve skills, knowledge and performance of employees by timely training, job satisfaction and enrichment. The Company has added to its fold, experienced manpower in line with future areas of growth.

### CAUTIONARY STATEMENT

The above Management Discussion and Analysis Report contains "forward looking statements" within the meaning of applicable laws, and regulations and is futuristic in nature. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, market position, expenditures and financial results are forward looking statements. The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward looking statements. Investors are requested to make their own independent judgments before taking any investment decisions and the Company assumes no responsibility.



## REPORT ON CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At SBEC Sugar Limited ("SBEC Sugar"), a member of Umesh Modi Group of Companies, firmly believes in effective Corporate Governance practices and follow all the applicable laws in true and letter spirit. Corporate Governance is an ethically driven process that constitute the strong foundation on which successful commercial enterprise are built and enhancing the organization wealth generating capacity. The company's has also a strong belives of fair, transparent and ethical governance practices.

The Company has adopted a Code of Conduct for its Board of Directors and its Senior Management persons which are available on the Company's website. The Company's corporate governance philosophy has been further strengthened through the SBEC Sugar Code of Conduct for Prevention of Insider Trading. The Company's corporate governance philosophy is based on the following broad principles;

- Comply all applicable Laws in true and letter Sprit.
- Independence and bias free Board of Directors
- Simple and transparent corporate structure for enhancing overall shareholder value.
- Delegation of decision-making authority with clearly defined roles, responsibilities and accountability

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

### II. BOARD OF DIRECTORS

As on March 31, 2015, the Company has 11 Directors of which 10 are Non-Executive Directors. 5 of the 11 Board Members are Independent Directors. The Chairman of the Board is a Non-Executive Director. The Composition of the Board is in conformity with Clause 49 of the Listing Agreements with the Stock Exchanges. As required under Section 149(3) of the Companies Act, 2013, Mrs. Kumkum Modi, a woman director on the Board of Directors of the Company.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships (including SBEC Sugar Limited) held by them in other Public as on March 31, 2015 are given below. Other directorship do not include alternate directorships, Section 25 Companies, Private Companies and foreign companies. Committees Chairmanships/Memberships includes only Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies.

Name of the Director	Category	Number of Board meeting during the year 2014-15		Attendance at the last AGM (held on Sept. 25, 2014)	No. of Outside Directorships (as on march 31, 2015)	Number of membership/charmanship in other Board committee (as on March 31, 2015)	
		Held	Attended			Public	ChairmanMember
Mr. Umesh Kumar Modi	NED	6	2	Not Present	7	Nil	Nil
Mrs. Kumkum Modi	NED	6	1	Not Present	2	Nil	Nil
Mr. Abhishek Modi	Executive						
	Director & CEO	6	4	Not Present	6	Nil	Nil
Mr. Jayesh Modi	NED	6	1	Not Present	4	Nil	Nil
Mr. G.C. Jain	INED	6	6	Present	6	5	6
Mr. Man Mohan	INED	6	1	Not Present	1	-	1
Mr. Norland L.C. Suzor	INED	6	0	Not Present	Nil	Nil	Nil
Mr. Claude Philogene	INED	6	0	Not Present	Nil	Nil	Nil
Mr. O.P. Modi	INED	6	6	Not Present	2	-	1
Mr. N.P. Bansal	NED	6	6	Present	2	-	1
Mr. Vijay Kumar Modi *	NED	NA	NA	NA	3	1	-
Mr. R.K. Agarwal @	INED	NA	NA	NA	1	1	1
Mr. J.C. Chawla #	INED	NA	NA	NA	2	-	2
Mr. Shyam Babu Vyas #	INED	NA	NA	NA	1	-	2

Note:

- NED: Non-executive Director (ii) INED: Independent Non-executive Director
- None of the Directors used Video/ tele-conferencing facilities to participate in meetings.
- (\*) Mr. Vijay Kumar Modi was appointed as an Additional Director on 6th February, 2015.
- (@) Mr. R.K. Agarwal was appointed as an Additional Director on 29th April, 2015.
- (#) Mr. J.C. Chawla and Mr. Shyam Babu Vyas was appointed as an Additional Director on 27th May, 2015.
- Mr. Jayesh Modi related to Mr. Umesh Kumar Modi as father, Mrs. Kumkum Modi as Mother and Mr. Abhishek Modi as Brother respectively.



#### **Details of Directors Shareholding:**

Mr. Umesh Kumar Modi holds 1571223 equity Shares, Mrs. Kumkum holds 28300 equity Shares and Mr. Jayesh Modi holds 55487 equity Shares of the Company as on 31st March, 2015.

#### **Membership on other Boards**

Independent Directors are expected not to serve on the Boards of competing Companies. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five committees across all the companies in which they are Directors. For this purpose, only membership and chairmanship in Audit Committee and Stakeholders Relationship Committee are considered. Every director informs the Company about the Committee positions he/she occupies in other companies and notifies the changes as and when takes place.

#### **Board Meetings**

The Board meets atleast once in a quarter to review the financial results and other items on the agenda. The Agenda of Board Meeting is circulated to all the Directors well in advance and contains all relevant information which are distributed to the Directors in advance.

Six Board meetings were held during the year ended March 31, 2015. These were held on May 28, 2014, August 23, 2014, November 17, 2014, November 19, 2014, November 28, 2014, February 06, 2015 and the maximum gap between the two Board Meetings did not exceed 120 days. Necessary quorum was present for all meetings.

None of the Non-Executive Directors have any material pecuniary relationship or transaction with the Company.

#### **Code of Conduct**

The Company has adopted the code of conduct for all Board members and Senior Management as required under Clause 49 of the Listing Agreement. The Code is posted on the Company's website: [www.sbcsugar.com](http://www.sbcsugar.com). All Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis and a declaration to this effect signed by Mr. Abhishek Modi, Chief Executive Officer is attached to this Report.

#### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually and the Committees viz., Audit, Nomination & Remuneration and Stakeholders Relationship. A structured questionnaire was prepared after taking into consideration the inputs received from the Directors covering various aspects such as attendance, quality contributions to Board deliberations, providing perspectives and feedback going beyond the information provided by the management, commitment to shareholder and other stakeholders interests etc.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc. The performance evaluation of Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at their meeting held separately.

#### **Board training and Induction (Familiarization Programme)**

At the time of appointment, the Director is explained in detail the compliances required from him under the Companies Act and Listing Agreement and other relevant regulations and his affirmations taken.

By way of an introduction to the Company, the Chairman/CEO interacts with the newly appointed Director and explains the functioning of various divisions/departments, the Company's market share, governance and internal control processes and other relevant information pertaining to the Company's business. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfil his role as a Director of the Company. This is also given at the investors section of the Company's website [www.sbcsugar.com](http://www.sbcsugar.com) and can be accessed through the following link <http://sbcsugar.com/wp-content/uploads/2011/07/Familiarization-Programme-for-Independent-Directors.pdf>

#### **Board Committees**

The Board has constituted Committees consisting of Executive and Non-Executive Directors to ensure focused attention on various facets of business and for better accountability. Pursuant to the Companies Act, 2013, as on March 31, 2015 the Company has the following Committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Share Transfer Committee

Each of the above Committees has been mandated to operate within a given framework. The Company Secretary acts as Secretary to all the Committees. The Minutes of the proceedings of the Committee Meetings are circulated to the Directors and noted at the Board Meeting.

#### **III. Audit Committee**

The Board of Directors at its meeting held on November 19, 2014 reconstituted the Audit Committee to align the term of reference of the Committee in accordance with the provisions of the Companies Act, 2013

The powers, role and terms of reference of the Committee are in consonance with the requirements mandated under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

As on March 31, 2015, the Audit Committee of the Board comprises three members viz., Mr. Manmohan, Mr. O.P. Modi, Independent Directors. Mr. G.C. Jain, Independent Director is the Chairman of the Audit Committee. Shri. Santosh Chandra Gupta member of the Audit Committee, expired on 30.09.2014, the Committee placed on record sincere appreciation for the valuable support and guidance given by Shri Santosh Chandra Gupta to the Company during their tenure as member of the Company. Mr. G.C. Jain was present at the Annual General Meeting held on September 25, 2014. The Company Secretary acts as the Secretary to the Audit Committee.

The Internal Auditors have been engaged by the company for review and assessment of the internal policies of the company. Internal





Auditors and Statutory Auditors are also invited to the meeting of the Audit Committee as and when required by the Committee. Besides them head of finance is permanent invitee of the Audit Committee.

During the financial year ended 31st March, 2015, the Audit Committee met Six times on April 11, 2014, May 28, 2014, August 14, 2014, November 14, 2014, December 19, 2014 and February 6, 2015 and the maximum gap between the two Audit Committee Meetings did not exceed four months. The necessary quorum was present for all the meetings.

The composition of the Audit Committee and particulars of meetings held and attended by the members of the Audit Committee are given below:

S.No.	Name of the Member	Designation	Category	Number of meetings during the year 2014-15	
				Held	Attended
1.	Mr. G.C. Jain*	Chairman	Non- Executive & Independent Director	6	6
2.	Mr. Manmohan	Member	Non -Executive & Independent Director	6	0
3.	Mr. O.P. Modi	Chairman	Non -Executive & Independent Director	6	6

\* Mr. G.C. Jain resigned from the Board from 7th April, 2015 and Mr. R.K. Agarwal was appointed as chairman of the Audit Committee from 29th April, 2015.

#### Role and Terms of Reference

The terms of reference of the Audit Committee are broadly as under:

- Regular review of accounts, accounting policies, financial and risk management policies, disclosures, etc.
- Review of the major accounting entries, based on exercise of judgment by management and review of significant adjustments arising out of audit.
- Review of qualifications in the draft audit report and suggesting action points.
- Establishing and reviewing the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board.
- The Committee shall have post audit discussions with the independent auditors to ascertain any area of concern.
- Establishing the scope and frequency of internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems
- Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process
- To look into matters pertaining to the Director's Responsibility Statement with respect to compliance with accounting standards and accounting policies.
- Appointment, remuneration and terms of appointment of statutory and internal auditors
- Compliance with stock exchange legal requirements concerning financial statements, to the extent applicable
- The Committee shall look into any related party transactions, i.e., transactions of the Company of a material nature, with promoters or management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large, including approval or any subsequent modification of such transactions.
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever necessary
- Evaluation of internal financial controls and risk management systems
- Review the functioning of the vigil mechanism
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee.

#### Powers of Audit Committee

- Investigate any activity within its terms of reference
- Seek information from any employee
- Obtain outside legal or other professional advice
- Secure attendance of outsiders with relevant expertise, if it considers necessary

#### Review of information by the Audit Committee

- Management discussion and analysis of financial condition and results of operations
- Financial statements and draft audit report, including quarterly / half-yearly financial information
- Reports relating to compliance with laws and to risk management
- Records of related party transactions
- Management letters / letters of internal control weaknesses issued by statutory / internal auditors and
- The appointment, removal and terms of remuneration of the head of the internal audit function etc.

#### IV. Nomination and Remuneration Committee

Pursuant to Section 178 (1) of the Companies Act, 2013 the Board of Directors in its meeting held on November 28, 2014 the Remuneration Committee of the Company was renamed as "Nomination & Remuneration Committee" to align the composition and terms of reference of the Committee in accordance with the provisions of Companies Act, 2013.





Composition and the details of the Meetings of the Committee held and attended during the year 2014-2015.

As on March 31, 2015, the Nomination & Remuneration Committee comprises three members viz., Mr. N.P. Bansal, Mr. Manmohan and Mr. G.C. Jain, an independent director, is the Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee. Mr. G. C. Jain, Chairman of the Committee was present at the Annual General Meeting held on September 25, 2014.

The composition of the Nomination and Remuneration Committee and particulars of meetings held and attended by the members of the Committee are given below:

S.No	Name of the Member	Category	Number of meetings during the year 2014-15	
			Held	Attended
1.	Mr. G.C. Jain Chairman	Non- Executive & Independent Director	1	1
2.	Mr. Manmohan	Non -Executive & Independent Director	1	0
3.	Mr. N.P. Bansal	Non -Executive	1	1

#### Terms of Reference

The Terms of reference of the Committee are given below:

The role of the Nomination and Remuneration Committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down and recommend to the board their appointment, removal and shall carry out evaluation of every director's performance.
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
6. Determine and recommend to the Board, the remuneration payable including any revision in remuneration payable to Managing Director/ Executive Directors/ Non-Executive Directors.
7. Take into consideration and ensure compliance of the provisions under Schedule V of the Companies Act, 2013 and the rules made thereunder while determining the remuneration.
8. Consider such other matters as the Board may advise the Committee.

#### Remuneration Policy

##### i. Non- Executive Directors

Non-Executive Directors are paid sitting fees at Rs. 1,000/- for every Board Meetings. The Company also reimburses the out of pocket expenses incurred by the Directors for attending the Meetings. The details of sitting fees paid to the Non-Executive Directors for the financial year 2014-15 are as under:

Name of the Director	Sitting Fes (in Rupees)
Shri. U.K. Modi	2000/-
Smt. Kumkum Modi	1000/-
Shri. Jayesh Modi	1000/-
Shri. G.C. Jain	5000/-
Shri. Manmohan	1000/-
Shri. O.P. Modi	6000/-
Shri. N.P. Bansal	6000/-

##### ii. Remuneration of Executive Directors

The remuneration and reward structure of Executive Directors including Managing Director and other employees comprise of fixed compensation, variable compensation in the form of annual incentive, benefits and work related facilities and perquisites.

The Nomination and Remuneration Committee determines the remuneration of the Managing Director. While determining the remuneration, the Committee shall take into account the financial position of the Company, prevailing trend in the industry, qualification, experience and past performance of the person. The performance incentive is determined based on performance parameters as per the Company's Policy and also based on certain pre-agreed performance parameters.

The detailed Remuneration Policy formulated by the Committee for members of the Board, Key Managerial Personnel and other employees of the Company is annexed to the Directors Report.

The Company does not have any Employees Stock Option Scheme.



Pursuant to Schedule V of the Companies Act, 2013 read with Clause VIII (c) of the Listing Agreement the details of remuneration paid to Mr. S.C. Gupta, erstwhile Whole Time Director for the period from April 1, 2014 to June 17, 2014 are furnished hereunder:

(Rs. In Lacs)

S.No.	Name Of the Director	Salary	Perquisites and other benefits	Commission	Others	Total
1.	Shri. S.C. Gupta	14.05	0.57	-	-	14.62

Mr. S.C. Gupta tenure ended on June 17, 2014.

#### V. Stakeholders Relationship Committee

Pursuant to Section 178 (1) of the Companies Act, 2013 the Shareholders/Investors Grievance Committee of the Company was renamed as "Stakeholders Relationship Committee" on November 28, 2014.

The Committee adopted a revised terms of reference on November 28, 2014 in accordance with the Companies Act, 2013 and the Listing Agreement. The Terms of reference of the Committee are given below:

The role of the Stakeholders Relationship committee shall, inter-alia, include the following:

1. Dealing with the investor's complaints like delay in transfers of shares, non-receipt of balance sheet, non-receipt of declared dividends/ share certificates, dematerialization of shares, replacement of lost/stolen/ mutilated share certificates, etc.
2. Investigate into investors complaints and take necessary steps for redressal thereof
3. To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Companies Act, 2013 and the rules made thereunder, Listing Agreements and the guidelines issued by SEBI or any other regulatory authority.
4. Approval of the share transfers and/or delegation thereof.

Composition and the details of the Meetings of the Stakeholders Relationship Committee held and attended during the year 2014-15

As on March 31, 2015, the Stakeholders Relationship Committee comprises Mr. N. P. Bansal, Mr. Manmohan and Mr. G.C. Jain, is the Chairman of the Committee. The composition of the Committee meets the requirements of Clause 49 of the Listing Agreement. The Company Secretary acts as the Secretary of the Committee.

During the financial year 2014-15, the Committee met four times on May 28, 2014, August 14, 2014, November 14, 2014 and February 6, 2015.

**The composition of the Stakeholders Relationship Committee and particulars of meetings held and attended by the members of the Committee are given below:**

S.No	Name of the Member	Category	Number of meetings during the year 2014-15	
			Held	Attended
1.	Mr. G.C. Jain Chairman	Non- Executive & Independent Director	4	4
2.	Mr. Manmohan	Non -Executive & Independent Director	4	0
3.	Mr. N.P. Bansal	Non -Executive	4	4

**The details of the complaint received and redressed during the financial year 2014-15 are given below:**

Particulars	Status
Complaints as on April 1, 2014	NIL
Received during the year	NIL
Resolved during the year	NIL
Pending as on March 31, 2015	NIL

In terms of Clause 47(f) of the Listing Agreement, the designated e-mail address for investors complaints is [investors@sbecsugar.com](mailto:investors@sbecsugar.com)

**Name, Designation and address of Compliance officer:**

Mr. Shobit Nehra  
Company Secretary  
SBEC Sugar Limited  
Village Loyan, Malakpur,  
Tehsil Baraut,  
Dist. Baghpat- 250611  
Uttar Pradesh  
Email: [investors@sbecsugar.com](mailto:investors@sbecsugar.com)



## VI. General Body Meetings:

### (a) Annual General Meetings

Location and time of the last three Annual General Meetings:-

Year	Date & Time of Meeting	Location	Special Resolution passed (Yes/ No)
2013-14	September 25, 2014 at 2.30 P.M.	Village: Loyan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh	Approval of the borrowing powers of the Board pursuant to the provisions of Section 180(1) (c) of the Companies Act, 2013
2012-13	September 30, 2013 at 2.30 P.M.	- do -	Re-Appointment of Mr. Santosh Chandra Gupta as Whole Time Director (Works) pursuant to the Section 198, 269, 309, 310 and Schedule XIII.
2011-12	September 29, 2012 at 2.30 P.M.	- do -	Re-Appointment of Mr. Santosh Chandra Gupta as Whole Time Director (Works) pursuant to the Section 198, 269, 309, 310 and Schedule XIII. Alteration of existing Capital Clause appearing in Article 4 of AOA pursuant to Section 31 of the Companies Act, 1956.

### b) Extraordinary General Meetings

No Extraordinary General Meeting of the Members was held during the year 2014-15.

### (c) Postal Ballot

For the year ended March 31, 2015 there have been no Ordinary or Special Resolutions passed by the Company's Shareholders through Postal Ballot.

## VII. Disclosures

- During the year, there were no material related party transactions that may have potential conflicts with the interests of the Company at large. Transactions with related parties are disclosed in Notes to Accounts. Disclosures from Senior Management that there had been no material financial and commercial transactions that had a potential conflict with the interest of the Company at large, were placed before the Board.
- There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by Stock Exchanges or Securities Exchange Board of India or any statutory authority on any matter related to the capital markets during the last three years.
- Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has a Whistle-Blower Policy and Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimization of the persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No employee of the Company was denied access to the Audit Committee. The said whistle blower policy and vigil mechanism has been hosted on the website of the Company at: [www.sbcsugar.com](http://www.sbcsugar.com)
- The Company has complied with all the mandatory requirements on Corporate Governance as specified in Clause 49 of the Listing Agreement with the Stock Exchanges. Compliance reports in the prescribed format has been submitted to the Stock Exchanges for all the quarters.
- The Company has also complied with the following non-mandatory requirements:**

#### Shareholder Rights

The Quarterly, Half-yearly and Audited Financial Results are published in English language in newspaper having nation-wide circulation and also in regional language newspaper of the region where registered office of the Company is situated. Further these results are also posted on the web-site of the Company [www.sbcsugar.com](http://www.sbcsugar.com). Annual Report containing the detailed Balance Sheet and Profit & Loss Statement is also being sent to individual shareholder of the Company.

#### Audit qualifications

As mentioned in Directors Report

#### Reporting of Internal Auditor

The Internal Auditors of the Company directly report to the Audit Committee

### (vi) Share Capital Audit

A qualified practicing Company Secretary carried out the audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Share Capital audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The audit is carried out every quarter and report thereon is submitted to the Stock Exchanges and is placed before the Board of Directors.

**(vii) Compliance**

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

**(viii) Prevention of Insider Trading**

The Securities and Exchange Board of India vide its Notification dated January 15, 2015 has notified The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (New Regulations). The New Regulations will come into effect from May 15, 2015 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 shall stand repealed from that date. Under the New Regulations, the requirements of initial disclosures are applicable to promoter, key managerial personnel and director of a company and requirements of continual disclosures are applicable to promoter, employee and director of a company. As required under the New Regulations, the Company has formulated a Code of practices and procedures for fair disclosures of unpublished price sensitive information and a Code of Conduct to regulate, monitor and report trading by insiders in securities of the Company.

**(ix) Vigil Mechanism and Whistle Blower Policy**

The Company pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement has established a whistle blower policy and vigil mechanism for Directors and employees to report serious concerns that could have a large impact on the Company such as incorrect financial reporting, unethical behaviour, actual or suspected fraud, unlawful and serious and improper conduct. The said mechanism provides for adequate safeguards against harassment or victimization of person who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate cases. No employee of the Company was denied access to the Audit Committee. The said Whistle Blower Policy & Vigil Mechanism has been posted on Company's website: [www.sbcsugar.com](http://www.sbcsugar.com)

**(x) The Management Discussion and Analysis forms part of the Annual Report****(xi) Means of communication**

The Annual Reports, notices and other communications have been sent to each shareholder through the permitted mode. As per the statutory requirements under Clause 41 of the Listing Agreement with the Stock Exchanges, the quarterly/annual financial results are generally published in "Financial Express" and "Hari Bhoomi". The financial results, shareholding pattern and other updates on the working of the Company have been posted on the Company's website: [www.sbcsugar.com](http://www.sbcsugar.com). Besides the above, the Company also submits, inter-alia, to the Stock Exchanges, the full version of the Annual Report; quarterly report on corporate governance; quarterly/ yearly financial results; quarterly shareholding pattern; quarterly secretarial audit report; details of appointment/resignation of Directors and Company Secretary and such other reports as may be specified. The Company has also designated the email id: [investors@sbcsugar.com](mailto:investors@sbcsugar.com) exclusively for investor servicing.

**(xii) General Shareholder Information****1. 21st Annual General Meeting:**

Date & Day	24th September, 2015, Thursday
Time	2.30 A.M.
Venue	Village: Loyan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh-250611

**2. Financial Calander**

The Financial Year covers the period from April 1, 2014 to March 31, 2015. (Both days Inclusive)

**3. Date of Book Closure**

18th September, 2015 to 24th September, 2015 (Both days inclusive)

**4. Dividend Payment Date**

Not Applicable

**5. Listing on Stock Exchanges**

The company is listed on the following Stock Exchanges:-

Stock Exchange	Stock Code
Bombay Stock Exchange Limited	532102
The Calcutta Stock Exchange Association Limited	-

The Company has paid annual listing fee to Bombay Stock Exchange Limited for the year 2014-15.

The Company had initiated steps to get the shares delisted from The Calcutta Stock Exchange Association Limited. However, application for delisting of the shares is still pending with The Calcutta Stock Exchange Association Limited.

**6. Market Price Data:**

Monthly High & Low quotes and Volume of Shares traded from 1st April, 2014 to 31st March, 2015 are as follows:-



Month	High Price	Low Price	Close Price	Volume
April 2014	9.58	8.6	8.6	2584
May 2014	8.2	6.24	7.61	26753
June 2014	9	7.08	8.52	10171
July 2014	10.08	8.1	10.08	4082
August 2014	-	-	-	-
September 2014	9.89	9.58	9.89	516
October 2014	9.4	9	9	74
November 2014	9.45	8.68	8.68	783
December 2014	8.7	7.48	7.48	1320
January 2015	8.24	7.85	8.24	1000
February 2015	7.83	5.7	5.7	3345
March 2015	5.42	4.88	4.88	157

#### 7. Registrar & Share Transfer Agent

The physical transfer of Equity Shares and Electronic Connectivity for the Depository mode for both NSDL and CDSL is being provided by M/s Beetal Financial & Computer Services Pvt. Limited, Registrar & Transfer Agents of the company whose address is given below:

M/s Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, 3rd Floor,  
99, Madangir, Near Dada Harsukhdas Mandir,  
Behind Local Shopping Complex  
New Delhi –110062  
Ph. No. 011- 29961281-83  
Fax: 011-29961284 Email: beetal@beetalfinancial.com

#### 8. Share Transfer System:

The Equity shares of the Company are in dematerialized form. In respect of the Shares held in physical form the transfers and transmission are done by the Registrar and Share Transfer Agent of the Company viz. M/s Beetal Financial & Computer Services Pvt. Ltd.

The Company obtains half yearly certificate from a Company Secretary in Practice relating compliance with the shares transfer formalities as required under Clause 47 ( c ) of the Listing Agreement with the Stock Exchange and files a copy of the certificate with the Stock Exchanges, from time to time.

#### 9. Distribution of Shareholdings as on 31st March, 2015.

No. of Shares	Number of Shareholders	Number of Shares	% of total Shares
Upto 5000	2314	878355	1.84
5001 - 10000	463	421748	0.88
10001 – 20000	177	299819	0.63
20001- 30000	317	834609	1.75
30001 – 40000	51	185559	0.39
40001 – 50000	144	704565	1.49
50001 - 100000	126	958493	2.01
100001 and above	98	43370732	91.01
Total	3690	47653880	100.00

#### 10. Shareholding Pattern as on March 31, 2015

S.No.	Category of Shareholder	Total No. of Shares	% of Shareholding
A	<b>PROMOTER AND PROMOTER GROUP</b>	31055462	65.17
	Sub Total (A)	31055462	65.17
B	<b>PUBLIC SHAREHOLDING</b>		
I	<b>INSTITUTIONS</b>		
a	Foreign Institutional Investor	959700	2.01
II	<b>NON-INSTITUTIONS</b>		
a	Bodies Corporate	8614067	18.08
b	Individuals	7011218	8.76
c	NRI/ OCB	1272	0.00
d	HUF	12161	0.03
	Sub-Total [B=(BI + BII)]		
	Total (A+B)	47653880	100.00

**11. Dematerialization of equity Shares and liquidity**

The trading in Equity Shares of the Company is permitted in dematerialized form. The Company has joined National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the trading. Accordingly, it may kindly be requested to all the shareholders who are holding the shares in physical form to get their shares converted into demat form and thereby avail the option of scripless trading. For this purpose, Shareholders can open a de-mat account with a depository participant (DP) to avail the facility of dematerialization of shares or shareholders having de-mat account can surrender their share certificate to their respective DPs. As on 31st March 2015, 79.39% of the Company's total listed capital representing 37832890 shares were held in dematerialized form and the balance 20.61 % comprising 9820990 shares were held in physical form.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company is INE948G01019.

**12. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity**

The Company has no outstanding GDRs / ADRs / Warrants or any Convertible Instruments.

**13. Plant Location of the Company**

Village: Loyan Malakpur, Tehsil Baraut, Dist. Baghpat, Uttar Pradesh-250611

**14. Address for Correspondence**

All the queries of investors regarding the Company's shares may be sent at the following address:

**SBEC SUGAR LIMITED**

Village Loyan, Malakpur,

Tehsil Baraut,

Dist. Baghpat- 250611

Uttar Pradesh

Email: investors@sbecsugar.com

Website: www.sbecsugar.com

**15. CEO/ CFO CERTIFICATION**

As required by Clause 49 of the Listing Agreement, the Certificate duly signed by Mr. Abhishek Modi, Whole Time Director & Chief Executive Director and Mr. Lakhmi Chand Sharma, Chief Financial Officer of the Company (w.e.f. 27th May, 2015) was placed before the Board of Directors at its meeting held on August 13, 2015.

**16. CODE OF CONDUCT**

The Company had adopted the Code of Conduct for all employees, Non- Executive Directors. The Code of Conduct for the Employees as well as Non- Executive Directors is posted on the Company's Website www.sbecsugar.com.

Further, all the Board Members and Senior Management personnel (as per Clause 49 of the Listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Chief Executive Officer forms part of this report.

**Declaration**

I, Abhishek Modi, Whole Time Director & Chief Executive Officer of SBEC Sugar Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Director's in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2015.

Place: New Delhi  
Date: August 13, 2015

Sd/-  
Abhishek Modi  
Chief Executive Officer

For & behalf of the Board  
SBEC Sugar Limited

Umesh Kumar Modi  
(Chairman & President)  
(DIN: 00002757)

Place: New Delhi  
Date: 13th August, 2015



## REPORT ON CORPORATE GOVERNANCE

To,

The Members of SBEC Sugar Limited

We have examined the compliance of the conditions of corporate governance and procedure implemented by SBEC Sugar Limited for the period ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor expression of an opinion on financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor efficiency and effectiveness with which the management has conducted the affairs of the Company.

For R. Singhal & Associates  
Company Secretaries

(Rahul Singhal)

Prop.

M. No. 29599

PLACE: NEW DELHI

DATED:13.08.2015





## INDEPENDENT AUDITORS' REPORT

To The Members of SBEC Sugar Limited

### Report on the Standalone Financial Statements

We have audited the accompanying financial statements of SBEC Sugar Limited ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Basis for Qualified Opinion

- i) The Company has not made provision for interest, on late payment of cane dues for the year of Rs.3541.64 lacs & for earlier years Rs. 2504.79 lacs aggregating to Rs. 6046.43 lacs. Accordingly manufacturing expense and net losses for the year would have been higher by Rs. 3456.78 lacs and its consequential impact on current liabilities and EPS.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the affects of matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) The Companies financials have been prepared on "Going Concern" as the company has continued its normal manufacturing operations during the season 2014-15.

Note No.41 in the financial statements indicates that The company in terms of Board of Director's resolution dated 6th July 2013 has filed a reference with the Board for Industrial and Financial Reconstruction (BIFR) U/S 15(1) of the Sick Industrial companies (Special Provisions) Act 1985 (SICA) vide its letter dated 24th July 2013 and as per communication received from BIFR vide its letter No. 3/(S-22)/





BC/2013 dated 21st August 2013, The said reference has been registered by BIFR as case No. 58/2013. The BIFR has declared the company as Sick u/s 3(1)(0) of SICA and appointed IDBI as operating agency u/s 17(3) of the Act. in its hearing held on dated 04.02.2014& the Draft Rehabilitation Scheme is under compilation.

- b) Note No. 45 in the financial statement regarding accounting of subsidy of Rs. 2566.06 lacs, as per PNCM Cabinet Decision dated 12th November 2014 issued by State Government of Uttar Pradesh subject to approval of appropriate authority.

Our opinion is not modified in respect of these matters.

#### **Report on other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 (iii) & (iv) to the financial statements and except for the possible effects of the matter described in paragraph of the "Basis of Qualified Opinion".
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Mukesh Goyal  
Partner

Membership No.-081810

Place: New Delhi

Dated:30th May 2015

### **ANNEXURE TO AUDITORS' REPORT**

(Annexure referred to in our report of even date)

- i. (a) The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
- (b) The Fixed assets have not been physically verified by the management during the year therefore discrepancies, if any, could not be determined.
- ii. (a) The inventory has not been physically verified by the management during the year.
- (b) Though the physical verification programme for inventory as envisaged by the management is, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business. However no physical verification of inventories has been done during the year.
- (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies, if any, compared to book records could not be determined in absence of physical verification.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of



goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.

- v. The company has deposits from public accepted during previous years. As per compliance of Section 74 of Companies Act 2013 company has to repay the deposits till 31st March 2015. The company has obtained expert legal opinion that since company is in BIFR and it is not required to repay the amount of deposit till the final order of BIFR/AAIFR. As on the date of balance sheet the outstanding amount of public deposits was Rs.6,58,25,000 and accrued interest thereon is Rs.19,04,634.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- vii. (a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, except the company has not paid Water Cess of Rs. 5,62,265 and interest of Rs. 1,59,674 to U.P. Pollution Control Board for the year 2012-13 for which a fresh demand order has been received by the company.
- (c) According to the information and explanations given to us and as per the books and records examined by us, the particulars of statutory dues of the specified statute as at the year, which have not been deposited on account of a dispute are referred to in Annexure "B".
- (d) According to the records of the Company and as explained to us the company did not have any dues on account of investor education and protection fund.
- viii. In Our Opinion, the accumulated losses of the company are more than fifty percent of its net worth. During the year company had incurred cash loss of Rs. 2580.31 Lacs. In the immediately preceding financial year also, the company had incurred cash loss. The company is a Sick Industrial Company within the meaning of Sick Industrial Companies (Special Provision) Act, 1985 & is registered with BIFR.
- ix. According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
- x. The Company has provided guarantee to SREI Infrastructure Finance Ltd. and the Government of Jharkhand in respect of loans taken by SBEC Bio Energy Limited (a subsidiary company) and Bihar Sponge Iron Limited respectively. The terms and conditions of the guarantees are prima facie, not prejudicial to the interest of the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans raised during the year by the company have been applied for the purpose for which the said loans were obtained, where such end use has been stipulated by the lender.
- xii. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

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

Place: New Delhi  
Dated: 30th May 2015

Mukesh Goyal  
Partner  
Membership No.-081810



## ANNEXURE “B” TO AUDITORS’ REPORT

Referred in Paragraph 7(C) of Annexure “A” a statement on the matters specified in the Companies (Auditors’ Report) Order, 2015 for the Year ended 31st March 2015.

Name of the Statute	Name of Dues	Amount (Rs. in Lacs)	Period to which amount relates	Forum where dispute is pending
UP VAT Act , 2008	Entry Tax imposed on Sugar Purchased and Sold	760.56	2010-11	Application Filed with Deputy Commissioner for reopen the same u/s 32
UP VAT Act , 2008	VAT imposed on Molasses, Bagasse and old scrap sold	622.68	2010-11	Application Filed with Deputy Commissioner for reopen the same u/s 32
UP VAT Act , 2008	CST imposed on Molasses sold	70.00	2010-11	Application Filed with Deputy Commissioner for reopen the same u/s 32
Central Excise, 1944	Cess on Sugar Scale	4.35	01.01.2009- 30.09.2009	Appeal submitted before CESTAT by the department against the the Commissioner (Appeals) Meerut
Finance Act, 1994	Service Tax on Commission	16.83	01.04.2008- 01.12.2010	Appeal filed before Commissioner (Appeals), Meerut
Finance Act, 1994	Service Tax on Lease Rent	1.81	2012-13	Appeal filed before Commissioner (Appeals), Meerut
Finance Act, 1994	Service Tax on Lease Rent	1.12	April 2011- March 2012	Appeal filed before Commissioner (Appeals), Meerut
Finance Act, 1994	Service Tax on Commission	150.88	2003-04	CESTAT has sent back the case to Commissioner Appeals, Meerut-1 for Remand

**BALANCE SHEET AS AT 31ST MARCH, 2015**

	NOTE NO.	As at 31.03.2015 (In Rs.)	As at 31.03.2014 (In Rs.)
<b>I. EQUITY AND LIABILITY</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2	476,940,175	476,940,175
(b) Reserves and Surplus	3	<u>(1,322,021,330)</u>	<u>(1,022,823,276)</u>
		<u>(845,081,154)</u>	<u>(545,883,101)</u>
<b>Non-current Liabilities</b>			
(a) Long-term Borrowings	4	80,357,285	39,013,081
(b) Other Long Term Liabilities	5	1,612,278	1,356,200
(c) Long-term Provisions	6	<u>16,473,250</u>	<u>12,565,699</u>
		<u>98,442,813</u>	<u>52,934,980</u>
<b>Current Liabilities</b>			
(a) Short-term Borrowings	7	501,192,907	1,109,743,715
(b) Trade Payables	8	3,769,689,237	3,327,101,831
(c) Other Current Liabilities	9	209,681,784	302,164,157
(d) Short-term Provisions	10	<u>905,678</u>	<u>3,147,819</u>
		<u>4,481,469,606</u>	<u>4,742,157,521</u>
<b>TOTAL</b>		<u>3,734,831,264</u>	<u>4,249,209,400</u>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	425,188,976	473,178,437
(ii) Intangible Assets	11	229,481	89,345
(iii) Capital Work in Progress	11 A	<u>3,601,990</u>	<u>-</u>
		<u>429,020,447</u>	<u>473,267,782</u>
(b) Non-Current Investment	12	172,582,515	173,082,500
(c) Deferred Tax Assets (net)		-	-
(d) Long-term Loans & Advances	13	705,744	766,510
(e) Other Non-Current Assets	14	<u>5,506,710</u>	<u>6,451,884</u>
		<u>607,815,416</u>	<u>653,568,676</u>
<b>Current Assets</b>			
(a) Inventories	15	1,279,800,428	2,044,348,274
(b) Trade Receivables	16	112,435,465	128,572,151
(c) Cash & Bank Balances	17	19,577,585	12,787,420
(d) Short-term Loans & Advances	18	1,594,286,033	1,289,027,556
(e) Other Current Assets	19	<u>120,916,336</u>	<u>120,905,323</u>
		<u>3,127,015,847</u>	<u>3,595,640,724</u>
		<u>3,734,831,264</u>	<u>4,249,209,400</u>

The Notes referred to above form an integral part of the Balance Sheet

In terms of our report of even date.

For & on behalf of

**DOOGAR & ASSOCIATES**

Chartered Accountants  
Firm Regn. No. : 000561N

Sd/-  
Abhishek Modi  
(Whole Time Director)  
DIN No.00002798

Sd/-  
Jayesh Modi  
(Director)  
DIN No. 02849637

Sd/-  
Rajeev Kumar Agarwal  
(Director)  
DIN No. 00298252

**Mukesh Goyal**  
Partner  
Membership No. : 081810

Sd/-  
Lakhmi Chand Sharma  
(Chief Financial Officer)

Sd/-  
Shobit Nehra  
(Company Secretary)

Place : New Delhi  
Date : 30th May 2015



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	NOTE NO.	For the Year ended 31.03.2015 (In Rs.)	For the year ended 31.03.2014 (In Rs.)
<b>INCOME</b>			
Revenue From Operations	20	4,236,684,249	3,826,505,352
Other Income	21	72,982,788	59,642,996
Total Revenue		<u>4,309,667,038</u>	<u>3,886,148,347</u>
<b>EXPENSES</b>			
Cost of Material Consumed	22	2,891,657,599	2,593,468,340
Purchases of Stock-in-Trade	23	472,829,659	441,222,112
Change in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	24	758,892,064	715,574,722
Manufacturing Expense	25	181,199,468	124,891,681
Employee Benefit Expense	26	96,552,939	93,494,128
Finance Cost	27	92,135,632	258,405,293
Depreciation & Amortisation Expense	11	28,114,793	61,313,624
Administration Expenses	28	48,694,143	38,315,431
Selling Expense	29	23,437,952	33,263,201
Prior Period Items	30	2,298,228	61,809,141
<b>Total Expenses</b>		<u>4,595,812,478</u>	<u>4,421,757,672</u>
Profit / (Loss) before exceptional and extraordinary items and tax		(286,145,440)	(535,609,325)
Exceptional Items		-	-
Profit / (Loss) before extraordinary items and tax		(286,145,440)	(535,609,325)
Extraordinary Items		-	-
Profit/(Loss) before tax		(286,145,440)	(535,609,325)
<b>Tax expense :</b>			
(1) Current tax		-	-
(2) Taxes for earlier year			
Excess provision for Tax Written Back		-	-
MAT credit written back		-	1,969,138
Less MAT Credit Entitlement		-	-
Profit/(Loss) for the period from continuing operations		(286,145,440)	(537,578,463)
Profit/(Loss) from discontinuing operations		-	-
Tax Expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations after tax		-	-
<b>Profit/(Loss) for the Year</b>		<u>(286,145,440)</u>	<u>(537,578,463)</u>
<b>Earning per equity share:(Par value of Rs.10 each)</b>			
(1) Basic	31	(6.00)	(11.28)
(2) Diluted	31	(6.00)	(11.28)

In terms of our report of even date.

For & on behalf of

**DOOGAR & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No. : 000561N

Sd/-  
Abhishek Modi  
(Whole Time Director)  
DIN No.00002798

Sd/-  
Jayesh Modi  
(Director)  
DIN No. 02849637

Sd/-  
Rajeev Kumar Agarwal  
(Director)  
DIN No. 00298252

**Mukesh Goyal**  
Partner  
Membership No. : 081810

Sd/-  
Lakhmi Chand Sharma  
(Chief Financial Officer)

Sd/-  
Shobit Nehra  
(Company Secretary)

Place : New Delhi  
Date : 30th May 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	Current Year (Rs. in Lacs)	Pervious Year (Rs. in Lacs)
<b>A) Cash Flow from Operating Activities</b>		
Profit / (Loss) Before Tax as per Profit and Loss Account	(2,861.45)	(5,356.09)
Adjustments For :		
Interest Expenses	921.36	2,584.05
Interest Income	(3.03)	(2.63)
Dividend Income	(0.60)	(0.60)
Loss on sale of Fixed Assets	-	0.64
Provision for Obsolete Store Items	16.25	2.28
Wealth tax	0.21	0.31
Depreciation	281.15	613.14
Loss on Sale of Investment	4.75	-
Unclaimed credit balances written back	150.18	(48.57)
<b>Operating Profit before Working Capital Changes</b>	<b>(1,491.20)</b>	<b>2,207.47</b>
Adjustments For :		
Trade and Other Receivables	161.37	(131.18)
Inventories	7,629.22	7,053.39
Trade Payables	4,425.87	12,426.50
Loans & Advances / Other Current Assets	(3,047.10)	-
Liabilities & Provision	(1,056.00)	-
Cash generated from Operating Activities	<b>8,622.18</b>	<b>17,140.80</b>
Direct Taxes (Paid)/Refund	0.60	(0.43)
<b>Net Cash Flow from Operating Activities</b>	<b>6,622.78</b>	<b>17,140.80</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(3.52)	(10.66)
Capital Work in Progress	(36.02)	-
Realisation from Fixed Assets	70.34	1.35
Sale / (Purchase) of Investments	0.25	-
Dividend Income	0.60	0.60
Interest Received	3.03	2.63
<b>Net Cash Flow from Investing Activities</b>	<b>34.69</b>	<b>(6.10)</b>
<b>C) Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings (Net)	413.44	(416.53)
Proceeds from Short Term Borrowings (Net)	(6,085.51)	(14,370.90)
Net Interest (Paid)	(921.36)	(2,584.06)
<b>Net Cash Flow from Financing Activities</b>	<b>(6,593.42)</b>	<b>(17,371.49)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>64.04</b>	<b>(236.78)</b>
Cash and Cash Equivalents as on 1st April 2014 (Opening Balance)	118.07	354.85
Cash and Cash Equivalents as on 31st March 2015 (Closing Balance)	182.11	118.07
<b>Net Increase as disclosed above</b>	<b>64.04</b>	<b>(236.78)</b>
1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.		
2 Previous period figures have been regrouped/rearranged wherever considered necessary.		
3 Cash and Cash equivalent at the end of the period consist of Cash, Stamps in hand, Cheques in Hand and Balances with Banks:		
Cash & Stamps in Hand	2.78	3.55
Balances with Banks	179.33	114.52
<b>TOTAL</b>	<b>182.11</b>	<b>118.07</b>

The Notes referred to above form an integral part of the Balance Sheet

In terms of our report of even date.

For & on behalf of

**DOOGAR & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No. : 000561N

Sd/-  
Abhishek Modi  
(Whole Time Director)  
DIN No.00002798

Sd/-  
Jayesh Modi  
(Director)  
DIN No. 02849637

Sd/-  
Rajeev Kumar Agarwal  
(Director)  
DIN No. 00298252

**Mukesh Goyal**  
Partner  
Membership No. : 081810

Sd/-  
Lakhmi Chand Sharma  
(Chief Financial Officer)

Sd/-  
Shobit Nehra  
(Company Secretary)

Place : New Delhi  
Date : 30th May 2015



## NOTES TO THE FINANCIAL STATEMENT

### Note:1. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended and as applicable from time to time) and the relevant provisions of the Companies Act 2013 & Companies Act 1956 as applicable as on the date. The financial statements have been prepared on an accrual basis and under the historical cost convention on going concern basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### Note: 1A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1A. (i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### 1A. (ii) Recognition of Revenues & Expenses

- (a) Incomes, Export Incentives/benefits and all Expenditures are accounted for on accrual basis except for interest on account of delayed payments/overdue outstanding to various parties and insurance claims, where there is no reasonable certainty regarding the amount and/or its collectability. Interest income is stated in full with tax thereon being accounted under advance tax.
- (b) Domestic Sales are recognized on dispatch of goods by the Company to its customers whereas the company recognizes export sales on transfer of risk and rewards of goods to its customers.
- (c) Dividends income is recognized when the shareholders right to receive payment was established by the balance sheet date.

#### 1A. (iii) Inventory Valuation

- (a) Finished Goods:
  - (i) Free Sugar - at lower of cost or net realizable value.
  - (ii) Levy Sugar - at lower of cost or levy price.
- (b) Goods in Process - at cost
- (c) Raw material - at cost
- (d) Stores and spares - at cost (computed on FIFO basis)
- (e) Molasses (By-product) is valued at net realizable value.
- (f) Provision for obsolescence and other anticipated losses are made on the stocks, whenever identified / considered necessary.

#### 1A. (iv) Fixed & Intangible Assets

- (a) Fixed Assets are stated at historical cost less accumulated depreciation. Historical cost comprises all costs relating to acquisition and installation of fixed assets.
- (b) Government grants relating to specific fixed assets are deducted from the gross value of the assets concerned in arriving at their book value.
- (c) Intangible assets are recognized on the basis of recognition criteria as set out in Accounting Standard (AS) - 26 "Intangible Assets".
- (d) Factory Approach Road represents expenditure incurred & capitalized by the company on roads outside factory premises & are written off over a period of Five years.

#### 1A. (v) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 1A. (vi) Depreciation

Depreciation has been charged on the following basis:

- (a) Leasehold Land is being amortized over the period of the Lease.
- (b) Assets leased out are written off over the period of lease at cost less terminal transfer price.
- (c) Assets below Rs. 5000/- are fully depreciated in the year of addition.
- (d) Other assets are being depreciated on the straight-line method as per the useful life mentioned in Schedule II of Companies Act, 2013.
- (e) Software's of the nature of Intangible Assets are amortized over a period of 5 years.





- (f) In the case of assets where an impairment loss is recognized, the revised carrying amount is depreciated over the remaining estimated useful life.

**1A. (vii) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost individually. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments in case of long term investments.

**1A. (viii) Foreign Currency Transactions**

**Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency, are reported using the exchange rates that existed when the values were determined. Investments in foreign companies are considered at the exchange rates prevailing on the date of their acquisition.

**Exchange Differences**

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss in the year in which they arise.

**1A. (ix) Employee Benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 – “Employee Benefits”.

**(a) Provident Fund**

The Company makes contribution to provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

**(b) Gratuity**

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year to which such gains or losses relate.

**(c) Compensated Absence**

Liability in respect of compensated absence becoming due or expected after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

**1A. (x) Pre-operative Expenses and Miscellaneous Expenditure**

Expenses incurred during the pre-operative period are allocated to the respective fixed assets on commencement of commercial operations.

**1A. (xi) Impairment of Assets**

Assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units). For the purpose of assessing impairment at each Balance Sheet date, Assets within a Cash Generating Unit are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount at which the assets under individual Cash Generating Unit are carried in the books exceeds its recoverable amount being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the assets.

Previously recognized impairment losses, relating to assets other than goodwill, are reversed where the recoverable amount increases because of favourable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in prior years.

**1A. (xii) Tax on Income**

- (a) Tax expense comprises of current and deferred. Provision for Current Tax is made in accordance with the provisions of Income Tax Act, 1961.
- (b) In accordance with Accounting Standard AS-22 ‘Accounting for Taxes on Income’ as notified by Companies (Accounting Standards)



Rules, 2006 Deferred Tax Liability/ Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years. However, deferred tax assets are recognized only if there is a reasonable/ virtual certainty of realization thereof. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date to reassess realization.

- (c) In MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

#### **1A. (xiii) Leases**

##### **(a) Finance Lease**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

##### **(b) Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### **1A. (xiv) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends related to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **1A. (xv) Interim Financial Reporting**

Quarterly financial results are published in accordance with the requirement of listing agreement with Stock Exchange. The recognition and measurement principal as laid down in the Accounting Standard (AS) - 25 "Interim Financial Reporting" have been followed in the preparation of these results.

#### **1A. (xvi) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. A contingent liability is recognized for:

- (a) a present obligation that arises from past events but is not recognized as a provision because either the possibility that an outflow of resources embodying economic benefits will be required to settle the obligation is remote or a reliable estimate of the amount of the obligation cannot be made; and
- (b) a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent assets are neither accounted for nor disclosed in the financial statements.

#### **1A. (xvii) Cash and Cash Equivalents**

Cash and Cash equivalents comprise cash and cash deposit with banks and corporations. The company considers all highly liquid investments with the remaining maturity at the date of purchase of 3 months or less. And that are readily convertible to known amounts of cash to be cash equivalents.

**NOTES TO BALANCE SHEET**

	<b>As at 31.03.2015 (In Rs.)</b>	<b>As at 31.03.2014 (In Rs.)</b>
<b>NOTE 2 : SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
100,000,000 (Previous Year 55,000,000) Equity Shares of Rs. 10/- each	<b>1,000,000,000</b>	1,000,000,000
<b>ISSUED &amp; SUBSCRIBED CAPITAL :</b>		
47,814,430 (Previous Year 47,814,430) Equity Shares of Rs. 10/- each	<b>478,144,300</b>	478,144,300
<b>PAID UP :</b>		
47,653,880 (Previous Year 47,653,880) Equity Shares of Rs. 10/- each	<b>476,538,800</b>	476,538,800
Share Forfeiture Account	<b>401,375</b>	401,375
<b>TOTAL</b>	<b><u>476,940,175</u></b>	<b><u>476,940,175</u></b>

**a) Terms/rights attached to Equity Shares**

Company has only one class of equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to approval of shareholders, in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**b) Detail of Shareholders holding more than 5% Equity Shares in the company**

Name of Shareholder	<b>As at 31.03.2015</b>		<b>As at 31.03.2014</b>	
	No. of shares Held	%age of Holding	No. of shares Held	%age of Holding
Equity Shares				
1 M/s SBEC Systems (India) Ltd.	14,230,884	29.86%	14,230,884	29.86%
2 M/s Moderate Leasing & Capital Services Ltd	9,065,568	19.02%	4,215,289	8.85%
3 Abhikum Leasing & Investment Pvt. Ltd.	5,531,994	11.61%	-	0.00%
4 M/s A to Z Holding Pvt. Ltd.	3,382,500	7.10%	3,128,400	6.56%
5 M/s Longwell Investments Pvt. Ltd.	2,721,500	5.71%	2,721,500	5.71%
6 M/s Kumabhi Investments Pvt. Ltd.	-	0.00%	2,387,050	5.01%

**c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	<b>2014-15</b>		<b>2013-14</b>	
	<b>No. of shares</b>	<b>(Amount in Rs.)</b>	<b>No. of shares</b>	<b>(Amount in Rs.)</b>
Equity Shares				
At the beginning of the year	4,76,53,880	476,538,800	4,76,53,880	476,538,800
Add: Shares Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	4,76,53,880	476,538,800	4,76,53,880	476,538,800



	As at <b>31.03.2015</b> (In Rs.)	As at <b>31.03.2014</b> (In Rs.)
<b>NOTE 3 : RESERVES &amp; SURPLUS</b>		
<b>Surplus / (Deficit)</b>		
Balance as per last financial statement	(1,029,632,589)	(491,209,650)
Balance as per last financial statement	(13,052,613)	-
Balance in Statement of Profit & Loss	(286,145,440)	(537,578,463)
Add: Transfer from Reserves	1,285,718	-
Less: Transfer to Reserves	151,551	844,476
Closing balance	<u>(1,327,696,476)</u>	<u>(1,029,632,589)</u>
<b>Capital Reserve</b>		
Balance as per last financial statement	4,916,625	4,916,625
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
<b>Closing balance</b>	<u>4,916,625</u>	<u>4,916,625</u>
<b>Other Reserve- Molasses Storage Fund</b>		
Balance as per last financial statement	1,892,688	1,048,212
Add: Additions during the year	151,551	844,476
Less: Deductions during the year	1,285,718	-
<b>Closing balance</b>	<u>758,521</u>	<u>(1,892,688)</u>
<b>TOTAL</b>	<u>(1,322,021,330)</u>	<u>(1,022,823,276)</u>

**NOTE 4 : LONG-TERM BORROWINGS****A. Secured Borrowings**

a) Vehicle Loans	57,854	432,644
b) Hire Purchase - First Leasing Co. of India Ltd.	35,126,441	10,323,529
c) Pledge Account with The U.P. Co-operative Bank Ltd.	34,625,990	-
<b>SUB-TOTAL (A)</b>	<u>69,810,285</u>	<u>10,756,173</u>

**B. Unsecured Loans**

a) Fixed Deposits from Public	-	-
b) Deposits from Selling agents	10,547,000	28,256,908
<b>SUB-TOTAL (B)</b>	<u>10,547,000</u>	<u>28,256,908</u>
<b>TOTAL (A+B)</b>	<u>80,357,285</u>	<u>39,013,081</u>

**Note : Terms of repayment / details of security are as follows :**

(Rs. In lacs)

Lending Institution	Outstanding As at 31.03.2015	2015-16	2016-17	2017-18	2018-19	2019-20
Kotak Mahindra Prime Ltd.	218,304	160,450	57,854	-	-	-
ICICI Bank Ltd.	231,550	231,550	-	-	-	-
U.P. Co-operative Bank Ltd.	56,625,990	22,000,000	24,000,000	10,625,990	-	-
First Leasing Company of India Ltd.	44,949,961	9,823,520	35,126,441	-	-	-

- Amounts payable against vehicle loans are secured against the hypothecation of specific assets acquired.
- Vehicle loans from HDFC Bank Ltd., Kotak Mahindra Prime Ltd., and ICICI Bank Ltd. carry interest @ 10.00-12.00% and Hire Purchase of Plant & Machinery from First Leasing company of India Ltd carry interest @ 17.92%
- Fixed Deposits carry interest @10.50-11.00 % and repayable within one to three Years from the date of Deposits.
- Outstanding amount and schedule of payment of First Leasing Company of India Ltd. (shown under note No. 9-Current maturity of long term loan) remained unreconciled/ unconfirmed.
- Pledge Accounts with the U.P. Co-operative Bank Ltd. which was earlier secured by the pledge of stocks of sugar & second charge on the assets of company and was further secured by personal guarantee of two directors of the company, This loan now stands restructured with reference to repayment and charges. Now the company has created an equitable mortgage of the land free from encumbrance, first charge on the assets of company & is further secured by personal guarantee of two directors which is in continuation.
- Credit facilities availed from U.P. Co-Operative aBank Limited now converted in Working Capital Term Loan which is repayable in maximum 36 installments alongwith interest@11.75 accordingly grouping has been changed and considered under long term borrowings.



	As at <b>31.03.2015</b> (In Rs.)	As at 31.03.2014 (In Rs.)
<b>NOTE 5 : OTHER LONG-TERM LIABILITIES</b>		
Security Deposit Received	1,376,200	1,356,200
Retention Money	236,078	-
<b>Total</b>	<u>1,612,278</u>	<u>1,356,200</u>

**NOTE 6 : LONG-TERM PROVISIONS**

Provision for Employee Benefits :		
For Leave Encashment	3,086,145	1,152,035
For Gratuity	13,387,105	11,413,664
<b>Total</b>	<u>16,473,250</u>	<u>12,565,699</u>

**NOTE 7 : SHORT-TERM BORROWINGS**
**A Secured Borrowings**

a) Pledge Account with The U.P. Co-operative Bank Ltd. (Refer foot note of Note No. 4)	-	490,736,420
c) OD Account with The Shamrao Vithal Co-Operative Bank Ltd.	-	989,659
<b>SUB-TOTAL (A)</b>	<u>-</u>	<u>491,726,079</u>

**B Unsecured Loans**

a) Inter Corporate Deposits	501,192,907	618,017,636
<b>SUB-TOTAL (B)</b>	<u>501,192,907</u>	<u>618,017,636</u>
<b>Grand Total (A+B)</b>	<u>501,192,907</u>	<u>1,109,743,715</u>

- 1 Pledge Accounts with The U.P. Co-operative Bank Ltd. and The Shamrao Vithal Bank, are secured by the pledge of stocks of sugar and are further secured by personal guarantee of two directors of the company.
- 2 OD Account with The Shamrao Vithal Bank, is secured by the pledge of FDR of Rs. 11,00,000/-

**NOTE 8 : TRADE PAYABLES**

Sundry Creditors		
- For Sugarcane (including expenses related to Cane)	3,230,544,002	2,890,082,190
Others	539,145,236	437,019,641
<b>TOTAL</b>	<u>3,769,689,237</u>	<u>3,327,101,831</u>

- 1 Followings are the relevant disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006:
  - a) Sundry creditors include a sum aggregating Rs.4.84 Lacs (Previous Year Rs. 1.12), due to Micro and Small Enterprises.
  - b) The amount of interest paid by the Company in terms of Section 16, along with the amount of payments made to the Micro and Small Enterprise beyond the appointed date during the year - Nil (Previous Year Rs. Nil)
  - c) The amount of interest accrued and remaining unpaid Rs.0.21 Lacs (Previous Year Rs. 0.10 Lac)  
The above mentioned outstanding are in normal course of business and the information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

**NOTE 9 : OTHER CURRENT LIABILITIES**

	As at 31.03.2015 (In Rs.)	As at 31.03.2014 (In Rs.)
Current maturity of long term loans		
Fixed Deposits from Public	-	13,425,000
Unclaimed Fixed Deposit from public	65,825,000	54,900,000
Pledge Account with The U.P. Co-operative Bank Ltd.	22,000,000	-
Hire Purchase - First Leasing Co. of India Ltd.	9,823,520	36,323,139
Vehicle Loans	392,000	632,000
Statutory Dues	80,822,209	84,425,794
Interest accrued but not due on borrowings	-	353,515
Interest accrued and due on borrowings	4,406,418	27,966,445
Bills Payable Acceptance	43,440	5,251,943
Advance Against Sales	7,755,283	62,024,286
Employees Related dues	15,934,715	14,182,837
Retention Money	2,679,198	2,679,198
<b>TOTAL</b>	<b>209,681,784</b>	<b>302,164,157</b>

**NOTE 10 : SHORT-TERM PROVISIONS**

Provision for Employee Benefits		
For Leave Encashment	102,215	1,875,634
For Gratuity	782,529	1,241,351
Others		
For Wealth Tax	20,934	30,834
<b>Total</b>	<b>905,678</b>	<b>3,147,819</b>

**NOTE 11 : FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMOR TIZATION				NET BLOCK	
	As at 01.04.2014	Addition During the Year	Adjustments	As at 31.03.2015	Upto 31.03.2014	Provided During the Year	Adjus- tments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>A. TANGIBLE ASSETS</b>										
LAND - FREEHOLD	1,915,226	-	-	1,915,226	-	-	-	-	1,915,226	1,915,226
LAND - LEASE HOLD	5,642,858	-	-	5,642,858	963,477	63,701	-	1,027,178	4,615,680	4,679,381
LEASE HOLD IMPROVEMENT	84,740	-	-	84,740	84,740	-	-	84,740	-	-
FACTORY BUILDING & TRANSIT HOUSE	117,794,313	-	-	117,794,313	35,306,275	3,405,409	10,197,537	48,909,221	68,885,092	82,488,038
PLANT & MACHINERY	1,007,367,789	89,000	7,034,271	1,000,422,518	644,133,238	17,095,491	1,410,203	662,638,932	337,783,585	363,234,550
OFFICE EQUIPMENT	3,233,116	28,627	-	3,261,743	1,547,935	323,116	777,119	2,648,170	613,573	1,685,181
COMPUTER EQUIPMENT	8,233,447	27,775	-	8,261,222	6,182,627	1,084,765	213,318	7,480,709	780,513	2,050,820
FURNITURE & FIXTURES	6,754,546	7,200	-	6,761,746	4,605,541	680,084	315,956	5,601,582	1,160,164	2,149,005
MOTOR VEHICLES	13,021,174	-	-	13,021,174	5,756,410	1,541,588	138,481	7,436,478	5,584,696	7,264,765
FACTORY APPROACH ROAD	24,432,136	-	-	24,432,136	16,720,665	3,861,025	-	20,581,690	3,850,446	7,711,471
<b>TOTAL (A)</b>	<b>1,188,479,345</b>	<b>152,602</b>	<b>7,034,271</b>	<b>1,181,597,676</b>	<b>715,300,908</b>	<b>28,055,179</b>	<b>13,052,613</b>	<b>756,408,700</b>	<b>425,188,976</b>	<b>473,178,437</b>
<b>Previous Year</b>	<b>1,187,967,021</b>	<b>1,067,830</b>	<b>555,506</b>	<b>1,188,479,345</b>	<b>654,387,633</b>	<b>61,269,784</b>	<b>356,509</b>	<b>715,300,908</b>	<b>473,178,437</b>	<b>533,579,388</b>
<b>B. INTANGIBLE ASSETS</b>										
COMPUTER SOFTWARE	1,412,833	199,750	-	1,612,583	1,323,488	59,614	-	1,383,102	229,481	89,345
<b>TOTAL (B)</b>	<b>1,412,833</b>	<b>199,750</b>	<b>-</b>	<b>1,612,583</b>	<b>1,323,488</b>	<b>59,614</b>	<b>-</b>	<b>1,383,102</b>	<b>229,481</b>	<b>89,345</b>
<b>Previous Year</b>	<b>1,412,833</b>	<b>-</b>	<b>-</b>	<b>1,412,833</b>	<b>1,279,648</b>	<b>43,840</b>	<b>-</b>	<b>1,323,488</b>	<b>89,345</b>	<b>133,185</b>
<b>TOTAL (A+B)</b>	<b>1,89,892,178</b>	<b>352,352</b>	<b>7,034,271</b>	<b>1,183,210,259</b>	<b>716,624,396</b>	<b>28,114,793</b>	<b>13,052,613</b>	<b>757,791,802</b>	<b>425,418,457</b>	<b>473,267,782</b>
<b>Previous Year</b>	<b>1,189,379,854</b>	<b>1,067,830</b>	<b>555,506</b>	<b>1,189,892,178</b>	<b>655,667,281</b>	<b>61,313,624</b>	<b>356,509</b>	<b>716,624,396</b>	<b>473,267,782</b>	<b>533,712,573</b>

- Freehold Land includes land aggregating Rs. 1.58 lacs in the name of SBEC System (India) Limited as nominee.
- Factory Approach Road, represents expenditure incurred by the company on roads outside factory premises and are written off over a period of five years.
- The company has provided depreciation as per schedule II of companies act 2013. accumulated depreciation for the previous year of rs. 130.53 lacs has been debited to retained earning
- During the year the company has taken Cenvat credit of Rs. 70.34 lacs against the payment of C.V.D. on Plant & Machinery imported in earlier years. Since the company has made full & Final Payment to the custom/Excise Deptt., therefore the amount capitalized in earlier year in now being reversed and accumulated depreciation for the previous year's of Rs. 56.17 lacs has been adjusted from the current year's depreciation.



	As at 31.03.2015 (In Rs.)	As at 31.03.2014 (In Rs.)
<b>NOTE 11A : CAPITAL WORK IN PROGRESS</b>		
For Existing Operations	3,601,990	-
<b>TOTAL</b>	<b>3,601,990</b>	<b>-</b>
<b>NOTE 12 : NON-CURRENT INVESTMENT</b>		
<b>Trade Investment</b>		
(Unquoted, Valued at Cost)		
<b>Investment in Subsidiary Companies</b>		
1,26,50,000 Equity Shares of Rs.10/- each in SBEC Bioenergy Ltd.*		
(Previous year - 1,26,50,000 Equity shares of Rs.10/- each)	126,582,500	126,582,500
45,50,000 Equity Shares of Rs.10/- each in SBEC Stockholding & Investments Ltd.		
(Previous Year - 45,50,000 Equity shares of Rs. 10/- each)	45,500,000	45,500,000
<b>Sub Total (a)</b>	<b>172,082,500</b>	<b>172,082,500</b>
<b>Other Investments:</b>		
20,000 Equity Shares of Rs.25/- each in The Shamrao Vithal Co-operative Bank Ltd.		
(Previous Year - 20,000 Equity shares of Rs. 25/- each)	500,000	500,000
30 Equity Shares of Rs.10/- each in Modi Casings and Packaging Pvt. Ltd. (Formerly known as Modi Gourmet Ltd.) #		
(Previous Year - 50,000 Equity shares of Rs. 10/- each)	300	-
Less : Provision made for diminution in value of investment	285	15
<b>Sub Total (b)</b>	<b>500,015</b>	<b>500,000</b>
<b>TOTAL (a+b)</b>	<b>172,582,515</b>	<b>173,082,500</b>
*(including Rs. 0.83 Lacs Share Transfer Fee )		
Aggregate amount of unquoted investments	172,582,515	173,082,500
Aggregate provision for diminution in value of investments	285	-
# The Company ceases to be subsidiary w.e.f. 30.09.2014		
<b>NOTE 13 : LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, Considered good</b>		
Security Deposits	705,744	766,510
<b>TOTAL</b>	<b>705,744</b>	<b>766,510</b>
<b>NOTE 14 : OTHER NON-CURRENT ASSETS</b>		
Margin money with others	3,500,000	3,500,000
<b>Other Bank Balances</b>		
Balance with Scheduled Banks in -		
— Fixed Deposits Pledged with Banks	2,006,710	1,851,884
— Margin Money with Banks	-	1,100,000
<b>TOTAL</b>	<b>5,506,710</b>	<b>6,451,884</b>
<b>NOTE 15 : INVENTORIES</b>		
Goods in Process	29,060,342	46,707,782
Finished goods at Plant	1,192,900,264	1,867,861,259
Finished goods at SBEC Godown, Modinagar	-	30,984,921
Stock-in-trade (in respect of goods acquired for trading)	-	35,298,708
Stores and spares *	56,329,872	62,753,493
Other Stocks	1,509,951	742,112
<b>TOTAL</b>	<b>1,279,800,428</b>	<b>2,044,348,274</b>

\* Net of Provision for Obsolescence Rs.16.25 lacs (Previous Year Rs. 4.58 Lacs)





	As at 31.03.2015 (Amount in Rs.)		As at 31.03.2014 (Amount in Rs.)	
<b>NOTE 16 : TRADE RECEIVABLES</b>				
Debts outstanding for a period exceeding six months from the date they are due for payment				
- Secured	-		-	
- Unsecured	16,618,866		19,525	
- Doubtful	113,903	16,732,769	113,903	133,428
Other Debts				
- Secured	-		-	-
- Unsecured	95,816,599		128,552,626	-
- Doubtful	-	95,816,599	-	128,552,626
Less: Provision for Bad and Doubtful Debts		113,903		113,903
<b>TOTAL</b>		<b>112,435,465</b>		<b>128,572,151</b>
<b>NOTE 17 : CASH AND BANK BALANCES</b>				
<b>Cash and Cash Equivalents</b>				
Cash in hand		277,679		354,657
Balance with Banks in -				
— In Current Accounts		17,933,085		11,452,119
<b>Other Bank Balances</b>				
Balance with Banks in -				
— Fixed Deposits		1,366,821		980,644
<b>TOTAL</b>		<b>19,577,585</b>		<b>12,787,420</b>
<b>NOTE 18 : SHORT TERM LOAN &amp; ADVANCES</b>				
<b>Unsecured</b>				
<b>LOAN &amp; ADVANCES TO RELATED PARTIES</b>				
<b>Subsidiary</b>				
- (SBEC Stockholding & Investment Ltd.)		230,050,000		180,050,000
- (SBEC Bio Energy Ltd.)		1,032,286,270		1,042,908,955
Promoter Company - SBEC Systems (India) Limited		12,795,523		12,795,523
<b>Advance Recoverable In Cash or in Kind or for Value to be received</b>				
Unsecured	282,554,088		19,636,893	-
Doubtful -	-		-	
Less :- Provision for doubtful advances	-	282,554,088	-	19,636,893
Amount deposited under protest*		9,563,140		6,468,914
Taxes recoverable		11,940,435		3,599,006
Balance with Excise/Trade Tax Authorities		13,548,926		20,633,878
Share Application Money- Chandil Power Ltd		300,000		300,000
Prepaid Expenses		1,247,652		2,634,387
<b>TOTAL</b>		<b>1,594,286,033</b>		<b>1,289,027,556</b>
<u>*Amount deposited under protest Detail</u>				
U.P. VAT Act		3,661,768		5,664,456
Central Excise Act		5,901,372		804,458
		<b>9,563,140</b>		<b>6,468,914</b>


**NOTE 19 : OTHER CURRENT ASSETS**

	As at <u>31.03.2015</u> (In Rs.)	As at <u>31.03.2014</u> (In Rs.)
Assets held for Disposal (Also refer Note No. - 44)	120,723,371	120,652,492
Tax Deducted At Source	<u>192,965</u>	<u>252,830</u>
<b>TOTAL</b>	<u>120,916,336</u>	<u>120,905,322</u>
	For the Year <u>ended 31.03.2015</u> (Rs. In Lacs)	For the Year <u>ended 31.03.2014</u> (Rs. In Lacs)

**NOTE 20 : REVENUE FROM OPERATIONS**

a) <u>Sale of product</u>		
Sugar	4,046,759,775	3,576,893,271
b) <u>Other operating revenue</u>		
Molassses	209,592,938	264,141,638
Bagasse	130,054,553	120,967,271
Scrap Sale	4,471,291	5,019,508
Less : Excise Duty	<u>154,194,309</u>	<u>140,516,337</u>
<b>TOTAL</b>	<u>4,236,684,249</u>	<u>3,826,505,352</u>

**NOTE 21 : OTHER INCOME**

Interest Received	303,454	262,543
Sale of Export Entitlement	52,774	-
Dividend received from cooperative Society	60,000	60,000
REC Income	56,836,500	39,082,500
Miscellaneous Income	68,856	4,463,340
Purchase Tax Waiver Account	643,383	10,917,259
Excess Provision / Sundry balances written back	<u>15,017,822</u>	<u>4,857,354</u>
<b>TOTAL</b>	<u>72,982,788</u>	<u>59,642,992</u>

**NOTE 22 : COST OF MATERIAL CONSUMED**

Raw Material Consumed	2,891,657,599	2,593,468,340
Cost of stock Transfer	-	-
<b>TOTAL</b>	<u>2,891,657,599</u>	<u>2,593,468,340</u>

**NOTE 23 : PURCHASES OF STOCK IN TRADE**

Sugar Purchased For Trading	472,829,659	441,222,112
<b>TOTAL</b>	<u>472,829,659</u>	<u>441,222,112</u>

**NOTE 24 : CHANGE IN INVENTORIES OF STOCKS**

<b>Opening Stock</b>			
Finished Goods	1,898,846,180	2,364,148,899	
Goods in Process	46,707,782	31,763,772	
Stock in Trade	35,298,708	1,980,852,669	300,514,720
<b>Closing Stock</b>			
Finished Goods	1,192,900,264	1,898,846,180	
Goods In Process	29,060,342	46,707,782	
Stock in Trade	-	1,221,960,605	35,298,708
<b>Increase/(Decrease) In Stocks</b>	<u>(758,892,064)</u>	<u>(715,574,722)</u>	1,980,852,669

**NOTE 25 : OTHER MANUFACTURING EXPENSE**

	<b>For the Year ended 31.03.2015</b>	<b>For the Year ended 31.03.2014</b>
	<b>(In Rs.)</b>	<b>(In Rs. )</b>
Stores & Spares Consumed (Including Packing Exp.)	<b>96,663,532</b>	80,349,705
Power & Fuel	<b>115,713</b>	318,987
Repair & Maintenance		
- Plant & Machinery	<b>66,716,551</b>	47,459,499
- Building	<b>6,663,425</b>	4,471,795
- Others	<b>4,521,115</b>	3,573,862
Freight & Cartage	<b>905,791</b>	1,010,364
Material Handling Expenses	<b>11,724,334</b>	9,047,825
Other Mfg. Expenses	-	-
Variation in Excise duty on opening and closing stock	-	-
Finished Goods	<b>(6,110,993)</b>	(21,340,356)
<b>TOTAL</b>	<b>181,199,468</b>	<b>124,891,681</b>

**VALUE OF IMPORTED/INDIGENOUS RAW MATERIALS, STORES AND SPARES CONSUMED**

<b>Particulars</b>	<b>Indigenous Value</b>	<b>%age</b>	<b>Imported Value</b>	(Rs. in Lacs)
				<b>% age</b>
Raw Materials	28,097.47	100%	-	Nil
Previous Year	25,189.50	100%	-	Nil
Stores & Spares*	950.43	98.32%	16.20	1.68%
Previous Year	791.05	98.45%	12.44	1.55%

\*Excluding spares used for capitalization.

	<b>For the Year ended 31.03.2015</b>	<b>For the Year ended 31.03.2014</b>
	<b>(In Rs.)</b>	<b>(In Rs.)</b>
<b>NOTE 26 : EMPLOYEE BENEFIT EXPENSES</b>		
Salary, Wages & Bonus	<b>84,045,124</b>	79,518,788
Company's Contribution To Provident & Other Funds	<b>5,676,011</b>	5,552,593
Staff Welfare Expenses	<b>3,645,514</b>	3,346,045
Gratuity	<b>3,186,290</b>	5,076,702
<b>TOTAL</b>	<b>96,552,939</b>	<b>93,494,128</b>

**NOTE 27 : FINANCE COST**

Interest expenses	<b>92,025,414</b>	250,003,841
Finance Charges	<b>62,349</b>	6,699,415
Financial Brokerage	<b>47,869</b>	1,702,038
<b>TOTAL</b>	<b>92,135,632</b>	<b>258,405,293</b>

**NOTE 28 : ADMINISTRATION EXPENSES**

Telephone, Postage & Telegram	<b>1,141,701</b>	1,093,545
Legal & Professional Charges	<b>4,530,868</b>	4,270,950
Director's Sitting Fee	<b>38,000</b>	31,000
Loss on Sale of Fixed Assets	-	63,759
Travelling & Conveyance	<b>4,040,678</b>	4,634,588
Rent Including Lease Charges	<b>1,385,880</b>	1,741,069


**NOTE 28 : ADMINISTRATION EXPENSES (Cont....)**

	<b>For the Year ended 31.03.2015 (In Rs.)</b>	<b>For the Year ended 31.03.2014 (In Rs.)</b>
Rates & Taxes	4,085,760	3,069,339
Vehicle Expenses	1,093,797	2,118,843
Insurance	115,425	
Insurance Exp.	3,487,028	4,499,966
Insurance Realeased on Sugar	<u>(4,876,863)</u>	<u>(3,671,878)</u>
Security Guard Expenses	8,657,598	6,650,552
Payment to Auditors *	225,000	225,000
Provision for Obsolete Store Items	1,625,440	227,794
Foreign exchange fluctuation	2,326,211	8,877,507
Bank Charges	308,351	1,824,341
Wealth Tax	20,934	30,834
Misc. Expenses	2,645,319	32,628,222
Losss on Sale of Investment	474,715	-
Loss on Revaluation of Investment	285	-
REC EXPS (Include Rs. 7034850/- for Previous Year)	17,265,420	-
Claim Agst Transit	102,600	38,315,431
<b>TOTAL</b>	<b><u>48,694,143</u></b>	<b><u>475.66</u></b>

**\*Details of Payment to Auditors**

a) Statutory Audit Fee	225,000	225,000
b) Certification & Reimbursement	142,500	113,000
c) Out of pocket expenses	11,550	42,550
	<b><u>379,050</u></b>	<b><u>380,550</u></b>

**NOTE 29 : SELLING EXPENSES**

Commission	17,884,446	15,970,670
Rent (Godown)	1,876,744	4,411,843
Freight, Clearing & Forwarding	3,676,762	12,628,383
Rebate & Discount	-	252,305
<b>TOTAL</b>	<b><u>23,437,952</u></b>	<b><u>33,263,201</u></b>

**NOTE 30 : PRIOR PERIOD EXPENSES**

Prior Period Expenses	2,298,228	61,809,141
<b>TOTAL</b>	<b><u>2,298,228</u></b>	<b><u>61,809,141</u></b>



## NOTES ON FINANCIAL STATEMENT:

### 31. Earning per Share (AS-20)

Particulars	Current Year	Previous Year
Net Profit/(Loss) after tax (Rs. in lacs)	(2861.45)	(5,375.78)
Weighted Average number of equity shares outstanding during the year	4,76,53,880	4,76,53,880
Basic Earning per Share (Rs.)	(06.00)	(11.28)
Diluted Earning per Share (Rs.)	(06.00)	(11.28)

### 32. Contingent Liabilities not provided for in respect of: (Rs. in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
i) Corporate Guarantee given to Government of Jharkhand against Soft loan (incl. interest) given to Bihar Sponge Iron Ltd.	6809.50	6,301.45
ii) Outstanding against Guarantee given on behalf of SBEC Bio-energy Ltd.	1600.00	2,000.00
iii) Duties and Tax liabilities disputed by the Company	1723.86	1,679.00
iv) Interest and R C Charges on cane arrear payment as recovered by DCO, Baghpat, case is pending with Alahabad High Court.	35.99	35.99
iv) Interest and R C Charges on cane arrear from the season 2012-13	6650.70	3,193.92

33. During the year 2006-2007, a One Time Settlement (OTS) dated 22nd January, 2007 was signed between the Company, Punjab National Bank (PNB), Mr. Umesh K. Modi (as Guarantor of MIL) and Modi Industries Limited (MIL) on the terms as contained in the PNB letter dated 28th September, 2006. In terms of this settlement, the Company has agreed to make payment of Rs. 2,810.60 lacs together with interest to PNB. In consideration of the same, PNB has agreed to assign all its claims, interest and charges against the Steel Section of MIL in favour of the Company. The Company has made full payment of the settlement amount together with interest aggregating Rs. 3,351.21 lacs to PNB. As per expert legal opinion, during the year interest amounting to Rs. 417.63 lacs (previous year Rs. 417.63 lacs for the period from 22nd January, 2007 to 31st March, 2012) has been allocated to the cost of "Debt Assignment" acquired by the company from PNB, since in the opinion of the management the borrowing of the company were raised to pay for Debt Assignment. PNB thereafter executed a "Deed of Assignment" on 15th May, 2012 (an event occurring after the date of the Balance Sheet) in favour of the company by which PNB assigned all its claim together with all securities and charges created by MIL in its favour to the company. The company thereafter executed a "Deed of Assignment" on 31st December, 2012 in favour of its subsidiary M/s SBEC Bioenergy Limited by which the company assigned all its claim together with all securities and charges created by MIL in its favour for a consideration of Rs. 12,500.00 Lacs. A sum of Rs. 4,200.00 lacs has been paid simultaneously with the execution of this deed and the remaining sum of Rs. 8,300.00 lacs shall be payable as per the mutually agreed installments within a period of five years from the date of execution of this deed.

### 34. Executive Remuneration included under different heads of expenditure is as follows:

Particulars	Current Year	Previous Year
Salary, Allowance & Commission	14.05	13.99
Contribution to Provident fund	0.29	1.36
Reimbursement of Expenses	0.28	1.25
Sub Total	14.62	16.60
Commission on profits	Nil*	Nil*
<b>TOTAL</b>	<b>14.62</b>	<b>16.60</b>

\*In view of losses in the current year, computation of net profit in accordance with Sec. 198 of the Companies Act, 2013 has been made. However, on that basis, no commission is payable to the Executive Director.

### 35. Segment Reporting (AS-17)

The Company is a single product, single location company and hence the requirements of Accounting Standard-17 on 'Segment Reporting' are not relevant.

### 36. Impairments of Assets (AS-28)

Carrying amounts of the Assets were reviewed at the Balance sheet date and no internal or external indications were noticed that could have necessitated any provision towards impairment of assets.

### 37. Disclosures as required by the Amendment to Clause 32 of the Listing Agreement:

Name of the Companies	Amount outstanding As on 31 <sup>st</sup> March 2015*	Maximum Balance outstanding during the year
	(Rs. in lacs)	(Rs. in lacs)
Chandil Power Ltd. – Interested Company	3.00	3.00



38. Related party disclosure as required by Accounting Standard (AS-18)

(A) List of Related Parties & Relationships :

	As at 31.03.2015	As at 31.03.2014
<b>(a) Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiary)</b>		
(i) SBEC Bioenergy Limited	Subsidiary	Subsidiary
(ii) SBEC Stockholding & Investment Limited.	Subsidiary	Subsidiary
(iii) Modi Casings and Packaging Private Ltd. (formerly known as Modi Gourment Limited)	-	Subsidiary
<b>(b) Associates &amp; joint ventures</b>	Nil	Nil
<b>(c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.</b>		
	Sh. U. K Modi	Sh. U. K Modi
	Sh. Abhishek Modi	Sh. Abhishek Modi
		Sh. S. C. Gupta
		Sh. Abhishek Modi
		Executive Director
		& CEO
<b>(d) Key Management Personnel</b>	Sh. Abhishek Modi	Sh. S. C. Gupta
	Executive Director & CEO	Whole Time Director

**(e) Relatives of Key Management Personnel & their Enterprises**

- (i) Mrs. Kumkum Modi\*
- (ii) Mr. Jayesh Modi
- (iii) Ms. Meghna Modi\*
- (iv) Mrs. Himani Modi Agarwal\*
- (v) Mr. Priyank Kumar Agarwal\*
- (vi) Mrs Suman Lata Gupta\*
- (vii) A to Z Holding Pvt.Ltd
- (viii) Arvind Continental Pvt. Ltd
- (ix) Bihar Sponge Iron Ltd
- (x) Chandil Power Limited\*
- (xi) First Move Management Services Pvt. Ltd\*
- (xii) H. M. Tubes & Containers Pvt. Ltd\*
- (xiii) Jai Abhishek Investments Pvt. Ltd\*
- (xiv) Jayesh Tradex Pvt. Ltd
- (xv) Kamakhya Cosmetics & Pharmaceuticals Pvt. Ltd\*
- (xvi) Longwell Investment Pvt. Ltd
- (xvii) M.G. Mobiles India Pvt. Ltd
- (xviii) Meghna Autoworks Private Ltd\*
- (xix) Modi Arts Pvt. Ltd\*
- (xx) Modi Diagnostics Pvt. Ltd\*
- (xxi) Modi Goods and Retail Services Pvt. Ltd\* (formally known as Modi Groceries Pvt. Ltd.)
- (xxii) Modi Illva India Pvt. Ltd\*
- (xxiii) Modi Industries Ltd
- (xxiv) Modi Motors Pvt. Ltd
- (xxv) Modi Mundipharma Pvt. Ltd\*
- (xxvi) Modi Omega Pharma (India) Pvt. Ltd\*
- (xxvii) Modi Revlon Pvt. Ltd
- (xxviii) Modi Senator (India) Pvt. Ltd\*
- (xxix) Modiline Travel Service Pvt. Ltd
- (xxx) Modi Hitech India Ltd.\* ( formally known as Morgardshammer India Ltd)
- (xxxi) Revlon Lanka Pvt. Ltd\*
- (xxxii) Revlon Trading Bangladesh Private Ltd\*
- (xxxiii) SBEC Systems (India) Ltd\*
- (xxxiv) Swasth Investment Pvt. Ltd\*
- (xxxv) Umesh Modi Corp. Pvt. Ltd\*
- (xxxvi) Win Medicare Pvt. Ltd

\* Indicates that during the year, there is no transaction with these enterprises

**(B) Transactions carried out with related parties referred in (A) above, in ordinary course of business:****(Rs in lacs)**

Nature of transaction	Referred in A (a) above*	Referred in A (b) above	Referred in A (c) above	Referred in A (d) above	Referred in A (e) above
<b>Purchase</b> / Goods and Services	-	-	-	-	5067.48
	(2.13)	(-)	(-)	(-)	(3905.86)
<b>Sales</b> / Goods and Services	-	-	-	-	476.58
	(-)	(-)	(-)	(-)	(2754.00)
Sale of Debt Assignment	-	-	-	-	-
	(12500)	(-)	(-)	(-)	(-)
<b>Expenses</b> / Computer / Printing & Stationery	-	-	-	-	5.74
	(-)	(-)	(-)	(-)	(7.77)
Air Tickets / Vehicle Exp.	-	-	-	-	2.21
	(7.80)	(-)	(-)	(-)	(2.70)
Courier / Freight Exp./Postage & Telegraph	-	-	-	-	0.26
	(-)	(-)	(-)	(-)	(0.67)
Repair & Maintenance Exp.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Rent/Telephone/Electricity	0.16	-	-	-	2.18
	(0.18)	(-)	(-)	(-)	(4.55)
Interest paid	-	-	-	-	116.83
	(-)	(-)	(-)	(2.61)	(101.85)
Salary & Wages etc	-	-	-	-	-
	(0.13)	(-)	(-)	(16.60)	(0.83)
Consultancy / Sitting Fee	-	-	-	0.03	2.91
	(-)	(-)	(-)	(0.05)	(-)
Gifts & other	-	-	-	-	0.37
	(-)	(-)	(-)	(-)	(0.11)
Prior Period Exp -	-	-	-	-	-
	(611.30)	(-)	(-)	(-)	(2.50)
Stores & Spares Consumed	-	-	-	-	-
	(-)	(-)	(-)	(-)	(8.19)
Income / Other Income	568.37	-	-	-	-
	(291.14)	(-)	(-)	(-)	(-)
Corporate Guarantees	-	-	-	-	-
Outstanding as on 31.03.15	1600.00	-	-	-	6809.50
	(2000.00)#	(-)	(-)	(-)	(6301.45)
Investment/ Recoverable / Receivable as on 31.03.15	-	-	-	-	-
Amount Recoverable	9279.52	-	-	-	9.07
	(8684.19)	(-)	(-)	(-)	(10.18)
Finance / Advance Given as on 31.03.15	-	-	-	-	-
Year-end Balance of loan & Advance	3343.84	-	-	-	127.96
	(1800.50)	(-)	(-)	(-)	(127.96)
Payable as on 31.03.15	-	-	-	-	-
Amount Payable	-	-	-	-	4.03
	-	-	-	-	(1.95)
Finance / Advance Taken as on 31.03.15	-	-	-	-	-
Year-end Balance of loan & Advance	-	-	-	-	899.54
	-	-	-	-	(1013.84)

# Guarantee given to SBEC Bioenergy Ltd. Rs.1600.00 lacs (Previous year Rs. 2000 lacs).

**39. Lease (AS-19)****Operating Lease**

The company has entered into operating leases for its office and for employee's residence that are renewable on a periodic basis and cancellable at Company's option. The Company has not entered into sublease agreements in respect of these leases. Further, the Company has not entered into any non-cancellable leases.

**40. Deferred Taxation (AS-22)**

Deferred taxes arise because of difference in treatment between financial accounting and tax accounting, known as "Timing differences". The tax effect of these timing differences is recorded as "deferred tax assets" (generally items that can be used as a tax deduction or credit in future periods) and "deferred tax liabilities" (generally items for which the company has received a tax deduction, but has not yet been recorded in the statement of income).





The principal components of the net deferred tax balance are as follows:

(Rs. in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Deferred Tax Liability</b>		
Depreciation	735.43	812.07
Other Deductions	-	-
<b>Sub Total – A</b>	<b>735.43</b>	<b>812.07</b>
<b>Deferred Tax Assets</b>		
Business Loss / Unabsorbed Dep.	4958.19	4419.79
Deduction u/s 43B	30.58	27.56
Disallowance 40(A)(7)	43.78	39.10
<b>Sub Total – B</b>	<b>5032.55</b>	<b>4486.45</b>
<b>Net Deferred Tax Assets/(Liability) {B-A}</b>	<b>4297.12</b>	<b>3674.38</b>
<b>*Assets Recognised (Refer note below)</b>	<b>735.43</b>	<b>812.07</b>

\* In view of continuous losses, during the year recognition of deferred tax assets has been restricted to the extent of deferred tax liability.

41. The company in terms of Board of Director's resolution dated 6th July 2013 has filled a reference with the Board for Industrial and financial Reconstruction (BIFR) U/S 15(1) of the Sick Industrial companies (Special provisions) Act 1985 (SICA) vide its letter dated 24th July 2013 and as per communication received from BIFR vide its letter No. 3/(S-22)/BC/2013 dated 21st August 2013, The said reference has been registered by BIFR as case No. 58/2013. The BIFR has declared the company as Sick u/s 3(1)(0) of SICA and appointed IDBI as operating agency u/s 17(3) of the Act. in its hearing held on dated 04.02.2014& the Draft Rehabilitation Scheme is under compilation. Since the Company has continued its normal manufacturing operations during the season 2014-15 therefore the accounts are prepared on a "Going Concern Basis".
42. Additional information pursuant to provisions of Part II of Schedule III to the Companies Act, 2013.

#### a) CAPACITY

Installed Capacity (as certified by the management)		Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014
Sugarcane Crushing	M.T. per day (No License required)	8000	8000

#### b) PRODUCTION, PURCHASE, TURNOVER & STOCK

Classes of Goods	Opening Stock	Production	Sales		Closing stock	
	Quantity (Qtls.)	Quantity (Qtls.)	Quantity (Qtls.)	Value (in Lacs)	Quantity (Qtls.)	Value (in Lacs)
Sugar	5,49,750.0 (6,97,185.5)	1018364 (7,99,458)	1167056 (9,46,893.5)	34834.45 (29,022.09)	401058 (5,49,750.00)	10572.49 (17,738.65)
Molasses(By-product)	1,58,042.00 (2,44,993.90)	566909.85 (4,76,030.30)	467764.85 (5,62,982.20)	2095.93 (2,616.57)	257187.00 (1,58,042.00)	1245.01 (732.21)
<b>Purchases</b>						
Sugar Trading	10,121 (83,255)	1,60,918.13 (1,27,026.30)	1,71,039.13 (2,00,160.30)	5,638.32 (7,044.54)	- (10,121)	- (352.99)

#### (c) CONSUMPTION OF RAW MATERIALS

(Rs. In lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2015		Year ended 31 <sup>st</sup> March, 2014	
	Quantity (Quintals)	Value (Rs. In lacs)	Quantity (Quintals)	Value (Rs. In lacs)
<b>Sugar Cane</b>	11103337.83	30698.23	91,23,095	25,189.50

d) **EXPENDITURE IN FOREIGN CURRENCY (On accrual basis)**

(Rs. in lacs)		
Particulars	Current year	Previous Year
Interest, Others,	14.02	22.19

e) **CIF VALUE OF IMPORTS**

Store & Spares	11.15	18.65
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**43. EMPLOYEE BENEFITS (AS-15)**

As per Accounting Standard 15 "Employee Benefit" the disclosure of Employee Benefit as defined in Accounting Standard are given below:

a) **Defined Contribution Plan**

Employer's Contributions to Defined Contribution Plan, recognized as expense for the period are as under:

(Rs. in lacs)		
	Year ended 31 <sup>st</sup> March 2015	Year ended 31 <sup>st</sup> March 2014
Employer's contribution to Provident Fund	54.60	54.43

b) **Defined Benefit Plan**

The employees' gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

1. **Reconciliation of opening and closing balances of Defined Benefit Obligation.**

(Rs. in lacs)				
Particulars	Gratuity (Unfunded) 31.03.2015	Gratuity (Unfunded) 31.03.2014	Leave Encashment (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2014
Defined Benefit obligation at the beginning of the period.	126.55	88.34	15.23	14.10
Past Service Cost	-	-	-	-
Current Service Cost.	17.72	17.25	2.02	1.90
Interest Cost.	10.76	7.07	1.29	1.13
Actuarial (gain)/loss	3.38	26.44	(0.04)	(1.11)
Benefits Paid	(16.72)	(12.55)	(0.00)	(0.80)
Settlement cost	-	-	-	-
Defined Benefit obligation at the end of the period	141.70	126.55	18.50	15.23

2. **Reconciliation of opening and closing balances of Fair Value of Plan Assets**

Fair value of plan assets as at the beginning of the period	-	-	-	-
Expected Return	-	-	-	-
Actuarial (gain)/loss	-	-	-	-
Contribution by Employer	-	-	-	-
Benefits Paid	-	-	-	-
Settlement cost	-	-	-	-
Fair value of plan assets as at the end of the period	-	-	-	-
Actual return on plan assets	-	-	-	-



## 3. Reconciliation of amount recognized in Balance Sheet

(Rs. in lacs)

Particulars	Gratuity (Unfunded) 31.03.2015	Gratuity (Unfunded) 31.03.2014	Leave Encashment (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2014
Fair Value of Plan Assets as at 31 <sup>st</sup> March	-	-	-	-
Present value of obligation as at 31 <sup>st</sup> March	141.70	126.55	18.50	15.23
Net asset/(liability) recognized in the Balance Sheet	(141.70)	(126.55)	(31.88)*	(30.28)*

\*It includes company grade employees' freeze liability in books amounting to Rs.13.39 lacs (Previous year Rs.15.05 Lacs).

## 4. Expense Recognized during the period in Statement of Profit and Loss.

Current Service Cost	17.72	17.25	2.02	1.90
Past Service Cost	-	-	-	-
Interest Cost	10.76	7.07	1.30	1.13
Expected return on plan assets	-	-	-	-
Net Actuarial (gain)/loss recognized during the period	3.38	26.45	(0.04)	(1.11)
Expenses recognized in the statement of Profit & Loss	31.86	50.77	3.27	1.92

## 5. Actual Return on Plan Assets

(Rs. in lacs)

Particulars	Gratuity (Unfunded) 31.03.2015	Gratuity (Unfunded) 31.03.2014	Leave Encashment (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2014
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain)/loss	-	-	-	-
Actual return on plan assets	-	-	-	-

## 6. Principal Actuarial Assumptions

(Rs. in lacs)

Particulars	Gratuity (Unfunded) 31.03.2015	Gratuity (Unfunded) 31.03.2014	Leave Encashment (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2014
Mortality Table (LIC)	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified
Discount rate as at 31 <sup>st</sup> March, 2013	8%	8.50%	8%	8.50%
Future Salary Increase	5.50%	6%	5.50%	6%
Expected rate of return on plan assets	-	-	-	-
Retirement Age	60 Years	60 Years	60 Years	60 Years
<b>Withdrawal Rates Age</b>	<b>Withdrawal</b>	<b>Withdrawal</b>	<b>Withdrawal</b>	<b>Withdrawal</b>
Upto 30 years	3.00%	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%



**Amount for the current and previous four periods in periods in respect of leave encashment are as follows**

(Rs. in lacs)

Particulars	Grauity (Unfunded) 31.03.2015	Grauity (Unfunded) 31.03.2014	Grauity (Unfunded) 31.03.2013	Grauity (Unfunded) 31.03.2012	Encashment (Unfunded) 31.03.2011
PBO	18.50	15.23	14.10	12.99	11.49
Plan Assets	-	-	-	-	-
Net Assets/(Liability)	(18.50)	(15.23)	(14.10)	(12.99)	(11.49)
Experience adjustment of plan assets(loss)/gain	-	-	-	-	-
Experience adjustment of plan liabilities(loss)/gain	0.02	1.12	1.76	1.34	1.01

**Amount for the current and previous four periods in periods in respect of Gratuity are as follows**

(Rs. in lacs)

Particulars	Grauity (Unfunded) 31.03.2015	Grauity (Unfunded) 31.03.2014	Grauity (Unfunded) 31.03.2013	Grauity (Unfunded) 31.03.2012	Grauity (Unfunded) 31.03.2011
PBO	141.70	126.55	88.34	92.19	73.06
Plan Assets	-	-	-	-	-
Net Assets/(Liability)	(141.70)	(126.55)	(88.34)	(92.19)	(73.06)
Experience adjustment of plan assets(loss)/gain	-	-	-	-	-
Experience adjustment of plan liabilities(loss)/gain	(3.58)	(26.37)	3.79	(4.13)	2.19

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The actuary certifies the above information.

Actuarial valuation of Leave Encashment for period ended 31st March, 2015 and 31st March, 2014 pertain to only Seasonal Wage-board grade employees, therefore there is difference in expense recognized in statement of profit & Loss and amount as mentioned in Actuarial certificate. However the expenses have been provided on Accrual Basis.

44. Considering the adverse economic/sector conditions and current financial instability the Management of the company vide their resolution dated 05th March, 2013 has decided to dispose-off its Chandil Power Plant (under implementation). The company has formed a committee to negotiate with potential buyers. The management expects that the assets will be realized to the extent as stated & does not call for any provision as on the date of the Balance Sheet. Therefore, the Capital Work in Progress, Capital Advances and other related accounts of the Chandil Power Project have been shown as assets held for disposal.
45. The State Government of Uttar Pradesh has, as per PNCM Cabinet Decision dated 12th November 2014, inter alia, announced cash subsidy upto Rs. 28.60 per Qtl of cane purchased for the sugar industry, linked to the average selling price of sugar and it's by products. During the period 1st October 2014 to 31st March 2015, the prices being remained below the threshold limit provided in the notification. Since the Management is virtually certain regarding realisation of subsidy, the Company has accounted for cash subsidy of Rs. 28.60 per Qtl of cane purchased by it aggregating to Rs. 25,66,05,990.
46. Previous year figures have been regrouped/ rearranged wherever considered necessary.

Previous year figures are given in the bracket wherever applicable.

**SIGNED FOR IDENTIFICATION NOTE 1 to 46**

For & on behalf of

**DOOGAR & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No. : 000561N

Sd/-  
Abhishek Modi  
(Whole Time Director)  
DIN No.00002798

Sd/-  
Jayesh Modi  
(Director)  
DIN No. 02849637

Sd/-  
Rajeev Kumar Agarwal  
(Director)  
DIN No. 00298252

**Mukesh Goyal**  
Partner  
Membership No. : 081810

Sd/-  
Lakhmi Chand Sharma  
(Chief Financial Officer)

Sd/-  
Shobit Nehra  
(Company Secretary)

Place : New Delhi

Date : 30th May 2015



## Auditors' Report on Consolidated Financial Statements of SBEC Sugar Ltd.

To the members of SBEC Sugar Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SBEC Sugar Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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 consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### Basis for Qualified Opinion

- i) In Holding Company, the Company has not made provision for interest, on late payment of cane dues for the year of Rs. 3541.64 lacs & for earlier years Rs. 2504.79 lacs aggregating to Rs. 6046.43 lacs. Accordingly manufacturing expense and net losses for the year would have been higher by Rs. 3456.78 lacs and its consequential impact on current liabilities and EPS.
- ii) In one of the Subsidiary Company (SBEC Bio Energy Limited), the other auditor who audited the financial statements of the Subsidiary has reported that the company has net exposure of Rs. 14685.98 lacs as debt acquired in Modi Industries Limited. The net worth of Modi Industries Limited has been completely eroded, which raised a doubt on recoverability of the above balances. However, no provision 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 as stated in Note No.- 34 (c).

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) The Companies financials have been prepared on "Going Concern" as the company has continued its normal manufacturing operations during the season 2014-15.  
Note 44 in the financial statements indicates that the company in terms of Board of Director's resolution dated 6th July 2013 has filed a reference with the Board for Industrial and Financial Reconstruction (BIFR) U/S 15(1) of the Sick Industrial companies (Special Provisions) Act 1985 (SICA) vide its letter dated 24th July 2013 and as per communication received from BIFR vide its letter No. 3/(S-22)/BC/2013 dated 21st August 2013, The said reference has been registered by BIFR as case No. 58/2013. The BIFR has declared the company as Sick u/s 3(1)(0) of SICA and appointed IDBI as operating agency u/s 17(3) of the Act. in its hearing held on dated 04.02.2014 & the Draft Rehabilitation Scheme is under compilation.
- b) Note 48 in the financial statement regarding accounting of subsidy of Rs. 2566.06 lacs, as per PN CM Cabinet Decision dated 12th November 2014 issued by State Government of Uttar Pradesh subject to approval of appropriate authority.

Our opinion is not modified in respect of these matters.



### Other Matters

We did not audit the financial statements of subsidiaries. The financial statements of SBEC Bio-energy Limited reflects total assets of Rs.17655.91 lacs as at 31st March, 2015 and total revenues of Rs.1090.57 lacs for the year ended on that date & the financial statements of SBEC Stockholding and Investment Limited reflects total assets of Rs.2782.23 lacs as at 31st March, 2015 and total revenues of Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
  - (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies incorporated in India, no director is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group—Refer Note 32 (iii), (iv) & (vi) to the consolidated financial statements and except for the possible effects of the matter described in paragraph of the "Basis of Qualified Opinion".
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For and on behalf of  
**Doogar & Associates**  
 Chartered Accountants  
 Firm Regn. No. 000561N

Place: New Delhi  
 Dated: 27th May, 2015

Mukesh Goyal  
 Partner  
 M. No. 081810

### Annexure referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report to the members of SBEC Sugar Limited on its consolidated financial statements as of and for the year ended March 31, 2015.

Our reporting on the Order includes two subsidiary incorporated in India, to which the Order is applicable. The subsidiaries have been audited by the other auditors and our report in respect to these entities is solely based on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements\

- i. (a) The Group have maintained proper records showing particulars, including quantitative details and situation of fixed assets.
- (b) In case of Holding Company the Fixed assets have not been physically verified by the management during the year therefore discrepancies, if any, could not be determined.  
 In case of one Subsidiary the fixed assets have been physically verified by the management during the year and no discrepancies were noticed on such verification.



- In case of other subsidiary, there are no fixed assets, therefore the provisions of clause 3(i) of the Order are not applicable
- ii. (a) Inventories have been physically verified by the management at reasonable interval during the year except for in case of Holding company where the inventory has not been physically verified by the management during the year.
- (b) The physical verification programme for inventory as envisaged by the management is, in our opinion, reasonable and adequate in relation to the size of the Group and nature of its business. However in case of holding company no physical verification of inventories has been done during the year.
- (c) In our opinion, the Group is maintaining proper records of inventory. In case of Holding Company the discrepancies, if any, compared to book records could not be determined in absence of physical verification.
- iii. The Group has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Group in respect of these areas.
- v. The Group has deposits from public accepted during previous years. In case of Holding Company as per compliance of Section 74 of Companies Act 2013 company has to repay the deposits till 31st March 2015. The company has obtained expert legal opinion that since company is in BIFR and it is required to repay the amount of deposit as per the final order of BIFR/AAIFR. As on the date of balance sheet the outstanding amount of public deposits was Rs.6,58,25,000 and accrued interest thereon is Rs.19,04,634.
- One of the subsidiary company has not repaid deposits accepted before the commencement of Companies Act, 2013 within the stipulated time however it has made an application to the appropriate authority for allowing further time to repay them.
- There are no public deposits in other subsidiary.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- vii. (a) According to the records of the Group, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities except for delays in few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, except the company has not paid Water Cess of Rs. 5,62,265 and interest of Rs. 1,59,674 to U.P. Pollution Control Board for the year 2012-13 for which a fresh demand order has been received by the company.
- (c) According to the information and explanations given to us and as per the books and records examined by us, the particulars of statutory dues of the specified statute as at the year, which have not been deposited on account of a dispute are referred to in Annexure "B".
- (d) According to the records of the Company and as explained to us the company did not have any dues on account of investor education and protection fund.
- viii. In Our Opinion, the accumulated losses of the Holding company are more than fifty percent of its net worth. During the year the holding company had incurred cash loss of Rs. 2580.31 Lacs. In the immediately preceding financial year also, the holding company had incurred cash loss. The Holding company is a Sick Industrial Company within the meaning of Sick Industrial Companies (Special Provision) Act, 1985 & is registered with BIFR.
- The subsidiary companies had no accumulated losses as at 31/03/2015 and one subsidiary has not incurred cash losses in the current financial year but has incurred cash losses in the immediately preceding financial year. The other Subsidiary company has incurred cash losses in the current and also in immediately preceding financial year.
- ix. According to the information and explanations given to us and as per the books and records examined by us, the Group has not defaulted in repayment of dues to any financial institution or bank.
- x. The Holding Company has provided guarantee to SREI Infrastructure Finance Ltd. and the Government of Jharkhand in respect of loans taken by SBEC Bio Energy Limited (a subsidiary company) and Bihar Sponge Iron Limited respectively. The terms and conditions of the guarantees are prima facie, not prejudicial to the interest of the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans raised during the year by the Group have been applied for the purpose for which the said loans were obtained, where such end use has been stipulated by the lender.
- xii. During the course of our examination of the books and records of the Group carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Group noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of  
**Doogar & Associates**  
Chartered Accountants  
Firm Regn. No. 000561N

Place: New Delhi  
Dated: 27th May, 2015

Mukesh Goyal  
Partner  
M. No. 081810





## ANNEXURE “B” TO AUDITORS’ REPORT

Referred in Paragraph 7(C) of Annexure “A” a statement on the matters specified in the Companies (Auditors’ Report) Order, 2015 for the Year ended 31st March 2015.

Name of the Statute	Name of Dues	Amount (Rs. in Lacs)	Period to which amount relates	Forum where dispute is pending
UP VAT Act , 2008	Entry Tax imposed on Sugar Purchased and Sold	760.56	2010-11	Application Filed with Deputy Commissioner for reopen the same u/s 32
UP VAT Act , 2008	VAT imposed on Molasses, Bagasse and old scrap sold	622.68	2010-11	Application Filed with Deputy Commissioner for reopen the same u/s 32
UP VAT Act , 2008	CST imposed on Molasses sold	70.00	2010-11	Application Filed with Deputy Commissioner for reopen the same u/s 32
Central Excise, 1944	Cess on Sugar Scale	4.35	01.01.2009-30.09.2009	Appeal submitted before CESTAT by the department against the the Commissioner (Appeals) Meerut
Finance Act, 1994	Service Tax on Commission	16.83	01.04.2008-01.12.2010	Appeal filed before Commissioner (Appeals), Meerut
Finance Act, 1994	Service Tax on Lease Rent	1.81	2012-13	Appeal filed before Commissioner (Appeals), Meerut
Finance Act, 1994	Service Tax on Lease Rent	1.12	April 2011-March 2012	Appeal filed before Commissioner (Appeals), Meerut
Finance Act, 1994	Service Tax on Commission	150.88	2003-04	CESTAT has sent back the case to Commissioner Appeals, Meerut-1 for Remand
<b>For Subsidiary Company</b>				
Income Tax Act	Regular Demand	183.50	As Year 2012-13	CIT-X



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

	NOTE NO.	As at 31.03.2015 (In Rs.)	As at 31.03.2014 (In Rs.)
<b>I. EQUITY AND LIABILITY</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2	476,940,175	476,940,175
(b) Reserves and Surplus	3	(1,857,492,519)	(1,560,389,015)
		(1,380,552,344)	(1,083,448,840)
<b>Minority Interest</b>		204,671,094	202,887,350
<b>Non-current Liabilities</b>			
(a) Long-term Borrowings	4	181,155,923	210,530,576
(b) Other Long Term Liabilities	5	1,612,278	1,356,200
(c) Long-term Provisions	6	19,326,260	14,763,743
		202,094,461	226,650,519
<b>Current Liabilities</b>			
(a) Short-term Borrowings	7	507,692,907	1,126,243,715
(b) Trade Payables	8	3,783,467,708	3,339,289,383
(c) Other Current Liabilities	9	367,220,289	344,264,965
(d) Short-term Provisions	10	971,108	3,200,640
		4,659,352,012	4,812,998,703
<b>TOTAL</b>		<b>3,685,565,222</b>	<b>4,159,087,732</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	552,839,455	605,698,937
(ii) Intangible Assets	11	232,931	94,473
(iii) Capital Work in Progress	11	3,601,990	-
		556,674,376	605,793,410
(b) Non-Current Investment	12	278,583,615	225,583,600
(c) Deferred Tax Assets (net)		29,673,270	131,332,111
(d) Long-term Loans & Advances	13	794,956	855,722
(e) Other Non-Current Assets	14	817,989,208	820,718,697
		1,683,715,425	1,684,283,540
<b>Current Assets</b>			
(a) Inventories	15	1,311,332,731	2,073,503,656
(b) Trade Receivables	16	130,756,089	151,401,554
(c) Cash & Bank Balances	17	23,813,024	14,385,273
(d) Short-term Loans & Advances	18	409,072,299	107,942,211
(e) Other Current Assets	19	126,875,655	127,571,496
		2,001,849,797	2,474,804,190
<b>TOTAL</b>		<b>3,685,565,222</b>	<b>4,159,087,732</b>

Summary of Significant accounting Policies1A

The Notes referred to above form an integral part of the Balance sheet signed in terms of our report of even date

For & on behalf of

**DOOGAR & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No. : 000561N

Sd/-  
Abhishek Modi  
(Whole Time Director)  
DIN No.00002798

Sd/-  
Jayesh Modi  
(Director)  
DIN No. 02849637

Sd/-  
Rajeev Kumar Agarwal  
(Director)  
DIN No. 00298252

**Mukesh Goyal**  
Partner  
Membership No. : 081810

Sd/-  
Lakhmi Chand Sharma  
(Chief Financial Officer)

Sd/-  
Shobit Nehra  
(Company Secretary)

Place : New Delhi  
Date : 30th May 2015



## CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015

	NOTE NO.	For the Year ended 31.03.2015 (In Rs.)	For the year ended 31.03.2014 (In Rs.)
Revenue From Operations	20	4,345,588,911	3,916,337,898
Other Income	21	73,135,185	60,057,607
<b>Total Revenue</b>		<b>4,418,724,096</b>	<b>3,976,395,505</b>
<b>EXPENSES</b>			
Cost of Material Consumed	22	2,891,657,599	2,593,468,340
Purchases of Stock-in-Trade	23	472,829,659	441,222,112
Change in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	24	759,215,357	715,736,593
Manufacturing Expense	25	206,513,989	150,977,560
Employee Benefit Expense	26	113,529,785	109,821,537
Finance Cost	27	128,714,251	326,111,860
Depreciation & Amortisation Expense	11	32,419,237	75,376,365
Administration Expenses	28	67,112,412	57,331,118
Selling Expense	29	23,437,952	33,263,201
Prior Period Items (including interest on cane payment Rs. 998.10 lacs) (Previous year Nil)		3,334,907	61,815,441
<b>Total Expenses</b>		<b>4,698,765,147</b>	<b>4,565,124,127</b>
Profit / (Loss) before exceptional and extraordinary items and tax		(280,041,051)	(588,728,622)
Exceptional Items	30	-	-
Profit / (Loss) before extraordinary items and tax		(280,041,051)	(588,728,622)
Extraordinary Items		-	-
Profit before tax		(280,041,051)	(588,728,622)
<b>Tax expense :</b>			
(1) Current tax		-	-
MAT		-	-
Less : MAT Credit Entitlement		-	-
(2) Deferred tax		1,658,841	(15,872,107)
(3) Taxes for earlier year		-	-
MAT credit written back		-	1,969,138
Less : MAT Credit Entitlement		-	-
Profit/(Loss) for the period from continuing operations		(281,699,892)	(574,825,653)
Profit/(Loss) from discontinuing operations		-	-
Tax Expense of discontinuing operations		-	-
<b>Profit/(Loss) for the Year before minority Interest</b>		<b>(281,699,892)</b>	<b>(574,825,653)</b>
Minority Interest		2,039,008	(16,706,541.00)
<b>Profit/(Loss) for the Year</b>		<b>(283,738,901)</b>	<b>(558,119,112)</b>
<b>Earning per equity share:(Par value of Rs.10 each)</b>			
(1) Basic	31	(5.95)	(11.71)
(2) Diluted	31	(5.95)	(11.71)

The accompanying notes are intergal part of the financial statements.

Signed in terms of our report of even date.

For & on behalf of

**DOOGAR & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No. : 000561N

Sd/-  
Abhishek Modi  
(Whole Time Director)  
DIN No.00002798

Sd/-  
Jayesh Modi  
(Director)  
DIN No. 02849637

Sd/-  
Rajeev Kumar Agarwal  
(Director)  
DIN No. 00298252

**Mukesh Goyal**  
Partner  
Membership No. : 081810

Sd/-  
Lakhmi Chand Sharma  
(Chief Financial Officer)

Sd/-  
Shobit Nehra  
(Company Secretary)

Place : New Delhi  
Date : 30th May 2015



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	<u>Current Year</u> (In Rs.)	<u>Pervious Year</u> (In Rs.)
<b>A) Cash Flow from Operating Activities</b>		
Profit / (Loss) Before Tax as per Profit and Loss Account	(2,800.41)	(5,887.29)
Adjustments For :		
Interest Expenses	1,287.14	3,261.12
Interest Income	(3.03)	(2.64)
Dividend Income	(1.20)	(1.20)
Debit Balances Written Off	-	-
Loss on Sale of Stores & Spares	-	-
Loss on sale of Fixed Assets	-	0.64
Profit on sale of Fixed Assets	-	(0.35)
Assets written off	-	-
Projects abandoned/written off	-	-
Provision for Obsolete Store Items	17.25	2.28
Wealth tax	0.21	0.31
Depreciation	324.19	753.76
Deferred Revenue Expenditure	20.13	20.13
Profit on sale of Investment	(0.53)	-
Unclaimed credit balances written back	(151.10)	(51.76)
Operating Profit before Working Capital Changes	(1,306.85)	(1,904.99)
Adjustments For :		
Trade Receivables	206.45	617.15
Inventories	7,603.96	7,052.47
Trade Payables	4,441.78	14,363.22
Loans & Advances/Other Current Assets	(3,001,.06)	533.92
Liabilities & Provisions	406.33	(3,242.75)
Cash generated from Operating Activities	8,350.62	17,419.01
Direct Taxes (Paid)/Refund	0.63	(0.43)
<b>Net Cash Flow from Operating Activities</b>	<b>8,351.25</b>	<b>17,418.58</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(3.52)	(11.77)
Capital Work in Progress	(36.02)	-
Realisation from sale of Fixed Assets	70.34	1.85
Sale/(Purchase) of Investments	(529.47)	(287.50)
Dividend Income	1.20	1.20
Interest Received	3.03	2.64
Net Cash Flow from Investing Activities	(494.44)	(293.58)
<b>C) Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings (Net)	(293.75)	110.34
Proceeds from Short Term Borrowings (Net)	(6,185.51)	(14,205.90)
Net Interest (Paid)	(1,287.14)	(3,261.12)
Net Cash Flow from Financing Activities	(7,766.39)	(17,356.66)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	90.41	(231.65)
Cash and Cash Equivalents as on 1st April 2013 (Opening Balance)	134.05	365.70
Cash and Cash Equivalents as on 31st March 2014 (Closing Balance)	224.46	134.05
Net Increase as disclosed above	90.41	(231.65)
1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.		
2 Previous year's figures have been regrouped/rearranged wherever considered necessary.		
3 Cash and Cash equivalent at the end of the year consist of Cash, Stamps in hand, Cheques in Hand and Balances with Banks:		
Cash & Stamps in Hand	3.39	3.95
Balances with Banks	221.07	130.10
<b>TOTAL</b>	<b>224.46</b>	<b>134.04</b>

Signed in terms of our report of even date.  
For & on behalf of

**DOOGAR & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No. : 000561N

Sd/-  
Abhishek Modi  
(Whole Time Director)  
DIN No.00002798

Sd/-  
Jayesh Modi  
(Director)  
DIN No. 02849637

Sd/-  
Rajeev Kumar Agarwal  
(Director)  
DIN No. 00298252

**Mukesh Goyal**  
Partner  
Membership No. : 081810  
Place : New Delhi  
Date : 30th May 2015

Sd/-  
Lakhmi Chand Sharma  
(Chief Financial Officer)

Sd/-  
Shobit Nehra  
(Company Secretary)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

### Note: 1. BASIS AND PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of the company and its subsidiaries "SBEC Bioenergy Limited.", & "SBEC Stockholding & Investments Limited" used in the consolidation are drawn for a period of Twelve months ended on 31st March, 2015 (hereinafter referred to as "the subsidiary companies").

The accompanying financial statements of the company are prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended and as applicable from time to time) and the relevant provisions of the Companies Act 2013 & Companies Act 1956 as applicable as on the date. The financial statements have been prepared on an accrual basis and under the historical cost convention on going concern basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Events occurring after the Balance Sheet date are considered upto the date of adoption of accounts, wherever material.

### Note: 1A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1A. (i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### 1A. (ii) Principles of Consolidation

- (a) The financial statements of the holding company and subsidiary companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances, intra-group transactions and the unrealized profits.

The financial statements of the holding company and the subsidiary companies have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances except where otherwise stated.

- (b) The Subsidiary Companies considered in the consolidated financial statement:

Name of the Company	Country of Incorporation	% of Voting Power as on 31.03.2015
SBEC Bioenergy Limited	India	55
SBEC Stockholding & Investment Limited	India	100

- (c) Minority Interest's share of net profit of subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

- (d) Minority Interest's share of net assets of subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

#### 1A. (iii) Recognition of Revenues & Expenses

##### In the case of the Holding Company:

- (a) Incomes, Export Incentives/benefits and all Expenditures are accounted for on accrual basis except for interest on account of delayed payments/overdue outstanding to various parties and insurance claims, where there is no reasonable certainty regarding the amount and/or its collectability. Interest income is stated in full with tax thereon being accounted under advance tax.
- (b) Domestic Sales are recognized on dispatch of goods by the Company to its customers whereas the company recognizes export sales on transfer of risk and rewards of goods to its customers.
- (c) Dividends income is recognized when the shareholders right to receive payment was established by the balance sheet date.

##### In the case of SBEC Bioenergy Limited:

- (a) Revenue from sale/conversion charges is recognized on transfer to customers.
- (b) Interest is recognized on a time proportion basis taking in to account the amount outstanding and the rate applicable.
- (c) Dividends income is recognized when the Shareholders right to receive payment was established.]

#### A. (iv) Inventory Valuation

- (a) Finished Goods:

- (i) Free Sugar - at lower of cost or net realizable value.
- (ii) Levy Sugar - at lower of cost or levy price.

- (b) Goods in Process - at cost .

- (c) Raw material - at cost .

- (d) Stores and spares - at cost (computed on FIFO basis)

- (e) Molasses (By-product) is valued at net realizable value.

- (f) Provision for obsolescence and other anticipated losses are made on the stocks, whenever identified / considered necessary.

#### 1A. (v) Fixed & Intangible Assets

- (a) Fixed Assets are stated at historical cost less accumulated depreciation. Historical cost comprises all costs relating to acquisition and installation of fixed assets.

- (b) Government grants relating to specific fixed assets are deducted from the gross value of the assets concerned in arriving at their book value.

- (c) Intangible assets are recognized on the basis of recognition criteria as set out in Accounting Standard (AS) - 26 "Intangible Assets".



- (d) Factory Approach Road represents expenditure incurred & capitalized by the company on roads outside factory premises & are written off over a period of Five years.
- (e) Cost and accumulated depreciation pertaining to fixed assets disposed off is removed from the accounts at the time of disposal. Any resultant gain or loss is included in the Profit and Loss Account.
- 1A. (vi) **Borrowing Costs**  
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.
- 1A. (vii) **Depreciation**  
Depreciation has been charged on the following basis:
- (a) Leasehold Land is being amortized over the period of the Lease.
- (b) Assets leased out are written off over the period of lease at cost less terminal transfer price.
- (c) Assets below Rs. 5000/- are fully depreciated in the year of addition.
- (d) Other assets are being depreciated on the straight-line method as per the useful life mentioned in Schedule II of Companies Act 2013.
- (e) Software's of the nature of Intangible Assets are amortized over a period of 5 years.
- (f) In the case of assets where an impairment loss is recognized, the revised carrying amount is depreciated over the remaining estimated useful life.
- (g) In the case of SBEC Bioenergy Limited, Depreciation is provided on Straight Line Method, based at the rates specified under Schedule II to the Companies Act, 2013 & Depreciation on Intangible Assets is provided @20% p.a. on original cost.
- 1A. (viii) **Investments**  
Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost individually. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments in case of long term investments.
- 1A. (ix) **Foreign Currency Transactions**  
**Initial Recognition**  
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.  
**Conversion**  
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency, are reported using the exchange rates that existed when the values were determined. Investments in foreign companies are considered at the exchange rates prevailing on the date of their acquisition.  
**Exchange Differences**  
Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss in the year in which they arise.
- 1A. (x) **Employee Benefits**  
Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 – Employee Benefits.
- (a) **Provident Fund**  
The Company makes contribution to provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.
- (b) **Gratuity**  
Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year to which such gains or losses relate.
- (c) **Compensated Absence**  
Liability in respect of compensated absence becoming due or expected after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.
- 1A. (xi) **Pre-operative Expenses and Miscellaneous Expenditure**  
**In the case of the Holding Company:**  
Expenses incurred during the pre-operative period are allocated to the respective fixed assets on commencement of commercial operations.  
**In case of SBEC Bioenergy Limited:**  
Preliminary expenses and deferred revenue expenses are being amortized over a period of ten years from the date of commencement of commercial operations.
- 1A. (xii) **Impairment of Assets**  
Assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units). For the purpose of assessing impairment at each Balance Sheet date, Assets within a Cash Generating Unit are reviewed for impairment





wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount at which the assets under individual Cash Generating Unit are carried in the books exceeds its recoverable amount being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the assets.

Previously recognized impairment losses, relating to assets other than goodwill, are reversed where the recoverable amount increases because of favourable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in prior years.

**1A. (xiii) Tax on Income**

- (a) Tax expense comprises of current and deferred. Provision for Current Tax is made in accordance with the provisions of Income Tax Act, 1961.
- (b) In accordance with Accounting Standard AS-22 'Accounting for Taxes on Income' as notified by Companies (Accounting Standards) Rules, 2006 Deferred Tax Liability/ Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years. However, deferred tax assets are recognized only if there is a reasonable/ virtual certainty of realization thereof. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.  
The carrying amount of deferred tax assets is reviewed at each balance sheet date to reassess realization.
- (c) In MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**1A. (xiv) Leases**

**(a) Finance Lease**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

**(b) Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**1A. (xv) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends related to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1A. (xvi) Interim Financial Reporting**

Quarterly financial results are published in accordance with the requirement of listing agreement with Stock Exchange. The recognition and measurement principal as laid down in the Accounting Standard (AS) - 25 "Interim Financial Reporting" have been followed in the preparation of these results.

**1A. (xvii) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. A contingent liability is recognized for:

- (a) a present obligation that arises from past events but is not recognized as a provision because either the possibility that an outflow of resources embodying economic benefits will be required to settle the obligation is remote or a reliable estimate of the amount of the obligation cannot be made; and
- (b) a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent assets are neither accounted for nor disclosed in the financial statements.

**1A. (xviii) Cash and Cash Equivalents**

Cash and Cash equivalents comprise cash and cash deposit with banks and corporations. The company considers all highly liquid investments with the remaining maturity at the date of purchase of 3 months or less. And that are readily convertible to known amounts of cash to be cash equivalents.





## NOTES TO BALANCE SHEET

	As at <b>31.03.2015</b> (In Rs.)	As at 31.03.2014 (In Rs.)
<b>NOTE 2 : SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
100,000,000 (Previous Year 55,000,000) Equity Shares of Rs. 10/- each	<b>1,000,000,000</b>	1,000,000,000
<b>ISSUED &amp; SUBSCRIBED CAPITAL :</b>		
47,814,430 (Previous Year 47,814,430) Equity Shares of Rs. 10/- each	<b>478,144,300</b>	478,144,300
<b>PAID UP :</b>		
47,653,880 (Previous Year 47,653,880) Equity Shares of Rs. 10/- each	<b>476,538,800</b>	476,538,800
Share Forfeiture Account	<b>401,375</b>	401,375
<b>TOTAL</b>	<b><u>476,940,175</u></b>	<b><u>476,940,175</u></b>

### a) Terms/rights attached to Equity Shares

Company has only one class of equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders, in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### b) Detail of Shareholders holding more than 5% Equity Shares in the company

Name of Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of shares Held	%age of Holding	No. of shares Held	%age of Holding
Equity Shares				
1 M/s SBEC Systems (India) Ltd.	14,230,884	29.86%	14,230,884	29.86%
2 M/s Moderate Leasing & Capital Services Ltd	4,215,289	8.85%	4,215,289	8.85%
3 Abhikum Leasing & Investment Pvt. Ltd.	5,531,994	11.61%	-	0.00%
3 M/s A to Z Holding Pvt. Ltd.	3,128,400	6.56%	3,128,400	6.56%
4 M/s Longwell Investments Pvt. Ltd.	2,721,500	5.71%	2,721,500	5.71%
5 M/s Kumabhi Investments Pvt. Ltd.	-	0.00%	2,387,050	5.01%

### c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	2014-15		2013-14	
	No. of shares	(Rs.in lacs)	No. of shares	(Rs.in lacs)
Equity Shares				
At the beginning of the year	4,76,53,880	476,538,800	47,653,880	476,538,800
Add: Shares Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	4,76,53,880	476,538,800	47,653,880	476,538,800



	As at <b>31.03.2015</b> (In Rs.)	As at <b>31.03.2014</b> (In Rs.)
<b>NOTE 3 : RESERVES &amp; SURPLUS</b>		
<b>Surplus / (Deficit)</b>		
Balance as per last financial statement	(1,567,198,328)	(1,008,234,742)
Accumulated Depreciation earlier year	(13,364,604)	-
Balance in statement of Profit & Loss	(283,738,901)	(558,119,110)
Add: Transfer from Reserves	1,285,718	-
Less: Transfer to Reserves	151,551	844,476
<b>Closing Balance</b>	<b>(1,863,167,666)</b>	<b>(1,567,198,328)</b>
<b>Capital Reserve</b>		
Balance as per last financial statement	4,916,625	4,916,625
Add: Additions during the year	-	-
Less : Deductions during the year	-	-
<b>Closing Balance</b>	<b>4,916,625</b>	<b>4,916,625</b>
<b>Other Reserve-Molasses Storage Fund</b>		
Balance as per last financial statement	1,892,688	1,048,212
Add: Additions during the year	151,551	844,476
Less : Deductions during the year	1,285,718	-
<b>Closing Balance</b>	<b>758,521</b>	<b>1,892,688</b>
<b>Total</b>	<b>(1,857,492,519)</b>	<b>(1,560,389,015)</b>

**NOTE 4 : LONG-TERM BORROWINGS****A. Secured Borrowings**

a) Vehicle Loans	856,492	1,950,139
b) Hire Purchase - First Leasing Co. of India Ltd.	35,126,441	10,323,529
c) Term Loan from SREI Infrastructure Finance Ltd.	100,000,000	170,000,000
d) Pledged Account with the U.P. Cooperative Bank Ltd.	34,625,990	-
<b>SUB-TOTAL (A)</b>	<b>170,608,923</b>	<b>182,273,668</b>

**B. Unsecured Loans**

a) Fixed Deposits from Public	-	-
b) Deposits from Selling agents	10,547,000	28,256,908
<b>SUB-TOTAL (B)</b>	<b>10,547,000</b>	<b>28,256,908</b>
<b>TOTAL (A+B)</b>	<b>181,155,923</b>	<b>210,530,576</b>

Note : Terms of repayment / details of security are as follows :

(Rs. In lacs)

Lending Institution	Outstanding As at 31.03.2015	2015-2016	2016-17	2017-18	2018-19	2019-20
SREI Infrastructure Finance Ltd.	160,000,000	60,000,000	60,000,000	40,000,000	-	—
HDFC Bank Ltd.	1,517,495	778,857	798,638	-	—	—
Kotak Mahindra Prime Ltd.	218,304	160,450	57,854	-	—	—
ICICI Bank Ltd. 231,550	231,550	231,550	—	—	—	—
Up Co-Operative Bank Ltd.	56,625,990	22,000,000	24,000,000	10,625,990	—	—
First Leasing Company of India Ltd.	44,949,961	9,823,520	35,126,441	-	—	—

- Amounts payable against vehicle loans are secured against the hypothecation of specific assets acquired.
- Vehicle loan from HDFC Bank Ltd., Kotak Mahindra Prime Ltd., and ICICI Bank Ltd. carry interest @ 10.00-12.00% and Hire Purchase of Plant & Machinery from First Leasing company of India Ltd carry interest @ 17.92%
- Fixed Deposits carry interest @10.50-11.00% and repayable within one to three years from the date of deposit.
- Outstanding amount and schedule of payment of First leasing Company of India Ltd. (Shown under not eNo. 9 Current maturity of long term loan) remained unreconciled/unconfirmed as the company in in liquidation
- Pledge Account with the U.P. Co-operative Bank Ltd. Which was earlier secured by the pledge of stocks of sugar & second charge on the assets of company and was further secured by personal guarantee of two directors of the company. This loan now stands restructured with reference to repayment and charges. Now the company has created and equitable mortgage of the land free from encumbrance, first charge on the assets of company & is further secured by personal guarantee of two directors which is in continuation.
- Credit facilities availed from U.P. Co-Operative Bank Limited now converted in working capital Term Loan which is repayable in maximum 36 installments alongwith interest @11.75% accordingly grouping has been changed and considered under long term borrowings.



	As at <b>31.03.2015</b> (In Rs.)	As at <b>31.03.2014</b> (In Rs.)
<b>NOTE 5 : OTHER LONG-TERM LIABILITIES</b>		
Security Deposit Received	1,376,200	1,356,200
Retention Money	236,078	-
<b>Total</b>	<b>1,612,278</b>	<b>1,356,200</b>
<b>NOTE 6 : LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits :		
For Leave Encashment	3,586,802	1,565,413
For Gratuity	15,739,458	13,198,330
<b>Total</b>	<b>19,326,260</b>	<b>14,763,743</b>
<b>NOTE 7 : SHORT-TERM BORROWINGS</b>		
<b>A Secured Borrowings</b>		
b) Pledge Account with The U.P. Co-operative Bank Ltd. (Refer Foot Note no. 4)	-	490,736,420
c) OD Account with The Shamrao Vithal Co-Operative Bank Ltd.	-	989,659
<b>SUB-TOTAL (A)</b>	-	491,726,079
<b>B Unsecured Loans</b>		
a) Inter Corporate Deposits	501,192,907	618,017,636
b) Fixed deposits*	6,500,000	16,500,000
<b>SUB-TOTAL (B)</b>	<b>507,692,907</b>	<b>634,517,636</b>
<b>Grand Total (A+B)</b>	<b>507,692,907</b>	<b>1,126,243,715</b>
<b>NOTE 8 : TRADE PAYABLES</b>		
Sundry Creditors		
- For Sugarcane (including expenses related to Cane)	3,230,544,002	2,890,082,190
Others	552,923,707	449,207,193
<b>TOTAL</b>	<b>3,783,467,708</b>	<b>3,339,289,383</b>

- Sundry creditors include a sum aggregating Rs. 1.12 Lacs (Previous Year Rs. 1.46), due to Small Scale Industrial Undertakings aggregating to Rs. NIL (Previous period Rs. 0 lacs)
- Followings are the relevant disclosures as required under the Micro, small and Medium Enterprises Development Act 2006
  - Sundry creditors include a sum aggregating Rs. 4.84 Lacs (Previous Year Rs. 1.12), Due to Micro and small Enterprises.
  - The amount of interest paid by the Company in terms of Section 16, along with the amount of payments made to the Micro and small Enterprise Beyond the appointed date during the year Nil (Previous Year Rs. Nil)
  - The amount of interest accrued and remaining unpaid Rs. 0.21 Lacs (Previous Year Rs. 0.10 Lac)

The above mentioned outstanding are in normal course of business and the information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

**NOTE 9 : OTHER CURRENT LIABILITIES**

	As at <b>31.03.2015</b> (In Rs.)	As at <b>31.03.2014</b> (In Rs.)
Current maturity of long term loans		
Fixed Deposits from Public	-	13,425,000
Unclaimed Fixed Deposit from public	<b>65,825,000</b>	54,900,000
Hire Purchase - First Leasing Co. of India Ltd.	<b>9,823,520</b>	36,323,139
Vehicle Loans	<b>1,110,857</b>	1,279,047
Statutory Dues	<b>82,119,121</b>	89,140,283
Interest accrued but not due on borrowings	<b>1,132,149</b>	369,507
Interest accrued and due on borrowings	<b>4,557,877</b>	28,350,918
Bills Payable Acceptance	<b>154,780</b>	5,378,159
Advance Against Sales	<b>7,755,283</b>	62,024,286
Security Deposit Received	<b>45,000</b>	45,000
Employees Related dues	<b>18,303,667</b>	16,572,567
Retention Money	<b>2,721,410</b>	2,717,066
Other Liabilities	<b>91,671,624</b>	3,739,993
SREI Infrastructure Finance Ltd.	<b>60,000,000</b>	30,000,000
<b>TOTAL</b>	<b>367,220,289</b>	<b>344,264,965</b>

**NOTE 10 : SHORT-TERM PROVISIONS**

Provision for Employee Benefits		
For Leave Encashment	<b>110,833</b>	1,883,300
For Gratuity	<b>839,341</b>	1,286,506
Others :		
For Wealth	<b>20,934</b>	30,834
<b>TOTAL</b>	<b>971,108</b>	<b>3,200,640</b>

**NOTE 11 : FIXED ASSETS**

(Rs. in lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMOR TIZATION				NET BLOCK	
	As at 01.04.2014	Addition During the Year	Adjustments	As at 31.03.2015	Upto 31.03.2014	Provided During the Year	Adjus- tments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>A. TANGIBLE ASSETS</b>										
LAND - FREEHOLD	4,615,226	-	-	4,615,226	-	-	-	-	4,615,226	4,615,226
LAND - LEASE HOLD	5,642,858	-	-	5,642,858	963,477	63,701	-	1,027,178	4,615,680	4,679,381
LEASE HOLD IMPROVEMENT	84,740	-	-	84,740	84,740	-	-	84,740	-	-
FACTORY BUILDING & TRANSIT HOUSE	143,474,068	(0)	(0)	143,474,068	47,173,038	4,154,800	10,584,361	61,912,199	81,561,869	96,301,030
PLANT & MACHINERY	1,523,931,556	89,000	7,034,271	1,516,986,285	1,048,765,682	19,963,984	1,410,203	1,070,139,869	446,846,416	475,165,873
OFFICE EQUIPMENT	3,643,118	28,627	-	3,671,745	1,777,559	337,292	922,886	3,037,737	634,008	1,865,559
COMPUTER EQUIPMENT	8,925,914	27,775	-	8,953,689	6,715,480	1,166,648	233,356	8,115,484	838,206	2,210,435
FURNITURE & FIXTURES	7,049,201	7,200	-	7,056,401	4,832,753	696,451	330,582	5,859,786	1,196,615	2,216,448
MOTOR VEHICLES	17,544,681	-	-	17,544,681	6,611,167	2,114,044	138,481	8,863,691	8,680,990	10,933,515
FACTORY APPROACH ROAD	24,432,136	-	-	24,432,136	16,720,665	3,861,025	-	20,581,690	3,850,446	7,711,471
<b>TOTAL (A)</b>	<b>1,739,343,498</b>	<b>152,602</b>	<b>7,034,271</b>	<b>1,732,461,829</b>	<b>1,133,644,561</b>	<b>32,357,945</b>	<b>13,619,868</b>	<b>1,179,622,374</b>	<b>552,839,455</b>	<b>605,698,937</b>
Previous Year	1,739,074,110	1,176,900	907,513	1,739,343,497	1,059,018,124	75,319,713	693,276	1,133,644,561	605,698,936	680,055,986
<b>B. INTANGIBLE ASSETS</b>										
COMPUTER SOFTWARE	1,823,268	199,750	-	2,023,018	1,728,795	61,292	-	1,790,087	232,931	94,473
<b>TOTAL (B)</b>	<b>1,823,268</b>	<b>199,750</b>	<b>-</b>	<b>2,023,018</b>	<b>1,728,795</b>	<b>61,292</b>	<b>-</b>	<b>1,790,087</b>	<b>232,931</b>	<b>94,473</b>
Previous Year	1,823,268	-	-	1,823,268	1,672,143	56,652	-	1,728,795	94,473	151,125
<b>TOTAL (A+B)</b>	<b>1,741,166,766</b>	<b>352,352</b>	<b>7,034,271</b>	<b>1,734,484,847</b>	<b>1,135,373,356</b>	<b>32,419,237</b>	<b>13,619,868</b>	<b>1,181,412,461</b>	<b>553,072,386</b>	<b>605,793,410</b>
Previous Year	1,740,897,378	1,176,900	907,513	1,741,166,765	1,060,690,267	75,376,365	693,276	1,135,373,356	605,793,410	680,207,111

Note : 1. Freehold Land includes land aggregating Rs. 1.58 lacs in the name of SBEC System (India) Limited as nominee.  
2. Factory Approach Road, represents expenditure incurred by the company on roads outside factory premises and are written off over a period of five years.  
3. The Company has provided depreciation as per schedule II of companies Act 2013. Accumulated depreciation for the previous years of Rs. 130.53 lacs has been debited to retained earning.  
4. During the year the company has taken Cenvat credit of Rs. 70.34 lacs against the payment of C.V.D on Plant & Machinery imported in earlier years. Since the company has made full & Final Payment to the custom/Excise deptt. therefore the amount capitalized in earlier years now being reversed and accumulated depreciation for the previous year's of R. 56.17 lacs has been adjusted from the current year depreciation.



	As at 31.03.2015 (Rs. in Lacs)	As at 31.03.2014 (Rs.in Lacs)
<b>NOTE 11 A : CAPITAL WORK IN PROGRESS</b>		
For Existing Operations	3,601,990	-
<b>TOTAL</b>	<b>3,601,990</b>	<b>-</b>
<b>NOTE 12 : NON-CURRENT INVESTMENT</b>		
<b>Trade Investment</b>		
(Unquoted, Valued at Cost)		
<b>Investment in Subsidiary Companies</b>		
40,000 Equity Shares of Rs.25/- each in The Shamrao Vithal Co-Operative Bank Ltd.		
(Previous year - 40,000 Equity shares of Rs.25/- each)	1,000,100	1,000,100
Share Transfer Stamp Fee	82,500	82,500
<b>SUB TOTAL (a)</b>	<b>1,082,600</b>	<b>1,082,600</b>
<b>Other Investments:</b>		
4,50,000 Equity Shares of Rs. 110/- each of Modi Ilva India Pvt. Ltd.		
(Previous Year - 4,50,000 Equity shares of Rs. 10/- each)	4,500,000	4,500,000
100 Eq.Shares of Rs.10/- each of Chandil Power Ltd..		
(Previous Year - 100 Equity shares of Rs. 10/- each)	1,000	1,000
19,12,500 Non Transferable compulsory Convertible Unsecured zero % Debenture of Modi Ilva India Pvt. Ltd. Rs. 100/-each		
(Previous Year - 13,37,500/- Equity shares of Rs. 100/- each)	273,000,000	220,000,000
30 Equity Shares of Rs. 10/- each in Modi Casing & Packaging Pvt. Ltd. (Formaly Known as Modi Gourmet Ltd.) #		
(Previous Year - 50,000 Equity shares of Rs. 10/- each)	300	
Less : Provision made for diminution in value of investment	285	15
<b>SUB TOTAL (b)</b>	<b>277,501,015</b>	<b>224,501,000</b>
<b>TOTAL (a+b)</b>	<b>278,583,615</b>	<b>225,583,600</b>
Aggregate amount of unquoted investments	278,583,615	225,583,600
Aggregate provision for diminution in value of investments	285	-
# The Company ceases to be subsidiary w.e.f. 30.09.2014		
<b>NOTE 13 : LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, Considered good</b>		
Security Deposits	794,956	855,722
<b>TOTAL</b>	<b>794,956</b>	<b>855,722</b>
<b>NOTE 14 : OTHER NON-CURRENT ASSETS</b>		
Debt Assignment Recoverable-PNB - Refer Note No. 33	591,731,100	591,731,100
Debt Assignment Recoverable(IFCI and IDBI)	218,122,722	218,597,682
Margin money with others	3,500,000	3,500,000
SREI Infrastructure Finance Ltd.	2,628,676	2,628,676
Deferred Revenue Expenditure	-	1,309,355
<b>Other Bank Balances</b>		
Balance with Scheduled Banks in -		
— Fixed Deposits Pledged with Banks	2,006,710	1,851,884
— Margin Money with Banks	-	1,100,000
<b>TOTAL</b>	<b>817,989,208</b>	<b>820,718,697</b>
<b>NOTE 15 : INVENTORIES</b>		
Goods in progress	29,060,342	46,707,782
Finished goods	1,193,860,789	1,869,145,076
Stock-in-trade (in respect of goods acquired for trading)	-	35,298,708
Finished Goods at SBEC Godown, Modinagar	-	30,984,921
Stores and spares*	86,901,649	90,625,057
Other stocks	1,509,951	742,112
<b>Total</b>	<b>21,311,332,731</b>	<b>2,073,503,656</b>
*Net of Provision for Obsolescence Rs. 16.25 lacs (Previous Year Rs.4.58 lacs )		



	As at 31.03.2015 (Rs. in Lacs)		As at 31.03.2014 (Rs.in Lacs)	
<b>NOTE 16 : TRADE RECEIVABLES</b>				
Debts outstanding for a period exceeding six months from the date they are due for payment				
- Unsecured	16,618,866		19,525	
- Doubtful	113,903	16,732,769	113,903	133,428
Other Debts				
- Unsecured	114,137,223		151,382,029	
- Doubtful	-	114,137,223	-	151,382,029
Less: Provision for Bad and Doubtful Debts		113,903		113,903
<b>TOTAL</b>		<b>130,756,089</b>		<b>151,401,554</b>
<b>NOTE 17 : CASH AND BANK BALANCES</b>				
<b>Cash and Cash Equivalents</b>				
Cash in hand Cheques/Drafts in hand		339,133		395,078
Balance with Banks in -				
— In Current Accounts		22,107,070		13,009,551
<b>Other Bank Balances</b>				
Balance with Banks in -				
— Fixed Deposits		1,366,821		980,644
<b>TOTAL</b>		<b>23,813,024</b>		<b>14,385,273</b>
<b>NOTE 18 : SHORT TERM LOAN &amp; ADVANCES</b>				
<b>unsecured</b>				
<b>LOAN &amp; ADVANCES TO RELATED PARTIES</b>				
Moderate Leasing & Capital Services Ltd.		-		-
Promoter Company - SBEC Systems (India) Limited		12,795,523		12,795,523
Advance Recoverable In Cash or in Kind or for Value to be received				
Unsecured	282,554,088	-	19,636,893	
Doubtful		-	-	
Less : Provision for doubtful advances	-	282,554,088	-	19,636,893
Amount deposited under protest*		9,563,140		6,468,914
Taxes recoverable		11,940,435		3,599,006
Balance with Excise/Trade Tax Authorities		13,548,926		20,633,878
Share Application Money- Chandil Power Ltd (Also refer Note No. 45)		300,000		300,000
Prepaid Expenses		1,317,239		2,710,083
REC Recoverable		71,422,500		39,082,500
Staff Balances		-		747,238
Advance to suppliers		2,619,747		1,964,122
Other		3,010,702		4,054
<b>TOTAL</b>		<b>409,072,299</b>		<b>107,942,211</b>
*Amount deposited under protest Detail				
U.P. VAT Act		-		-
Central Excise Act		3,661,768		3,821,162
<b>TOTAL</b>		<b>5,901,372</b>		<b>543,130</b>
		<b>9,563,140</b>		<b>4,364,292</b>


**NOTE 19 : OTHER CURRENT ASSETS**

	As at <u>31.03.2015</u> (In Rs.)	As at <u>31.03.2014</u> (In Rs.)
Assets held for Disposal (Also refer Note No. - 45)	120,723,371	120,652,492
Tax Deducted At Source	195,344	258,309
Income Tax Receivable	4,589,017	4,589,017
Deffered Revenue Expenditure	1,367,923	2,071,678
<b>TOTAL</b>	<u>126,875,655</u>	<u>127,571,496</u>

For the Year <u>ended 31.03.2015</u> (In Rs.)	For the Year <u>ended 31.03.2014</u> (In Rs.)
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**NOTE 20 : REVENUE FROM OPERATIONS**

a) <u>Sale of product</u>		
Sugar	4,046,759,775	3,576,893,271
Power	108,904,662	89,832,547
b) <u>Other operating revenue</u>		
Molassses	209,592,938	264,141,638
Bagasse	130,054,553	120,967,271
Scrap Sale	4,471,291	5,019,508
Less : Excise Duty	154,194,309	140,516,337
<b>TOTAL</b>	<u>4,345,588,911</u>	<u>3,916,337,898</u>

**NOTE 21 : OTHER INCOME**

Interest Received	303,454	263,911
Profit on sale of Fixed Assets - (in subsidiary company)	-	34,760
Dividend received from cooperative Society	120,000	120,000
Sale of Export Entitlement	52,774	-
REC Income	56,836,500	39,082,500
Miscellaneous Income	68,856	4,463,340
Purchase Tax Waiver Account	643,383	10,917,259
Excess Provision / Sundry balances written back	15,110,218	5,175,837
<b>TOTAL</b>	<u>73,135,185</u>	<u>60,057,607</u>

**NOTE 22 : COST OF MATERIAL CONSUMED**

Raw Material Consumed	2,891,657,599	2,593,468,340
<b>TOTAL</b>	<u>2,891,657,599</u>	<u>2,593,468,340</u>

**NOTE 23 : PURCHASES OF STOCK IN TRADE**

Sugar Purchased For Trading	472,829,659	441,222,112
<b>TOTAL</b>	<u>472,829,659</u>	<u>441,222,112</u>

**NOTE 24 : CHANGE IN INVENTORIES OF STOCKS**

<b>Opening Stock</b>			
Finished Goods	1,900,129,997	2,365,594,588	
Goods in Process	46,707,782	31,763,772	
Stock in Trade	35,298,708	1,982,136,487	2,697,873,080
<b>Closing Stock</b>			
Finished Goods	1,193,860,789	1,900,129,997	
Goods In Process	29,060,342	46,707,782	
Stock in Trade	-	35,298,708	1,982,136,487
<b>Increase/(Decrease) In Stocks</b>	<u>(759,215,357)</u>	<u>(715,736,593)</u>	



**NOTE 25 : MANUFACTURING EXPENSE**

	<b>For the Year ended 31.03.2015 (In Rs.)</b>	<b>For the Year ended 31.03.2014 (In Rs.)</b>
Stores & Spares Consumed (Including Packing Exp.)	<b>104,076,359</b>	86,115,629
Power & Fuel	<b>2,510,015</b>	2,484,993
Repair & Maintenance		
- Plant & Machinery	<b>77,817,181</b>	61,533,341
- Building	<b>6,981,450</b>	5,062,333
- Others	<b>4,612,914</b>	3,594,599
Freight & Cartage	<b>905,791</b>	1,010,364
Material Handling Expenses	<b>11,724,334</b>	9,047,825
Variation in Excise duty on opening and closing stock	-	-
Finished Goods	<b>(6,110,993)</b>	(21,340,356)
Bagasse and Ash Handling Charges	<b>3,996,938</b>	3,468,832
<b>TOTAL</b>	<b>206,513,989</b>	<b>150,977,560</b>

**VALUE OF IMPORTED/INDIGENOUS RAW MATERIALS, STORES AND SPARES CONSUMED**

				(In Rs.)
Particulars	Indigenous Value	%age	Imported Value	% age
Raw Materials	28,097.47	100%	-	Nil
Previous Year	(593.20)	100%	-	Nil
Stores & Spares*	950.43	98.32%	16.20	1.68%
Previous Year	(876.05)	98.45%	926.06	1.55%

\*Excluding spares used for capitalization.

	<b>For the Year ended 31.03.2015 (Rs. In Lacs)</b>	<b>For the Year ended 31.03.2014 (Rs. In Lacs)</b>
<b>NOTE 26 : EMPLOYEE BENEFIT EXPENSES</b>		
Salary, Wages & Bonus	<b>99,145,625</b>	94,645,843
Company's Contribution To Provident & Other Funds	<b>6,966,307</b>	6,736,045
Staff Welfare Expenses	<b>3,652,219</b>	3,362,947
Gratuity	<b>3,765,634</b>	5,076,702
<b>TOTAL</b>	<b>113,529,785</b>	<b>109,821,537</b>

**NOTE 27 : FINANCE COST**

Interest expenses	<b>128,604,033</b>	317,710,407
Finance Charges	<b>62,349</b>	6,699,415
Financial Brokerage	<b>47,869</b>	1,702,038
<b>TOTAL</b>	<b>128,714,251</b>	<b>326,111,860</b>

**NOTE 28 : ADMINISTRATION EXPENSES**

Telephone, Postage & Telegram	<b>1,290,403</b>	1,229,961
Legal & Professional Charges	<b>6,260,924</b>	11,851,840
Director's Siting Fee	<b>66,000</b>	49,000
Loss on Sale of Fixed Assets	-	63,759
Travelling & Conveyance	<b>8,690,894</b>	7,314,484


**NOTE 28 : ADMINISTRATION EXPENSES (Cont....)**

	<b>For the Year ended 31.03.2015 (In Rs.)</b>	<b>For the Year ended 31.03.2014 (In Rs.)</b>
Rent Including Lease Charges	1,385,880	1,741,069
Rates & Taxes	4,261,074	3,108,739
Vehicle Expenses	1,920,414	3,098,279
Insurance	115,423	
Insurance Expenses	4,216,273	5,220,503
Insurance Realealised on Sugar	<u>(4,876,863)</u>	<u>(3,671,878)</u>
Security Guard Expenses	13,407,252	10,240,432
Payment to Auditors *	419,131	443,400
Provision for obsolete store items	1,774,517	227,794
Subcption Fee	-	168,540
Foreign exchange fluctuation	2,326,211	8,877,507
Bank Charges	320,524	1,828,046
Wealth Tax	20,934	30,834
Misc. Expenses	5,657,291	3,495,699
Misc. Expenditure Written off	2,013,110	2,013,110
Loss on Sale of Investment	474,715	-
Loss on Revaluation of Investment	285	-
REC EXPS (Include Rs. 7034850/- for Previous Year)	17,265,420	-
CLAIM AGST Transit	102,600	-
<b>TOTAL</b>	<b><u>67,112,412</u></b>	<b><u>57,331,118</u></b>
*Details of Payment to Auditors		
a) Statutory Audit Fee	405,900	405,900
b) Tax Audit fee	37,500	37,500
b) Certification & Reimbursement	117,500	117,500
c) Out of pocket expenses	42,500	42,550
<b>TOTAL</b>	<b><u>603,450</u></b>	<b><u>603,450</u></b>

**NOTE 29 : SELLING EXPENSES**

Commission	17,884,446	15,970,670
Rent (Godown)	1,876,744	4,411,843
Freight, Clearing & Forwarding	3,676,762	12,628,383
Rebate & Discount	-	252,305
<b>TOTAL</b>	<b><u>23,437,952</u></b>	<b><u>33,263,201</u></b>

**NOTE 30 : PRIOR PERIOD EXPENSES**

Prior Period Expenses	3,334,907	61,815,441
<b>TOTAL</b>	<b><u>3,334,907</u></b>	<b><u>61,815,441</u></b>



## NOTES ON FINANCIAL STATEMENT:

### 31. Earning per Share (AS-20)

Particulars	Current Year	Previous Year
Net Profit/(Loss) after tax (Rs. in lacs)	(2837.39)	(5581.19)
Weighted Average number of equity shares outstanding during the year	4,76,53,880	4,76,53,880
Basic Earnings per Share (Rs.)	(5.95)	(11.71)
Diluted Earnings per Share (Rs.)	(5.95)	(11.71)

### 32. Contingent Liabilities not provided for in respect of:

Particulars	As at 31.03.2015	As at 31.03.2014
<b>in the case of the Holding Company</b>		
i) Corporate Guarantee given to Government of Jharkhand against Soft loan (incl. interest) given to Bihar Sponge Iron Ltd.	6809.50	6,301.45
ii) Outstanding against Guarantee given on behalf of SBEC Bio-energy Ltd.	1600.00	2,000.00
iii) Duties and Tax liabilities disputed by the Company	1723.86	1679.00
iv) Interest and R C Charges on cane arrear payment as recovered by DCO, Baghpat, case is pending with Allahabad High Court.	35.99	35.99
v) Interest and RC Charges on Cane Arrears from the season 2012-13	6650.70	3193.92
<b>In the case of SBEC Bioenergy Limited:</b>		
v) Claims against the company not acknowledged as debts:- Income tax matters	183.50	39.75

### 33.a) In the case of the Holding Company:

During the year 2006-2007, a One Time Settlement (OTS) dated 22nd January, 2007 was signed between the Company, Punjab National Bank (PNB), Mr. Umesh K. Modi (as Guarantor of MIL) and Modi Industries Limited (MIL) on the terms as contained in the PNB letter dated 28th September, 2006. In terms of this settlement, the Company has agreed to make payment of Rs. 2,810.60 lacs together with interest to PNB. In consideration of the same, PNB has agreed to assign all its claims, interest and charges against the Steel Section of MIL in favour of the Company. The Company has made full payment of the settlement amount together with interest aggregating Rs. 3,351.21 lacs to PNB. As per expert legal opinion, during the year interest amounting to Rs. 417.63 lacs (previous year Rs. 417.63 lacs for the period from 22nd January, 2007 to 31st March, 2012) has been allocated to the cost of "Debt Assignment" acquired by the company from PNB, since in the opinion of the management the borrowing of the company were raised to pay for Debt Assignment.

PNB thereafter executed a "Deed of Assignment" on 15th May, 2012 (an event occurring after the date of the Balance Sheet) in favour of the company by which PNB assigned all its claim together with all securities and charges created by MIL in its favour to the company.

The company thereafter executed a "Deed of Assignment" on 31st December, 2012 in favour of its subsidiary M/s SBEC Bioenergy Limited by which the company assigned all its claim together with all securities and charges created by MIL in its favour for a consideration of Rs. 12,500.00 Lacs. A sum of Rs. 4,200.00 lacs has been paid simultaneously with the execution of this deed and the remaining sum of Rs. 8,300.00 lacs shall be payable as per the mutually agreed installments within a period of five years from the date of execution of this deed.

### b) In the case of SBEC Bioenergy Limited:

- (i) The Company had negotiated and finalized with the IDBI Ltd., the terms for taking over the debt of IDBI in Modi Industries Limited (MIL) under OTS on assignment basis to the Company. In terms of IDBI's letters No. IDBI.LHO.RD.MIL/2221 dated 27th January, 2007 and 9th February, 2007, on payment of settlement amount, IDBI will execute 'Deed of Assignment' in favour of the Company, by which all claims of IDBI (towards principal and interest) right against MIL and also the charges and securities created by MIL, will stand assigned in favour of the Company. The said 'Deed of Assignment' is yet to be executed.

The Company had paid total dues of IDBI i.e. a sum of Rs. 1410.98 lacs (previous year Rs. 1410.98 lacs) under this scheme.

- (ii) The Company has negotiated and finalized with the IFCI Limited, the term for taking over the debt of IFCI in Modi Industries Ltd. (MIL). In terms of IFCI Letter No. IFCI/NRG/ 200-13494 Dated 30th December, 2009 on payment of settlement amount, Rs. 775 lacs.

The company made a payment of Rs. 775 lacs to IFCI on 30th December 2009 and in consideration thereof IFCI Limited executed a Deed of Assignment dated 19th April 2012 and assigned its all claims against Modi Industries Limited together with the securities and charges in favour of the company. The registrar of companies has registered the modification to the charges in favour of the company. The said secured debts is payable by Modi Industries Limited to the Company.

- (iii) The company has taken the debt of SBEC Sugar Ltd. in Modi Industries Ltd. (MIL) through a "Deed of Assignment" in its favour executed on 31st December, 2012 by its holding company M/s SBEC Sugar Ltd. All the claims together with all securities and charges created by MIL in favour of SBEC Sugar Ltd. have been assigned to the company for a consideration of Rs. 12,500 lacs. A sum of Rs. 4,200 lacs have been paid on the date of execution of the said deed and the balance Rs. 8,300 lacs shall be payable as per mutually agreed installments within a period of five years from the date of execution of this deed.

### 34. In the case of SBEC Bioenergy Limited:

- a) The 132 KV Line was laid by Uttar Pradesh Power Corporation Limited (UPPCL) and commissioned on 1st December, 2005. The Company's contribution in respect of the line amounted to Rs.195.45 lacs as demanded by UPPCL till end of March, 2015. The total expenditure in laying the line is pending finalization by UPPCL. The ownership of the line however, vests with UPPCL. The amount spent by the Company has been accounted for as Deferred Revenue Expenditure and the same is being amortized over a period of 10 years



- from the date of commencement of commercial operation.
- b) UPPCL has charged Rs. 6.00 lacs for the year 2014-15 (Previous Year Rs. 5.72 lacs) as Annual Maintenance Charges. As per the Power Purchase Agreement dated 8th November, 2006, the charge is @ 1.50% on the cost of 132 KV Line in the first year and with an increase (maximum) of 5% in each subsequent year. Since, the total expenditure on the 132 KV Line is pending finalization by UPPCL, this charge again, is on provisional basis.
- c) The company has taken the debt of IDBI, IFCI & SBEC Sugar Limited in Modi Industries Limited (MIL). The principal activities of MIL is manufacturing of Sugar, Liquor, Electrode, Paint, Gas etc. As at 31st March, 2015 the company has net exposure of Rs.14,685.98 lacs as debt acquired. The net worth of MIL has been completely eroded. MIL had been declared a sick Industrial company on March 14, 1991 in terms of section 3(1)(o) of the Sick Industrial Companies Special Provisions Act 1985. No provision for the diminution in debts is required to be made in these financial statements.
35. In case of SBEC Bioenergy Ltd., Company's leasing arrangements, which are in respect of operating leasing for premises (residential, office etc.) ranges between 11 months to 12 months generally, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged to revenue.

**36. Executive and Whole time Director's Remuneration included under different heads of expenditure is as follows:**

**a) In the case of the Holding Company:**

Particulars	Current Year	(Rs. in Lacs) Previous Year
Salary, Allowance & Commission	14.05	13.99
Contribution to Provident fund	0.29	1.36
Reimbursement of Expenses	0.28	1.25
Sub Total	14.62	16.60
Commission on profits	Nil*	Nil*
<b>TOTAL</b>	<b>14.62</b>	<b>16.60</b>

\*In view of losses in the current year, computation of net profit in accordance with Sec. 198 of the Companies Act, 2013 has been made. However, on that basis, no commission is payable to the Executive Director.

**b) In the case of SBEC Bioenergy Limited:**

Mr. Abhishek Modi, Executive director (From 11th July, 2011), under Companies Act, 2013 was paid remuneration in accordance with Companies Act, 2013. The same having been included under different heads of expenditure is as follows:

Particulars	Current Year	(Rs. in lacs) Previous Year
Salary & Bonus	47.76	38.21
Contribution to Provident fund	3.58	2.86
Others	0.14	1.03
<b>TOTAL</b>	<b>51.48</b>	<b>42.10</b>

Note: Remuneration excludes provision for gratuity determined on actuarial basis as these are determined for the company as a whole.

Computation of Profit in accordance with Section 198 of the Companies Act, 2013 for the purpose of computation of managerial remuneration of the said Act is as under:-

Particulars	Current Year	(Rs. in lacs) Previous Year
Profit (Loss) for the year before taxation (as per Profit & Loss Account)	61.90	(529.98)
Add:-		
Depreciation provided in the Accounts	43.04	140.63
Director and Manager Remuneration	51.48	42.10
Loss on sale of Fixed Assets		
<b>Subtotal</b>	<b>156.42</b>	<b>(347.25)</b>
Less:-		
Depreciation	43.04	140.62
Profit on sale of Fixed Assets	0	0.35
<b>Profit(Loss) u/s 198</b>	<b>113.38</b>	<b>(488.22)</b>

Shri Abhishek Modi , Executive Director has not been paid any commission during the current year due to inadequate profits.

**37. Segment Reporting (AS-17):****a) In the case of the Holding Company:**

The Company is a single product, single location company and hence the requirements of Accounting Standard-17 on 'Segment Reporting' are not relevant.

**b) In the case of SBEC Bioenergy Limited:**

The reportable segments as per Accounting Standard – 17 issued by The Institute of Chartered Accountant of India on "Segment Reporting" are given as under: (Rs. in Lacs)

Particulars	Power Generation		Assets Acquiring		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Revenue</b>						
External	1089.05	898.33	-	-	1089.05	898.33
Inter Segment	-	-	-	-	-	-
Total Revenue	1089.05	898.33	-	-	1089.05	898.33
<b>Result</b>						
Segment Result (Profit /(Loss) before tax)	601.93	184.47	(3.35)	(15.69)	598.58	168.78
Unallocated expenses	-	-	-	-	170.89	134.05
Interest Expense	365.79	564.71	-	-	365.79	564.71
Interest Income	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-
Deferred tax	-	-	-	-	16.59	158.72
Profit after tax	-	-	-	-	45.31	(371.26)
<b>Other Information</b>						
Segment Assets	2586.57	2,323.66	14,685.98	14,685.98	17272.54	17,009.63
Unallocated Assets	-	-	-	-	383.37	373.30
Segment Liabilities	4794.89	4,556.14	8,307.42	8,309.26	13102.31	12,865.40
Unallocated Liabilities	-	-	-	-	5.36	8.93
Capital Expenditure	-	-	-	-	-	1.09
Depreciation	43.04	140.63	-	-	43.04	140.63

Since all the operations of the Company are conducted within India, as such there is no separate reportable geographical segment.

**38. Impairments of Assets (AS-28)**

Carrying amounts of the Assets were reviewed at the Balance sheet date and no internal or external indications were noticed that could have necessitated any provision towards impairment of assets.

**39. Disclosures as required by the Amendment to Clause 32 of the Listing Agreement:****In the case of the Holding Company :**

(Rs. in lacs)

Name of the Companies	Amount outstanding As on 31 <sup>st</sup> March 2015*	Maximum Balance outstanding during the year
Chandil Power Ltd. – Interested Company	3.00	3.00



40. **Related party disclosure as required by Accounting Standard (AS-18)**

**I) In the case of the Holding Company :**

**(A) List of Related Parties & Relationship :**

	As at 31.03.2015	As at 31.03.2014
<b>(a) Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiary)</b>		
(i) SBEC Bioenergy Limited	Subsidiary	Subsidiary
(ii) SBEC Stockholding & Investment Limited.	Subsidiary	Subsidiary
(iii) Modi Casing and Packaging Pvt. Ltd. (formerly known as Modi Gourment Limited)	-	Subsidiary
<b>(b) Associates &amp; joint ventures</b>	Nil	Nil
<b>(c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.</b>	Sh. U. K Modi Sh. Abhishek Modi	Sh. U. K Modi Sh. Abhishek Modi Sh. S. C. Gupta
<b>(d) Key Management Personnel</b>	Sh. Abhishek Modi Executive Director	Sh. Abhishek Modi Executive Director & CEO Sh. S. C. Gupta Whole Time Director
<b>(e) Relatives of Key Management Personnel &amp; their Enterprises</b>		
(i) Mrs. Kumkum Modi*		
(ii) Mr. Jayesh Modi		
(iii) Ms. Meghna Modi*		
(iv) Mrs. Himani Modi Agarwal*		
(v) Mr. Priyank Kumar Agarwal*		
(vi) Mrs Suman Lata Gupta*		
(vii) A to Z Holding Pvt.Ltd		
(viii) Arvind Continental Pvt. Ltd		
(ix) Bihar Sponge Iron Ltd		
(x) Chandil Power Limited*		
(xi) First Move Management Services Pvt. Ltd*		
(xii) H. M. Tubes & Containers Pvt. Ltd*		
(xiii) Jai Abhishek Investments Pvt. Ltd*		
(xiv) Jayesh Tradex Pvt. Ltd		
(xv) Kamakhya Cosmetics & Pharmaceuticals Pvt. Ltd*		
(xvi) Longwell Investment Pvt. Ltd		
(xvii) M.G. Mobiles India Pvt. Ltd		
(xviii) Meghna Autoworks Private Ltd*		
(xix) Modi Arts Pvt. Ltd*		
(xx) Modi Diagnostics Pvt. Ltd*		
(xxi) Modi Goods and Retail Services Pvt. Ltd* (formally known as Modi Groceries Pvt. Ltd.)		
(xxii) Modi Illva India Pvt. Ltd*		
(xxiii) Modi Industries Ltd		
(xxiv) Modi Motors Pvt. Ltd		
(xxv) Modi Mun/dipharma Pvt. Ltd*		
(xxvi) Modi Omega Pharma (India) Pvt. Ltd*		
(xxvii) Modi Revlon Pvt. Ltd		
(xxviii) Modi Senator (India) Pvt. Ltd*		
(xxix) Modiline Travel Service Pvt. Ltd		
(xxx) Modi Hitech India Ltd (Formally Known as Morgardshammer India Ltd)		
(xxxi) Revlon Lanka Pvt. Ltd*		
(xxxii) Revlon Trading Bangladesh Private Ltd*		
(xxxiii) SBEC Systems (India) Ltd*		
(xxxiv) Swasth Investment Pvt. Ltd*		
(xxxv) Umesh Modi Corp. Pvt. Ltd*		
(xxxvi) Win Medicare Pvt. Ltd		

\* Indicates that during the year, there is no transaction with these enterprises



## (B) Transactions carried out with related parties referred in (A) above, in ordinary course of business:

(Rs in lacs)

Nature of transaction	Referred in A (1) above*	Referred in A (2) above	Referred in A (3) above	Referred in A (4) above	Referred in A (5) above
<b>Purchase / Goods and Services</b>	-	-	-	-	5067.48
	(2.13)	(-)	(-)	(-)	(3905.86)
<b>Sales / Goods and Services</b>	-	-	-	-	476.58
	(-)	(-)	(-)	(-)	(2754.00)
Sale of Debt Assignment	-	-	-	-	-
	(12500)	(-)	(-)	(-)	(-)
<b>Expenses / Computer / Printing &amp; Stationery</b>	-	-	-	-	5.74
	(-)	(-)	(-)	(-)	(7.77)
Air Tickets / Vehicle Exp.	-	-	-	-	2.21
	(7.80)	(-)	(-)	(-)	(2.70)
Courier / Freight Exp./Postage & Telegraph	-	-	-	-	0.26
	(-)	(-)	(-)	(-)	(0.67)
Repair & Maintenance Exp.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Rent/Telephone/Electricity	0.16	-	-	-	2.18
	(0.18)	(-)	(-)	(-)	(4.55)
Interest paid	-	-	-	-	116.83
	(-)	(-)	(-)	(2.61)	(101.85)
Salary & Wages etc	-	-	-	-	-
	(0.13)	(-)	(-)	(16.60)	(0.83)
Consultancy / Sitting Fee	-	-	-	0.03	2.91
	(-)	(-)	(-)	(0.05)	(-)
Gifts & other	-	-	-	-	0.37
	(-)	(-)	(-)	(-)	(0.11)
Prior Period Exp	-	-	-	-	-
	(611.30)	(-)	(-)	(-)	(2.50)
Stores & Spares Consumed	-	-	-	-	-
	(-)	(-)	(-)	(-)	(8.19)
<b>Income / Other Income</b>	568.37	-	-	-	-
	(291.14)	(-)	(-)	(-)	(-)
Corporate Guarantees	-	-	-	-	-
Outstanding as on 31.03.15	1600.00	-	-	-	6809.50
	(2000.00)#	(-)	(-)	(-)	(6301.45)
<b>Investment</b>					
<b>Recoverable / Receivable as on 31.03.15</b>					
Amount Recoverable	9279.52	-	-	-	9.07
	(8684.19)	(-)	(-)	(-)	(10.18)
<b>Finance / Advance Given as on 31.03.15</b>					
Year-end Balance of loan & Advance	3343.84	-	-	-	127.96
	(1800.50)	(-)	(-)	(-)	(127.96)
<b>Payable as on 31.03.15</b>					
Amount Payable	-	-	-	-	4.03
	-	-	-	-	(1.95)
<b>Finance / Advance Taken as on 31.03.15</b>					
Year-end Balance of loan & Advance	-	-	-	-	899.54
	-	-	-	-	(1013.84)

# Guarantee given to SBEC Bioenergy Ltd. Rs.1600 lacs (Previous year Rs. 2000 lacs).





**II) In the case of SBEC Bioenergy Limited:**

A Pursuant to compliance of AS-18 on "Related Party Disclosures", the disclosure has been made for related parties where transactions have taken place during the year.

**A(1) Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises:**

SBEC Sugar Limited

Moderate leasing and capital services limited

**A(2) Associates : NIL**

**A(3) Fellow Subsidiaries**

SBEC Stockholding & Investment Limited

Modi Casing & Packaging Pvt. Ltd.( Formally known as Modi Gourmet Limited

**A(4) Key Management Personnel**

Mr. Abhishek Modi – Executive Director (w.e.f. 11/7/2011)

**Relatives of Key Management Personnel**

Mrs. Nandini Modi

Mr. Umesh Kumar Modi

Mrs. Kum Kum Modi

Mrs. Himani Modi Aggarwal

Ms. Meghna Modi

Mr. Priyank Kumar Aggarwal

Mr. Jayesh Modi

**A(5) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence**

Modi Arts Pvt. Ltd,

Modi Goods and Retail Services Pvt. Ltd (formally known as Modi Groceries Pvt. Ltd.)

SBEC Systems (India) Ltd.

Jai Abhishek Investments Pvt. Ltd

Kamakhya Cosmetics & Pharmaceuticals Pvt. Ltd

Modi Diagnostics Pvt. Ltd

Modi Revlon Pvt. Ltd

Modi Senator (India) Pvt. Ltd

First Move Management Services Pvt. Ltd

Revlon Lanka Pvt. Ltd

Swasth Investment Pvt. Ltd

Umesh Modi Corp. Pvt. Ltd

Modi Omega Pharma (India) Pvt. Ltd

Modi Illva India Pvt. Ltd

A to Z Holding Pvt.Ltd

Longwell Investment Pvt. Ltd

Bihar Sponge Iron Ltd

Modi Mundipharma Pvt. Ltd

Modiline Travel Service Pvt. Ltd

Modi Industries Ltd

Morgardshammer India Ltd.

Win Medicare Pvt. Ltd,

H. M. Tubes & Containers Pvt. Ltd

Modi Motors Pvt. Ltd

M.G. Mobiles India Pvt. Ltd

Chandil Power Limited

Revlon Trading Bangladesh Private Limited

Meghna Autoworks Private Limited

Jayesh Tradex Pvt. Ltd

**(B) Transactions carried out with related parties referred in (A) above, in ordinary course of business:****(Rs in lacs)**

Nature of transaction	Referred in A (1) above*	Referred in A (2) above	Referred in A (3) above	Referred in A (4) above	Referred in A (5) above
Purchase / Debt assignment	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Goods and Services	-	-	-	-	0.081
	(-)	(-)	(-)	(-)	(0.037)
Sales					
Goods and Services	-	-	-	-	-
	(2.13)	(-)	(-)	(-)	(-)
Expenses					
Computer / Printing & Stationery/Intt Paid /other	46.51	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Air Tickets / Vehicle Exp.	-	-	-	-	13.07
	(-)	(-)	(-)	(-)	(16.48)
Gift & others	0.16	-	-	-	0.42
	(-)	(-)	(-)	(-)	(0.12)
Salary & Other Allowances	-	-	-	74.24	-
	(-)	(-)	(-)	(60.82)	(-)
Consultancy / Sitting Fee	-	-	-	0.05	-
	(-)	(-)	(-)	(0.04)	(-)
REC Unit transfer	524.31	-	-	-	-
	(220.52)	(-)	(-)	(-)	(-)
Advance Given	-	-	30.00	-	-
Loan Taken (net).	(-)	(-)	(-)	(-)	(-)
	786.51	-	-	-	-
Loan Repaid	(577.40)	(-)	(-)	(-)	(-)
	701.56	-	-	-	-
Corporate Guarantees taken					
Outstanding as on 31.03.15	1600.00	(-)	(-)	(-)	(-)
	(2000.00)*	-	-	-	-
Recoverable / Receivable as on 31.03.15	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Advance Given					
Loan Receivable Yearend Balance	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Other Recoverable	-	-	30.00	-	23.36
	(-)	(-)	(-)	(-)	(14709.27)
Finance / Advance Taken as on 31.03.15					
Finance (Loan)					
Yearend Balance	1845.68	-	-	-	-
	(1744.89)	(-)	(-)	(-)	(-)
Other Payable	9321.38	-	-	0.48	10.90
	(8700.02)	(-)	(-)	(0.15)	(14.51)

\* Guarantee taken from SBEC Sugar Ltd. Rs. 1600 (Previous year Rs. 2000 Lacs).

**41) Lease (AS-19)****Operating Lease**

The company has entered into operating leases for its office and for employee's residence that are renewable on a periodic basis and cancellable at Company's option. The Company has not entered into sublease agreements in respect of these leases. Further, the Company has not entered into any non-cancellable leases.

**42) Deferred Taxation (AS-22)****a) In the case of the Holding Company:**

Deferred taxes arise because of difference in treatment between financial accounting and tax accounting, known as "Timing differences". The tax effect of these timing differences is recorded as "deferred tax assets" (generally items that can be used as a tax deduction or credit in future periods) and "deferred tax liabilities" (generally items for which the company has received a tax deduction, but has not yet been recorded in the statement of income).

The principal components of the net deferred tax balance are as follows:

(Rs. in lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Deferred Tax Liability</b>		
Depreciation	735.43	812.07
Other Deductions	-	-
<b>Sub Total – A</b>	735.43	812.07
<b>Deferred Tax Assets</b>		
Business Loss / Unabsorbed Dep.	4958.19	4419.28
Deduction u/s 43B	30.58	27.56
Disallowance 40(A)(7)	43.78	39.10
<b>Sub Total – B</b>	5032.55	4486.45
<b>Net Deferred Tax Assets/(Liability) {B-A}</b>	4297.12	3674.38
<b>*Assets Recognised (Refer note below)</b>	735.43	812.07

\* In view of continuous losses, during the year recognition of deferred tax assets has been restricted to the extent of deferred tax liability.

**b) In the case of SBEC Bioenergy Limited:**

Break-up of Deferred Tax Assets / Liabilities into major Components is given below:

**b) In the case of SBEC Bioenergy Limited:**

Break-up of Deferred Tax Assets / Liabilities into major Components is given below:

Deferred Tax Assets	Deferred Tax Asset/ (Liability) as at 31.03.2015	Current Year (Charge) / Credit	Deferred Tax Asset/(Liability) as at 31.03.2014
Depreciation	(81.88)	(26.71)	(55.17)
Disallowance u/s 43B	3.71	0.06	3.64
Gratuity	7.44	1.79	5.65
Carry Forward Losses	350.64	8.26	342.38
Other Disallowance under I. Tax Act	16.82	-	16.82
Deferred Tax Assets/ (Liabilities)	296.73	16.59	313.32

**43) For SBEC Stockholding and Investment Limited:**

In the current financial year the company has further invested Rs. 500.00 lacs (Previous Year Rs. 287.5 lacs) in the Zero percent Compulsory Convertible Debentures of M/s Modi Illva India Pvt. Ltd. Which is a joint venture of the company.

**44) The company in terms of Board of Director's resolution dated 6th July 2013 has filled a reference with the Board for Industrial and financial Reconstruction (BIFR) U/S 15(1) of the Sick Industrial companies (Special provisions) Act 1985 (SICA) vide its letter dated 24th July 2013 and as per communication received from BIFR vide its letter No. 3/(S-22)/BC/2013 dated 21st August 2013, The said reference has been registered by BIFR as case No. 58/2013. The BIFR has declared the company as Sick u/s 3(1)(0) of SICA and appointed IDBI as operating**



agency u/s 17(3) of the Act. in its hearing held on dated 04.02.2014 & the Draft Rehabilitation Scheme is under compilation. Since the Company has continued its normal manufacturing operations during the season 2014-15 therefore the accounts are prepared on a "Going Concern Basis".

45) Additional information pursuant to provisions of Part II of Schedule III of Companies Act 2013 (to the extent applicable):

**A) In the case of the Holding Company:**

**(a) Capacity**

	Installed Capacity) (as certified by the management	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014
Sugarcane Crushing	M.T. per day (No License required)	8000	8000

**b) PRODUCTION, PURCHASE, TURNOVER & STOCK**

(Rs in lacs)

Classes of Goods	Opening Stock Quantity (Qtls.)	Production Quantity (Qtls.)	Sales Quantity (Qtls.)	Value	Closing stock Quantity (Qtls.)	Value
Sugar	5,49,750.0 (6,97,185.5)	1018364 (7,99,458)	1167056 (9,46,893.5)	34834.45 (29,022.09)	401058 (5,49,750.00)	10572.49 (17,738.65)
<b>Molasses</b> (By-product)	1,58,042.00 (2,44,993.90)	566909.85 (4,76,030.30)	467764.85 (5,62,982.20)	2095.93 (2,616.57)	257187.00 (1,58,042.00)	1245.01 (732.21)
<b>Purchases</b> Sugar Trading	10,121 (83,255)	1,60,918.13 (1,27,026.30)	1,71,039.13 (2,00,160.30)	5,638.32 (7,044.54)	- (10,121)	- (352.99)

**c) Consumption of raw materials**

(Rs. In lacs)

	Year ended 31 <sup>st</sup> March, 2015		Year ended 31 <sup>st</sup> March, 2014	
Particulars	Quantity (Quintals)	Value (Rs. In lacs)	Quantity (Quintals)	Value (Rs. In lacs)
<b>Sugar Cane</b>	11103337.83	30698.23	(91.23,095)	(25,189.50)

**d) EXPENDITURE IN FOREIGN CURRENCY (On accrual basis)**

(Rs. in lacs)

Particulars	Current year	Previous Year
Interest, Others,	14.02	22.19

**e) CIF VALUE OF IMPORTS**

Store & Spares	11.15	18.65
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**b) In the case of SBEC Bioenergy Limited:**

**(a) Statement of Installed & Licensed Capacity and Generation Quantity: @**

Description	Licensed Capacity	Installed Capacity	Actual Generation*
Power	Not Applicable	24MW (24MW)	58934300 kwh (4,90,14,150 kwh)
Steam	Not Applicable	77 tph (77 tph)	268463 tones (2,25,609 tones)

Figures in brackets are for Previous Year.

\* Transmission losses have not been considered in arriving at generation quantity.

@ The plant operated for 123 days in the current year (previous year 138 days).



(b) Details of Sale / Conversions								(Rs. in lacs)	
Description	Op. Stock		Conversion		Sales		Cl. Stock		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity*	Value	
Power	1146514	1283817	28416110	-	26420122	108904662	1083794	964842	
	kwh	-	kwh	-	kwh	-	kwh	-	
	(1376137 kwh)	(1445689)	(23729150 kwh)	-	(21831969 kwh)	(89832547)	(1146514 kwh)	(1283817)	
Steam	-	-	268463	-	-	-	-	-	
	(-)	(-)	tons (225609 tones)	(-)	(-)	(-)	(-)	(-)	

Figures in brackets are for previous Year.

\* Includes 1,35,474 kwh (Previous Year 1,43,314 kwh) charged as banking fee by UPPCL.

(c) Consumption of Imported and Indigenous Raw Material and Stores & Spares						(Rs. in lacs)	
Particulars	Indigenous		Imported				
	Value	%	Value	%			
Raw Material (Bagasse)*	-	100	-	-			
	(-)	(100)	(-)	(-)			
Store / Spares(Including Fixed assets)	155.33	100	-	-			
	(161.68)	(100)	(-)	(-)			

Figures in brackets are for previous year.

\*Bagasse is being supplied free of cost by SBEC Sugar Ltd.

(d) Value of Import on CIF Basis			(Rs. in lacs)	
Particulars	Current year	Previous year		
Store & Spares	-	-		

(e) Expenditure in Foreign Currency (Paid)			(Rs. in lacs)	
Particulars	Current year	Previous year		
Purchase of stores and spares	-	-		
Others	29.68	8.89		

#### 46. EMPLOYEE BENEFITS (AS-15)

##### A) In the case of the Holding Company:

As per Accounting Standard 15 "Employee Benefit" the disclosure of Employee Benefit as defined in Accounting Standard are given below: -

##### a) Defined Contribution Plan

Employer's Contributions to Defined Contribution Plan, recognized as expense for the period are as under:

	(Rs. in lacs)	
	Year ended 31st March 2015	Year ended 31st March 2014
Employer's contribution to Provident Fund	54.60	54.43

##### b) Defined Benefit Plan

The employees' gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.



<b>1. Reconciliation of opening and closing balances of Defined Benefit Obligation.</b>					(Rs. in lacs)
Particulars	Gratuity (Unfunded) 31.03.2015	Gratuity (Unfunded) 31.03.2014	Leave Encashment (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2014	
Defined Benefit obligation at the beginning of the period.	126.55	88.34	15.23	14.10	
Past Service Cost	-	-	-	-	
Current Service Cost.	17.72	17.25	2.02	1.90	
Interest Cost.	10.76	7.07	1.29	1.13	
Actuarial (gain)/loss	3.38	26.44	(0.04)	(1.11)	
Benefits Paid	(16.72)	(12.55)	(0.00)	(0.80)	
Settlement cost	-	-	-	-	
Defined Benefit obligation at the end of the period	141.70	126.55	18.50	15.23	
<b>2. Reconciliation of opening and closing balances of Fair Value of Plan Assets</b>					
Fair value of plan assets as at the beginning of the period	-	-	-	-	
Expected Return	-	-	-	-	
Actuarial (gain)/loss	-	-	-	-	
Contribution by Employer	-	-	-	-	
Benefits Paid	-	-	-	-	
Settlement cost	-	-	-	-	
Fair value of plan assets as at the end of the	-	-	-	-	
Actual return on plan assets	-	-	-	-	
<b>3. Reconciliation of amount recognized in Balance Sheet</b>					(Rs. in lacs)
Particulars	Gratuity (Unfunded) 31.03.2015	Gratuity (Unfunded) 31.03.2014	Leave Encashment (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2014	
Fair Value of Plan Assets as at 31st March	-	-	-	-	
Present value of obligation as at 31st March	141.70	126.55	18.50	15.23	
Net asset/(liability) recognized in the Balance Sheet	(141.70)	(126.55)	(31.88)*	(30.28)*	
^ It includes company grade employees' freeze liability in books amounting to Rs.13.39 lacs (Previous year Rs.15.05 Lacs).					
<b>4. Expense Recognized during the period in Statement of Profit and Loss.</b>					
Current Service Cost	17.72	17.25	2.02	1.90	
Past Service Cost	-	-	-	-	
Interest Cost	10.76	7.07	1.30	1.13	
Expected return on plan assets	-	-	-	-	
Net Actuarial (gain)/loss recognized during the period	3.38	26.45	(0.04)	(1.11)	
Expenses recognized in the statement of Profit & Loss	31.86	50.77	3.27	1.92	
<b>5. Actual Return on Plan Assets</b>					
Expected Return on Plan Assets	-	-	-	-	
Actuarial (gain)/loss	-	-	-	-	
Actual return on plan assets	-	-	-	-	
<b>6. Principal Actuarial Assumptions</b>					(Rs. in lacs)
Particulars	Gratuity (Unfunded) 31.03.2015	Gratuity (Unfunded) 31.03.2014	Leave Encashment (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2014	
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96	
duly modified	duly modified	duly modified	duly modified	duly modified	
Discount rate as at 31st March	8%	8.50%	8%	8.50%	
Future Salary Increase	5.50%	6%	5.50%	6%	
Expected rate of return on plan assets	-	-	-	-	
Retirement Age	60 Years	60 Years	60 Years	60 Years	
<b>Withdrawal Rates Age</b>	<b>Withdrawal</b>	<b>Withdrawal</b>	<b>Withdrawal</b>	<b>Withdrawal</b>	
Upto 30 years	3.00%	3.00%	3.00%	3.00%	
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%	
Above 44 years	1.00%	1.00%	1.00%	1.00%	



**Amount for the current and previous four periods in periods in respect of leave encashment are as follows**

Particulars	(Rs. in lacs)				
	Leave	Leave	Leave	Leave	Leave
	Encashment	Encashment	Encashment	Encashment	Encashment
	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
PBO	18.50	15.23	14.10	12.99	11.49
Plan Assets	-	-	-	-	-
Net Assets/(Liability)	(18.50)	(15.23)	(14.10)	(12.99)	(11.49)
Experience adjustment of plan assets(loss)/gain	-	-	-	-	-
Experience adjustment of plan liabilities(loss)/gain	0.02	1.12	1.76	1.34	1.01

**Amount for the current and previous four periods in periods in respect of Gratuity are as follows**

Particulars	(Rs. in lacs)				
	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
PBO	141.70	126.55	88.34	92.19	73.06
Plan Assets	-	-	-	-	-
Net Assets/(Liability)	(141.70)	(126.55)	(88.34)	(92.19)	(73.06)
Experience adjustment of plan assets(loss)/gain	-	-	-	-	-
Experience adjustment of plan liabilities (loss)/gain	(3.58)	(26.37)	3.79	(4.13)	2.19

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The actuary certifies the above information.

Actuarial valuation of Leave Encashment for period ended 31st March, 2015 and 31st March, 2014 pertain to only Seasonal Wage-board grade employees, therefore there is difference in expense recognized in statement of profit & Loss and amount as mentioned in Actuarial certificate. However the expenses have been provided on Accrual Basis.

**B) In the case of SBEC Bioenergy Limited:**

The Company has adopted Revised Accounting Standard - 15 'Employee Benefits'. In accordance with the transitional provision of revised AS - 15, additional liability (net of tax) under new method as at 1st April, 2008 as compared to liability provided under Pre-revised AS - 15 to be adjusted against the balance of General Reserve as at 1st April, 2009 is NIL.

**a) Defined Contribution Plan**

Contributions to Defined Contribution Plan, recognized as expense for the year are as under:

Particulars	(Rs. in lacs)			
	2014-15	2013-14	2012-13	2011-12
Employer's contribution to Provident Fund	11.63	10.71	10.82	11.96

**b) Defined Benefit Plan**

The employees' gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Actuarial Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.





1. Reconciliation of opening and closing balances of Defined Benefit Obligation. (Rs. in lacs)								
	Gratuity (Unfunded) 2014-15	Gratuity (Unfunded) 2013-14	Gratuity (Unfunded) 2012-13	Gratuity (Unfunded) 2011-12	Leave Encashment (Unfunded) 2014-15	Leave Encashment (Unfunded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12
Defined Benefit obligation at the beginning of the year	18.30	19.20	22.50	19.65	2.30	2.54	1.99	1.57
Current Service Cost	3.35	2.85	3.22	3.26	0.46	0.46	0.45	0.42
Past Service Cost	-	-	-	-	-	-	-	-
Interest Cost	1.56	1.54	1.80	1.67	0.25	0.20	0.16	0.13
Actuarial (gain)/loss	0.88	0.44	(7.97)	(0.75)	(0.21)	(0.19)	(.07)	0.33
Benefits Paid	(-)	(5.73)	(0.36)	(1.33)	-	(0.01)	-	(0.46)
Settlement cost	-	-	-	-	-	-	-	-
Defined Benefit obligation at the end of the year	24.09	18.30	19.2	22.50	3.50	3.00	2.54	1.99
2. Reconciliation of opening and closing balances of Fair Value of Plan Assets (Rs. in lacs)								
	Gratuity (Unfunded) 2014-15	Gratuity (Unfunded) 2013-14	Gratuity (Unfunded) 2012-13	Gratuity (Unfunded) 2011-12	Leave Encashment (Unfunded) 2014-15	Leave Encashment (Unfunded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12
Fair value of plan assets as at the beginning of the year	-	-	-	-	-	-	-	-
Expected Return	-	-	-	-	-	-	-	-
Actuarial (gain)/loss	-	-	-	-	-	-	-	-
Contribution by Employer	-	-	-	-	-	-	-	-
Benefits Paid	-	-	-	-	-	-	-	-
Settlement cost	-	-	-	-	-	-	-	-
Fair value of plan assets as at the end of the year	-	-	-	-	-	-	-	-
Actual return of plan assets	-	-	-	-	-	-	-	-
3. Reconciliation of amount recognized in Balance Sheet (Rs. in lacs)								
	Gratuity (Unfunded) 2014-15	Gratuity (Unfunded) 2013-14	Gratuity (Unfunded) 2012-13	Gratuity (Unfunded) 2011-12	Leave Encashment (Unfunded) 2014-15	Leave Encashment (Unfunded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12
Fair Value of Plan Assets as at 31st March	--	-	-	-	--	-	-	-
Present value of obligation as at 31st March	24.09	18.30	19.20	22.50	3.50	3.00	2.54	2.00
Net asset/(liability) recognized in the Balance Sheet	(24.09)	(18.30)	(19.20)	(22.50)	(3.50)	(3.00)	(2.54)	(1.99)
4. Expense Recognized during the period in Profit & Loss A/c. (Rs. in lacs)								
	Gratuity (Unfunded) 2014-15	Gratuity (Unfunded) 2013-14	Gratuity (Unfunded) 2012-13	Gratuity (Unfunded) 2011-12	Leave Encashment (Unfunded) 2014-15	Leave Encashment (Unfunded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12
Current Service Cost	3.35	2.85	3.22	3.26	0.46	0.46	0.45	0.42
Past Service Cost	-	-	-	-	-	-	-	-
Interest Cost	1.56	1.54	1.80	1.67	0.25	0.20	0.16	0.13
Expected return on plan assets	-	-	-	-	-	-	-	-
Net Actuarial (gain)/ loss recognized during the period	0.88	0.44	(7.97)	(0.75)	(0.21)	(0.19)	(0.07)	0.33
Expenses recognized in the statement of Profit & Loss	5.79	4.83	(2.95)	4.18	5.00	0.47	0.55	0.89



**5. Actual Return on Plan Assets**

(Rs. in lacs)

Particulars	Gratuity & Leave encashment (Unfunded)
Expected Return on Plan Assets	-
Actuarial (gain)/ loss	-
Actual return on plan assets	-

**6. Principal Actuarial Assumptions**

(Rs. in lacs)

	Gratuity (Unfunded) 2014-15	Gratuity (Unfunded) 2013-14	Gratuity (Unfunded) 2012-13	Gratuity (Unfunded) 2011-12	Leave Encashment (Unfunded) 2014-15	Leave Encashment (Unfunded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12
Mortality Table(LIC)	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified
Discount rate as at 31st March, 2013	8.50%	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%	8.50%
Future Salary Increase	5.50%	6.00%	5.50%	6.00%	5.50%	6.00%	5.50%	6.00%
Expected rate of return on plan assets	-	-	-	-	-	-	-	-
Retirement Age	60 years	60 years	60 years	60 years	60 years	60 years	60 years	60 years
Age	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates
Upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The actuary certifies the above information.

- 47) Considering the adverse economic/sector conditions and current financial instability the Management of the company vide their resolution dated 05th March 2013 has decided to dispose-off its Chandil Power Plant (under implementation). The company has formed a committee to negotiate with potential buyers. The management expects that the assets will be realized to the extent as stated & does not call for any provision as on the date of the Balance Sheet. Therefore, the Capital Work in Progress, Capital Advances and other related accounts of the Chandil Power Project have been shown as assets held for disposal.
48. The State Government of Uttar Pradesh has, as per PNCM Cabinet Decision dated 12th November 2014, inter alia, announced cash subsidy upto Rs. 28.60 per Qtl of cane purchased for the sugar industry, linked to the average selling price of sugar and it's by products. During the period 1st October 2014 to 31st March 2015, the prices being remained below the threshold limit provided in the notification. Since the Management is virtually certain regarding realization of subsidy, the Company has accounted for cash subsidy of Rs. 28.60 per Qtl of cane purchased by it aggregating to Rs. 25,66,05,990.
- 49) Previous year figures have been regrouped/ rearranged wherever considered necessary.

Previous year figures are given in the bracket wherever applicable.

SIGNED FOR IDENTIFICATION NOTE 1 to 49

for & on behalf of

**DOOGAR & ASSOCIATES**

Chartered Accountants  
Firm Regn. No. : 000561N

**Mukesh Goyal**

Partner  
Membership No. : 081810

Place : New Delhi  
Date : 30th May 2015

Sd/-  
Abhishek Modi  
(Whole Time Director)  
DIN No.00002798

Sd/-  
Jayesh Modi  
(Director)  
DIN No. 02849637  
  
Lakhmi Chand Sharma  
(Chief Financial Officer)

Sd/-  
Rajeev Kumar Agarwal  
(Director)  
DIN No. 00298252  
  
Shobit Nehra  
(Company Secretary)



**BOARD OF DIRECTORS**

Mr. Umesh K Modi	- Chairman & President
Mr. Abhishek Modi	- Executive Director & Chief Executive Officer
Mrs. Kum Kum Modi	
Mr. Jayesh Modi	
Mr. R.K. Agarwal	
Mr. Man Mohan	
Mr. O.P. Modi	
Mr. V.K. Modi	
Mr. J.C. Chawla	
Mr. N.P. Bansal	
Mr. Shyam Babu Vyas	

**CHIEF FINANCIAL OFFICER**

Mr. L.C. Sharma

**COMPANY SECRETARY**

Mr. Shobit Nehra

**AUDITORS**

M/s Doogar & Associates  
13, Community Centre,  
East of Kailash,  
New Delhi-110 065

**BANKERS**

The Shamrao Vithal Co-Operative Bank Ltd.  
IDBI Bank Ltd.  
Axis Bank Ltd.  
Punjab National Bank  
State Bank of India

**REGISTERED OFFICE & PLANT**

Village : Lohan Malakpur,  
Tehsil : Baraut - 250 611,  
Distt. Baghpat,  
Uttar Pradesh

**REGISTRAR & SHARE TRANSFER AGENT**

M/s Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3rd Floor, 99 Madangir,  
Near Dada Harsukhdas Mandir,  
Behind Local Shopping Centre,  
New Delhi-110062

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**SBEC SUGAR LIMITED**  
**REGISTERED OFFICE & PLANT**

Village : Lohan Malakpur,  
Tehsil : Baraut - 250 611,  
Distt. Baghpat,  
Uttar Pradesh