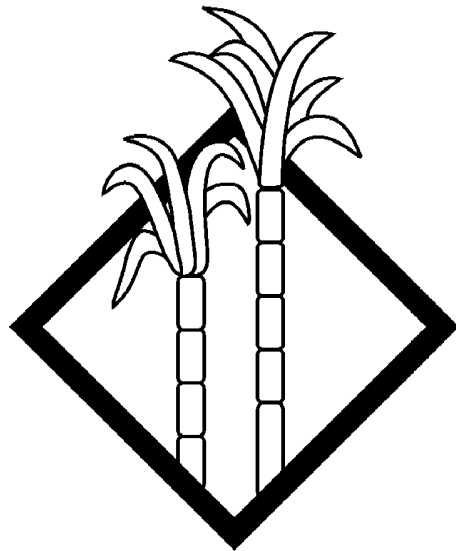


SBEC Sugar Limited



E I G H T E E N T H A N N U A L R E P O R T

2012

**BOARD OF DIRECTORS**

Mr. Umesh K Modi	- Chairman & President
Mr. Abhishek Modi	- Executive Director & Chief Executive Officer
Mrs. Kum Kum Modi	
Mr. Jayesh Modi	
Mr. Santosh C. Gupta	- Whole Time Director (Works)
Mr. G. C. Jain	
Mr. Man Mohan	
Mr. O.P. Modi	
Mr. Norland L. C. Suzor	
Mr. Claude Philogene	

ALTERNATE DIRECTOR

Mr. N. P. Bansal	- Alternate to Mr. Claude Philogene
------------------	-------------------------------------

CHIEF FINANCIAL OFFICER

Mr. Arun Kumar Gupta

COMPANY SECRETARY

Mr. Ajay PS Saini

AUDITORS

M/s Doogar & Associates
13, Community Centre,
East of Kailash,
New Delhi-110 065

BANKERS

The Shamrao Vitthal Co-Operative Bank Ltd.
IDBI Bank Ltd.
Axis Bank Ltd.
Punjab National Bank
State Bank of India

REGISTERED OFFICE & PLANT

Village : Loyan Malakpur,
Tehsil : Baraut - 250 611,
Distt. Baghpat,
Uttar Pradesh

CORPORATE OFFICE

1502-A, 16th Floor, Modi Tower,
98, Nehru Place,
New Delhi-110 019

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

Contents

Notice	2-6
Directors' Report	7-9
Statement u/s 212 of the Companies Act, 1956.....	10-11
Management Discussion and Analysis Report.....	12-12
Corporate Governance Report	13-17
Auditors' Report	19-21
Balance Sheet	22-22
Profit & Loss Account.....	23-23
Cash Flow Statement	24-24
Notes forming part of Balance Sheet.....	25-43
Consolidated Accounts	44-74
Accounts of the Subsidiary Company	75-96



NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Shareholders of SBEC Sugar Limited will be held on Saturday, the 29th day of December, 2012 at the Registered Office of the company at Village: Loyan, Malakpur, Tehsil: Baraut, District: Baghpat, Uttar Pradesh at 2.30 P.M. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Profit and Loss Account for the period ended as on that date along with Directors' Report and Auditor's Report thereon.
2. To consider and appoint a Director in place of Mrs. Kum Kum Modi who retires from the office by rotation, and being eligible offers herself for re-appointment.
3. To consider and appoint a Director in place of Mr. Man Mohan, who retires from the office by rotation, and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

M/s Doogar & Associates, Chartered Accountants, (Firm Registration No.000561N) the retiring auditors, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

5. **To consider and, if thought fit, to pass, the following resolution with or without modification, as a Special Resolution:-**

"RESOLVED THAT pursuant to Section 198, 269 and 309 read with Schedule XIII as amended from time to time and other applicable provisions, if any, of the Companies Act, 1956, the Company be and is hereby approves the re-appointment of Mr. Santosh Chand Gupta as Whole Time Director (Works) of the Company for a period of one year with effect from 18th June, 2012 on the terms, conditions and remuneration mentioned herein below :

- | | |
|--|--|
| 1. Salary | Rs. 94545 p.m. |
| 2. Perquisites and Allowances | |
| (i) House Rent Allowance | Rs. 12500 p.m. |
| (ii) Special Allowance | Rs. 1680 p.m. |
| (iii) Reimbursement for Books and Periodicals | Rs. 1900 p.m. |
| (iv) Reimbursement for Helper | Rs. 2400 p.m. |
| (v) Medical Reimbursement | Expenses incurred for him and the family subject to a maximum of seven percent of the basic salary in a year. |
| (vi) Leave Travel Concession | 8.33% of the basic salary in a year. For himself and family once in a year. |
| (vii) Bonus | 8.33% of the basic salary in a year. |
| (viii) Contribution to Provident Fund, Superannuation fund or annuity fund | As per the rules of the Company which shall not be computed for the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. |
| (ix) Gratuity | Gratuity payable shall not exceed half month's salary for each completed year of service. |
| (x) Car | One Company car with driver on actual basis. |
| (xi) Telephone | One Telephone at residence on actual basis. Personal long distance calls on telephone will be billed by the company. |



Explanation:-

Provision of car for use of Company's business and telephone at residence will not be considered in computing the value of perquisites.

Note: All the perquisites will be interchangeable i.e. any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisites(s).

3. OTHER TERMS

- | | |
|---|---|
| (i) Leave | As per the rules of the Company |
| (ii) Sitting Fees | Mr. Santosh Chand Gupta will not be entitled for sitting fees for attending the meetings of the Board or Committees thereof. |
| (iii) Reimbursement of entertainment expenses | Mr. Santosh Chand Gupta will be entitled to reimbursement of entertainment and other expenses incurred in the course of legitimate business purpose of the Company. |
| (iv) Minimum Remuneration | In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Santosh Chand Gupta will be entitled to remuneration along with the perquisites / benefits mentioned above by way of minimum remuneration in terms of Para 1(B) of section II of Part II of Schedule XIII of the Companies Act, 1956. |

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the authorized capital of the company be and is hereby increased from Rs.55,00,00,000/- (Rupees Fifty Five Crores) divided into 5,50,00,000 (Five Crore Fifty Lakhs) equity shares of Rs.10/- each to Rs 100,00,00,000/- (Rupees One Hundred Crores) by creation of additional 4,50,00,000 (Four Crore Fifty Lacs) equity shares of Rs. 10/- each ranking pari-passu with the existing equity shares of the company."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the existing Capital Clause V appearing in the Memorandum of Association of the Company be substituted with the following new clause:

- V. The Authorized Share Capital of the company is Rs.100,00,00,000/- (Rupees One Hundred Crores) divided into 10,00,00,000 (Ten Crore) equity shares of Rs.10/- (Rupees Ten) each."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

" RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the existing Capital clause appearing in Article 4 of Articles of Association be substituted by the following new article:

- (3) The Authorized Share Capital of the company is Rs.100,00,00,000/- (Rupees One Hundred Crores) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs.10/- (Rupees Ten) each."

By order of the Board
For SBEC Sugar Limited

Place :New Delhi
Date : 12th November, 2012

Ajay PS Saini
Company Secretary

**NOTES:**

1. **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 ATLEAST 48 HOURS BEFORE THE SCHEDULED TIME OF COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A BLANK PROXY FORM IS ANNEXED HEREWITH.**
2. The Register of Members & Share Transfer Books of the Company will remain closed from 21st December, 2012 to 29th December, 2012 (both days inclusive).
3. 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.
4. Members/proxies are requested to bring attendance slips sent herewith duly filled in, for attending the meeting.
5. 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.
6. Non-Resident Shareholders are requested to inform immediately the change in the residential status on return for permanent settlement.
7. As per the provisions of the Companies Act, 1956, as amended, facility for making nominations is available to INDIVIDUALS holding shares in the Company. The Nomination can be made in Form-2B, which can be obtained from the Share Department of the Company.
8. 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.
9. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by permitting companies to communicate with its members through electronic mode. Members are requested to register their e-mail address with the Company or its Registrar & Transfer Agent, Beetel Financial & Computer Services (P) Limited . Members are also requested to update/intimate changes in their email address from time to time.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 5**

At the Annual General Meeting held on 28th September 2011, the shareholders had approved appointment of Mr. Santosh Chand Gupta as Whole Time Director (Works) of the company for a period of one year with effect from 18th June 2011. The term of office of Mr. Santosh Chand Gupta as Whole Time Director(Works) of the Company has expired on 17th June 2012. Mr. Santosh Chand Gupta is a Post Graduate in Commerce and has more than 41 years of vast experience in Administration, Finance , Purchase etc.

Pursuant to Schedule XIII of the Companies Act, 1956, the Remuneration Committee, in their meeting held on 08th June 2012, approved and recommended to the Board for payment of such remuneration as mentioned in item No. 5 of this notice, to Mr. Santosh Chand Gupta for a period of one year w.e.f. 18th June, 2012.

The Board in their Meeting held on 8th June, 2012 had approved the appointment of Mr. Santosh Chand Gupta as the Whole Time Director (Works). Accordingly, the Board of Directors had approved the payment of said remuneration, subject to your approval.

The information as required under Schedule XIII to the Companies Act, 1956 is given hereunder:

I. GENERAL INFORMATION:

- | | |
|--|---|
| (1) Nature of Industry: | Sugar |
| (2) Date or expected date of commencement of commercial production: | The Company commenced commercial production on 15 th February 1999 |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: | Not Applicable |



(4) Financial performance based on given indicators:

(Rs. in Lacs)

Financial Parameters	Current accounting Year ended 31.03.2012
Sales and other income	32017.97
Profit/(Loss) before interest, depreciation & tax	925.22
Interest and Finance charges	2198.28
Depreciation and Amortisation	748.79
Prior period expenses (net)	11.68
Profit / (Loss) before extra-ordinary items & provision for taxation	(2033.53)
Exceptional items	(1483.32)
Profit / (Loss) before tax	(3516.85)
Provision for taxation	—
Deferred tax charge/ (credit)	—
Profit / (Loss) after tax	(3516.85)
Transfer from molasses storage fund	—
Transfer to molasses storage fund	7.22
Profit / (Loss) for the period after appropriation	(3524.07)

(5) Export performance and net foreign exchange collaborations: Nil

(6) Foreign investments or collaborators, if any: None

II. INFORMATION ABOUT THE APPOINTEE:**(1) Background details:**

Mr. Santosh Chand Gupta is a Post Graduate in Commerce. He has more than 41 years of vast experience in the field of Administration, Finance , Purchases etc.

(2) Past remuneration:

At the Annual General Meeting held on 28th September 2011, the shareholders had approved the remuneration of Mr. Santosh Chand Gupta with basic salary of Rs. 85940/- plus perquisites and allowances as per policy of the company subject to the overall ceiling laid down in Sections 198, 309 and Schedule XIII of the Companies Act, 1956. .

(3) Recognition or awards: None**(4) Job profile and his suitability:**

He is working as a Whole Time Director (Works) of the Company. He has vast experience in the area of administration, finance and commercial aspects of Company's business..

(5) Remuneration proposed:

Details of proposed remuneration is given in Item No. 5 of the Notice convening the 18th Annual General Meeting.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

In the similar sized sugar mills, remuneration is ranging between Rs. 15 lakhs to Rs. 40 lakhs per annum.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Nil**III. OTHER INFORMATION:****(1) Reasons of loss or inadequate profits:**

During the period ended 31st March 2012, the Loss before Tax was Rs.3516.85 Lacs as compared to Profit Before Tax of Rs. 32.27 Lacs for the period ended 31st March 2011. During the financial year market sentiment remained bearish owing to the continued mismatch between supply and demand of sugar affecting sales realisation and recovery, as well further very high cane price fixed by the State Government also resulted in substantial losses.



(2) Steps taken or proposed to be taken for improvement:

The company is taking steps to improve quality of sugarcane by introducing various cane development programme which will increase the recovery of sugar and also taking steps to optimize the utilization of plant capacity which will reduce the overall cost of production.

(3) Expected increase in productivity and profits in measurable terms

In sugar season 2012 -2013 , the overall area of sugarcane in the country is expected to increase by 2.1% due to which it is expected that production of sugar cane and recovery will be better than previous sugar season. The Company is also taking steps to optimize the utilization of plant capacity which will reduce the overall cost of production.

Since payment of remuneration to Whole Time Director requires approval of the shareholders by way of a special resolution in terms of the provisions of Schedule XIII of the Companies Act, 1956, therefore, the Board recommends this resolution to be passed as a special resolution.

The terms of the appointment given in the said resolution may be treated as an abstract of the terms and conditions of appointment of the said Whole Time Director under Section 302 of the Companies Act, 1956.

None of the Directors are interested or concerned in the resolution except Mr. Santosh Chand Gupta.

ITEM NO. 6,7 & 8

At present the Authorized Share Capital of the Company as mentioned in Clause V of Memorandum of Association is Rs.55,00,00,000/- (Rupees Fifty Five Crores) divided into 5,50,00,000 (Five Crore Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each.

The Company is proposing to increase the capital base in order to expand its business. To give effect to the same, it is considered necessary to increase the Authorized Share Capital of the Company from Rs. 55,00,00,000 /- (Rupees Fifty Five Crores) to 100,00,00,000 (Rupees One Hundred Crores) by creation of additional 4,50,00,000 (Four Crore Fifty Lacs) equity shares of Rs. 10/- (Rupees ten) each ranking pari-passu with the existing equity shares of the company.

The proposed increase in authorized capital of the Company requires approval of the members in general meeting. Consequent upon the increase in Authorized Capital of the Company, Clause V of Memorandum of Association and Article 4 of the Articles of Association of the Company will require alteration so as to reflect the increase in Share Capital.

None of the Directors are interested or concerned in the Resolution. The Board recommends that these resolutions be passed.

BRIEF RESUME , EXPERIENCE AND OTHER DIRECTORSHIP

Information of Directors retiring by rotation seeking reappointment at this Annual General Meeting are given hereunder:-

MRS. KUM KUM MODI

Mrs. Kum Kum Modi has been a Director of the Company since 26th May,2000. She holds Masters Degree in Arts from University of Delhi and has varied experience of the industry of more than 23 years in field of general management and corporate advisory services. She holds directorship/membership of Committees of the Board in the following other Public Limited Companies:

1. Morgardshammar India Limited
2. Bihar Sponge Iron Limited

She holds 28300 equity shares in her name.

MR. MAN MOHAN

Mr. Man Mohan has been a Director of the Company since 13th May,1994 . He is a M.Sc (Technology) and has varied experience of Sugar Industry of around more than 63 years. He holds directorship/membership of Committees of the Board in the following other Public Limited Company:

1. DCM Shriram Granites Limited

He holds 2600 equity shares in his name.

By order of the Board
For SBEC Sugar Limited

Ajay PS Saini
Company Secretary

Place: New Delhi
Date : 12th November, 2012



DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the 18th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2012.

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 and M/s Modi Gourmet Limited are as follows:

(Rs. in Lacs)

	SBEC SUGAR LTD.		CONSOLIDATED	
Financial Parameters	Period ended 31.03.2012	Period ended 31.03.2011	Period ended 31.03.2012	Period ended 31.03.2011
Sales and other income	32017.97	32681.53	33366.43	33814.84
Profit/(Loss) Before Interest, Depreciation & Tax	925.22	828.36	1753.39	1453.88
Interest and Finance Charges	2198.28	1567.02	2680.49	1891.08
Depreciation and Amortisation	748.79	532.51	843.21	737.29
Prior period expenses (net)	11.68	8.77	11.68	8.77
Profit/(Loss) before Extra-Ordinary Expenses & Provision for Taxation	(2033.53)	(1279.94)	(1781.99)	(1183.26)
Exceptional Items	(1483.32)	1312.21	(1483.32)	1312.21
Profit/(Loss) before Tax	(3516.85)	32.27	(3265.31)	128.95
Provision for Taxation	—	0.39	48.52	16.36
Deferred Tax Charge/ (Credit)	—	(338.67)	80.32	(284.90)
Profit/(Loss) After Tax	(3516.85)	370.55	(3394.15)	397.49
Transfer to Minority Interest	—	—	1140.31	—
Transfer to Molasses Storage Fund	7.22	7.80	7.22	7.80
Profit/(Loss) for the period after appropriation	(3524.07)	362.75	(4541.68)	389.69
Earning Per Share (in Rs.)	(7.38)	0.78	(9.51)	0.83

OPERATIONS

The cane crushing for the period under review was 99.35 Lacs quintals in 151 days with an average crushing rate of 65798 quintals per day as against 93.60 Lacs quintals in 143 days with an average crushing rate of 65455 quintals per day for the previous period. The sugar recovery has slightly reduced to 8.23 % as against 8.63% in the previous period due to heavy rainfall resulting in water logging in fields and also affected from insect & disease i.e. White Grub, grassy shoot borar etc.

The market sentiments during the financial year remained bearish owing to the continued mismatch between supply and demand of sugar, affecting sales realization. Further during the year UP Government has announced very high cane price which has resulted in the Loss after tax to Rs.3516.85 Lacs against the profit after tax of Rs. 370.55 lacs last year.

FIXED DEPOSITS

During the period under review, the Company accepted/renewed deposits to the extent of Rs. 952.25 Lacs. The total amount of fixed deposit held as on 31st March 2012 was Rs. 958.75 Lacs.

DIRECTORS

In accordance with the provisions of Section 256 of the Companies Act, 1956 and Article 125 of the Articles of Association of the Company, Mrs. Kum Kum Modi, Non Executive Director and Mr. Man Mohan, Non Executive Independent Director of the company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company have three Subsidiary Companies, namely SBEC Bio-energy Limited, SBEC Stockholding & Investment Limited and Modi Gourmet Limited. The audited statement of accounts alongwith the report of the Board of Directors, Auditor's Report and statement thereon for the year ended 31st March, 2012 of SBEC Bio-energy Limited is annexed. The Statement under section 212 of the Companies Act, 1956 in respect of Subsidiary Companies is separately annexed.

In accordance with the General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors has decided not to annex the annual accounts of the two Subsidiary Companies i.e. SBEC Stockholding & Investment Limited and Modi Gourmet Limited in this Annual Report. The annual accounts of these two Subsidiary Companies and the related detailed information shall be made available to the shareholders of the Company and the Subsidiary Companies seeking such information at any point of time. The annual accounts of these two Subsidiary Companies shall also be kept for inspection by any shareholder at the registered office of the Company and of the Subsidiary Companies concerned. The Company shall furnish a hard copy of details of account of these two Subsidiary Companies to any shareholder on demand.

**AUDITORS**

M/s Doogar and Associates, Chartered Accountants, (Firm Registration No.000561N), who are Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

COST AUDITOR

Pursuant to the order of the Central Government under the provisions of Section 233B of the Companies Act, 1956, your company has appointed M/s. M.K. Singhal & Co., Cost Accountants, as cost auditors of the company, with the approval of Central Government.

ACCOUNTS AND AUDITORS' REPORT

Reference to deviation from AS-1, It is clarified that in view of the uncertainty of dispatch of levy sugar, the management has decided to accounting for the same based on dispatch, while in the earlier year the same was done on the basis of receipt of release order from the Government of India.

Reference to the Auditors comments relating to the deviation from the AS-2: Valuation of Inventories, it is hereby clarified that the management decided to value the stock of free sugar as on 31st March, 2012 at cost price for the year 2011-12 in lieu of the average market price prevailing during the year in view of continuous increase in market price thereafter. (Refer Note No. 35 of Notes to Account).

Reference to the Auditors comments relating to non provision of liability regarding differential amount of custom duty under EPCG scheme, the company has prayed with the Deputy Commissioner of Customs, Bond Section, Mumbai for rectifying errors and anomalies in the computation of the demand. Pending hearing with the Authority, the liability has not been provided and shown as contingent liability.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of Companies Act, 1956, the Directors of your company declare as under:

- I. That in the preparation of the Annual Accounts, the applicable accounting standards except that for deviations from AS -1 and AS -2, had been followed alongwith proper explanation relating to material departures;
- II. That the Company has selected such accounting policies and applied them consistently, except as specified in Notes to Accounts which are self explanatory and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that year;
- III. That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the company and preventing and detecting fraud and other irregularities;
- IV. That the Annual Accounts are prepared on going concern basis.

CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement with the Stock Exchange, Report on Corporate Governance, a Management Discussion and Analysis Statement, Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is included in the said Corporate Governance Report.

LISTING OF SECURITIES

The equity shares of your Company are listed on the Bombay Stock Exchange Limited, and The Calcutta Stock Exchange Association Limited. The Company's application for delisting of shares with The Calcutta Stock Exchange Association Limited is still pending.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As stipulated under the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, Annexure containing the particulars is annexed hereto which forms a part of this report

PARTICULARS OF EMPLOYEES

None of the employees of the company were in receipt of remuneration of more than limit prescribed under section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their appreciation and gratitude to the farmers and to the Co-operative Cane Societies for their invaluable support. Your Directors also take this opportunity to express their appreciation and gratitude to Government Agencies, Shareholders, Business Associates, Employees, Suppliers and Bankers of the Company for their help and support continuously extended to the Company.

For & behalf of the Board
for SBEC Sugar Limited

Place: New Delhi

Date: 12th November, 2012

Umesh Kumar Modi
(Chairman & President)

ANNEXURE TO DIRECTORS' REPORT**STATEMENT PURSUANT TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

S.N.	Name	Age	Designation / Nature of duties	Remuneration	Qualification	Experience	Date of Comm- encement of Employment	Last Employment
Not Applicable								
	Nature of Employment	:	NIL					
	Other term & Conditions	:	NIL					
	Percentage of equity shares held	:	NIL					

**FORM A: DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:**

PARTICULARS	UNIT	CURRENT ACCOUNTING PERIOD (01.04.2011 – 31.03.2012)	PREVIOUS ACCOUNTING PERIOD (01-04-2010 - 31.03.2011)
A. Power and Fuel consumption			
Electricity			
Quantity	KWH	19011680	8150132
Total Conversion Charges	Rs.	—	—
Per Unit Conversion Charges	Rs.	—	—
Own generation			
(i) Through Diesel Generator			
Quantity	KWH	22523	99919
Units per –ltr. of Diesel oil	KWH	3.25	3.25
Total amount	Rs.	552040	1431526
Cost/ Unit	Rs.	24.51	14.33
(ii) Through Steam Turbine/Generator			
Quantity	KWH	6780070	16458922
Units per- ltr. of fuel oil /gas	KWH	—	—
Cost/ unit	Rs.	0.62	0.24
B. Consumption per MT of sugar production			
Electricity	KWH	315.31	303.35

FORM B: DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**(A) RESEARCH AND DEVELOPMENT (R&D)**

The Company per se did not carry out any basic R & D work during the year. However, some activities carried out through indigenous sources have resulted in improvement in the performance of the plant.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts in brief, made towards technology absorption, adaptation and innovation:
- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.:
1 & 2: The Company has acquired the latest technology for production of sugar.
- In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished:
 - Technology imported- - None
 - Year of Import - Not Applicable
 - Has technology been fully absorbed? - Not Applicable
 - If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. - Not Applicable

FOREIGN EXCHANGE EARNING AND OUTGO

- Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export Plans: Efforts are being made towards export of the product of the company.
-

(Rs. in Lacs)

Particulars	Current Accounting Period (01.04.2011–31.03.2012)	Previous Accounting Period (01.04.2010-31.03.2011)
Total foreign exchange used	18.33	32.47
Earned	—	—

For & on behalf of the Board
For SBEC Sugar Ltd.

Place : New Delhi
Date : 12th November, 2012

Umesh Kumar Modi
(Chairman & President)



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1	Name of the Subsidiary	SBEC Bioenergy Limited	SBEC Stockholding and Investment Limited	Modi Gourmet Limited
2	Financial year of the Company	01.04.2011 to 31.03.2012	01.04.2011 to 31.03.2012	01.04.2011 to 31.03.2012
3	Shares held in the Subsidiary Company at the end of the financial year of the Subsidiary Company	1,26,50,000 Equity Shares of Rs. 10/- each fully paid up	45,50,000 Equity Shares of Rs. 10/- each fully paid up	50,000 Equity Shares of Rs. 10/- each fully paid up
4	Extent of holding	55 %	100 %	100 %
5	Change in the Company's interest in the Subsidiary between the end of the Financial Year of the Subsidiary and the end of the Company's Financial Year.	NIL	NIL	NIL
6	The net aggregate of Profits of the Subsidiary Company so far as they concern the members of the Company			
	a) Dealt with in the Accounts of the Company for the period ended 31 st March, 2012.	NIL	NIL	NIL
	b) Not dealt with in the Accounts of the Company for the period ended 31 st March, 2012.	12322181	(47630)	(4064)
7	The net aggregate of Profits / Loss of the Subsidiary Company for the previous financial year so far as they concern the members of the Company.			
	a) Dealt with in the Accounts of the Company for the period ended 31 st March, 2011.	NIL	NIL	NIL
	b) Not dealt with in the Accounts of the Company for the period ended 31 st March, 2011.	2829015	(102314)	(33569)
8	Material changes which have occurred between the end of the Financial year of the Subsidiary and the end of the Company's Financial year in respect of			
	a) Fixed Assets	NIL	NIL	NIL
	b) Investments	NIL	NIL	NIL
	c) Money lent by the Subsidiary Company	NIL	NIL	NIL
	d) Moneys borrowed by the Subsidiary Company other than for meeting the Current Liabilities	NIL	NIL	NIL

Note: The Balance Sheet for the period ended 31st March, 2012 along with Director's Report and Auditor's Report of SBEC Bioenergy Limited, Subsidiary Company are attached herewith.



FINANCIAL INFORMATION OF SUBSIDIARY COMPANY UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	:	SBEC Bioenergy Limited	SBEC Stockholding and Investment Limited	Modi Gourmet Limited
Capital	:	Rs. 230,000,000	Rs. 45,500,000	Rs. 500,000
Reserves	:	Rs. 253,537,380	Rs. (163,428)	Rs. (422,555)
Total Assets	:	Rs. 936,630,336	Rs. 139,111,798	Rs. 86,519
Total Liabilities	:	Rs. 936,630,336	Rs. 139,111,798	Rs. 86,519
Investment	:	Rs. 500,100	Rs. 138,251,000	NIL
Turnover / Total Income	:	Rs. 134,817,993	Rs. 26,878	NIL
Profit before Tax	:	Rs. 25,205,780	Rs. (47,630)	Rs. (4,064)
Provision for Taxation	:	Rs. 12,883,599	NIL	NIL
Profit after Tax	:	Rs. 12,322,181	Rs. (47,630)	Rs. (4,064)
Proposed Dividend	:	NIL	NIL	NIL

Umesh K. Modi
(Chairman & President)
DIN No. 00002757

Abhishek Modi
(Executive Director)
DIN No. 00002798

G.C. Jain
(Director)
DIN No. 00002696

Man Mohan
(Director)
DIN No. 00207036

N.P. Bansal
(Director)
DIN No. 00010587

Santosh C. Gupta
(Whole Time Director Works)
DIN No. 00012413

S.S. Agarwal
(Vice President Commercial)

Place : New Delhi
Date : 12th November, 2012

Arun Kumar Gupta
(Chief Financial Officer)

Ajay PS Saini
(Company Secretary)



MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY SCENARIO

The sugarcane area is expected to increase by 2.1% in crushing season 2012-13. The sugar production in the country is expected to be around 24.5- 25.5 million tons in the season 2012-13 against the production of 26 million tons in 2011-12.

The consumption of sugar is likely to be 23 million tons during 2012-13.

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. The Government is considering for full decontrol on sugar 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 Government in the pricing as well as distribution of Sugarcane.

OPERATIONAL PERFORMANCE

The cane crushing for the period under review was 99.35 Lacs quintals in 151 days with an average crushing rate of 65798 quintals per day as against 93.60 Lacs quintals in 143 days with an average crushing rate of 65455 quintals per day for the previous period. The sugar recovery has slightly reduced to 8.23 % as against 8.63% in the previous period due to heavy rainfall resulting in water logging in fields and also affected from insect & disease i.e White Grub, grassy shoot borar etc.

FUTURE OUTLOOK

The sugar prices & profitability of Indian Sugar companies would remain volatile and dependent on domestic and international supply and demand trends. These in turn would depend on agro-climatic conditions in major producing countries and crude oil price trends, which determine the diversion of sugarcane crop to ethanol. Consequently, the price trends in international markets would be the key determinants of future profitability.

RISK AND CONCERNS

The company has risk of the government policies regarding the cane area allocation, cane availability in the proximity of factory, statutory minimum price and state advised price etc. The Company's business also depends heavily upon the climatic conditions. The cane availability, yield, recovery of sugar are the major factors which may affect the quantity and quality of the raw material. The company operates in a highly regulated environment and changes in government policies in relation to the sugar industry, sugarcane prices, sugar prices, alcohol, ethanol, imports and exports may affect its operations and profitability. There is an inherent risk related to the skilled and specialised manpower and there is risk of specialised manpower leaving the jobs, joining competitors, sharing confidential information etc.

INTERNAL CONTROLS AND SYSTEMS

The key features of the internal control system in the Company are given below:

1. Assets are adequately maintained and protected against theft, burglary and other losses.
2. Transactions are properly recorded and accounted for.
3. Accounting records are maintained complying with all the statutory laws and reflects true and fair view.
4. There are adequate management reporting systems for control and monitoring of performance.
5. Budgetary control system is in place.
6. Periodical review of internal controls systems by the Management and Audit Committee Meeting is being done.
7. Periodical review of system, procedures and transactions by internal auditors is conducted.

FINANCIAL PERFORMANCE

The market sentiments during the financial year remained bearish owing to the continued mismatch between supply and demand of sugar, affecting sales realization. Further during the year UP Government has announced very high cane price which has resulted in the Loss after tax to Rs.3516.85 Lacs against the profit after tax of Rs. 370.55 lacs last year.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The company's human resources philosophy is to establish and build a strong performance and competence driven culture with greater sense of accountability and responsibility. The effort to rationalize and streamline the workforce is a continuous process. The industrial relations scenario remained harmonious throughout the year.

DISCLOSURE RELATING TO SENIOR MANAGEMENT

During the year under review there was no material financial or commercial transaction where senior management personnel has personal interest that may have potential conflict with the interest of the Company at large.

CAUTIONARY STATEMENT

The above Management Discussion and Analysis describing the Company's Objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include external economic conditions affecting demand / supply influencing price conditions in the market in which the Company operates, changes in Government regulations, statutes, tax laws and other incidental factors.



REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

At SBEC Sugar Ltd., Corporate Governance is an integral part of the Company's values, ethics, business practices and norms. Towards this, the company consistently evaluates and defines its management practices aimed at enhancing its commitment and delivery of the basic tenets of the Corporate Governance.

BOARD OF DIRECTORS

Composition of the Board of Directors and other details as on 31.03.2012 is as under:

	Name of the Directors	Category of Directors	No. of Board Meetings attended	No. of Other Directorships held (*)	Committee Member-ships (Excluding SBEC Sugar Ltd. (**))	Committee Chairman ships (excluding SBEC Sugar Ltd. (**))	Attendance at Last AGM
1.	Mr. U. K Modi @	Chairman & President and Non-Executive Director	7	7	Nil	Nil	Not Present
2.	Mrs. Kum Kum Modi @	Non- Executive Director	Nil	2	Nil	Nil	Not Present
3.	Mr. Abhishek Modi @	Executive Director & CEO	7	6	Nil	Nil	Not Present
4.	Mr. Jayesh Modi@	Non-Executive Director	Nil	4	Nil	Nil	Not Present
5.	Mr. G.C. Jain	Non-Executive & Independent Director	7	6	1	3	Present
6.	Mr. Man Mohan	Non-Executive & Independent Director	6	Nil	Nil	Nil	Not Present
7.	Mr. Norland L.C. Suzor	Non-Executive Director	Nil	2	Nil	Nil	Not Present
8.	Mr. Claude Philogene	Non-Executive & Independent Director	Nil	Nil	Nil	Nil	Not Present
9.	Mr. O.P. Modi	Non - Executive & Independent Director	6	1	Nil	Nil	Not Present
10.	Mr. N.P. Bansal	Alternate to Mr. Claude Philogene Non-Executive Director	7	2	Nil	Nil	Not Present
11.	Mr. S.C. Gupta	Whole Time Director (Works)	7	3	Nil	Nil	Present

(*) Directorship in Companies registered under the Companies Act, 1956 excluding Directorships in Private Limited Companies, Companies under Section 25 of the Companies Act and Alternate Directorships.

(**) Includes only Specified Committees i.e. Audit Committee and Shareholders Grievance Committee

(@) Mr. Umesh Kumar Modi and Mrs. Kum Kum Modi are related as husband and wife and Mr. Abhishek Modi , Mr Jayesh Modi as their son.

Seven Board Meetings were held during the period under review on 4th June 2011, 18th July 2011, ,11th August 2011, 24th September 2011,24th October 2011, 31st December 2011, and 14th February, 2012.

**INFORMATION REGARDING RE-APPOINTMENT OF DIRECTORS**

Mrs. Kum Kum Modi, Director of the Company retires by rotation and being eligible offers herself for re-appointment . Mrs. Kum Kum Modi holds Masters Degree in Arts from University of Delhi and has varied experience of the industry of more than 23 years in field of general management and corporate advisory services.

Mr. Man Mohan , Director of the Company retires by rotation and being eligible offers himself for re-appointment . Mr. Man Mohan is an Independent & Non-Executive Director, he is M.Sc (Technology) and has varied experience of Sugar Industry of around more than 63 years.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Company has adopted a Code of Conduct for the members of the Board and Senior Management of the Company which is intended to focus the areas of ethical risk, provide guidance mechanisms to report unethical conduct and help foster a culture of honesty and accountability. The Code of conduct is available on the website of the Company www.sbecsugar.com.

The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them.

AUDIT COMMITTEE

The Company has an Audit Committee comprising of four directors, out of them three directors are Independent Non-Executive Directors. Mr. G. C. Jain is the Chairman of the Committee and Mr. Man Mohan, Mr. O. P. Modi and Mr S.C. Gupta are its members. The Company Secretary of the Company acts as the Secretary of the Audit Committee. The Chief Financial Officer, Vice President (Commercial), Vice President (Technical), a representative of M/s Doogar & Associates, Statutory Auditors and a representative of M/s Sarat Jain & Associates, Internal Auditors are permanent invitees to the Audit Committee.

The terms of reference and functioning of the Audit Committee are as prescribed under Section 292 A of the Companies Act, 1956 and Clause 49 of Listing Agreement covering their role, power and duties, review of information, quorum for meeting and frequency of meeting. The Committee is responsible for effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and ensuring compliance with established policies and procedures. Audit Committee also determines adequacy and effectiveness of internal control. It identifies, defines and categorizes all the risks that the company faces.

Five Meetings of the Audit Committee were held during the period under review on 10th May 2011, 11th August 2011, 11th November 2011, 23rd December, 2011, and 14th February 2012 .

Name of Director	No. of Meetings Attended
Mr. G C Jain	5
Mr. Man Mohan	5
Mr. O. P. Modi	4
Mr. S.C. Gupta	4

SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE

The Shareholders' Grievance Redressal Committee comprises of 3 Directors, Mr. G. C. Jain, Non Executive & Independent Director is the Chairman and Mr. Abhishek Modi and Mr. N. P. Bansal as its members. The Company Secretary of the Company is the Compliance Officer of the Committee.

The functioning and terms of reference of the Committee is as prescribed and in due compliance with the Listing Agreement with the Stock Exchanges with particular reference to transfer, dematerialisation, complaints of shareholders etc.

No complaint was received from shareholders/ investors directly from them or through SEBI/ Stock Exchanges and other authorities and none remained outstanding at the end of the period under review.

REMUNERATION COMMITTEE

The Remuneration Committee review the company's policies on specific remuneration package for Executive Director and recommend the same to the Board.

The Remuneration Committee consists of three Non-Executive Directors two third of whom are Independent Directors. Mr. G. C. Jain is the Chairman and Mr. Man Mohan and Mr. N. P. Bansal are its members.

The Company does not pay any remuneration to the Non-Executive Directors except payment of sitting fee for attending the Board/ Audit Committee Meetings.



One meeting of Remuneration Committee was held on 18th June, 2011 during the year ended 31st March, 2012.

The details of remuneration paid to the Directors for the period ended 31st March 2012 are as under:-

(in Rupees)

S. No.	Name of the Director	Salary	Perquisites, and other benefits	Commission	Others	Sitting Fee	Total
1.	Mr. U. K. Modi	—	—	—	—	7000	7000
2.	Mr. Abhishek Modi	930323	191963	—	—	—	1122286
3.	Mrs. Kumkum Modi	—	—	—	—	—	—
4.	Mr. Santosh C Gupta	1316537	355991	—	—	—	1672528
5.	Mr. G. C. Jain	—	—	—	—	12000	12000
6.	Mr. Man Mohan	—	—	—	—	11000	11000
7.	Mr. Norland L. C. Suzor	—	—	—	—	—	—
8.	Mr. Claude Philogene	—	—	—	—	—	—
9.	Mr. O. P. Modi	—	—	—	—	10000	10000
10.	Mr. N.P. Bansal	—	—	—	—	7000	7000
11.	Mr. Jayesh Modi	—	—	—	—	—	—

The Company has not given any Stock Options to any Director.

ANNUAL GENERAL MEETING

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

Year	Location	Date	Time	Special Resolution Passed (Yes/No)
2011	Village : Loyan Malakpur Tehsil Baraut, Distt. Baghpat, Uttar Pradesh	28.09.2011	2.30 p.m.	Yes
2010	- do -	30.09.2010	2.30 p.m.	Yes
2009	- do -	10.10.2009	2.30 p.m.	No

POSTAL BALLOT

No resolution requiring a postal ballot was proposed at the last Annual General Meeting of the Members.

No resolution which requires approval of members by postal ballot is being proposed at the ensuing Annual General Meeting.

DISCLOSURES

- During the year under review, the company had no materially significant related party transactions as envisaged under the Corporate Governance Code that may have potential conflict with the interests of the company at large. However, the related party transactions during the year under review are mentioned in Note No. 40 to the "Notes to Accounts".
- There has been no non-compliance, penalties/strictures imposed on the Company by Stock Exchange(s) or SEBI on any matter related to capital markets during the year under review.
- At present, the company does not have any Whistle Blower Policy.

MANAGEMENT DISCUSSION AND ANALYSIS IS REPORTED IN THIS ANNUAL REPORT

CEO/ CFO CERTIFICATION ON THE FINANCIAL STATEMENT

Pursuant to Clause 49 of the Listing Agreement, the Chief Executive Officer and the Chief Financial Officer have submitted the desired Certificate to the Board of Directors and the same has been taken on record by the Board of Directors in their meeting held on 12th November, 2012.

MEANS OF COMMUNICATION:

Wide publicity is accorded to the Quarterly, Half-yearly and the Annual Results which are published in widely circulated English daily (Financial Express or Business Standard) and a Hindi daily (Business Standard or Hari Bhomi) as is



required under the Listing Agreement with the Stock Exchanges. The same are also faxed to the Stock Exchanges where the company is listed.

The Company has not yet started sending the half yearly report to each household but if the shareholder seeks any information, the same is provided by the Company.

GENERAL SHAREHOLDERS INFORMATION

18th Annual General Meeting of the company is scheduled to be held on Saturday, the 29th December 2012 at 2.30 P.M. at the Registered Office of the Company at Village Loyan Malakpur, Tehsil Baraut, District Baghpat, Uttar Pradesh as per the notice enclosed with the Annual Report.

Financial Year : 1st April, 2011 to 31st March, 2012

Financial Calendar 2012-2013 (actual/tentative and subject to change)

Particulars	Date
1. Quarter ended 30.06.2012:	11 th August, 2012
2. Quarter ended 30.09.2012:	First fortnight of November, 2012
3. Quarter ended 31.12.2012:	First fortnight of February, 2013
4. Quarter ended 31.03.2013:	First fortnight of May, 2013

Book Closure : 21st December, 2012 to 29th December, 2012 – (both days inclusive)

Dividend Payment Date:

In view of the losses incurred in the previous years, no dividend has been recommended by the Board of Directors for the period ended 31st March 2012.

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 2012-13.

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.

Market Price Data:

Monthly High & Low quotes and Volume of Shares traded from 1st April, 2011 to 31st March, 2012 are as follows:-

Month	High	Low	Volume
April 2011	14.50	12.10	4530
May 2011	13.50	10.27	4856
June 2011	13.10	10.50	3901
July 2011	12.00	9.98	12083
August 2011	10.67	8.56	3331
September 2011	8.16	6.70	2115
October 2011	6.41	6.10	251
November 2011	6.40	6.10	1288
December 2011	6.70	5.90	1391
January 2012	7.52	6.20	2017
February 2012	7.60	6.85	1820
March 2012	8.19	7.20	992



Registrar and Transfer Agents:

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

Share Transfer System:

The Company in compliance of SEBI circular no. 15/2002 dated 27th December 2002, has appointed M/s Beetal Financial & Computer Services Pvt. Ltd., (Category – I SEBI registered Registrar and Share Transfer Agents) as Share Transfer Agent who follows the Share Transfer System as prescribed by the Securities and Exchange Board of India (SEBI). The share transfer requests in physical form sent by shareholders are manually checked. If the transfer deed and enclosures are valid, the shares are transferred within a month with the approval of the Share Transfer Committee, otherwise objection memo is sent to the transferor with necessary advice to take the required steps. The process is done within a month of receipt of request. The Company Secretary monitors the system.

Distribution of Shareholdings as on 31st March, 2012.

No of Shares	Number of Shareholders	Number of Shares	% of total Shares
Upto 500	2319	888159	1.86
501 - 1000	464	422431	0.89
1001 - 2000	177	301848	0.63
2001- 3000	323	851057	1.79
3001 - 4000	51	184739	0.39
4001 - 5000	145	708873	1.49
5001 - 10000	128	970095	2.03
10000 and above	100	43326678	90.92
Total	3707	47653880	100.00

Dematerialisation of Shares

The Equity Shares of the company are available for Dematerialisation. The International Securities Identification No. (ISIN) of the Company is **INE948G01019**. The Equity Shares are now tradable only in dematerialised mode.

79.28% of the Company's Paid up Equity Share Capital has been dematerialised upto 31st March, 2012.

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.

Plant / Location of the Company

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

Address for Correspondence

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

SBEC SUGAR LIMITED

Village Loyan, Malakpur,
Tehsil Baraut, Dist. Baghpat,- 250611, Uttar Pradesh
Email: investors@sbecsugar.com
Website : www.sbecsugar.com

Nomination Facility:

Shareholders desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Company their request in prescribed Form 2B for this purpose.



AUDITORS'S CERTIFICATE

To,
The Members of
SBEC Sugar Limited

We have examined the compliance of the conditions of corporate governance by SBEC Sugar Limited for the period ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

for and on behalf of
Doogar & Associates
Chartered Accountants
Firm Regn. No. : 000561N

Place : New Delhi
Date : 12th November, 2012

(Mukesh Goyal)
Mg. Partner
Membership No. 081810



AUDITOR'S REPORT

To The Members of SBEC Sugar Ltd.

We have audited the attached Balance Sheet of SBEC Sugar Ltd. as at 31st March 2012, the statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 as amended by the Companies Auditor's Report (Amendment) Order, 2004 issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure "A" a statement on the matters specified in paragraph 4 and 5 of the said order.

Attention of the members is invited to note no-45 regarding the financial statements of the Company having been prepared on a going concern basis, notwithstanding the fact that its net worth is eroded as at 31st March'2012 (considering the qualifications as mentioned below). The appropriateness of the said basis is interalia dependent on the management plans for further actions in improving the network.

Further to our comments in the Annexure referred to above, we report that:

- a) We have 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
- e) On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, *subject to*
 - i) Levy stock liability is to be accounted for as defined in Govt. of India notification no F.No. 5-5(Legal-21)/2009-SCII dated 30th November, 2010. The Company has decided to account for levy orders at the time of actual dispatches, which was hitherto being valued as per the orders pending for execution. The above treatment is not in line with the fundamental accounting assumptions of "Consistency" and "Accrual" as defined in AS-1 "Disclosure of Accounting Policies". Levy stock if determined for the pending and/or expected levy orders, the company would be required to make provision of Rs. 1867.15 Lacs being the differential between the lower of 'current cost or market price' and levy price,
 - ii) Inventory has been stated at its cost, which is in excess of its net realisable value. Management's computation, which we have reviewed, shows that inventory, if valued at the lower of cost and net realisable value as required by Accounting Standard (AS) 2, "Valuation of Inventories" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006, would have been lower by Rs. 774.89 Lacs.
 - iii) Non provision of liability for Rs 321.15 Lacs regarding differential amount of custom duty under EPCG Scheme as per the final order of Supreme court of India dated 07th February, 2011.
Had the impact as per (i),(ii) and (iii) above being taken in the financial results, the loss for the year would have increased by an even amount & its consequential effect on other accounts & EPS, the said accounts, read with the Accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012
 - ii) In the case of statement of Profit & Loss, of the loss for the year ended on that date;
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
DOOGAR & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Regn.No-000561N

Place : New Delhi
 Date : 12th November, 2012

(**MUKESH GOYAL**)
 Mg. Partner
 Membership No. : 081810



ANNEXURE "A" TO AUDITORS' REPORT

(Referred to in the Auditors' Report of even date to the members of SBEC Sugar Limited for the year ended 31st March, 2012)

- 1 (a) The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
- (b) 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. Management has physically verified fixed assets during the year. The discrepancies noticed on physical verification of fixed assets as compared to book records were not material and have been properly dealt with in the books of accounts.
- (c) Fixed assets disposed off during the year were insignificant and therefore do not affect the going concern assumption.
2. (a) The inventory, except material lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies, if any, noticed on physical verification of inventory as compared to books records were not material and have been properly dealt with in the books of accounts.
3. (a) The Company has not granted any loan, secured or unsecured to Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, Paragraph 3 (b), 3 (c) & 3 (d) of the order are not applicable.
- (b) The company has taken loan from three companies, covered under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 435.45 lacs, Rs. 500.00 lacs, & Rs. 103.36 lacs and the year end balance of loan taken from such companies were Rs.435.45 lacs, Rs. 399.91 lacs & Rs. 85.00 lacs respectively.
- (c) In our opinion and according to information and explanations given to us, the rate of interest and other term & conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (d) In respect of loan taken, as explained to us the same is re-payable on demand.
4. In our opinion, and according to the information and explanations given to us during the course of audit, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. We did not observe any major weakness in internal control during the course of our audit.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions required to be entered into the register maintained under section 301 of the Companies Act, 1956 have been entered.
- (b) In our opinion, and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to rupees five lacs or more in respect of each party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
6. The Company has accepted deposits from public and in our opinion Company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the Company has an internal audit system, commensurate with the size and nature of its business.
8. We have broadly reviewed the Cost Accounting 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 clause (d) of sub-section 209 of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We, are however, not required to make a detailed examination of such books and records.
9. (a) According to the information & explanations given to us, no undisputed amount payable in respect of Provident Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other undisputed Statutory dues were outstanding, at the year end, for a period more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of statutory dues of the specified status as at the end of the year, which have not been deposited on account of a dispute are referred to in "Annexure – B".
10. *In our opinion, the accumulated losses of the Company are more than fifty percent of its net worth. During the year company has incurred cash loss of Rs. 2768.06 lacs and there were no cash losses in the immediately preceding financial year.*



11. According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company does not fall within the category of chit fund/ Nidhi/ Mutual Benefit/ Society and hence the related reporting requirements are not applicable.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements are not applicable.
15. The Company has provided guarantee to SREI and the Government of Jharkhand in respect of loans taken by SBEC Bioenergy Limited (a subsidiary company) and Bihar Sponge Iron Limited respectively. The terms and conditions of the guarantees are prima facie, not prejudicial to the interest of the Company.
16. In our opinion, and according to the information and explanations given to us, the term loans raised during the year by the company have been applied for the purpose for which the said loans were obtained, where the lender has stipulated such end use.
17. According to the information and explanations given to us and as per the books and records examined by us, no funds raised on short-term basis have been used for long-term investment by the company.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the registered maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued debentures of any type during the Year.
20. The Company has not raised any money by public issue, during the Year.
21. Based on our examination of the books and records of the Company and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the Year.

For and on behalf of
DOOGAR & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Regn.No-000561N

Place : New Delhi
 Date : 12th November, 2012

(MUKESH GOYAL)
 Mg. Partner
 Membership No. : 081810

ANNEXURE "B" TO AUDITORS' REPORT

Referred in Paragraph 9(b) of Annexure "A" a statement on the matters specified in the Companies (Auditors' Report) Order, 2003 as amended by the Companies Auditor's Report (Amendment) Order, 2004 for the Year ended 31st March 2012.

Name of the Statute	Name of Dues	Amount Rs. Lacs	Period to which amount relates	Forum where dispute is pending
Service Tax Act	Service Tax	150.88	01.10.1999 to 31.03.2003	Commissioner (Appeals) of Central Excise Meerut 1,U.P
Service Tax Act	Service Tax	16.83	01.04.2008 to 31.12.2010	Commissioner (Appeals) of Central Excise Meerut 1,U.P
Central Excise and Custom Act	Demand of Custom duty on import of capital goods against EPCG License	321.15	01.04.1997 to 30.06.1998	Deputy Commissioner of Customs (Bond Section), Mumbai
Central Excise and Custom Act	Penalty on Scrap Sale	2.61	30.11.2004 to 31.03.2008	CESTAT, New Delhi
Central Excise and Custom Act	Cess on Sugar Cess	4.35	01.01.2009 to 30.09.2009	CESTAT, New Delhi
U P Tax on Entry of Goods Act	Entry Tax on Sugar Sold in Local Area	137.41	A Y 2010-11	Commercial Tax Tribunal, Meerut, U.P
U P VAT Act	VAT on Baggase	12.27	A Y 2007-08	Additional Comm Appeals, Commercial Tax Meerut



BALANCE SHEET AS AT 31ST MARCH, 2012

	NOTE NO.	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs. in Lacs)
I. EQUITY AND LIABILITY			
Shareholders' Funds			
(a) Share Capital	2	4,769.40	4,769.40
(b) Reserves and Surplus	3	(3,793.77)	(276.92)
		<u>975.63</u>	<u>4,492.48</u>
Non-current Liabilities			
(a) Long-term Borrowings	4	1,085.77	1,074.41
(b) Other Long Term Liabilities	5	86.98	41.49
(c) Long-term Provisions	6	97.66	87.82
		<u>1,270.41</u>	<u>1,203.72</u>
Current Liabilities			
(a) Short-term Borrowings	7	20,420.84	12,796.30
(b) Trade Payables	8	15,665.53	11,727.75
(c) Other Current Liabilities	9	3,744.77	4,623.67
(d) Short-term Provisions	10	26.97	27.57
		<u>39,858.11</u>	<u>29,175.29</u>
TOTAL		<u>42,104.15</u>	<u>34,871.49</u>
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	5,736.90	6,156.67
(ii) Intangible Assets	11	1.56	1.75
(iii) Capital Work in Progress	11 A	985.24	184.92
		<u>6,723.70</u>	<u>6,343.34</u>
(b) Non-Current Investment	12	1,730.83	2,766.50
(c) Deffered Tax Assets (net)		372.61	372.61
(d) Long-term Loans & Advances	13	131.71	235.49
(e) Other Non-Current Assets	14	5,663.81	5,781.09
		<u>14,622.66</u>	<u>15,499.03</u>
Current Assets			
(a) Inventories	15	23,072.48	17,305.13
(b) Trade Receivables	16	541.64	546.76
(c) Cash & Bank Balances	17	800.41	380.21
(d) Short-term Loans & Advances	18	3,066.07	1,107.85
(e) Other Current Assets	19	0.89	32.51
		<u>27,481.49</u>	<u>19,372.46</u>
		<u>42,104.15</u>	<u>34,871.49</u>

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

In terms of our report of even date attached

For & on behalf of

DOOGAR & ASSOCIATES

Chartered Accountants
Firm Regn. No. : 000561N

Mukesh Goyal
Mg. Partner
Membership No. : 081810

Place : New Delhi
Date : 12th November, 2012

Umesh K. Modi
(Chairman & President)
DIN No. 00002757

N.P. Bansal
(Director)
DIN No. 00010587

Abhishek Modi
(Executive Director)
DIN No. 00002798

Santosh C. Gupta
(Whole Time Director-Works)
DIN No. 00012413

Arun Kumar Gupta
(Chief Financial Officer)

G.C. Jain
(Director)
DIN No. 00002696

Man Mohan
(Director)
DIN No. 00207036

S.S. Agarwal
Vice President (Commercial)

Ajay PS Saini
(Company Secretary)



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	NOTE NO.	For the Year ended 31.03.2012 (Rs. in Lacs)	For the year ended 31.03.2011 (Rs. in Lacs)
I Revenue From Operations	20	28,719.62	30,999.43
II Other Income	21	2,223.43	403.99
III Total Revenue (I + II)		30,943.05	31,403.42
IV Expenses			
Cost of Material Consumed	22	25,340.84	20,713.70
Purchases of Stock-in-Trade	23	6,985.76	8,212.30
Change in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	24	(5,750.42)	(1,441.27)
Manufacturing Expense	25	1,768.84	1,362.82
Employee Benefit Expense	26	916.72	915.14
Finance Cost	27	2,198.28	1,567.02
Depreciation & Amortisation Expense	11	748.79	532.51
Administration Expenses	28	453.52	538.04
Selling Expense	29	302.57	274.33
Prior Period Items		11.68	8.77
Total Expenses		32,976.58	32,683.36
V Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)		(2,033.53)	(1,279.94)
VI Exceptional Items	30	(1,483.32)	1,312.21
VII Profit / (Loss) before extraordinary items and tax (V- VI)		(3,516.85)	32.27
VIII Extraordinary Items		-	-
IX Profit before tax (VII - VIII)		(3,516.85)	32.27
X Tax expense :			
(1) Current tax		-	-
MAT		-	6.81
Less: MAT Credit Entitlement		-	(6.81)
(2) Deferred tax		-	(338.67)
(3) Taxes for earlier year		-	-
Excess provision of Tax Written Back		-	-
MAT		-	13.27
Less: MAT Credit Entitlement		-	(12.88)
XI Profit/(Loss) for the period from continuing operations (IX - X)		(3,516.85)	370.55
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax Expense of discontinuing operations		-	-
XIV Profit/(Loss) from discontinuing operations after tax (XII - XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		(3,516.85)	370.55
EARNING PER SHARE (BASIC) (in Rs.)	31	(7.38)	0.78
EARNING PER SHARE (DILUTED) (in Rs.)	31	(7.38)	0.78

In terms of our report of even date attached

For & on behalf of

DOOGAR & ASSOCIATES

Chartered Accountants
Firm Regn. No. : 000561N

Umesh K. Modi
(Chairman & President)
DIN No. 00002757

Abhishek Modi
(Executive Director)
DIN No. 00002798

G.C. Jain
(Director)
DIN No. 00002696

Man Mohan
(Director)
DIN No. 00207036

Mukesh Goyal
Mg. Partner
Membership No. : 081810

N.P. Bansal
(Director)
DIN No. 00010587

Santosh C. Gupta
(Whole Time Director-Works)
DIN No. 00012413

S.S. Agarwal
Vice President (Commercial)

Place : New Delhi
Date : 12th November, 2012

Arun Kumar Gupta
(Chief Financial Officer)

Ajay PS Saini
(Company Secretary)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
A) Cash Flow from Operating Activities		
Profit / (Loss) Before Tax as per Profit and Loss Account	(3,516.85)	32.27
Adjustments For :		
Interest Expenses	2,198.28	1,127.10
Interest Income	(15.73)	(1,353.53)
Dividend Income	(0.60)	(0.60)
Debit Balances Written Off	1.86	5.36
Loss on Sale of Stores & Spares	4.42	1.60
Loss on sale of Fixed Assets	1.58	2.66
Assets written off	0.08	-
Provision for Obsolete Store Items	0.19	-
Provision for Doubtful Advances	-	4.60
Wealth tax	0.30	0.34
Depreciation	748.79	532.50
Profit on sale of Investment	(1,837.49)	-
Unclaimed credit balances written back	(102.65)	(199.80)
Operating Profit before Working Capital Changes	(2,517.82)	152.50
Adjustments For :		
Trade and Other Receivables	(1,706.28)	(2,516.54)
Inventories	(5,771.98)	(1,388.83)
Trade Payables	3,222.49	(2,830.65)
Cash generated from Operating Activities	(6,773.59)	(6,583.52)
Direct Taxes (Paid)/Refund	(6.52)	(0.39)
Net Cash Flow from Operating Activities	(6,780.11)	(6,583.91)
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(331.98)	(784.36)
Capital Work in Progress	(800.32)	(61.09)
Proceeds from sale of Fixed Assets	1.50	4.76
Sale/(Purchase) of Investments	2,873.16	(250.00)
Dividend Income	0.60	0.60
Interest Received	15.73	1,353.53
Net Cash Flow from Investing Activities	1,758.69	263.44
C) Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (Net)	11.37	7,050.29
Proceeds from Short Term Borrowings (Net)	7,624.54	415.85
Net Interest (Paid)	(2,198.28)	(1,127.10)
Net Cash Flow from Financing Activities	5,437.63	6,339.04
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	416.21	18.57
Cash and Cash Equivalents as on 1st April 2011 (Opening Balance)	352.18	333.61
Cash and Cash Equivalents as on 31st March 2012 (Closing Balance)	768.39	352.18
Net Increase as disclosed above	416.21	18.57

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.
- Previous period figures have been regrouped/rearranged wherever considered necessary.
- 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	7.39	8.35
Cheques/ Drafts in Hand	-	9.19
Balances with Banks	761.00	334.64
TOTAL	768.39	352.18

For & on behalf of

DOOGAR & ASSOCIATES

Chartered Accountants
Firm Regn. No. : 000561N

Umesh K. Modi
(Chairman & President)
DIN No. 00002757

Abhishek Modi
(Executive Director)
DIN No. 00002798

G.C. Jain
(Director)
DIN No. 00002696

Man Mohan
(Director)
DIN No. 00207036

Mukesh Goyal
Mg. Partner
Membership No. : 081810

N.P. Bansal
(Director)
DIN No. 00010587

Santosh C. Gupta
(Whole Time Director Works)
DIN No. 00012413

S.S. Agarwal
Vice President (Commercial)

Place : New Delhi
Date : 12th November, 2012

Arun Kumar Gupta
(Chief Financial Officer)

Ajay PS Saini
(Company Secretary)



NOTES TO FINANCIAL STATEMENT

1. SIGNIFICANT ACCOUNTING POLICIES:

i. Basis of Accounting

The accompanying financial statements are prepared in accordance with generally accepted accounting principles in India ("GAAP"), under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the companies (Accounting Standard) Rule 2006, and the Provisions of the Companies Act 1956, as adopted consistently by the Company.

ii. Presentation and Disclosure of Financial Statements

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of these financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

iii. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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 reported amounts of revenues and expenses for the year. Examples of such estimates include provisions of future obligation under employee retirement benefit plans, the useful lives of fixed assets and intangible assets etc. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods

iv. 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.

v. 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 lower of cost or net realizable value.
- c) Raw material - at lower of cost or net realizable value.
- 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.

vi. 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.



vii. Borrowing Costs

Borrowing costs attributable to the acquisition and/or construction of qualifying assets are capitalized as a part of the cost of such assets, upto the date when such assets are ready for their intended use. Other borrowing costs are charged to Statement of Profit and Loss.

viii. 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 being depreciated at the rate of 100 % in the year of addition.
- d) Other assets are being depreciated on the straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- 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.

ix. Investments

Long - term investments are stated at cost of acquisition. Provision for diminution in the value is made only if the decline is other than temporary.

x. 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

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

xi. Employee Benefits

- a) Short Term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.
- b) Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses of the post employment and other long term benefits are charged to the Statement of Profit & Loss of the year.

xii. 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.

Preliminary Expenses are amortized over a period of five years from the start of commercial production.

Public Issue Expenses and Deferred Revenue Expenditure (representing the expenditure incurred during the pre-operative period and not relating to acquisition/construction of fixed assets) are amortized over a period of five years from the start of commercial production.

xiii. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indications exist, the recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

xiv. Tax On Income

- i) Current corporate tax is provided on the results for the year after considering applicable tax rates and laws.



- ii) Deferred tax is provided on timing differences between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets and liabilities are measured using the enacted / substantively enacted tax rates and laws for continuing operations.

Deferred tax assets in the event of unabsorbed depreciation and carry forward losses under tax laws, that exceed the deferred tax liability, are recognized only where there is virtual certainty of realization.

Deferred tax assets on other accounts are recognized only to the extent there is reasonable certainty of realization.

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

xv. 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.

xvi. 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.

xvii. 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.

xviii. Provisions and Contingent Liabilities

Provisions are recognized by present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount can not be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non- occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

xix. 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 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs.in Lacs)
NOTE 2 : SHARE CAPITAL		
AUTHORISED CAPITAL		
55,000,000 (Previous Year 55,000,000) Equity Shares of Rs. 10/- each	5,500.00	5,500.00
ISSUED & SUBSCRIBED CAPITAL :		
47,814,430 (Previous Year 47,814,430) Equity Shares of Rs. 10/- each	4,781.44	4,781.44
PAID UP :		
47,653,880 (Previous Year 47,653,880) Equity Shares of Rs. 10/- each	4,765.39	4,765.39
Share Forfeiture Account	4.01	4.01
TOTAL	4,769.40	4,769.40

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 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 31.03.2012		As at 31.03.2011	
	No. of shares Held	%age of Holding	No. of shares Held	%age of Holding
Equity Shares				
1 M/s SBEC Systems (India) Ltd.	1,42,30,884	29.86%	1,55,38,800	32.61%
2 M/s Followell Engineering Ltd.	60,00,000	12.59%	60,00,000	12.59%
3 M/s Moderate Leasing & Capital Services Ltd	42,15,289	8.85%	NIL	NIL
4 M/s A to Z Holding Pvt. Ltd.	31,28,400	6.56%	31,28,400	6.56%
5 M/s Longwell Investments Pvt. Ltd.	27,21,500	5.71%	27,21,500	5.71%
6 M/s Kumabhi Investments Pvt. Ltd.	23,87,050	5.01%	23,87,050	5.01%

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

	2011-12		2010-11	
	No. of shares	(Rs.in lacs)	No. of shares	(Rs.in lacs)
Equity Shares				
At the beginning of the year	4,76,53,880	4,765.39	4,76,53,880	4,765.39
Add: Shares Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	4,76,53,880	4,765.39	4,76,53,880	4,765.39



	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs.in Lacs)
NOTE 3 : RESERVES & SURPLUS		
Surplus / (Deficit)		
Opening	(352.80)	(715.55)
Balance in Statement of Profit & Loss	(3,516.85)	370.55
Less: Transfer to Reserves	7.22	7.80
Closing	<u>(3,876.87)</u>	<u>(352.80)</u>
Capital Reserve		
Opening	49.17	49.17
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
Closing	<u>49.17</u>	<u>49.17</u>
Other Reserve- Molasses Storage Fund		
Opening	26.71	18.91
Add: Additions during the year	7.22	7.80
Less: Deductions during the year	-	-
Closing	<u>33.93</u>	<u>26.71</u>
TOTAL	<u>(3,793.77)</u>	<u>(276.92)</u>

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

a) Vehicle Loans	20.61	14.76
b) Hire Purchase - First Leasing Co. of India Ltd.	414.13	360.08
c) Excise Loan from The Shamrao Vithal Co-operative Bank Ltd.	-	184.85
SUB-TOTAL (A)	<u>434.74</u>	<u>559.69</u>

B. Unsecured Loans

a) Fixed Deposits from Public	147.25	17.50
b) Deposits from Selling agents	503.78	497.22
SUB-TOTAL (B)	<u>651.03</u>	<u>514.72</u>
TOTAL (A+B)	<u>1,085.77</u>	<u>1,074.41</u>

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

(Rs. In lacs)

Lending Institution	Outstanding As at 31.03.2012	2012-13	2013-14	2014-15	2015-16	2016-17
HDFC Bank Ltd.	9.50	7.40	1.28	0.82	-	-
Kotak Mahindra Prime Ltd.	19.48	6.90	7.02	3.38	1.60	0.58
ICICI Bank Ltd.	7.51	1.58	1.77	1.97	2.19	-
First Leasing Company of India Ltd.	612.40	198.27	190.53	146.18	77.42	-
Total	648.89	214.15	200.60	152.35	81.21	0.58

- Amounts payable against vehicle loans are secured against the hypothecation of specific assets acquired.
- Excise Loan from The Shamrao Vittal Co-operative Bank Ltd. was secured by residual charge on Fixed Assets, since adjusted.
- Vehicle loan from HDFC Bank Ltd., Kotak Mahindra Prime Ltd., and ICICI Bank Ltd. carry interest @ 10.00-12.00% and Hire Purchase 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.



	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs. in Lacs)
NOTE 5 : OTHER LONG-TERM LIABILITIES		
Security Deposit Received	16.46	15.66
Retention Money	<u>70.52</u>	<u>25.83</u>
Total	<u>86.98</u>	<u>41.49</u>

NOTE 6 : LONG-TERM PROVISIONS

Provision for Employee Benefits :		
For Leave Encashment	26.39	32.04
For Gratuity	<u>71.27</u>	<u>55.78</u>
Total	<u>97.66</u>	<u>87.82</u>

NOTE 7 : SHORT-TERM BORROWINGS

A Secured Borrowings

a) Term loan from Bank- Short Term Loan from The Shamrao Vithal Co-operative Bank Ltd.	700.00	-
b) Pledge Account with The U.P. Co-operative Bank Ltd.	13,221.16	-
c) Pledge Account with The Shamrao Vithal Co-Operative Bank Ltd	2,333.77	2,400.26
d) Pledge Account with IDBI Bank Ltd	-	4,548.70
e) Pledge Account with Axis Bank Ltd.	-	1,308.22
SUB-TOTAL (A)	<u>16,254.93</u>	<u>8,257.18</u>

B Unsecured Loans

a) Inter Corporate Deposits	4,120.91	4,539.12
b) Deposit From Others	<u>45.00</u>	<u>-</u>
SUB-TOTAL (B)	<u>4,165.91</u>	<u>4,539.12</u>

Grand Total (A+B)

<u>20,420.84</u>	<u>12,796.30</u>
-------------------------	-------------------------

- 1 Pledge A/c with The U.P. Co-operative Bank Ltd., The Shamrao Vithal Bank, . is secured by the pledge of stocks of sugar.
- 2 Secured Borrowings mention on (a to e) of 'A' above are further secured by personal guarantee of two Directors of the Company.
- 3 Short Term Loan from The Shamrao Vittal Co-operative Bank Ltd. is secured by residual charge on Fixed Assets.
- 4 Pledge A/c with IDBI Bank Ltd & AXIS Bank Ltd was secured by the pledge of sugar, since repaid.

NOTE 8 : TRADE PAYABLES

Sundry Creditors

- For Sugarcane (including expenses related to Cane)	11,171.88	8,242.68
- Small Scale Industries	-	4.78
Others	<u>4,493.65</u>	<u>3,480.29</u>
TOTAL	<u>15,665.53</u>	<u>11,727.75</u>

- 1 Sundry Creditors for goods and expenses include dues to Small Scale Industrial Undertakings aggregating to Rs. NIL (previous period Rs. 4.78 lacs).
- 2 Followings are the relevant disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006:
 - a) Sundry creditors include a sum aggregating Nil, due to Micro and Small Enterprises.
 - b) The amount of interest paid by the Company in terms of Section 16, along with the amount of payments made to the Micro and Small Enterprise beyond the appointed date during the year - Nil
 - c) The amount of interest due and payable For the Year of delay in making payment which have been paid but beyond the appointed day during the year but without adding the interest specified under this Act. - Nil.
 - d) The amount of interest accrued and remaining unpaid - Nil.
 - e) Amount of further interest remaining due and payable even in succeeding years – Nil

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

**NOTE 9 : OTHER CURRENT LIABILITIES**

	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs. in Lacs)
Current maturity of long term loans		
Fixed Deposits from Public	811.50	947.25
Excise Loan from The Shamrao Vithal Co-operative Bank Ltd.	184.85	892.77
Hire Purchase - First Leasing Co. of India Ltd.	198.27	21.31
Vehicle Loans	15.88	15.89
Statutory Dues	318.80	328.52
Interest accrued but not due on borrowings	14.95	2.92
Interest accrued and due on borrowings	282.85	424.96
Bills Payable Acceptance	1,765.50	1,822.94
Advance Against Sales	0.21	0.21
Security Deposit Received	-	18.50
Employees Related dues	140.07	137.56
Retention Money	11.89	10.84
TOTAL	3,744.77	4,623.67

NOTE 10 : SHORT-TERM PROVISIONS

Provision for Employee Benefits		
For Leave Encashment	5.74	2.74
For Gratuity	20.93	17.28
Others:		
For Wealth Tax	0.30	0.74
For Income Tax	-	6.81
Total	26.97	27.57

NOTE 11 : FIXED ASSETS

	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
DESCRIPTION	As at 01.04.2011	Addition During the Year	Adjustments	As at 31.03.2012	Upto 31.03.2011	Provided During the Year	Adjust- ments	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
A. TANGIBLE ASSETS										
LAND- FREE HOLD	19.15	—	—	19.15	—	—	—	—	19.15	19.15
LAND- LEASE HOLD	56.43	—	—	56.43	7.72	0.64	—	8.36	48.07	48.71
LEASE HOLD IMPROVEMENT	0.85	—	—	0.85	0.85	—	—	0.85	—	—
FACTORY BUILDING & TRANSIT HOUSE	1,149.01	28.94	—	1,177.95	268.81	27.77	—	296.58	881.37	880.20
PLANT & MACHINERY	9,614.69	257.17	—	9,871.86	4,750.57	655.37	—	5,405.94	4,465.92	4,864.12
OFFICE EQUIPMENT	26.19	1.54	0.14	27.59	11.23	1.43	0.06	12.60	14.99	14.96
COMPUTER EQUIPMENT	59.35	13.52	—	72.87	45.09	5.66	—	50.75	22.12	14.26
FURNITURE & FIXTURES	66.19	0.81	—	67.00	35.85	3.59	—	39.44	27.56	30.34
MOTOR VEHICLES	138.79	29.46	7.74	160.51	46.80	14.98	4.66	57.12	103.39	91.99
FACTORY APPROACH ROAD	244.32	—	—	244.32	51.38	38.61	—	89.99	154.33	192.94
TOTAL (A)	11,374.97	331.44	7.88	11,698.53	5,218.30	748.05	4.72	5,961.63	5,736.90	6,156.67
Previous Period	10,610.19	783.14	18.36	11,374.97	4,697.78	531.46	10.94	5,218.30	6,156.67	—
B. INTANGIBLE ASSETS										
COMPUTER SOFTWARE	13.16	0.55	—	13.71	11.41	0.74	—	12.15	1.56	1.75
TOTAL (B)	13.16	0.55	—	13.71	11.41	0.74	—	12.15	1.56	1.75
Previous Period	11.94	1.22	—	13.16	10.36	1.05	—	11.41	1.75	—
TOTAL (A+B)	11,388.13	331.99	7.88	11,712.24	5,229.71	748.79	4.72	5,973.78	5,738.46	6,158.42
Previous Period	10,622.13	784.36	18.36	11,388.13	4,708.14	532.51	10.94	5,229.71	6,158.42	—

- Note: 1. Freehold Land includes land aggregating Rs. 1.58/- lacs in the name of SBEC System (India) Limited as nominee.
2. Factory Approach Road, represents expenditure incurred by the company on roads outside factory premises and are written off over a period of five years.
3. Additions includes:
(i) Interest capitalised Rs NIL (Previous Period Rs 30.73/- lacs)
(ii) Preoperative Expense Rs Nil (Previous Period Rs Nil)



	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs.in Lacs)
NOTE 11 A : CAPITAL WORK IN PROGRESS		
Tangible Assets	985.24	184.92
Intangible Assets	-	-
	985.24	184.92
1 Capital Work in Progress for New Projects represent, expenses incurred by the company on conducting feasibility studies on various projects. The final decision on implementation of these projects is under active consideration of the management.		
2 Capital Work in Progress includes :-		
a) For Existing Operation	72.18	51.94
b) For New Projects	913.06	132.98
	985.24	184.92
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 - 2,30,00,000 Equity shares of Rs.10/- each)	1,265.83	2,301.50
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)	455.00	455.00
50,000 Equity Shares of Rs.10/- each in Modi Gourmet Ltd. (Previous Year - 50000 Equity shares of Rs. 10/- each)	5.00	5.00
Sub Total (a)	1,725.83	2,761.50
Other Investments:		
20,000 Eq.Shares of Rs.25/- each in The Shamrao Vithal Co-operative Bank Ltd. (Previous Year - 20,000 Equity shares of Rs. 25/- each)	5.00	5.00
Sub Total (b)	5.00	5.00
TOTAL (a+b)	1,730.83	2,766.50
* (including Rs. 0.83 Lacs Share Transfer Fee)		
Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments	1,730.83	2,766.50
Aggregate provision for diminution in value of investments	-	-
NOTE 13 : LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Security Deposits	3.18	3.70
Capital Advances	128.53	231.79
Total	131.71	235.49
NOTE 14 : OTHER NON-CURRENT ASSETS		
Debt Assignment Recoverable-PNB - Refer Note No. 34	5,499.68	5,129.04
MAT Recoverable	19.69	19.69
Margin money with others	35.00	51.00
Other Bank Balances		
Balance with Scheduled Banks in -		
— Fixed Deposits	44.44	41.36
— Fixed Deposits Pledge with Banks	-	475.00
— Margin Money with Banks	65.00	65.00
Total	5,663.81	5,781.09



	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs.in Lacs)
NOTE 15 : INVENTORIES		
Goods in progress	9.09	33.83
Finished goods	19,310.15	13,410.07
Stock-in-trade (in respect of goods acquired for trading)	3,219.52	3,344.45
Stores and spares*	510.47	510.56
Other stocks	23.25	6.22
Total	23,072.48	17,305.13
*Net of Provision for Obsolescence Rs. 2.50 /- lacs (Previous Year Rs. 2.31 /- lacs)		
NOTE 16 : TRADE RECEIVABLES		
Debts outstanding for a period exceeding six months from the date they are due for payment		
- Secured	-	-
- Unsecured	23.07	13.71
- Doubtful	6.34	5.87
Other Debts		
- Secured	23.51	22.12
- Unsecured	495.06	510.93
- Doubtful	-	-
Less: Provision for Bad and Doubtful Debts	6.34	5.87
TOTAL	541.64	546.76
NOTE 17 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash & Stamps in hand	7.39	8.35
Cheques/Drafts in hand	-	9.19
Balance with Banks in -		
— Current Accounts	761.00	334.64
Other Bank Balances		
Balance with Banks in -		
— Fixed Deposits	32.02	28.03
TOTAL	800.41	380.21
NOTE 18 : SHORT TERM LOAN & ADVANCES		
unsecured		
LOAN & ADVANCES TO RELATED PARTIES		
Subsidiary -(SBEC Stockholding & Investment Ltd.)	937.50	-
-(SBEC Bio Energy Ltd.)	1,033.40	217.45
Promoter Company - SBEC Systems (India) Limite	127.96	127.94
Advance Recoverable In Cash or in Kind or for Value to be received		
Unsecured	679.48	440.71
Doubtful	-	1.50
less ; Provision for doubtful advances	-	1.50
Amount deposited under protest*	41.99	12.47
Taxes recoverable	42.73	-
Balance with Excise/Trade Tax Authorities	157.89	206.16
Share Application Money- Chandil Power Ltd	11.00	11.00
Prepaid Expenses	34.12	58.06
Lease Rent Recoverable -	-	23.40
Security Deposits	-	10.66
TOTAL	3,066.07	1,107.85
*Amount deposited under protest Detail		
U.P. VAT Act	41.99	12.47



	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs.in Lacs)
NOTE 19 : OTHER CURRENT ASSETS		
Tax Deducted At Source	0.89	32.51
TOTAL	0.89	32.51
	For the Year ended 31.03.2012 (Rs. In Lacs)	For the Year ended 31.03.2011 (Rs. In Lacs)
NOTE 20 : REVENUE FROM OPERATIONS		
a) <u>Sale of product</u>		
Sugar	26,663.25	29,844.43
b) <u>Other operating revenue</u>		
Molassses	1,729.53	1,432.52
Bagasse	827.81	958.17
Scrap Sale	75.03	42.42
Sale of Export Entitlement	498.92	-
Less : Excise Duty	1,074.92	1,278.12
TOTAL	28,719.62	30,999.43
NOTE 21 : OTHER INCOME		
Interest Received from bank (Gross)	-	-
Interest Received from Others (Gross)	15.73	41.32
Rent / Lease Rent Received	-	-
Dividend	0.60	0.60
Profit on sale of Investment - (Refer Note. No. 43)	1,837.49	-
Miscellaneous Income	266.35	162.27
Foriegh Exchange fluctuation	0.61	-
Excess Provision / Sundry balances written back	102.65	199.80
TOTAL	2,223.43	403.99
NOTE 22 : COST OF MATERIAL CONSUMED		
Raw Material Consumed	25,340.84	20,713.70
TOTAL	25,340.84	20,713.70
NOTE 23 : PURCHASES OF STOCK IN TRADE		
Sugar Purchased For Trading	6,985.76	8,212.30
TOTAL	6,985.76	8,212.30
NOTE 24 : CHANGE IN INVENTORIES OF STOCKS		
Opening Stock		
Finished Goods	13,410.06	15,125.00
Goods in Process	33.83	222.07
Stock in Trade	3,344.45	-
Closing Stock		
Finished Goods	19,310.15	13,410.06
Goods In Process	9.09	33.83
Stock in Trade	3,219.52	3,344.45
Increase/(Decrease) In Stocks	5,750.42	1,441.27



	For the Year ended 31.03.2012 (Rs. In Lacs)	For the Year ended 31.03.2011 (Rs. In Lacs)
NOTE 25 : MANUFACTURING EXPENSE		
Stores & Spares Consumed (Including Packing Exp.)	1,065.61	1,027.19
Power & Fuel	2.95	11.49
Repair & Maintenance		
- Plant & Machinery	449.53	331.30
- Building	8.75	15.80
- Others	66.35	22.12
Freight & Cartage	11.64	19.26
Material Handling Expenses	13.85	1.10
Other Mfg. Expenses	4.54	5.03
Variation in Excise Duty on Opening and Closing Stock of Finished Goods	145.62	(70.47)
TOTAL	1,768.84	1,362.82

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

				(Rs. In Lacs)
Particulars	Indigenous Value	%age	Imported Value	% age
Raw Materials	25,340.84	100%	-	Nil
Previous Year	20,713.69	100%	-	Nil
Stores & Spares*	1,052.17	98.74%	13.44	1.26%
Previous Year	1,011.76	98.50%	15.43	1.50%

*Excluding spares used for capitalization.

	For the Year ended 31.03.2012 (Rs. In Lacs)	For the Year ended 31.03.2011 (Rs. In Lacs)
NOTE 26 : EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus	775.19	781.51
Company's Contribution To Provident & Other Funds	56.91	53.45
Staff Welfare Expenses	60.75	60.33
Gratuity	23.87	19.85
TOTAL	916.72	915.14

NOTE 27 : FINANCE COST

Interest expenses	1,857.07	1,127.10
Finance Charges	269.69	338.87
Financial Brokerage	71.52	101.05
TOTAL	2,198.28	1,567.02

NOTE 28 : ADMINISTRATION EXPENSES

Auditor's Remuneration *	4.44	3.25
Telephone, Postage & Telegram	12.03	15.31
Legal & Professional Charges	138.93	94.51
Loss on Sale of Fixed Assets	1.58	2.66
Loss on Sale of Stores & Spares	4.42	1.60
Travelling & Conveyance	67.47	87.12



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

	For the Year ended 31.03.2012 (Rs. In Lacs)	For the Year ended 31.03.2011 (Rs. In Lacs)
Rent Including Lease Charges	12.77	14.34
Rates & Taxes	21.14	115.71
Vehicle Expenses	22.18	30.62
Insurance		
Expenses	39.21	28.86
Receipt	<u>(26.95)</u>	<u>(28.10)</u>
Security Guard Expenses	86.00	76.57
Fixed Assets Written Off	0.08	-
Debit Balances Written Off	1.86	5.36
Provision for obsolete store items	0.19	-
Provision for Doubtful Debts	-	4.60
Foreign exchange fluctuation	-	0.11
Bank Charges	25.67	31.74
Wealth Tax	0.30	0.34
Misc. Expenses	42.20	53.44
TOTAL	<u>453.52</u>	<u>538.04</u>
*Auditor's Remuneration Detail		
a) Statutory Audit Fee	2.25	2.25
b) Certification & Reimbursement	2.16	0.88
c) Out of pocket expenses	0.03	0.12
	<u>4.44</u>	<u>3.25</u>

NOTE 29 : SELLING EXPENSES

Commission	136.47	137.66
Rent (Godown)	29.94	12.34
Freight, Clearing & Forwarding	134.65	119.64
Selling Exp. (Export)	-	-
Rebate & Discount	1.51	4.69
TOTAL	<u>302.57</u>	<u>274.33</u>

NOTE 30 : EXCEPTIONAL ITEMS

Prior year's (Interest Allocated to Cost of "Debt Assignment"- (Refer Note No. 34)	-	1,312.21
Differential Cane Price for the Crushing Season 2007-08 - Refer Note No. 33	(1,483.32)	-
TOTAL	<u>(1,483.32)</u>	<u>1,312.21</u>



NOTES ON FINANCIAL STATEMENT:

31. Earning per Share (AS-20)

Particulars	Current Year	Previous Year
Net Profit/(Loss) after tax (Rs. in lacs)	(3516.85)	370.55
Weighted Average number of equity shares outstanding during the year	4,76,53,880	4,76,53,880
Basic Earning per Share (Rs.)	(7.38)	0.78
Diluted Earning per Share (Rs.)	(7.38)	0.78

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

S No	Particulars	As at 31.03.2012	As at 31.03.2011
i)	Corporate Guarantee given to Government of Jharkhand against Soft loan (incl. interest) given to Bihar Sponge Iron Ltd.	5402.47	5002.38
ii)	Outstanding against Guarantee given on behalf of SBEC Bioenergy Ltd.	3320.41	2500.00
iii)	Bond executed in favour of Custom Authorities under EPCG Scheme for differential amount of Custom Duty.	-	475.00
iv)	Duties and Tax liabilities disputed by the Company	1360.26	366.82
v)	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
vi)	Differential liability of sugar cane price for the crushing season 2007-2008 (Refer note no. 33)	-	1483.32

32(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs.132.23 lacs (Previous Year Rs. 415.71 lacs).

33. During the year, Hon'ble Supreme Court has rejected the Special Leave Petition, filed by the company for differential cane price for the crushing season 2007-08 vide its order dated 17th January, 2012.

In compliance with the above order, Company has accounted for Rs. 1483.32 lacs during the year and shown as exceptional items in the Statement of Profit and Loss.

34. During the year 2006-2007, a One Time Settlement (OTS) dated 22nd January, 2007 has been 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. 2810.60 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. 3351.21 lacs to PNB. As per expert legal opinion, during the year interest amounting to Rs. 370.64 lacs (previous year Rs. 1777.83 lacs for the period from 22nd January, 2007 to 31st March, 2011) 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. The company has shown the total amount paid for Debt Assignment and interest thereon of Rs. 5499.68 lacs under the head "Other Non-Current Assets".

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 registrar of the company has registered the modification to the charges in the favour of the company. In view of the above, the said secured debt is now payable by MIL to the company.

35. The management has decided to value stocks of free sugar at cost price in lieu of the average market price for the season 2011-12, in view of continuous increase in market price thereafter.



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

(Rs. in lacs)

Particulars	Current Year	Previous Year
Salary, Allowance & Commission	22.47	42.02
Contribution to Provident fund	2.00	3.39
Reimbursement of Expenses	3.48	6.42
Sub Total	27.95	51.83
Commission on profits	Nil*	Nil*
TOTAL	27.95	51.83

*In view of Loss in the current period, computation of net profit in accordance with Sec. 309(5) read with Sec. 349 of the Companies Act, 1956 has been made. However, on that basis, no commission is payable to the Executive Director.

37. **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.

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:

(Rs. in lacs)

Name of the Companies	Amount outstanding As on 31 st March 2012*	Maximum Balance outstanding during the year
Chandil Power Ltd. – Interested Company	11.00	11.00

* The above outstanding amounts are interest free & repayable on demand.

40. **Related Parties Disclosers (AS-18)**

{A} Name of related parties and description of relationship:

1. **Subsidiaries**

- (i) SBEC Bioenergy Limited.
- (ii) SBEC Stockholding & Investment Limited.*
- (iii) Modi Gourmet Limited.*

2. **Associates** — Nil

3. **Follow Subsidiaries** — Nil

4. **Key Management Personnel**

Mr. Abhishek Modi - Executive Director

Mr. Santosh Chand Gupta- Whole Time Director

5. **Relatives of Key Management Personnel & their Enterprises:**

Mr. Umesh K. Modi, Mrs. Kumkum Modi*, Mr. Jayesh Modi*, Ms. Meghna Modi*, Mrs. Himani Modi Agarwal*, Mr. Priyank Kumar Agarwal*, Mrs Suman Lata Gupta*, Modi Arts Pvt. Ltd.*, Modi Goods and Retail Services Pvt. Ltd.* (formally known as Modi Groceries Pvt. Ltd.), SBEC Systems (India) Ltd.*, Jai Abhishek Investments Pvt. Ltd.*, Kamakhya Cosmetics & Pharmaceuticals Pvt. Ltd.*, Modi Diagnostics Pvt. Ltd.*, Modi Revlon Pvt. Ltd.*, Modi Senator (India) Pvt. Ltd.*, First Move Management Services Pvt. Ltd.*, Revlon Lanka Pvt. Ltd.*, Swasth Investment Pvt. Ltd.*, Umesh Modi Corp. Pvt. Ltd., Modi Omega Pharma (India) Pvt. Ltd.*, Modi Illva India Pvt. Ltd.*, A to Z Holding Pvt.Ltd.*, Longwell Investment Pvt. Ltd., Bihar Sponge Iron Ltd., Modi Mundipharma Pvt. Ltd.*, Modiline Travel Service Pvt. Ltd., Modi Industries Ltd., Morgardshammer India Ltd., Win Medicare Pvt. Ltd., H. M. Tubes & Containers Pvt. Ltd., Modi Motors Pvt. Ltd., M.G. Mobiles India Pvt. Ltd.*, Chandil Power Limited*, Revlon Trading Bangladesh Private Limited*, Meghna Autoworks Private Limited*, Jayesh Tradex Pvt. Ltd. , Arvind Continental Pvt. Ltd.

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

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

Nature of transaction	Referred in A (1) above	Referred in A (2) above	Referred in A (3) above	Referred in A (4) above	Referred in A (5) above
Purchase — Goods and Services	1.25	-	-	-	5851.86
	(2.00)	(-)	(-)	(-)	(7427.78)
Fixed Assets	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.06)
Sales — Goods and Services	2.57	-	-	-	1021.73
	(-)	(-)	(-)	(-)	(6.59)
Expenses — Computer / Printing & Stationery	-	-	-	-	6.87
	(-)	(-)	(-)	(-)	(2.45)
Air Tickets / Vehicle Exp.	-	-	-	-	9.43
	(-)	(-)	(-)	(-)	(16.49)
Courier / Freight Exp.	-	-	-	-	2.02
	(-)	(-)	(-)	(-)	(0.35)
Repair & Maintenance Exp.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.23)
Rent/Telephone/Electricity	-	-	-	-	5.60
	(-)	(-)	(-)	(-)	(2.16)
Interest paid	-	-	-	-	101.19
	(-)	(-)	(-)	(-)	(18.59)
Salary & Wages etc	-	-	-	27.95	-
	(-)	(-)	(-)	(51.83)	(1.19)
Consultancy / Sitting Fee	-	-	-	-	0.07
	(-)	(-)	(-)	(-)	(0.06)
Gifts & other	-	-	-	-	3.61
	(-)	(-)	(-)	(-)	(0.52)
Income					
Consultancy / Sitting Fee Recd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Air Tickets / Vehicle Exp Recd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Gifts & other Recd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1.83)
Computer / Printing & Stationery Recd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Salary & Wages Recd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Interest Received	-	-	-	-	1.00
	(-)	(-)	(-)	(-)	(25.27)
Lease Rent Recd. – Boiler	-	-	-	-	23.40
	(-)	(-)	(-)	(-)	(60.21)
Rent/Telephone/Electricity Recd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Other Income	265.19	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Corporate Guarantees	3320.41#	-	-	-	5402.47
Outstanding as on 31.03.12	(2500.00)#	(-)	(-)	(-)	(5002.38)
Investment — Investment in Shares	-	-	-	-	-
	(250.00)	(-)	(-)	(-)	(-)
Recoverable / Receivable as on 31.03.12					
Lease Rent Receivable	-	-	-	-	-
Year end Balance	-	-	-	-	-
	(-)	(-)	(-)	(-)	(23.40)
Advance Recoverable	-	-	-	-	11.00
	(-)	(-)	(-)	(-)	(11.00)
Finance / Advance Taken as on 31.03.12					
Finance (including Loan)	-	-	-	-	(15.19)
Year end Balance	-	-	-	-	920.36
	-	-	-	-	(490.00)
	-	-	-	-	(835.45)

Guarantee given to SBEC Bioenergy Ltd. Rs. 3208.33/- lacs (Previous year Rs. 2500/- lacs)



41. **Lease (AS-19)**

a) **Finance Lease**

Followings are the details of lease transaction for the year:

The company leased boiler under finance lease for a period of four years.

Future minimum commitments in respect of the finance lease are mentioned below:

Particulars	As at 31.03.2012	As at 31.03.2011
Within one year	-	20.73
One year to five years	-	-

b) **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)**

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 31.03.2012	As at 31.03.2011
Deferred Tax Liability		
Depreciation	955.78	1052.23
Other Deductions	-	-
Sub Total – A	955.78	1052.23
Deferred Tax Assets		
Business Loss / Unabsorbed Dep.*	1203.98	1299.16
Deduction u/s 43B	101.92	103.11
Disallowance 40(A)(7)	22.49	22.57
Sub Total – B	1328.39	1424.84
Net Deferred Tax Assets/(Liability) {B-A}	372.61	372.61

Deferred tax Assets are recognized and carried forward only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In view of continue operating losses the company has not recognized any incremental deferred tax.

*Limited to the extent Deferred Tax Asset recognized during the last year.

43. The company has diluted its investment in one of the Subsidiary company from 100 % to 70% in December, 2011 and further reduced it to 55% in March, 2012. The profit on sale of such investments has been shown in other income.

44. In accordance with the company policy a sum of Rs. 19.69 lacs (previous period Rs.19.69 lacs) including for the year Rs. NIL (previous period Rs. 6.81 lacs) has been shown as MAT Credit entitlement under other non-current assets.

45. During the year company has incurred substantial losses, resulting into substantial erosion of its net worth. The major factors for the loss during the year are

- Additional payment of sugarcane price amounting to Rs. 1483.32 lacs for the season 2007-08 as per order of Hon'ble Supreme Court.
- During the year the company had to supply sugar under levy order of government of India for earlier seasons, which has resulted into short realization (compare to free sugar) as per detail below:

(Rs. In lacs)

For Season	Qty	Short realization
2009-10	31350 Qtls	345.86
2010-11	57432 Qtls	582.11

To enhance the profitability in the crushing season 2012-13, the management has undertaken certain steps including technical improvement in the plant, which is likely to improve the recovery by 1% in comparison to season 2011-12 and reduction in cost of production.



46. Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable):

a) CAPACITY

Class of Goods	Units	Licensed capacity	Installed capacity
Sugarcane Crushing	M.T. per day	No License required (No License required)	8,000 (8,000)

b) PRODUCTION, PURCHASE, TURNOVER & STOCK

(Rs in lacs)

Classes of Goods	Opening Stock Quantity (Qtls.)	Production Quantity (Qtls.)	Quantity (Qtls.)	Sales Value	Quantity (Qtls.)	Closing stock Value
Sugar	4,29,193 (4,79,997)	8,17,630 * (8,08,960)*	6,96,748 (8,59,764)	19,547.04 (24,846.44)	5,50,075 (4,29,193)	18,137.76 (12,592.44)
Molasses(By-product)	2,36,945 (2,70,043)	5,06,135# (4,87,134)#	4,81,468 (5,20,232)	1,729.53 (1,432.52)	2,61,612 (2,36,945)	892.28 (604.94)
		Purchases				
Sugar Trading	1,07,415 (—)	2,10,316 (2,62,718)	2,21,186 (1,55,303)	7,116.21 (4,997.99)	96,545 (1,07,415)	3,219.52 (3,344.45)

*including 340 quintals of BISS. (Previous period 1410 quintals).

including ad-hoc additions of NIL quintals. (Previous period 21,375.05 quintals.)

c) CONSUMPTION OF RAW MATERIALS

	Unit	Quantity	Value (Rs in Lacs)
Sugar Cane	Quintals	99,35,477 (93,60,168)	25,340.84 (20,713.69)

d) EXPENDITURE IN FOREIGN CURRENCY (On accrual basis)

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Foreign Travelling	3.41	17.65
Professional & Consultation Fee	2.61	—

e) CIF VALUE OF IMPORTS

Value of imports	16.26	16.24
------------------	-------	-------

47. EMPLOYEE BENEFITS (AS-15)

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

a) Defined Contribution Plan

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

(Rs. in lacs)

Employer's contribution to Provident Fund	56.91
Previous Period	(53.45)

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)

Particular	Gratuity (Unfunded) For the year ended 31.03.2012	Gratuity (Unfunded) For the period ended 31.03.2011	Gratuity (Unfunded) For the period ended 31.03.2010	Gratuity (Unfunded) For the period ended 30.06.2009	Leave Encashment (Unfunded) For the year ended 31.03.2012	Leave Encashment (Unfunded) For the Period ended 31.03.2011	Leave Encashment (Unfunded) for the period ended 31.03.2010	Leave Encashment (Unfunded) for the period ended 30.06.2009
Defined Benefit obligation at the beginning of the period.	73.06	57.08	59.30	40.60	11.49	9.51	23.78	19.68
Past Service Cost	-	5.91	-	-	-	-	-	-
Current Service Cost.	13.81	11.78	8.33	14.00	2.09	2.27	1.75	8.12
Interest Cost.	6.21	4.57	3.34	3.55	0.98	0.76	1.34	1.72
Actuarial (gain)/loss	3.85	(2.41)	(9.46)	11.10	(1.38)	(1.04)	(14.15)	(0.42)
Benefits Paid	(4.74)	(3.87)	(4.42)	(9.95)	(0.19)	-	(3.21)	(5.33)
Settlement cost	-	-	-	-	-	-	-	-
Defined Benefit obligation at the end of the period	92.19	73.06	57.08	59.30	12.99	11.49	9.51	23.78

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

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

3. Reconciliation of amount recognized in Balance Sheet

Fair Value of Plan Assets as at 31 st March , 2012	-	-	-	-	-	-	-	-
Present value of obligation as at 31st March , 2012	92.19	73.06	57.08	59.30	12.99	11.49	9.51	23.78
Net asset/(liability) recognized in the Balance Sheet	(92.19)	(73.06)	(57.08)	(59.30)	(32.13)^	(34.78)^	(35.56)^	(23.78)

^ It includes company grade employees' freeze liability in books amounting to Rs. 19.14 lacs (Previous year - 2011 - Rs.s 23.29 Lacs, 2010 - Rs. 26.05 lacs).

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

Current Service Cost	13.81	11.78	8.33	14.00	2.09	2.27	1.75	8.12
Past Service Cost	—	5.91	—	—	—	—	—	—
Interest Cost	6.21	4.57	3.34	3.55	0.98	0.76	1.34	1.72
Expected return on plan assets	—	—	—	—	—	—	—	—
Net Actuarial (gain)/loss recognized during the period	3.85	(2.41)	(9.46)	11.10	(1.38)	(1.04)	(14.15)	(0.42)
Expenses recognized in the statement of Profit & Loss	23.87	19.85	2.20	28.65	(0.31)#	1.56#	(11.06)#	9.42

It excludes the expense in relation to company grade employees' amounting to Rs. 2.00 lacs (Previous Period Rs. 0.43 lacs).



5. Actual Return on Plan Assets

(Rs. in lacs)

Particular	Gratuity (Unfunded) For the year ended 31.03.2012	Gratuity (Unfunded) For the period ended 31.03.2011	Gratuity (Unfunded) For the period ended 31.03.2010	Gratuity (Unfunded) For the period ended 30.06.2009	Leave Encashment (Unfunded) For the year ended 31.03.2012	Leave Encashment (Unfunded) For the Period ended 31.03.2011	Leave Encashment (Unfunded) for the period ended 31.03.2010	Leave Encashment (Unfunded) for the period ended 30.06.2009
Expected Return on Plan Assets	-	-	-	-	-	-	-	-
Actuarial (gain)/loss	-	-	-	-	-	-	-	-
Actual return on plan assets	-	-	-	-	-	-	-	-

6. Principal Actuarial Assumptions

Mortality Table (LIC)	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified
Discount rate as at 31st March, 2012	8.50%	8.00%	7.50%	7.00%	8.50%	8.00%	7.50%	7.00%
Future Salary Increase	6.00%	5.50%	5.00%	4.50%	6.00%	5.50%	5.00%	4.50%
Expected rate of return on plan assets	-	-	-	-	-	-	-	-
Retirement Age	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years
Withdrawal RatesAge	Withdrawal	Withdrawal	Withdrawal	Withdrawal	Withdrawal	Withdrawal	Withdrawal	Withdrawal
Upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

Actuarial valuation for period ended 31st March, 2012 and 31st March, 2011 pertain to only Seasonal Wage-board grade employees, therefore there is difference in expense recognized in P&L statement and amount as mentioned in Actuarial certificate. However the expenses have been provided on Accrual Basis.

48. Previous year figures have been regrouped/ rearranged wherever considered necessary.

Previous year figures are given in brackets, wherever applicable.

SIGNED FOR IDENTIFICATION NOTE 1 to 48

For & on behalf of

DOOGAR & ASSOCIATES

Chartered Accountants

Firm Regn. No. : 000561N

Umesh K. Modi
(Chairman & President)
DIN No. 00002757

Abhishek Modi
(Executive Director)
DIN No. 00002798

G.C. Jain
(Director)
DIN No. 00002696

Man Mohan
(Director)
DIN No. 00207036

Mukesh Goyal
Mg. Partner
Membership No. : 081810

N.P. Bansal
(Director)
DIN No. 00010587

Santosh C. Gupta
(Whole Time Director - Works)
DIN No. 00012413

S.S. Agarwal
Vice President (Commercial)

Place : New Delhi
Date : 12th November, 2012

Arun Kumar Gupta
(Chief Financial Officer)

Ajay PS Saini
(Company Secretary)

**REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF SBEC SUGAR LTD.**

1. We have audited the attached Consolidated Balance Sheet of SBEC Sugar Limited and its subsidiaries as at 31st March, 2012, the Consolidated Statement of Profit and Loss for the period ended on that date annexed thereto, and the Consolidated Cash Flow Statements for the period ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with audit standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of these subsidiaries. The financial statements of SBEC Bio-energy Limited reflect total assets of Rs.9363.30 lacs as at 31st March, 2012 and total revenues of Rs.1348.17 lacs for the period ended on that date. The financial statements of SBEC Stockholding and Investment Limited reflect total assets of Rs.1391.12 lacs as at 31st March, 2012 and total revenues of Rs. 0.75 lacs for the period ended on that date. The financial statements of Modi Gourmet Limited reflect total assets of Rs. 0.87 lacs as at 31st March, 2012 and total revenues of Rs. nil for the period ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS)-21, 'Consolidated Financial Statements', referred to in the Companies (Accounting Standard) Rules, 2006 issued by the Central Government in exercise with the power conferred under sub-section (1)(a) of section 642 of the Companies Act, 1956 and on the basis of the separate audited financial statements of SBEC Sugar Limited and its subsidiaries included in the consolidated financial statements.
5. In our opinion and to the best of our information and according to the explanations given to us, *subject to*
 - i) *Levy stock liability is to be accounted for as defined in Govt. of India notification no F.No. 5-5(Legal-21)/2009-SCII dated 30th November, 2010. The Company has decided to account for levy orders at the time of actual dispatches, which was hitherto being valued as per the orders pending for execution. The above treatment is not in line with the fundamental accounting assumptions of "Consistency" and "Accrual" as defined in AS-1 "Disclosure of Accounting Policies". Levy stock if determined for the pending and/or expected levy orders, the company would be required to make provision of Rs. 1867.15 Lacs being the differential between the lower of 'current cost or market price' and levy price,*
 - ii) *Inventory has been stated at its cost, which is in excess of its net realisable value. Management's computation, which we have reviewed, shows that inventory, if valued at the lower of cost and net realisable value as required by Accounting Standard (AS) 2, "Valuation of Inventories" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006, would have been lower by Rs. 774.89 Lacs .*
 - iii) *Non provision of liability for Rs 321.15 Lacs regarding differential amount of custom duty under EPCG Scheme as per the final order of Supreme court of India dated 07th February, 2011.*
Had the impact as per (i),(ii) and (iii) above being taken in the financial results, the loss for the year would have increased by an even amount & its consequential effect on other accounts & EPS.
6. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of SBEC Sugar Limited and its subsidiaries, these consolidated financial statements read with the Schedules and Notes thereon,
In our opinion, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of SBEC Sugar Limited and its subsidiaries as at 31st March, 2012;
 - ii) in the case of the Consolidated Statement of Profit & Loss , of the Consolidated results of operations of SBEC Sugar Limited and its subsidiaries for the period ended on that date; and
 - iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of SBEC Sugar Limited and its subsidiaries for the period ended on that date.

For and on behalf of
DOOGAR AND ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. : 000561N

(MUKESH GOYAL)

Mg. Partner
M.No. 081810

Place : New Delhi
Date : 12th November, 2012



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	NOTE NO.	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs. in Lacs)
I. EQUITY AND LIABILITY			
Shareholders' Funds			
(a) Share Capital	2	4,769.40	4,769.40
(b) Reserves and Surplus	3	(2,404.55)	2,129.90
		<u>2,364.85</u>	<u>6,899.30</u>
Minority Interest		2,175.31	—
Non-current Liabilities			
(a) Long-term Borrowings	4	3,127.44	2,991.07
(b) Other Long Term Liabilities	5	86.98	41.50
(c) Long-term Provisions	6	114.12	102.06
		<u>3,328.54</u>	<u>3,134.63</u>
Current Liabilities			
(a) Short-term Borrowings	7	20,420.84	12,796.30
(b) Trade Payables	8	15,737.64	11,783.87
(c) Other Current Liabilities	9	5,087.99	5,270.02
(d) Short-term Provisions	10	51.37	41.23
		<u>41,297.84</u>	<u>29,891.42</u>
TOTAL		<u>49,166.54</u>	<u>39,925.35</u>
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	7,298.30	6,743.96
(ii) Intangible Assets	11	1.90	2.41
(iii) Capital Work in Progress	11 A	985.72	329.02
		<u>8,285.92</u>	<u>7,075.39</u>
(b) Non-Current Investment	12	1,393.34	456.51
(c) Deferred Tax Assets (net)		551.44	631.75
(d) Long-term Loans & Advances	13	145.54	266.41
(e) Other Non-Current Assets	14	7,928.26	8,065.08
		<u>18,304.50</u>	<u>16,495.14</u>
Current Assets			
(a) Inventories	15	23,361.03	17,572.27
(b) Trade Receivables	16	1,300.59	696.42
(c) Cash & Bank Balances	17	812.19	392.36
(d) Short-term Loans & Advances	18	5,332.46	4,680.96
(e) Other Current Assets	19	55.77	88.20
		<u>30,862.04</u>	<u>23,430.21</u>
		<u>49,166.54</u>	<u>39,925.35</u>

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

In terms of our report of even date attached

For & on behalf of

DOOGAR & ASSOCIATES

Chartered Accountants
Firm Regn. No. : 000561N

Umesh K. Modi
(Chairman & President)
DIN No. 00002757

Abhishek Modi
(Executive Director)
DIN No. 00002798

G.C. Jain
(Director)
DIN No. 00002696

Man Mohan
(Director)
DIN No. 00207036

Mukesh Goyal
Mg. Partner
Membership No. : 081810

N.P. Bansal
(Director)
DIN No. 00010587

Santosh C. Gupta
(Whole Time Director-Works)
DIN No. 00012413

S.S. Agarwal
Vice President (Commercial)

Place : New Delhi
Date : 12th November, 2012

Arun Kumar Gupta
(Chief Financial Officer)

Ajay PS Saini
(Company Secretary)



CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	NOTE NO.	For the Year ended 31.03.2012 (Rs. in Lacs)	For the year ended 31.03.2011 (Rs. in Lacs)
I Revenue From Operations	20	29,682.59	31,930.80
II Other Income	21	2,608.91	605.92
III Total Revenue (I + II)		32,291.50	32,536.72
IV Expenses			
Cost of Material Consumed	22	25,340.84	20,713.70
Purchases of Stock-in-Trade	23	6,985.76	8,212.30
Change in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	24	(5,741.66)	(1,438.97)
Manufacturing Expense	25	1,976.86	1,608.89
Employee Benefit Expense	26	1,100.73	1,060.79
Finance Cost	27	2,680.49	1,891.08
Depreciation & Amortisation Expense	11	843.21	737.29
Administration Expenses	28	573.01	651.79
Selling Expense	29	302.57	274.34
Prior Period Items		11.68	8.77
Total Expenses		34,073.49	33,719.98
V Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)		(1,781.99)	(1,183.26)
VI Exceptional Items	30	(1,483.32)	1,312.21
VII Profit / (Loss) before extraordinary items and tax (V- VI)		(3,265.31)	128.95
VIII Extraordinary Items		-	-
IX Profit before tax (VII - VIII)		(3,265.31)	128.95
X Tax expense :			
(1) Current tax			
Provision for Income Tax		48.52	18.18
MAT		-	6.81
Less: MAT Credit Entitlement		-	(6.81)
(2) Deferred tax		80.32	(284.90)
(3) Taxes for earlier year		-	-
Excess provision of Tax Written Back		-	(2.21)
MAT		-	13.27
Less: MAT Credit Entitlement		-	(12.88)
XI Profit/(Loss) for the period from continuing operations (IX - X)		(3,394.15)	397.49
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax Expense of discontinuing operations		-	-
XIV Profit/(Loss) from discontinuing operations after tax and before Minority Interest (XII - XIII)		-	-
XV Minority Interest		1,140.31	-
XVI Profit/(Loss) for the period (XI + XIV - XV)		(4,534.46)	397.49
EARNING PER SHARE (BASIC) (in Rs.)	31	(9.51)	0.83
EARNING PER SHARE (DILUTED) (in Rs.)	31	(9.51)	0.83

In terms of our report of even date attached

For & on behalf of

DOOGAR & ASSOCIATES

Chartered Accountants
Firm Regn. No. : 000561N

Mukesh Goyal
Mg. Partner
Membership No. : 081810

Umesh K. Modi
(Chairman & President)
DIN No. 00002757

N.P. Bansal
(Director)
DIN No. 00010587

Abhishek Modi
(Executive Director)
DIN No. 00002798

Santosh C. Gupta
(Whole Time Director-Works)
DIN No. 00012413

Arun Kumar Gupta
(Chief Financial Officer)

G.C. Jain
(Director)
DIN No. 00002696

Man Mohan
(Director)
DIN No.00207036

S.S. Agarwal
Vice President (Commercial)

Ajay PS Saini
(Company Secretary)

Place : New Delhi
Date : 12th November, 2012



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Current Year (Rs. in Lacs)	Pervious Year (Rs. in Lacs)
A) Cash Flow from Operating Activities		
Profit / (Loss) Before Tax as per Profit and Loss Account	(3,265.31)	128.95
Adjustments For :		
Interest Expenses	2,680.32	1,405.06
Interest Income	(399.68)	(1,554.36)
Dividend Income	(1.20)	(0.60)
Debit Balances Written Off	3.05	7.63
Loss on Sale of Stores & Spares	4.42	1.60
Loss on sale of Fixed Assets	1.58	2.66
Assets written off	0.08	-
Provision for Obsolete Store Items	0.52	-
Provision for Doubtful Advances	-	4.60
Wealth tax	0.30	0.34
Depreciation	843.22	737.29
Deferred Revenue Expenditure	20.13	20.70
Profit on sale of Investment	(1,837.49)	-
Unclaimed credit balances written back	(102.68)	(200.75)
Operating Profit before Working Capital Changes	(2,052.75)	553.12
Adjustments For :		
Trade and Other Receivables	(2,572.22)	(5,110.91)
Inventories	(5,793.69)	(1,397.41)
Trade Payables	3,530.16	(2,579.00)
Cash generated from Operating Activities	(6,888.50)	(8,534.20)
Direct Taxes (Paid)/Refund	(44.88)	(46.13)
Net Cash Flow from Operating Activities	(6,933.38)	(8,580.33)
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,256.59)	(953.30)
Capital Work in Progress	(800.32)	(61.09)
Proceeds from sale of Fixed Assets	1.50	4.76
Sale/(Purchase) of Investments	1,935.66	(650.00)
Dividend Income	1.20	0.60
Interest Received	284.48	1,554.36
Short Term loan to related parties	(59.00)	-
Net Cash Flow from Investing Activities	106.93	(104.67)
C) Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (Net)	948.87	7,300.29
Proceeds from Short Term Borrowings (Net)	8,878.89	2,782.51
Net Interest (Paid)	(2,585.69)	(1,405.06)
Net Cash Flow from Financing Activities	7,242.07	8,677.74
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	415.62	(7.26)
Cash and Cash Equivalents as on 1st April 2011 (Opening Balance)	361.34	368.60
Cash and Cash Equivalents as on 31st March 2012 (Closing Balance)	776.96	361.34
Net Increase as disclosed above	415.62	(7.26)
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	7.44	8.40
Cheques/ Drafts in Hand	-	9.19
Balances with Banks	769.52	343.75
TOTAL	776.96	361.34

For & on behalf of

DOOGAR & ASSOCIATESChartered Accountants
Firm Regn. No. : 000561NUmesh K. Modi
(Chairman & President)
DIN No. 00002757Abhishek Modi
(Executive Director)
DIN No. 00002798G.C. Jain
(Director)
DIN No. 00002696Man Mohan
(Director)
DIN No.00207036Mukesh Goyal
Mg. Partner
Membership No. : 081810N.P. Bansal
(Director)
DIN No. 00010587Santosh C. Gupta
(Whole Time Director Works)
DIN No. 00012413S.S. Agarwal
Vice President (Commercial)Place : New Delhi
Date : 12th November, 2012Arun Kuma Gupta
(Chief Financial Officer)Ajay PS Saini
(Company Secretary)

**NOTES TO FINANCIAL STATEMENT****1. SIGNIFICANT ACCOUNTING POLICIES:****i. Basis of Accounting**

The financial statements of "SBEC Bioenergy Limited.", "Modi Gourmet Limited" & "SBEC Stockholding & Investments Limited" used in the consolidation are drawn for a period of Twelve months ended on 31st March, 2012 (hereinafter referred to as "the subsidiary companies").

The accompanying financial statements are prepared in accordance with generally accepted accounting principles in India ("GAAP"), under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the companies (Accounting Standard) Rule 2006, and the Provisions of the Companies Act 1956, as adopted consistently by the Company.

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

ii. Presentation and Disclosure of Financial Statements

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of these financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

iii. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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 reported amounts of revenues and expenses for the year. Examples of such estimates include provisions of future obligation under employee retirement benefit plans, the useful lives of fixed assets and intangible assets etc. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods

iv. 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 31.03.2012
SBEC Bioenergy Limited.	India	55
SBEC Stockholding & Investment Limited.	India	100
Modi Gourmet Limited.	India	100

v. Recognition of Revenues & Expenses

In case of Holding Company:

- 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.
- 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.
- Dividends income is recognized when the shareholders right to receive payment was established by the balance sheet date.



In 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.

vi. 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 lower of cost or net realizable value.
- c) Raw material - at lower of cost or net realizable value.
- 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.

vii. 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.

viii. Borrowing Costs

Borrowing costs attributable to the acquisition and/or construction of qualifying assets are capitalized as a part of the cost of such assets, upto the date when such assets are ready for their intended use. Other borrowing costs are charged to Statement of Profit and Loss.

ix. 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 being depreciated at the rate of 100 % in the year of addition.
- d) Other assets are being depreciated on the straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- 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 case of SBEC Bioenergy Limited, extra shift depreciation is charged in respect of plant & machinery, excluding items on which no extra shift depreciation is applicable as per Schedule XIV to the Companies Act, 1956, at the rate of 5.59% on actual number of days worked in triple shift in proportion to the normal working days, which are 147 for the Company.

x. Investments

Long - term investments are stated at cost of acquisition. Provision for diminution in the value is made only if the decline is other than temporary.

**xi. 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

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

xii. Employee Benefits

- (a) Short Term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.
- (b) Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses of the post employment and other long term benefits are charged to the Statement of Profit & Loss of the year.

In case of SBEC Bioenergy Limited:

Provident fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the Contributions to the Government fund is due.

xiii. 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.

Preliminary Expenses are amortized over a period of five years from the start of commercial production.

Public Issue Expenses and Deferred Revenue Expenditure (representing the expenditure incurred during the pre-operative period and not relating to acquisition/construction of fixed assets) are amortized over a period of five years from the start of commercial production.

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.

xiv. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indications exist, the recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

xv. Tax on Income

- i) Current corporate tax is provided on the results for the year after considering applicable tax rates and laws.
- ii) Deferred tax is provided on timing differences between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets and liabilities are measured using the enacted / substantively enacted tax rates and laws for continuing operations.

Deferred tax assets in the event of unabsorbed depreciation and carry forward losses under tax laws, that exceed the deferred tax liability, are recognized only where there is virtual certainty of realization.



Deferred tax assets on other accounts are recognized only to the extent there is reasonable certainty of realization.

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

xvi. 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.

xvii. 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.

xviii. 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.

xix. Provisions and Contingent Liabilities

Provisions are recognized by present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount can not be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non- occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

xx. 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 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs.in Lacs)
NOTE 2 : SHARE CAPITAL		
<u>AUTHORISED CAPITAL</u>		
55,000,000 Equity Shares of Rs. 10/- each	<u>5,500.00</u>	<u>5,500.00</u>
<u>ISSUED & SUBSCRIBED CAPITAL :</u>		
47,814,430 (Previous Year 47,814,430) Equity Shares of Rs. 10/- each	<u>4,781.44</u>	<u>4,781.44</u>
<u>PAID UP :</u>		
47,653,880 Equity Shares of Rs. 10/- each (Previous year 47,653,880 Equity Shares)	<u>4,765.39</u>	<u>4,765.39</u>
Share Forfeiture Account	<u>4.01</u>	<u>4.01</u>
TOTAL	<u>4,769.40</u>	<u>4,769.40</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 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 31.03.2012		As at 31.03.2011	
	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%	15,538,800	32.61%
2 M/s Followell Engineering Ltd.	6,000,000	12.59%	6,000,000	12.59%
3 M/s Moderate Leasing & Capital Services Ltd	4,215,289	8.85%	NIL	NIL
4 M/s A to Z Holding Pvt. Ltd.	3,128,400	6.56%	3,128,400	6.56%
5 M/s Longwell Investments Pvt. Ltd.	2,721,500	5.71%	2,721,500	5.71%
6 M/s Kumabhi Investments Pvt. Ltd.	2,387,050	5.01%	2,387,050	5.01%

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

	2011-12		2010-11	
	No. of shares	(Rs.in lacs)	No. of shares	(Rs.in lacs)
Equity Shares				
At the beginning of the year	47,653,880	4,765.39	47,653,880	4,765.39
Add: Shares Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	47,653,880	4,765.39	47,653,880	4,765.39



	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs.in Lacs)
NOTE 3 : RESERVES & SURPLUS		
Surplus / (Deficit)		
Opening	2,054.02	1,664.33
Balance in Statement of Profit & Loss	(4,534.45)	397.49
Less: Transfer to Reserves	7.22	7.80
Closing	<u>(2,487.65)</u>	<u>2,054.02</u>
Capital Reserve		
Opening	49.17	49.17
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
Closing	<u>49.17</u>	<u>49.17</u>
Other Reserve- Molasses Storage Fund		
Opening	26.71	18.91
Add: Additions during the year	7.22	7.80
Less: Deductions during the year	-	-
Closing	<u>33.93</u>	<u>26.71</u>
TOTAL	<u>(2,404.55)</u>	<u>2,129.90</u>

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

a) Term Loan from SREI Infrastructure Finance Ltd.	2,041.67	1,916.66
b) Vehicle Loans	20.61	14.76
c) Hire Purchase - First Leasing Co. of India Ltd.	414.13	360.08
d) Excise Loan from The Shamrao Vithal Co-operative Bank Ltd.	-	184.85
SUB-TOTAL (A)	<u>2,476.41</u>	<u>2,476.35</u>

B. Unsecured Loans

a) Fixed Deposits from Public	147.25	17.50
b) Deposits from Selling agents	503.78	497.22
SUB-TOTAL (B)	<u>651.03</u>	<u>514.72</u>
TOTAL (A+B)	<u>3,127.44</u>	<u>2,991.07</u>

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

(Rs. In lacs)

Lending Institution	Outstanding As at 31.03.2012	2012-13	2013-14	2014-15	2015-16	2016-17
SREI Infrastructure Finance Ltd.	3208.33	1166.67	874.99	874.99	291.68	-
HDFC Bank Ltd.	9.50	7.40	1.28	0.82	-	-
Kotak Mahindra Prime Ltd.	19.48	6.90	7.02	3.38	1.60	0.58
ICICI Bank Ltd.	7.51	1.58	1.77	1.97	2.19	-
First Leasing Company of India Ltd.	612.40	198.27	190.53	146.18	77.42	-
Total	3857.22	1380.82	1075.59	1027.34	372.89	0.58

- Term loan from SREI Infrastructure Finance Ltd. (secured by first Pari-passu charge and / or mortgage account for realisation of payment of sale of Electricity to UPPCL and all present and future Fixed Assets of the Company along with Srei Infrastructure
Repayable in 24 equal installments (from December to May every year, beginning from December 2011) carrying on interest rate at SREI benchmark rate subject to minimum interest rate of 16% payable at monthly in arrear. Principal & interest amounting to Rs. 381.48 lacs due but not paid.
- Amounts payable against vehicle loans are secured against the hypothecation of specific assets acquired.
- Excise Loan from The Shamrao Vittal Co-operative Bank Ltd. was secured by residual charge on Fixed Assets, since adjusted.
- Vehicle loan from HDFC Bank Ltd., Kotak Mahindra Prime Ltd., and ICICI Bank Ltd. carry interest @ 10.00-12.00% and Hire Purchase 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.



	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs. in Lacs)
NOTE 5 : OTHER LONG-TERM LIABILITIES		
Security Deposit Received	16.46	15.66
Retention Money	<u>70.52</u>	<u>25.83</u>
Total	<u>86.98</u>	<u>41.50</u>

NOTE 6 : LONG-TERM PROVISIONS

Provision for Employee Benefits :		
For Leave Encashment	28.31	33.55
For Gratuity	<u>85.81</u>	<u>68.51</u>
Total	<u>114.12</u>	<u>102.06</u>

NOTE 7 : SHORT-TERM BORROWINGS

A Secured Borrowings

a) Term loan from Bank- Short Term Loan from The Shamrao Vithal Co-operative Bank Ltd.	700.00	-
b) Pledge Account with The U.P. Co-operative Bank Ltd.	13,221.16	-
c) Pledge Account with The Shamrao Vithal Co-Operative Bank Ltd	2,333.77	2,400.26
d) Pledge Account with IDBI Bank Ltd	-	4,548.70
e) Pledge Account with Axis Bank Ltd.	-	1,308.22
SUB-TOTAL (A)	<u>16,254.93</u>	<u>8,257.18</u>

B Unsecured Loans

a) Inter Corporate Deposits	4,120.91	4,539.12
b) Deposit From Others	45.00	-
SUB-TOTAL (B)	<u>4,165.91</u>	<u>4,539.12</u>
Grand Total (A+B)	<u>20,420.84</u>	<u>12,796.30</u>

- 1 Pledge A/c with The U.P. Co-operative Bank Ltd., The Shamrao Vithal Bank, . is secured by the pledge of stocks of sugar.
- 2 Secured Borrowings mention on (a to e) of 'A' above are further secured by personal gurantee of two Directors of the Company.
- 3 Short Term Loan from The Shamrao Vittal Co-operative Bank Ltd. is secured by residual charge on Fixed Assets.
- 4 Pledge A/c with IDBI Bank Ltd & AXIS Bank Ltd was secured by the pledge of sugar, since repaid.

NOTE 8 : TRADE PAYABLES

Sundry Creditors		
- For Sugarcane (including expenses related to Cane)	11,171.88	8,242.68
- Small Scale Industries	-	4.78
Others	<u>4,565.76</u>	<u>3,536.41</u>
TOTAL	<u>15,737.64</u>	<u>11,783.87</u>

- 1 Sundry Creditors for goods and expenses include dues to Small Scale Industrial Undertakings aggregating to Rs. NIL (previous period Rs. 4.78 lacs).
- 2 Followings are the relevant disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006:
 - a) Sundry creditors include a sum aggregating Nil, due to Micro and Small Enterprises.
 - b) The amount of interest paid by the Company in terms of Section 16, along with the amount of payments made to the Micro and Small Enterprise beyond the appointed date during the year - Nil
 - c) The amount of interest due and payable For the Year of delay in making payment which have been paid but beyond the appointed day during the year but without adding the interest specified under this Act. - Nil.
 - d) The amount of interest accrued and remaining unpaid - Nil.
 - e) Amount of further interest remaining due and payable even in succeeding years – Nil

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

**NOTE 9 : OTHER CURRENT LIABILITIES**

	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs.in Lacs)
Current maturity of long term loans		
SREI Infrastructure Finance Ltd.	1,166.67	583.33
Fixed Deposits from Public	811.50	947.25
Excise Loan from The Shamrao Vithal Co-operative Bank Ltd.	184.85	892.77
Hire Purchase - First Leasing Co. of India Ltd.	198.27	21.31
Vehicle Loans	15.88	15.89
Statutory Dues	324.34	331.39
Interest accrued but not due on borrowings	37.21	20.37
Interest accrued and due on borrowings	372.67	424.96
Bills Payable Acceptance	1,766.38	1,823.02
Advance Against Sales	0.21	0.21
Security Deposit Received	0.45	18.95
Employees Related dues	159.34	156.20
Retention Money	12.90	12.19
Other liabilities *	37.32	22.18
TOTAL	5,087.99	5,270.02

* Other liabilities includes liabilities to other related parties amounting to Rs. 9.12lacs /- (Previous Year Rs. Nil lacs)

NOTE 10 : SHORT-TERM PROVISIONS

Provision for Employee Benefits		
For Leave Encashment	12.04	9.48
For Gratuity	28.88	24.20
Others:		
For Wealth Tax	0.30	0.74
For Income Tax	10.15	6.81
Total	51.37	41.23

NOTE 11 : FIXED ASSETS

	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
DESCRIPTION	As at 01.04.2011	Addition During the Year	Adjustments	As at 31.03.2012	Upto 31.03.2011	Provided During the Year	Adjus- tments	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
A. TANGIBLE ASSETS										
LAND- FREE HOLD	46.15	—	—	46.15	—	—	—	—	46.15	46.15
LAND- LEASE HOLD	56.43	—	—	56.43	7.73	0.64	—	8.37	48.06	48.70
LEASE HOLD IMPROVEMENT	0.85	—	—	0.85	0.85	—	—	0.85	—	—
FACTORY BUILDING & TRANSIT HOUSE	1,402.27	28.94	—	1,431.21	361.87	36.23	—	398.10	1,033.11	1,040.40
PLANT & MACHINERY	13,858.21	1,324.96	—	15,183.17	8,605.10	739.34	—	9,344.44	5,838.73	5,253.11
OFFICE EQUIPMENT	28.76	1.58	0.14	30.20	12.26	1.58	0.06	13.78	16.43	16.50
OTHER EQUIPMENT	1.45	—	—	1.45	0.66	0.07	—	0.73	0.72	0.79
COMPUTER EQUIPMENT	64.50	13.90	—	78.40	49.58	5.92	—	55.50	22.89	14.92
FURNITURE & FIXTURES	69.06	0.81	—	69.87	37.77	3.70	—	41.47	28.40	31.29
MOTOR VEHICLES	150.15	29.46	7.74	171.87	50.99	16.06	4.66	62.39	109.48	99.16
FACTORY APPROACH ROAD	244.32	—	—	244.32	51.38	38.61	—	89.99	154.33	192.94
TOTAL (A)	15,922.15	1,399.65	7.88	17,313.92	9,178.19	842.15	4.72	10,015.62	7,298.30	6,743.96
Previous Period	15,156.84	783.67	18.36	15,922.15	8,453.67	736.45	10.93	9,178.19	6,743.96	—
B. INTANGIBLE ASSETS										
COMPUTER SOFTWARE	17.27	0.55	—	17.82	14.86	1.06	—	15.92	1.90	2.41
TOTAL (B)	17.27	0.55	—	17.82	14.86	1.06	—	15.92	1.90	2.41
Previous Period	15.91	1.36	—	17.27	13.02	1.84	—	14.86	2.41	—
TOTAL (A+B)	15,939.42	1,400.20	7.88	17,331.74	9,193.05	843.21	4.72	10,031.54	7,300.20	6,746.37
Previous Period	15,172.75	785.03	18.36	15,939.42	8,466.69	737.29	10.93	9,193.05	6,746.37	—

- Notes :**
- 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.
 - Additions includes:
 - Interest capitalised Rs 164.30 /- lacs (Previous Period Rs 30.73 /- lacs)
 - Preoperative Expense Rs Nil (Previous Period Rs Nil)



	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs. in Lacs)
--	--------------------------------------	--------------------------------------

NOTE 11 A : CAPITAL WORK IN PROGRESS

Tangible Assets	985.72	329.02
Intangible Assets	-	-
	<u>985.72</u>	<u>329.02</u>

1 Capital Work in Progress for New Projects represent, expenses incurred by the company on conducting feasibility studies on various projects. The final decision on implementation of these projects is under active consideration of the management.

2 Capital Work in Progress includes :-

a) For Existing Operation	72.66	51.94
b) For New Projects	913.06	277.08
	<u>985.72</u>	<u>329.02</u>

NOTE 12 : NON-CURRENT INVESTMENT

Unquoted, Trade Investment

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)	10.00	10.00
Share Transfer Stamp Fee	0.83	1.50
Sub Total (a)	<u>10.83</u>	<u>11.50</u>

Other Investments:

4,50,000 Equity Shares of Rs.10/- each of Modi Illva India Pvt. Ltd. (Previous Year - 4,50,000 Equity shares of Rs. 10/- each)	45.00	45.00
100 Equity Shares of Rs. 10/- each of Chandil Power Ltd. - Share application Money (Previous Year 100 Equity shares of Rs. 10/- each)	0.01	0.01
13,35,000 Non Transferable compulsory Convertible Unsecured zero % debenture of Modi Illva India Pvt. Ltd. Rs. 100/- each (Previous Year 4,00,000/-each)	1,337.50	400.00

Sub Total (b)	<u>1,382.51</u>	<u>445.01</u>
TOTAL (a+b)	<u>1,393.34</u>	<u>456.51</u>

Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments	1,393.34	456.51
Aggregate provision for diminution in value of investments	-	-

NOTE 13 : LONG-TERM LOANS AND ADVANCES

Unsecured, Considered good

Security Deposits	4.07	4.59
Intercompany Deposit	-	-
Capital Advances	141.47	261.82
Total	<u>145.54</u>	<u>266.41</u>

NOTE 14 : OTHER NON-CURRENT ASSETS

Debt Assignment Recoverable-PNB - (Refer Note No. 34 (a))	5,499.68	5,129.04
Debt Assignment Recoverable- (IFCI and IDBI) (Refer Note No. 34 (b))	2,185.98	2,185.98
MAT Recoverable	19.69	19.69
Other Receivable - SREI Infrastructure Finance Ltd.	26.29	26.29
Deferred Revenue Expenditure	52.18	71.73
Margin Money with Others	35.00	51.00

Other Bank Balances

Balance with Scheduled Banks in -		
— Fixed Deposits	44.44	41.35
— Fixed Deposits Pledge with Banks	-	475.00
— Margin Money with Banks	65.00	65.00
Total	<u>7,928.26</u>	<u>8,065.08</u>



	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs.in Lacs)
NOTE 15 : INVENTORIES		
Goods in progress	9.09	33.83
Finished goods	19,326.61	13,435.28
Stock-in-trade (in respect of goods acquired for trading)	3,219.52	3,344.45
Stores and spares*	782.55	752.48
Other stocks	23.26	6.23
Total	23,361.03	17,572.27
*Net of Provision for Obsolescence Rs. 2.50 /- lacs (Previous Year Rs. 2.31 /- lacs)		
NOTE 16 : TRADE RECEIVABLES		
Debts outstanding for a period exceeding six months from the date they are due for payment		
- Secured	-	-
- Unsecured	782.02	163.37
- Doubtful	6.34	5.87
Other Debts		
- Secured	23.51	22.12
- Unsecured	495.06	510.93
- Doubtful	-	-
Less: Provision for Bad and Doubtful Debts	6.34	5.87
TOTAL	1,300.59	696.42
NOTE 17 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash & Stamps in hand	7.44	8.40
Cheques/Drafts in hand	-	9.19
Balance with Banks in -		
— Current Accounts	769.52	343.75
Other Bank Balances		
Balance with Banks in -		
— Fixed Deposits	35.23	31.02
TOTAL	812.19	392.36
NOTE 18 : SHORT TERM LOAN & ADVANCES		
unsecured		
LOAN & ADVANCES TO RELATED PARTIES*	3,944.54	3,770.35
Promoter Company - SBEC Systems (India) Limited	127.96	127.94
Advance Recoverable In Cash or in Kind or for Value to be received**		
Unsecured	695.48	453.72
Doubtful	-	1.50
less ; Provision for doubtful advances	695.48	1.50
Amount deposited under protest***	41.99	12.47
Taxes recoverable	42.73	-
Balance with Excise/Trade Tax Authorities	157.88	206.16
Share Application Money- Chandil Power Ltd	11.00	11.00
Prepaid Expenses	38.92	58.33
REC Recoverable	265.19	-
Lease Rent Recoverable -	-	23.40
Security Deposits	6.77	17.58
TOTAL	5,332.46	4,680.96
* Inter corporate deposit given to related parties (covered from 1st Jan 2012) amounting to Rs. 3944.54 /- lacs (Previous Year Nil)		
** Advance recoverable includes recoverable from Shri Abhishek Modi (Executive director) Rs. 2.87 lacs (Previous year Nil)		
***Amount deposited under protest Detail		
U.P. VAT Act	41.99	12.47



	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs.in Lacs)
NOTE 19 : OTHER CURRENT ASSETS		
Tax Deducted At Source	0.91	32.76
Income Tax Receivable	32.97	32.97
Deferred Revenue Expenditure	21.89	22.47
TOTAL	55.77	88.20
	For the Year ended 31.03.2012 (Rs. In Lacs)	For the Year ended 31.03.2011 (Rs. In Lacs)
NOTE 20 : REVENUE FROM OPERATIONS		
a) <u>Sale of product</u>		
Sugar	26,663.25	29,844.43
Sale of Power	960.17	928.66
b) <u>Other operating revenue</u>		
Molassses	1,729.53	1,432.52
Bagasse	827.81	958.17
Scrap Sale	77.84	45.14
Sale of Export Entitlement	498.92	-
Less : Excise Duty	1,074.93	1,278.12
TOTAL	29,682.59	31,930.80
NOTE 21 : OTHER INCOME		
Interest Received from bank (Gross)	0.27	-
Interest Received from Others (Gross)	399.41	240.87
Interest on Income Tax refunds	-	1.27
Rent / Lease Rent Received	-	-
Dividend	1.20	0.60
Profit on sale of Investment - (Refer Note. No. 45)	1,837.49	-
Miscellaneous Income	266.40	162.27
Foriegh Exchange fluctuation	1.46	0.16
Excess Provision / Sundry balances written back	102.68	200.75
TOTAL	2,608.91	605.92
NOTE 22 : COST OF MATERIAL CONSUMED		
Raw Material Consumed	25,340.84	20,713.70
TOTAL	25,340.84	20,713.70
NOTE 23 : PURCHASES OF STOCK IN TRADE		
Sugar Purchased For Trading	6,985.76	8,212.30
TOTAL	6,985.76	8,212.30
NOTE 24 : CHANGE IN INVENTORIES OF STOCKS		
Opening Stock		
Finished Goods	13,435.26	15,152.52
Goods in Process	33.83	222.07
Stock in Trade	3,344.45	-
Closing Stock		
Finished Goods	19,326.61	13,435.26
Goods In Process	9.09	33.83
Stock in Trade	3,219.52	3,344.45
Increase/(Decrease) In Stocks	5,741.66	1,438.97



	For the Year ended 31.03.2012 (Rs. In Lacs)	For the Year ended 31.03.2011 (Rs. In Lacs)
NOTE 25 : MANUFACTURING EXPENSE		
Stores & Spares Consumed (Including Packing Exp.)	1,178.18	1,158.41
Power & Fuel	17.90	27.59
Repair & Maintenance		
- Plant & Machinery	488.92	331.30
- Building	8.75	15.80
- Others	66.35	75.52
Freight & Cartage	11.64	19.26
Material Handling Expenses	51.22	34.63
Other Mfg. Expenses	4.55	5.03
Technical Assistance Fees	3.74	11.82
Variation in Excise Duty on Opening and Closing Stock of Finished Goods	145.61	(70.47)
TOTAL	1,976.86	1,608.89

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

				(Rs. In Lacs)
Particulars	Indigenous Value	%age	Imported Value	% age
Raw Materials	25,340.84	100%	-	Nil
Previous Year	20,713.70	100%	-	Nil
Stores & Spares*	1,164.74	98.86%	13.44	1.14%
Previous Year	1,142.98	98.67%	15.43	1.33%

*Excluding spares used for capitalization.

	For the Year ended 31.03.2012 (Rs. In Lacs)	For the Year ended 31.03.2011 (Rs. In Lacs)
NOTE 26 : EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus	941.20	913.09
Company's Contribution To Provident & Other Funds	70.48	63.67
Staff Welfare Expenses	61.00	60.65
Gratuity	28.05	23.38
TOTAL	1,100.73	1,060.79

NOTE 27 : FINANCE COST

Interest expenses	2,339.11	1,405.06
Finance Charges	269.85	338.87
Financial Brokerage	71.53	101.05
Loan raising Expenses	-	46.10
TOTAL	2,680.49	1,891.08

NOTE 28 : ADMINISTRATION EXPENSES

Auditor's Remuneration *	6.25	5.00
Telephone, Postage & Telegram	14.75	18.16
Legal & Professional Charges	148.12	101.55
Loss on Sale of Fixed Assets	1.58	2.66
Loss on Sale of Stores & Spares	4.42	1.60
Travelling & Conveyance	85.48	107.50


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

	For the Year ended 31.03.2012 (Rs. In Lacs)	For the Year ended 31.03.2011 (Rs. In Lacs)
Rent Including Lease Charges	15.72	22.66
Rates & Taxes	21.32	116.19
Vehicle Expenses	30.97	35.66
Insurance		
Expenses	46.92	35.30
Receipt	<u>(26.95)</u>	<u>(28.10)</u>
General Repairs & Maintenance	0.21	0.64
Security Guard Expenses	121.06	109.77
Fixed Assets Written Off	0.08	-
Debit Balances Written Off	3.06	7.63
Provision for Obsolete Store Items	0.52	-
Provision for Doubtful Debts	-	4.60
Bank Charges	25.96	32.21
Wealth Tax	0.30	0.34
Misc expenditure Written off	20.13	20.70
Misc. Expenses	53.11	57.71
TOTAL	<u>573.01</u>	<u>651.79</u>
*Auditor's Remuneration Detail		
a) Statutory Audit Fee	3.83	3.78
b) Certification & Reimbursement	2.39	1.10
c) Out of pocket expenses	0.03	0.12
	<u>6.25</u>	<u>5.00</u>

NOTE 29 : SELLING EXPENSES

Commission	136.47	137.66
Rent (Godown)	29.94	12.34
Freight, Clearing & Forwarding	134.66	119.65
Selling Exp. (Export)	-	-
Rebate & Discount	1.50	4.69
TOTAL	<u>302.57</u>	<u>274.34</u>

NOTE 30 : EXCEPTIONAL ITEMS

Prior year's (Interest Allocated to Cost of "Debt Assignment" - (Refer Note No. 34)	-	1,312.21
Differential Cane Price for the Crushing Season 2007-08 - (Refer Note No. 33)	(1,483.32)	-
TOTAL	<u>(1,483.32)</u>	<u>1,312.21</u>



NOTES ON FINANCIAL STATEMENT:

31. Earning per Share (AS-20)

Particulars	Current Year	Previous Year
Net Profit/(Loss) after tax (Rs. in lacs)	(4534.46)	397.49
Weighted Average number of equity shares outstanding during the year	4,76,53,880	4,76,53,880
Basic Earning per Share (Rs.)	(9.51)	0.83
Diluted Earning per Share (Rs.)	(9.51)	0.83

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

S No	Particulars	As at 31.03.2012	As at 31.03.2011
i)	Corporate Guarantee given to Government of Jharkhand against Soft loan (incl. interest) given to Bihar Sponge Iron Ltd.	5402.47	5002.38
ii)	Outstanding against Guarantee given on behalf of SBEC Bioenergy Ltd.	3320.41	2500.00
iii)	Bond executed in favour of Custom Authorities under EPCG Scheme for differential amount of Custom Duty.	-	475.00
iv)	Duties and Tax liabilities disputed by the Company	1360.26	366.82
v)	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
vi)	Differential liability of sugar cane price for the crushing season 2007-2008 (Refer note no. 33)	-	1483.32
In Case of SBEC Bioenergy Limited			
Claims Against the Company not acknowledged as debts:			
vii)	Income Tax Matters	159.52	785.17

32(b) (i). Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs.132.23 lacs (Previous Year Rs. 415.71 lacs).

(ii). In the books of SBEC bioenergy Limited, estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Nil (Previous period Rs. 558.37 lacs).

33. In case of Holding Company, During the year, Hon'ble Supreme Court has rejected the Special Leave Petition, filed by the company for differential cane price for the crushing season 2007-08 vide its order dated 17th January, 2012.

In compliance with the above order, Company has accounted for Rs. 1483.32 lacs during the year and shown as exceptional items in the Statement of Profit and Loss.

34(a) In the books of Holding Company:

During the year 2006-2007, a One Time Settlement (OTS) dated 22nd January, 2007 has been 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. 2810.60 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. 3351.21 lacs to PNB. As per expert legal opinion, during the year interest amounting to Rs. 370.64 lacs (previous year Rs. 1777.83 lacs for the period from 22nd January, 2007 to 31st March, 2011) 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. The company has shown the total amount paid for Debt Assignment and interest thereon of Rs. 5499.68 lacs under the head "Other Non-Current Assets".

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 registrar of the company has registered the modification to the charges in the favour of the company. In view of the above, the said secured debt is now payable by MIL to the company.

(b) In the books of SBEC Bioenergy Limited :

(i) The Company had negotiated and finalized with the IDBI Ltd., the terms for taking over the debt of IDBI in Modi Industries Limited (MIL) under OTS on assignment basis to the Company. In terms of IDBI's letters No. 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.

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

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

35. The management has decided to value stocks of free sugar at cost price in lieu of the average market price for the season 2011-12, in view of continuous increase in market price thereafter.
36. In the books 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, 2012. 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. 5.19 lacs for the year 2011-12 (Previous Year Rs. 4.94 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.
37. 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.
38. Executive and Whole time Director's Remuneration in case of holding company included under different heads of expenditure is as follows

(Rs. in lacs)

Particulars	Current Year	Previous Year
Salary, Allowance & Commission	22.47	42.02
Contribution to Provident fund	2.00	3.39
Reimbursement of Expenses	3.48	6.42
Sub Total	27.95	51.83
Commission on profits	Nil*	Nil*
TOTAL	27.95	51.83

*In view of Loss in the current period, computation of net profit in accordance with Sec. 309(5) read with Sec. 349 of the Companies Act, 1956 has been made. However, on that basis, no commission is payable to the Executive Director.



In case of SBEC Bioenergy Limited :

- A.) **Mr. Arun Kumar Gupta**, (Upto 10 July, 2011) Manager u/s 269 of the Companies Act, 1956 was paid remuneration in accordance with Schedule XIII to the Companies Act, 1956. The same having been included under different heads of expenditure is as follows:

Particulars	Current Year	Previous Year
Salary & Bonus	3.16 lacs	8.86 lacs
Contribution to Provident Fund	0.26 lacs	0.70 lacs
Reimbursement of Expenses	0.19 lacs	0.69 lacs

- B.) **Mr. Abhishek Modi**, Executive Director (From 11 July, 2011), under Companies Act, 1956 was paid remuneration in accordance with Schedule XIII to the Companies Act, 1956. The same having been included under different heads of expenditure is as follows:

Salary & Bonus	25.88 lacs	—
Contribution to Provident Fund	2.08 lacs	—
Reimbursement of Expenses	0.15 lacs	—

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 349 and 350 of the Companies Act, 1956 for the purpose of Section 198 of the said Act is as under:-

(Rs. In lacs)

This Year	Current Year	Previous year
Profit (Loss) for the year before taxation (as per Profit & Loss Account)	252.06	98.04
Add:-		
(a) Depreciation provided in the Accounts	94.43	204.79
(b) Director and Manager Remuneration	31.72	10.25
(c) Loss on sale of Fixed Assets	-	-
	378.21	313.08
Less:-		
(a) Depreciation as per section 350 of the Companies Act, 1956	94.43	204.79
(b) Profit on sale of Fixed Assets	-	-
Profit(Loss) u/s 349/350	283.78	108.29

Shri Abhishek Modi , Executive Director has not been paid any commission during the current year due to inadequate profits.

39. Segment Reporting (AS-17)

In case of 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.



In case of SBEC Bioenergy Ltd:

The reportable segments as per Accounting Standard – 17 issued by The Institute of Chartered Accountant of India on “Segment Reporting” are given as under:

Particulars	Power Generation		Assets Acquiring		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue						
External	960.17	928.66	-	-	960.17	928.66
Inter Segment	-	-	-	-	-	-
Total Revenue	960.17	928.66	-	-	960.17	928.66
Result						
Segment Result (Profit /(Loss)before tax)	417.48	241.17	(3.58)	-	413.90	241.17
Unallocated expenses	-	-	-	-	63.02	17.02
Interest Expense	482.50	302.73	-	21.81	482.50	324.54
Interest Income	383.68	200.63	-	-	383.68	200.63
Income taxes	-	-	-	-	(48.52)	(18.18)
Deferred tax	-	-	-	-	(80.32)	(53.78)
Profit after tax	-	-	-	-	123.22	28.29
Other Information						
Segment Assets	3009.55	1322.48	2185.98	2185.98	5195.53	3508.453
Unallocated Assets	-	-	-	-	4170.78	4068.04
Segment Liabilities	4515.55	2864.22	-	-	4515.55	2864.22
Unallocated Liabilities	-	-	-	-	15.38	-
Capital Expenditure	-	-	-	-	924.13	139.94
Depreciation	94.43	204.79	-	-	94.43	204.79

Since all the operations of the Company are conducted within India, as such there is no separate reportable geographical segment.

40. 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.

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

(Rs. in lacs)

Name of the Companies	Amount outstanding As on 31 st March 2012*	Maximum Balance outstanding during the year
Chandil Power Ltd. – Interested Company	11.00	11.00

* The above outstanding amounts are interest free & repayable on demand.

42. Related Parties Disclosers (AS-18)

Pursuant to compliance of AS-18 title “Related Party Disclosures” as specified in the Companies (Accounting Standard) Rule 2006.

For Holding Company:

{A} Name of related parties and description of relationship:

1. Subsidiaries

- (i) SBEC Bioenergy Limited.
- (ii) SBEC Stockholding & Investment Limited.*
- (iii) Modi Gourmet Limited.*

2. Associates — Nil

3. Follow Subsidiaries — Nil

4. Key Management Personnel

Mr. Abhishek Modi - Executive Director
Mr. Santosh Chand Gupta- Whole Time Director

5. Relatives of Key Management Personnel & their Enterprises:

Mr. Umesh K. Modi, Mrs. Kumkum Modi*, Mr. Jayesh Modi*, Ms. Meghna Modi*, Mrs. Himani Modi Agarwal*, Mr. Priyank Kumar Agarwal*, Mrs Suman Lata Gupta*, Modi Arts Pvt. Ltd.*, Modi Goods and Retail Services Pvt. Ltd.* (formally known as Modi Groceries Pvt. Ltd.), SBEC Systems (India) Ltd.*, Jai Abhishek Investments Pvt. Ltd.*, Kamakhya Cosmetics & Pharmaceuticals Pvt. Ltd.*, Modi Diagnostics Pvt. Ltd.*, Modi Revlon Pvt. Ltd.*, Modi Senator (India) Pvt. Ltd.*, First Move Management Services Pvt. Ltd.*, Revlon Lanka Pvt. Ltd.*, Swasth Investment Pvt. Ltd.*, Umesh Modi Corp. Pvt. Ltd., Modi Omega Pharma (India) Pvt. Ltd.*, Modi Illva India Pvt. Ltd.*, A to Z Holding Pvt.Ltd.*, Longwell Investment Pvt. Ltd., Bihar Sponge Iron Ltd., Modi Mundipharma Pvt. Ltd.*, Modiline Travel Service Pvt. Ltd., Modi Industries Ltd., Morgardshammer India Ltd., Win Medicare Pvt. Ltd, H. M. Tubes & Containers Pvt. Ltd., Modi Motors Pvt. Ltd., M.G. Mobiles India Pvt. Ltd.*, Chandil Power Limited*, Revlon Trading Bangladesh Private Limited*, Meghna Autoworks Private Limited*, Jayesh Tradex Pvt. Ltd. , Arvind Continental Pvt. Ltd.

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



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

(Rs in lacs)

Nature of transaction	Referred in A (1) above	Referred in A (2) above	Referred in A (3) above	Referred in A (4) above	Referred in A (5) above
Purchase — Goods and Services	1.25	-	-	-	5851.86
	(2.00)	(-)	(-)	(-)	(7427.78)
Fixed Assets	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.06)
Sales — Goods and Services	2.57	-	-	-	1021.73
	(-)	(-)	(-)	(-)	(6.59)
Expenses — Computer / Printing & Stationery	-	-	-	-	6.87
	(-)	(-)	(-)	(-)	(2.45)
Air Tickets / Vehicle Exp.	-	-	-	-	9.43
	(-)	(-)	(-)	(-)	(16.49)
Courier / Freight Exp.	-	-	-	-	2.02
	(-)	(-)	(-)	(-)	(0.35)
Repair & Maintenance Exp.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.23)
Rent/Telephone/Electricity	-	-	-	-	5.60
	(-)	(-)	(-)	(-)	(2.16)
Interest paid	-	-	-	-	101.19
	(-)	(-)	(-)	(-)	(18.59)
Salary & Wages etc	-	-	-	27.95	-
	(-)	(-)	(-)	(51.83)	(1.19)
Consultancy / Sitting Fee	-	-	-	-	0.07
	(-)	(-)	(-)	(-)	(0.06)
Gifts & other	-	-	-	-	3.61
	(-)	(-)	(-)	(-)	(0.52)
Income					
Consultancy / Sitting Fee Recd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Air Tickets / Vehicle Exp Recd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Gifts & other Recd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1.83)
Computer / Printing & Stationery Recd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Salary & Wages Recd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Interest Received	-	-	-	-	1.00
	(-)	(-)	(-)	(-)	(25.27)
Lease Rent Recd. — Boiler	-	-	-	-	23.40
	(-)	(-)	(-)	(-)	(60.21)
Rent/Telephone/Electricity Recd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Other Income	265.19	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Corporate Guarantees	3320.41#	-	-	-	5402.47
Outstanding as on 31.03.12	(2500.00)#	(-)	(-)	(-)	(5002.38)
Investment — Investment in Shares	-	-	-	-	-
	(250.00)	(-)	(-)	(-)	(-)
Recoverable / Receivable as on 31.03.12					
Lease Rent Receivable	-	-	-	-	-
Year end Balance	-	-	-	-	-
	(-)	(-)	(-)	(-)	(23.40)
Advance Recoverable	-	-	-	-	11.00
	(-)	(-)	(-)	(-)	(11.00)
Finance / Advance Taken as on 31.03.12					
Finance (including Loan)	-	-	-	-	(15.19)
Year end Balance	-	-	-	-	920.36
	-	-	-	-	(490.00)
	-	-	-	-	(835.45)

Guarantee given to SBEC Bionergy Ltd. Rs. 3208.33/- Lacs (Previous year Rs. 2500/- lacs).



For SBEC Bioenergy Ltd.:

1. Pursuant to compliance of AS-18 on "Related Party Disclosures", the disclosure has been made for related parties where transactions have taken place during the year.
- A(1) Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises:
SBEC Sugar Limited
Moderate Leasing and Capital Services Limited
- A(2) Associates- NIL
- A(3) Fellow Subsidiaries
SBEC Stockholding & Investment Limited
Modi Gourmet Limited
- A(4) Key Management Personnel
Mr. Abhishek Modi – Executive Director (w.e.f. 11/7/2011)
Mr. Arun Kumar Gupta – Manager (Upto 10/7/2011)
Relatives of Key Management Personnel
Mrs. Sunita Gupta
Mr. Alok Kumar Gupta
Mrs. Anshu Gupta
Mrs. Nandini Modi
Mr. Umesh Kumar Modi
Mrs. Kum Kum Modi
Mrs. Himani Modi Aggarwal
Ms. Meghna Modi
Mr. Priyank Kumar Aggarwal
Mr. Jayesh Modi
- A(5) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence
Modi Arts Pvt. Ltd,
Modi Goods and Retail Services Pvt. Ltd (formally known as Modi Groceries Pvt. Ltd.)
SBEC Systems (India) Ltd.
Jai Abhishek Investments Pvt. Ltd
Kamakhya Cosmetics & Pharmaceuticals Pvt. Ltd
Modi Diagnostics Pvt. Ltd
Modi Revlon Pvt. Ltd
Modi Senator (India) Pvt. Ltd
First Move Management Services Pvt. Ltd
Revlon Lanka Pvt. Ltd
Swasth Investment Pvt. Ltd
Umesh Modi Corp. Pvt. Ltd
Modi Omega Pharma (India) Pvt. Ltd
Modi Illva India Pvt. Ltd
A to Z Holding Pvt. Ltd
Longwell Investment Pvt. Ltd
Bihar Sponge Iron Ltd
Modi Mundipharma Pvt. Ltd
Modiline Travel Service Pvt. Ltd
Modi Industries Ltd
Morgardshammer India Ltd.
Win Medicare Pvt. Ltd,
H. M. Tubes & Containers Pvt. Ltd
Modi Motors Pvt. Ltd
M.G. Mobiles India Pvt. Ltd
Chandil Power Limited
Revlon Trading Bangladesh Private Limited
Meghna Autoworks Private Limited
Jayesh Tradex Pvt. Ltd


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

Nature of transaction	Referred in A (1) above	Referred in A (2) above	Referred in A (3) above	Referred in A (4) above	Referred in A (5) above
Purchase					
Goods and Services	0.17	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Sales					
Goods and Services	1.25	-	-	-	-
	(-)	(-)	(-)	(-)	-
Expenses					
Computer / Printing & Stationery	-	-	-	-	0.01
	(-)	(-)	(-)	(-)	(-)
Air Tickets / Vehicle Exp.	-	-	-	-	5.33
	(-)	(-)	(-)	(-)	(-)
Gift & others	-	-	-	-	0.07
	(-)	(-)	(-)	(-)	(-)
Salary & Wages etc	-	-	-	47.86	-
	(-)	(-)	(-)	(10.25)	(-)
Consultancy / Sitting Fee	-	-	-	0.07	-
	(-)	(-)	(-)	(-)	(-)
REC Unit transfer	265.19	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Income					
Interest Received	383.68	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Loan Taken (net).	546.02	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Loan given	59.00	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Corporate Guarantees Outstanding as on 31.03.12	3208.33*	-	-	-	-
	2500.00*	(-)	(-)	(-)	(-)
Recoverable / Receivable as on 31.03.12					
Loan Receivable Yearend Balance	3944.59	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Other Recoverable	-	-	-	2.87	23.29
	(-)	(-)	(-)	(-)	(-)
Finance / Advance Taken as on 31.03.12					
Finance (Loan)Yearend Balance	763.60	-	-	-	-
	-	-	-	-	-
Other Pay	269.81	-	-	0.03	9.01
	(217.45)	-	-	(0.96)	-

* Guarantee taken from SBEC Sugar Ltd. Rs. 3208.33 lacs (Previous year Rs. 2500.00 lacs).



43. **Lease (AS-19)**

a) **Finance Lease**

Followings are the details of lease transaction for the year:

The company leased boiler under finance lease for a period of four years.

Future minimum commitments in respect of the finance lease are mentioned below:

Particulars	As at 31.03.2012	As at 31.03.2011
Within one year	-	20.73
One year to five years	-	-

a) **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.

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

In case of 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 31.03.2012	As at 31.03.2011
Deferred Tax Liability		
Depreciation	955.78	1052.23
Other Deductions	-	-
Sub Total – A	955.78	1052.23
Deferred Tax Assets		
Business Loss / Unabsorbed Dep.*	1203.98	1299.16
Deduction u/s 43B	101.92	103.11
Disallowance 40(A)(7)	22.49	22.57
Sub Total – B	1328.39	1424.84
Net Deferred Tax Assets/(Liability) {B-A}	372.61	372.61

Deferred tax Assets are recognized and carried forward only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In view of continue operating losses the company has not recognized any incremental deferred tax.

*Limited to the extent Deferred Tax Asset recognized during the last year.

In case of SBEC Bioenergy Limited:

The Company has during the year made adjustments on account of Deferred Taxes in terms of Accounting Standard - 22 on 'Taxes on Income'.

(a) Deferred Tax Assets are recognized and carried forward only to the extent these is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(b) Break-up of Deferred Tax Assets / Liabilities into major Components as given below:

Deferred Tax Assets	Deferred Tax Asset / (Liability) as at 31.03.2012	Current Year (Charge) / Credit	Deferred Tax Asset / (Liability) as at 31.03.2011
Depreciation	127.34	(91.87)	219.21
Disallowance u/s 43B	3.87	(0.96)	4.83
Gratuity	6.09	0.01	6.07
Other Disallowance under I. Tax Act	41.53	12.50	29.03
Deferred Tax Assets/ (Liabilities)	178.83	80.32	259.14

45. The company has diluted its investment in one of the Subsidiary company from 100 % to 70% in December, 2011 and further reduced it to 55% in March, 2012. The profit on sale of such investments has been shown in other income.

As a result of that, Minority-Interest for Rs. 2,175.31 lacs is been shown and profit for Rs. 1,070.36 lacs has been reversed in consolidation of accounts as per AS – 23.



46. For SBEC Stockholding and Investment Limited:
In the current financial year the company has further invested Rs. 937.50 lacs in the Zero percent Compulsory Convertible Debentures of M/s Modi Illva India Pvt Ltd. Which is a joint venture of the company.
47. In accordance with the company policy a sum of Rs. 19.69 lacs (previous period Rs.19.69 lacs) including for the year Rs. NIL (previous period Rs. 6.81 lacs) has been shown as MAT Credit entitlement under other non-current assets.
48. During the year company has incurred substantial losses, resulting into substantial erosion of its net worth. The major factors for the loss during the year are
- Additional payment of sugarcane price amounting to Rs. 1483.32 lacs for the season 2007-08 as per order of Hon'ble Supreme Court.
 - During the year the company had to supply sugar under levy order of government of India for earlier seasons, which has resulted into short realization (compare to free sugar) as per detail below: (Rs. In lacs)

For Season	Qty	Short realization
2009-10	31350 Qtls	345.86
2010-11	57432 Qtls	582.11

To enhance the profitability in the crushing season 2012-13, the management has undertaken certain steps including technical improvement in the plant, which is likely to improve the recovery by 1% in comparison to season 2011-12 and reduction in cost of production.

49. Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable):

For Holding Company :

a) CAPACITY

Class of Goods	Units	Licensed capacity	Installed capacity
Sugarcane Crushing	M.T. per day	No License required (No License required)	8,000 (8,000)

b) PRODUCTION, PURCHASE, TURNOVER & STOCK

(Rs in lacs)

Classes of Goods	Opening Stock Quantity (Qtls.)	Production Quantity (Qtls.)	Quantity (Qtls.)	Sales Value	Quantity (Qtls.)	Closing stock Value
Sugar	4,29,193 (4,79,997)	8,17,630 * (8,08,960)*	6,96,748 (8,59,764)	19,547.04 (24,846.44)	5,50,075 (4,29,193)	18,137.76 (12,592.44)
Molasses(By-product)	2,36,945 (2,70,043)	5,06,135# (4,87,134)#	4,81,468 (5,20,232)	1,729.53 (1,432.52)	2,61,612 (2,36,945)	892.28 (604.94)
		Purchases				
Sugar Trading	1,07,415 (-)	2,10,316 (2,62,718)	2,21,186 (1,55,303)	7,116.21 (4,997.99)	96,545 (1,07,415)	3,219.52 (3,344.45)

*including 340 quintals of BISS. (Previous period 1410 quintals).

including ad-hoc additions of NIL quintals. (Previous period 21,375.05 quintals.)

c) CONSUMPTION OF RAW MATERIALS

	Unit	Quantity	Value (Rs in Lacs)
Sugar Cane	Quintals	99,35,477 (93,60,168)	25,340.84 (20,713.69)

d) EXPENDITURE IN FOREIGN CURRENCY (On accrual basis)

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Foreign Travelling	3.41	17.65
Professional & Consultation Fee	2.61	—

e) CIF VALUE OF IMPORTS

Value of imports	16.26	16.24
------------------	-------	-------


For Subsidiary Companies:
SBEC Bioenergy Limited

a. Statement of Installed & Licensed Capacity and Generation Quantity: @

Description	Licensed Capacity	Installed Capacity	Actual Generation*
Power	Not Applicable	24MW (12 MW)	47923000 kwh (36982808 kwh)
Steam	Not Applicable	77 tph (77 tph)	257617 tones (255355 tones)

Figures in brackets are for Previous Year.

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

@ The plant operated for 151 days in the current year (previous year 147 days).

b. Details of Sales/Conversions.

(Rs. in lacs)

Description	Op.Stock		Conversion		Sales		CI .Stock	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity*	Value
Power	1361874 kwh (1241714 kwh)	25.22 (27.52)	19611680 kwh (8,150,132 kwh)	- -	24194920 kwh (24,396,936 kwh)	960.17 (928.66)	1376137 kwh (1,361,874 kwh)	16.46 (25.22)
Steam	- -	- -	257617 tones (255355 tones)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

Figures in brackets are for previous Year.

* Includes 125,000 kwh (Previous Year 125000 kwh) charged as banking fee by UPPCL.

c. Consumption of Imported and Indigenous Raw Material and Stores & Spares

Particulars	Indigenous		Imported	
	Value	%	Value	%
Raw Material (Bagasse)*	- (-)	100 (100)	- (-)	- (-)
Store / Spares(Including Fixed assets)	965.84 (149.56)	100 (98.98)	NIL (1.54)	NIL (1.02)

Figures in brackets are for Previous year.

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

d. Value of Import on CIF Basis

Particulars	Current year	Previous year
Store & Spares	7.51	Nil
e. Expenditure in Foreign Currency (Paid)		
Purchase of stores and spares)	7.51	Nil
Others	7.99	NIL

50. **EMPLOYEE BENEFITS (AS-15)**
For 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)

Employer's contribution to Provident Fund	56.91
Previous Period	(53.45)

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)

Particular	Gratuity (Unfunded) For the year ended 31.03.2012	Gratuity (Unfunded) For the period ended 31.03.2011	Gratuity (Unfunded) For the period ended 31.03.2010	Gratuity (Unfunded) For the period ended 30.06.2009	Leave Encashment (Unfunded) For the year ended 31.03.2012	Leave Encashment (Unfunded) For the Period ended 31.03.2011	Leave Encashment (Unfunded) for the period ended 31.03.2010	Leave Encashment (Unfunded) for the period ended 30.06.2009
Defined Benefit obligation at the beginning of the period.	73.06	57.08	59.30	40.60	11.49	9.51	23.78	19.68
Past Service Cost	-	5.91	-	-	-	-	-	-
Current Service Cost.	13.81	11.78	8.33	14.00	2.09	2.27	1.75	8.12
Interest Cost.	6.21	4.57	3.34	3.55	0.98	0.76	1.34	1.72
Actuarial (gain)/loss	3.85	(2.41)	(9.46)	11.10	(1.38)	(1.04)	(14.15)	(0.42)
Benefits Paid	(4.74)	(3.87)	(4.42)	(9.95)	(0.19)	-	(3.21)	(5.33)
Settlement cost	-	-	-	-	-	-	-	-
Defined Benefit obligation at the end of the period	92.19	73.06	57.08	59.30	12.99	11.49	9.51	23.78

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

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

3. Reconciliation of amount recognized in Balance Sheet

Fair Value of Plan Assets as at 31 st March , 2012	-	-	-	-	-	-	-	-
Present value of obligation as at 31st March , 2012	92.19	73.06	57.08	59.30	12.99	11.49	9.51	23.78
Net asset/(liability) recognized in the Balance Sheet	(92.19)	(73.06)	(57.08)	(59.30)	(32.13)^	(34.78)^	(35.56)^	(23.78)

^ It includes company grade employees' freeze liability in books amounting to Rs. 19.14 lacs (Previous year - 2011 - Rs.s 23.29 Lacs, 2010 - Rs. 26.05 lacs).

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

Current Service Cost	13.81	11.78	8.33	14.00	2.09	2.27	1.75	8.12
Past Service Cost	—	5.91	—	—	—	—	—	—
Interest Cost	6.21	4.57	3.34	3.55	0.98	0.76	1.34	1.72
Expected return on plan assets	—	—	—	—	—	—	—	—
Net Actuarial (gain)/loss recognized during the period	3.85	(2.41)	(9.46)	11.10	(1.38)	(1.04)	(14.15)	(0.42)
Expenses recognized in the statement of Profit & Loss	23.87	19.85	2.20	28.65	(0.31)#	1.56#	(11.06)#	9.42

It excludes the expense in relation to company grade employees' amounting to Rs. 2.00 lacs (Previous Period Rs. 0.43 lacs).



5. Actual Return on Plan Assets

(Rs. in lacs)

Particular	Gratuity (Unfunded) For the year ended 31.03.2012	Gratuity (Unfunded) For the period ended 31.03.2011	Gratuity (Unfunded) For the period ended 31.03.2010	Gratuity (Unfunded) For the period ended 30.06.2009	Leave Encashment (Unfunded) For the year ended 31.03.2012	Leave Encashment (Unfunded) For the Period ended 31.03.2011	Leave Encashment (Unfunded) for the period ended 31.03.2010	Leave Encashment (Unfunded) for the period ended 30.06.2009
Expected Return on Plan Assets	-	-	-	-	-	-	-	-
Actuarial (gain)/loss	-	-	-	-	-	-	-	-
Actual return on plan assets	-	-	-	-	-	-	-	-

6. Principal Actuarial Assumptions

Mortality Table (LIC)	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified
Discount rate as at 31st March, 2012	8.50%	8.00%	7.50%	7.00%	8.50%	8.00%	7.50%	7.00%
Future Salary Increase	6.00%	5.50%	5.00%	4.50%	6.00%	5.50%	5.00%	4.50%
Expected rate of return on plan assets	-	-	-	-	-	-	-	-
Retirement Age	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years
Withdrawal RatesAge	Withdrawal	Withdrawal	Withdrawal	Withdrawal	Withdrawal	Withdrawal	Withdrawal	Withdrawal
Upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

Actuarial valuation for period ended 31st March, 2012 and 31st March, 2011 pertain to only Seasonal Wage-board grade employees, therefore there is difference in expense recognized in P&L statement and amount as mentioned in Actuarial certificate. However the expenses have been provided on Accrual Basis.

For SBEC Bioenergy limited:

The Company has adopted Revised Accounting Standard - 15 'Employee Benefits'. In accordance with the transitional provision of revised AS - 15, additional liability (net of tax) under new method as at 1st April, 2008 as compared to liability provided under Pre-revised AS - 15 to be adjusted against the balance of General Reserve as at 1st April, 2009 is NIL.

a) **Defined Contribution Plan**

Contributions to Defined Contribution Plan, recognized as expense for the year are as under:

(Rs. in lacs)

	2011-12 Year	2010-11 Year	2009-10 Year
Employer's contribution to Provident Fund	11.96	9.01	10.40

b) **Defined Benefit Plan**

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

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

(Rs. in lacs)

Particular	Current Year Gratuity (Unfunded) 2011-12	Previous Year Gratuity (Unfunded) 2010-11	Previous Year Gratuity (Unfunded) 2009-10	Current year Leave Encashment (Unfunded) 2012-12	Previous year Leave Encashment (Unfunded) 2010-11	Previous Year Leave Encashment (Unfunded) 2009-10
Defined Benefit obligation at the beginning of the year	19.65	18.13	15.28	1.57	1.80	1.09
Current Service Cost	3.26	2.84	2.34	0.42	0.42	0.51
Past Service Cost	Nil	0.19	-	-	-	-
Interest Cost	1.67	1.45	1.15	0.13	0.14	0.08
Actuarial (gain)/loss	(0.75)	(0.95)	(0.25)	0.33	(0.79)	0.12
Benefits Paid	(1.33)	(2.01)	(0.38)	(0.46)	-	-
Settlement cost	-	-	-	-	-	-
Defined Benefit obligation at the end of the year	22.50	19.65	18.13	1.99	1.57	1.80

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

(Rs. in lacs)

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

3. Reconciliation of amount recognized in Balance Sheet

(Rs. in lacs)

Fair Value of Plan Assets as at 31st March, 2012	—	—	—	—	—	—
Present value of obligation as at 31 st March, 2012	22.50	19.65	18.13	1.99	1.57	1.80
Net asset/(liability) recognized in the Balance Sheet	(22.50)	(19.65)	(18.13)	(1.99)	1.57	1.80

4. Expense Recognized during the period in Profit & Loss A/c.

(Rs. in lacs)

Current Service Cost	3.26	2.84	2.34	0.42	0.42	0.51
Past Service Cost	-	0.19	-	-	-	-
Interest Cost	1.67	1.45	1.15	0.13	0.14	0.08
Expected return on plan assets	-	-	-	-	-	-
Net Actuarial (gain)/ loss recognized during the period	(0.75)	0.95	(0.25)	0.33	(0.79)	0.12
Expenses recognized in the statement of Profit & Loss	4.18	3.53	3.23	0.89	(0.23)	0.71

5. Actual Return on Plan Assets

Gratuity & Leave encashment (Unfunded)

Expected Return on Plan Assets	—
Actuarial (gain)/ loss	—
Actual return on plan assets	—



6. Principal Actuarial Assumptions

(Rs. in lacs)

Particular	Current Year Gratuity (Unfunded) 2011-12	Previous Year Gratuity (Unfunded) 2010-11	Previous Year Gratuity (Unfunded) 2009-10	Current year Leave Encashment (Unfunded) 2012-12	Previous year Leave Encashment (Unfunded) 2010-11	Previous Year Leave Encashment (Unfunded) 2009-10
Mortality Table (LIC)	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified
Discount rate as at 31 st March, 2012	8.50%	8.00%	7.50%	8.50%	8.00%	7.50%
Future Salary Increase	6.00%	5.50%	5.00%	6.00%	5.50%	5.00%
Expected rate of return on plan assets	-	-	-	-	-	-
Retirement Age	60 years	60 years	60 years	60 years	60 years	60 years
Withdrawal Rates	Age Withdrawal Rates	Age Withdrawal Rates	Age Withdrawal Rates	Age Withdrawal Rates	Age Withdrawal Rates	Age Withdrawal Rates
Upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

51. Previous year figures have been regrouped/ rearranged wherever considered necessary.
Previous year figures are given in brackets, wherever applicable.

SIGNED FOR IDENTIFICATION NOTE 1 to 51

For & on behalf of

DOOGAR & ASSOCIATES

Chartered Accountants
Firm Regn. No. : 000561N

Mukesh Goyal
Mg. Partner
Membership No. : 081810

Place : New Delhi
Date : 12th November, 2012

Umesh K. Modi
(Chairman & President)
DIN No. 00002757

N.P. Bansal
(Director)
DIN No. 00010587

Abhishek Modi
(Executive Director)
DIN No. 00002798

Santosh C. Gupta
(Whole Time Director - Works)
DIN No. 00012413

Arun Kumar Gupta
(Chief Financial Officer)

G.C. Jain
(Director)
DIN No. 00002696

Man Mohan
(Director)
DIN No. 00207036

S.S. Agarwal
Vice President (Commercial)

Ajay PS Saini
(Company Secretary)

DIRECTORS' REPORT

Dear Shareholders,

Your Directors hereby present their 14th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2012.

The financial results for the year are as under:

		(Rs. In Lacs)
	Year ended 31 st March, 2012	Year ended 31 st March 2011
Sales and Other Income	1348.18	1133.22
Total Expenditure	1001.69	830.39
Operating Profit/ (Loss) before Depreciation & Tax	346.49	302.83
Depreciation	94.43	204.79
Operating Profit/ (Loss) before tax	252.06	98.04
Income tax	48.52	15.97
Credit for Deferred tax	80.32	53.78
Profit / (Loss) after tax	123.22	28.29
Reserves excluding revaluation reserve	2535.37	2412.15

OPERATIONS

The operations of the Company have resulted in a net profit after tax of Rs.123.22 Lacs during the current year as against Rs. 28.29 Lacs in the previous year. Your directors are planning to expand the activities.

FIXED DEPOSITS

The Company has not accepted any deposits from the Public during the year under review.

DIRECTORS

Mr. S. S. Agarwal and Mr J. N Khurana, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

PARTICULARS OF EMPLOYEES

None of the employees of the Company were in receipt of remuneration of more than the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

As stipulated under the provisions of section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the Annexure-A containing the above particulars is annexed to this report.

AUDITORS

M/s K K Jain & Co., Chartered Accountants, (Firm Registration No. 02465N) who are Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

COST AUDITORS

Pursuant to the order of the Central Government under the provisions of Section 233B of the Companies Act, 1956, your company had appointed M/s. M.K.Singhal & Co., Cost Accountants as cost auditors of the company with the approval of Central Government.

ACCOUNTS AND AUDITOR'S REPORT

The Auditors Report and Notes forming part of the Accounts, are self explanatory and need no further comments.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act 1956 your Directors state:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
3. that the Directors had taken proper & sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts on a going concern basis;

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their appreciation and gratitude to Shareholders, all Business Associates, Employees and Bankers of the Company for their help and support continuously extended to the Company.

For & on behalf of the Board
For SBEC BIOENERGY LIMITED

Place: New Delhi
Date : 24th August, 2012

Umesh Kumar Modi
Chairman

ANNEXURE TO DIRECTORS' REPORT

Annexure-A

Information required pursuant to section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 forming part of the Directors Report for the year ended 31st March, 2012.

A. CONSERVATION OF ENERGY :

Not applicable in terms of Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988.

B. TECHNOLOGY ABSORPTION :

The information required to be disclosed under Rule 2 of the aforesaid Rules is given hereunder in Form B.

FORM B

Form for disclosure of particulars with respect to Technology Absorption, Research and Development (R&D).

A. Research & Development:

The company per se did not carry out any basic R&D work during the year.

B. Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:- N.A.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.:- N.A.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:
 - (a) Technology Imported : None
 - (b) Year of Import : NA
 - (c) Has technology been fully absorbed : NA
 - (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action: NA

C. FOREIGN EXCHANGE EARNING AND OUTGO

- i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export Plans : None

ii) (Rs. in lakhs)

	Current Year	Previous Year
Total Foreign Exchange Used	15.50	8.43
Total Foreign Exchange Earned	Nil	Nil

For & on behalf of the Board
For SBEC BIOENERGY LIMITED

Place: New Delhi
Date : 24th August, 2012

Umesh Kumar Modi
Chairman

AUDITOR'S REPORT

TO THE MEMBERS OF SBEC BIOENERGY LIMITED

We have audited the attached Balance Sheet of SBEC BIOENERGY LIMITED as at March 31, 2012 and also the annexed Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the Year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies Auditors report (Amendment) order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such check as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- ii. 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 these books.
- iii. The attached Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement with by this report comply with the Accounting Standards referred to in Subsection (3c) of Section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from Directors as on March 31, 2012 and taken on records by the Board of Directors, we report that none of the Directors is disqualified from being appointed as a director in terms of clause (g) of subsection (1) of Section of 274 of Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said statements of account read with schedules and notes thereon, give the information required by the Companies Act, 1956 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 Balance Sheet, of the state of affairs of the Company as at March 31, 2012, and
- (b) In case of Profit and Loss Account, of the profit of the Company for the year ended on that date.
- (c) In the case of Cash Flow Statement of the cash flow for the year ended on that date.

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

Place : New Delhi
Date : 24th August, 2012

K.K. Jain
Partner
Membership No.: 005436

ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in paragraph 3 of our report of even date on the accounts of SBEC Bioenergy Limited, as at and for the year ended March 31, 2012

- i) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no discrepancies between the book records and physical inventory were noticed on such verifications. The substantial part of fixed assets of the company has not been disposed off during the year.
- ii) The stocks of stores, spare parts, raw materials, except goods in-transit, have been physically verified at reasonable intervals by the management.
In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
The company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material and have been properly dealt with in the books of account.
- iii) a.) The company has not granted any loan, secured or unsecured to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act 1956, Accordingly paragraph III(b), III(c) & III(d) of the order are not applicable.

- b) The company has taken loan from two parties, covered under section 301 of the Companies Act 1956, the maximum amount involved during the year was Rs. 5,000,000 & Rs.76,359,705 and the year end balance of loan taken from such parties were Rs. Nil & Rs. 76,359,705 respectively
- c) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.
- d) In respect of loan taken, as explained to us the same is repayable on demand.
- iv) In our opinion, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of power and services.
- v) The company has entered the particulars of contracts or arrangements referred to in Section 301 of the Act in the register required to be maintained under this Section.
In our opinion, the transactions made by the company in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5 lacs or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such transactions or the prices at which transactions, if any, for similar goods or services have been made with other parties.
- vi) The company has not accepted any deposits from the public. Therefore, the provision of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under do not apply.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) In our opinion the prescribed accounts and records have prima facie been made and maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
- ix) (a) The company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it.
(b) According to the information and explanation given to us no undisputed amount payable in respect of Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrear as at March 31, 2012.
(c) According to the information and explanations given to us and the records of the company examined by us, the particulars of statutory dues of the specified status as at the end of the period, which have not been deposited on account of a dispute are as follows.

Name of the Statute	Name of Dues	Amount (in Rs.)	Period to which amount relates	Forum where dispute is pending
Income Tax Act	Regular Demand	10233003	2008-09	CIT- X Delhi
Income Tax Act	Regular Demand	5718840	2009-10	CIT- X Delhi

- x) The company had no accumulated losses as at 31.03.2012 and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi) The company has not defaulted in repayment of dues to a financial institution or bank or debenture holder.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a nidhi, mutual benefit fund or society. Therefore the provision of clause 4(xiii) of the Companies (Auditor's Report) order 2003 are not applicable to the company.
- xiv) The company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provision of clause 4(XIV) of the Companies (Auditor's Report) order 2003 are not applicable to the company.
- xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanation given to us and as per the books and record examined by us, no funds raised on short term basis have been used for long term investment by the Company and vice versa.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act 1956.
- xix) No debentures were issued by the company during the period.
- xx) The company has not raised any money by public issue.
- xxi) To the best of our information and according to the explanations given to us, no fraud on or by the company has been noticed/ reported during the period.

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

Place : New Delhi
Date : 24th August, 2012

K.K. Jain
Partner
Membership No.: 005436

BALANCE SHEET AS AT 31ST MARCH, 2012

(All amount are in Rupees)

	NOTE NO.	AS AT 31.03.2012	AS AT 31.03.2011
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	23,00,00,000	23,00,00,000
(b) Reserves and Surplus	4	<u>25,35,37,380</u>	<u>24,12,15,199</u>
		48,35,37,380	47,12,15,199
Non-current Liabilities			
(a) Long-term Borrowings	5	20,41,66,670	19,16,66,668
(b) Non current Trade payables	8	-	1,74,530
(c) Long-term Provisions	6	<u>16,46,567</u>	<u>14,23,783</u>
		20,58,13,237	19,32,64,981
Current Liabilities			
(a) Short-term Borrowings	7	7,63,59,705	2,17,57,558
(b) Trade Payables	8	71,76,129	54,22,327
(c) Other Current Liabilities	9	16,13,02,716	6,46,23,405
(d) Short-term Provisions	10	<u>24,41,169</u>	<u>13,65,982</u>
		24,72,79,719	9,31,69,272
TOTAL		93,66,30,336	75,76,49,452
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		15,61,41,936	5,87,29,464
(ii) Intangible Assets		32,534	65,190
(iii) Capital Work in Progress		<u>47,480</u>	<u>1,44,10,226</u>
		15,62,21,950	7,32,04,880
(b) Deferred Tax Assets (net)	12	1,78,82,638	2,59,14,483
(c) Long-term Loans & Advances	13	13,83,144	30,92,016
(d) Other Non-Current Assets	14	<u>22,64,44,801</u>	<u>22,83,99,345</u>
		24,57,10,583	25,74,05,844
Current Assets			
(a) Current investments	15	5,00,100	5,00,100
(b) Inventories	16	2,88,53,222	2,67,14,632
(c) Trade Receivables	17	7,58,94,601	1,49,66,205
(d) Cash & Bank Balances	18	4,85,559	5,69,449
(e) Short-term Loans & Advances	19	42,37,24,705	37,90,48,726
(f) Other Current Assets	20	<u>52,39,616</u>	<u>52,39,616</u>
		53,46,97,803	42,70,38,728
TOTAL		93,66,30,336	75,76,49,452

Significant accounting policies 2

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

In terms of our report of even date, attached

For K.K. Jain & Co.

Chartered Accountants

Firm Reg. No.: 002465N

K.K.Jain

Partner

Membership No. : 005436

Umesh K. Modi

Director

DIN No. 00002757

Abhishek Modi

Executive Director

DIN No. 00002798

G.C. Jain

Director

DIN No. 00002696

Place : New Delhi

Date : 24th August, 2012

J.N. Khurana

Director

DIN No. 00003817

S.S. Agarwal

Director

DIN No. 00004840

Shalini Gupta

Company Secretary

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012
(All amount are in Rupees)

	NOTE NO.	For the Year ended 31.03.2012 12 Months	For the Year ended 31.03.2011 (12 Months)
Revenue			
Revenue From Operations	21	9,60,17,077	9,28,66,154
Other operating income	22	2,80,588,00	2,71,349,00
Other Income	23	3,85,20,328	2,01,84,018
A Total Revenue		13,48,17,993	11,33,21,521
Expenses			
Change in inventories of power banked	24	8,76,639	2,29,695
Manufacturing Expense	25	2,08,01,452	2,46,06,807
Employee Benefit Expense	26	1,84,00,657	1,45,64,897
Finance Cost	27	4,82,49,920	3,24,53,374
Administration Expenses	28	1,18,40,441	1,11,83,507
Depreciation & Amortization Expense	11	94,43,104	2,04,79,078
B Total Expenses		10,96,12,213	10,35,17,358
C Profit before tax (A-B)		2,52,05,780	98,04,163
D Tax expense :			
(1) Current tax		48,51,754	18,18,000
(2) Deferred tax	29	80,31,845	53,77,966
Excess Provision Written Back Income tax		-	(2,20,818)
E Profit/(Loss) for the period		1,23,22,181	28,29,015
EARNING PER SHARE (BASIC)	30	0.54	0.12
EARNING PER SHARE (DILUTED)	30	0.54	0.12

Significant accounting policies **2**

In terms of our report of even date, attached

For K.K. Jain & Co.

Chartered Accountants
Firm Reg. No.: 002465N

K.K.Jain
Partner
Membership No. : 005436

Umesh K. Modi
Director
DIN No. 00002757

Abhishek Modi
Executive Director
DIN No. 00002798

G.C. Jain
Director
DIN No. 00002696

Place : New Delhi
Date : 24th August, 2012

J.N. Khurana
Director
DIN No. 00003817

S.S. Agarwal
Director
DIN No. 00004840

Shalini Gupta
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	For the year ended 31.03.2012 (in Rs.)	For the Year ended 31.03.2011 (in Rs.)
Cash flow from operating activities		
Net profit before taxation	2,52,05,780	98,04,163
Adjustments for:-		
Depreciation	94,43,104	2,04,79,078
Deferred Revenue Expenses	19,54,544	19,54,544
Other income:-		
Dividend	(60,000)	-
Interest income	(3,83,67,706)	(2,00,62,688)
Interest expense	4,82,04,126	2,77,96,034
Operating profit before working capital changes	4,63,79,848	3,99,71,131
(Increase)/Decrease in sundry debtors	(6,09,28,396)	2,60,53,952
(Increase)/Decrease in loans and advances	(2,55,47,583)	(30,06,59,021)
(Increase)/Decrease in closing stock of power banked	8,76,639	2,29,695
(Increase)/Decrease in inventories	(30,15,229)	(8,60,189)
Increase/(Decrease) in sundry creditors	3,07,45,092	2,52,53,352
Cash generated from operations	(1,14,89,629)	(21,00,11,080)
Income Tax Paid (net)	(38,36,772)	(45,74,583)
Net cash from operating activities	(1,53,26,401)	(21,45,85,663)
Cash flows from investing activities		
Purchase of fixed assets	(9,24,60,174)	(1,68,93,990)
Dividend received	60,000	-
Interest received	2,68,48,182	2,00,62,688
Short term loans to related parties	(59,00,000)	-
Net cash from/(used in) investing activities	(7,14,51,992)	31,68,698
Cash flows from financing activities		
Proceeds from / (Repayment) of Loans	12,54,35,481	23,66,66,665
Interest paid	(3,87,40,978)	(2,77,96,034)
Net cash used in financing activities	8,66,94,503	20,88,70,631
Net increase/(decrease) in cash and cash equivalents	(83,890)	(25,46,334)
Cash and cash equivalents at the beginning of the year	5,69,449	31,15,783
Cash and cash equivalents at the end of the year	4,85,559	5,69,449
Components of Cash and Cash Equivalents		
With Scheduled Banks		
- On Current Accounts	4,85,559	5,69,426
Cash in Hand	-	23

Note:-

{i} The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on "Cash Flow Statement".

{ii} Previous year figures have been regrouped/ rearranged wherever considered necessary.

The schedules referred to above form an integral part of the Cash Flow Statement

In terms of our report of even date, attached.

For K.K. Jain & Co.

Chartered Accountants

Firm Reg. No.: 002465N

K.K. Jain

Partner

Membership No. : 005436

Umesh K. Modi

Director

DIN No. 00002757

Abhishek Modi

Executive Director

DIN No. 00002798

G.C. Jain

Director

DIN No. 00002696

Place : New Delhi

Date : 24th August, 2012

J.N. Khurana

Director

DIN No. 00003817

S.S. Agarwal

Director

DIN No. 00004840

Shalini Gupta

Company Secretary

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

NOTE 1 : COMPANY OVERVIEW

SBEC Bioenergy limited is an power generation company primarily engaged in process baggasse & water and generate supply and distribute power/steam to government authorities and companies. The company also acquire and takeover the part of the business, property & liabilities of a company (debt acquired business).

NOTE 2 : ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous Period.

2. Inventories

Closing Stock of Power Banked is valued at lower of cost and market value. (Cost includes raw material, stores and spares consumed and factory overheads.)

Stores are valued at weighted average cost.

Provision for obsolescence in inventories is made, wherever required.

3. Fixed Assets and Depreciation

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

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.

Depreciation on Intangible Assets is provided @20% p.a. on original cost.

Assets costing less than Rs. 5,000 each are depreciated at the rate of 100% in the year of acquisition.

Depreciation is provided on Straight Line Method, based at the rates specified under Schedule XIV to the Companies Act, 1956.

Extra shift depreciation is charged in respect of plant & machinery, excluding items on which no extra shift depreciation is applicable as per Schedule XIV to the Companies Act, 1956, at the rate of 5.59% on actual number of days worked in triple shift in proportion to the normal working days, which are 151 for the Company.

4. Revenue Recognition

(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.

5. Foreign Currency Transactions

(a) 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.

(b) 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.

(c) Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of monetary Items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements,

are recognized as income or as expenses in the year in which they arise except exchange differences on transactions relating to acquisition of fixed assets, which are taken up to the date of capitalization of the related fixed assets.

6. Investments

Long term Investments are stated at cost of acquisition. Provision for diminution in the value is made only if the decline is other than temporary.

7. Employees Retirement Benefits

- (a) Provident fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the Contributions to the Government fund is due.
- (b) Short Term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss account of the year in which the related service is rendered.
- (c) Post employment and other long –term employee benefits are recognized as an expense in the Profit & Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses of the post employment and other long term benefits are charged to the Profit & Loss account of the year.

8. Leases

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.

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 Profit and Loss account on a straight-line basis over the lease term.

9. Accounting for Taxes

- (a) Current Corporate tax is provided on the results for the year after considering applicable tax rate & law.
- (b) Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

10. Earning 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.

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.

11. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indication exists, the recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

12. Miscellaneous Expenditure

Preliminary expenses and Deferred revenue expenses are being amortized over a period of ten years from the date of commencement of commercial operations.

NOTE 3 - SHARE CAPITAL

	AS AT 31.03.2012 (Rs. in lacs)	AS AT 31.03.2011 (Rs. in lacs)
Authorised		
35,000,000 Equity Shares of Rs.10/- each.	<u>350,000,000</u>	<u>350,000,000</u>
Issued, Subscribed and Paid-up		
23,000,000 Equity Shares of Rs.10/- each fully paid up (Previous year 23,000,000 Equity Shares of Rs.10/- each fully paid up) Of the above shares 17,019,980 shares are allotted as fully paid-up pursuant to a contract without payment being received in cash. (Previous year 23,000,000)	<u>230,000,000</u>	<u>230,000,000</u>
Total	<u>230,000,000</u>	<u>230,000,000</u>
a. Reconciliation of number of shares (nos.)		
Outstanding at the beginning of the year	2,30,00,000	2,30,00,000
Outstanding at the end of the year	2,30,00,000	2,30,00,000
b. The company has only one class of issued shares i.e. Equity shares having par value of Rs. 10 per share . Each holder of equity shares is entitled to one vote per and equal right for dividend. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing general meeting, except in case of interim dividend . in the event of liquidation the entity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.		
c. Detail of shareholders holding more than 5 percent of equity shares :		

Name of shareholders	As at 31st March, 2012	As at 31st March, 2011
SBEC sugar limited (Along with its nominee) (holding company)	1,26,50,000 55%	2,30,00,000 100%
Moderate leasing of capital services limited	1,03,50,000 45%	- -

- d. No. of shares have been reserved for issue under options and contracts/commitments for sale of shares/disinvestment as at the balance sheet date.
- e. None of the securities are convertible into shares at the end of the reporting period.
- f. No calls are unpaid by any director or officer of the company during the year.

NOTE 4 : RESERVES & SURPLUS

Surplus		
Opening as on 01/04/11 in the statement of Profit and loss	24,12,15,199	23,83,86,184
Profit for the year	1,23,22,181	28,29,015
Less: Transfer to Reserves	-	-
Net surplus in the statement of Profit and loss account	<u>25,35,37,380</u>	<u>24,12,15,199</u>
TOTAL	<u>25,35,37,380</u>	<u>24,12,15,199</u>

NOTE 5 : LONG-TERM BORROWINGS

	As at 31.03.2012	Non current portion As at 31.03.2011	Current portion As at 31.03.2012	As at 31.03.2011
A) Secured Borrowings				
Term Loan	20,41,66,670	19,16,66,668	11,66,66,664	5,83,33,332
'From SREI infrastructure finance limited (secured by first pari-passu charge and /or mortgage account for realisation of payments for sale of electricity to UPPCL and all present and future fixed assets of the company along with SREI Equipment Finance Private Limited and charge created in favour SREI under other accounts on the bank and the loan is further secured by irrevocable and unconditional corporate guarantee of Two companies and personal guarantee of two directors of the company)				
Less : Amount disclosed under the head "other liabilities" (Refer to note 9)	-	-	11,66,66,664	5,83,33,332
Total	<u>20,41,66,670</u>	<u>19,16,66,668</u>	<u>-</u>	<u>-</u>

Terms of payment and default :

Repayable in 24 equal installments (from December to may every year, beginning from December 2011) carrying on interest rate at SREI benchmark rate subject to minimum interest rate of 16% payable at monthly in arrear
Principal & interest amounting to Rs. 38148216 due but not paid

NOTE 6 : LONG-TERM PROVISIONS

(All amounts are in Rupees)

	AS AT 31.03.2012	AS AT 31.03.2011
Provision for Employee Benefits :		
For Leave Encashment	1,92,063	1,51,016
For Gratuity	14,54,504	12,72,767
Total	16,46,567	14,23,783

NOTE 7 : SHORT-TERM BORROWINGS
Unsecured

Loans repayable on demand From SBEC Sugar Limited (holding company)	7,63,59,705	2,17,57,558
Total	7,63,59,705	2,17,57,558

NOTE 8 : TRADE PAYABLES

(All amounts are in Rupees)

	Non current portion As at 31.03.2012	As at 31.03.2011	Current portion As at 31.03.2012	As at 31.03.2011
Sundry creditors				
-Small Scale Industries	-	-	-	-
Others	-	1,74,530	71,76,129	54,22,327
TOTAL	-	1,74,530	71,76,129	54,22,327

The company has sought confirmation from its vendors on their status under Micro, Small and medium enterprises Development Act , 2006("MSMED Act ") which came into force from 2nd October 2006. based on the confirmations received till date, the disclosure as required by section 22 of the MSMED Act are given below :-

	AS AT 31.03.2012	AS AT 31.03.2011
A) Principal amount payable to suppliers as at year end	-	-
B) Interest due thereon as at year end	-	-
C) Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which interest relates	-	-
D) Amount of delayed payments actually made to suppliers during the year	-	-
E) Amount of interest due and payable for the year of delay in making payment (Which has been paid, but beyond the appointed day during the year) but without adding interest specified under the MSMED Act	-	-
F) Interest accrued and remaining unpaid at the end of the year	-	-

NOTE 9 : OTHER CURRENT LIABILITIES

Current maturity of long term borrowing (refer note no. 5)	11,66,66,664	5,83,33,332
Interest accrue and due on borrowing	89,81,550	-
Interest accrue and but not due on borrowing	22,26,256	17,44,658
Salaries, wages & bonus	19,27,136	18,64,715
Retention money	1,00,598	1,34,348
Security deposit received	45,000	45,000
Other liabilities*	3,07,12,315	22,04,772
Bills payable	89,050	8,576
Customer credit balance	-	567
Statutory dues payable	5,54,147	2,87,437
TOTAL	16,13,02,716	6,46,23,405

* Other liabilities includes liability to SBEC sugar Limited (Holding Co.) amounting to Rs. 2,69,80,653 (Previous Year : NIL)

** Other liabilities includes liabilities to other related parties amounting to Rs. 9,11,962

NOTE 10 : SHORT-TERM PROVISIONS

Provision for Employee Benefits		
For Leave Encashment	6,30,356	6,73,572
For Gratuity	7,95,831	6,92,410
Others:		
For Income Tax	10,14,982	-
Total	24,41,169	13,65,982

SCHEDULE 11 - FIXED ASSETS

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.2011	Additions / Adj. During the year	Disposals / Adj. During the year	As at 31.03.2012	As at 01.04.2011	For the 12 month	Adjustments / Disposals	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
A. Tangible assets										
Freehold Land	27,00,000	-	-	27,00,000	-	-	-	-	27,00,000	27,00,000
Buildings	2,53,25,889	-	-	2,53,25,889	93,06,441	8,45,885	-	1,01,52,326	1,51,73,563	1,60,19,448
Plant & Machinery *	42,43,51,282	10,67,80,595	-	53,11,31,877	38,54,53,617	83,97,085	-	39,38,50,702	13,72,81,175	3,88,97,665
Vehicles	11,36,409	-	-	11,36,409	4,18,653	1,07,959	-	5,26,612	6,09,797	7,17,756
Furniture, Fixtures & Fittings	2,87,155	-	-	2,87,155	1,92,414	11,480	-	2,03,894	83,261	94,741
Office Equipment	2,56,988	4,000	-	2,60,988	1,03,535	14,816	-	1,18,351	1,42,637	1,53,453
Other Equipment	1,45,358	-	-	1,45,358	65,778	6,736	-	72,514	72,844	79,580
Computers	5,15,039	38,325	-	5,53,364	4,48,218	26,487	-	4,74,705	78,659	66,821
Sub - Total	45,47,18,120	10,68,22,920	-	56,15,41,040	39,59,88,656	94,10,448	-	40,53,99,104	15,61,41,936	5,87,29,464
Capital Work in Progress	1,44,10,226	47,480	1,44,10,226	47,480	-	-	-	-	47,480	1,44,10,226
Total	46,91,28,346	10,68,70,400	1,44,10,226	56,15,88,520	39,59,88,656	94,10,448	-	40,53,99,104	15,61,89,416	7,31,39,690
Previous Year	45,51,47,856	1,39,80,490	-	46,91,28,346	37,55,88,770	2,03,99,886	-	39,59,88,656	7,31,39,690	7,95,59,086
(Including Capital Work in Progress)										
* Additions of plant and machinery includes borrowing cost amounting Rs.16430283/- (Previous Year WIP includes Borrowing cost Rs.13604349)										
B. Intangible assets										
Software	4,10,435	-	-	4,10,435	3,45,245	32,656	-	3,77,901	32,534	65,190
Total	4,10,435	-	-	4,10,435	3,45,245	32,656	-	3,77,901	32,534	65,190
Previous Year	3,96,935	13,500	-	4,10,435	2,66,053	79,192	-	3,45,245	65,190	1,30,882

NOTE 12 : Deferred tax (assets) / Liability (net)

All amounts are in Rupees)

	AS AT 31.03.2012	AS AT 31.03.2011
Deferred tax assets on account of :		
Depreciation	1,27,34,210	2,19,21,376
Disallowance u/s 43B	3,86,519	4,82,393
Gratuity	6,08,616	6,07,240
Other disallowance under income tax act	41,53,293	29,03,474
Total	1,78,82,638	2,59,14,483

NOTE 13 : LONG-TERM LOANS AND ADVANCES

Unsecured

Capital Advance	12,93,932	30,02,804
Security Deposits	89,212	89,212
Total	13,83,144	30,92,016

NOTE 14 : OTHER NON-CURRENT ASSETS

Debt Assignment Recoverable	21,85,97,682	21,85,97,682
Other receivable*	26,28,676	26,28,676
Deferred revenue expenditure	52,18,443	71,72,987
Total	22,64,44,801	22,83,99,345

* Other receivable includes recoverable from Related parties Rs. 23,28,902 (Previous year Nil)

NOTE 15 : CURRENT INVESTMENT

All amounts are in Rupees)

	AS AT 31.03.2012	AS AT 31.03.2011
Trade Investment		
(Unquoted, Valued at Cost)		
Investment		
20,000 Eq.Shares of Rs.25/- each in The Shamrao Vithal Co-operative Bank Ltd. (Previous Year - 20,000 Equity shares of Rs. 25/- each)	5,00,100	5,00,100
Total	<u>5,00,100</u>	<u>5,00,100</u>

NOTE 16 : INVENTORIES

Closing stock of Power Banked	16,45,672	25,22,311
Stores and spares	2,72,40,495	2,41,92,321
Less : Provision for obsolete stock	32,945	-
Total	<u>2,88,53,222</u>	<u>2,67,14,632</u>

NOTE 17 : TRADE RECEIVABLES

(All amounts are in Rupees)

	Non current portion		Current portion	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Debts outstanding for a period exceeding six months from the date they are due for payment				
Unsecured considered good	-	-	7,58,94,601	1,49,66,205
Considered Doubtful	-	-	-	-
	-	-	<u>7,58,94,601</u>	<u>1,49,66,205</u>
Less : Provision for doubtful debts	-	-	-	-
(A)	-	-	<u>7,58,94,601</u>	<u>1,49,66,205</u>
Other Receivables				
Unsecured considered good	-	-	-	-
Considered doubtful	-	-	-	-
	-	-	-	-
Less : Provision for doubtful debts	-	-	-	-
(B)	-	-	-	-
TOTAL (A+B)	<u>-</u>	<u>-</u>	<u>7,58,94,601</u>	<u>1,49,66,205</u>

NOTE 18 : CASH AND BANK BALANCES

(All amounts are in Rupees)

	As at 31.03.2012	As at 31.03.2011
Cash and Cash Equivalents		
Balance with Scheduled Banks in -		
— Current Accounts	4,85,559	5,69,426
Cash & Stamps in hand	-	23
Cheques/Drafts in hand	-	-
Fixed deposit with banks with maturity period less than 3 months	-	-
	<u>4,85,559</u>	<u>5,69,449</u>
Other bank balances		
Fixed deposit with banks with maturity period more than 12 months	-	-
Fixed deposit with banks with maturity period more than 3 months but up to 12 months	-	-
	-	-
TOTAL	<u>4,85,559</u>	<u>5,69,449</u>

NOTE 19 : SHORT TERM LOAN & ADVANCES
unsecured

Security deposit	6,76,982	6,91,982
REC Units recoverable	2,65,18,500	-
Prepaid expenses	4,79,817	27,090
Staff balances	57,178	37,586
Advance to suppliers	11,46,834	9,32,425
Other receivable#	3,90,827	3,24,600
Inter Corporate deposit to related parties*	39,44,54,567	37,70,35,043
TOTAL	<u>42,37,24,705</u>	<u>37,90,48,726</u>

* Inter corporate deposit given to related parties (covered from 1st Jan 2012) amounting to Rs. 39,44,54,567/- (Previous year Nil)

Other receivable includes recoverable from Shri Abhishek Modi (Executive director) Rs. 287,307 (Previous year Nil)

NOTE 20 : OTHER CURRENT ASSETS

(Amounts are in Rupees)

	As at 31.03.2012	As at 31.03.2011
Income tax recoverable	32,85,072	32,85,072
Deferred Revenue Expenses (Refer Note no. 32)	19,54,544	19,54,544
TOTAL	52,39,616	52,39,616

NOTE 21 : REVENUE FROM OPERATIONS

(Amounts are in Rupees)

	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Sale of Power	9,60,17,077	9,28,66,154
Less : Excise Duty on Sales	-	-
TOTAL	9,60,17,077	9,28,66,154

NOTE 22 : OTHER OPERATING INCOME

Sale of scrap	2,80,588	2,71,349
TOTAL	2,80,588	2,71,349

NOTE 23 : OTHER INCOME

Interest Received from Others (Gross)	3,83,67,706	1,99,35,492
Dividend	60,000	-
Notice pay	4,564	-
Interest on Income Tax Refunds	-	1,27,196
Foreign Exchange fluctuation	85,499	26,096
Excess Provision / Sundry balances written back	2,559	95,234
TOTAL	3,85,20,328	2,01,84,018

NOTE 24 : CHANGE IN INVENTORIES OF STOCKS

Opening Stock		
Finished Goods (Power Banked)	25,22,311	27,52,006
Closing Stock		
Finished Goods (Power Banked)	16,45,672	25,22,311
Increase/(Decrease) In Stocks	(8,76,639)	(2,29,695)

NOTE 25 : MANUFACTURING EXPENSE

Power & Fuel	14,95,236	16,09,575
Stores & Spares Consumed	1,12,57,004	1,31,20,792
Repair & Maintenance		
- Plant & Machinery	39,38,843	53,40,584
- Building	-	-
- Others	-	-
Bagasse and Ash Handling Charges	37,36,729	33,53,359
Technical Assistance Fees	3,73,640	11,82,497
TOTAL	2,08,01,452	2,46,06,807

NOTE 26 : EMPLOYEE BENEFIT EXPENSES

Salary, Wages, Bonus & other allowances	1,66,00,581	1,31,57,843
Company's Contribution To Provident & Other Funds	13,56,332	10,22,275
Staff Welfare Expenses	25,461	31,868
Gratuity	4,18,283	3,52,911
TOTAL	1,84,00,657	1,45,64,897

NOTE 27 : FINANCE COST

Interest - on Term Loans	4,81,73,188	2,77,74,011
- Others	30,938	22,023
	4,82,04,126	2,77,96,034
Bank Charges	29,292	46,840
Bill discounting charges	16,502	-
Loan raising expenses	-	46,10,500
TOTAL	4,82,49,920	3,24,53,374

NOTE 28 : ADMINISTRATION EXPENSES
(Amounts are in Rupees)

	For the Year ended 31.03.2012	For the Year ended 31.03.2011
A. ADMINISTRATION EXPENSES		
Auditor's Remuneration	1,72,435	1,72,141
Tax audit fees	41,363	41,363
Telephone, Postage & Telegram	2,72,321	2,84,514
Legal & Professional Charges	8,33,974	6,09,011
Travelling & Conveyance	18,00,571	20,38,348
Rent Including Lease Charges	2,94,804	8,32,548
Rates & Taxes	18,287	22,488
Vehicle Expenses	8,78,881	5,04,736
Insurance expenses	7,71,140	6,43,976
Office & Maintenance	21,175	64,102
Security Guard Expenses	35,05,715	33,20,543
Debit Balances Written Off	1,19,396	2,27,578
Provision for Obsolete Store Items	32,945	-
Director Sitting Fee	32,000	41,000
Misc. Expenses	10,90,890	4,26,615
Miscellaneous expenditure written off	19,54,544	19,54,544
TOTAL	1,18,40,441	1,11,83,507

NOTE 29 : Deferred Taxation (AS-22)

The Company has during the year made adjustments on account of Deferred Taxes in terms of Accounting Standard - 22 on 'Taxes on Income'.

- (a) Deferred Tax Assets are recognized and carried forward only to the extent their is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- (b) Break-up of Deferred Tax Assets / Liabilities into major Components as given below:

Deferred Tax Assets	Deferred Tax Asset / (Liability) as at 31.03.2012	Current Year (Charge) / Credit	Deferred Tax Asset / (Liability) as at 31.03.2011
Depreciation	1,27,34,210	(91,87,166)	2,19,21,376
Disallowance u/s 43B	3,86,519	(95,874)	4,82,393
Gratuity	6,08,616	1,376	6,07,240
Other Disallowance under I. Tax Act	41,53,293	12,49,819	29,03,474
Deferred Tax Assets/ (Liabilities)	1,78,82,638	80,31,845	2,59,14,483

NOTE 30 : Earnings Per share

Particulars	For the year ended 31 st March' 2012	For the year ended 31 st March' 2011
Net Profit after tax (Rs in lacs)	1,23,22,181	28,29,015
Weighted average number of Equity Shares.	2,30,00,000	2,30,00,000
Basic Earning Per Share (Rs.)	0.54	0.12
Diluted Earning Per Share (Rs.)	0.54	0.12

NOTE 31 : Contingent Liabilities

Claims against the Company not acknowledged as debts:

Income tax matters	1,59,51,843	7,85,17,243
--------------------	-------------	-------------

NOTE 32 :

- (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.1,95,45,474 as demanded by UPPCL till end of March, 2012. 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. 5,18,541 for the year 2011-12 (Previous Year Rs. 4,93,849/-) 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.

NOTE 33 :

SBEC Sugar Limited (SSL) along with its nominee the holding Company holds 1,26,50,000 fully paid up Equity Shares (Previous Year 2,30,00,000) in the Company.

NOTE 34 :

- (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. 14,10,97,682 (previous year Rs. 14,10,97,682) under this scheme.

- (b) 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. 7,75,00,000.

The company made a payment of Rs. 7,75,00,000 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.

NOTE 35 :

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.

NOTE 36 : SEGMENT REPORTING

The reportable segments as per Accounting Standard – 17 issued by The Institute of Chartered Accountant of India on "Segment Reporting" are given as under:

Particulars	Power Generation		Assets Acquiring		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue						
External	9,60,17,077	9,28,66,154	-	-	9,60,17,077	9,28,66,154
Inter Segment	-	-	-	-	-	-
Total Revenue	9,60,17,077	9,28,66,154	-	-	9,60,17,077	9,28,66,154
Result						
Segment Result (Profit /(Loss) before tax)	4,17,48,177	2,41,17,328	(3,58,500)	-	4,13,89,677	2,41,17,328
Unallocated expenses	-	-	-	-	63,01,683	17,01,661
Interest Expense	4,82,49,920	3,02,72,656	-	21,80,718	4,82,49,920	3,24,53,374
Interest Income	3,83,67,706	2,00,62,688	-	-	3,83,67,706	2,00,62,688
Income taxes	-	-	-	-	(48,51,754)	(18,18,000)
Deferred tax	-	-	-	-	(80,31,845)	(53,77,966)
Profit after tax	-	-	-	-	1,23,22,181	28,29,015
Other Information						
Segment Assets	30,09,55,081	13,22,47,721	21,85,97,682	21,85,97,682	51,95,52,763	35,08,45,403
Unallocated Assets	-	-	-	-	41,70,77,573	40,68,04,047
Segment Liabilities	45,15,54,707	28,64,21,982	-	-	45,15,54,707	28,64,21,982
Unallocated Liabilities	-	-	-	-	15,38,249	-
Capital Expenditure	-	-	-	-	9,24,12,694	1,39,93,990
Depreciation	94,43,104	2,04,79,078	-	-	94,43,104	2,04,79,078

Since all the operations of the Company are conducted within India, as such there is no separate reportable geographical segment.

NOTE 37 : RELATED PARTY DISCLOSURE

- 1 Pursuant to compliance of AS-18 on "Related Party Disclosures", the disclosure has been made for related parties where transactions have taken place during the year.

- A(1) Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises:

SBEC Sugar Limited
Moderate leasing and capital services limited

A(2) Associates
NIL

A(3) Fellow Subsidiaries
SBEC Stockholding & Investment Limited
Modi Gourmet Limited

A(4) Key Management Personnel
Mr. Abhishek Modi – Executive Director (w.e.f. 11/7/2011)
Mr. Arun Kumar Gupta – Manager (Upto 10/7/2011)
Relatives of Key Management Personnel
Mrs. Sunita Gupta
Mr. Alok Kumar Gupta
Mrs. Anshu Gupta
Mrs. Nandini Modi
Mr. Umesh Kumar Modi
Mrs. Kum Kum Modi
Mrs. Himani Modi Aggarwal
Ms. Meghna Modi
Mr. Priyank Kumar Aggarwal
Mr. Jayesh Modi

A(5) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence
Modi Arts Pvt. Ltd,
Modi Goods and Retail Services Pvt. Ltd (formally known as Modi Groceries Pvt. Ltd.)
SBEC Systems (India) Ltd.
Jai Abhishek Investments Pvt. Ltd
Kamakhya Cosmetics & Pharmaceuticals Pvt. Ltd
Modi Diagnostics Pvt. Ltd
Modi Revlon Pvt. Ltd
Modi Senator (India) Pvt. Ltd
First Move Management Services Pvt. Ltd
Revlon Lanka Pvt. Ltd
Swasth Investment Pvt. Ltd
Umesh Modi Corp. Pvt. Ltd
Modi Omega Pharma (India) Pvt. Ltd
Modi Ilva India Pvt. Ltd
A to Z Holding Pvt. Ltd
Longwell Investment Pvt. Ltd
Bihar Sponge Iron Ltd
Modi Mundipharma Pvt. Ltd
Modiline Travel Service Pvt. Ltd
Modi Industries Ltd
Morgardshammer India Ltd.
Win Medicare Pvt. Ltd,
H. M. Tubes & Containers Pvt. Ltd
Modi Motors Pvt. Ltd
M.G. Mobiles India Pvt. Ltd
Chandil Power Limited
Revlon Trading Bangladesh Private Limited
Meghna Autoworks Private Limited
Jayesh Tradex Pvt. Ltd

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

Nature of transaction	Referred in A (1) above	Referred in A (2) above	Referred in A (3) above	Referred in A (4) above	Referred in A (5) above
Purchase					
Goods and Services	16,502	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Sales					
Goods and Services	1,24,571	-	-	-	-
	(-)	(-)	(-)	(-)	-
Expenses					
Computer / Printing & Stationery	-	-	-	-	1,380
	(-)	(-)	(-)	(-)	(-)
Air Tickets / Vehicle Exp.	-	-	-	-	5,33,015
	(-)	(-)	(-)	(-)	(-)
Gift & others	-	-	-	-	7,036
	(-)	(-)	(-)	(-)	(-)
Salary & Wages etc	-	-	-	47,85,659	-
	(-)	(-)	(-)	(10,24,569)	(-)
Consultancy / Sitting Fee	-	-	-	7,000	-
	(-)	(-)	(-)	(-)	(-)
REC Unit transfer	2,65,18,500	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Income					
Interest Received	3,83,67,706	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Loan Taken (net).	5,46,02,147	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Loan given	59,00,000	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Corporate Guarantees Outstanding as on 31.03.12	32,08,33,334*	-	-	-	-
	25,00,00,000*	(-)	(-)	(-)	(-)
Recoverable / Receivable as on 31.03.12					
Loan Receivable Yearend Balance	39,44,58,567	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Other Recoverable	-	-	-	2,87,307	23,28,902
	(-)	(-)	(-)	(-)	(-)
Finance / Advance Taken as on 31.03.12					
Finance (Loan)Yearend Balance	7,63,59,705	-	-	-	-
	-	-	-	-	-
Other Pay	2,69,80,654	-	-	2,691	9,00,771
	(2,17,45,287)			(96,103)	

Guarantee taken from SBEC Sugar Ltd. Rs. 32,08,33,334 (Previous year Rs. 25,00,00,000/).

NOTE 38 : MANAGERIAL REMUNERATION

A.) **Mr. Arun Kumar Gupta**, (Upto 10 July, 2011) Manager u/s 269 of the Companies Act, 1956 was paid remuneration in accordance with Schedule XIII to the Companies Act, 1956. The same having been included under different heads of expenditure is as follows:

Particulars	Current Year	Previous Year
Salary & Bonus	3,15,779	8,85,729
Contribution to Provident Fund	25,882	69,840
Reimbursement of Expenses	18,525	69,000

B.) **Mr. Abhishek Modi**, Executive director (From 11 July, 2011), under Companies Act, 1956 was paid remuneration in accordance with Schedule XIII to the Companies Act, 1956. The same having been included under different heads of expenditure is as follows:

Particulars	Current Year	Previous Year
Salary & Bonus	25,88,226	—
Contribution to Provident Fund	2,08,258	—
Reimbursement of Expenses	15,000	—

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 349 and 350 of the Companies Act, 1956 for the purpose of Section 198 of the said Act is as under:-

This Year	Current Year	Previous year
Profit (Loss) for the year before taxation (as per Profit & Loss Account)	2,52,05,780	98,04,163
Add:-		
(a) Depreciation provided in the Accounts	94,43,104	2,04,79,078
(b) Director and Manager Remuneration	31,71,670	10,24,569
(c) Loss on sale of Fixed Assets	-	-
	3,78,20,554	3,13,07,810
Less:-		
(a) Depreciation as per section 350 of the Companies Act, 1956	94,43,104	2,04,79,078
(b) Profit on sale of Fixed Assets	-	-
Profit(Loss) u/s 349/350	2,83,77,450	1,08,28,732

Shri Abhishek Modi , Executive Director has not been paid any commission during the current year due to inadequate profits.

NOTE 39 : Additional information

Additional information required to be given pursuant to Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable) is as follows:

a. Statement of Installed & Licensed Capacity and Generation Quantity : @

Description	Licensed Capacity	Installed Capacity	Actual Generation*
Power	Not Applicable	24MW (12MW)	4,79,23,000 kwh (3,69,82,808(kwh)
Steam	Not Applicable	77 tph (77 tph)	2,57,617 tones (2,55,355 tones)

Figures in brackets are for Previous Year.

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

@ The plant operated for 151 days in the current year (previous year 147 days).

b. Details of Sales/Conversions. (in Rs.)

Description	Opening Stock		Conversion		Sales		Closing Stock	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity*	Value
Power	13,61,874 kwh (12,41,714 kwh)	25,22,311 (27,52,006)	1,96,11,680 kwh (81,50,132 kwh)	— —	2,41,94,920 kwh (2,43,96,936 kwh)	9,60,17,077 (9,28,66,154)	13,76,137 kwh (13,61,874 kwh)	16,45,672 (25,22,311)
Steam	— —	— —	2,57,617 tonnes (2,55,355 tones)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

Figures in brackets are for previous Year.

* Includes 1,25,000 kwh (Previous Year 1,25,000 kwh) charged as banking fee by UPPCL.

c. Consumption of Imported and Indigenous Raw Material and Stores & Spares (in Rs.)

Particulars	Indigenous		Imported	
	Value	%	Value	%
Raw Material				
Bagasse*	—	100	—	—
	(—)	(100)	(—)	(—)
Store / Spares	9,65,83,746	100	Nil	Nil
(including fixed assets)	(1,49,56,478)	(98.98)	(1,53,619)	(1.02)

Figures in brackets are for Previous Year.

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

d. Value of Import on CIF Basis (in Rs.)

Particulars	Current year	Previous Year
Store & Spares	7,50,801	Nil

e. Expenditure in Foreign Currency (Paid)

(in Rs.)		
Particulars	Current year	Previous Year
Purchase of stores & spares	7,50,801	Nil
Others	7,99,260	Nil

NOTE 40 : EMPLOYEE BENEFITS (AS-15)

The Company has adopted Revised Accounting Standard - 15 'Employee Benefits'. In accordance with the transitional provision of revised AS - 15, additional liability (net of tax) under new method as at 1st April, 2008 as compared to liability provided under Pre-revised AS - 15 to be adjusted against the balance of General Reserve as at 1st April, 2009 is NIL.

a) Defined Contribution Plan

Contributions to Defined Contribution Plan, recognized as expense for the year are as under:

	2011-12 Year	2010-11 Year	2009-10 Year
Employer's contribution to Provident Fund	11,95,567	9,00,981	10,39,590

b) Defined Benefit Plan

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

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

(in Rs.)

	Current Year Gratuity (Unfunded) 2011-12	Previous Year Gratuity (Unfunded) 2010-11	Previous Year Gratuity (Unfunded) 2009-10	Current Year Leave Encashment (Unfunded) 2011-12	Previous Year Leave Encashment (Unfunded) 2010-11	Previous Year Leave Encashment (Unfunded) 2009-10
Defined Benefit obligation at the beginning of the year	19,65,177	18,12,776	15,27,969	1,56,679	1,79,742	1,08,646
Current Service Cost	3,26,044	2,84,418	2,33,750	42,235	41,538	51,410
Past Service Cost	Nil	18,557	-	-	-	-
Interest Cost	1,67,040	1,45,022	1,14,598	13,318	14,379	8,148
Actuarial (gain)/loss	(74,801)	(95,086)	(25,109)	33,283	(78,980)	11,538
Benefits Paid	(1,33,125)	(2,00,510)	(38,432)	(46,415)	-	-
Settlement cost	-	-	-	-	-	-
Defined Benefit obligation at the end of the year	22,50,335	19,65,177	18,12,776	1,99,100	1,56,679	1,79,742

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

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

3. Reconciliation of amount recognized in Balance Sheet

Fair Value of Plan Assets as at 31st March, 2012	—	—	—	—	—	—
Present value of obligation as at 31 st March, 2012	22,50,335	19,65,177	18,12,776	1,99,100	1,56,679	1,79,742
Net asset/(liability) recognized in the Balance Sheet	(22,50,335)	(19,65,177)	(18,12,776)	(1,99,100)	1,56,679	1,79,742

4. Expense Recognized during the period in Profit & Loss A/c.

Current Service Cost	3,26,044	2,84,418	2,33,750	42,235	41,538	51,410
Past Service Cost	-	18,557	-	-	-	-
Interest Cost	1,67,040	1,45,022	1,14,598	13,318	14,379	8,148
Expected return on plan assets	-	-	-	-	-	-
Net Actuarial (gain)/ loss recognized during the period	(74,801)	95,086	(25,109)	33,283	(78,980)	11,538
Expenses recognized in the statement of Profit & Loss	4,18,283	3,52,911	3,23,239	88,836	(23,063)	71,096

5. Actual Return on Plan Assets
Gratuity & Leave encashment (Unfunded)

Expected Return on Plan Assets	-
Actuarial (gain)/ loss	-
Actual return on plan assets	-

6. Principal Actuarial Assumptions

(in Rs.)

	Current Year Gratuity (Unfunded) 2011-12	Previous Year Gratuity (Unfunded) 2010-11	Previous Year Gratuity (Unfunded) 2009-10	Current Year Leave Encashment (Unfunded) 2011-12	Previous Year Leave Encashment (Unfunded) 2010-11	Previous Year Leave Encashment (Unfunded) 2009-10
Mortality Table(LIC)	1994-96 duly Duly modified	1994-96 duly Duly modified	1994-96 duly Duly modified	1994-96 duly Duly modified	1994-96 duly Duly modified	1994-96 duly Duly modified
Discount rate as at 31 st March, 2012	8.50%	8.00%	7.50%	8.50%	8.00%	7.50%
Future Salary Increase	6.00%	5.50%	5.00%	6.00%	5.50%	5.00%
Expected rate of return on plan assets	-	-	-	-	-	-
Retirement Age	60 years	60 years	60 years	60 years	60 years	60 years
Withdrawal Rates Age	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates
Upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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.

NOTE 41 :

Previous year figures have been regrouped where necessary to confirm to this period classification.

In terms of our report of even date, attached.

For K.K. Jain & Co.

Chartered Accountants
Firm Reg. No.: 002465N

K.K. Jain
Partner
Membership No. : 005436

Umesh K. Modi
Director
DIN No. 00002757

Abhishek Modi
Executive Director
DIN No. 00002798

G.C. Jain
Director
DIN No. 00002696

Place : New Delhi
Date : 24th August, 2012

J.N. Khurana
Director
DIN No. 00003817

S.S. Agarwal
Director
DIN No. 00004840

Shalini Gupta
Company Secretary

SBEC SUGAR LIMITED

REGISTERED OFFICE
Village Loyan Malakpur, Tehsil Baraut, District Baghpat, Uttar Pradesh

ATTENDANCE SLIP

(THIS ATTENDANCE SLIP DULY FILLED IN TO BE HANDED OVER AT THE ENTERANCE OF THE MEETING HALL)

L.F.NO. (s)		CLIENT ID NO.	
D.P. ID No.		NO. OF SHARES HELD	

Name of the attending Member
(in Block Letters)

Name of Proxy(s) (in Block Letters).....
(to be filled in if the Proxy attends instead of the member)

I hereby record my presence at the 18th Annual General Meeting of the Company held on Saturday, the 29th day of December, 2012 at 2.30 P.M. at Village Loyan Malakpur, Tehsil Baraut, District Baghpat, Uttar Pradesh.

.....
Member's/Proxy's Signature
(To be signed at the time
of handing over this slip)

.....PLEASE TEAR HERE.....

SBEC SUGAR LIMITED

REGISTERED OFFICE
Village Loyan Malakpur, Tehsil Baraut, District Baghpat, Uttar Pradesh

PROXY FORM

L.F.NO. (s)		CLIENT ID NO.	
D.P. ID No.		NO. OF SHARES HELD	

We.....
of.....
being member(s) of SBEC SUGAR LIMITED, hereby appoint.....
.....of in the district of.....
.....or failing him/her.....
.....of in the district of

as my/our Proxy to attend and vote for me/us, on my/our behalf at the 18th Annual General Meeting of the Company held on Saturday, the 29th day of December, 2012 at 2.30 P.M at Village Loyan Malakpur, Tehsil Baraut, District Baghpat, Uttar Pradesh and at any adjournment thereof.

AS WITNESS my/our hand(s) this day of..... 2012

- Note : i) The Proxy must be sent so as to reach the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting.
ii) The Proxy need not be a member of the company.

Affix a
Revenue
Stamp

Signature(s)

Book Post
Under Postal Certificate

If undelivered, please return to:-

SBEC SUGAR LIMITED

1502-A, 16th Floor, Modi Tower,
98, Nehru Place,
New Delhi-110019.