



SBEC SUGAR LIMITED

03.09.2016

To,

**General Manager
BSE Limited
Corporate Relationship Department
New Trading Ring (1st Floor)
Rotunda Building
P J Towers
Dalai Street
Mumbai-400001**

Dear Sir,

Subject: - 22nd Annual Report 2015-16

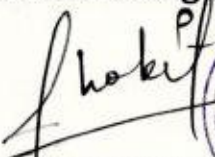
In compliance with Regulation 34 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, We are enclosing the Annual Report for the financial year 2015-16 containing the Notice convening the Annual General Meeting, Audited Financial Statements for the financial Year 2015-16, together with the Reports of the Board of Directors and Auditors thereon which has been approved and adopted by the members as per the provisions of the Companies Act, 2013, at the 22nd Annual General Meeting of the Company held on Wednesday, 28th September, 2016 at Village Loyan, Malakpur, Baraut, Distt. Baghpat - 250611.

Kindly take the above informaion on record.

Thanking You,

Yours Faithfully

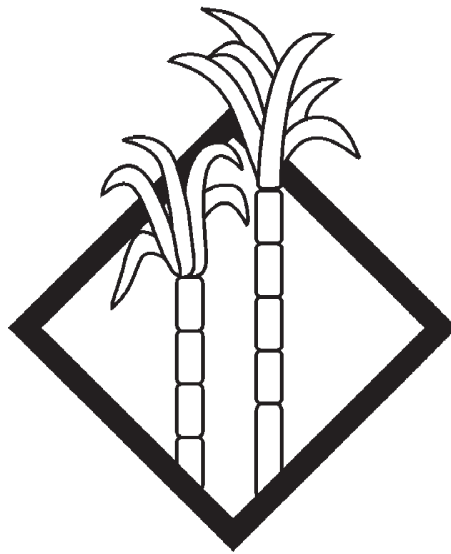
For **SBEC Sugar Limited**


Shobit Nehra
Company Secretary



Encl: As above

SBEC Sugar Limited



T W E N T Y S E C O N D A N N U A L R E P O R T

2016

**BOARD OF DIRECTORS**

Shri. Umesh K Modi	- Chairman & President
Shri. Abhishek Modi	- Executive Director & Chief Executive Officer
Smt. Kum Kum Modi	
Shri. Jayesh Modi	
Shri. Narayan Prakash Bansal	
Shri. Om Prakash Modi	- (ceased on 03.06.2016)
Shri. G.C. Jain	- (resigned w.e.f. 07.04.2015)
Shri. Rajeev Kumar Agarwal	- (Appointed w.e.f. 07.04.2015)
Shri. Vijay Kumar Modi	- (Appointed w.e.f. 06.02.2015)
Shri. Jagdish Chandra Chawla	- (Appointed w.e.f. 27.05.2015)
Shri. Shyam Babu Vyas	- (Appointed w.e.f. 27.05.2015)
Shri. Manmohan	- (ceased on 16.02.2016)
Shri. Rohit Garg	- (Appointed in Casual Vacancy w.e.f. 25.03.2016)

CHIEF FINANCIAL OFFICER

Shri. L.C. Sharma

COMPANY SECRETARY

Shri. 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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DIRECTORS' REPORT

To,
The Shareholders,
SBEC Sugar Limited

Your Directors take pleasure in presenting the 22nd Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2016.

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, 2016.

	(Rs. in Lacs)			
	STANDALONE		CONSOLIDATED	
Financial Parameters	Period ended 31.03.2016	Period ended 31.03.2015	Period ended 31.03.2016	Period ended 31.03.2015
Sales and other income	39478.31	43096.67	40465.59	44187.24
Profit/(Loss) Before Interest, Depreciation & Tax	1356.66	(1635.97)	1647.61	(1155.73)
Interest and Finance Charges	526.94	921.36	1034.37	1287.14
Depreciation and Amortisation	311.14	281.15	353.93	324.19
Prior period expenses (net)	2.44	22.98	20.97	33.35
Profit/(Loss) before Extra-Ordinary Expenses & Provision for Taxation	516.14	(2861.45)	238.34	(2800.41)
Exceptional Items	-	-	-	-
Profit/(Loss) before Tax	516.14	(2861.45)	238.34	(2800.41)
Provision for Taxation	-	-	12.97	-
Deferred Tax Charge/ (Credit)	-	-	(65.26)	16.59
Taxes for earlier years	-	-	-	-
MAT credit written back	-	-	-	-
Profit/(Loss) After Tax	516.14	(2861.45)	290.63	(2817.00)
Transfer to Minority Interest	-	-	(82.54)	20.39
Transfer to Molasses Storage Fund	3.34	1.52	3.34	1.52
Profit/(Loss) for the period after appropriation	512.80	(2862.97)	369.83	(2838.91)
Earning Per Share (in Rs.)	1.08	(6.00)	0.78	(5.95)

OPERATIONS

For the Financial Year 2015-16, there is a Profit of Rs. 516.14lac as against a loss of Rs. (2861.45) lac in the previous year for 12 months period. Higher recovery and increased sugar prices have generated the cash profits after so many years and the same shall help in liquidating the cane arrears to some extent.

DIVIDEND & RESERVES

In view of inadequate profits, your Board is unable to recommend any dividend for the financial year ended March 31, 2016. The Company has not transferred any amount to the reserves for the year ended March 31, 2016.

SHARE CAPITAL

The paid up equity capital as on March 31, 2016 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 2015-16 started on 20.11.2015 i.e.9 days earlier as compared to 2014-15 in the previous season and ended on 10.04.2016 as against 2014-15, 17 days earlier than the previous season. During the season, the plant crushed 107.20 lac quintals of sugarcane in 159 days as against 111.03 lac quintals in 155 days in the previous season. The crushing was increased by



3.83 lac quintals during this season due to increase period of crushing .The sugar recovery overall was increase at 9.55% as against 9.17% in the previous season.

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.

MATERIAL CHANGES AND COMMITMENTS

No material changes or commitments have occurred between the end of the financial period to which the financial statements relate and the date of this report, affecting the financial position of the Company.

STATUS OF SICKNESS UNDER BIFR

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 COMPANIES

As on March 31st 2016, the Company has one Wholly Owned Subsidiary i.e. SBEC Stockholding & Investments Limited and one Subsidiary i.e. SBEC Bioenergy Limited. There are no associates 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.

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. 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. 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. 15-16 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.

There has been no change in relationship of any subsidiary company during the financial year.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the financial period 2015-16, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (LODR) Regulations, 2015.

DIRECTORS

Shri. Manmohan, expired on 16.02.2016, Shri. O.P. Modi, expired on 03.06.2016 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. Manmohan, Shri. O.P. Modi and Shri. G.C. Jain to the Company during their tenure as Director of the Company.

Shri. Rohit Garg was appointed as an Independent Director w.e.f. 25.03.2016 in casual vacancy caused due to untimely demise of Shri. Manmohan.

Shri. Vijay Kumar Modi appointed as Non-executive Director on the Board of the Company w.e.f. 24th September, 2015 and will be appoint as an Independent Director of the Company in the forthcoming Annual General Meeting.

Shri. Rohit Garg and Shri. Vijay Kumar Modi have submitted declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Smt. Kumkum Modi (DIN 00522904), Non-Executive Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.



Shri. Rajeev Kumar Agarwal, Shri. Jagdish Chandra Chawla and Shri. Shyam Babu Vyas was appointed as a Non-executive Independent Director of the Company who holds office for a term of five consecutive years commencing from September 24, 2015.

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 an alternate director during the absence of Shri. Philogene Jacques Henri Claude 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.

KEY MANAGERIAL PERSONNEL (KMP)

During the financial period ended 31.03.2016, following persons are Whole Time Key Managerial personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

Sl. No.	Name	Designation
1.	Shri. Abhishek Modi	Whole Time Director
2.	Shri. L.C. Sharma*	Chief Financial Officer
3.	Shri. Shobit Nehra**	Company Secretary

* Shri. Lakhmi Chand Sharma was appointed as Chief Financial Officer of the Company w.e.f. 27th May, 2015.

**Shri. Shobit Nehra was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 07th April, 2015.

BOARD MEETINGS

The Board met Eight times during the financial year 2015-16, 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 and the SEBI (LODR), Regulations, 2015.

FORMAL ANNUAL EVALUATION

Pursuant to the requirements of Section 134(3)(p) of the Companies Act, 2013 read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 the Board has carried out an annual performance evaluation of its own performance, the Directors individually and the Committees viz., Audit, Nomination & Remuneration and Stakeholders Relationship Committee.

A structured questionnaire was prepared after taking into consideration the inputs received from the Directors covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance.

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. The Directors expressed their satisfaction with the evaluation process.

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, 2016, 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, 2016 and of the profit and 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;



- d) The Directors have prepared the Annual Accounts on a going concern basis.
- e) The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively; and
- f) 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.

DECLARATION FROM INDEPENDENT DIRECTORS

All Independent Directors of the Company have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015.

INTERNAL FINANCIAL CONTROLS

Your company has in place an adequate internal control system in order to ensure that all transactions are authorized, recorded and reported correctly and that all assets are protected against the perils of unauthorized use or disposition. Towards enhancing the efficiency of internal controls, services of consultants are hired wherever necessary, and their suggestions are reviewed and implemented. Your Company has in place an Internal Audit system, whereby an independent professionals firm of Internal Auditors conducts regular audit across the Company and their scope and findings are reviewed by the Management and Audit Committee on a regular basis.

The Audit Committee of the board also meets periodically to review the internal controls, internal audit findings, action taken reports and to advise the management on corrective policies, if any.

STATUTORY AUDITORS

M/s Doogar & Associates., Chartered Accountant, Statutory Auditors of the Company who are our Auditors, retire at the ensuing Annual General Meeting and are eligible for reappointment.

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. Doogar & Associates., Chartered Accountants, as statutory auditors of the Company from the conclusion of Annual General Meeting till the conclusion of the next Annual General Meeting.

STATUTORY AUDITOR'S REPORT

The Auditors Report contains qualifications and the Company has given its comments on Auditor Qualified Opinion for the Financial Year 2015-16. The details are mentioned here under:

Qualified Opinion (a)

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.

Qualified Opinion (b)

The company had executed a deed of assignment with a subsidiary company "SBEC Bioenergy Limited" to transfer its claim and all securities and charges created by Modi Industries Limited in its favour for a consideration of Rs. 12,500 lacs of which Rs. 8,300 lacs shall be received as per the mutually agreed installments within a period of five years from the date of execution of the deed. In view of current cash flow of the Subsidiary Company (i.e. SBEC Bioenergy Limited) the management on request has agreed to extend the time period of deed of assignment for a further period of five years.

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 and Cogeneration 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 2016-17 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. Singhal & Associates, 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-B"** to this Report.

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

FIXED DEPOSITS

During the financial year, the Company has not accepted any public deposits. The Company has repaid all its Fixed Deposits of Rs.6,58,25,000/- due for repayment. The Company does not have any fixed deposits at the end of financial year March 31, 2016.

RISK MANAGEMENT POLICY

As per Section 134(3) (n) of the Companies Act, 2013, the Company has a Risk Management Policy to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

AUDIT COMMITTEE

The Audit Committee comprises of four Independent Directors, viz., Shri. R.K. Agarwal as Chairman, Shri. J.C. Chawla, Shri. Manmohan and Shri. O.P. Modi as Members. The details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Rules made there under, the Board has constituted a Nomination & Remuneration Committee and the details of terms of reference, number & dates of meeting held, attendance and other details are given separately in the attached Corporate Governance Report. The Board on the recommendation of Nomination & Remuneration Committee framed a policy i.e. Nomination and Remuneration Policy for selection and appointment of Directors, senior managerial personnel and their remuneration. The aforesaid policy can be accessed on the Company's website www.sbecsugar.com

REMUNERATION POLICY

The Company has adopted a Remuneration Policy for executive and non-executive directors and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration as approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be. The remuneration policy is also placed on Company's website. The Non-Executive Directors do not draw any remuneration from the Company except sitting fee paid to them for each meeting of the Board/ Committee thereof attended by them.

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.

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 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is enclosed in **"Annexure-C"** and forms part of this Report.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) read with Rule, 5 (1) 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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2015-16, 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.

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, as per Regulation 23 of SEBI (LODR) Regulations, 2015 (Earlier 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 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 Regulation 23 of SEBI (LODR) Regulations, 2015 (Earlier clause 49 of the Listing Agreement) is disclosed separately in Form No. AOC -2 as "**Annexure-D**" and forms part of this report.

The Board has framed a Policy on related party transactions and placed the same on the Company's website at www.sbecsugar.com.

Your director draw attention of members to Note No. 38 of the financial statement which sets out related party disclosures.

VIGIL MECHANISM & WHISTLE BLOWER POLICY

The Company has formulated and implemented the Whistle Blower Policy/ vigil mechanism. This has provided a mechanism for directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The aforesaid policy has also been uploaded on the Company's website at www.sbecsugar.com.

EXTRACT OF THE ANNUAL RETURN

The details of the extract of the Annual Return in Form MGT-9 as per the provisions of Section 92 of Companies Act, 2013 read with rule Rule 12 of Companies (Management and Administration) Rules, 2014 is annexed herewith and marked as "**Annexure-E**" to this Report.

BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website www.sbecsugar.com.

CORPORATE GOVERNANCE

In Compliance with Regulation 17 to 27 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, a detailed Corporate Governance Report has been given elsewhere in this report, along with Management Discussion and Analysis Report, which form an integral part of the Annual Report.

A certificate from R. Singhal & Associates, a firm of Company Secretaries in practice confirming compliance by the Company with the conditions of Corporate Governance as stipulated under part E of schedule V of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 is attached to this report.



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 SEBI (LODR), Regulations, 2015.

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

Place: New Delhi
Date: 12th August, 2016

Sd/-
Abhishek Modi
(Whole Time Director)
(DIN: 00002798)

Sd/-
R.K. Agarwal
(Director)
(DIN: 00298252)

ANNEXURES TO THE BOARD'S REPORT

"ANNEXURE -A "

"FORM- AOC-1"

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

Statement containing salient features of The Financial Statements of Subsidiaries or associate companies or Joint ventures.

PART A - SUBSIDIARIES

(Amount in Rs.) (except % of Shareholding)

S.No	Name of the Subsidiary Company	Date of which when Subsidiary was acquired	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	12.03.1997	31-Mar-16	INR	230000000	206482073	1918968025	1918968025	500100	93855842	(23571101)	(18342576)	Nil	55%
2.	SBEC Stockholding Investments Limited	09.06.2001	31-Mar-16	INR	45500000	(4588972)	349852337	349852337	349251000	-	(4208088)	(4208088)	Nil	100%

For & behalf of the Board
SBEC Sugar Limited

Place: New Delhi
Date: 12th August, 2016

Sd/-
Abhishek Modi
(Whole Time Director)
(DIN: 00002798)

Sd/-
R.K. Agarwal
(Director)
(DIN: 00298252)



"ANNEXURE- B"

Form No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2016

(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**Vill. 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, 2016, 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, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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; as amended from time to time;
 - (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 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
 - (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 (Not applicable to the Company during the audit period) and;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period).
- (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 of Pollution) Rules, 1975,
- (i) The Air (Prevention & Control of Pollution) Act, 1981 Read with the Air (Prevention & Control of Pollution) Rules, 1982
- (j) The Contract Labour (Regulation and Abolition) Act, 1970
- (k) The Industrial Employment (Standing Orders) Act, 1946
- (l) The Sugar Cess Act, 1982
- (m) The Levy Sugar Price Equilisation Fund Act, 1976
- (n) The Food & Safety Standards Act, 2006
- (o) The Essential Commodities Act, 1955
- (p) 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 in accordance to the Internal Audit Report the Company has formulated policies and procedures for implementation of the Internal Financial Control(IFC) with respect to the Financial Reporting(FR) as required U/s 134 (5) of The Companies Act, 2013, However the company is in process of its implementation and effective control.
2. The Company has defaulted in payment of 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 a fresh demand order dated 16th Feb 2015 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 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. However, in accounts have been prepared on 'going concern basis' in view of the facts that the Company has continued its normal manufacturing operations. During the year under review the Company has generated business profits.
2. The Company has two material subsidiaries M/s SBEC Bio-energy Limited and M/s SBEC Stockholding And Investment Limited (Wholly Owned Subsidiary).

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

Sd/-
(Rahul Singhal)
Prop.
M. No. 29599

**PLACE: NEW DELHI
DATED: 12.08.2016**



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 31.03.2016 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 31.03.2016.
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

Sd/-

(Rahul Singhal)

Prop

M.No. 29599

PLACE: NEW DELHI

DATED: 12.08.2016

"ANNEXURE- C"

Information to be given under Section 134 read with Rule 8(3) of the Companies (Accounts) Rules, 2015

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**

- Efforts are initiated and implemented for heat energy conservation in boiling house.
- Waste heat recovery system installed at Sulphur furnace station.
- 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.
- 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

- Steam % cane reduced by 5%
- 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

- The details of technology imported -
- The year of import -
- Whether the technology been fully absorbed -
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and -
- The expenditure incurred on Research and Development -

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lacs)

	2015-16	2014-15
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.		
Foreign Exchange earned	-	-
Foreign Exchange outgo	26.28	29.68

"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 & 30.05.2016	-	23.05.2015
2.	Modiline Travel Service Pvt. Ltd.	Purchase of Air Ticket	Ongoing	Market Value	07.04.2015 & 30.05.2016	-	23.05.2015
3.	Jayesh Tradex Pvt. Ltd.	Purchase of Stationery Item	Ongoing	Market Value	07.04.2015 & 30.05.2016	-	23.05.2015
4.	Modi Ilva India Pvt. Ltd.	Sale of Sugar	Ongoing	Market Value	07.04.2015 & 30.05.2016	-	23.05.2015
5.	Win-Medicare Pvt. Ltd.	Sale of Sugar	Ongoing	Market Value	07.04.2015 & 30.05.2016	-	23.05.2015
6.	Longwell Investment Pvt. Ltd.	Interest on Inter Corporate Deposits	Ongoing subject to renewal as per contractual terms	-	07.04.2015 & 30.05.2016	-	23.05.2015
7.	Arvind Continental Pvt. Ltd.	Interest on Inter Corporate Deposits	Ongoing subject to renewal as per contractual terms	-	07.04.2015 & 30.05.2016	-	23.05.2015


"Annexure-E"
Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016
[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: Loyan 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 year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1626700	28310	1655010	3.47	55487	28300	83787	0.18	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	29400452	NIL	29400452	61.70	29400452	-	29400452	61.70	0.00
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (1)	31027152	28310	31055462	65.17	29455939	0	29484239	61.88	0
(2) Foreign									
a) NRI- Individuals	-	-	-	-	1571213	10	1571223	3.29	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promotor									
(A) = (A)(1)+(A)(2)	31027152	28310	31055462	65.17	31027152	28310	31055462	65.17	0
B. PUBLIC SHAREHOLDING									
(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)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	959700	959700	2.01	-	959700	959700	2.01	-
(2) Non Institutions									
a) Bodies corporates									
i) Indian	6202617	2411450	8614067	18.08	6348356	2260900	8609256	18.07	-0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	390234	3785430	4175664	8.76	451176	4489130	4940306	10.37	1.61
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	202554	2633000	2835554	5.95	163253	1911700	2074953	4.350	-1.6
c) Others (specify)	-	-	-	-	-	-	-	-	-
(i) NRI	1272	-	1272	0	1072	-	1072	0.00	0
(ii) HUF	9061	3100	12161	0.03	10031	3100	13131	0.03	-
(iii) Clearing Members	-	-	-	-	-	-	-	-	0
SUB TOTAL (B)(2):	6805738	8832980	15638718	32.82	6973888	8664830	15638718	32.82	-
Total Public Shareholding									
(B)= (B)(1)+(B)(2)	6805738	9792680	16598418	34.83	6973888	9624530	16598418	34.83	0
C. Share held by Custodian for GDRs & ADRs"									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	37832890	9820990	47653880	100	38001040	9652840	47653880	100	-

(ii) SHAREHOLDING 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 company	% 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	3382500	7.10	0	3382500	7.10	0.0	0
6	Moderate Leasing and Capital Services Ltd	9065568	19.02	0	9065568	19.02	0.0	0
7	SBEC Systems (India) Ltd	14230884	29.86	0	14230884	29.86	0.0	0
	Total	31055462	65.17	0	31055462	65.17	0.0	0

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

There is no change during the period under review.


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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares of the company	% of total shares of the company	No of shares of the company	% of total shares of the company
1	Abhikum Leasing and Investment Pvt Ltd	5624844	11.81	-	-
2	Karvy Consultants Ltd	760500	1.60		
3	Paras Mal Jain	711400	1.49		
4	T C Healthcare Pvt Ltd	580218	1.22	-	-
5	Tech Engineers Ltd	402450	0.84	-	-
6	Jaykum Investment Pvt. Ltd	292300	0.61		
7	Meghkum Leasing and Investments Pvt Ltd	251450	0.53	-	-
8	ABC Holding Pvt Ltd	254800	0.53	-	-
9	Jitendra Kumar	212700	0.45	-	-
10	Pramod Kumar	151100	0.32	-	-

(v) Shareholding of Directors & KMP

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	Umesh Kumar Modi				
	At the beginning of the year	1571223	3.3	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	1571223	3.3	-	-
2	Kum Kum Modi				
	At the beginning of the year	28300	0.06	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	28300	0.06	-	-
3	Abhishek Modi, Whole Time Director				
	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	-	-
4	Jayesh Modi, Director				
	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	-	-
5	O.P. Modi, Director				
	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	-	-
6	Vijay Kumar Modi, Director				
	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	-	-
7	Narayan Prakash Bansal, Director				
	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	-	-
8	Rajeev Kumar Agarwal, Director				
	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	-	-
9	Jagdish Chandra Chawla, Director				
	At the beginning of the year	250	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	Nil	Nil	-	-
	At the end of the year	250	Nil	-	-
9	Shyam Babu Vyas, Director				
	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	-	-
10	Rohit Garg, Director				
	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	-	-
	Other KMP's				
1	Lakhmi Chand Sharma, Chief Financial officer				
	At the beginning of the year	500	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	Nil	Nil	-	-
	At the end of the year	500	Nil	-	-
2	Shobit Nehra, Company Secretary				
	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	-	-
	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					
	Indebtness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i)	Principal Amount	102025805	511739907	65825000	679,590,712
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	102025805	511739907	65825000	679,590,712
Change in Indebtedness during the financial year					
	Additions	-	-	-	-
	Reduction	21801497	269587716	68525000	357214213
	Net Change	21801497	269587716	68525000	357214213
Indebtedness at the end of the financial year					
i)	Principal Amount	80224308	242152191	-	322,376,499
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	80224308	242152191	-	322,376,499



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager: NIL

B. Remuneration to other directors (i.e. Independent and Non-Executive Directors):

The Company provides Rs. 1000 per meeting as Sitting fees, according to their presence in the Meeting during the period under review. No fees or commission was paid to Non-executive Directors during the year.

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

S.No.	Particulars of Remuneration		Key Managerial Personnel	
1	Gross Salary	L.C. Sharma, CFO*	Shobit Nehra, Company Secretary	Total
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	5,43,270	456000	999270
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	80,400	114000	174400
(c)	Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961.	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	As % of Profit	-	-	-
5	Others, Please Specify	-	-	-
	Total	603,670	570000	1173670

*Shri. L.C. Sharma was appointed as Chief Financial Officer of the Company w.e.f. 27th May, 2015

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For & behalf of the Board
SBEC Sugar Limited

Place: New Delhi
Date: 12th August, 2016

Sd/-
Abhishek Modi
(Whole Time Director)
(DIN: 00002798)

Sd/-
R.K. Agarwal
(Director)
(DIN: 00298252)



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 State Government of Uttar Pradesh 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.

The Cane price continues to remain closely controlled by the Central and State Government. The central government announced Fair and Remunerative Price (FRP) in some states like Karnataka and Maharashtra and State Advised Price (SAP) is followed in states like Uttar Pradesh, Tamilnadu.

Similarly, in UP Mills have aggressively represented to Government & public in general highlighting the most distressing situation of their financial performance, the UP Government kept cane price same as last season of Rs.280/qlt. However, the State Government displayed tremendous empathy of the problems tormenting the industry and not only increase the price but also announced waiver of post procurement levies such as entry tax, society commission and purchase tax. The State Government has also announced subsidies of Rs. 23.30 per quintal which is linked to the average price of sugar and by-products.

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. Secondly, owing to the various reason relating to the arrears of cane dues of farmers, the farmers of the Company's reserved cane are not supplying the cane which will result in lower production of sugar and by products and also results in lower efficiencies.

OPERATIONAL PERFORMANCE

The cane crushing for the period under review was 107.20 Lacs quintals in 159 days with an average crushing rate of 67421 quintals per day as against 111.03 Lacs quintals in 155 days with an average crushing rate of 71632 quintals per day for the previous period. The sugar recovery has slightly increased to 9.55 % as against 9.17% in the previous period.

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

Your company has in place an adequate internal control system in order to ensure that all transactions are authorized, recorded and reported correctly and that all assets are protected against the perils of unauthorized use or disposition. Towards enhancing the efficiency of internal controls, services of consultants are hired wherever necessary, and their suggestions are reviewed and implemented. Your Company has in place an Internal Audit system, whereby an independent professionals firm of Internal Auditors conducts regular audit across the Company and their scope and findings are reviewed by the Management and Audit Committee on a regular basis.

The Audit Committee of the board also meets periodically to review the internal controls, internal audit findings, action taken reports and to advise the management on corrective policies, if any.

FINANCIAL PERFORMANCE

For the Financial Year 2015-16, there is a Profit of Rs. 516.14 lac as against a loss of Rs. (2861.45) lac in the previous year for 12 months period. Higher recovery and increased sugar prices have generated the cash profits after so many years and the same shall help in liquidating the cane arrears to some extent.

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 Securities and Exchange Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) on September 2, 2015, replacing earlier listing agreement (w.e.f. December 1, 2015) and Company is in compliance with the requirements of Corporate Governance as stipulated under Listing Regulations entered into with the Stock Exchanges with regard to corporate governance.

II. BOARD OF DIRECTORS

(a) Composition

As on March 31, 2016, 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 Regulation 17 of SEBI (LODR) Regulations, 2015. 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 Public Companies as on March 31, 2016 are given below. Other directorship do not include alternate directorships, Section 25 Companies, Private Companies and foreign companies. Chairmanships/Memberships in Committees are 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 2015-16		Attendance at the last AGM (held on Sept. 25, 2015)	No. of Outside Directorships (as on march 31, 2016)	Number of member-ship/charmanship in other Board committee (as on (March 31, 2016)	
		Held	Attended			Public	Chairman Member
Shri. Umesh Kumar Modi	NED	8	4	Not Present	6	Nil	Nil
Smt. Kumkum Modi	NED	8	1	Not Present	3	Nil	Nil
Shri. Abhishek Modi	Executive						
	Director & CEO	8	7	Not Present	5	Nil	Nil
Shri. Jayesh Modi	NED	8	3	Not Present	4	Nil	Nil
Shri. Vijay Kumar Modi	NED	8	5	Not Present	3	1	1
Shri. N.P. Bansal	NED	8	8	Present	3	-	1
Shri. R.K. Agarwal #	INED	8	6	Present	8	4	6
Shri. J.C. Chawla #	INED	8	4	Present	4	1	6
Shri. Shyam Babu Vyas #	INED	8	2	Not Present	3	-	2
Shri. Rohit Garg*	INED	NA	NA	NA	1		
Shri. O.P. Modi **	INED	8	6	Not Present	2	-	1
Shri. Man Mohan **	INED	8	1	Not Present	1	-	-
Shri. G.C. Jain @	INED	8	0	Not Present	Nil	Nil	Nil
Shri. Norland L.C. Suzor @@	INED	8	0	Not Present	Nil	Nil	Nil
Shri. Claude Philogene @@	INED	8	0	Not Present	Nil	Nil	Nil

Note:

- NED: Non-executive Director (ii) INED: Independent Non-executive Director
- None of the Directors used Video/ tele-conferencing facilities to participate in meetings.
- (#) Shri. R. K. Agarwal, Shri. J.C. Chawla and Shri. Shyam Babu Vyas was appointed as a Non-executive Independent Director of the Company who holds office for a term of five consecutive years commencing from September 24, 2015.
- (*) Shri. Rohit Garg was appointed as an Independent Director w.e.f. 25.03.2016 in casual vacancy caused due to untimely demise of Shri. Manmohan.



- (v) (**) Shri. O.P. Modi, expired on 03.06.2016 and Shri. Manmohan, expired on 16.02.2016.
- (vi) (@) Shri. G.C. Jain resigned from the office of Director of the Company with effect from 07.04.2015 due to old age.
- (vii) (@@) 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.

Smt. Kumkum Modi related to Shri. Umesh Kumar Modi as his wife & with Shri. Abhishek Modi & Shri. Jayesh Modi as his Mother respectively.

(b) 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.

Eight Board meetings were held during the year ended March 31, 2016. These were held on April 07, 2015, April 29, 2015, May 27, 2015, May 30, 2015, August 13, 2015, November 06, 2015, February 10, 2016, March 25, 2016 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.

(c) Details of Shareholding of Non-Executive Directors

Shri. Umesh Kumar Modi holds 1571223 equity Shares, Smt. Kumkum Modi holds 28300 equity Shares and Shri. Jayesh Modi holds 55487 equity Shares of the Company as on 31st March, 2016.

(d) Familiarization programme for Independent Director

At the time of appointment, the Director is explained in detail the compliances required from him under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 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. The familiarization programme for Directors is also placed on the Company's website www.sbcsugar.com and can be accessed through the following link <http://sbcsugar.com/wp-content/uploads/2011/07/DETAILS-OF-FAMILIRIZATION-PROGRAME-SUGAR.pdf>

(e) Information supplied to the Board

The Company provides the information to the Board and Board Committees as set out in Regulation 17 read with Part A of Schedule II of Listing Regulations, 2015 to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers of the respective meetings or by way of presentations and discussions during the meeting.

3. Audit Committee

(a) Terms of Reference

The Committee deals with accounting matters, financial reporting and internal controls. The powers, roles, delegation, responsibilities and terms of reference of the Audit Committee are prescribed under Section 177 of the Companies Act, 2013 and also as provided in Regulation 18 of SEBI (LODR) Regulations, 2015.

(b) Composition

During the financial year 2015-16, the Audit Committee of the Board reconstituted due to resignation given by Shri. G.C. Jain Chairman of the Audit Committee w.e.f. 7th April, 2015 and Shri. Manmohan member of the Audit Committee, expired on 16.02.2016.

As on March 31, 2016 the Audit Committee of the Board comprises three Directors. All three directors are Independent Directors and have sound knowledge of finance and accounting. Shri. R.K. Agarwal was present at the Annual General Meeting held on September 24, 2015. The Company Secretary acts as the Secretary to the Audit Committee.

The Head of Departments, Internal Auditors and Statutory Auditors are also invited to the meeting of the Audit Committee as and when required by the Committee. Besides them Chief Financial Officer of the Company is permanent invitee of the Audit Committee.

During the financial year ended 31st March, 2016, the Audit Committee met four times on May 27, 2015, August 13, 2015, November 06, 2015 and February 10, 2016 and the maximum gap between the two Audit Committee Meetings did not exceed 120 days. 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 2015-16	
				Held	Attended
1.	Shri. R.K. Agarwal	Chairman	Independent Director	4	4
2.	Shri. J.C. Chawla*	Member	Independent Director	4	3
3.	Shri. O.P. Modi	Member	Independent Director	4	4
4.	Shri. Manmohan	Member	Independent Director	4	0

* Shri. J.C. Chawla was appointed as member of the Audit Committee from May 27, 2015.

4. Nomination and Remuneration Committee

(a) Terms of Reference

The Company has a Board Committee namely "Nomination and Remuneration Committee" as required under Section 178 (1) of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.



The Nomination and Remuneration Committee looks after terms and conditions of appointment, remuneration and related matters of Managerial Personnel such as Whole Time Directors & Directors etc. Remuneration Committee recommends the remuneration for executive directors to the board of directors for its approval and such remuneration is also subject to the approval of shareholders and such other approvals as may be required. In its recommendations, the remuneration committee considers parameters like performance and contribution, practices and norms and followed by companies of similar size and industry standards.

The Chairman of the Nomination and Remuneration Committee did not attend the last Annual General Meeting.

The Company Secretary acts as Secretary to the Committee.

During the period ended March 31, 2016, 4 meetings of the Committee were held on April 07, 2015, April 29, 2015, May 27, 2015 and March 25, 2016.

(b) The Composition of the Nomination and Remuneration Committee and details of the Meetings of the Committee held and attended during the year 2015-2016 are as under:

S.No	Name of the Member	Category	Number of meetings during the year 2015-16	
			Held	Attended
1.	Shri. J.C. Chawla- Chairman*	Independent Director	4	1
2.	Shri. O.P. Modi**	Independent Director	4	1
3.	Shri. V.K. Modi**	Non-Executive Director	4	2
4.	Shri. N.P. Bansal	Non-Executive Director	4	4
5.	Shri. G.C. Jain Chairman#	Non- Executive & Independent Director	4	1
6.	Shri. Manmohan##	Non -Executive & Independent Director	4	0

* Shri. J.C. Chawla appointed as Chairman of the Committee w.e.f. November 06, 2015.

** Shri. O.P. Modi was appointed as chairman and member of the Committee w.e.f. April 07, 2015 and resigned from the chairmanship of the committee w.e.f. November 06, 2015. Shri. V.K. Modi was appointed as member of w.e.f. April 07, 2015.

#Shri. G.C. Jain was resigned from the Committee w.e.f. April 07, 2015.

##Shri. Manmohan expired on February 16, 2016.

Performance Evaluation of Independent Directors

The details of the performance evaluation of Independent directors are provided in the "Director Report" forming part of this Annual Report.

Remuneration Policy

The Company has adopted a Remuneration Policy for executive and non-executive directors and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration as approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be. The remuneration policy of the Company is also placed on the website: www.sbcsugar.com.

(i) Non-Executive Directors

The non-executive directors do not draw any remuneration from the Company except sitting fees of Rs. 1000/- for attending each meeting of the Board and Audit Committee of the Company.

(ii) Remuneration of Executive Directors

Pursuant to Schedule V of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015, no remuneration were paid to the Whole Time Director of the Company for the period from April 1, 2015 to March 31, 2016.

The Company does not have any Employees Stock Option Scheme.

5. Stakeholders Relationship Committee

(a) Terms of Reference

The Company has a Board Committee namely "Stakeholder Relationship Committee" as required under the provisions of Section 178 (1) of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 to look into various issues relating to 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.

(b) Composition and the details of the Meetings of the Stakeholders Relationship Committee held and attended during the year 2015-16

As on March 31, 2016, the Stakeholders Relationship Committee of the Board comprises of 3 Directors. One Director is Non-Executive and Non-Independent Director and two Directors are Independent Directors. The Company Secretary acts as the Secretary of the Committee.

During the financial year 2015-16, the Committee met four times on May 27, 2015, August 13, 2015, November 06, 2015 and February 10, 2016.



The 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 2015-16	
			Held	Attended
1.	Shri. R.K. Agarwal Chairman	Independent Director	4	4
2.	Shri. N.P. Bansal	Non -Executive & Non-Independent Director	4	4
3.	Shri. Manmohan*	Independent Director	4	0
4.	Shri. J.C. Chawla*	Independent Director	4	1

*Shri. Manmohan was resigned from the committee w.e.f. February 06, 2016 and in place of him Shri. J.C. Chawla appointed as member of the committee.

Mr. Shobit Nehra, Company Secretary is the Compliance Officer.

The Compliance Officer can be contacted at:

SBEC Sugar Limited

Village Loyan, Malakpur, Tehsil Baraut,

Dist. Baghpat- 250611, Uttar Pradesh

Email:investors@sbecsugar.com

During the period ended March 31, 2016, 4 complaints were received from the shareholders. All complaints were replied/ resolved to the satisfaction of the shareholders. No complaints are pending at the end of the financial period.

6. VIGIL MECHANISM

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, 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.sbecsugar.com

No complaints were received under this policy during the year.

7. 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)
2014-15	September 24, 2015 at 2.30 P.M.	Village: Loyan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh	No
2013-14	September 25, 2014 at 2.30 P.M.	- do -	1. Approval of the borrowing powers of the provisions of Section 180(1) (c) of the Companies Act, 2013.
2012-13	September 30, 2013 at 2.30 P.M.	- do -	1. Re-Appointment of Mr. Santosh Chandra Gupta as Whole Time Director (Works) pursuant to the Section 198, 269, 309, 310 and Schedule XIII.

b) Extraordinary General Meetings

No Extraordinary General Meeting of the Members was held during the year 2015-16.

(c) Postal Ballot

One postal ballot was conducted in the year 2015-16 seeking Member's approval for approving the business mentioned below. In the postal ballot conducted for matters mentioned below pursuant to Clause 35B of the Listing Agreement, the Company had also offered e-voting facility through Central Depository Services Limited., as an alternate, to enable the shareholders to cast their votes electronically instead of dispatching the postal Ballot Form.

Mrs. Simmi Jain, Practicing Chartered Accountant was appointed as the Scrutinizer to conduct the postal ballot and e-voting.



The details of the voting pattern on postal ballot and e-voting is given below:

Promoter/ Public	No. of votes Polled	No. of Votes in favour	No. of Votes against	% of Votes In favour of votes polled	% of Votes against on votes polled
Special Resolution for approval of the Related Party Transactions	7033665	7033665	0	100	0
Special Resolution under Section 180 (1) (a) of the Companies Act, 2013.	33106604	33106604	0	100	0
Special Resolution under Section 186 of the Companies Act, 2013 for making of Inter-Corporates loans and Investment.	33106604	33106604	0	100	0

Mr. Abhishek Modi, Whole time director announced the results of the postal ballot and e-voting on May 23, 2015.

8. Means of Communication

(a) Quarterly Results

The Company's quarterly results in the proforma prescribed by the Stock Exchange pursuant to Regulation 33, 47 of the Listing Regulations are approved and taken on record by the Board within the prescribed time frame, and sent forthwith to all the Stock Exchanges on which the Company's shares are listed. These results are being published in national and local newspapers, namely The Financial Express in English and Awam-e-hind in Hindi, having wide circulation.

The Annual Reports, notices and other communications have been sent to each shareholder through the permitted mode. As per the statutory requirements under Regulation 33, 47 of the Listing Regulations, the quarterly/annual financial results are generally published in "Financial Express" and "Awam-e-hind". The financial results, shareholding pattern and other updates on the working of the Company have been posted on the Company's website: www.sbecsugar.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@sbecsugar.com exclusively for investor servicing.

(b) Website

As per the requirements of Regulation 46 of the Listing Regulations, all the data related to quarterly financial results, shareholding pattern etc. is filled with stock exchanges and also on the Company's website: www.sbecsugar.com within the time prescribed in this regard. The Company's website also displays the official news releases.

(c) Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Financial Statements, Director's Report, Auditor's Report and other important is circulated to members and other entitled thereto. The Management Discussion and Analysis (MDAR) Report forms part of the Annual Report.

9. General Shareholder Information

(i). 22nd Annual General Meeting:

Date & Day	28th September, 2016, Wednesday
Time	2.30 a.m.
Venue	Village: Loyan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh-250611

(ii). Financial Year

The Financial Year covers the period from April 1, 2016 to March 31, 2017. (Both days Inclusive)

(iii). Date of Book Closure

22nd September, 2016 to 28th September, 2016 (Both days inclusive)

(iv). Dividend Payment Date

Not Applicable

(v). 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	-

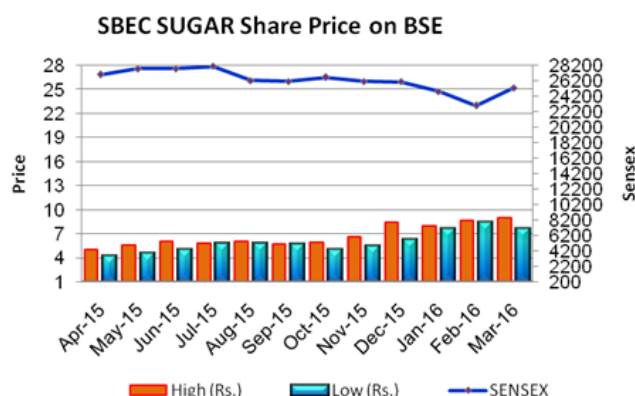
The Company has paid annual listing fee to Bombay Stock Exchange Limited for the year 2016-17.

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.



(vi). Market Price Data:

Month	High Price	Low Price	Close Price	Volume
April 2015	5.00	4.16	4.36	2740
May 2015	5.53	4.57	5.53	1111
June 2015	6.09	4.98	5.48	3444
July 2015	5.75	5.75	5.75	810
August 2015	6.00	5.75	6.00	210
September 2015	5.70	5.70	5.70	501
October 2015	5.97	4.93	5.97	914
November 2015	6.57	5.42	6.56	1296
December 2015	8.43	6.24	8.00	6566
January 2016	7.95	7.60	7.95	1201
February 2016	8.70	8.34	8.70	573
March 2016	9.00	7.60	7.60	9210



(vii). 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

(viii). 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 Regulation 40 (9) of the SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges, from time to time.

(ix). Distribution of Shareholdings as on 31st March, 2016.

No. of Shares	Number of Shareholders	Number of Shares	% of total Shares
Upto 5000	2310	874571	1.84
5001 - 10000	465	422960	0.89
10001 – 20000	181	307185	0.64
20001- 30000	320	842063	1.77
30001 – 40000	49	177959	0.37
40001 – 50000	147	718333	1.51
50001 – 100000	132	1011763	2.12
100001 and above	98	43299046	90.86
Total	3702	47653880	100

**(x). Shareholding Pattern as on March 31, 2016**

S.No.	Category of Shareholder	Total No. of Shares	% of Shareholding
A	PROMOTER AND PROMOTER GROUP	31055462	65.17
	Sub Total (A)	31055462	65.17
B	PUBLIC SHAREHOLDING		
I	INSTITUTIONS		
a	Foreign Institutional Investor	959700	2.01
II	NON-INSTITUTIONS		
a	Bodies Corporate	8609256	18.07
b	Individuals	7015259	14.72
c	NRI/ OCB	1072	.00
d	HUF	13131	.03
	Sub-Total [B=(BI + BII)]		
	Total (A+B)	47653880	100.00

(xi). 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 2016, 79.744% of the Company's total listed capital representing 38001040 shares were held in dematerialized form and the balance 20.256 % comprising 9652840 shares were held in physical form.

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

(xii). 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.

(xiii). Plant Location of the Company

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

(xiv). Investor's Correspondence may be addressed to:-

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

Mr. Bhawendra Jha, 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

10. Disclosures**(i) Related Party Transactions**

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. The Board has framed a Policy on related party transactions and placed the same on the Company's website at www.sbecsugar.com and can be accessed through the following link <http://sbecsugar.com/wp-content/uploads/2011/07/Related-Party-Transaction-Policy.pdf>

(ii) Subsidiary

The Company has two material subsidiaries companies i.e. M/s. SBEC Bioenergy Limited and M/s. SBEC Stockholding and Investment Limited as defined under regulation 24 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Policy for Determining Material Subsidiaries has been formulated and uploaded on the website of the Company i.e. www.sbecsugar.com and can be accessed through the following link <http://sbecsugar.com/wp-content/uploads/2011/07/Material-Subsidiary-Policy.pdf>

(iii) 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 mater related to the capital markets during the last three years.**(iv) Disclosure of Accounting Treatment**

The financial statements have been prepared in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 2013, as applicable.

(v) Insider Trading

As required under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of practices and procedures for fair disclosures of unpublished price sensitive information, to inter alia, prevent insider trading in the shares of the Company.

**(vi) Code of Conduct**

The Company has adopted the code of conduct for all Board members and Senior Management as required under Regulation 17 of the Listing Regulations. The Code is posted on the Company's website: www.sbecsugar.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 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 Directors in terms of Regulation 17 of the SEBI (LODR) Regulation, 2015, for the year ended March 31, 2016.

Place: New Delhi
Date: August 12, 2016

Sd/-
Abhishek Modi
Chief Executive Officer

(vii) CEO/ CFO CERTIFICATION

Mr. Abhishek Modi, Whole Time Director & Chief Executive Director and Mr. Lakhmi Chand Sharma, Chief Financial Officer of the Company have furnished a certificate relating to financial statement and internal controls systems as per the format prescribed under SEBI (LODR), Regulations, 2015 and the Board took the same on record.

(viii) Directors with materially pecuniary or business relationship with the Company

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and / or independent Directors for the period under report.

11. Non-mandatory Clauses

The Company has not adopted any of the non-mandatory requirements as provided in SEBI (LODR), Regulations, 2015.

For & behalf of the Board
SBEC Sugar Limited

Place: New Delhi
Date: 12th August, 2016

Sd/-
Abhishek Modi
(Whole Time Director)
(DIN: 00002798)

Sd/-
R.K. Agarwal
(Director)
(DIN: 00298252)

REPORT ON CORPORATE GOVERNANCE

To,
The Members of SBEC Sugar Limited

We have examined the compliance of the conditions of Corporate Governance by SBEC Sugar Limited ("the Company") for the year ended on 31st March 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile clause 49 of the Listing Agreement) with the documents and records maintained by the Company and the report on Corporate governance as adopted by the Board of Directors.

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

PLACE: NEW DELHI
DATED: 12.08.2016

Sd/-
(Rahul Singhal)
Prop.
M. No. 29599



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 2016, 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 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 of qualified opinion

- i. During the year the company has not made provision for interest, on late payment of cane dues amounting to Rs. 3280.70 lacs. Accordingly the expenses and profit for the year ended on 31st March 2016 would have been lower by Rs 3280.70 lacs and its consequential impact on EPS.
- ii. The company had executed a deed of assignment with a subsidiary company "SBEC Bioenergy Limited" to transfer its claim and all securities and charges created by Modi Industries Limited in its favour for a consideration of Rs. 12,500 lacs of which Rs. 8,300 lacs shall be received as per the mutually agreed installments within a period of five years from the date of execution of the deed. The company has not received any amount out of balance amount of Rs 8300 lacs till the end of March 31st '2016. There seems to be uncertainty to recover the amount within the prescribed timeline and it may affect the ultimate recoverability of the carrying value of the said amount due from SBEC Bioenergy Limited. These financial statements do not include any adjustments that might result from the uncertainty mentioned above.

Qualified 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, 2016;
- b) in the case of the Statement of Profit and Loss, of the Profit 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) Note no-41 of the statement regarding the company being registered with the Board for Industrial and Financial Reconstruction (BIFR) as per communication received from BIFR vide its letter No. 3/(S-22)/BC/2013 dated 21st August 2013 and consequent to it becoming a Sick Industrial u/s 3(1)(0) of SICA, as the company's net worth has been eroded and the company has incurred cash losses during the prior years. The statement have been prepared by the management of the company on a going concern basis as the company has continued its normal manufacturing during the current year and also generated profits.
- b) Note No-47 to the statement regarding accounting of subsidy of Rs. 2167.70 lacs, as per PNCM Cabinet Decision dated 18th January 2016 issued by State Government of Uttar Pradesh subject to approval of appropriate authority and the Management is virtually certain regarding realisation of subsidy. The company has netted off the subsidy from the cost of material consumed for the quarter ended 31st March'2016.
- c) Note No-46 of the statement where the Company is carrying Rs 1208.12 lacs as assets held for disposal since March'2013. 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.



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 (a) 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "C" to this report; and
- h) 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.
 - 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

Place: New Delhi
Dated: 30th May 2016

Sd/-
Mukul Marwah
Partner
Membership No.-511239

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) Though the Company has a programme of physical verification of its fixed assets in phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets, however the Fixed assets have not been physically verified by the management during the year therefore discrepancies, if any, could not be determined.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deed of immovable properties included in fixed assets are held in the name of the company. Some of these title deeds are given as security for securing various facilities sanctioned by banks and accordingly these original title deeds are kept with Banks, as security for the lenders.
- ii. The inventory has not been physically verified by the management during the year.
- iii. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any fresh deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable. The deposits outstanding as at the start of the financial year have been repaid during the financial year in full.
- vi. We have broadly reviewed the records, including the books of account maintained by the company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of company's products and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii.(a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales 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, 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 dated 16th Feb 2015 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".



- viii. According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of its dues to Governments, banks and financial institutions. The Company has not taken any loans from debenture holders.
- ix. Based on our audit procedures and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer / further public offer. Further, based on our audit procedures and according to the information and explanations given to us and on an overall examination of the balance sheet, we report that monies raised by way of term loans were applied for the purposes for which those were raised.
- x. 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
- xi. Based on our audit and according to the information and explanations given to us, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. Based on our audit procedures and according to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv. Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: New Delhi
Dated: 30th May 2016

Sd/-
Mukul Marwah
Partner
Membership No.-511239

ANNEXURE "B" TO AUDITORS' REPORT

Referred in Paragraph VII(C) of Annexure "A" a statement on the matters specified in the Companies (Auditors' Report) Order, 2016 for the year ended 31st March 2016.

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 Purchase and sold	790.53	2010-11	Application Filed 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 for reopen the same u/s 32
UP VAT Act , 2008	CST imposed on Molasses sold	70.00	2010-11	Application Filed for reopen the same u/s 32
Central Excise ,1944	Cess on Sugar	4.35	01.01.2009-30.09.2009	Appeal filed before CESTAT by the department against the Commissioner (Appeals) Meerut
Finance Act , 1994	Service tax Credit taken in invoice beyond 6 month	53.49	Dec 2013 – Dec 2014	Objection raised by central Excise Auditors. Appeal to be filed
Finance Act , 1994	Service Tax on Commission	16.83	01.04.2008-01.12.2010	Appeal filled before Commissioner (Appeals), Meerut
Finance Act , 1994	Service Tax on Lease Rent	7.24	2012-13	Appeal filed before Commissioner (Appeals) Meerut.
Finance Act , 1994	Service tax on Lease rent	1.21	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



Annexure 'C' to the independent auditor's report of even date on the financial statements of SBEC Sugar Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SBEC Sugar Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place: New Delhi
Dated: 30th May 2016**

**Sd/-
Mukul Marwah
Partner
Membership No.-511239**

**BALANCE SHEET AS AT 31ST MARCH, 2016**

	NOTE NO.	As at 31.03.2016 (In Rs.)	As at 31.03.2015 (In Rs.)
I. EQUITY AND LIABILITY			
Shareholders' Funds			
(a) Share Capital	2	476,940,175	476,940,175
(b) Reserves and Surplus	3	<u>(1,270,407,766)</u>	<u>(1,322,021,330)</u>
		(793,467,591)	(845,081,154)
Non-current Liabilities			
(a) Long-term Borrowings	4	19,638,251	80,357,285
(b) Other Long Term Liabilities	5	1,426,200	1,612,278
(c) Long-term Provisions	6	<u>18,487,223</u>	<u>16,473,250</u>
		39,551,674	98,442,813
Current Liabilities			
(a) Short-term Borrowings	7	233,494,246	501,192,907
(b) Trade Payables	8	3,385,049,709	3,769,689,238
(c) Other Current Liabilities	9	145,106,538	209,681,783
(d) Short-term Provisions	10	<u>1,696,787</u>	<u>905,678</u>
		3,765,347,279	4,481,469,606
TOTAL		<u>3,011,431,362</u>	<u>3,734,831,264</u>
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	398,666,289	425,188,976
(ii) Intangible Assets	11	481,273	229,481
(iii) Capital Work in Progress	11 A	<u>3,336,339</u>	<u>3,601,990</u>
		402,483,901	429,020,447
(b) Non-Current Investment	12	172,582,515	172,582,515
(c) Long-term Loans & Advances	13	261,142	705,744
(d) Other Non-Current Assets	14	<u>2,163,912</u>	<u>55,506,710</u>
		577,491,470	607,815,416
Current Assets			
(a) Inventories	15	541,937,349	1,279,800,428
(b) Trade Receivables	16	147,138,718	112,435,465
(c) Cash & Bank Balances	17	14,003,513	19,577,585
(d) Short-term Loans & Advances	18	1,606,250,040	1,594,286,033
(e) Other Current Assets	19	<u>124,610,273</u>	<u>120,916,336</u>
		2,433,939,892	3,127,015,847
		<u>3,011,431,362</u>	<u>3,734,831,264</u>

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

Sd/-
Abhishek Modi
(Whole-Time Director)
DIN : 00002798

Sd/-
Rajeev Kumar Agarwal
(Director)
DIN : 00298252

Sd/-
Mukul Marwah
Partner
Membership No. : 511239

Sd/-
J.C. Chawla
(Director)
DIN : 05316202

Sd/-
Shobit Nehra
(Company Secretary)

Sd/-
Lakhmi Chand Sharma
(Chief Financial Officer)

Place : New Delhi
Date : 30th May 2016



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	NOTE NO.	For the Year ended 31.03.2016 (In Rs.)	For the year ended 31.03.2015 (In Rs.)
INCOME			
Revenue From Operations	20	3,896,925,612	4,236,684,249
Other Income	21	50,905,324	72,982,788
Total Revenue		<u>3,947,830,937</u>	<u>4,309,667,038</u>
EXPENSES			
Cost of Material Consumed	22	2752,591,783	2,891,657,599
Purchases of Stock-in-Trade	23	-	472,829,659
Change in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	24	737,034,898	758,892,064
Manufacturing Expense	25	175,023,600	181,199,468
Employee Benefit Expense	26	98,729,192	96,552,939
Finance Cost	27	52,693,925	92,135,632
Depreciation & Amortisation Expense	11	31,113,957	28,114,793
Administration Expenses	28	31,432,075	48,694,143
Selling Expense	29	17,353,530	23,437,952
Prior Period Items	30	244,413	2,298,228
Total Expenses		<u>3,896,217,373</u>	<u>4,595,812,478</u>
Profit / (Loss) before exceptional and extraordinary items and tax		51,613,564	(286,145,440)
Exceptional Items		-	-
Profit / (Loss) before extraordinary items and tax		51,613,564	(286,145,440)
Extraordinary Items		-	-
Profit/(Loss) before tax		51,613,564	(286,145,440)
Tax expense :			
(1) Current tax		-	-
(2) Taxes for earlier year		-	-
Profit/(Loss) for the period from continuing operations		51,613,564	(286,145,440)
Profit/(Loss) from discontinuing operations		-	-
Tax Expense of discontinuing operations		-	-
Profit/(Loss) for the Year		<u>51,613,564</u>	<u>(286,145,440)</u>
Earning per equity share:(Par value of Rs.10 each)			
(1) Basic	31	1.08	(6.00)
(2) Diluted	31	1.08	(6.00)

the accompanying notes are integral 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/-
Umesh Kumar Modi
(Chairman & President)
DIN : 00002757

Sd/-
Abhishek Modi
(Whole-Time Director)
DIN : 00002798

Sd/-
Rajeev Kumar Agarwal
(Director)
DIN : 00298252

Sd/-
Mukul Marwah
Partner
Membership No. : 511239

Sd/-
J.C. Chawla
(Director)
DIN: 05316202

Sd/-
Shobit Nehra
(Company Secretary)

Sd/-
Lakhmi Chand Sharma
(Chief Financial Officer)

Place : New Delhi
Date : 30th May 2016



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year (Amount Rs.)	Previous Year (Amount Rs.)
A) Cash Flow from Operating Activities		
Profit / (Loss) Before Tax as per Profit and Loss Account	51,613,564.06	(286,145,439.99)
Adjustments For :		
Interest Expenses	52,693,924.81	92,135,632.32
Interest Income	(1,340,496.00)	(303,454.00)
Dividend Income	(60,000.00)	(60,000.00)
Loss on sale of Fixed Assets	117,973.00	-
Provision for Obsolete Store Items	816,483.00	1,625,440.00
Wealth tax	-	20,934.00
Depreciation	31,113,957.26	28,114,793.00
Loss on Sale of Investment	-	474,715.00
Unclaimed credit balances written back	9,058,773.44	15,017,821.64
Operating Profit before Working Capital Changes	144,014,179.57	(149,119,558.03)
Adjustments For :		
Trade and Other Receivables	(34,703,252.50)	16,136,686.21
Inventories	737,046,596.08	762,922,406.37
Trade Payables	(384,639,529.25)	442,587,406.37
Loans & Advances / Other Current Assets	(11,927,791.21)	(304,709,592.67)
Liabilities & Provision	(71,015,014.75)	(105,599,641.01)
Cash generated from Operating Activities	378,775,187.94	662,217,707.26
Direct Taxes (Paid)/Refund	(105,532.28)	59,865.00
Net Cash Flow from Operating Activities	378,669,655.66	662,277,572.26
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(5,094,367.86)	(352,352.00)
Capital Work in Progress	265,651.00	(3,601,990.00)
Realisation from Fixed Assets	133,332.58	7,034,271.00
Sale / (Purchase) of Investments	-	25,270.00
Dividend Income	60,000.00	60,000.00
Interest Received	1,340,496.00	303,454.00
Net Cash Flow from Investing Activities	(3,294,888.28)	3,468,653.01
C) Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (Net)	(60,719,034.00)	41,344,204.49
Proceeds from Short Term Borrowings (Net)	(267,698,661.35)	(608,550,808.15)
Net Interest (Paid)	(52,693,924.81)	(92,135,632.32)
Net Cash Flow from Financing Activities	(381,111,620.16)	(659,342,235.97)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(5,736,852.78)	6,403,989.30
Cash and Cash Equivalents as on 1st April 2015 (Opening Balance)	18,210,764.00	11,806,776.34
Cash and Cash Equivalents as on 31st March 2016 (Closing Balance)	12,473,912.35	18,210,764.35
Net Increase as disclosed above	(5,736,852.78)	6,403,989.30
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	531,984.00	277,679.00
Balances with Banks	11,941,928.35	17,933,085.35
TOTAL	12,473,912.35	18,210,764.35

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/-
Mukul Marwah
Partner
Membership No. : 511239

Sd/-
Umesh Kumar Modi
(Chairman & President)
DIN : 00002757

Sd/-
J.C. Chawla
(Director)
DIN : 05316202

Sd/-
Abhishek Modi
(Whole-Time Director)
DIN : 00002798

Sd/-
Shobit Nehra
(Company Secretary)

Sd/-
Rajeev Kumar Agarwal
(Director)
DIN : 00298252

Sd/-
Lakhmi Chand Sharma
(Chief Financial Officer)

Place : New Delhi
Date : 30th May 2016



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 prescribed under the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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 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
- 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**

	As at 31.03.2016 (In Rs.)	As at 31.03.2015 (In Rs.)
NOTE 2 : SHARE CAPITAL		
AUTHORISED CAPITAL		
100,000,000 (Previous Year 100,000,000) Equity Shares of Rs. 10/- each	1,000,000,000	1,000,000,000
ISSUED & SUBSCRIBED CAPITAL :		
47,814,430 (Previous Year 47,814,430) Equity Shares of Rs. 10/- each	478,144,300	478,144,300
PAID UP :		
47,653,880 (Previous Year 47,653,880) Equity Shares of Rs. 10/- each	476,538,800	476,538,800
Share Forfeiture Account	401,375	401,375
TOTAL	<u>476,940,175</u>	<u>476,940,175</u>

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	As at 31.03.2016		As at 31.03.2015	
	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%	9,065,568	19.02%
3 Abhikum Leasing & Investment Pvt. Ltd.	5,531,994	11.61%	5,531,994	11.61%
4 M/s A to Z Holding Pvt. Ltd.	3,382,500	7.10%	3,382,500	7.10%
5 M/s Longwell Investments Pvt. Ltd.	2,721,500	5.71%	2,721,500	5.71%

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

	2015-16		2014-15	
Equity Shares	No. of shares	(Amount in Rs.)	No. of shares	(Amount in Rs.)
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

d) The Company has not allotted any fully paid up shares pursuant to contract(s) without payment being received in cash nor has allotted any fully paid up shares by way of bonus shares nor has bought back any class of shares during the period of five years immediately preceding the balance sheet date.



	As at 31.03.2016 (In Rs.)	As at 31.03.2015 (In Rs.)
NOTE 3 : RESERVES & SURPLUS		
Surplus / (Deficit)		
Balance as per last financial statement	(1,327,696,476)	(1,029,632,589)
Balance as per last financial statement	-	(13,052,613)
Balance in Statement of Profit & Loss	51,613,564	(286,145,440)
Add: Transfer from Reserves	-	1,285,718
Less: Transfer to Reserves	333,719	151,551
Closing balance	<u>(1,276,416,631)</u>	<u>(1,327,696,476)</u>
Capital Reserve		
Balance as per last financial statement	4,916,625	4,916,625
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
Closing balance	<u>4,916,625</u>	<u>4,916,625</u>
Other Reserve- Molasses Storage Fund		
Balance as per last financial statement	758,521	1,892,688
Add: Additions during the year	333,719	151,551
Less: Deductions during the year	-	1,285,718
Closing balance	<u>1,092,240</u>	<u>758,521</u>
TOTAL	<u>(1,270,407,766)</u>	<u>(1,322,021,330)</u>

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

a) Vehicle Loans	-	57,854
b) Hire Purchase - First Leasing Co. of India Ltd.	(0.00)	35,126,441
c) Pledge Account with The U.P. Co-operative Bank Ltd.	10,980,306	34,625,990
SUB-TOTAL (A)	<u>10,980,306</u>	<u>69,810,285</u>

B. Unsecured Loans

a) Fixed Deposits from Public	-	-
b) Deposits from Selling agents	8,657,945	10,547,000
SUB-TOTAL (B)	<u>8,657,945</u>	<u>10,547,000</u>
TOTAL (A+B)	<u>19,638,251</u>	<u>80,357,285</u>

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

(Rs. In lacs)

Lending Institution	Outstanding As at 31.03.2016	2016-17	2017-18	2018-19
Kotak Mahindra Prime Ltd.	57854	57,854	-	-
U.P. Co-operative Bank Ltd.	34980306	24,000,000	10,980,306	-
First Leasing Company of India Ltd.	45186148	45186148	-	-

- Amounts payable against vehicle loans are secured against the hypothecation of specific assets acquired.
- Vehicle loans from Kotak Mahindra Prime 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.
- First Leasing company of India limited in under liquidation and official liquidator as demanded an amount of Rs. 44864598.43 together with interest @18% per annum by a letter dated 22.03.2016 .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 as the company in in liquidation.
- 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 furthersecured by personal guarantee of two directors of the company, This loan now stands restructured iwth 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%.



	As at 31.03.2016 (In Rs.)	As at 31.03.2015 (In Rs.)
NOTE 5 : OTHER LONG-TERM LIABILITIES		
Security Deposit Received	1,426,200	1,376,200
Retention Money	(0)	236,078
Total	1,426,200	1,612,278
NOTE 6 : LONG-TERM PROVISIONS		
Provision for Employee Benefits :		
For Leave Encashment	2,924,422	3,086,145
For Gratuity	15,562,801	13,387,105
Total	18,487,223	16,473,250
NOTE 7 : SHORT-TERM BORROWINGS		
A Unsecured Loans		
a) Inter Corporate Deposits	233,494,246	501,192,907
Grand Total (A+B)	233,494,246	501,192,907
NOTE 8 : TRADE PAYABLES		
a) Total outstanding dues of micro enterprise and small enterprises		
Sundry Creditors	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
- For Sugarcane (including expenses related to Cane)	2,979,159,206	3,230,544,002
Others	405,890,503	539,145,236
TOTAL	3,385,049,709	3,769,689,238

The information as required to be disclosed under the Micro, Small and Medium Enterprises (Development) Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them.

This information has been relied upon by the auditors. Disclosure in respect of interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

- 1 Principal amount remaining unpaid as at end of the year Rs. 3.29 lacs (Previous year Rs. 4.84) due to Micro & Small enterprises
- 2 Interest due on above
 - a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year(1+2)
 - b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year - Nil (Previous Year Rs. Nil)
 - c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;
 - d) The amount of interest accrued and remaining unpaid Rs.1.23 Lacs (Previous Year Rs. 0.21 Lac)
 - e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

**NOTE 9 : OTHER CURRENT LIABILITIES**

	As at 31.03.2016 (In Rs.)	As at 31.03.2015 (In Rs.)
Current maturity of long term loans		
Unclaimed Fixed Deposit from public	-	65,825,000
Pledge Account with The U.P. Co-operative Bank Ltd.	24,000,000	22,000,000
Hire Purchase - First Leasing Co. of India Ltd.	45,186,148	9,823,520
Vehicle Loans	57,854	392,000
Statutory Dues	48,582,053	80,822,209
Interest accrued and due on borrowings	3,368,567	4,406,418
Bills Payable Acceptance	23,126	43,440
Advance Against Sales	6,111,322	7,755,283
Employees Related dues	14,838,212	15,934,715
Retention Money	2,939,257	2,679,198
TOTAL	145,106,538	209,681,783

NOTE 10 : SHORT-TERM PROVISIONS

Provision for Employee Benefits		
For Leave Encashment	194,323	102,215
For Gratuity	1,502,464	782,529
Others		
For Wealth Tax	-	20,934
Total	1,696,787	905,678

NOTE 11 : INTANGIBLE ASSETS

(Amount in Rs.)

Gross Block	Land			Buildings	Plant & Equipment	Factory Approach Road	Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
	Freehold	Leasehold(a)	Leasehold Improvement								
At 1st April 2014	1,915,226.00	5,642,858.00	84,740.00	117,794,313.00	1,007,367,789.00	24,432,136.00	3,233,116.00	8,233,447.00	6,754,546.00	13,021,174.00	1,188,479,345.00
Additions	-	-	-	-	89,000.00	-	28,627.00	27,775.00	7,200.00	-	152,602.00
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustment (b)	-	-	-	-	(7,034,271.00)	-	-	-	-	-	(7,034,271.00)
At 31st March 2015	1,915,226.00	5,642,858.00	-	117,794,313.00	1,000,422,518.00	24,432,136.00	3,261,743.00	8,261,222.00	6,761,746.00	13,021,174.00	1,181,597,676.00
Additions	-	-	-	1,323,850.00	3,183,262.00	-	222,667.00	30,200.00	9,389.00	-	4,769,368.00
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustment (b)	-	-	-	-	-	-	-	-	-	(1,408,622.00)	(1,408,622.00)
At 31st March 2016	1,915,226.00	5,642,858.00	-	119,118,163.00	1,003,605,780.00	24,432,136.00	3,484,410.00	8,291,422.00	6,771,135.00	11,612,552.00	1,184,958,422.00
At 1st April 2015	0	963,477.00	84,740.00	35,306,275.00	644,133,238.00	16,720,665.00	1,547,935.00	6,182,627.00	4,605,541.00	5,756,410.00	715,300,908.00
Charge for the year	-	63,701.00	-	3,405,409.00	17,095,491.00	3,861,025.00	323,116.00	1,084,765.00	680,084.00	1,541,588.00	28,055,179.00
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustment (b)	-	-	-	10,197,537.00	1,410,203.00	-	777,119.00	213,318.00	315,956.00	138,481.00	13,052,613.00
At 31st March 2015	-	1,027,178.00	-	48,909,221.00	662,638,932.00	20,581,690.00	2,648,170.00	7,480,710.00	5,601,581.00	7,436,479.00	756,408,700.00
Charge for the year(c) & (d)	-	63,701.00	-	2,449,537.00	22,227,901.00	3,861,025.00	204,416.00	294,131.00	431,816.00	1,508,222.00	31,040,749.00
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustment (b)	-	-	-	-	-	-	-	-	-	(1,157,316.00)	(1,157,316.00)
Charge for exhausted assets(c)	-	-	-	-	-	-	-	-	-	-	-
At 31st March 2016	-	1,090,878.99	-	51,358,757.99	684,866,833.00	24,432,136.00	2,852,586.00	7,774,841.00	6,033,397.00	7,787,384.99	786,292,133.00
Net Block											
At 31st March 2015	1,915,226.00	4,615,680.00	-	68,885,092.00	337,783,586.00	3,850,446.00	613,573.00	780,512.00	1,160,165.00	5,584,695.00	425,188,976.00
At 31st March 2016	1,915,226.00	4,551,979.01	-	67,759,405.01	318,738,947.00	-	631,824.00	516,581.00	737,738.00	3,825,167.01	398,666,289.00

- 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.

**NOTE 11 : INTANGIBLE ASSETS**

(Amount in Rs.)

Gross Block	Computer Software
At 1st April 2014	1,412,833.00
Additions	199,750.00
Disposals	-
Adjustment (b)	-
At 31st March 2015	1,612,583.00
Additions	325,000.00
Disposals	-
Adjustment (b)	-
At 31st March 2016	1,937,583.00
At 1st April 2014	
Charge for the year	1,323,488.00
Disposals	59,614.00
Adjustment (b)	-
At 31st March 2015	1,383,102.00
Charge for the year(c) & (d)	73,208.00
Disposals	-
Adjustment (b)	-
Charge for exhausted assets(c)	-
At 31st March 2016	1,456,310.00
Net Block	
At 31st March 2015	229,481.00
At 31st March 2016	481,273.00



	As at 31.03.2016 (In Rs.)	As at 31.03.2015 (In Rs.)
NOTE 11A : CAPITAL WORK IN PROGRESS		
For Existing Operations	3,336,339	3,601,990
TOTAL	3,336,339	3,601,990
NOTE 12 : NON-CURRENT INVESTMENT		
Trade Investment		
(Unquoted, Valued at Cost)		
Investment in Subsidiary Companies		
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
Sub Total (a)	172,082,500	172,082,500
Other Investments:		
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	15
Sub Total (b)	500,015	500,015
TOTAL (a+b)	172,582,515	172,582,515
*(including Rs. 0.83 Lacs Share Transfer Fee)		
Aggregate amount of quoted investments	-	-
Market Value of quoted investments	-	-
Aggregate amount of unquoted investments	172,582,515	172,582,515
Aggregate provision for diminution in value of investments	-	-
Aggregate provision for diminution in value of investments	285	285
# The Company ceases to be subsidiary w.e.f. 30.09.2015		
NOTE 13 : LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Security Deposits	261,142	705,744
TOTAL	261,142	705,744
NOTE 14 : OTHER NON-CURRENT ASSETS		
Margin money with others	-	3,500,000
Other Bank Balances		
Balance with Scheduled Banks in -		
— Fixed Deposits Pledged with Banks	2,163,912	2,006,710
TOTAL	2,163,912	5,506,710
NOTE 15 : INVENTORIES		
Goods in Process	22,438,822	29,060,342
Finished goods at Plant	462,486,885	1,192,900,264
Stores and spares *	54,028,862	56,329,872
Other Stocks	2,982,779	1,509,951
TOTAL	541,937,349	1,279,800,428
* Net of Provision for Obsolescence Rs.29.00 lacs (Previous Year Rs. 16.25 Lacs)		



	As at 31.03.2016 (Amount in Rs.)	As at 31.03.2015 (Amount in Rs.)
NOTE 16 : TRADE RECEIVABLES		
Debts outstanding for a period exceeding six months from the date they are due for payment		
- Secured	-	-
- Unsecured	14,318,066	16,618,866
- Doubtful	190,400	113,903
Other Debts		
- Secured	-	-
- Unsecured	132,820,651	95,816,599
- Doubtful	-	95,816,599
Less: Provision for Bad and Doubtful Debts	190,400	113,903
TOTAL	147,138,718	112,435,465
NOTE 17 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash in hand	531,984	277,679
Balance with Banks in -		
— In Current Accounts	11,941,928	17,933,085
Other Bank Balances		
Balance with Banks in -		
— Fixed Deposits	1,529,601	1,366,821
TOTAL	14,003,513	19,577,585
NOTE 18 : SHORT TERM LOAN & ADVANCES		
Unsecured		
LOAN & ADVANCES TO RELATED PARTIES		
Subsidiary - (SBEC Stockholding & Investment Ltd.)	230,050,000	230,050,000
- (SBEC Bio Energy Ltd.)	1,066,434,890	1,032,286,270
Promoter Company - SBEC Systems (India) Limited	12,837,523	12,795,523
Advance Recoverable In Cash or in Kind or for Value to be received		
Unsecured	263,897,411	282,554,088
Doubtful -	-	-
Less :- Provision for doubtful advances	263,897,411	282,554,088
Amount deposited under protest*	11,537,881	9,563,140
Taxes recoverable	2,363,694	11,940,435
Balance with Excise/Trade Tax Authorities	17,579,431	13,548,926
Share Application Money- Chandil Power Ltd	-	300,000
Prepaid Expenses	1,549,210	1,247,652
TOTAL	1,606,250,040	1,594,286,033
*Amount deposited under protest Detail		
U.P. VAT Act	6,465,625	3,661,768
Central Excise Act	5,072,256	5,901,372
	11,537,881	9,563,140

**NOTE 19 : OTHER CURRENT ASSETS**

	As at <u>31.03.2016</u> (In Rs.)	As at <u>31.03.2015</u> (In Rs.)
Assets held for Disposal (Also refer Note No. - 44)	120,811,776	120,723,371
Tax Deducted At Source	298,497	192,965
Margin money with others	3,500,000	-
TOTAL	<u>124,610,273</u>	<u>120,916,336</u>

NOTE 20 : REVENUE FROM OPERATIONS

a) <u>Sale of product</u>		
Sugar	3,712,521,347	4,046,759,775
b) <u>Other operating revenue</u>		
Molassses	288,979,167	209,592,938
Bagasse	107,852,870	130,054,553
Scrap Sale	1,344,688	4,471,291
Less : Excise Duty	213,722,460	154,194,309
TOTAL	<u>3,896,925,612</u>	<u>4,236,684,249</u>

NOTE 21 : OTHER INCOME

Interest Received	1,340,496	303,454
Sale of Export Entitlement	-	52,774
Dividend received from cooperative Society	60,000	60,000
REC Income	40,266,000	56,836,500
Miscellaneous Income	125,293	68,856
Purchase Tax Waiver Account	-	643,383
Profit on Sale of Assets	54,762	-
Excess Provision / Sundry balances written back	9,058,773	15,017,822
TOTAL	<u>50,905,324</u>	<u>72,982,788</u>

NOTE 22 : COST OF MATERIAL CONSUMED

Raw Material Consumed	2,752,591,783	2,891,657,599
TOTAL	<u>2,752,591,783</u>	<u>2,891,657,599</u>

NOTE 23 : PURCHASES OF STOCK IN TRADE

Sugar Purchased For Trading	-	472,829,659
TOTAL	<u>-</u>	<u>472,829,659</u>

NOTE 24 : CHANGE IN INVENTORIES OF STOCKS

Opening Stock			
Finished Goods	1,192,900,264	1,898,846,180	
Goods in Process	29,060,342	46,707,782	
Stock in Trade	-	1,221,960,606	35,298,708
Closing Stock			
Finished Goods	462,486,885	1,192,900,264	
Goods In Process	22,438,822	29,060,342	
Stock in Trade	-	484,925,708	1,221,960,606
Increase/(Decrease) In Stocks	<u>737,034,898</u>	<u>758,892,064</u>	


NOTE 25 : OTHER MANUFACTURING EXPENSE

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
	(In Rs.)	(In Rs.)
Stores & Spares Consumed (Including Packing Exp.)	95,546,662	96,663,532
Power & Fuel	122,952	115,713
Repair & Maintenance		
- Plant & Machinery	79,408,610	66,716,551
- Building	6,234,458	6,663,425
- Others	4,255,491	4,521,115
Freight & Cartage	1,211,285	905,791
Material Handling Expenses	12,502,157	11,724,334
Other Mfg. Expenses	-	-
Variation in Excise duty on opening and closing stock of Finished Goods	(24,258,555)	(6,110,993)
TOTAL	175,023,600	181,199,468

NOTE 26 : EMPLOYEE BENEFIT EXPENSES

Salary, Wages & Bonus	85,001,764	84,045,124
Company's Contribution To Provident & Other Funds	6,163,377	5,676,011
Staff Welfare Expenses	3,908,909	3,645,514
Gratuity	3,655,142	3,186,290
TOTAL	98,729,192	96,552,939

NOTE 27 : FINANCE COST

Interest expenses	52,676,545	92,025,414
Finance Charges	17,380	62,349
Financial Brokerage	-	47,869
TOTAL	52,693,925	92,135,632

NOTE 28 : ADMINISTRATION EXPENSES

Telephone, Postage & Telegram	1,006,170	1,141,701
Legal & Professional Charges	7,343,396	4,388,368
Director's Sitting Fee	52,105	38,000
Loss on Sale of Fixed Assets	117,973	-
Travelling & Conveyance	4,568,846	4,029,128
Rent Including Lease Charges	1,206,860	1,385,880
Rates & Taxes	876,891	4,085,760
Vehicle Expenses	1,375,153	1,093,797
Insurance	-	115,425
Insurance Exp.	2,860,857	3,487,028
Insurance Realeased on Sugar	(4,994,579)	(2,133,722)
Security Guard Expenses	5,248,689	(4,876,863)
Payment to Auditors *	356,800	8,657,598
Provision for Obsolete Store Items	816,483	379,050
Foreign exchange fluctuation	15,461	1,625,440
Bank Charges	49,533	2,326,211
Wealth Tax	-	308,351
		20,934

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

	For the Year ended 31.03.2016 (In Rs.)	For the Year ended 31.03.2015 (In Rs.)
Misc. Expenses	2,922,945	2,645,319
Loss on Sale of Investment	-	474,715
Loss on Revaluation of Investment	-	285
REC EXPS	7,247,880	17,265,420
CLAIM AGST TRANSIT	271,632	102,600
Laboratory Exp.	88,979	-
TOTAL	31,432,075	48,694,143

***Details of Payment to Auditors**

a) Statutory Audit Fee	225,000	225,000
b) Certification & Reimbursement	115,500	142,500
c) Out of pocket expenses	16,300	11,550
	356,800	379,050

NOTE 29 : SELLING EXPENSES

Commission	15,885,277	17,884,446
Rent (Godown)	630,000	1,876,744
Freight, Clearing & Forwarding	670,753	3,676,762
Rebate & Discount	167,500	-
TOTAL	17,353,530	23,437,952

NOTE 30 : PRIOR PERIOD EXPENSES

Prior Period Expenses	244,413	2,298,228
TOTAL	244,413	2,298,228

NOTES ON FINANCIAL STATEMENT:**31. Earning per Share (AS-20)**

Particulars	Current Year	Previous Year
Net Profit/(Loss) after tax (Rs. in lacs)	516.14	(2861.45)
Weighted Average number of equity shares outstanding during the year	4,76,53,880	4,76,53,880
Basic Earning per Share (Rs.)	1.08	(06.00)
Diluted Earning per Share (Rs.)	1.08	(06.00)

32. Contingent Liabilities not provided for in respect of:

Particulars	As at 31.03.2016	As at 31.03.2015
i) Corporate Guarantee given to Government of Jharkhand against Soft loan (incl. interest) given to Bihar Sponge Iron Ltd.	7353.67	6809.50
ii) Outstanding against Guarantee given on behalf of SBEC Bio-energy Ltd.	1100.00	1600.00
iii) Duties and Tax liabilities disputed by the Company	1774.07	1723.86
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

Based on legal advice, discussions with the solicitors, etc., the management believes that there is a fair chance of decisions in the Company's favour in respect of all the items listed above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.



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. 417.63lacs (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	(Rs. in Lacs)	
	Current Year	Previous Year
Salary, Allowance & Commission	-	14.05
Contribution to Provident fund	-	0.29
Reimbursement of Expenses	-	0.28
Sub Total	-	14.62
Commission on profits	Nil*	Nil*
TOTAL	-	14.62

*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 st March 2016*	Maximum Balance outstanding during the year (Rs. in lacs)
	(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 31.03.2016	As at 31.03.2015
(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)		
(i) SBEC Bioenergy Limited	Subsidiary	Subsidiary
(ii) SBEC Stockholding & Investment Limited.	Subsidiary	Subsidiary
(b) Associates & joint ventures	Nil	Nil
(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.	Sh. U. K Modi Sh. Abhishek Modi	Sh. U. K Modi Sh. Abhishek Modi
(d) Key Management Personnel	Sh. Abhishek Modi Executive Director & CEO Sh. Lakhmi Chand Sharma-CEO Sh. Shobit Nehra -CS	Sh. Abhishek Modi Executive Director & CEO - -



(e) Relatives of Key Management Personnel & their Enterprises

- (i) Mr. Umesh Kumar Modi
- (ii) Mrs. Kumkum Modi*
- (iii) Mrs. Nandini Modi
- (iv) Mr. Jayesh Modi
- (v) Mrs. Shreepriya Modi**
- (vi) Ms. Meghna Modi*
- (vii) Mr. Glenn Yue Mang Wong
- (viii) Mrs. Himani Modi Agarwal*
- (ix) Mr. Priyank Kumar Agarwal*
- (x) Bimla Bajoria
- (xi) Raj Kumari agarwal
- (xii) RekhaMody
- (xiii) Promila Sharoff
- (xiv) Rajesh Gupta
- (xv) Urmila Kanoria
- (xvi) R.K. Sharoff
- (xvii) Pushap Kumar Gupta
- (xviii) Kailash Kanoria
- (xix) A to Z Holding Pvt.Ltd
- (xx) Arvind Continental Pvt. Ltd
- (xxi) Bihar Sponge Iron Ltd
- (xxii) M First Trding Pvt Ltd
- (xxiii) First Move Management Services Pvt. Ltd*
- (xxiv) H. M. Tubes & Containers Pvt. Ltd*
- (xxv) Jai Abhishek Investments Pvt. Ltd*
- (xxvi) Jayesh Tradex Pvt. Ltd
- (xxvii) Kamakhya Cosmetics & Pharmaceuticals Pvt. Ltd*
- (xxviii) Longwell Investment Pvt. Ltd
- (xxix) M.G. Mobiles India Pvt. Ltd
- (xxx) MeghnaAutoworks Private Ltd*
- (xxxi) Modi Arts Pvt. Ltd*
- (xxxii) Modi Diagnostics Pvt. Ltd*
- (xxxiii) Modi Goods and Retail Services Pvt. Ltd*
(formally known as Modi Groceries Pvt. Ltd.)
- (xxxiv) Modi Illva India Pvt. Ltd*
- (xxxv) Modi Industries Ltd
- (xxxvi) Modi Motors Pvt. Ltd
- (xxxvii) Modi Mundipharma Pvt. Ltd*
- (xxxviii) Modi Mundi Pharma Healthcare Pvt. Ltd* (formerly Known as Modi Omega pharma (India) Pvt Ltd)
- (xxxix) Modi Revlon Pvt. Ltd
- (xl) Modi Senator (India) Pvt. Ltd*
- (xli) Modiline Travel Service Pvt. Ltd
- (xlii) Modi Hitech India Ltd (Formaly Known as Morgardshammer India Ltd)
- (xliii) SBEC Systems (India) Ltd*
- (xliv) Swasth Investment Pvt. Ltd*
- (xlv) Umesh Modi Corp. Pvt. Ltd*
- (xlv) 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
Purchase / Goods and Services	-	-	-	-	444.45
	(-)	(-)	(-)	(-)	(5067.48)
Sales / Goods and Services	-	-	-	-	-
	(-)	(-)	(-)	(-)	(476.58)
Sale of Debt Assignment	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Expenses / Computer / Printing & Stationery	-	-	-	-	6.27
	(-)	(-)	(-)	(-)	(5.74)
Air Tickets / Vehicle Exp.	-	-	-	-	1.16
	(-)	(-)	(-)	(-)	(2.21)
Courier / Freight Exp./Postage & Telegraph	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.26)
Repair & Maintenance Exp.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Rent/Telephone/Electricity	0.13	-	-	-	0.27
	(0.16)	(-)	(-)	(-)	(2.18)
Interest paid	-	-	-	-	105.63
	(-)	(-)	(-)	(-)	(116.83)
Salary & Wages etc	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Consultancy / Sitting Fee	-	-	-	-	-
	(-)	(-)	(-)	(0.03)	(2.91)
Gifts & other	0.01	-	-	-	-
	(-)	(-)	(-)	(-)	(0.37)
Prior Period Exp	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Stores & Spares Consumed	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Income / Other Income	402.66	-	-	-	-
	(568.37)	(-)	(-)	(-)	(-)
Corporate Guarantees	-	-	-	-	-
Outstanding as on 31.03.16 #	1100.00	-	-	-	5996.19
	(1600)	(-)	(-)	(-)	(6809.50)
Investment / Recoverable / Receivable as on 31.03.16	-	-	-	-	-
Amount Recoverable	10664.35	-	-	-	1.05
	(9279.52)	(-)	(-)	(-)	(9.07)
Finance / Advance Given as on 31.03.16	-	-	-	-	-
Year-end Balance of loan & Advance	2300.50	-	-	-	0.23
	(3343.84)	(-)	(-)	(-)	(127.96)
Payable as on 31.03.16	-	-	-	-	-
Amount Payable	-	-	-	-	3.05
	-	-	-	-	(4.03)
Finance / Advance Taken as on 31.03.16	-	-	-	-	-
Year-end Balance of loan & Advance	-	-	-	-	455.46
	-	-	-	-	(899.54)

Guarantee given to SBEC Bioenergy Ltd. Rs.1100.00 lacs (Previous year Rs. 1600 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 31.03.2016	As at 31.03.2015
Deferred Tax Liability		
Depreciation	732.22	735.43
Other Deductions	-	-
Sub Total – A	732.22	735.43
Deferred Tax Assets		
Business Loss / Unabsorbed Dep.	1052.35	4958.19
Deduction u/s 43B	52.73	30.58
Disallowance 40(A)(7)	27.25	43.78
Sub Total – B	1132.33	5032.55
Net Deferred Tax Assets/(Liability) {B-A}	400.10	4297.12
*Assets Recognised (Refer note below)	732.22	735.43

* 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 2015-16 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 st March, 2016	Year Ended 31 st March, 2015
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	4,01,058.00 (5,49,750.00)	1,023,959 (10,18,364)	1,290,369 (11,67,056)	37,125.21 (34,834.45)	134,648 (4,01,058.00)	3878.74 (10,572.49)
Molasses(By-product)	2,57,187.00 (1,58,042.00)	523,077.02 (5,66,909.85)	667,430.50 (4,67,764.85)	2889.79 (2,095.93)	112,833.52 (2,57,187.00)	595.85 (1245.01)
Purchases						
Sugar Trading	- (10,121)	- (1,60,918.13)	- (1,71,039.13)	- (5,638.32)	- (-)	- (-)

(c) CONSUMPTION OF RAW MATERIALS

(Rs. In lacs)

Particulars	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
	Quantity (Quintals)	Value (Rs. In lacs)	Quantity (Quintals)	Value (Rs. In lacs)
Sugar Cane	107,19,974.00	29,656.74	11,103,337.83	30,698.23

d) EXPENDITURE IN FOREIGN CURRENCY (On accrual basis)

(Rs. in lacs)

Particulars	Current year	Previous Year
Interest, Others,	-	14.02
e) CIF VALUE OF IMPORTS		
Store & Spares	19.16	11.15


f) VALUE OF IMPORTED / INDIGENOUS RAW MATERIALS STORES AND SPARES CONSUMED

Particulars	Indigenous Value	% Age	Imported Value	% Age
Raw Materials	27,076.61	100%	-	Nil
Previous Year	28,097.47	100%	-	Nil
Stores & Spares*	936.31	97.99%	19.16	2.01%
Previous Year	950.43	98.32%	16.20	1.68%

*Excluding spares used for capitalization.

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:

	Year ended 31 st March 2016	Year ended 31 st March 2015
Employer's contribution to Provident Fund	55.81	54.60

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.

Particulars	Gratuity (Unfunded) 31.03.2016	Gratuity (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2016	Leave Encashment (Unfunded) 31.03.2015
Defined Benefit obligation at the beginning of the period.	141.70	126.55	18.50	15.23
Past Service Cost	-	-	-	-
Current Service Cost.	19.02	17.72	1.89	2.02
Interest Cost.	11.33	10.76	1.48	1.29
Actuarial (gain)/loss	6.18	3.38	(2.47)	(0.04)
Benefits Paid	(7.59)	(16.72)	(0.00)	(0.00)
Settlement cost	-	-	-	-
Defined Benefit obligation at the end of the period	170.65	141.70	19.39	18.50

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

Particulars	Gratuity (Unfunded) 31.03.2016	Gratuity (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2016	Leave Encashment (Unfunded) 31.03.2015
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) 31.03.2016	Gratuity (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2016	Leave Encashment (Unfunded) 31.03.2015
Fair Value of Plan Assets as at 31 st March	-	-	-	-
Present value of obligation as at 31 st March	170.65	141.70	19.39	18.50
Net asset/(liability) recognized in the Balance Sheet	(170.65)	(141.70)	(31.19)*	(31.88)*

*It includes company grade employees' freeze liability in books amounting to Rs.11.80 lacs (Previous year Rs.13.39 Lacs).

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

Current Service Cost	19.03	17.72	1.89	2.02
Past Service Cost	-	-	-	-
Interest Cost	11.34	10.76	1.48	1.30
Expected return on plan assets	-	-	-	-
Net Actuarial (gain)/loss recognized during the period	6.19	3.38	(2.47)	(0.04)
Expenses recognized in the statement of Profit & Loss	36.55	31.86	0.89	3.27

5. Actual Return on Plan Assets

(Rs. in lacs)

Particulars	Gratuity (Unfunded) 31.03.2016	Gratuity (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2016	Leave Encashment (Unfunded) 31.03.2015
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain)/loss	-	-	-	-
Actual return on plan assets	-	-	-	-

6. Principal Actuarial Assumptions

(Rs. in lacs)

Particulars	Gratuity (Unfunded) 31.03.2016	Gratuity (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2016	Leave Encashment (Unfunded) 31.03.2015
Mortality Table (LIC)	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified
Discount rate as at 31 st March	8%	8%	8%	8%
Future Salary Increase	5.50%	5.50%	5.50%	5.50%
Expected rate of return on plan assets	-	-	-	-
Retirement Age	60 Years	60 Years	60 Years	60 Years
Withdrawal Rates Age	Withdrawal	Withdrawal	Withdrawal	Withdrawal
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) 31.03.2016	Grauity (Unfunded) 31.03.2015	Grauity (Unfunded) 31.03.2014	Grauity (Unfunded) 31.03.2013	Encashment (Unfunded) 31.03.2012
PBO	19.39	18.50	15.23	14.10	12.99
Plan Assets	-	-	-	-	-
Net Assets/(Liability)	(19.39)	(18.50)	(15.23)	(14.10)	(12.99)
Experience adjustment of plan assets(loss)/gain	-	-	-	-	-
Experience adjustment of plan liabilities(loss)/gain	2.47	0.02	1.12	1.76	1.34



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

(Rs. in lacs)

Particulars	Grauity (Unfunded) 31.03.2016	Grauity (Unfunded) 31.03.2015	Grauity (Unfunded) 31.03.2013	Grauity (Unfunded) 31.03.2012	Grauity (Unfunded) 31.03.2011
PBO	170.65	141.70	126.55	88.34	92.19
Plan Assets	-	-	-	-	-
Net Assets/(Liability)	(170.65)	(141.70)	(126.55)	(88.34)	(92.19)
Experience adjustment of plan assets(loss)/gain	-	-	-	-	-
Experience adjustment of plan liabilities(loss)/gain	(6.19)	(3.58)	(26.37)	3.79	(4.13)

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, 2016 and 31st March, 2015 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. Inventories, loans & advances, trade receivables and other current / non-current assets are reviewed annually and in the opinion of the Management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the Balance Sheet.
45. Details of loans given, investments made and guarantee given covered u/s 186(4) of the companies act, 2013
- | | |
|-----------------|-----|
| Loan Given | NIL |
| Guarantee Given | NIL |
| Investment Made | NIL |
46. 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.
47. The State Government of Uttar Pradesh has, as per PNCM Cabinet Decision dated 18th January 2016, inter alia, announced cash subsidy upto Rs. 23.30 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 2015 to 31st March 2016, 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. 23.30 per Qtl of cane purchased by it aggregating to Rs. 2,167.11 lacs

48. 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 48

For & on behalf of

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

Sd/-
Umesh Kumar Modi
(Chairman & President)
DIN : 00002757

Sd/-
Abhishek Modi
(Whole-Time Director)
DIN : 00002798

Sd/-
Rajeev Kumar Agarwal
(Director)
DIN : 00298252

Sd/-
Mukul Marwah
Partner
Membership No. : 511239

Sd/-
J.C. Chawla
(Director)
DIN: 05316202

Sd/-
Shobit Nehra
(Company Secretary)

Sd/-
Lakhmi Chand Sharma
(Chief Financial Officer)

Place : New Delhi
Date : 30th May 2016



INDEPENDENT AUDITOR'S REPORT

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, 2016, 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 during the year the company has not made provision for interest, on late payment of cane dues amounting to Rs. 3280.70 lacs. Accordingly the expenses and profit for the year ended on 31st March 2016 would have been lower by Rs 3280.70 lacs and its consequential impact on EPS.
- ii) In SBEC Bioenergy Limited the company has taken the debt of IDBI, IFCI & SBEC Sugar Limited in Modi Industries Limited. As at 31st March, 2016 the company has net exposure of Rs.146.86 lacs. No Interest on the said amount has been provided as there is no reasonable certainty of its collection since the net worth of Modi Industries Limited has been completely eroded. Recoverability of the above balance is also doubtful. However, no provisions for doubtful debts were made in the financial statements of the company and consequently we are unable to opine on the appropriateness of the same and its consequential impact on the financial statements.

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, 2016, 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 consolidated financial statements:

- a) Note no 44 of the statement regarding the holding company being registered with the Board for Industrial and Financial Reconstruction (BIFR) as per communication received from BIFR vide its letter No. 3/(S-22)/BC/2013 dated 21st August 2013 and consequent to it becoming a Sick Industrial u/s 3(1)(0) of SICA, as the company's net worth has been eroded and the company has incurred cash losses during the prior years. The statement have been prepared by the management of the company on a going concern basis as the company has continued its normal manufacturing during the current year and also generated profits.
- b) Note No 48 to the statement regarding accounting of subsidy of Rs. 2167.70 lacs by holding company, as per PNCM Cabinet Decision dated 18th January 2016 issued by State Government of Uttar Pradesh subject to approval of appropriate authority, the company has netted off the subsidy from the cost of material consumed for the year ended 31st March 2016 and the Management is virtually certain regarding realisation of subsidy.



- c) Note No 47 to the financial statement regarding the holding Company is carrying Rs 1208.12 lacs as assets held for disposal since March'2013. 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.

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.19189.68 lacs as at 31st March, 2016, total revenues of Rs.987.27 lacs for the year ended on that date & the financial Statements of SBEC Stockholding and Investment Limited reflects total assets of Rs.3498.52lacs as at 31st March, 2016, 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 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 and the going concern matter described in sub-paragraph (a) under the Emphasis of Matters 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, 2016 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, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the holding company and subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report; and
 - (h) 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 to the consolidated financial statements.
 - 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 Doogar & Associates
Chartered Accountants
Firm Regn. No. 000561N**

**Place: New Delhi
Dated: 30th May 2016**

**Sd/-
Mukul Marwah
Partner
Membership No.-511239**

**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statement to the members of
SBEC Sugar Limited dated May 30, 2016.**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

In conjunction with our audit of the consolidated financial statement of SBEC Sugar Limited as of March 31, 2016. We have audited the internal financial controls over financial reporting of SBEC Sugar Limited (hereinafter referred to as the "Holding Company") and two subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") incorporated in India, as of the date.



Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and two subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

Other matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiaries which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

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

Sd/-
Mukul Marwah
Partner

Membership No.-511239

Place: New Delhi
Dated: 30th May 2016



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	NOTE NO.	As at 31.03.2016 (In Rs.)	As at 31.03.2015 (In Rs.)
I. EQUITY AND LIABILITY			
Shareholders' Funds			
(a) Share Capital	2	476,940,175	476,940,175
(b) Reserves and Surplus	3	(1,161,431,600)	(1,198,748,656)
		<u>(684,491,425)</u>	<u>(721,808,481)</u>
Minority Interest		196,416,935	204,671,094
Non-current Liabilities			
(a) Long-term Borrowings	4	69,638,251	181,155,923
(b) Other Long Term Liabilities	5	1,426,200	1,612,278
(c) Long-term Provisions	6	<u>21,915,370</u>	<u>19,326,260</u>
		<u>92,979,821</u>	<u>202,094,461</u>
Current Liabilities			
(a) Short-term Borrowings	7	488,768,981	507,692,907
(b) Trade Payables	8	3,405,007,212	3,783,467,708
(c) Other Current Liabilities	9	232,858,654	367,220,289
(d) Short-term Provisions	10	<u>1,791,878</u>	<u>971,108</u>
		<u>4,128,426,725</u>	<u>4,659,352,012</u>
TOTAL ASSETS		<u>3,733,332,055</u>	<u>4,344,309,086</u>
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	525,979,146	552,839,455
(ii) Intangible Assets	11	483,045	232,931
(iii) Capital Work in Progress	11 A	<u>12,171,298</u>	<u>3,601,990</u>
		<u>538,633,489</u>	<u>556,674,376</u>
(b) Non-Current Investment	12	350,333,615	278,583,615
(c) Deferred Tax Assets (net)		36,198,925	29,673,270
(d) Long-term Loans & Advances	13	350,354	794,956
(e) Other Non-Current Assets	14	<u>1,473,839,118</u>	<u>1,476,733,072</u>
		<u>2,399,355,501</u>	<u>2,342,459,289</u>
Current Assets			
(a) Inventories	15	570,684,374	1,311,332,731
(b) Trade Receivables	16	216,547,312	130,756,089
(c) Cash & Bank Balances	17	15,635,571	23,813,024
(d) Short-term Loans & Advances	18	401,497,708	409,072,299
(e) Other Current Assets	19	<u>129,611,589</u>	<u>126,875,655</u>
		<u>1,333,976,553</u>	<u>2,001,849,798</u>
TOTAL		<u>3,733,332,055</u>	<u>4,344,309,086</u>

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/-
Mukul Marwah
Partner
Membership No. : 511239

Place : New Delhi
Date : 30th May 2016

Sd/-
Umesh Kumar Modi
(Chairman & President)
DIN : 00002757

Sd/-
J.C. Chawla
(Director)
DIN: 05316202

Sd/-
Abhishek Modi
(Whole-Time Director)
DIN : 00002798

Sd/-
Shobit Nehra
(Company Secretary)

Sd/-
Rajeev Kumar Agarwal
(Director)
DIN : 00298252

Sd/-
Lakhmi Chand Sharma
(Chief Financial Officer)



CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

	NOTE NO.	For the Year ended 31.03.2016 (In Rs.)	For the year ended 31.03.2015 (In Rs.)
INCOME			
Revenue From Operations	20	3,990,781,454	4,345,588,911
Other Income	21	55,777,111	73,135,185
Total Revenue		4,046,558,566	4,418,724,096
EXPENSES			
Cost of Material Consumed	22	2,752,591,783	2,891,657,599
Purchases of Stock-in-Trade	23	-	472,829,659
Change in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	24	736,700,546	759,215,357
Manufacturing Expense	25	210,726,364	206,513,989
Employee Benefit Expense	26	116,243,282	113,529,785
Finance Cost	27	103,436,621	128,714,251
Depreciation & Amortisation Expense	11	35,393,224	32,419,237
Administration Expenses	28	48,181,504	67,112,412
Selling Expense	29	17,353,530	23,437,952
Prior Period Items (including interest on cane payment Rs. 998.10 lacs)		2,097,336	3,334,907
Total Expenses		4,022,724,190	4,698,765,146
Profit / (Loss) before exceptional and extraordinary items and tax		23,834,375	(280,041,052)
Exceptional Items	30	-	-
Profit / (Loss) before extraordinary items and tax		23,834,375	(280,041,052)
Extraordinary Items		-	-
Profit before tax		23,834,375	(280,041,052)
Tax expense :			
(1) Current tax		1,297,130	-
(2) Deferred tax		(6,525,655)	1,658,841
(3) Taxes for earlier year		-	-
Profit/(Loss) for the period from continuing operations		29,062,900	(281,699,893)
Tax Expense of discontinuing operations		-	-
Profit/(Loss) for the Year before minority Interest		29,062,900	(281,699,893)
Minority Interest		(8,254,159)	2,039,008
Profit/(Loss) for the Year		37,317,059	(283,738,901)
Earning per equity share:(Par value of Rs.10 each)			
(1) Basic	31	0.78	(5.95)
(2) Diluted	31	0.78	(5.95)

The accompanying notes are integral 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/-
Umesh Kumar Modi
(Chairman & President)
DIN : 00002757

Sd/-
Abhishek Modi
(Whole-Time Director)
DIN : 00002798

Sd/-
Rajeev Kumar Agarwal
(Director)
DIN : 00298252

Sd/-
Mukul Marwah
Partner
Membership No. : 511239

Sd/-
J.C. Chawla
(Director)
DIN: 05316202

Sd/-
Shobit Nehra
(Company Secretary)

Sd/-
Lakhmi Chand Sharma
(Chief Financial Officer)

Place : New Delhi
Date : 30th May 2016



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	<u>Current Year</u> (In Rs.)	<u>Pervious Year</u> (In Rs.)
A) Cash Flow from Operating Activities		
Profit / (Loss) Before Tax as per Profit and Loss Account	23,834,375.24	(280,041,051.00)
Adjustments For :		
Interest Expenses	103,436,621.44	128,714,251.00
Interest Income	(5,434,695.00)	(303,454.00)
Dividend Income	(120,000.00)	(120,000.00)
Loss on sale of Fixed Assets	117,973.00	-
Profit on sale of Fixed Assets	(54,762.00)	-
Provision for Obsolete Store Items	816,483.00	1,774,517.00
Wealth tax	-	20,934.00
Depreciation	35,393,224.26	32,419,237.00
Deferred Revenue Expenditure	1,367,923.00	2,013,110.00
Profit on sale of Investment	-	(52,774.00)
Unclaimed credit balances written back	(9,443,594.19)	(15,110,218.00)
Operating Profit before Working Capital Changes	149,913,548.75	(130,685,448.00)
Adjustments For :		
Trade Receivables	(85,791,222.50)	20,645,465.23
Inventories	739,831,874.17	760,396,408.15
Trade Payables	(378,460,496.33)	444,178,325.44
Loans & Advances/Other Current Assets	7,161,962.20	(300,106,244.15)
Liabilities & Provisions	(121,694,238.46)	40,633,670.51
Cash generated from Operating Activities	310,961,427.83	835,062,177.17
Direct Taxes (Paid)/Refund	(1,812,582.00)	62,965.00
Net Cash Flow from Operating Activities	309,148,845.83	835,125,142.19
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(9,034,334.68)	(352,352.00)
Capital Work in Progress	(8,569,308.00)	(3,601,990.00)
Realisation from Fixed Assets	188,094.58	7,034,271.00
Sale/(Purchase) of Investments	(71,750,000.00)	(52,947,241.00)
Dividend Income	120,000.00	120,000.00
Interest Received	5,434,695.00	303,454.00
Net Cash Flow from Investing Activities	(83,610,853.10)	(49,443,858.00)
C) Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (Net)	(111,517,672.40)	(29,374,652.64)
Proceeds from Short Term Borrowings (Net)	(18,923,926.00)	(618,550,808.35)
Net Interest (Paid)	(103,436,621.44)	(128,714,251.00)
Net Cash Flow from Financing Activities	(233,878,219.84)	(776,639,711.98)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(8,340,227.11)	9,041,572.21
Cash and Cash Equivalents as on 1st April 2015 (Opening Balance)	22,446,203.00	13,404,629.00
Cash and Cash Equivalents as on 31st March 2016 (Closing Balance)	14,105,970.00	22,446,203.00
Net Increase as disclosed above	(8,340,227.11)	9,041,572.21
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	593,369.00	339,133.00
Balances with Banks	13,512,601.00	22,107,070.00
TOTAL	14,105,970.00	22,446,203.00

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

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

Sd/-
Mukul Marwah
Partner
Membership No. : 511239

Place : New Delhi
Date : 30th May 2016

Sd/-
Umesh Kumar Modi
(Chairman & President)
DIN : 00002757

Sd/-
J.C. Chawla
(Director)
DIN : 05316202

Sd/-
Abhishek Modi
(Whole-Time Director)
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Shobit Nehra
(Company Secretary)

Sd/-
Rajeev Kumar Agarwal
(Director)
DIN : 00298252

Sd/-
Lakhmi Chand Sharma
(Chief Financial Officer)



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, 2016 (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 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 31.03.2016
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 31.03.2016 (In Rs.)	As at 31.03.2015 (In Rs.)
NOTE 2 : SHARE CAPITAL		
AUTHORISED CAPITAL		
100,000,000 (Previous Year 100,000,000) Equity Shares of Rs. 10/- each	1,000,000,000	1,000,000,000
ISSUED & SUBSCRIBED CAPITAL :		
47,814,430 (Previous Year 47,814,430) Equity Shares of Rs. 10/- each	478,144,300	478,144,300
PAID UP :		
47,653,880 (Previous Year 47,653,880) Equity Shares of Rs. 10/- each	476,538,800	476,538,800
Share Forfeiture Account	401,375	401,375
TOTAL	<u>476,940,175</u>	<u>476,940,175</u>

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 31.03.2016		As at 31.03.2015	
	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%	9,065,568	19.02%
3 Abhikum Leasing & Investment Pvt. Ltd.	5,531,994	11.61%	5,531,994	11.61%
4 M/s A to Z Holding Pvt. Ltd.	3,382,500	7.10%	3,382,500	7.10%
5 M/s Longwell Investments Pvt. Ltd.	2,721,500	5.71%	2,721,500	5.71%

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

	2015-16		2014-15	
	No. of shares	(Amount in Rs.)	No. of shares	(Amount in Rs.)
Equity Shares				
At the beginning of the year	47,653,880	47,653,880	47,653,880	47,653,880
Add: Shares Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	47,653,880	47,653,880	47,653,880	47,653,880

d) The Company has not allotted any fully paid-up share pursuant to contract(s) without payment being received in case nor has allotted any fully paid-up share by way of bonus share nor has bought back any class of shares during the period of five years immediately preceding the balance sheet date.



	As at 31.03.2016 (In Rs.)	As at 31.03.2015 (In Rs.)
NOTE 3 : RESERVES & SURPLUS		
Surplus / (Deficit)		
Balance as per last financial statement	(1,204,423,802)	(908,454,464)
Accumulated Depreciation earlier year	-	(13,364,604)
Balance in statement of Profit & Loss	37,317,059	(283,738,901)
Add: Transfer from Reserves	51,613,564	1,285,718
Less: Transfer to Reserves	-	151,551
Closing Balance	(1,115,493,182)	(1,204,423,802)
Capital Reserve		
Balance as per last financial statement	4,916,625	4,916,625
Add: Additions during the year	-	-
Less : Deductions during the year	-	-
Closing Balance	4,916,625	4,916,625
Other Reserve-Molasses Storage Fund		
Balance as per last financial statement	758,521	1,892,688
Add: Additions during the year	-	151,551
Less : Deductions during the year	51,613,564	1,285,718
Closing Balance	(50,855,043)	758,521
Total	(1,161,431,600)	(1,198,748,656)

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

a) Vehicle Loans	(0)	856,492
b) Hire Purchase - First Leasing Co. of India Ltd.	(0)	35,126,441
c) Term Loan from SREI Infrastructure Finance Ltd.	50,000,000	100,000,000
d) Pledged Account with the U.P. Cooperative Bank Ltd.	10,980,306	34,625,990
SUB-TOTAL (A)	60,980,306	170,608,923

B. Unsecured Loans

a) Fixed Deposits from Public	-	-
b) Deposits from Selling agents	8,657,945	10,547,000
SUB-TOTAL (B)	8,657,945	10,547,000
TOTAL (A+B)	69,638,251	181,155,923

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

(Rs. In lacs)

Lending Institution	Outstanding As at 31.03.2016	2016-2017*	2017-18	2018-19	2019-20	2020-21
SREI Infrastructure Finance Ltd.	110,000,000	60,000,000	50,000,000	—	—	—
HDFC Bank Ltd.	798,637	798,637	—	—	—	—
Kotak Mahindra Prime Ltd.	57,854	57,854	—	—	—	—
Up Co-Operative Bank Ltd.	34,980,306	24,000,000	10,980,306	—	—	—
First Leasing Company of India Ltd.	45,186,148	45,186,148	—	—	—	—

***SHOWN UNDER CURRENT MATURITY IN NOTE-9**

- Amounts payable against vehicle loans are secured against the hypothecation of specific assets acquired.
- Vehicle loans from Kotak Mahindra Prime 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.
- First Leasing company of India limited in under liquidation and official liquidator as demanded an amount of Rs. 44864598.43 together with interest @18% per annum by a letter dated 22.03.2016 .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 as the company in in liquidation.
- 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 iwth 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%.



	As at 31.03.2016 (In Rs.)	As at 31.03.2015 (In Rs.)
NOTE 5 : OTHER LONG-TERM LIABILITIES		
Security Deposit Received	-	1,376,200
Retention Money	1,426,200	236,078
Total	1,426,200	1,612,278
NOTE 6 : LONG-TERM PROVISIONS		
Provision for Employee Benefits :		
For Leave Encashment	3,457,350	3,586,802
For Gratuity	18,458,020	15,739,458
Total	21,915,370	19,326,260
NOTE 7 : SHORT-TERM BORROWINGS		
A Secured Borrowings		
b) Pledge Account with The U.P. Co-operative Bank Ltd. (Refer Foot Note no. 4)	-	-
c) OD Account with The Shamrao Vithal Co-Operative Bank Ltd.	-	-
SUB-TOTAL (A)	-	-
B Unsecured Loans		
a) Inter Corporate Deposits	233,494,246	501,192,907
b) Fixed deposits*	-	6,500,000
c) Loan from Moderate Leasing & Capital Serv. Ltd. 19%	255,274,735	-
SUB-TOTAL (B)	488,768,981	507,692,907
Grand Total (A+B)	488,768,981	507,692,907
NOTE 8 : TRADE PAYABLES		
a) Total outstanding dues of micro enterprise and small enterprises		
Sundry Creditors	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
- For Sugarcane (including expenses related to Cane)	2,979,159,206	3,230,544,002
Others	425,848,007	552,923,707
TOTAL	3,405,007,212	3,783,467,708

The information as required to be disclosed under the Micro, Small and Medium Enterprises (Development) Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them.

This information has been relied upon by the auditors. Disclosure in respect of interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

- 1 Principal amount remaining unpaid as at end of the year Rs. 200.39.
- 2 Interest due on above
 - a) Sundry creditors include a sum aggregating Rs. 3.29 Lacs (Previous Year Rs. 4.84), 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 the payment made to Micro and Small Enterprises beyond the appointed day during each accounting year - Nil (Previous Year Rs. Nil)
 - c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;
 - d) The amount of interest accrued and remaining unpaid Rs.1.23 Lacs (Previous Year Rs. 0.21 Lac)
 - e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

**NOTE 9 : OTHER CURRENT LIABILITIES**

	As at 31.03.2016 (In Rs.)	As at 31.03.2015 (In Rs.)
Current maturity of long term loans		
Fixed Deposits from Public	-	-
Unclaimed Fixed Deposit from public	-	65,825,000
Hire Purchase - First Leasing Co. of India Ltd.	45,186,148	9,823,520
Vehicle Loans	856,492	1,110,857
Statutory Dues	50,593,815	82,119,121
Interest accrued but not due on borrowings	721,956	1,132,149
Interest accrued and due on borrowings	3,368,567	4,557,877
Bills Payable Acceptance	23,126	154,780
Advance Against Sales	6,111,322	7,755,283
Security Deposit Received	45,000	45,000
Employees Related dues	17,033,842	18,303,667
Retention Money	3,019,121	2,721,410
Other Liabilities	21,899,266	91,671,624
SREI Infrastructure Finance Ltd.	60,000,000	60,000,000
TOTAL	<u>232,858,654</u>	<u>367,220,289</u>

NOTE 10 : SHORT-TERM PROVISIONS

Provision for Employee Benefits		
For Leave Encashment	230,880	110,833
For Gratuity	1,587,998	839,341
Others :		
For Wealth	-	20,934
TOTAL	<u>1,791,878</u>	<u>971,108</u>

NOTE 11 : INTANGIBLE ASSETS

(Amount in Rs.)

Gross Block	Land			Buildings	Plant & Equipment	Factory Approach Road	Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
	Freehold	Leasehold(a)	Leasehold Improvement								
At 1st April 2014	4,615,226.00	5,642,858.00	84,740.00	143,474,068.00	1,523,931,556.00	24,432,136.00	3,643,118.00	8,925,914.00	7,049,201.00	17,544,681.00	1,739,343,498.00
Additions	-	-	-	-	89,000.00	-	28,627.00	27,775.00	7,200.00	-	152,602.00
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustment (b)	-	-	-	-	(7,034,271.00)	-	-	-	-	-	(7,034,271.00)
At 31st March 2015	4,615,226.00	5,642,858.00	-	143,474,068.00	1,516,986,285.00	24,432,136.00	3,671,745.00	8,953,689.00	7,056,401.00	17,544,681.00	1,732,461,829.00
Additions	-	-	-	1,323,850.00	7,083,669.00	-	228,067.00	64,360.00	9,389.00	-	8,709,335.00
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustment (b)	-	-	-	-	-	-	-	-	-	(1,408,622.00)	(1,408,622.00)
At 31st March 2016	4,615,226.00	5,642,858.00	-	144,797,918.00	1,524,069,954.00	24,432,136.00	3,899,812.00	9,018,049.00	7,065,790.00	16,136,059.00	1,739,762,542.00
At 1st April 2015	0	963,477.00	84,740.00	47,173,038.00	1,048,765,682.00	16,720,665.00	1,777,559.00	6,715,480.00	4,832,753.00	6,611,167.00	1,133,644,561.00
Charge for the year	-	63,701.00	-	4,154,800.00	19,963,984.00	3,861,025.00	337,292.00	1,166,648.00	696,451.00	2,114,044.00	32,357,945.00
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustment (b)	-	-	-	10,584,361.00	1,410,203.00	-	922,886.00	233,356.00	330,582.00	138,481.00	13,619,868.00
At 31st March 2015	-	1,027,178.00	-	61,912,199.00	1,070,139,869.00	20,581,690.00	3,037,737.00	8,115,484.00	5,859,786.00	8,863,692.00	1,179,622,374.00
Charge for the year(c) & (d)	-	63,701.00	-	3,198,929.00	25,131,446.00	3,861,025.00	207,172.00	327,204.00	448,183.00	2,080,678.00	35,318,338.00
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustment (b)	-	-	-	-	-	-	-	-	-	(1,157,316.00)	(1,157,316.00)
Charge for exhausted assets(c)	-	-	-	-	-	-	-	-	-	-	-
At 31st March 2016	-	1,090,878.99	-	65,111,127.99	1,095,271,315.00	24,432,136.00	3,244,909.00	8,442,688.00	6,307,969.00	9,787,053.99	1,213,783,396.00
Net Block											
At 31st March 2015	4,615,226.00	4,615,680.00	-	81,561,869.00	446,846,416.00	3,850,446.00	634,008.00	838,205.00	1,196,615.00	8,680,989.00	552,839,455.00
At 31st March 2016	4,615,226.00	4,551,979.01	-	79,686,790.01	428,798,639.00	-	654,903.00	575,361.00	757,821.00	6,349,005.01	525,979,146.00

- 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 years 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 years now being reversed and accumulated depreciation for the previous year's of Rs. 56.17 lacs has been adjusted from the current year depreciation.

**NOTE 11 : INTANGIBLE ASSETS**

(Amount in Rs.)

Gross Block	Computer Software
At 1st April 2014	1,823,268.00
Additions	199,750.00
Disposals	-
Adjustment (b)	-
At 31st March 2015	2,023,018.00
Additions	325,000.00
Disposals	-
Adjustment (b)	-
At 31st March 2016	2,348,018.00
At 1st April 2014	1,728,795
Charge for the year	61,292.00
Disposals	-
Adjustment (b)	-
At 31st March 2015	1,790,087.00
Charge for the year(c) & (d)	74,886.00
Disposals	-
Adjustment (b)	-
Charge for exhausted assets(c)	-
At 31st March 2016	1,864,973.00
Net Block	
At 31st March 2015	232,931.00
At 31st March 2016	483,045.00



	As at 31.03.2016 (Amount in Rs.)	As at 31.03.2015 (Amount in Rs.)
NOTE 11 A : CAPITAL WORK IN PROGRESS		
For Existing Operations	12,171,298	3,601,990
TOTAL	<u>12,171,298</u>	<u>-</u>
NOTE 12 : NON-CURRENT INVESTMENT		
Trade Investment		
(Unquoted, Valued at Cost)		
Investment in Subsidiary Companies		
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
SUB TOTAL (a)	<u>1,082,600</u>	<u>1,082,600</u>
Other Investments:		
4,50,000 Equity Shares of Rs. 10/- each of Modi Ilva India Pvt. Ltd.		
(Previous Year - 4,50,000 Equity shares of Rs. 10/- each)	44,500,000.00	4,500,000.00
100 Eq.Shares of Rs.10/- each of Chandil Power Ltd..		
Share Application Money		
(Previous Year - 100 Equity shares of Rs. 10/- each)	1,000.00	1,000.00
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)	304,750,000.00	273,000,000.00
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
SUB TOTAL (b)	<u>349,251,015</u>	<u>277,501,015</u>
TOTAL (a+b)	<u>350,333,615</u>	<u>278,583,615</u>
Aggregate amount of unquoted investments	350,333,615	278,583,615
Aggregate provision for diminution in value of investments	285	285
# The Company ceases to be subsidiary w.e.f. 30.09.2014		
NOTE 13 : LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Security Deposits	350,354	794,956
TOTAL	<u>350,354</u>	<u>794,956</u>
NOTE 14 : OTHER NON-CURRENT ASSETS		
Debt Assignment Recoverable-PNB - (Also Refer Note No. 33)	591,731,100	591,731,100
Debt Assignment Recoverable(IFCI and IDBI)	876,866,582	876,866,586
Margin money with others	-	3,500,000
SREI Infrastructure Finance Ltd.	3,077,524	2,628,676
Other Bank Balances		
Balance with Scheduled Banks in -		
— Fixed Deposits Pledged with Banks	2,163,912	2,006,710
TOTAL	<u>1,473,839,118</u>	<u>1,476,733,072</u>
NOTE 15 : INVENTORIES		
Goods in progress	22,438,822	29,060,342
Finished goods	463,781,762	1,193,860,789
Stores and spares*	81,481,010	86,901,649
Other stocks	2,982,779	1,509,951
Total	<u>570,684,374</u>	<u>1,311,332,731</u>
*Net of Provision for Obsolescence Rs. 29.00 lacs (Previous Year Rs. 16.25 lacs)		



	As at 31.03.2016 (Amount in Rs.)		As at 31.03.2015 (Amount in Rs.)	
NOTE 16 : TRADE RECEIVABLES				
Debts outstanding for a period exceeding six months from the date they are due for payment				
- Unsecured	14,318,066		16,618,866	
- Doubtful	190,400	14,508,466	113,903	16,732,769
Other Debts				
- Unsecured	202,229,245		114,137,223	
- Doubtful	-	202,229,245	-	114,137,223
Less: Provision for Bad and Doubtful Debts		190,400		113,903
TOTAL		216,547,312		130,756,089
NOTE 17 : CASH AND BANK BALANCES				
Cash and Cash Equivalents				
Cash in hand		593,369		339,133
Balance with Banks in -				
— In Current Accounts		13,512,601		22,107,070
Other Bank Balances				
Balance with Banks in -				
— Fixed Deposits		1,529,601		1,366,821
TOTAL		15,635,571		23,813,024
NOTE 18 : SHORT TERM LOAN & ADVANCES				
Unsecured				
LOAN & ADVANCES TO RELATED PARTIES				
Moderate Leasing & Capital Services Ltd.		-		-
Promoter Company - SBEC Systems (India) Limited		12,837,523		12,795,523
Advance Recoverable In Cash or in Kind or for Value to be received				
Unsecured	263,897,411	-	282,554,088	-
Doubtful	-	-	-	-
Less : Provision for doubtful advances	-	263,897,411	-	282,554,088
Amount deposited under protest*		11,537,881		9,563,140
Taxes recoverable		2,363,694		11,940,435
Balance with Excise/Trade Tax Authorities		17,579,431		13,548,926
Share Application Money- Chandil Power Ltd (Also refer Note No. 47)		-		300,000
Prepaid Expenses		1,658,212		1,317,239
REC Recoverable		87,217,500		71,422,500
Staff Balances		106		-
Advance to suppliers		4,401,897		2,619,747
Other		4,054		3,010,702
TOTAL		401,497,708		409,072,299
*Amount deposited under protest Detail				
U.P. VAT Act		-		-
Central Excise Act		6,465,625		3,661,768
TOTAL		5,072,256		5,901,372
		11,537,881		9,563,140

**NOTE 19 : OTHER CURRENT ASSETS**

	As at 31.03.2016 (Amount in Rs.)	As at 31.03.2015 (Amount in Rs.)
Assets held for Disposal (Also refer Note No. - 47)	120,811,776	120,723,371
Tax Deducted At Source	300,876	195,344
Income Tax Receivable	4,998,937	4,589,017
Deffered Revenue Expenditure	-	1,367,923
Margin money with others	3,500,000	-
TOTAL	129,611,589	126,875,655
	For the Year ended 31.03.2016	For the Year ended 31.03.2015

NOTE 20 : REVENUE FROM OPERATIONS

a) <u>Sale of product</u>		
Sugar	3,712,521,347	4,046,759,775
Power	93,855,842	108,904,662
b) <u>Other operating revenue</u>		
Molasses	288,979,167	209,592,938
Bagasse	107,852,870	130,054,553
Scrap Sale	1,344,688	4,471,291
Less : Excise Duty	213,772,460	154,194,309
TOTAL	3,990,781,454	4,345,588,911

NOTE 21 : OTHER INCOME

Interest Received	5,434,695	303,454
Profit on sale of Fixed Assets :	54,762	-
Dividend received from cooperative Society	120,000	120,000
Sale of Export Entitlement	-	52,774
REC Income	40,266,000	56,836,500
Miscellaneous Income	125,293	68,856
Purchase Tax Waiver Account	-	643,383
Excess Provision / Sundry balances written back	9,443,594	15,110,218
Hiring Charges	332,767	-
TOTAL	55,777,111	73,135,185

NOTE 22 : COST OF MATERIAL CONSUMED

Raw Material Consumed	2,752,591,783	2,891,657,599
TOTAL	2,752,591,783	2,891,657,599

NOTE 23 : PURCHASES OF STOCK IN TRADE

Sugar Purchased For Trading	-	472,829,659
TOTAL	-	472,829,659

NOTE 24 : CHANGE IN INVENTORIES OF STOCKS

Opening Stock			
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
Closing Stock			
Finished Goods	463,781,762	1,193,860,789	
Goods In Process	22,438,822	29,060,342	
Stock in Trade	-	-	1,222,921,130
Increase/(Decrease) In Stocks	(736,700,546)	(759,215,357)	


NOTE 25 : MANUFACTURING EXPENSE

	For the Year ended 31.03.2016 (Amount in Rs.)	For the Year ended 31.03.2015 (Amount in Rs.)
Stores & Spares Consumed (Including Packing Exp.)	104,388,952	104,076,359
Power & Fuel	3,100,065	2,510,015
Repair & Maintenance		
- Plant & Machinery	98,387,675	77,817,181
- Building	6,721,460	6,981,450
- Others	4,343,913	4,612,914
Freight & Cartage	1,211,825	905,791
Material Handling Expenses	12,502,157	11,724,334
Variation in Excise duty on opening and closing stock	-	-
Finished Goods	(24,258,555)	(6,110,993)
Bagasse and Ash Handling Charges	4,328,872	3,996,938
TOTAL	210,726,364	206,513,989

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

Particulars	Indigenous Value	%age	Imported Value	% age
Raw Materials	-	100%	-	Nil
Previous Year	(28,097.47)	100%	-	Nil
Stores & Spares*	-	0.00%	-	0.00%
Previous Year	(950.43)	0.00%	16.20	0.00%

*Excluding spares used for capitalization.

	For the Year ended 31.03.2016 (Amount in Rs.)	For the Year ended 31.03.2015 (Amount in Rs.)
NOTE 26 : EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus	100,614,695	99,145,625
Company's Contribution To Provident & Other Funds	7,479,891	6,966,307
Staff Welfare Expenses	3,921,966	3,652,219
Gratuity	4,226,730	3,765,634
TOTAL	116,243,282	113,529,785

NOTE 27 : FINANCE COST

Interest expenses	103,419,241	128,604,033
Finance Charges	17,380	62,349
Financial Brokerage	-	47,869
TOTAL	103,436,621	128,714,251

NOTE 28 : ADMINISTRATION EXPENSES

Telephone, Postage & Telegram	1,203,776	1,290,403
Legal & Professional Charges	12,937,789	6,260,924
Director's Siting Fee	72,105	66,000
Loss on Sale of Fixed Assets	117,973	-
Travelling & Conveyance	10,089,750	8,690,894

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

	For the Year ended 31.03.2016 (In Rs.)	For the Year ended 31.03.2015 (In Rs.)
Rent Including Lease Charges	1,206,860	1,385,880
Rates & Taxes	1,048,346	4,261,074
Vehicle Expenses	2,237,277	1,920,414
Insurance	-	115,423
Insurance Expenses	3,579,071	4,216,273
Insurance Relealised on Sugar	<u>(4,994,579)</u>	<u>(4,876,863)</u> (545,167)
Security Guard Expenses	5,634,689	13,407,252
Payment to Auditors *	568,925	419,131
Provision for obsolete store items	816,483	1,774,517
Subcption Fee	-	-
Foreign exchange fluctuation	15,461	2,326,211
Bank Charges	75,630	320,524
Wealth Tax	-	20,934
Misc. Expenses	4,592,455	5,657,291
Misc. Expenditure Written off	1,367,923	2,013,110
Loss on Sale of Investment	-	474,715
Loss on Revaluation of Investment	-	285
REC EXPS (Include Rs. 7034850/- for Previous Year)	7,247,880	17,265,420
CLAIM AGST TRANSIT	271,632	102,600
Laboratory Exp.	88,979	-
Swachh Bharat Cess Exp	3,078	-
TOTAL	<u>48,181,504</u>	<u>67,112,412</u>
*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	42,500
TOTAL	<u>603,450</u>	<u>603,450</u>

NOTE 29 : SELLING EXPENSES

Commission	15,885,277	17,884,446
Rent (Godown)	630,000	1,876,744
Freight, Clearing & Forwarding	670,753	3,676,762
Rebate & Discount	167,500	-
TOTAL	<u>17,353,530</u>	<u>23,437,952</u>

NOTE 30 : PRIOR PERIOD EXPENSES

Prior Period Expenses	2,097,336	3,334,907
TOTAL	<u>2,097,336</u>	<u>3,334,907</u>



NOTES ON FINANCIAL STATEMENT:

31. Earning per Share (AS-20)

Particulars	Current Year	Previous Year
Net Profit/(Loss) after tax (Rs. in lacs)	373.17	(2837.39)
Weighted Average number of equity shares outstanding during the year	4,76,53,880	4,76,53,880
Basic Earnings per Share (Rs.)	0.78	(5.95)
Diluted Earnings per Share (Rs.)	0.78	(5.95)

32. Contingent Liabilities not provided for in respect of:

(Rs. in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
in the case of the Holding Company		
i) Corporate Guarantee given to Government of Jharkhand against Soft loan (incl. interest) given to Bihar Sponge Iron Ltd.	7353.67	6809.50
ii) Outstanding against Guarantee given on behalf of SBEC Bio-energy Ltd.	1100.00	1600.00
iii) Duties and Tax liabilities disputed by the Company	1774.07	1723.86
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
In the case of SBEC Bioenergy Limited:		
v) Claims against the company not acknowledged as debts:-		
Income tax matters	286.50	183.50

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. 417.63lacs (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.

Profit element on the above mentioned debt assignment which was adjusted against the "Reserve and Surplus" and "Debt assignment" of subsidiary company in the financial year 2012-13 has been reinstated in the previous year for the true reflection of the amount receivable from Modi Industries.



b) In the case of SBEC Bioenergy Limited:

- a) 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. IDBIL.HO.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.

- (i) 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.

- (ii) 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. 6.31 lacs for the year 2015-16 (Previous Year Rs. 6.00 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, 2016 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:**

(Rs. in Lacs)		
Particulars	Current Year	Previous Year
Salary, Allowance & Commission	-	14.05
Contribution to Provident fund	-	0.29
Reimbursement of Expenses	-	0.28
Sub Total	-	14.62
Commission on profits	Nil*	Nil*
TOTAL	-	14.62

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:

(Rs. in lacs)		
Particulars	Current Year	Previous Year
Salary & Bonus	49.95	47.76
Contribution to Provident fund	3.58	3.58
Others	0.31	0.14
TOTAL	53.84	51.48

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:-

(Rs. in lacs)		
Particulars	Current Year	Previous Year
Profit (Loss) for the year before taxation (as per Profit & Loss Account)	(235.71)	61.90
Add:-		
Depreciation provided in the Accounts	42.79	43.04
Director and Manager Remuneration	53.84	51.48
Loss on sale of Fixed Assets		
Subtotal	(139.08)	156.42
Less:-		
Depreciation	42.79	43.04
Profit on sale of Fixed Assets	-	-
Profit(Loss) u/s 198	(181.87)	113.38

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)

	Power Generation		Assets Acquiring		Total	
Particulars	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue						
External	945.73	1089.05	-	-	945.73	1089.05
Inter Segment	-	-	-	-	-	-
Total Revenue	945.73	1089.05	-	-	945.73	1089.05
Result						
Segment Result (Profit /(Loss) before tax)	418.93	601.93	(8.67)	(3.35)	410.26	598.58
Unallocated expenses	-	-	-	-	180.09	170.89
Interest Expense	-	-	-	-	507.43	365.79
Unallocated Income	-	-	-	-	41.54	-
Interest Income	-	-	-	-	-	-
Income taxes	-	-	-	-	12.97	-
Deferred tax	-	-	-	-	65.26	16.59
Profit after tax	-	-	-	-	(183.43)	45.31
Other Information						
Segment Assets	3261.81	2586.57	14,685.98	14,685.98	17952.78	17272.54
Unallocated Assets	-	-	-	-	1236.90	383.37
Segment Liabilities	2710.82	4794.89	8,301.44	8,307.42	11012.26	11993.96
Unallocated Liabilities	-	-	-	-	3812.60	1113.70
Capital Expenditure	-	-	-	-	-	-
Depreciation	-	-	-	-	42.79	43.04

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 st March 2016*	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)

(A) List of Related Parties & Relationship :

	As at 31.03.2016	As at 31.03.2015
(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)		
(i) SBEC Bioenergy Limited	Subsidiary	Subsidiary
(ii) SBEC Stockholding & Investment Limited.	Subsidiary	Subsidiary
(b) Associates & joint ventures	Nil	Nil
(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.	Sh. U. K Modi Sh. Abhishek Modi	Sh. U. K Modi Sh. Abhishek Modi
(d) Key Management Personnel	Sh. Abhishek Modi Executive Director & CEO Mr. Lakhmi Chand Sharma, CFO Mr. Shobit Nehra-CS Mr. Ajay Gupta-CFO	Sh. Abhishek Modi Executive Director & CEO - - - -

(e) Relatives of Key Management Personnel & their Enterprises

- (i) Mr. Umesh Kumar Modi
- (ii) Mrs. Kumkum Modi*
- (iii) Mrs. Nandini Modi
- (iv) Mr. Jayesh Modi
- (v) Mrs. Shreepriya Modi**
- (vi) Ms. Meghna Modi*
- (vii) Mr. Glenn Yue Mang Wong
- (viii) Mrs. Himani Modi Agarwal*
- (ix) Mr. Priyank Kumar Agarwal*
- (x) Bimla Bajoria
- (xi) Raj Kumari agarwal
- (xii) RekhaMody
- (xiii) Promila Sharoff



- (xiv) Rajesh Gupta
- (xv) Urmila Kanoria
- (xvi) R.K. Sharoff
- (xvii) Pushap Kumar Gupta
- (xviii) Kailash Kanoria
- (xix) A to Z Holding Pvt.Ltd
- (xx) Arvind Continental Pvt. Ltd
- (xxi) Bihar Sponge Iron Ltd
- (xxii) M First Trding Pvt Ltd
- (xxiii) First Move Management Services Pvt. Ltd*
- (xxiv) H. M. Tubes & Containers Pvt. Ltd*
- (xxv) Jai Abhishek Investments Pvt. Ltd*
- (xxvi) Jayesh Tradex Pvt. Ltd
- (xxvii) Kamakhya Cosmetics & Pharmaceuticals Pvt. Ltd*
- (xxviii) Longwell Investment Pvt. Ltd
- (xxix) M.G. Mobiles India Pvt. Ltd
- (xxx) MeghnaAutoworks Private Ltd*
- (xxxi) Modi Arts Pvt. Ltd*
- (xxxii) Modi Diagnostics Pvt. Ltd*
- (xxxiii) Modi Goods and Retail Services Pvt. Ltd*
(formally known as Modi Groceries Pvt. Ltd.)
- (xxxiv) Modi Illva India Pvt. Ltd*
- (xxxv) Modi Industries Ltd
- (xxxvi) Modi Motors Pvt. Ltd
- (xxxvii) Modi Mundipharma Pvt. Ltd*
- (xxxviii) Modi Mundi Pharma Healthcare Pvt. Ltd*(formerly Known as Modi Omega pharma (India) Pvt Ltd)
- (xxxix) Modi Revlon Pvt. Ltd
- (xl) Modi Senator (India) Pvt. Ltd*
- (xli) Modiline Travel Service Pvt. Ltd
- (xlii) Modi Hitech India Ltd (Formaly Known as Morgardshammer India Ltd)
- (xliii) SBEC Systems (India) Ltd*
- (xliv) Swasth Investment Pvt. Ltd*
- (xlv) Umesh Modi Corp. Pvt. Ltd*
- (xlvi) Win Medicare Pvt. Lt
- (xlvii) Revlon Lanka Pvt. Ltd.
- (xlviii) Revlon Trading Bangladesh 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
Purchase / Goods and Services		-	-	-	444.50
	(-)	(-)	(-)	(-)	(5067.56)
Sales / Goods and Services	-	-	-	-	3.49
	(-)	(-)	(-)	(-)	(476.58)
Sale of Debt Assignment	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Expenses					
Computer / Printing & Stationery	-	-	-	-	6.27
	(-)	(-)	(-)	(-)	(5.74)
Air Tickets / Vehicle Exp.	-	-	-	-	16.59
	(-)	(-)	(-)	(-)	(15.28)
Courier / Freight Exp./Postage & Telegraph	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.26)
Repair & Maintenance Exp.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Rent/Telephone/Electricity	-	-	-	-	0.27
	(-)	(-)	(-)	(-)	(2.18)
Interest paid	294.51	-	-	-	105.63
	(46.51)	(-)	(-)	(-)	(116.83)
Salary & Wages etc	-	-	-	76.68	-
	(-)	(-)	(-)	(74.24)	(-)
Consultancy / Sitting Fee	-	-	-	0.04	-
	(-)	(-)	(-)	(0.08)	(2.91)
Gifts & other	0.01	-	-	-	0.38
	(-)	(-)	(-)	(-)	(0.79)
Prior Period Exp -	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Stores & Spares Consumed	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Income					
Other Income	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Interest Received-	-	-	40.94	-	-
	(-)	(-)	(-)	(-)	(-)
Corporate Guarantees Outstanding as on 31.03.16	-	-	-	-	5996.19
	(-)	(-)	(-)	(-)	(6809.50)
Investment / Recoverable / Receivable as on 31.03.16					
Amount Recoverable	2754.26	-	-	-	13303.83
	(2825.19)	(-)	(-)	(-)	(13307.43)
Finance / Advance Given as on 31.03.16					
Year-end Balance of loan & Advance	2300.50	-	74.75	-	0.23
	(3343.84)	(-)	(30.00)	(-)	(127.96)
Payable as on 31.03.16					
Amount Payable	79.37	-	-	0.47	13.79
	(55.53)	(-)	(-)	(0.47)	(14.93)
Finance / Advance Taken as on 31.03.16					
Year-end Balance of loan & Advance	1829.78	-	784.35	-	455.46
	(1842.05)	-	(30.00)	-	(899.54)

**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 31.03.2016	As at 31.03.2015
Deferred Tax Liability		
Depreciation	732.22	735.43
Other Deductions	-	-
Sub Total – A	732.22	735.43
Deferred Tax Assets		
Business Loss / Unabsorbed Dep.	1052.35	4958.19
Deduction u/s 43B	52.73	30.58
Disallowance 40(A)(7)	27.25	43.78
Sub Total – B	1132.33	5032.55
Net Deferred Tax Assets/(Liability) {B-A}	400.10	4297.12
*Assets Recognised (Refer note below)	732.22	735.43

* In view of continuous losses, during the Previous 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:

Deferred Tax Assets	Deferred Tax Asset/ (Liability) as at 31.03.2016	Current Year (Charge) / Credit	Deferred Tax Asset/(Liability) as at 31.03.2015
Depreciation	(109.74)	(27.86)	(81.88)
Disallowance u/s 43B	3.67	0.04	3.71
Gratuity	9.21	1.77	7.44
Carry Forward Losses	442.03	91.39	350.64
Other Disallowance under I. Tax Act	16.82	-	16.82
Deferred Tax Assets/ (Liabilities)	361.99	65.26	296.73



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 st March, 2016	Year Ended 31 st March, 2015
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	4,01,058.00 (5,49,750.00)	1023959 (10,18,364)	1290369 (11,67,056)	37125.21 (34,834.45)	134648 (4,01,058.00)	3878.74 (10,572.49)
Molasses (By-product)	2,57,187.00 (1,58,042.00)	523077.02 (5,66,909.85)	667430.50 (4,67,764.85)	2889.79 (2,095.93)	112833.52 (2,57,187.00)	595.85 (1245.01)
Purchases						
Sugar Trading	- (10,121)	- (1,60,918.13)	- (1,71,039.13)	- (5,638.32)	- (-)	- (-)
Power	1083794 kwh (1146514 kwh)	40295300 kwh* (58934300)	40341905 kwh**** (58997020)	938.55*** (1,089.05)	1037189 kwh** (1083794 kwh)	12.95 (9.65)
Steam	- (-)	268128 tones (268463 tones)	268128 tones (268463 tones)	- (-)	- (-)	- (-)

Figures in brackets are for Previous Year.

* Transmission losses have not been considered in arriving at generation quantity.

@ The plant operated for 161 days in the current year (previous year 123 days).

** Includes 1,29,649 kwh (Previous Year 1,35,474 kwh) charged as banking fee by UPPCL.

*** Includes Rs.56,81,217 received as rate difference from January 2015 to March 2015

****Include 4383915kwh Unit self consumption & 15730380kwh unit given to sbec sugar ltd. Free of cost.



c) Consumption of raw materials

(Rs. In lacs)

Particulars	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
	Quantity (Quintals)	Value (Rs. In lacs)	Quantity (Quintals)	Value (Rs. In lacs)
Sugar Cane	107,19,974.00	29656.74	111,03,337.83	
30,698.23				

d) EXPENDITURE IN FOREIGN CURRENCY (On accrual basis)

(Rs. in lacs)

Particulars	Current year	Previous Year
Interest, Others,	-	14.02

e) CIF VALUE OF IMPORTS

Store & Spares	19.15	11.15
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(f) Consumption of Impoted and Indigenous Raw Material and Stores & Spares

(Rs. In lacs)

Particulars	Indigenous		Imported	
	Value	%	Value	%
Raw Material (Bagasse)*	-	-	-	-
	(-)	(-)	(-)	(-)
Store / Spares (Including Fixed assets)	216.22	100	-	-
(Including Fixed Assets)	(155.33)	(100)	(-)	(-)

Figures in brackets are for previous year.

*Bagasse is being supplied free of cost by SBEC Sugar Ltd.

(g) Value of Import on CIF Basis

(Rs. in lacs)

Particulars	Current year	Previous year
Store & Spares	-	-

(h) Expenditure in Foreign Currency (Paid)

(Rs. in lacs)

Particulars	Current year	Previous year
Purchase of stores and spares	-	-
Others	38.06	29.68

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 2016	Year ended 31st March 2015
Employer's contribution to Provident Fund	55.81	54.60

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) 31.03.2016	Gratuity (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2016	Leave Encashment (Unfunded) 31.03.2015
Defined Benefit obligation at the beginning of the period.	165.79	144.85	22.00	18.23
Past Service Cost	-	-	-	-
Current Service Cost.	22.60	21.07	2.34	2.48
Interest Cost.	13.26	12.32	1.76	1.54
Actuarial (gain)/loss	6.39	4.26	(2.87)	(0.25)
Benefits Paid	(7.59)	(16.72)	(0.00)	(0.00)
Settlement cost	-	-	-	-
Defined Benefit obligation at the end of the period	200.46	165.79	23.22	22.00

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

(Rs. in lacs)

Particulars	Gratuity (Unfunded) 31.03.2016	Gratuity (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2016	Leave Encashment (Unfunded) 31.03.2015
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	-	-	-	-

3. Reconciliation of amount recognized in Balance Sheet

(Rs. in lacs)

Particulars	Gratuity (Unfunded) 31.03.2016	Gratuity (Unfunded) 31.03.2015	Leave Encashment (Unfunded) 31.03.2016	Leave Encashment (Unfunded) 31.03.2015
Fair Value of Plan Assets as at 31st March	-	-	-	-
Present value of obligation as at 31st March	200.46	165.79	23.21	22.00
Net asset/(liability) recognized in the Balance Sheet	(200.46)	(165.79)	(35.02)*	(35.38)*

* It includes company grade employees' freeze liability in books amounting to Rs.13.40 lacs (Previous year Rs.14.99 Lacs).


4. Expense Recognized during the period in Statement of Profit and Loss. (Rs. in lacs)

Particulars	Gratuity		Leave	
	(Unfunded)		Encashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Current Service Cost	22.61	21.07	2.34	2.48
Past Service Cost	-	-	-	-
Interest Cost	13.27	12.32	1.76	1.55
Expected return on plan assets	-	-	-	-
Net Actuarial (gain)/loss recognized during the period	6.40	4.26	(2.87)	(0.25)
Expenses recognized in the statement of Profit & Loss	42.27	37.65	1.22	3.77

5. Actual Return on Plan Assets (Rs. in lacs)

Particulars	Gratuity		Leave	
	(Unfunded)		Encashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain)/loss	-	-	-	-
Actual return on plan assets	-	-	-	-

6. Principal Actuarial Assumptions (Rs. in lacs)

Particulars	Gratuity		Leave	
	(Unfunded)		Encashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96
	duly modified	duly modified	duly modified	duly modified
Discount rate as at 31st March	8%	8%	8%	8%
Future Salary Increase	5.50%	5.50%	5.50%	5.50%
Expected rate of return on plan assets	-	-	-	-
Retirement Age	60 Years	60 Years	60 Years	60 Years
Withdrawal Rates Age	Withdrawal	Withdrawal	Withdrawal	Withdrawal
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				
	Encashment	Encashment	Encashment	Encashment	Encashment
	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
PBO	19.39	18.50	15.23	14.10	12.99
Plan Assets	-	-	-	-	-
Net Assets/(Liability)	(19.39)	(18.50)	(15.23)	(14.10)	(12.99)
Experience adjustment of plan assets(loss)/gain	-	-	-	-	-
Experience adjustment of plan liabilities(loss)/gain	2.47	0.02	1.12	1.76	1.34



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

(Rs. in lacs)

Particulars	Gratuity (Unfunded) 31.03.2016	Gratuity (Unfunded) 31.03.2015	Gratuity (Unfunded) 31.03.2014	Gratuity (Unfunded) 31.03.2013	Gratuity (Unfunded) 31.03.2012
PBO	170.65	141.70	126.55	88.34	92.19
Plan Assets	-	-	-	-	-
Net Assets/(Liability)	(170.65)	(141.70)	(126.55)	(88.34)	(92.19)
Experience adjustment of plan assets(loss)/gain	-	-	-	-	-
Experience adjustment of plan liabilities (loss)/gain	(6.19)	(3.58)	(26.37)	3.79	(4.13)

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, 2016 and 31st March, 2015 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.

- 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 18th January 2016, inter alia, announced cash subsidy upto Rs. 23.30 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 2015 to 31st March 2016, 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. 23.30 per Qtl of cane purchased by it aggregating to Rs. 2,167.11 lacs
- 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

Sd/-
Umesh Kumar Modi
(Chairman & President)
DIN : 00002757

Sd/-
Abhishek Modi
(Whole-Time Director)
DIN : 00002798

Sd/-
Rajeev Kumar Agarwal
(Director)
DIN : 00298252

Sd/-
Mukul Marwah
Partner
Membership No. : 511239

Sd/-
J.C. Chawla
(Director)
DIN: 05316202

Sd/-
Shobit Nehra
(Company Secretary)

Sd/-
Lakhmi Chand Sharma
(Chief Financial Officer)

Place : New Delhi
Date : 30th May 2016



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 22nd Annual General Meeting of the Shareholders of **SBEC Sugar Limited** will be held on **Wednesday, the 28th day of September, 2016** 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 consider and adopt:

- The Audited Standalone financial statements of the Company for the financial period ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon; and
- The Audited Consolidated financial statements of the Company for the financial period ended 31st March, 2016.

2. To appoint a Director in place of Mrs. Kumkum Modi (DIN 00522904), who retires by rotation and being eligible, offers herself 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. Appointment of Shri Vijay Kumar Modi 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 the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any,

of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re- enactment thereof for the time being in force and SEBI (LODR) Regulations, 2015, Shri Vijay Kumar Modi (DIN: 00004606), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years commencing from September 28, 2016 and whose office shall not be liable to retire by rotation”.

5. Confirmation of Appointment of Dr. Rohit Garg Independent Director appointed in Casual Vacancy.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re- enactment thereof for the time being in force and SEBI (LODR) Regulations, 2015, Dr. Rohit Garg (DIN: 03296571), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Non-executive Independent Director of the Company w.e.f. March 25, 2016 up to the conclusion of the Annual General Meeting of the Company to be held in year 2019, in the casual vacancy caused due to untimely demise of Shri. Manmohan.”

6. 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, the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) plus applicable service tax and out of pocket expenses that may be incurred for the financial year 2016-17, as approved by the Board of Directors on the recommendation of the Audit Committee, to be paid to M/s. M.K. Singhal & Co., Cost Accountants (Firm Registration No.00074) to conduct the audit of the cost record of the Company.



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: 12th August, 2016
Place: New Delhi**

**R.K. Agarwal
Director
DIN : 00298252**

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 6 of the Notice, is annexed hereto. The relevant details as required under SEBI (LODR) Regulations, 2015 entered into with the Stock Exchange, of persons seeking appointment / re-appointment as Directors under Items No. 4 to 5 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 22nd September, 2016 to 28th September, 2016 (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 2015-16 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 Second Annual General Meeting and the Annual Report for financial year 2015-16 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 Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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, 184-A, Garud Apartment, Mayur Vihar, Phase-I, Pocket-4, Delhi-91 (Membership No-86496) 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/Director's of the Company.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Sunday 25th day of September, 2016 and ends on Tuesday 27th day of September, 2016. 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 Wednesday 21st day of September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (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 and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are 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.

Dividend Bank Details OR Date of Birth (DOB)

- Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
- If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (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.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non-Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.co.in and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

GENERAL INSTRUCTIONS:

- (A) The voting period begins on Sunday 25th day of September, 2016

at 9:00 AM and ends on Tuesday 27th day of September, 2016 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 Wednesday 21st day of September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (B) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.
- (C) Mr. Shobit Nehra, Company Secretary and Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this 22nd Annual General Meeting including e-voting his mail ID is investors@sbecsugar.com and may be contacted on phone no. 011-42504878.
- (D) The Notice of the 22nd 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. 19th August, 2016 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)
- (E) The Members of the Company, holding Equity Shares either in physical form or in dematerialized (demat) form as on 19th August, 2016 and not casting their vote electronically, may only cast their vote at the 22nd 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 21st September, 2016.

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

ITEM NO.4

The Company had appointed Shri Vijay Kumar Modi as Non-Executive Director on the Board of Directors of the Company. In order to comply with the provisions of SEBI LODR (Regulations), 2015, the Company is required to appoint an Independent Director, who are not liable to retire by rotation.

The Nomination and Remuneration Committee has recommended the appointment of Shri. Vijay Kumar Modi as an Independent Director of the Company for a term of five consecutive years commencing from 28th September, 2016 (in accordance with the retirement age policy for Directors of the Company).

Shri. Vijay Kumar Modi, has given (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.

In the opinion of the Board of Directors, Shri. Vijay Kumar Modi fulfills the condition specified in the Act and the Rules made there under for appointment as Independent Director and he is Independent of the Management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri. Vijay Kumar Modi as Non- Executive Independent Director is now being placed before the members in Annual General Meeting for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri. Vijay Kumar Modi, is concerned or interested in the proposed Resolution.

ITEM NO.5

Dr. Rohit Garg was appointed by Board of Directors as Independent Director on the Board of the Company w.e.f. March 25, 2016 in casual vacancy caused consequent to untimely demise of Shri. Manmohan.

The matter regarding appointment of Dr. Rohit Garg as Non-Executive Independent Director was placed before the Nomination and Remuneration Committee, and based on their recommendation, the Board on its meeting held on 25.03.2016, approved his appointment as Independent Director on the Board of the Company w.e.f. March 25, 2016 up to the conclusion of the Annual General Meeting of the Company to be held in year 2019 (i.e. upto the term of appointment of Shri. Manmohan as approved by shareholders in their meeting held on September 25, 2014.)

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1 April, 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and he is not liable to retire by rotation. Dr. Rohit Garg is being appointed as Non-Executive Independent Director in the casual vacancy caused due to untimely demise of Shri. Manmohan. Therefore his tenure of appointment shall be upto the period for which Shri. Manmohan was appointed as Independent Director by the shareholders.

Dr. Rohit Garg, has given (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.

In the opinion of the Board of Directors, Dr. Rohit Garg fulfills the condition specified in the Act and the Rules made there under for appointment as an Independent Director and he is Independent of the Management.

The appointment of Dr. Rohit Garg for a term upto the conclusion of the Annual General Meeting of the Company to be held in year 2019 (i.e. upto the term of appointment of Shri. Manmohan as approved by shareholders in their meeting held on September 25, 2014) is for shareholders' approval.

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

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

ITEM NO. 6

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 2016-17 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 2016-17. 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.

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

**Date: 12th August, 2016
Place: New Delhi**

**R.K. Agarwal
Director
DIN: 00298252**



**Details of Directors seeking appointment/re-appointment in Annual General Meeting
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

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)
Mrs. KumKum Modi	00522904	19/01/1951	26.05.2000	Mrs. KumKum Modi holds Masters Degree in Arts From University of Delhi and has varied experience of the industry of more than 25 years in field of general management and corporate advisory services.	Modi-Mundi pharma Pvt. Ltd. Swasth Ivestment Pvt Ltd Win-medicare Pvt Ltd Modi Motors Pvt Ltd A to Z Holdings Pvt Ltd Modi Revlon Pvt. Ltd. Modiline Travel Services Pvt. Ltd. Jai Abhishek Investment Pvt Ltd Longwell Investment Pvt. Ltd. Modi Hitech India Ltd. SBEC Sugar Ltd. Bihar Sponge Iron Ltd Jayesh Tradex Pvt Ltd Umesh Modi Corp. Pvt Ltd	Nil	Nil
Mr. Vijay Kumar Modi	00004606	01/12/1950	06.02.2015	Mr. Vijay Kumar Modi is a Chemical Engineer and has more than 40 years of vast experience in the field of different industries and he has been associated with different industries at various levels.	SBEC Systems (India) Ltd. SBEC Bioenergy Ltd SBEC Sugar Ltd Modi Diagnostic Pvt. Ltd. G.S. Nutrition Pvt. Ltd. Mundi Pharma (Bangladesh) Pvt. Ltd.	1	1
Mr. Rohit Garg	03296571	16/12/1979	25-03-2016	Mr. Rohit Garg has completed its M.D. (Psychiatry), from Chhatrapati Shahu Ji Maharaj Medical University, Lucknow and M.B.B.S. from University of Pune. He has also a rich experience in the field of accounts.	Eazy Healthcare Solutions Pvt. Ltd. SBEC Sugar Limited	Nil	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) ofshares 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 28th day of September, 2016 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.	To consider and adopt:			
a)	The Audited financial statements of the Company for the financial period ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon; and			
b)	The audited consolidated financial statements of the Company for the financial period ended 31st March, 2016.			
2.	To appoint a Director in place of Mrs. Kumkum Modi (DIN 00522904), who retires by rotation and being eligible, offers herself for re-appointment.			
3.	Re-appointment of M/s. Doogar & Associates., Chartered Accountants, Auditors and fixing their remuneration.			
Special Business				
4.	Appointment of Mr. Vijay Kumar Modi as an Independent Director of the Company.			
5.	Confirmation of Appointment of Dr. Rohit Garg Independent Director appointed in Casual Vacancy:			
6.	Re-appointment of M/s. M.K. Singhal & Co., Cost Accountants, and ratified their remuneration.			

Signed thisday of2016

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

22nd Annual General Meeting held on Wednesday, the 28th September, 2016 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) :

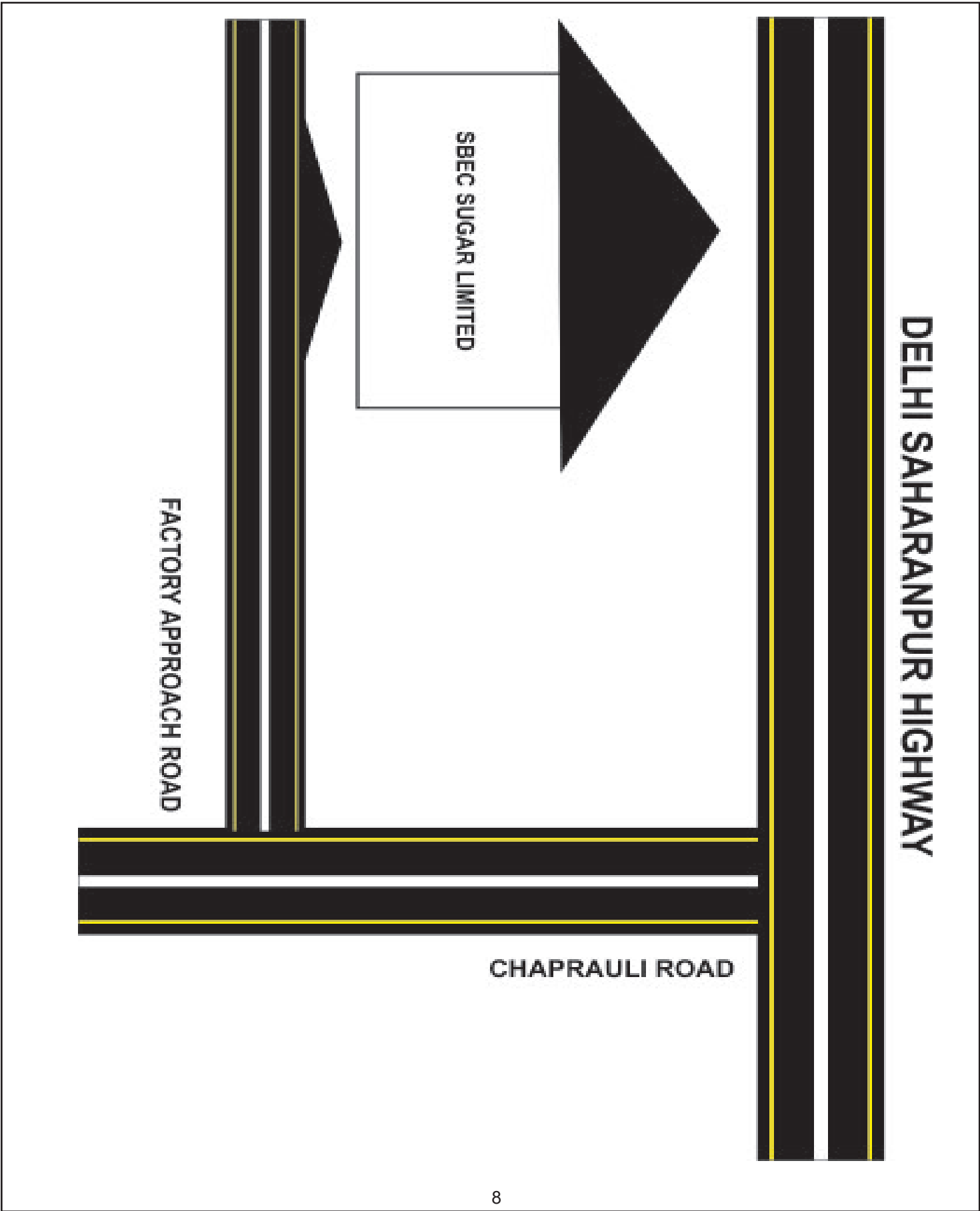
DPID:CLID:Reg. Folio No. :No. of Shares:.....

I hereby record my presence at the 28th day of September, 2016 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 :



If undelivered, please return to:-
SBEC SUGAR LIMITED
REGISTERED OFFICE & PLANT
Village : Loyan Malakpur,
Tehsil : Baraut - 250 611,
Distt. Baghpat,
Uttar Pradesh