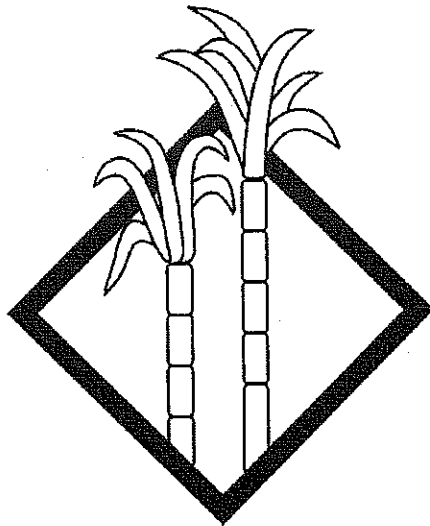


SBEC Sugar Limited



T W E N T E E N T H A N N U A L R E P O R T

2014



SBEC SUGAR LIMITED

REGISTERED OFFICE

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

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Shareholders of SBEC Sugar Limited will be held on Thursday, the 25th day of September, 2014 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, 2014 and the Profit and Loss Account for the period ended as on that date along with Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Mrs. Kumkum Modi (DIN 00522904), who retires by rotation, and being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Doogar & Associates, Chartered Accountants, (Firm Registration No.000561N) be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. G. C. Jain (DIN 00002696), Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by

rotation, to hold office for a term of five consecutive years commencing from September 25, 2014."

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

"RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Om Prakash Modi (DIN 00009490), Director of the Company, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five consecutive years commencing from September 25, 2014."

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

"RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Philogene Claude (DIN 00089633), Director of the Company, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five consecutive years commencing from September 25, 2014."

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

"RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies



(Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Manmohan (DIN 00207036), Director of the Company, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five consecutive years commencing from September 25, 2014."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Norland L. C. Suzor (DIN 00173465), Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five consecutive years commencing from September 25, 2014."

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

"RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, due to his ill-health Mr. Santosh Chandra Gupta will cease to hold the office of Whole-time Director (Works) of the Company on completion of his present term on 17th June, 2014 and be and is hereby re-designated and continue to hold the office as a Director of the Company w.e.f. 18th June, 2014, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. M.K. Singhal & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2014-15, be paid a remuneration of Rs. 60,000 per annum plus applicable service tax and out of pocket expenses that may be incurred.

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

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs. 500 crores [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

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

"RESOLVED THAT pursuant to Section 372A of the Companies Act, 1956 and any other applicable provisions, if any, of the Companies Act, 1956, the Corporate Guarantee issued by the Board of Directors of the Company for an amount of Rs. 20 crores in favour of SREI Infrastructure and Finance Limited towards the Term Loan sanctioned vide its Sanction Letter Srei/PF/2013-14/SRE416/01 dated 5th



February, 2014 to SBEC Bioenergy Limited, subsidiary company of SBEC Sugar Ltd., notwithstanding that the aggregate amount of all investments/loans/securities/guarantees together with the said guarantee exceeds 60% of the aggregate of paid up capital and free reserves or 100% of the free reserves, whichever is higher, be and is hereby confirmed and ratified by the Company."

By order of the Board
For SBEC Sugar Limited

Place : New Delhi
Date : 23rd August, 2014

Shwetambery Khurana
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.

Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.

Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.

2. The Register of Members & Share Transfer Books of the Company will remain closed from 18th September, 2014 to 25th September, 2014 (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. Members holding shares in physical form are advised to make nomination in Form SH-13 in respect of their shareholding in the Company. The nomination form will be made available by the Company on request.
8. Company will be disclosing to the Stock Exchanges, as per Clause 35A of the Listing Agreement, the details of results of voting on each of the resolutions proposed in this Notice.
9. In support of the green initiative of the Government, electronic copy of the Annual Report for Financial Year 2013-14 and notice of the Twentieth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2013-14 and the Notice of the Twentieth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. We, however, request and encourage you to register your email-id for e-communication in the records of your Depository Participant (incase of electronic holding) / the Registrar and Share Transfer Agent and the Company (in case of physical shareholding) mentioning your demat account details / folio number. You may also, in order to register your email id send an email from the respective email id to investors@sbecsugar.com, with a subject "Registration of email id."
11. Members may also note that the Notice of the Twentieth Annual General Meeting and the Annual Report for financial year 2013-14 will also be available on the Company's website i.e. www.sbecsugar.com for their download.
12. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication/information, the members may also send requests to the Company's investor email id: investors@sbecsugar.com.



13. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
14. Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 A.M to 1.00 P.M upto the date of Annual General Meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.

PAN*

Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)

DOB#

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

Dividend Bank Details#

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

*Members who have not updated their PAN with the Company/ Depository Participant are requested to use first two letters of their name and the last eight digits of the demat account /folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Dhiraj Kumar with folio 3000 then enter DH00003000 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository/company, please enter the number of shares held by you as on 22nd August, 2014 in the Dividend Bank details field.

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

(vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For members holdings shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the relevant EVSN on which you choose to vote.

(x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the

16. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

A) In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com.
- (ii) Click on "Shareholders" tab to cast your votes.
- (iii) Now, select the Electronic Voting Sequence Number - "EVSN" along with "SBEC Sugar Limited" from the drop down menu and click on "SUBMIT"
- (iv) If you are holding shares in Demat form and have already voted earlier on www.evotingindia.com for a voting of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.
- (v) Now, fill up the following details in the appropriate boxes:

User ID

For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID for members holding shares in demat form.

Folio Number registered with the Company for members holding shares in physical form.



option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code, click on Forgot Password & enter the details as prompted by the system.
- (xvi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorised to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.

- b. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- c. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be available for inspection and also placed on the website of the Company within prescribed period.

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

Item Nos. 4 to 8

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Term shall be effective prospectively.

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

The Directors in item no 4 to 7 proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company and in item no 8 is the non-executive Director of the Company. The period of office of these Directors was liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. G. C. Jain, Mr. Om Prakash Modi, Mr. Philogene Claude, Mr. Manmohan, Mr. Norland Suzor, being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions and whose period of office was not liable to determination by retirement by rotation.

Mr. G. C. Jain, Mr. Om Prakash Modi, Mr. Philogene Claude, Mr. Manmohan, Mr. Norland Suzor, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder for their appointment as Independent Directors of the Company and the proposed directors are independent of the management. Notice have been received from member(s) signifying their intention to propose appointment of these Directors along with a deposit of Rs.1,00,000 each.

B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

Please follow all steps from sl. no. (i) to sl. no. (xvi) above, to cast vote.

- C) The voting period begins on 19th September, 2014 (9.00 am) and ends on 21st September, 2014 (6.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and evoting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

II. a. Mrs. Simmi Jain, Practicing Chartered Accountant has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.



A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at Annexure A of this Notice. Except these Directors, being appointees or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolutions set out at item Nos. 4 to 8.

The Board recommends the resolution in relation to the appointment of these Directors as Independent Directors, for the approval by the shareholders of the Company.

ITEM No. 9

Mr. S.C. Gupta was appointed as a Whole-time Director (Works) of the Company w.e.f 18th June, 2013 for a period of one year and approved in the Annual General Meeting of the Company held on 30th September, 2013. Mr. S. C. Gupta is unable to devote his full time to the working of the Company due to his falling health. Mr. S. C. Gupta has given his resignation as a Whole-time Director of the company and has accorded his consent to continue as Non-executive Director of the Company whose period of office would be liable to determination by retirement by rotation. The Board recommends the Resolution for approval of the shareholders.

None of the Directors except Mr. S. C. Gupta, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

ITEM No. 10

The Audit Committee and the Board has approved the appointment of M/s M.K. Singhal & Co., Cost Accountants as Cost Auditors for audit of the cost accounts for the year 2014-15 at a remuneration of Rs. 60,000. In accordance with the provisions of section 148 of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, consent of the Shareholders is being sought for ratification of the remuneration payable to the Cost Auditors for the year 2014-15. The Board recommends the Resolution for approval of the shareholders.

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

ITEM No. 11

The members of the Company at their Annual General Meeting held on September 30, 2010 had approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount

of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 300 Crores (Rupees Three hundred crores).

Section 180 of the Companies Act, 2013 effective from September 12, 2013 requires that consent of the company accorded by way of a special resolution to borrow money in excess of the company's paid up share capital and free reserves. Further, as per the clarification issued by the Ministry of Corporate Affairs approval granted by the shareholders by way of an ordinary resolution shall be valid for one year from the date Section 180 became effective i.e. upto 11th September, 2014. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) of the Companies Act, 2013, as set out at Item No. 11 of the Notice. The Board recommends these resolution for approval by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

ITEM NO. 12

SREI Infrastructure and Finance Limited (SREI) had sanctioned the term loan vide its Sanction Letter Srei/PF/2013-14/SRE416/01 dated 5th February, 2014 aggregating to Rs. 20 crores/- (Rupees Twenty Crores only) which was availed by the subsidiary company namely, M/s SBEC Bioenergy Limited, for which the Board of Directors approved execution of Corporate Guarantee in favour of the SREI at its Board Meeting held on 12th February, 2014.

In view of the urgency of the matter, the Board of Directors accorded its consent for the execution of the aforesaid guarantees pursuant to the proviso 2 to subsection (1) of Section 372A of the Companies Act, 1956. Hence approval of the Shareholders has been sought u/s 372A of the Companies Act, 1956 and not under section 186 of the Companies Act, 2013. The total guarantee provided for this Company exceeds 60% of the aggregate of paid up capital and free reserves or 100% of the free reserves, whichever is higher.

Mr. Umesh Kumar Modi, Mr. Abhishek Modi, Mr. Jayesh Modi and Mr. G. C. Jain, Directors of the Company are interested in the above resolution being the directors of SBEC Bioenergy Limited. Mrs Kumkum Modi is interested in the above resolution as wife of Mr. Umesh Kumar Modi.

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

Your approval is being sought by way of special resolution for ratification and confirmation of the aforesaid guarantee.



BRIEF RESUME, EXPERIENCE AND OTHER DIRECTORSHIP

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

MRS. KUMKUM 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 25 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. Modi Hitech India Limited
2. Bihar Sponge Iron Limited

She holds 28300 equity shares in her name.

Annexure A

MR. GULAB CHAND JAIN

Mr. Gulab Chand Jain is an Independent Director of the Company. He is a fellow member of the Institute of Chartered Accountants of India and has more than 44 years of experience in the fields of Finance, Accounts, Taxation and Company Law matters. He holds directorship/membership of Committees of the Board in the following other Public Limited Companies:

1. Own Investment India Ltd.
2. Bihar Sponge Iron Limited
3. SBEC Systems (India) Limited
4. SBEC Bioenergy Limited
5. SBEC Stockholding & Investment Limited.

He does not hold any equity shares of the company in his name.

MR. MANMOHAN

Mr. Manmohan is an Independent Director of the Company. Mr. Man Mohan is a Sugar Technologist. He had been associated with DCM Group for over 50 years. He has held the positions of Whole Time Director and Senior Advisor in DCM Consolidated Limited. He has varied experience of Sugar Industry of around more than 65 years He holds directorship/membership of Committees of the Board in the following other Public Limited Companies:

1. DCM Shriram Granites Limited

He holds 2600 equity Shares in his name.

MR. CLAUDE PHILOGENE

Mr. Claude Philogene is an Independent Director of the Company. Mr. Claude Philogene holds a general Certificate of Education

(Advanced level) and a Full Technological Diploma in Sugar Technology from "City and Guilds" of London Institute. He is a diploma holder in Mechanical Engineering from "International Correspondence School" South Africa. Mr. Claude Philogene has more than fifty two years experience of working in various sugar factories, sugar equipment manufacturing organisations and sugar consultancy companies. He holds directorship/membership of Committees of the Board in the following other Public Limited Companies:

1. SBEC Systems (India) Limited
2. SBEC Bioenergy Limited

He does not hold any shares in the company.

MR. OM PRAKASH MODI

Mr. O. P. Modi has about 65 years of vast experience in the fields of Sales, Marketing, and administration in different type of Industries. He is also on the Board of Modi Hitech India Limited (Formerly known as Morgardshammar India Limited).

He does not hold any shares in the company.

MR. NORLAND SUZOR

Mr. Norlan Suzor, Director of the Company retires by rotation and being eligible offers himself for re-appointment. He is an eminent Sugar Technologist, having nearly three decades of experience in Sugar Industry in Mauritius, U.S.A., Africa, Central & South America and India has provided consultancy services in the Sugar Sector and more particularly in the co - generation of Electrical Energy from bagasse to the World Bank, the Asian Development Bank, the CCCE (french Aid) and other Financial Institutions. He has been instrumental in developing one of the largest bagasse based co - generation facilities in Hawaii, in two large Sugar Factories which he was then managing. He has also patented the many processes that are specific to the Sugar Industry. Mr. Suzor has written many authoritative articles published by accredited International Journals and technical Manuals. He holds directorship/membership of Committees of the Board in the following other Public Limited Companies:

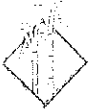
1. SBEC Systems (India) Limited
2. SBEC Bioenergy Limited.

He does not hold any shares in the company.

By order of the Board
For SBEC Sugar Limited

Place : New Delhi
Date : 23rd August, 2014

Shwetambery Khurana
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)	
D.P. ID No.	

CLIENT 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 20th Annual General Meeting of the Company held on Thursday, the 25th day of September, 2014 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)	
D.P. ID No.	

CLIENT 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 20th Annual General Meeting of the Company held on Thursday, the 25th day of September, 2014 at 2.30 P.M at Village Loyan Malakpur, Tehsil Baraut, District Baghpat, Uttar Pradesh and at any adjournment thereof.

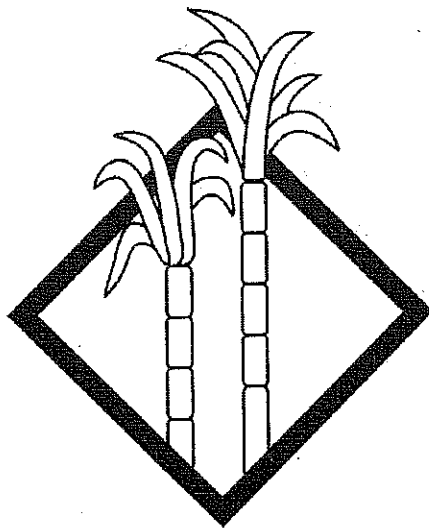
AS WITNESS my/our hand(s) this day of..... 2014

- 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)

SBEC Sugar Limited



T W E N T E E N T H A N N U A L R E P O R T

2014



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) upto 17th June 2014
Mr. G. C. Jain	- Non-Executive Director w.e.f. 18th June 2014
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

Ms Shwetambery Khurana

AUDITORS

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

BANKERS

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

REGISTERED OFFICE & PLANT

Village : 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

Directors' Report	2-6
Statement u/s 212 of the Companies Act, 1956.....	7-8
Management Discussion and Analysis Report.....	9-9
Corporate Governance Report	10-14
Auditors' Certificate on Corporate Governance	15-15
Auditors' Report	16-19
Balance Sheet	20-20
Profit & Loss Account.....	21-21
Cash Flow Statement	22-22
Notes forming part of Balance Sheet.....	23-41
Consolidated Accounts	42-72

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors take pleasure in presenting the 20th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2014.

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 Casings & Packaging Private Limited (Formerly known as M/s Modi Gourmet Limited) are as follows:

(Rs. in Lacs)

Financial Parameters	SBEC SUGAR LTD.		CONSOLIDATED	
	Period ended 31.03.2014	Period ended 31.03.2013	Period ended 31.03.2104	Period ended 31.03.2014
Sales and other income	40266.65	32068.30	41169.12	33309.57
Profit/(Loss) Before Interest, Depreciation & Tax	(1540.81)	(2258.85)	(1254.25)	(1602.60)
Interest and Finance Charges	2584.05	3096.65	3261.12	3552.68
Depreciation and Amortisation	613.14	606.33	753.76	718.57
Prior period expenses (net)	618.09	1011.52	618.15	1011.52
Profit/(Loss) before Extra-Ordinary Expenses & Provision for Taxation	(5356.09)	(6973.35)	(5887.28)	(6885.37)
Exceptional Items	-	6287.27	-	(295.41)
Profit/(Loss) before Tax	(5356.09)	(686.08)	(5887.28)	(7180.78)
Provision for Taxation	-	-	-	19.88
Deferred Tax Charge/ (Credit)	-	372.61	(158.72)	396.84
Taxes for earlier years MAT credit writtern back	19.69	-	19.69	-
Profit/(Loss) After Tax	(5375.78)	(1058.69)	(5748.25)	(7597.50)
Transfer to Minority Interest	--	--	(167.07)	20.02
Transfer to Molasses Storage Fund	8.44	7.20	8.44	7.20
Profit/(Loss) for the period after appropriation	(5384.22)	(1065.89)	(5589.62)	(7624.72)
Earning Per Share (in Rs.)	(11.28)	(2.22)	(11.71)	(15.99)

OPERATIONS

The cane crushing for the period under review was 91.23 Lacs quintals in 138 days with an average crushing rate of 66109 quintals per day as against 92.38 Lacs quintals in 134 days with an average crushing rate of 68943 quintals per day for the previous period. The sugar recovery has slightly increased to 8.76 % as against 8.67% in the previous period.

The market sentiments for sugar during the financial year remained bearish owing to the continued mismatch between supply and demand of sugar, affecting sales realization. Further during the year UP Government has announced very high cane price which has resulted in the Loss before extraordinary expenses and provision for taxation to Rs. 5356.09 Lacs against the Loss of Rs. 6973.35 lacs last year.

Due to continuing losses the company could not pay the cane dues to the farmers on time due to which they agitated and disturbed the operations at plant and the management was forced to close down the plant from 8th July,2013 to 2nd August,2013, which affected the administration, repair & maintenance work of the plant during the year under review.



During the current year also losses are further piled up and cane dues to farmers are overdue.

On the basis of annual audited accounts of the company as at 31st March, 2013, the Board of Directors formed an opinion that the net worth of the company as at 31st March, 2013 has been fully eroded. The company in terms of Board of Director's resolution dated 6th July 2013 has filed a reference with the Board for Industrial and financial Reconstruction (BIFR) U/S 15(1) of the Sick Industrial companies (Special provisions) Act 1985 (SICA) vide its letter dated 24th July 2013 and as per communication received from BIFR vide its letter No. 3/(S-22)/BC/2013 dated 21st August 2013, The said reference has been registered by BIFR as case No. 58/2013. The BIFR has declared the company as Sick u/s 3(1)(0) of SICA and appointed IDBI as operating agency u/s 17(3) of the Act. in its hearing held on dated 04.02.2014.

FIXED DEPOSITS

During the period under review, the Company did not accepted/renewed any fixed deposits. The total amount of fixed deposit held as on 31st March 2013 was Rs. 134.25 Lacs . However, as on 31st March, 2014, Rs. 549 lacs amount of fixed deposit is matured but not yet claimed by the deposit holder.

DIRECTORS

Mrs. Kumkum Modi (DIN 00522904), Non Executive Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

Mr. Santosh Chandra Gupta ceased to be the Whole-time Director (Works) of the Company effective June 17, 2014 and is now a Non-Executive Director of the Company, with effect from June 18, 2014.

In accordance with the provisions of Section 149 of the Companies Act, 2013 and the Rules made there under, which came into effect from April 1, 2014, approval of the Members will be sought at the ensuing Annual General Meeting of the Company for formalizing the appointment of Mr. G. C. Jain, Mr. Om Prakash Modi, Mr. Philogene Claude, Mr. Manmohan, Mr. Norland L. C. Suzor, Directors of the Company as an Independent Director of the Company not liable to retire by rotation, for a term of five consecutive years commencing from 25th September, 2014.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company have three Subsidiary Companies, namely SBEC Bio-energy Limited, SBEC Stockholding & Investment Limited and M/s Modi Casings & Packaging Private Limited (Formerly known as M/s Modi Gourmet Limited). 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 Bioenergy Limited, SBEC Stockholding & Investment Limited and Modi Casings & Packaging Private Limited (Formerly known as Modi Gourmet Limited) in this Annual Report. The annual accounts of these 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 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 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 and recommended for reappointment. Certificate from the Auditors has been received to the effect that their re appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 & that they are not disqualified for such appointment within the meaning of section 141 of the companies Act, 2013.

COST AUDITOR

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 AUDITORS' REPORT

Reference to the Auditors comment on financial statement being prepared on going concern basis, the comments are self explanatory and need no further comments.

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



Reference to the Auditors comments on physical verification of fixed assets and inventory, it is hereby clarified that the entire inventory Fixed Assets was under the lock and key of U. P. Co-operative bank Limited as the company defaulted in repayment of cane dues and the physical takeover of the inventory was not permissible. However, from time to time management has reconciled stock of inventory as appearing in the records of bank with the records of the Company and no discrepancy was observed.

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 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: 23rd August, 2014

Umesh Kumar Modi
(Chairman & President)



ANNEXURE TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES RULES), 1975 (AS AMENDED).

(A) Persons employed throughout the financial year under review and were in receipt of remuneration for the year aggregating of not less than Rs. 60,00,000/- per annum.

S.No.	Name	Designation / Nature of duties	Qualifications	Experience (Years)	Date of Comm- encement of Employment	Total remunera- tion	Age	Last Employ- ment before join- ing the comp.
Nil								

- i. Nature of Employment : NIL
 ii. Other terms & Conditions : NIL
 iii. Number of Equity Shares held : NIL

(B) Persons employed for part of the financial year under review and were in receipt of remuneration not less than Rs. 5,00,000/- per month.

S.No.	Name	Designation / Nature of duties	Qualifications	Experience (Years)	Date of Comm- encement of Employment	Total remunera- tion	Age	Last Employ- ment before join- ing the comp.
Nil								

- i. Nature of Employment : NIL
 ii. Other terms & conditions : NIL
 iii. Number of Equity Shares held : NIL

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.

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

PARTICULARS	UNIT	CURRENT ACCOUNTING	PREVIOUS ACCOUNTING
		PERIOD (01.04.2013 – 31.03.2014)	PERIOD (01-04-2012 - 31.03.2013)
A. Power and Fuel consumption			
Electricity			
Quantity	KWH	23729150	19442654
Total Conversion Charges	Rs.	-	-
Per Unit Conversion Charges	Rs.	-	-
Own generation			
(i) Through Diesel Generator			
Quantity	KWH	17875	9745
Units per -ltr. of Diesel oil	KWH	3.25	3.25
Total amount	Rs.	318987	149890
Cost/ Unit	Rs.	17.85	13.38
(ii) Through Steam Turbine/Generator			
Quantity	KWH	-	-
Units per- ltr. of fuel oil /gas	KWH	-	-
Cost/ unit	Rs.	-	-
B. Consumption per MT of sugar production			
Electricity	KWH	296.82	245.90



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

1. Efforts in brief, made towards technology absorption, adaptation and innovation:
2. 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.

3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished:
 - a. Technology imported - None
 - b. Year of Import - Not Applicable
 - c. Has technology been fully absorbed? - Not Applicable
 - d. 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

- i) 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.

ii)

(Rs. in lacs)

Particulars	Current Accounting Period (01.04.2013 – 31.03.2014)	Pervious Accounting Period (01.04.2012 – 31.03.2013)
Total foreign exchange used		
Interest	22.19	18.23
Stores & spares	18.65	14.99
Repayment	386.25	-
Earned	---	--

Note:- Previous year figures regrouped/rearranged, whenever required.

For & behalf of the Board
For SBEC Sugar Limited

Place : New Delhi
Date : 23.08.2014

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 Casing & Packaging Pvt. Ltd.
2	Financial year of the Company	01.04.2013 to 31.03.2014	01.04.2013 to 31.03.2014	01.04.2013 to 31.03.2014
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 %	99.88 %
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, 2014.	NIL	NIL	NIL
	b) Not dealt with in the Accounts of the Company for the period ended 31 st March, 2014.	(37125649)	(84211)	(37330)
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, 2013.	NIL	NIL	NIL
	b) Not dealt with in the Accounts of the Company for the period ended 31 st March, 2013.	4449043	(47663)	(15078)
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



**FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES 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. 220860774	Rs. (295302)	Rs. (474963)
Total Assets	Rs. 1738293529	Rs. 225282000	Rs. 30655
Total Liabilities	Rs. 1738293529	Rs. 225282000	Rs. 30655
Investment	Rs. 500,100	Rs. 224501000	Nil
Turnover / Total Income	Rs. 90245790	Rs. 1368	Rs. (37330)
Profit before Tax	Rs. (52997756)	Rs. (84211)	Rs. (37330)
Provision for Taxation	Rs. 15872107	Nil	Nil
Profit after Tax	Rs. (37125649)	Rs. (84211)	Rs. (37330)
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

Place : New Delhi
Date : 28th May, 2014

Arun Kumar Gupta
(Chief Financial Officer)

Shwetambey Khurana
(Company Secretary)



MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY SCENARIO

The ISMA said in a release that the sugarcane crop acreage in Maharashtra and Karnataka is higher, even though the acreage in UP and Tamil Nadu is lower. ISMA estimates that sugar production in UP would be lower as the area under sugarcane is expected to fall by about 9%, while the sugarcane area in Maharashtra and Karnataka would increase by 13% and 5% respectively. Maharashtra and Karnataka have better cane yields and sugar recoveries. Total Sugarcane acreage in the sugar season 2014-15 would be about 52.3 lakh hectares, which is about 2% less than last year.

ISMA said that with an estimated opening balance of sugar of around 75 lakh tonnes, as on October 1, 2014, for the next sugar season 2014-15 and sugar production in the country is expected to be around 253 Lakh Tonnes, there will more than sufficient sugar to take care of domestic requirement, of around 245 lakh tonnes next year.

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 State Government in the pricing as well as distribution of Sugarcane.

OPERATIONAL PERFORMANCE

The cane crushing for the period under review was 91.23 Lacs quintals in 138 days with an average crushing rate of 66109 quintals per day as against 92.38 Lacs quintals in 134 days with an average crushing rate of 68943 quintals per day for the previous period. The sugar recovery has slightly increased to 8.76 % as against 8.67% in the previous period.

Due to continuing losses the company could not pay the cane dues to the farmers on time due to which they agitated and disturbed the operations at plant and the management was forced to close down the plant from 8th July, 2013 to 2nd August, 2013, which affected the administration, repair & maintenance work of the plant during the year under review.

During the current year also losses are further piled up and cane dues to farmers are overdue.

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 for sugar during the financial year remained bearish owing to the continued mismatch between supply and demand of sugar, affecting sales realization. Further during the year UP Government has announced very high cane price which has resulted in the Loss before extraordinary expenses and provision for taxation to Rs. 5356.09 Lacs against the Loss of Rs. 6973.35 lacs last year.

On the basis of annual audited accounts of the company as at 31st March, 2013, the Board of Directors formed an opinion that the net worth of the company as at 31st March, 2013 has been fully eroded. The company in terms of Board of Director's resolution dated 6th July 2013 has filled a reference with the Board for Industrial and financial Reconstruction (BIFR) U/S 15(1) of the Sick Industrial companies (Special provisions) Act 1985 (SICA) vide its letter dated 24th July 2013 and as per communication received from BIFR vide its letter No. 3/(S-22)/BC/2013 dated 21st August 2013, The said reference has been registered by BIFR as case No. 58/2013. The BIFR has declared the company as Sick u/s 3(1)(0) of SICA and appointed IDBI as operating agency u/s 17(3) of the Act, in its hearing held on dated 04.02.2014.

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 Limited, 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 31st March, 2014 is as under:

Name of the Directors	Category of Directors	No. of Board Meetings attended	No. of Other Directorships held (*)	Committee Memberships (Excluding SBEC Sugar Ltd. (**))	Committee Chairmanships (excluding SBEC Sugar Ltd. (**))	Attendance at Last AGM
1. Mr. U. K Modi @	Chairman & President and Non-Executive Director	6	6	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	6	4	Nil	Nil	Not Present
4. Mr. Jayesh Modi @	Non-Executive Director	2	4	Nil	Nil	Not Present
5. Mr. G.C. Jain	Non-Executive & Independent Director	6	5	1	4	Present
6. Mr. Man Mohan	Non-Executive & Independent Director	1	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	4	1	Nil	Nil	Not Present
10. Mr. N.P. Bansal	Alternate to Mr. Claude Philogene Non-Executive Director	6	2	Nil	Nil	Not Present
11. Mr. S.C. Gupta #	Whole Time Director (Works)	6	2	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 (now Stakeholders Relationship 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.

(#) Mr. Santosh Chandra Gupta ceased to hold the office of Whole-time Director (Works) of the Company on completion of his present term on 17th June, 2014 and re-designated and continued to hold the office as a Director of the Company w.e.f. 18th June, 2014, liable to retire by rotation.

Six Board Meetings were held during the period under review on 15th June 2013, 6th July, 2013, 8th August, 2013, 15th October, 2013, 12th February, 2013 and 29th March, 2014.



INFORMATION REGARDING APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

MRS. KUMKUM 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 25 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. Modi Hitech India Limited 2. Bihar Sponge Iron Limited

She holds 28300 equity shares in her name.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

Brief resume of the other Directors proposed for re-appointment/ appointment at the ensuing Annual general Meeting is provided in Annexure A to the Notice convening the Annual General Meeting.

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.sbcsugar.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 (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 292A 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 28th May 2013, 6th July, 2013, 15th October, 2013, 14th November 2013 and 12th February 2014.

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

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. Manmohan 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 fees for attending the Board/ Audit Committee Meetings.



One meeting of Remuneration Committee was held on 15th June, 2013 during the year ended 31st March, 2014.
The details of remuneration paid to the Directors for the period ended 31st March 2014 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	--	---	---	---	4500	4500
2.	Mr. Abhishek Modi	---	---	---	---	---	---
3.	Mrs. Kumkum Modi	---	---	---	---	---	---
4.	Mr. Santosh C Gupta	1422012	238107	---	---	---	1660119
5.	Mr. G. C. Jain	---	---	---	---	9000	9000
6.	Mr. Man Mohan	---	---	---	---	2700	2700
7.	Mr. Norland L. C. Suzor	---	---	---	---	---	---
8.	Mr. Claude Philogene	---	---	---	---	---	---
9.	Mr. O. P. Modi	---	---	---	---	6300	6300
10.	Mr. N.P. Bansal	---	---	---	---	4500	4500
11.	Mr. Jayesh Modi	---	---	---	---	900	900

*Amount paid as sitting fees net of tax deducted at source @10%

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)
2013	Village : Loyan Malakpur Tehsil Baraut, Distt. Baghpat, Uttar Pradesh	30.09.13	2.30 p.m.	Yes
2012	- do -	29.12.2012	2.30 p.m.	Yes
2011	- do -	28.09.2011	2.30 p.m.	Yes

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. 38 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.
- The Company is maintaining Whistle Blower Policy and no personnel has been denied access to the Audit Committee.



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 23rd August, 2014.

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) and a Hindi daily (Rashtriya Sahara or Haribhomi) 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 but if the shareholder seeks any information, the same is provided by the Company.

GENERAL SHAREHOLDERS INFORMATION

20th Annual General Meeting of the company is scheduled to be held on Thursday, the 25th September 2014 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, 2013 to 31st March, 2014

Financial Calendar 2013-2014 (actual/tentative and subject to change)

Particulars	Date
1. Quarter ended 30.06.2014:	First fortnight of August, 2014
2. Quarter ended 30.09.2014:	First fortnight of November, 2014
3. Quarter ended 31.12.2014:	First fortnight of February, 2015
4. Quarter ended 31.03.2015:	Last week of May, 2015

Book Closure : 18th September, 2014 to 25th September, 2014 – (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 2014.

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 2013-14.

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, 2013 to 31st March, 2014 are as follows:-

Month	High	Low	Volume
April 2013	8.80	8.38	713
May 2013	-	-	-
June 2013	-	-	-
July 2013	9.40	8.20	4453
August 2013	12.07	9.48	2860
September 2013	12.65	12.02	21
October 2013	12.02	12.02	35
November 2013	12.02	12.02	51
December 2013	11.42	11.42	430
January 2014	10.85	9.80	23
February 2014	-	-	-
March 2014	10	9.60	3578

**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 15 days with 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 15 days of receipt of request. The Company Secretary monitors the system.

Distribution of Shareholdings as on 31st March, 2014.

No of Shares	Number of Shareholders	Number of Shares	% of total Shares
Upto 500	2326	884144	1.85
501 - 1000	461	420316	0.88
1001 - 2000	176	296509	0.62
2001- 3000	318	836637	1.75
3001 - 4000	51	184926	0.39
4001 - 5000	145	709565	1.49
5001 - 10000	128	975341	2.05
10000 and above	103	43346442	90.96
Total	3708	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.

79.37% of the Company's Paid up Equity Share Capital has been dematerialised upto 31st March, 2014.

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 72 of the Companies Act, 2013, are requested to submit to the Company their request in prescribed Form SH-13 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 2014, 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.

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

Place : New Delhi
Date : 23rd August, 2014

(Mukesh Goyal)
Mg. Partner
Membership No. 081810



Independent auditors' report

To the members of SBEC Sugar Ltd.

Report on the financial statements

We have audited the accompanying financial statements of SBEC Sugar Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

- i) The Companies financials have been prepared on "Going Concern" as the company has continued its normal manufacturing operations during the season 2013-14.

The company in terms of Board of Director's resolution dated 6th July 2013 has filed a reference with the Board for Industrial and Financial Reconstruction (BIFR) U/S 15(1) of the Sick Industrial companies (Special Provisions) Act 1985 (SICA) vide its letter dated 24th July 2013 and as per communication received from BIFR vide its letter No. 3/(S-22)/BC/2013 dated 21st August 2013, The said reference has been registered by BIFR as case No. 58/2013. The BIFR has declared the company as Sick u/s 3(1)(0) of SICA and appointed IDBI as operating agency u/s 17(3) of the Act. in its hearing held on dated 04.02.2014.

- (ii) The company's has not made provision for interest, on late payment of cane dues amounting to Rs2241.12 Lacs. Accordingly manufacturing expenses and net losses would have been higher by Rs2241.12 lacs respectively & its consequential impact on EPS.

Qualified Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of matter

Without qualifying our opinion, we draw attention to:

Note no – 33 To these financial statements wherein company had executed a deed of assignment with a subsidiary company "SBEC Bioenergy Limited" to transfer its claim and all securities and charges created by Modi Industries Limited in its favor for a consideration of Rs12,500 lacs



of which Rs 3,300 lacs shall be received as per the mutually agreed installments within a period of five years from the date of execution of the deed. The recoverability of the carrying value of the said amount due from by SBEC Bioenergy Limited as at 31 March 2014 is dependent on its ability to generate positive cash flow from operations. The uncertainty mentioned above may affect the ultimate recoverability of the carrying value of the said amount due from SBEC Bioenergy Limited. These financial statements do not include any adjustments that might result from the uncertainty mentioned above.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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 and Loss, and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet and Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3c) of section 211 of Companies Act, 1956, to the extent applicable.
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Mukesh Goyal
Partner
M. No. 081810

Place : New Delhi
Dated : 6th July, 2013

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, 2014)

1. (a) The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
(b) Though the Company has a programme of physical verification of its fixed assets in phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, however the Fixed assets have not been physically verified by the management during the year therefore discrepancies, if any, could not be determined.
(c) Fixed assets disposed off during the year were insignificant and therefore do not affect the going concern assumption.
2. (a) The inventory has not been physically verified by the management during the year.
(b) Though the physical verification programme for inventory as envisaged by the management is, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business. However no physical verification of inventories has been done during the year.
(c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies, if any, compared to book records could not be determined in absence of physical verification.
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 loans from three companies & another party, covered under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs435.45 lacs, Rs536.51 lacs, Rs 88.47lacs & Rs81.79 lacs and the yearend balance of loan taken from such companies & another party were Rs435.45 lacs, Rs480.82 lacs, Rs85 lacs & NIL 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 are 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 respect of certain transaction of the value of Rs 12,500.00 lacs with subsidiary company, the management has informed us that the transaction dealt is of a special nature and therefore comparable prices are not available. 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 section 209(1)(d) of the Companies Act 1956, 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) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-Tax, Sales-Tax, Wealth-Tax, Service-Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information & explanations given to us, no undisputed amount payable in respect of Provident Fund, Investor Education and Protection 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.
- (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 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 4762.65 lacs. In the immediately preceding financial year also, the company had incurred cash loss. Thus as per the current financials the Company is a Sick Industrial Company within the meaning of Sick Industrial Companies (Special Provision) Act, 1985.
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 Doogar & Associates
Chartered Accountants
Firm Regn. No. 000561N

Mukesh Goyal
Mg. Partner

Membership No. 081810

Place : New Delhi
Dated : 28th May, 2014

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 2014.

Name of the Statute	Name of Dues	Amount (Rs. in Lacs)	Period to which amount relates	Forum where dispute is pending
UP VAT Act, 2008	VAT on Baggasse	50.05	2008-09	Additional Commissioner, Grade 1, Meerut, 1 st Appeals
UP VAT Act, 2008	Entry Tax on Sugar Sold in Local Area	169.56	2010-11	Deputy Commissioner, Assessment
UP VAT Act, 2008	Entry Tax on Sugar Purchased and Sold in Local Area	400.00	2009-10	Application Filed for reopen the the same u/s 32
UP VAT Act, 2008	VAT imposed on Molasses, Bagasse and old scrap sold during the year 2009-10	802.50	2009-10	Application Filed for reopen the same u/s 32
UP VAT Act, 2008	CST imposed on Molasses sold during 2009-10	40.00	2009-10	Application Filed for reopen CESTAT by the department
Central Excise, 1944	Cess on Sugar Cess Molasses sold during 2009-10	4.35	30.01.2009- 30.09.2009	Appeal filed before CESTAT by the department against the Commissioner (Appeals) Meerut
Central Excise, 1944	Penalty on Scrap Scale	2.61	30.11.2004- 31.03.2008	Appeal submitted before CESTAT
Finance Act, 1994	Service Tax on Commission	16.83	01.04.2008- 01.12.2010	Appeal filed before Commissioner (Appeals), Meerut
Finance Act, 1994	Service Tax on Lease Rent	7.24	2012-13	Appeal filed before Commissioner (Appeals), Meerut
Finance Act, 1994	Service Tax on Commission	150.88	2003-04	CESTAT has sent back the case to Commissioner Appeals, Meerut-1 for Remand

BALANCE SHEET AS AT 31ST MARCH, 2014

	NOTE NO.	As at 31.03.2014 (Rs. in Lacs)	As at 31.03.2013 (Rs. in Lacs)
I. EQUITY AND LIABILITY			
Shareholders' Funds			
(a) Share Capital	2	4,769.40	4,769.40
(b) Reserves and Surplus	3	(10,228.24)	(4,852.46)
		<u>(5,458.84)</u>	<u>(83.06)</u>
Non-current Liabilities			
(a) Long-term Borrowings	4	390.13	806.66
(b) Other Long Term Liabilities	5	13.56	13.71
(c) Long-term Provisions	6	125.66	90.23
		<u>529.35</u>	<u>910.60</u>
Current Liabilities			
(a) Short-term Borrowings	7	11,097.44	25,468.34
(b) Trade Payables	8	33,271.02	18,933.09
(c) Other Current Liabilities	9	3,021.64	5,017.27
(d) Short-term Provisions	10	31.48	30.83
		<u>47,421.58</u>	<u>49,449.53</u>
TOTAL		<u>42,492.09</u>	<u>50,277.07</u>
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	4,731.78	5,335.80
(ii) Intangible Assets	11	0.89	1.33
(iii) Capital Work in Progress	11 A	-	-
		<u>4,732.67</u>	<u>5,337.13</u>
(b) Non-Current Investment	12	1,730.83	1,730.83
(c) Deferred Tax Assets (net)		-	-
(d) Long-term Loans & Advances	13	7.67	4.32
(e) Other Non-Current Assets	14	64.52	77.50
		<u>6,535.69</u>	<u>7,149.78</u>
Current Assets			
(a) Inventories	15	20,443.48	27,499.15
(b) Trade Receivables	16	1,285.72	1,471.03
(c) Cash & Bank Balances	17	127.87	361.48
(d) Short-term Loans & Advances	18	12,890.28	12,649.66
(e) Other Current Assets	19	1,209.05	1,145.97
		<u>35,956.40</u>	<u>43,127.29</u>
		<u>42,492.09</u>	<u>50,277.07</u>

The Notes referred to above form an integral part of the Balance Sheet
In terms of our report of even date.

For & on behalf of
DOOGAR & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 000661N

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

Abhishek Modi
(Executive Director)
DIN No. 00002798

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

Mukesh Goyal
Mg. Partner
Membership No. : 081810

Arun Kumar Gupta
(Chief Financial Officer)

Shwetambery Khurana
(Company Secretary)

Place : New Delhi
Date : 28th May, 2014



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	NOTE NO.	For the Year ended 31.03.2014 (Rs. in Lacs)	For the year ended 31.03.2013 (Rs. in Lacs)
INCOME			
Revenue From Operations	20	38,265.05	30,559.90
Other Income	21	596.43	481.62
Total Revenue		38,861.48	31,041.52
EXPENSES			
Cost of Material Consumed	22	25,934.68	26,867.05
Purchases of Stock-in-Trade	23	4,412.22	7,636.90
Change in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	24	7,155.75	(4,425.51)
Manufacturing Expense	25	1,248.92	1,538.02
Employee Benefit Expense	26	934.94	912.21
Finance Cost	27	2,584.05	3,096.65
Depreciation & Amortisation Expense	11	613.14	606.33
Administration Expenses	28	383.15	475.66
Selling Expense	29	332.63	296.04
Prior Period Items		618.09	1,011.52
Total Expenses		44,217.57	38,014.87
Profit / (Loss) before exceptional and extraordinary items and tax		(5,356.09)	(6,973.35)
Exceptional Items	30	-	6,287.27
Profit / (Loss) before extraordinary items and tax		(5,356.09)	(686.08)
Extraordinary Items		-	-
Profit/(Loss) before tax		(5,356.09)	(686.08)
Tax expense :			
(1) Current tax		-	-
(2) Deferred tax		-	372.61
(3) Taxes for earlier year		-	-
MAT credit written back		19.69	-
Profit/(Loss) for the period from continuing operations		(5,375.78)	(1,058.69)
Profit/(Loss) from discontinuing operations		-	-
Tax Expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations after tax		-	-
Profit/(Loss) for the Year		(5,375.78)	(1,058.69)
Earning per equity share:(Par value of Rs.10 each)			
(1) Basic	31	(11.28)	(2.22)
(2) Diluted	31	(11.28)	(2.22)

In terms of our report of even date.

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

Mukesh Goyal
Mg. Partner
Membership No. : 081810

Arun Kumar Gupta
(Chief Financial Officer)

Shwetambery Khurana
(Company Secretary)

Place : New Delhi
Date : 28th May, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	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	(5,356.09)	(686.08)
Adjustments For :		
Interest Expenses	2,584.05	3,096.65
Interest Income	(2.63)	(6.37)
Dividend Income	(0.60)	(0.60)
Debit Balances Written Off	-	52.85
Loss on Sale of Stores & Spares	-	0.53
Loss on sale of Fixed Assets	0.64	0.37
Projects abandoned/written off	-	34.09
Provision for Obsolete Store Items	2.28	-
Wealth tax	0.31	0.36
Depreciation	613.14	606.33
Unclaimed credit balances written back	(48.57)	(73.54)
Operating Profit before Working Capital Changes	(2,207.47)	3,024.59
Adjustments For :		
Trade and Other Receivables	(131.18)	(5,971.05)
Inventories	7,053.39	(4,427.19)
Trade Payables	12,426.50	4,536.39
Deferred Tax Assets (net)	-	-
Cash generated from Operating Activities	17,141.24	(2,837.26)
Direct Taxes (Paid)/Refund	(0.43)	(0.77)
Net Cash Flow from Operating Activities	17,140.81	(2,838.03)
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(10.68)	(208.38)
Capital Work in Progress	-	951.15
Proceeds from sale of Fixed Assets	1.35	3.02
Dividend Income	0.60	0.60
Interest Received	2.63	6.37
Net Cash Flow from Investing Activities	(6.10)	752.76
C) Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (Net)	(416.53)	(279.12)
Proceeds from Short Term Borrowings (Net)	(14,370.90)	5,047.50
Net Interest (Paid)	(2,584.06)	(3,096.65)
Net Cash Flow from Financing Activities	(17,371.49)	1,671.73
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(236.78)	(413.54)
Cash and Cash Equivalents as on 1st April 2013 (Opening Balance)	354.85	768.39
Cash and Cash Equivalents as on 31st March 2014 (Closing Balance)	118.07	354.85
Net Increase as disclosed above	(236.78)	(413.54)
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	3.55	4.27
Balances with Banks	114.52	350.58
TOTAL	118.07	354.85

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

In terms of our report of even date.

For & on behalf of
DOOGAR & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 000561N

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

Abhishek Modi
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Membership No. : 081810

Arun Kumar Gupta
(Chief Financial Officer)

Shwetambery Khurana
(Company Secretary)

Place : New Delhi
Date : 28th May, 2014



NOTES TO THE FINANCIAL STATEMENT

Note:1. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended and which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention on going concern basis.

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

Note:1A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1A. (i) Use of Estimates

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

1A. (ii) Recognition of Revenues & Expenses

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

1A. (iii) Inventory Valuation

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

1A. (iv) Fixed & Intangible Assets

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

1A. (v) Borrowing Costs

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

1A. (vi) Depreciation

Depreciation has been charged on the following basis:

- (a) Leasehold Land is being amortized over the period of the Lease.
- (b) Assets leased out are written off over the period of lease at cost less terminal transfer price.
- (c) Assets below Rs. 5000/- are 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.

1A. (vii) Investments

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

1A. (viii) Foreign Currency Transactions

Initial Recognition

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

Conversion

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

Exchange Differences

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

1A. (ix) Employee Benefits

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

(a) Provident Fund

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

(b) Gratuity

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

(c) Compensated Absence

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

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

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

1A. (xi) Impairment of Assets

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

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

1A. (xii) Tax on Income

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



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

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

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

1A. (xiii) Leases

(a) Finance Lease

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

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

(b) Operating Lease

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

1A. (xiv) Earnings per Share

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

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

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

1A. (xv) Interim Financial Reporting

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

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

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

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

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

1A. (xvii) Cash and Cash Equivalents

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



NOTES TO BALANCE SHEET

	As at <u>31.03.2014</u> (Rs. in Lacs)	As at <u>31.03.2013</u> (Rs.in Lacs)
NOTE 2 : SHARE CAPITAL		
AUTHORISED CAPITAL		
100,000,000 (Previous Year 10,000,000) Equity Shares of Rs. 10/- each	10,000.00	10,000.00
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	<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 ensuing Annual General Meeting.

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

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

Name of Shareholder	As at <u>31.03.2014</u>		As at <u>31.03.2013</u>	
	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%	14,230,884	29.86%
2 M/s Moderate Leasing & Capital Services Ltd	42,15,289	8.85%	4,215,289	8.85%
3 M/s A to Z Holding Pvt. Ltd.	31,28,400	6.56%	31,28,400	6.56%
4 M/s Longwell Investments Pvt. Ltd.	27,21,500	5.71%	27,21,500	5.71%
5 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

	2013-14		2012-13	
	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	<u>4,76,53,880</u>	<u>4,765.39</u>	<u>4,76,53,880</u>	<u>4,765.39</u>



	As at 31.03.2014 (Rs. in Lacs)	As at 31.03.2013 (Rs. in Lacs)
NOTE 3 : RESERVES & SURPLUS		
Surplus / (Deficit)		
Balance as per last financial statement	(4,912.11)	(3,876.87)
Balance in Statement of Profit & Loss	(5,375.78)	(1,058.69)
Add: Transfer from Reserves	-	30.65
Less: Transfer to Reserves	8.44	7.20
Closing balance	(10,296.33)	(4,912.11)
Capital Reserve		
Balance as per last financial statement	49.17	49.17
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
Closing balance	49.17	49.17
Other Reserve- Molasses Storage Fund		
Balance as per last financial statement	10.48	33.93
Add: Additions during the year	8.44	7.20
Less: Deductions during the year	-	30.65
Closing balance	18.93	10.48
TOTAL	(10,228.24)	(4,852.46)

NOTE 4 : LONG-TERM BORROWINGS

A. Secured Borrowings		
a) Vehicle Loans	4.33	10.65
b) Hire Purchase - First Leasing Co. of India Ltd.	103.24	267.46
SUB-TOTAL (A)	107.56	278.11
B. Unsecured Loans		
a) Fixed Deposits from Public	-	134.25
b) Deposits from Selling agents	282.57	394.30
SUB-TOTAL (B)	282.57	528.55
TOTAL (A+B)	390.13	806.66

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

(Rs. In lacs)

Lending Institution	Outstanding As at 31.03.2014	2014-15	2015-16	2016-17	2017-18	2018-19
HDFC Bank Ltd.	0.82	0.82	-	-	-	-
Kotak Mahindra Prime Ltd.	5.71	3.53	1.60	0.58	-	-
ICICI Bank Ltd.	4.12	1.97	2.15	-	-	-
First Leasing Company of India Ltd.	466.47	363.23	98.23	5.01	-	-

- Amounts payable against vehicle loans are secured against the hypothecation of specific assets acquired.
- Vehicle loans from HDFC Bank Ltd., Kotak Mahindra Prime Ltd., and ICICI Bank Ltd. carry interest @ 10.00-12.00% and Hire Purchase of Plant & Machinery from First Leasing company of India Ltd carry interest @ 17.92%
- Fixed Deposits carry interest @10.50-11.00 % and repayable within one to three Years from the date of Deposits.
- Outstanding amount and schedule of payment of First Leasing Company of India Ltd. (shown under note No. 9-Current maturity of long term loan) remained unreconciled/ unconfirmed.



	As at 31.03.2014 (Rs. in Lacs)	As at 31.03.2013 (Rs. in Lacs)
NOTE 5 : OTHER LONG-TERM LIABILITIES		
Security Deposit Received	13.56	13.71
Retention Money	-	24.49
Total	<u>13.56</u>	<u>38.20</u>

NOTE 6 : LONG-TERM PROVISIONS

Provision for Employee Benefits :		
For Leave Encashment	11.52	13.39
For Gratuity	114.14	76.84
Total	<u>125.66</u>	<u>90.23</u>

NOTE 7 : SHORT-TERM BORROWINGS

A Secured Borrowings		
b) Pledge Account with The U.P. Co-operative Bank Ltd.	4,907.36	16,514.1
c) Pledge Account with The Shamrao Vithal Co-Operative Bank Ltd	-	2,525.17
c) OD Account with The Shamrao Vithal Co-Operative Bank Ltd.	9.90	-
SUB-TOTAL (A)	<u>4,917.26</u>	<u>19,039.27</u>
B Unsecured Loans		
a) Inter Corporate Deposits	6,180.18	6,354.36
b) Deposit From Others		
b) From Mr. Abhishek Modi, Executive Director	-	74.70
SUB-TOTAL (B)	<u>6,180.18</u>	<u>6,429.06</u>
Grand Total (A+B)	<u>11,097.44</u>	<u>25,468.34</u>

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

NOTE 8 : TRADE PAYABLES

Sundry Creditors		
- For Sugarcane (including expenses related to Cane)	28,900.82	15,201.04
- Small Scale Industries		
Others	4,370.20	3,732.05
TOTAL	<u>33,271.02</u>	<u>18,933.08</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 Rs.1.12 Lacs (Previous Year Rs. 1.46), due to Micro and Small Enterprises.
 - b) The amount of interest paid by the Company in terms of Section 16, along with the amount of payments made to the Micro and Small Enterprise beyond the appointed date during the year - Nil (Previous Year Rs. Nil)
 - c) The amount of interest accrued and remaining unpaid Rs.0.10 Lacs (Previous Year Rs. 0.04 Lac)The above mentioned outstanding are in normal course of business and the information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.



NOTE 9 : OTHER CURRENT LIABILITIES

	As at 31.03.2014 (Rs. in Lacs)	As at 31.03.2013 (Rs.in Lacs)
Current maturity of long term loans		
Fixed Deposits from Public	134.25	332.00
Unclaimed Fixed Deposit from public	549.00	417.00
Hire Purchase - First Leasing Co. of India Ltd.	363.23	240.31
Vehicle Loans	6.32	10.07
Statutory Dues	844.26	1,550.91
Interst accrued but not due on borrowings	3.54	5.38
Interst accrued and due on borrowings	279.66	579.12
Bills Payable Acceptance	52.52	959.78
Advance Against Sales	620.24	764.87
Employees Related dues	141.83	127.42
Retention Money	26.79	30.41
TOTAL	3,021.64	5,017.27

NOTE 10 : SHORT-TERM PROVISIONS

Provision for Employee Benefits		
For Leave Encashment	18.76	18.97
For Gratuity	12.41	11.50
Others		
For Wealth Tax	0.31	0.36
Total	31.48	30.83

NOTE 11 : FIXED ASSETS

(Rs. in lacs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMOR TIZATION				NET BLOCK		
	As at 01.04.2013	Addition During the Year	Adjustments	As at 31.03.2014	Upto 31.03.2013	Provided During the Year	Adjus- tments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
A. TANGIBLE ASSETS										
LAND - FREEHOLD	19.15	-	-	19.15	-	-	-	-	19.15	19.15
LAND - LEASE HOLD	56.43	-	-	56.43	9.00	0.64	-	9.63	46.79	47.43
LEASEHOLD IMPROVEMENT	0.85	-	-	0.85	0.85	-	-	0.85	-	-
FACTORY BUILDING & RANSIT HOUSE	1,177.94	-	-	1,177.94	324.82	28.24	-	353.06	824.88	853.12
PLANT & MACHINERY	10,072.85	0.82	-	10,073.68	5,918.60	522.73	-	6,441.33	3,632.35	4,154.25
OFFICE EQUIPMENT	30.83	1.50	-	32.33	14.18	1.30	-	15.48	16.85	16.85
COMPUTER EQUIPMENT	74.31	8.03	-	82.33	56.59	5.24	-	61.83	20.51	17.72
FURNITURE & FIXTURES	67.22	0.33	-	67.55	42.74	3.31	-	46.06	21.49	24.47
MOTOR VEHICLES	135.77	-	5.56	130.21	48.50	12.63	3.57	57.56	72.65	87.27
FACTORY APPROACH ROAD	244.32	-	-	244.32	128.60	38.61	-	167.21	77.11	115.72
TOTAL (A)	11,879.67	10.68	5.56	11,894.79	6,543.88	612.70	3.57	7,153.01	4,731.78	5,335.79
Previous Year	11,698.54	207.96	26.82	11,879.67	5,961.63	605.68	23.44	6,543.88	5,335.79	5,736.91
B. INTANGIBLE ASSETS										
COMPUTER SOFTWARE	14.13	-	-	14.13	12.80	0.44	-	13.23	0.89	1.33
TOTAL (B)	14.13	0.42	-	14.13	12.80	0.44	-	13.23	0.89	1.33
Previous Year	13.71	0.42	-	14.13	12.15	0.65	-	12.80	1.33	1.56
TOTAL (A+B)	11,893.80	10.68	5.56	11,898.92	6,556.67	613.14	3.57	7,166.24	4,732.68	5,337.13
Previous Year	11,712.25	208.38	26.82	11,893.80	5,973.78	606.33	23.44	6,556.67	5,337.13	5,738.46

- 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 Nil (Previous Period Rs Nil /-)
 - Preoperative Expense Rs Nil (Previous Period Rs Nil)



	As at 31.03.2014 (Rs. in Lacs)	As at 31.03.2013 (Rs. in Lacs)
NOTE 12 : NON-CURRENT INVESTMENT		
Trade Investment		
(Unquoted, Valued at Cost)		
Investment in Subsidiary Companies		
1,26,50,000 Equity Shares of Rs.10/- each in SBEC Bioenergy Ltd.* (Previous year - 1,26,50,000 Equity shares of Rs.10/- each)	1,265.83	1,265.83
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 Casings and Packaging Pvt. Ltd. (Formely known as Modi Gourmet Ltd.) (Previous Year - 50,000 Equity shares of Rs. 10/- each)	5.00	5.00
Sub Total (a)	<u>1,725.83</u>	<u>1,725.83</u>
Other Investments:		
20,000 Equity Shares of Rs.25/- each in The Shamrao Vithai Co-operative Bank Ltd. (Previous Year - 20,000 Equity shares of Rs. 25/- each)	5.00	5.00
Sub Total (b)	<u>5.00</u>	<u>5.00</u>
TOTAL (a+b)	<u>1,730.83</u>	<u>1,730.83</u>
*(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	1,730.83
Aggregate provision for diminution in value of investments	-	-
NOTE 13 : LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Security Deposits	7.67	4.32
TOTAL	<u>7.67</u>	<u>4.32</u>
NOTE 14 : OTHER NON-CURRENT ASSETS		
MAT Credit Entitlement	-	19.69
Margin money with others	35.00	35.00
Other Bank Balances		
Balance with Scheduled Banks in -		
— Fixed Deposits Pledged with Banks	18.52	17.81
— Margin Money with Banks	11.00	5.00
TOTAL	<u>64.52</u>	<u>77.51</u>
NOTE 15 : INVENTORIES		
Goods in Process	467.08	317.64
Finished goods at Plant	18,678.61	23,641.49
Finished goods at SBEC Godown, Modinagar	309.85	-
Stock-in-trade (in respect of goods acquired for trading)	352.99	3,005.15
Stores and spares *	627.53	522.08
Other Stocks	7.42	12.80
TOTAL	<u>20,443.48</u>	<u>27,499.15</u>
* Net of Provision for Obsolescence Rs.4.58 lacs (Previous Year Rs. 2.31 Lacs)		



	As at 31.03.2014 (Rs. in Lacs)	As at 31.03.2013 (Rs. in Lacs)
NOTE 16 : TRADE RECEIVABLES		
Debts outstanding for a period exceeding six months from the date they are due for payment		
- Secured	-	-
- Unsecured	0.20	121.03
- Doubtful	1.14	6.34
Other Debts		
- Secured	-	1,350.02
- Unsecured	1,285.53	-
- Doubtful	-	1,350.02
Less: Provision for Bad and Doubtful Debts	1.14	6.34
TOTAL	1,285.72	1,471.04
NOTE 17 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash in hand Cheques/Drafts in hand	3.55	4.27
Balance with Banks in -		
— In Current Accounts	114.52	350.58
Other Bank Balances		
Balance with Banks in -		
— Fixed Deposits	9.81	6.63
TOTAL	127.87	361.48
NOTE 18 : SHORT TERM LOAN & ADVANCES		
Unsecured		
LOAN & ADVANCES TO RELATED PARTIES		
Subsidiary - (SBEC Stockholding & Investment Ltd.)	1,800.50	1,512.50
- (SBEC Bio Energy Ltd.)	10,429.09	10,089.10
Moderate Leasing & Capital Services Ltd.	-	448.50
Promoter Company - SBEC Systems (India) Limited	127.96	127.96
Advance Recoverable in Cash or in Kind or for Value to be received		
Unsecured	196.37	145.93
Doubtful	-	-
Less :- Provision for doubtful advances	-	145.93
Amount deposited under protest*	64.69	43.64
Taxes recoverable	35.99	47.78
Balance with Excise/Trade Tax Authorities	206.34	198.17
Share Application Money- Chandil Power Ltd	3.00	11.00
Prepaid Expenses	26.34	25.08
TOTAL	12,890.28	12,649.66
*Amount deposited under protest Detail		
U.P. VAT Act	56.64	38.21
Central Excise Act	8.04	5.43
	64.69	43.64



NOTE 19 : OTHER CURRENT ASSETS

	As at 31.03.2014 (Rs. in Lacs)	As at 31.03.2013 (Rs.in Lacs)
Assets held for Disposal (Also refer Note No. - 45)	1,206.52	1,143.88
Tax Deducted At Source	2.53	2.10
TOTAL	<u>1,209.05</u>	<u>1,145.97</u>

For the Year ended 31.03.2014 (Rs. In Lacs)	For the Year ended 31.03.2013 (Rs. In Lacs)
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NOTE 20 : REVENUE FROM OPERATIONS

a) <u>Sale of product</u>		
Sugar	35,768.93	28,685.24
b) <u>Other operating revenue</u>		
Molasses	2,641.42	1,937.23
Bagasse	1,209.67	909.86
Scrap Sale	50.20	54.34
Less : Excise Duty	1,405.16	1,026.78
TOTAL	<u>38,265.05</u>	<u>30,559.90</u>

NOTE 21 : OTHER INCOME

Interest Received	2.63	6.37
Dividend received from cooperative Society	0.60	0.60
REC Income	390.83	346.16
Miscellaneous Income	44.63	54.96
Purchase Tax Waiver Account	109.17	-
Excess Provision / Sundry balances written back	48.57	73.54
TOTAL	<u>596.43</u>	<u>481.62</u>

NOTE 22 : COST OF MATERIAL CONSUMED

Raw Material Consumed	25,934.68	26,867.05
TOTAL	<u>25,934.68</u>	<u>26,867.05</u>

NOTE 23 : PURCHASES OF STOCK IN TRADE

Sugar Purchased For Trading	4,412.22	7,636.90
TOTAL	<u>4,412.22</u>	<u>7,636.90</u>

NOTE 24 : CHANGE IN INVENTORIES OF STOCKS

Opening Stock				
Finished Goods	23,641.49		19,310.15	
Goods in Process	317.64		9.09	
Stock in Trade	<u>3,005.15</u>	26,964.27	<u>3,219.52</u>	22,538.76
Closing Stock				
Finished Goods	18,988.46		23,641.49	
Goods In Process	467.08		317.64	
Stock in Trade	<u>352.99</u>	19,808.53	<u>3,005.15</u>	26,964.27
Increase/(Decrease) in Stocks		<u>(7,155.75)</u>		<u>4,425.51</u>

**NOTE 25 : MANUFACTURING EXPENSE**

	For the Year ended 31.03.2014 (Rs. In Lacs)	For the Year ended 31.03.2013 (Rs. In Lacs)
Stores & Spares Consumed (Including Packing Exp.)	803.50	945.73
Power & Fuel	3.19	1.50
Repair & Maintenance		
- Plant & Machinery	474.59	338.63
- Building	44.72	38.91
- Others	35.74	13.90
Freight & Cartage	10.10	10.90
Material Handling Expenses	90.48	76.58
Variation in Excise duty on opening and closing stock	-	-
Finished Goods	(213.40)	111.87
TOTAL	1,248.92	1,538.02

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

Particulars	Indigenous Value	%age	(Rs. In Lacs)	
			Imported Value	% age
Raw Materials	25,189	100%	-	Nil
Previous Year	25,479	100%	-	Nil
Stores & Spares*	791	98.45%	12.44	1.55%
Previous Year	926	97.92%	19.67	2.08%

*Excluding spares used for capitalization.

	For the Year ended 31.03.2014 (Rs. In Lacs)	For the Year ended 31.03.2013 (Rs. In Lacs)
NOTE 26 : EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus	795.19	800.60
Company's Contribution To Provident & Other Funds	55.53	60.77
Staff Welfare Expenses	33.46	32.36
Gratuity	50.77	18.48
TOTAL	934.94	912.21

NOTE 27 : FINANCE COST

	For the Year ended 31.03.2014 (Rs. In Lacs)	For the Year ended 31.03.2013 (Rs. In Lacs)
Interest expenses	2,500.04	2,809.46
Finance Charges	66.99	234.82
Financial Brokerage	17.02	52.36
TOTAL	2,584.05	3,096.65

NOTE 28 : ADMINISTRATION EXPENSES

	For the Year ended 31.03.2014 (Rs. In Lacs)	For the Year ended 31.03.2013 (Rs. In Lacs)
Telephone, Postage & Telegram	10.94	12.79
Legal & Professional Charges	42.71	59.61
Director's Sitting Fee	0.31	0.28
Loss on Sale of Fixed Assets	0.64	0.37
Loss on Sale of Stores & Spares	-	0.53
Travelling & Conveyance	46.35	44.19
Rent Including Lease Charges	17.41	35.46

**NOTE 25 : MANUFACTURING EXPENSE**

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Power & Fuel	3.19	1.50
Repair & Maintenance		
- Plant & Machinery	474.59	338.63
- Building	44.72	38.91
- Others	35.74	13.90
Freight & Cartage	10.10	10.90
Material Handling Expenses	90.48	76.58
Variation in Excise duty on opening and closing stock	-	-
Finished Goods	(213.40)	111.87
TOTAL	1,248.92	1,538.02

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Loss on Sale of Stores & Spares	-	0.53
Travelling & Conveyance	46.35	44.19
Rent Including Lease Charges	17.41	35.46



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

	For the Year ended 31.03.2014 (Rs. In Lacs)	For the Year ended 31.03.2013 (Rs. In Lacs)
Rates & Taxes	30.69	40.97
Vehicle Expenses	21.19	23.15
Insurance		
Insurance Exp.	45.00	39.22
Insurance Realeased on Sugar	<u>(36.72)</u>	<u>(26.53)</u>
Security Guard Expenses	66.51	79.56
Payment to Auditors *	2.25	3.53
Projects abandoned/written off	-	34.09
Debit Balances Written Off	-	52.85
Provision for Obsolete Store Items	2.28	-
Foreign exchange fluctuation	88.78	8.24
Bank Charges	18.24	30.38
Wealth Tax	0.31	0.36
Misc. Expenses	26.28	36.58
TOTAL	<u>383.15</u>	<u>475.66</u>

*Details of Payment to Auditors

a) Statutory Audit Fee	2.25	2.25
b) Certification & Reimbursement	1.13	1.16
c) Out of pocket expenses	0.43	0.13
	<u>3.81</u>	<u>3.53</u>

NOTE 29 : SELLING EXPENSES

Commission	159.71	147.37
Rent (Godown)	44.12	51.98
Freight, Clearing & Forwarding	126.28	96.24
Rebate & Discount	2.52	0.45
TOTAL	<u>332.63</u>	<u>296.04</u>

NOTE 30 : EXCEPTIONAL ITEMS

Profit on Sale of Debt Assignemtn (Also refer Note No. 33)	-	6,582.69
Provision for interest on Custom Duty	-	(295.42)
TOTAL	<u>-</u>	<u>6,287.27</u>



NOTES ON FINANCIAL STATEMENT:

31. Earning per Share (AS-20)

Particulars	Current Year	Previous Year
Net Profit/(Loss) after tax (Rs. in lacs)	(5,375.78)	(1,058.89)
Weighted Average number of equity shares outstanding during the year	4,76,53,880	4,76,53,880
Basic Earning per Share (Rs.)	(11.28)	(2.22)
Diluted Earning per Share (Rs.)	(11.28)	(2.22)

32. Contingent Liabilities not provided for in respect of:

Particulars	(Rs. in lacs)	
	As at 31.03.2014	As at 31.03.2013
i) Corporate Guarantee given to Government of Jharkhand against Soft loan (incl. interest) given to Bihar Sponge iron Ltd.	6,301.45	5,834.67
ii) Outstanding against Guarantee given on behalf of SBEC Bio-energy Ltd.	2,000.00	2,660.95
iii) Duties and Tax liabilities disputed by the Company	1,679.00	361.11
iv) Interest and R C Charges on cane arrear payment as recovered by DCO, Baghpur, case is pending with Allahabad High Court.	35.99	35.99
iv) Interest and R C Charges on cane arrear from the season 2012-13	3,193.92	Nil

33. During the year 2006-2007, a One Time Settlement (OTS) dated 22nd January, 2007 was signed between the Company, Punjab National Bank (PNB), Mr. Umesh K. Modi (as Guarantor of MIL) and Modi Industries Limited (MIL) on the terms as contained in the PNB letter dated 28th September, 2006. In terms of this settlement, the Company has agreed to make payment of Rs. 2,810.60 lacs together with interest to PNB. In consideration of the same, PNB has agreed to assign all its claims, interest and charges against the Steel Section of MIL in favour of the Company. The Company has made full payment of the settlement amount together with interest aggregating Rs. 3,351.21 lacs to PNB. As per expert legal opinion, during the year interest amounting to Rs. 417.63 lacs (previous year Rs. 2,148.47 lacs for the period from 22nd January, 2007 to 31st March, 2012) has been allocated to the cost of "Debt Assignment" acquired by the company from PNB, since in the opinion of the management the borrowing of the company were raised to pay for Debt Assignment. PNB thereafter executed a "Deed of Assignment" on 15th May, 2012 (an event occurring after the date of the Balance Sheet) in favour of the company by which PNB assigned all its claim together with all securities and charges created by MIL in its favour to the company. The company thereafter executed a "Deed of Assignment" on 31st December, 2012 in favour of its subsidiary M/s SBEC Bioenergy Limited by which the company assigned all its claim together with all securities and charges created by MIL in its favour for a consideration of Rs. 12,500.00 Lacs. A sum of Rs. 4,200.00 lacs has been paid simultaneously with the execution of this deed and the remaining sum of Rs. 8,300.00 lacs shall be payable as per the mutually agreed installments within a period of five years from the date of execution of this deed.

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

Particulars	(Rs. in Lacs)	
	Current Year	Previous Year
Salary, Allowance & Commission	13.99	18.20
Contribution to Provident fund	1.36	1.42
Reimbursement of Expenses	1.25	0.69
Sub Total	16.60	20.31
Commission on profits	Nil*	Nil*
TOTAL	16.60	20.31

*In view of losses in the current year, 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.

35. Segment Reporting (AS-17)

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

36. Impairments of Assets (AS-28)

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

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

Name of the Companies	Amount outstanding	Maximum Balance
	As on 31 st March 2014*	outstanding
	(Rs. in lacs)	during the year
		(Rs. in lacs)
Chandil Power Ltd. – Interested Company	3.00	11.00

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

(A) List of Related Parties & Relationships :

	As at 31.03.2014	As at 31.03.2013
(a) Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiary)		
(i) SBEC Bioenergy Limited	Subsidiary	Subsidiary
(ii) SBEC Stockholding & Investment Limited.	Subsidiary	Subsidiary
(iii) Modi Casings and Packaging Private Ltd. (formerly known as Modi Gourment Limited)	Subsidiary	Subsidiary
(b) Associates & joint ventures	Nil	Nil
(c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.	Sh. U. K Modi Sh. Abhishek Modi Sh. S. C. Gupta Sh. Abhishek Modi Executive Director & CEO	Sh. U. K Modi Sh. Abhishek Modi Sh. S. C. Gupta Sh. Abhishek Modi Executive Director & CEO
(d) Key Management Personnel	Sh. S. C. Gupta Whole Time Director	Sh. S. C. Gupta Whole Time Director

(e) Relatives of Key Management Personnel & their Enterprises

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

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



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

(Rs in lacs)

Nature of transaction	Referred in A (1) above*	Referred in A (2) above	Referred in A (3) above	Referred in A (4) above	Referred in A (5) above
Purchase / Goods and Services	2.13 (0.90)	- (-)	- (-)	- (-)	3905.86 (4,708.82)
Sales / Goods and Services	- (-)	- (-)	- (-)	- (-)	2754.00 (289.02)
Sale of Debt Assignment	12,500.00 (-)	- (-)	- (-)	- (-)	- (-)
Expenses / Computer / Printing & Stationery	- (-)	- (-)	- (-)	- (-)	7.77 (7.86)
Air Tickets / Vehicle Exp.	7.80 (-)	- (-)	- (-)	- (-)	2.70 (10.25)
Courier / Freight Exp./Postage & Telegraph	- (-)	- (-)	- (-)	- (-)	0.67 (1.92)
Repair & Maintenance Exp.	- (-)	- (-)	- (-)	- (-)	- (2.00)
Rent/Telephone/Electricity	1.18 (0.02)	- (-)	- (-)	- (0.19)	4.55 (5.02)
Interest paid	- (-)	- (-)	- (-)	2.61 (5.57)	101.85 (85.98)
Salary & Wages etc	- (0.13)	- (-)	- (-)	16.60 (20.31)	0.83 (-)
Consultancy / Sitting Fee	- (-)	- (-)	- (-)	0.05 (-)	- (0.02)
Gifts & other	- (-)	- (-)	- (-)	- (-)	0.11 (0.16)
Prior Period Exp.	611.30 (-)	- (-)	- (-)	- (-)	2.50 (-)
Stores & Spares Consumed	- (-)	- (-)	- (-)	- (-)	8.19 (8.12)
Income / Interest Received	- (-)	- (-)	- (-)	- (-)	- (-)
Lease Rent Recd. – Boiler	- (-)	- (-)	- (-)	- (-)	- (-)
Other Income	291.14 (346.16)	- (-)	- (-)	- (-)	- (-)
Corporate Guarantees	2000.00	-	-	-	6301.45
Outstanding as on 31.03.14	(2,660.96)#	(-)	(-)	(-)	(5,834.67)
Investment - Investment in Shares	- (-)	- (-)	- (-)	- (-)	- (-)
Recoverable / Receivable as on 31.03.13					
Advance Recoverable	384.19 (675.00)	- (-)	- (-)	- (-)	- (-)
Finance / Advance Taken as on 31.03.13	- (-)	- (-)	- (-)	85.00 (-)	- (-)
Year-end Balance of loan & Advance	1800.50 (1,612.50)	- (-)	- (-)	74.70 (-)	1129.23 (1,048.32)

Guarantee given to SBEC Bioenergy Ltd. Rs.2,000.00 lacs (Previous year Rs. 2,660.96 lacs).



39. Lease (AS-19)

Operating Lease

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

40. Deferred Taxation (AS-22)

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

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

(Rs. in lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
Deferred Tax Liability		
Depreciation	812.07	895.30
Other Deductions	-	-
Sub Total – A	812.07	895.30
Deferred Tax Assets		
Business Loss / Unabsorbed Dep.	4419.79	2,663.53
Deduction u/s 43B	27.56	120.40
Disallowance 40(A)(7)	39.10	27.30
Sub Total – B	4486.45	2,811.23
Net Deferred Tax Assets/(Liability) (B-A)	3674.38	1,915.93
*Assets Recognised (Refer note below)	812.07	895.30

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

41. The company in terms of Board of Director's resolution dated 6th July 2013 has filed a reference with the Board for Industrial and financial Reconstruction (BIFR) U/S 15(1) of the Sick Industrial companies (Special provisions) Act 1985 (SICA) vide its letter dated 24th July 2013 and as per communication received from BIFR vide its letter No. 3/(S-22)/BC/2013 dated 21st August 2013, The said reference has been registered by BIFR as case No. 58/2013. The BIFR has declared the company as Sick u/s 3(1)(0) of SICA and appointed IDBI as operating agency u/s 17(3) of the Act. in its hearing held on dated 04.02.2014. Since the Company has continued its normal manufacturing operations during the season 2013-14 therefore the accounts are prepared on a "Going Concern Basis".

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

a) CAPACITY

Installed Capacity (as certified by the management)	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
Sugarcane Crushing M. T. per day (No License required)	8000	8000

b) PRODUCTION, PURCHASE, TURNOVER & STOCK

Classes of Goods	Opening Stock		Production		Sales		Closing stock	
	Quantity (Qlts.)	Value (in Lacs)	Quantity (Qlts.)	Value (in Lacs)	Quantity (Qlts.)	Value (in Lacs)	Quantity (Qlts.)	Value (in Lacs)
Sugar	6,97,185.5		799458		946893.5	29022.09	549750	17738.65
	(5,50,075)		(7,90,676)		(6,43,565)	(20,502.58)	(6,97,185.5)	(22,764.13)
Molasses (By-product)	2,44,993.9		476030.3		562982.2	2616.57	158042	732.21
	(2,61,611.95)		(4,63,389)		(4,80,007.75)	(1,937.23)	(2,44,993.9)	(812.55)
Purchases								
Sugar Trading	83255		127026.3		200160.3	7044.54	10121	352.99
	(96,545)		(2,11,469)		(2,24,749.65)	(8,182.66)	(83,255)	(3,005.15)



(c) CONSUMPTION OF RAW MATERIALS (Rs. in lacs)

Particulars	Year ended 31 st March, 2014		Year ended 31 st March, 2013	
	Quantity (Quintals)	Value (Rs. In lacs)	Quantity (Quintals)	Value (Rs. In lacs)
Sugar Cane	9123095	25189.50	(92,38,300)	(25,468.48)

d) EXPENDITURE IN FOREIGN CURRENCY (On accrual basis) (Rs. in lacs)

Particulars	Current year	Previous Year
Interest, Others.	22.19	18.23

e) CIF VALUE OF IMPORTS		
Store & Spares	18.65	14.99

43. EMPLOYEE BENEFITS (AS-15)

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

a) Defined Contribution Plan

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

Particulars	(Rs. in lacs)	
	Year ended 31 st March 2014	Year ended 31 st March 2013
Employer's contribution to Provident Fund	54.43	55.82

b) Defined Benefit Plan

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

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

Particulars	(Rs. in lacs)			
	Gratuity (Unfunded) 31.03.2014	Gratuity (Unfunded) 31.03.2013	Leave Encashment (Unfunded) 31.03.2014	Leave Encashment (Unfunded) 31.03.2013
Defined Benefit obligation at the beginning of the period.	88.34	92.2	14.10	12.99
Past Service Cost	-	-	-	-
Current Service Cost.	17.25	13.44	1.90	2.04
Interest Cost.	7.07	7.38	1.13	1.04
Actuarial (gain)/loss	26.44	(3.42)	(1.11)	(1.71)
Benefits Paid	(12.55)	21.25	(0.80)	(0.26)
Settlement cost	-	-	-	-
Defined Benefit obligation at the end of the period	126.55	88.34	15.23	14.10

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

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



3. Reconciliation of amount recognized in Balance Sheet

(Rs. in lacs)

Particulars	Gratuity	Gratuity	Leave	Leave
	(Unfunded) 31.03.2014	(Unfunded) 31.03.2013	Encashment (Unfunded) 31.03.2014	Encashment (Unfunded) 31.03.2013
Fair Value of Plan Assets as at 31 st March	-	-	-	-
Present value of obligation as at 31 st March	126.55	88.34	15.23	14.10
Net asset/(liability) recognized in the Balance Sheet	(126.55)	(88.34)	(30.28)*	(32.37)*

*It includes company grade employees' freeze liability in books amounting to Rs.15.05 lacs (Previous year Rs.18.27 Lacs).

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

Current Service Cost	17.25	13.44	1.90	2.04
Past Service Cost	-	-	-	-
Interest Cost	7.07	7.38	1.13	1.04
Expected return on plan assets	-	-	-	-
Net Actuarial (gain)/loss recognized during the period	26.45	(3.42)	(1.11)	(1.71)
Expenses recognized in the statement of Profit & Loss	50.77	17.39	1.92	1.37

It excludes the expense in relation to company grade employees' amounting to Rs. 2.00 lacs.

5. Actual Return on Plan Assets

(Rs. in lacs)

Particulars	Gratuity	Gratuity	Leave	Leave
	(Unfunded) 31.03.2014	(Unfunded) 31.03.2013	Encashment (Unfunded) 31.03.2014	Encashment (Unfunded) 31.03.2013
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain)/loss	-	-	-	-
Actual return on plan assets	-	-	-	-

6. Principal Actuarial Assumptions

(Rs. in lacs)

Particulars	Gratuity	Gratuity	Leave	Leave
	(Unfunded) 31.03.2014	(Unfunded) 31.03.2013	Encashment (Unfunded) 31.03.2014	Encashment (Unfunded) 31.03.2013
Mortality Table (LIC)	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified
Discount rate as at 31 st March, 2013	8.50%	8%	8.50%	8%
Future Salary Increase	6%	5.50%	6%	5.50%
Expected rate of return on plan assets	-	-	-	-
Retirement Age	60 Years	60 Years	60 Years	60 Years
Withdrawal Rates Age	Withdrawal	Withdrawal	Withdrawal	Withdrawal
Upto 30 years	3.00%	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%



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

Particulars	(Rs. in lacs)				
	Grauity (Unfunded) 31.03.2014	Grauity (Unfunded) 31.03.2013	Grauity (Unfunded) 31.03.2012	Grauity (Unfunded) 31.03.2011	Encashment (Unfunded) 31.03.2010
PBO	15.23	14.10	12.99	11.49	9.51
Plan Assets	-	-	-	-	-
Net Assets/(Liability)	(15.23)	(14.10)	(12.99)	(11.49)	(9.51)
Experience adjustment of plan assets(loss)/gain	-	-	-	-	-
Experience adjustment of plan liabilities(loss)/gain	1.12	1.76	1.34	1.01	14.07

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

Particulars	(Rs. in lacs)				
	Grauity (Unfunded) 31.03.2014	Grauity (Unfunded) 31.03.2013	Grauity (Unfunded) 31.03.2012	Grauity (Unfunded) 31.03.2011	Grauity (Unfunded) 31.03.2010
PBO	126.55	88.34	92.19	73.06	57.08
Plan Assets	-	-	-	-	-
Net Assets/(Liability)	(126.55)	(88.34)	(92.19)	(73.06)	(57.08)
Experience adjustment of plan assets(loss)/gain	-	-	-	-	-
Experience adjustment of plan liabilities(loss)/gain	(26.37)	3.79	(4.13)	2.19	9.20

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

Actuarial valuation of Leave Encashment for period ended 31st March, 2014 and 31st March, 2013 pertain to only Seasonal Wage-board grade employees, therefore there is difference in expense recognized in statement of profit & Loss and amount as mentioned in Actuarial certificate. However the expenses have been provided on Accrual Basis.

44. Considering the adverse economic/sector conditions and current financial instability the Management of the company vide their resolution dated 05th March, 2013 has decided to dispose-off its Chandil Power Plant (under implementation). The company has formed a committee to negotiate with potential buyers. The management expects that the assets will be realized to the extent as stated & does not call for any provision as on the date of the Balance Sheet. Therefore, the Capital Work in Progress, Capital Advances and other related accounts of the Chandil Power Project have been shown as assets held for disposal.
45. Previous year figures have been regrouped/ rearranged wherever considered necessary.

Previous year figures are given in the bracket wherever applicable

SIGNED FOR IDENTIFICATION NOTE 1 to 45

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

Mukesh Goyal
Mg. Partner
Membership No. : 081810

Arun Kumar Gupta
(Chief Financial Officer)

Shwetambery Khurana
(Company Secretary)

Place : New Delhi
Date : 28th May, 2014

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

To The Board of Directors of SBEC Sugar Ltd

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of SBEC Sugar Ltd ('the Company') and its subsidiaries ("Collectively referred to as 'the Group") which comprises the Consolidated Balance Sheet as at March 31, 2014 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and Notes to Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

- i) The Companies financials have been prepared on "Going Concern" as the company has continued its normal manufacturing operations during the season 2013-14.
The company in terms of Board of Director's resolution dated 6th July 2013 has filled a reference with the Board for Industrial and financial Reconstruction (BIFR) U/S 15(1) of the Sick Industrial companies (Special provisions) Act 1985 (SICA) vide its letter dated 24th July 2013 and as per communication received from BIFR vide its letter No. 3/(S-22)/BC/2013 dated 21st August 2013. The said reference has been registered by BIFR as case No. 58/2013. The BIFR has declared the company as Sick u/s 3(1)(0) of SICA and appointed IDBI as operating agency u/s 17(3) of the Act. in its hearing held on dated 04.02.2014.
- (ii) The company's has not made provision for interest, on late payment of cane dues amounting to Rs2241.12 lacs. Accordingly manufacturing expenses and net losses would have been higher by Rs2241.12lacs respectively & its consequential impact on EPS.
- (iii) We draw attention to Note No. 32 of the financial statement (of subsidiary SBEC Bio Energy Limited) where in as at March 31, 2014, the company has net exposure of Rs. 1,46,85,97,682/- as debt acquired in Modi Industries Limited. The net worth of Modi Industries Limited has been completely eroded, which raised a doubt on recoverability of the above balances. However, no provision for doubtful debts were made in the financial statements of the company and consequently we are unable to opine on the appropriateness of the same and its consequential impact on the financial statement.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31 March 2014;
- b) In the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Group for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of subsidiaries. The financial statements of SBEC Bio-energy Limited reflect total assets of Rs17382.93 lacs as at 31st March, 2014 and total revenues of Rs902.46 lacs for the period ended on that date. The financial statements of SBEC Stockholding and Investment Limited reflect total assets of Rs2252.82 lacs as at 31st March, 2014 and total revenues of Rs.01 lacs for the period ended on that date. The financial statements of Modi Gourmet Limited reflect total assets of Rs .31 lacs as at 31st March, 2014 and total revenues of Rs Nil for the period ended on that date. The financial statements and other financial information of subsidiaries have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

The financial statements of the Subsidiaries are audited and have been approved/acknowledged by the Boards of Directors of the respective Subsidiaries, whose certificate have been furnished to us, and our opinion, in so far as it relates to these amounts included in respect of Associates and Subsidiaries of the Associates are based solely on these certification. Our Opinion is not qualified in respect of this matter.

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

Place: New Delhi
Dated: 28th May, 2014

Mukesh Goyal
Partner
M. No. 081810



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

	NOTE NO.	As at <u>31.03.2014</u> (Rs. in Lacs)	As at <u>31.03.2013</u> (Rs. in Lacs)
I. EQUITY AND LIABILITY			
Shareholders' Funds			
(a) Share Capital	2	4,769.40	4,769.40
(b) Reserves and Surplus	3	<u>(15,603.88)</u> (10,834.48)	<u>(10,022.08)</u> (5,252.68)
		2,028.87	2,195.33
Minority Interest			
Non-current Liabilities			
(a) Long-term Borrowings	4	2,105.31	1,994.97
(b) Other Long Term Liabilities	5	13.56	38.20
(c) Long-term Provisions	6	<u>147.64</u>	<u>128.24</u>
		2,266.51	2,161.41
Current Liabilities			
(a) Short-term Borrowings	7	11,262.44	25,468.34
(b) Trade Payables	8	33,392.89	19,029.67
(c) Other Current Liabilities	9	3,442.65	6,746.25
(d) Short-term Provisions	10	<u>32.00</u>	<u>17.36</u>
		<u>48,129.98</u>	<u>51,261.62</u>
		<u>41,590.88</u>	<u>50,365.68</u>
TOTAL			
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	6,056.99	6,800.56
(ii) Intangible Assets	11	<u>0.94</u>	<u>1.51</u>
		6,057.93	6,802.07
(b) Non-Current Investment	12	2,255.84	1,968.34
(c) Deferred Tax Assets (net)		313.32	154.60
(d) Long-term Loans & Advances	13	8.56	5.21
(e) Other Non-Current Assets	14	<u>8,207.19</u>	<u>8,261.02</u>
		16,842.84	17,191.24
Current Assets			
(a) Inventories	15	20,735.04	27,789.79
(b) Trade Receivables	16	1,514.02	2,131.17
(c) Cash & Bank Balances	17	143.85	375.81
(d) Short-term Loans & Advances	18	1,079.42	1,685.76
(e) Other Current Assets	19	<u>1,275.71</u>	<u>1,191.91</u>
		<u>24,748.04</u>	<u>33,174.44</u>
		<u>41,590.88</u>	<u>50,365.68</u>

Summary of Significant accounting Policies 1A

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

For & on behalf of
DOOGAR & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 000561N

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

Abhishek Modi
(Executive Director)
DIN No. 00002798

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

Mukesh Goyal
Mg. Partner
Membership No. : 081810

Arun Kumar Gupta
(Chief Financial Officer)

Shwetambery Khurana
(Company Secretary)

Place : New Delhi
Date : 28th May, 2014



**CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST
MARCH, 2014**

	NOTE NO.	For the Year ended 31.03.2014 (Rs. in Lacs)	For the year ended 31.03.2013 (Rs. in Lacs)
Revenue From Operations	20	39,163.38	31,498.66
Other Income	21	600.58	784.13
Total Revenue		39,763.96	32,282.79
EXPENSES			
Cost of Material Consumed	22	25,934.68	26,867.05
Purchases of Stock-in-Trade	23	4,412.22	7,636.90
Change in inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	24	7,157.37	(4,423.51)
Manufacturing Expense	25	1,509.78	1,690.89
Employee Benefit Expense	26	1,098.22	1,088.08
Finance Cost	27	3,261.12	3,552.68
Depreciation & Amortisation Expense	11	753.76	718.57
Administration Expenses	28	573.31	668.74
Selling Expense	29	332.63	357.24
Prior Period Items (including interest on cane payment Rs. 998.10 lacs) (Previous year Nil)		618.15	1,011.52
Total Expenses		45,651.24	39,168.16
Profit / (Loss) before exceptional and extraordinary items and tax		(5,887.28)	(6,885.37)
Exceptional Items	30	-	(295.42)
Profit / (Loss) before extraordinary items and tax		(5,887.28)	(7,180.78)
Extraordinary Items		-	-
Profit before tax		(5,887.28)	(7,180.78)
Tax expense :			
(1) Current tax		-	19.88
(2) Deferred tax		(158.72)	396.84
(3) Taxes for earlier year			
MAT credit written back		19.69	-
Profit/(Loss) for the period from continuing operations		(5,748.25)	(7,597.50)
Profit/(Loss) from discontinuing operations		-	-
Tax Expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations after tax		-	-
Profit/(Loss) for the Year before minority Interest		(5,748.25)	(7,597.50)
Minority Interest		(167.07)	20.02
Profit/(Loss) for the Year		(5,581.18)	(7,617.52)
Earning per equity share:(Par value of Rs.10 each)			
(1) Basic	31	(11.71)	(15.99)
(2) Diluted	31	(11.71)	(15.99)

Signed in terms of our report of even date.

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

Mukesh Goyal
Mg. Partner
Membership No. : 081810

Arun Kumar Gupta
(Chief Financial Officer)

Shwetambery Khurana
(Company Secretary)

Place : New Delhi
Date : 28th May, 2014



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	<u>Current Year</u> (Rs. in Lacs)	<u>Pervious Year</u> (Rs. in Lacs)
A) Cash Flow from Operating Activities		
Profit / (Loss) Before Tax as per Profit and Loss Account	(5,887.28)	(7,180.78)
Adjustments For :		
Interest Expenses	3,261.12	3,552.68
Interest Income	(2.64)	(303.50)
Dividend Income	(1.20)	(1.20)
Debit Balances Written Off	-	52.85
Loss on Sale of Stores & Spares	-	0.53
Loss on sale of Fixed Assets	0.64	0.37
Profit on sale of Fixed Assets	(0.35)	(4.22)
Projects abandoned/written off	-	34.09
Provision for Obsolete Store Items	2.28	-
Wealth tax	0.31	0.36
Depreciation	753.76	718.57
Deferred Revenue Expenditure	20.13	20.13
Unclaimed credit balances written back	(51.76)	(74.09)
Operating Profit before Working Capital Changes	<u>(1,904.99)</u>	<u>(3,184.21)</u>
Adjustments For :		
Trade Receivables	617.15	(830.58)
Inventories	7,052.47	(4,429.30)
Trade Payables	14,363.22	3,292.04
Loans & Advances/Other Current Assets	533.92	2,284.01
Liabilities & Provisions	<u>(3,242.75)</u>	<u>1,663.31</u>
Cash generated from Operating Activities	<u>17,419.02</u>	<u>(1,204.73)</u>
Direct Taxes (Paid)/Refund	(0.43)	(33.60)
Net Cash Flow from Operating Activities	<u>17,418.59</u>	<u>(1,238.33)</u>
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(11.77)	(257.69)
Capital Work in Progress	-	951.63
Proceeds from sale of Fixed Assets	1.85	41.11
Sale/(Purchase) of Investments	(287.50)	(575.00)
Dividend Income	1.20	1.20
Interest Received	2.64	303.50
Net Cash Flow from Investing Activities	<u>(293.58)</u>	<u>464.75</u>
C) Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (Net)	110.34	(1,132.47)
Proceeds from Short Term Borrowings (Net)	(14,205.88)	5,047.47
Net Interest (Paid)	(3,261.12)	(3,552.68)
Net Cash Flow from Financing Activities	<u>(17,356.66)</u>	<u>362.32</u>
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	<u>(231.65)</u>	<u>(411.26)</u>
Cash and Cash Equivalents as on 1st April 2013 (Opening Balance)	365.70	776.96
Cash and Cash Equivalents as on 31st March 2014 (Closing Balance)	134.05	365.70
Net Increase as disclosed above	<u>(231.65)</u>	<u>(411.26)</u>
1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.		
2 Previous year's figures have been regrouped/rearranged wherever considered necessary.		
3 Cash and Cash equivalent at the end of the year consist of Cash, Stamps in hand, Cheques in Hand and Balances with Banks:		
Cash & Stamps in Hand	3.95	6.19
Balances with Banks	<u>130.10</u>	<u>359.51</u>
TOTAL	<u>134.05</u>	<u>365.70</u>

Signed in terms of our report of even date.

For & on behalf of

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

Mukesh Goyal
Mg. Partner
Membership No. : 081810

Place : New Delhi
Date : 28th May, 2014

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

Abhishek Modi
(Executive Director)
DIN No. 00002798

Arun Kumar Gupta
(Chief Financial Officer)

G.C. Jain
(Director)
DIN No. 00002696
Shwetambery Khurana
(Company Secretary)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT****Note: 1. BASIS AND PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements of the company and its subsidiaries "SBEC Bioenergy Limited.", Modi Casings and Packaging Private Ltd. (formally known as Modi Gourmet Limited) & "SBEC Stockholding & Investments Limited" used in the consolidation are drawn for a period of Twelve months ended on 31st March, 2014 (hereinafter referred to as "the subsidiary companies").

The accompanying financial statements of the company are prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended and which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention on going concern basis.

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

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

Note: 1A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**1A. (i) Use of Estimates**

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

1A. (ii) Principles of Consolidation

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

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

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

Name of the Company	Country of Incorporation	% of Voting Power as on 31.03.2014
SBEC Bioenergy Limited	India	55
SBEC Stockholding & Investment Limited	India	100
Modi Casings and Packaging Private Ltd. (formerly known as Modi Gourmet Limited)	India	100

- (c) Minority Interest's share of net profit of subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- (d) Minority Interest's share of net assets of subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

1A. (iii) Recognition of Revenues & Expenses**In the case of the Holding Company:**

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

In the case of SBEC Bioenergy Limited:

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



1A. (iv) **Inventory Valuation**

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

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

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

1A. (vi) **Borrowing Costs**

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

1A. (vii) **Depreciation**

Depreciation has been charged on the following basis:

- (a) Leasehold Land is being amortized over the period of the Lease.
- (b) Assets leased out are written off over the period of lease at cost less terminal transfer price.
- (c) Assets below Rs. 5000/- are 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 the 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 138 for the Company.

1A. (viii) **Investments**

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

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

Initial Recognition

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

Conversion

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

**Exchange Differences**

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

1A. (x) Employee Benefits

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

(a) Provident Fund

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

(b) Gratuity

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

(c) Compensated Absence

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

1A. (xi) Pre-operative Expenses and Miscellaneous Expenditure**In the case of the Holding Company:**

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

In case of SBEC Bioenergy Limited:

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

1A. (xii) Impairment of Assets

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

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

1A. (xiii) Tax on Income

(a) Tax expense comprises of current and deferred. Provision for Current Tax is made in accordance with the provisions of Income Tax Act, 1961.

(b) In accordance with Accounting Standard AS-22 'Accounting for Taxes on Income' as notified by Companies (Accounting Standards) Rules, 2006 Deferred Tax Liability/ Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years. However, deferred tax assets are recognized only if there is a reasonable/ virtual certainty of realization thereof. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

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

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

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(b) In accordance with Accounting Standard AS-22 'Accounting for Taxes on Income' as notified by Companies (Accounting Standards) Rules, 2006 Deferred Tax Liability/ Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years. However, deferred tax assets are recognized only if there is a reasonable/ virtual certainty of realization thereof. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

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



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

1A. (xiv) Leases

(a) Finance Lease

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

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

(b) Operating Lease

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

1A. (xv) Earnings per Share

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

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

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

1A. (xvi) Interim Financial Reporting

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

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

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

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

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

1A. (xviii) Cash and Cash Equivalents

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



NOTES TO BALANCE SHEET

	As at <u>31.03.2014</u> (Rs. in Lacs)	As at <u>31.03.2013</u> (Rs.in Lacs)
NOTE 2 : SHARE CAPITAL		
AUTHORISED CAPITAL		
100,000,000 (Previous Year 10,000,000) Equity Shares of Rs. 10/- each	10,000.00	10,000.00
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	<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 ensuing Annual General Meeting.

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

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

Name of Shareholder	As at <u>31.03.2014</u>		As at <u>31.03.2013</u>	
	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%	14,230,884	29.86%
2 M/s Moderate Leasing & Capital Services Ltd	42,15,289	8.85%	4,215,289	8.85%
3 M/s A to Z Holding Pvt. Ltd.	31,28,400	6.56%	31,28,400	6.56%
4 M/s Longwell Investments Pvt. Ltd.	27,21,500	5.71%	27,21,500	5.71%
5 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

	2013-14		2012-13	
	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	<u>4,76,53,880</u>	<u>4,765.39</u>	<u>4,76,53,880</u>	<u>4,765.39</u>



	As at <u>31.03.2014</u> (Rs. in Lacs)	As at <u>31.03.2013</u> (Rs.in Lacs)
NOTE 3 : RESERVES & SURPLUS		
Surplus / (Deficit)		
Balance as per last financial statement	(10,082.35)	(2,487.66)
Balance in statement of Profit & Loss	(5,581.18)	(7,617.52)
Add: Transfer from Reserves	-	30.65
Less: Transfer to Reserves	8.44	7.20
Closing Balance	<u>(15,671)</u>	<u>(10,081.73)</u>
Capital Reserve		
Balance as per last financial statement	49.17	49.17
Add: Additions during the year	-	-
Less : Deductions during the year	-	-
Closing Balance	<u>49.17</u>	<u>49.17</u>
Other Reserve-Molasses Storage Fund		
Balance as per last financial statement	10.48	33.93
Add: Additions during the year	8.44	7.20
Less : Deductions during the year	-	30.65
Closing Balance	<u>18.93</u>	<u>10.48</u>
Total	<u>(15,603.88)</u>	<u>(10,022.08)</u>

NOTE 4 : LONG-TERM BORROWINGS

A. Secured Borrowings		
a) Vehicle Loans	19.50	32.29
b) Hire Purchase - First Leasing Co. of India Ltd.	103.24	267.46
c) Term Loan from SREI Infrastructure Finance Ltd.	1,700.00	1,166.67
SUB-TOTAL (A)	<u>1,822.74</u>	<u>1,466.42</u>
B. Unsecured Loans		
a) Fixed Deposits from Public	-	134.25
b) Deposits from Selling agents	282.57	394.30
SUB-TOTAL (B)	<u>282.57</u>	<u>528.55</u>
TOTAL (A+B)	<u>2,105.31</u>	<u>1,994.97</u>

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

Lending Institution	Outstanding As at 31.03.2013	2013-14	2014-15	2015-16	2016-17	2017-18
SREI Infrastructure Finance Ltd.	2000	300	600	600	500	—
HDFC Bank Ltd.	22.46	7.29	7.19	7.99	—	—
Kotak Mahindra Prime Ltd.	5.71	3.53	1.60	.58	—	—
ICICI Bank Ltd.	4.12	1.97	2.14	—	—	—
First Leasing Company of India Ltd.	466.47	363.23	98.24	5	—	—

- 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 Asstes of the Company. Loan from SREI is Repayble in 24 equal installment(Monthly from December to may every year, beginning from December 2011). Interest is charged at SREI benchmark rate subject to a minimum interest rate of 16% Principal & interest amounting to Rs. Lac(Previous year Rs. 603.63 Lac) due but not paid.
- Amounts payable against vehicle loans are secured against the hypothecation of specific assets acquired.
- Vehicle loan from HDFC Bank Ltd., Kotak Mahindra Prime Ltd., and ICICI Bank Ltd. carry interest @ 10.00-12.00% and Hire Purchase of Plant & Machinery from First Leasing company of India Ltd carry interest @ 17.92%
- Fixed Deposits carry interest @10.50-11.00% and rpayable within one to three years form the date of deposit.
- Outstanding amount and schedule of payment of First Leasing Company of India Ltd. (Shown under note No. 9-Cuttent maturity of long term loan) remined unreconciled/unconfirmed.



	As at 31.03.2014 (Rs. in Lacs)	As at 31.03.2013 (Rs.in Lacs)
NOTE 5 : OTHER LONG-TERM LIABILITIES		
Security Deposit Received	13.56	13.71
Retention Money	-	24.49
Total	<u>13.56</u>	<u>38.20</u>
NOTE 6 : LONG-TERM PROVISIONS		
Provision for Employee Benefits :		
For Leave Encashment	15.65	34.11
For Gratuity	131.98	94.14
Total	<u>147.64</u>	<u>128.24</u>
NOTE 7 : SHORT-TERM BORROWINGS		
A Secured Borrowings		
b) Pledge Account with The U.P. Co-operative Bank Ltd.	4,907.36	16,514.11
c) Pledge Account with The Shamrao Vithal Co-Operative Bank Ltd	-	2,525.17
c) OD Account with The Shamrao Vithal Co-Operative Bank Ltd.	9.90	-
SUB-TOTAL (A)	<u>4,917.26</u>	<u>19,039.27</u>
B Unsecured Loans		
a) Inter Corporate Deposits	6,180.18	6,354.36
b) From M. Abhishek Modi, Executive Director	-	74.70
b) Fixed deposits*	165.00	-
SUB-TOTAL (B)	<u>6,345.18</u>	<u>6,429.06</u>
Grand Total (A+B)	<u>11,262.44</u>	<u>25,468.34</u>
1	Pledge Accounts with The U.P. Co-operative Bank Ltd. and The Shamrao Vithal Bank, are secured by the pledge of stocks of sugar and are further secured by personal guarantee of two directors of the company.	
2	OD Account with The Shamrao Vithal Bank, is secured by the pledge of FDR of Rs. 11,00,000/-	
NOTE 8 : TRADE PAYABLES		
Sundry Creditors		
- For Sugarcane (including expenses related to Cane)	28,900.82	15,201.04
Others	4,492.07	3,828.64
TOTAL	<u>33,392.89</u>	<u>19,029.67</u>

- 1 Followings are the relevant disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006:
- Sundry creditors include a sum aggregating Rs.1.12 Lacs (Previous Year Rs. 1.46), due to Micro and Small Enterprises.
 - The amount of interest paid by the Company in terms of Section 16, along with the amount of payments made to the Micro and Small Enterprise beyond the appointed date during the year - Nil (Previous Year Rs. Nil)
 - The amount of interest accrued and remaining unpaid Rs.0.10 Lacs (Previous Year Rs. 0.04 Lac)
- The above mentioned outstanding are in normal course of business and the information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

**NOTE 9 : OTHER CURRENT LIABILITIES**

	As at 31.03.2014 (Rs. in Lacs)	As at 31.03.2013 (Rs.in Lacs)
Current maturity of long term loans		
Fixed Deposits from Public	134.25	522.00
Unclaimed Fixed Deposit from public	549.00	417.00
Hire Purchase - First Leasing Co. of India Ltd.	363.23	240.31
Vehicle Loans	12.79	15.89
Statutory Dues	891.40	1,570.33
Interest accrued but not due on borrowings	3.70	21.24
Interest accrued and due on borrowings	283.51	679.43
Bills Payable Acceptance	53.78	961.04
Advance Against Sales	620.24	764.87
Security Deposit Received	0.45	0.45
Employees Related dues	165.73	153.15
Retention Money	27.17	6.92
Other Liabilities	37.40	15.28
SREI Infrastructure Finance Ltd.	300.00	1,378.32
TOTAL	<u>3,442.65</u>	<u>6,746.25</u>

NOTE 10 : SHORT-TERM PROVISIONS

Provision for Employee Benefits For Leave Encashment	18.83	3.59
For Gratuity	12.87	13.40
Provision for Employee Benefits For Leave Encashment	0.31	0.36
TOTAL	<u>32.01</u>	<u>17.36</u>

NOTE 11 : FIXED ASSETS

(Rs. in lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMOR TIZATION				NET BLOCK	
	As at 01.04.2013	Addition During the Year	Adjustments	As at 31.03.2014	Upto 31.03.2013	Provided During the Year	Adjus- tments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
A. TANGIBLE ASSETS										
LAND - FREEHOLD	46.15	-	-	46.15	-	-	-	-	46.15	46.15
LAND - LEASE HOLD	56.43	-	-	56.43	9.00	0.64	-	9.63	46.79	47.43
LEASE HOLD IMPROVEMENT	0.85	-	-	0.85	0.85	-	-	0.85	-	-
FACTORY BUILDING & TRANSIT HOUSE	1,434.74	-	-	1,434.74	434.91	36.82	-	471.73	963.01	999.83
PLANT & MACHINERY	15,238.36	0.95	-	15,239.32	9,838.11	649.55	-	10,487.66	4,751.66	5,400.26
OFFICE EQUIPMENT	34.90	1.53	-	36.43	16.27	1.51	-	17.78	18.66	18.63
COMPUTER EQUIPMENT	80.38	8.88	-	89.26	61.61	5.54	-	67.16	22.10	18.77
FURNITURE & FIXTURES	70.09	0.41	-	70.49	44.90	3.43	-	48.33	22.16	25.19
MOTOR VEHICLES	184.52	-	9.08	175.45	55.95	17.10	6.93	66.11	109.34	128.57
FACTORY APPROACH ROAD	244.32	-	-	244.32	128.60	38.61	-	167.21	77.11	115.72
TOTAL (A)	17,390.74	11.77	9.08	17,393.43	10,590.18	753.20	6.93	11,336.45	6,056.99	6,800.56
Previous Year	17,314.42	257.27	180.48	17,391.21	10,015.62	717.77	143.22	10,590.18	6,801.03	7,298.80
B. INTANGIBLE ASSETS										
COMPUTER SOFTWARE	18.23	-	-	18.23	16.72	0.57	-	17.29	0.94	1.51
TOTAL (B)	18.23	-	-	18.23	16.72	0.57	-	17.29	0.94	1.51
Previous Year	17.81	0.42	-	18.23	15.93	0.79	-	16.72	1.51	1.88
TOTAL (A+B)	17,408.97	11.77	9.08	17,411.67	10,606.90	753.76	6.93	11,353.73	6,057.93	6,802.07
Previous Year	17,332.24	257.69	180.48	17,409.44	10,031.55	718.57	143.22	10,606.90	9,802.54	7,300.68

Note : 1. Freehold Land includes land aggregating Rs. 1,58,059 /- 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.



	As at <u>31.03.2014</u> (Rs. in Lacs)	As at <u>31.03.2013</u> (Rs.in Lacs)
NOTE 12 : NON-CURRENT INVESTMENT		
Trade Investment		
(Unquoted, Valued at Cost)		
Investment in Subsidiary Companies		
40,000 Equity Shares of Rs.25/- each in The Shamrao Vithal Co-Operative Bank Ltd. (Previous year - 40,000 Equity shares of Rs.25/- each)	10.00	10.00
Share Transfer Stamp Fee	<u>0.83</u>	<u>0.83</u>
SUB TOTAL (a)	<u>10.83</u>	<u>10.83</u>
Other Investments:		
4,50,000 Equity Shares of Rs. 110/- each of Modi Ilva India Pvt. Ltd. (Previous Year - 20,000 Equity shares of Rs. 25/- each)	45.00	45.00
100 Eq.Shares of Rs.10/- each of Chandil Power Ltd.. (Previous Year - 100 Equity shares of Rs. 10/- each)	0.01	0.01
22,00,000 Non Transferable compulsory Convertible Unsecured zero % Debenture of Modi Ilva India Pvt. Ltd. Rs. 100/-each (Previous Year - 19,12,500/- Equity shares of Rs. 100/- each)	<u>2,200.00</u>	<u>1,912.50</u>
SUB TOTAL (b)	<u>2,245.01</u>	<u>1,957.51</u>
TOTAL (a+b)	<u>2,255.84</u>	<u>1,968.34</u>
Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments	2,255.84	1,968.34
Aggregate provision for diminution in value of investments	-	-
NOTE 13 : LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Security Deposits	<u>8.56</u>	<u>5.21</u>
TOTAL	<u>8.56</u>	<u>5.21</u>
NOTE 14 : OTHER NON-CURRENT ASSETS		
Debt Assignment Recoverable-PNB - Refer Note No. 33	5,917.31	5,917.31
Debt Assignment Recoverable(IFCI and IDBI)	2,185.98	2,185.98
MAT Credit Entitlement	-	19.69
Margin money with others	35.00	35.00
SREI Infrastructure Finance Ltd.	26.29	26.29
Deferred Revenue Expenditure	13.09	53.94
Other Bank Balances		
Balance with Scheduled Banks in -		
— Fixed Deposits Pledged with Banks	18.52	17.81
— Margin Money with Banks	<u>11.00</u>	<u>5.00</u>
TOTAL	<u>8,207.19</u>	<u>8,261.02</u>
NOTE 15 : INVENTORIES		
Goods in progress	467.08	317.64
Finished goods	18,691.45	23,655.95
Stock-in-trade (in respect of goods acquired for trading)	352.99	3,005.15
Finished Goods at SBEC Godown, Modinagar	309.85	-
Stores and spares*	906.25	798.26
Other stocks	<u>7.42</u>	<u>12.80</u>
Total	<u>20,735.04</u>	<u>27,789.79</u>

*Net of Provision for Obsolescence Rs. 4.58- 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

	As at <u>31.03.2014</u> (Rs. in Lacs)		As at <u>31.03.2013</u> (Rs. in Lacs)	
- Secured	-		121.03	
- Unsecured	0.20		6.34	127.37
- Doubtful	<u>1.14</u>	1.33	<u>6.34</u>	
Other Debts			2,010.14	
- Secured	-		-	
- Unsecured	1,513.82		-	2,010.14
- Doubtful	<u>-</u>	1,513.82	<u>-</u>	6.34
Less: Provision for Bad and Doubtful Debts		<u>1.14</u>		<u>2,131.17</u>
TOTAL		<u>1,514.02</u>		<u>2,131.17</u>

NOTE 17 : CASH AND BANK BALANCES**Cash and Cash Equivalents**

Cash in hand Cheques/Drafts in hand

	3.95	6.19
Balance with Banks in -		359.51
— In Current Accounts	130.10	

Other Bank Balances

Balance with Banks in -

— Fixed Deposits	9.81	10.10
	<u>143.85</u>	<u>375.81</u>

TOTAL**NOTE 18 : SHORT TERM LOAN & ADVANCES****unsecured****LOAN & ADVANCES TO RELATED PARTIES**

Moderate Leasing & Capital Services Ltd.

Promoter Company - SBEC Systems (India) Limited

Advance Recoverable In Cash or in Kind or for Value to be received

Unsecured	196.37	-	145.98	-
Doubtful	<u>-</u>	196.37	<u>-</u>	145.98
Less : Provision for doubtful advances		64.69		43.64
Amount deposited under protest*		35.99		47.78
Taxes recoverable		206.34		198.17
Balance with Excise/Trade Tax Authorities		3.00		11.00
Share Application Money- Chandil Power Ltd (Also refer Note No. 45)		27.10		25.99
Prepaid Expenses		390.83		611.34
REC Recoverable		-		6.77
Security Deposits		7.47		0.43
Staff Balances		19.64		17.05
Advance to suppliers		0.04		1.14
Other		<u>1,079.42</u>		<u>1,685.76</u>
TOTAL				
*Amount deposited under protest Detail		38.21		38.21
U.P. VAT Act		<u>5.43</u>		<u>5.43</u>
Central Excise Act		<u>43.64</u>		<u>43.64</u>



NOTE 19 : OTHER CURRENT ASSETS

	As at 31.03.2014 (Rs. in Lacs)	As at 31.03.2013 (Rs.in Lacs)
Assets held for Disposal (Also refer Note No. - 45)	1,206.52	1,143.88
Tax Deducted At Source	2.58	2.15
Income Tax Receivable	45.89	45.89
Deffered Revenue Expenditure	20.72	-
TOTAL	<u>1,275.71</u>	<u>1,191.92</u>

For the Year ended 31.03.2014 (Rs. In Lacs)	For the Year ended 31.03.2013 (Rs. In Lacs)
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NOTE 20 : REVENUE FROM OPERATIONS

a) <u>Sale of product</u>	35,768.93	28,685.24
Sugar	898.33	938.76
Power		
b) <u>Other operating revenue</u>	2,641.42	1,937.23
Molasses	1,209.67	909.86
Bagasse	50.20	54.34
Scrap Sale	1,405.16	1,026.78
Less : Excise Duty	<u>39,163.38</u>	<u>31,498.66</u>
TOTAL		

NOTE 21 : OTHER INCOME

Interest Received	2.64	303.50
Profit on sale of Investment - (in subsidiary company)	0.35	4.22
Dividend received from cooperative Society	1.20	1.20
REC Income	390.83	346.16
Miscellaneous Income	44.63	54.96
Purchase Tax Waiver Account	109.17	-
Excess Provision / Sundry balances written back	51.76	74.09
TOTAL	<u>600.58</u>	<u>784.13</u>

NOTE 22 : COST OF MATERIAL CONSUMED

Raw Material Consumed	25,934.68	26,867.05
TOTAL	<u>25,934.68</u>	<u>26,867.05</u>

NOTE 23 : PURCHASES OF STOCK IN TRADE

Sugar Purchased For Trading	4,412.22	7,636.90
TOTAL	<u>4,412.22</u>	<u>7,636.90</u>

NOTE 24 : CHANGE IN INVENTORIES OF STOCKS

Opening Stock				
Finished Goods	23,655.95		19,326.60	
Goods in Process	317.64		9.09	
Stock in Trade	<u>3,005.15</u>	26,978.73	<u>3,219.52</u>	22,555.22
Closing Stock				
Finished Goods	19,001.30		23,655.95	
Goods In Process	467.08		317.64	
Stock in Trade	<u>352.99</u>	19,821.36	<u>3,005.15</u>	26,978.73
Increase/(Decrease) In Stocks		<u>(7,157.37)</u>		<u>4,423.51</u>

**NOTE 25 : MANUFACTURING EXPENSE**

	For the Year ended 31.03.2014 (Rs. In Lacs)	For the Year ended 31.03.2013 (Rs. In Lacs)
Stores & Spares Consumed (Including Packing Exp.)	861.16	995.70
Power & Fuel	24.85	19.98
Repair & Maintenance		452.27
- Plant & Machinery	615.33	42.31
- Building	50.62	
- Others	35.95	13.90
Freight & Cartage	10.10	508.48
Material Handling Expenses	90.48	10.90
Variation in Excise duty on opening and closing stock	-	111.87
Finished Goods	(213.40)	28.57
Bagasse and Ash Handling Charges	34.69	1,690.89
TOTAL	1,509.78	1,690.89

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

Particulars	Indigenous Value	%age	(Rs. In Lacs)	
			Imported Value	% age
Raw Materials	(593.20)	100%	-	Nil
Previous Year	25,340.84	100%	-	Nil
Stores & Spares*	30.35	97.88%	19.67	2.12%
Previous Year	1,052.17	98.74%	13.44	1.26%

*Excluding spares used for capitalization.

NOTE 26 : EMPLOYEE BENEFIT EXPENSES

	For the Year ended 31.03.2014 (Rs. In Lacs)	For the Year ended 31.03.2013 (Rs. In Lacs)
Salary, Wages & Bonus	946.46	957.16
Company's Contribution To Provident & Other Funds	67.36	7304
Staff Welfare Expenses	33.63	32.77
Gratuity	50.77	25.11
TOTAL	1,098.22	1,088.08

NOTE 27 : FINANCE COST

	For the Year ended 31.03.2014 (Rs. In Lacs)	For the Year ended 31.03.2013 (Rs. In Lacs)
Interest expenses	3,177.10	3,265.49
Finance Charges	66.99	234.82
Financial Brokerage	17.02	52.36
TOTAL	3,261.12	3,552.68

NOTE 28 : ADMINISTRATION EXPENSES

	For the Year ended 31.03.2014 (Rs. In Lacs)	For the Year ended 31.03.2013 (Rs. In Lacs)
Telephone, Postage & Telegram	12.30	15.62
Legal & Professional Charges	118.52	117.47
Director's Siting Fee	0.49	0.52
Loss on Sale of Fixed Assets	0.64	0.37
Loss on Sale of Stores & Spares	-	0.53
Travelling & Conveyance	73.14	86.03



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

	For the Year ended 31.03.2014 (Rs. In Lacs)	For the Year ended 31.03.2013 (Rs. In Lacs)
Rent Including Lease Charges	17.41	35.46
Rates & Taxes	31.09	49.94
Vehicle Expenses	30.98	29.24
Insurance		47.71
Insurance Expenses	52.21	
Insurance Relealised on Sugar	<u>(36.72)</u>	<u>(26.53)</u>
Security Guard Expenses	102.40	116.10
Payment to Auditors *	4.43	5.79
Projects abandoned /written off	-	34.09
Debit Balances Written Off	-	52.85
Provision for obsolete store items	2.28	-
Subcption Fee	1.69	-
Foreign exchange fluctuation	88.78	8.24
Bank Charges	18.28	30.44
Wealth Tax	0.31	0.36
Misc. Expenses	34.96	44.35
Misc. Expenditure Written off	20.13	20.13
TOTAL	<u>573.31</u>	<u>668.74</u>
*Details of Payment to Auditors		
a) Statutory Audit Fee	4.06	3.86
b) Tax Audit fee	0.38	0.42
b) Certification & Reimbursement	1.18	1.38
c) Out of pocket expenses	0.43	0.13
	<u>6.03</u>	<u>5.79</u>

NOTE 29 : SELLING EXPENSES

Commission	159.71	147.37
Rent (Godown)	44.12	51.98
Freight, Clearing & Forwarding	126.28	157.44
Rebate & Discount	2.52	0.45
TOTAL	<u>332.63</u>	<u>357.24</u>

NOTE 30 : EXCEPTIONAL ITEMS

Provision for interest on Custom Duty	-	(295.42)
TOTAL	<u>-</u>	<u>(295.42)</u>



NOTES ON FINANCIAL STATEMENT:

31. Earning per Share (AS-20)

Particulars	Current Year	Previous Year
Net Profit/(Loss) after tax (Rs. in lacs)	(5581.19)	(7617.52)
Weighted Average number of equity shares outstanding during the year	4,76,53,880	4,76,53,880
Basic Earning per Share (Rs.)	(11.71)	(15.99)
Diluted Earning per Share (Rs.)	(11.71)	(15.99)

32. Contingent Liabilities not provided for in respect of:

Particulars	(Rs. in lacs)	
	As at 31.03.2014	As at 31.03.2013
i) Corporate Guarantee given to Government of Jharkhand against Soft loan (incl. interest) given to Bihar Sponge Iron Ltd.	6301.45	5,834.67
ii) Outstanding against Guarantee given on behalf of SBEC Bio-energy Ltd.	2000.00	2,660.95
iii) Duties and Tax liabilities disputed by the Company	1679.00	361.11
iv) Interest and R C Charges on cane arrear payment as recovered by DCO, Baghpat, case is pending with Allahabad High Court.	35.99	35.99
v) Interest and RC Charges on Cane Arrears from the season 2012-13 In the case of SBEC Bioenergy Limited:	3193.92	Nil
v) Claims against the company not acknowledged as debts:- Income tax matters	39.75	117.43

33. a) In the case of the 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. 2,810.60 lacs together with interest to PNB. In consideration of the same, PNB has agreed to assign all its claims, interest and charges against the Steel Section of MIL in favour of the Company. The Company has made full payment of the settlement amount together with interest aggregating Rs. 3,351.21 lacs to PNB. As per expert legal opinion, during the year interest amounting to Rs. 417.63 lacs (previous year Rs. 370.64 lacs and Rs. 2,148.47 lacs for the period from 22nd January, 2007 to 31st March, 2012) has been allocated to the cost of "Debt Assignment" acquired by the company from PNB, since in the opinion of the management the borrowing of the company were raised to pay for Debt Assignment.

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

The company thereafter executed a "Deed of Assignment" on 31st December, 2012 in favour of its subsidiary M/s SBEC Bioenergy Limited by which the company assigned all its claim together with all securities and charges created by MIL in its favour for a consideration of Rs. 12,500 lacs. A sum of Rs. 4,200 lacs has been paid simultaneously with the execution of this deed and the remaining sum of Rs. 8,300 lacs shall be payable as per the mutually agreed installments within a period of five years from the date of execution of this deed.

b) In the case of SBEC Bioenergy Limited:

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

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



34. In the case of SBEC Bioenergy Limited:

- a) The 132 KV Line was laid by Uttar Pradesh Power Corporation Limited (UPPCL) and commissioned on 1st December, 2005. The Company's contribution in respect of the line amounted to Rs.195.45 lacs as demanded by UPPCL till end of March, 2013. 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. 5.72 lacs for the year 2013-14 (Previous Year Rs. 5.45 lacs) as Annual Maintenance Charges. As per the Power Purchase Agreement dated 8th November, 2006, the charge is @ 1.50% on the cost of 132 KV Line in the first year and with an increase (maximum) of 5% in each subsequent year. Since, the total expenditure on the 132 KV Line is pending finalization by UPPCL, this charge again, is on provisional basis.
- c) The company has taken the debt of IDBI, IFCI & SBEC Sugar Limited in Modi Industries Limited (MIL). The principal activities of MIL is manufacturing of Sugar, Liquor, Electrode, Paint, Gas etc. As at 31st March, 2014 the company has net exposure of Rs.14,685.98 lacs as debt acquired. The net worth of MIL has been completely eroded. MIL had been declared a sick Industrial company on March 14, 1991 in terms of section 3(1)(o) of the Sick Industrial Companies Special Provisions Act 1985. No provision for the diminution in debts is required to be made in these financial statements.
35. In case of SBEC Bioenergy Ltd., Company's leasing arrangements, which are in respect of operating leasing for premises (residential, office etc.) ranges between 11 months to 12 months generally, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged to revenue.

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

a) In the case of the Holding Company:

Particulars	(Rs. In Lacs)	
	Current Year	Previous Year
Salary, Allowance & Commission	13.99	18.20
Contribution to Provident fund	1.36	1.42
Reimbursement of Expenses	1.25	0.69
Sub Total	16.60	20.31
Commission on profits	Nil*	Nil*
TOTAL	16.60	20.31

*In view of losses in the current year, 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.

b) In the case of SBEC Bioenergy Limited:

Mr. Abhishek Modi, Executive director (From 11th 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	(Rs. in lacs)	
	Current Year	Previous Year
Salary & Bonus	38.21	33.60
Contribution to Provident fund	2.86	2.64
Others	1.03	3.12
TOTAL	42.10	39.36

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:-

Particulars	(Rs. in lacs)	
	Current Year	Previous Year
Profit (Loss) for the year before taxation (as per Profit & Loss Account)	(529.98)	88.60
Add:-		
Depreciation provided in the Accounts	140.63	112.24
Director and Manager Remuneration	42.10	37.15
Loss on sale of Fixed Assets		1.43
Subtotal	(347.25)	239.42
Less:-		
Depreciation as per section 350 of the Companies Act, 1956	140.62	112.24
Profit on sale of Fixed Assets	0.35	5.65
Profit(Loss) u/s 349 & 350	(488.22)	132.84

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



37. Segment Reporting (AS-17):

a) In the case of the Holding Company:

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

b) In the case of SBEC Bioenergy Limited:

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

Particulars	Power Generation		Assets Acquiring		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue						
External	898.33	938.76	-	-	898.33	938.76
Inter Segment	-	-	-	-	-	-
Total Revenue	898.33	938.76	-	-	898.33	938.76
Result						
Segment Result (Profit / (Loss) before tax)	184.47	376.07	(15.69)	(50.97)	168.78	325.10
Unallocated expenses	-	-	-	-	134.05	77.25
Interest Expense	564.71	456.10	-	-	564.71	456.10
Interest Income	-	296.84	-	-	-	296.84
Income taxes	-	-	-	-	-	(19.88)
Deferred tax	-	-	-	-	158.72	(24.23)
Profit after tax	-	-	-	-	(371.26)	44.49
Other Information						
Segment Assets	2,323.66	3,132.72	14,685.98	14,685.98	17,009.63	17,818.69
Unallocated Assets	-	-	-	-	373.30	212.85
Segment Liabilities	4,556.14	4,840.23	8,309.26	8,304.49	12,865.40	13,144.71
Unallocated Liabilities	-	-	-	-	8.93	6.97
Capital Expenditure	-	-	-	-	1.09	48.84
Depreciation	140.63	112.24	-	-	140.63	112.24

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

38. Impairments of Assets (AS-28)

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

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

In the case of the Holding Company :			(Rs. in lacs)
Name of the Companies	Amount outstanding As on 31 st March 2014*	Maximum Balance outstanding during the year	
Chandil Power Ltd. – Interested Company	3.00	11.00	

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



I) In the case of the Holding Company :

(A) List of Related Parties & Relationship :

	As at 31.03.2014	As at 31.03.2013
(a) Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiary)		
(i) SBEC Bioenergy Limited	Subsidiary	Subsidiary
(ii) SBEC Stockholding & Investment Limited.	Subsidiary	Subsidiary
(iii) Modi Cosin and Packaging Pvt. Ltd.	Subsidiary	Subsidiary
(b) Associates & joint ventures	Nil	Nil
(c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.	Sh. U. K Modi	Sh. U. K Modi
	Sh. Abhishek Modi	Sh. Abhishek Modi
	Sh. S. C. Gupta	Sh. S. C. Gupta
(d) Key Management Personnel	Sh. Abhishek Modi Executive Director & CEO	Sh. Abhishek Modi Executive Director & CEO
	Sh. S. C. Gupta Whole Time Director	Sh. S. C. Gupta Whole Time Director
(e) Relatives of Key Management Personnel & their Enterprises		
(i) Mrs. Kumkum Modi*		
(ii) Mr. Jayesh Modi		
(iii) Ms. Meghna Modi*		
(iv) Mrs. Himani Modi Agarwal*		
(v) Mr. Priyank Kumar Agarwal*		
(vi) Mrs Suman Lata Gupta*		
(vii) A to Z Holding Pvt.Ltd		
(viii) Arvind Continental Pvt. Ltd		
(ix) Bihar Sponge Iron Ltd		
(x) Chandil Power Limited*		
(xi) First Move Management Services Pvt. Ltd*		
(xii) H. M. Tubes & Containers Pvt. Ltd*		
(xiii) Jai Abhishek Investments Pvt. Ltd*		
(xiv) Jayesh Tradex Pvt. Ltd		
(xv) Kamakhya Cosmetics & Pharmaceuticals Pvt. Ltd*		
(xvi) Longwell Investment Pvt. Ltd		
(xvii) M.G. Mobiles India Pvt. Ltd		
(xviii) Meghna Autoworks Private Ltd*		
(xix) Modi Arts Pvt. Ltd*		
(xx) Modi Diagnostics Pvt. Ltd*		
(xxi) Modi Goods and Retail Services Pvt. Ltd* (formally known as Modi Groceries Pvt. Ltd.)		
(xxii) Modi Illva India Pvt. Ltd*		
(xxiii) Modi Industries Ltd		
(xxiv) Modi Motors Pvt. Ltd		
(xxv) Modi Mun/dipharma Pvt. Ltd*		
(xxvi) Modi Omega Pharma (India) Pvt. Ltd*		
(xxvii) Modi Revlon Pvt. Ltd		
(xxviii) Modi Senator (India) Pvt. Ltd*		
(xxix) Modiline Travel Service Pvt. Ltd		
(xxx) Modi Hitech India Ltd (Formaly Known as Morgardshammer India Ltd)		
(xxxi) Revlon Lanka Pvt. Ltd*		
(xxxii) Revlon Trading Bangladesh Private Ltd*		
(xxxiii) SBEC Systems (India) Ltd*		
(xxxiv) Swasth Investment Pvt. Ltd*		
(xxxv) Umesh Modi Corp. Pvt. Ltd*		
(xxxvi) Win Medicare Pvt. Ltd		

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



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

(Rs in lacs)

Nature of transaction	Referred in A (1) above*	Referred in A (2) above	Referred in A (3) above	Referred in A (4) above	Referred In A (5) above
Purchase / Goods and Services	2.13 (0.90)	- (-)	- (-)	- (-)	3905.86 (4,708.82)
Sales / Goods and Services	- (-)	- (-)	- (-)	- (-)	2754.00 (289.02)
Sale of Debt Assignment	12,500.00 (-)	- (-)	- (-)	- (-)	- (-)
Expenses / Computer / Printing & Stationery	- (-)	- (-)	- (-)	- (-)	7.77 (7.86)
Air Tickets / Vehicle Exp.	7.80 (-)	- (-)	- (-)	- (-)	2.70 (10.25)
Courier / Freight Exp./Postage & Telegraph	- (-)	- (-)	- (-)	- (-)	0.67 (1.92)
Repair & Maintenance Exp.	- (-)	- (-)	- (-)	- (-)	- (2.00)
Rent/Telephone/Electricity	1.18 (0.02)	- (-)	- (-)	- (0.19)	4.55 (5.02)
Interest paid	- (-)	- (-)	- (-)	2.61 (5.57)	101.85 (85.98)
Salary & Wages etc	- (0.13)	- (-)	- (-)	16.60 (20.31)	0.83 (-)
Consultancy / Sitting Fee	- (-)	- (-)	- (-)	0.05 (-)	- (0.02)
Gifts & other	- (-)	- (-)	- (-)	- (-)	0.11 (0.16)
Prior Period Exp.	611.30 (-)	- (-)	- (-)	- (-)	2.50 (-)
Stores & Spares Consumed	- (-)	- (-)	- (-)	- (-)	8.19 (8.12)
Income / Interest Received	- (-)	- (-)	- (-)	- (-)	- (-)
Lease Rent Recd. – Boiler	- (-)	- (-)	- (-)	- (-)	- (-)
Other Income	291.14 (346.16)	- (-)	- (-)	- (-)	- (-)
Corporate Guarantees Outstanding as on 31.03.14	2000.00 (2,660.96)#	- (-)	- (-)	- (-)	6301.45 (5,834.67)
Investment - Investment in Shares	- (-)	- (-)	- (-)	- (-)	- (-)
Recoverable / Receivable as on 31.03.13					
Advance Recoverable	384.19 (675.00)	- (-)	- (-)	- (-)	- (-)
Finance / Advance Taken as on 31.03.13				85.00	-
Year-end Balance of loan & Advance	(-) 1800.50 (1,612.50)	(-) -	(-) -	(-) 74.70 (-)	(-) 1129.23 (1,048.32)

Guarantee given to SBEC Bioenergy Ltd. Rs.2,000.00 lacs (Previous year Rs. 2,660.96 lacs).



II) In the case of SBEC Bioenergy Limited:

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

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

SBEC Sugar Limited
Moderate leasing and capital services limited

A(2) Associates : NIL

A(3) Fellow Subsidiaries

SBEC Stockholding & Investment Limited
Modi Casing & Packaging Pvt. Ltd. (Formally known as Modi Gourmet Limited)

A(4) Key Management Personnel

Mr. Abhishek Modi -- Executive Director (w.e.f. 11/7/2011)

Relatives of Key Management Personnel

Mrs. Nandini Modi
Mr. Umesh Kumar Modi
Mrs. Kum Kum Modi
Mrs. Himani Modi Aggarwal
Ms. Meghna Modi
Mr. Priyank Kumar Aggarwal
Mr. Jayesh Modi

A(5) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence

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



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

(Rs in lacs)

Nature of transaction	Referred in A (1) above*	Referred in A (2) above	Referred in A (3) above	Referred in A (4) above	Referred in A (5) above
Purchase / Debt assignment	-	-	-	-	-
	(12500.00)	(-)	(-)	(-)	(-)
Goods and Services	-	-	-	-	0.04
	(-)	(-)	(-)	(-)	(-)
Sales / Goods and Services	2.13	-	-	-	-
	(0.90)	(-)	(-)	(-)	(-)
Expenses / Computer / Printing & Stationery/other	(-)	-	-	-	-
	(-)	(-)	(-)	(-)	(0.01)
Air Tickets / Vehicle Exp.	-	-	-	-	16.48
	(-)	(-)	(-)	(-)	(10.87)
Gift & others	-	-	-	-	0.12
	(-)	(-)	(-)	(-)	(0.42)
Salary & Other Allowances	-	-	-	60.80	-
	(-)	(-)	(-)	(56.83)	(-)
Consultancy / Sitting Fee	-	-	-	0.04	-
	(-)	(-)	(-)	(0.04)	(-)
REC Unit transfer	(220.52)	-	-	-	-
	(346.16)	(-)	(-)	(-)	(-)
Income / Interest Received	-	-	-	-	-
	(296.84)	(-)	(-)	(-)	(-)
Loan Taken (net).	577.40	-	-	-	-
	(374.32)	(-)	(-)	(-)	(-)
Loan given	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Corporate Guarantees taken					
Outstanding as on 31.03.14	2000.00	-	-	-	-
	(2645.30)*	(-)	(-)	(-)	(-)
Recoverable / Receivable as on 31.03.14					
Loan Receivable Yearend Balance	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Other Recoverable	-	-	-	-	14709.27
	(-)	(-)	(-)	(1.46)	(14709.27)
Finance / Advance Taken as on 31.03.14					
Finance (Loan)					
Yearend Balance	1744.90	-	-	-	-
	(1137.92)	(-)	(-)	(-)	(-)
Other Pay	8700.02	-	-	0.15	14.51
	(8946.39)	(-)	(-)	(8.71)	(10.89)

* Guarantee taken from SBEC Sugar Ltd. Rs. 2000.00 (Previous year Rs. 2645.30).

41) Lease (AS-19)

Operating Lease

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

42) Deferred Taxation (AS-22)



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

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

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

Particulars	(Rs. in lacs)	
	As at 31.03.2014	As at 31.03.2013
Deferred Tax Liability		
Depreciation	812.07	895.30
Other Deductions	-	-
Sub Total – A	812.07	895.30
Deferred Tax Assets		
Business Loss / Unabsorbed Dep.	4419.28	2,663.53
Deduction u/s 43B	27.56	120.40
Disallowance 40(A)(7)	39.10	27.30
Sub Total – B	4486.45	2,811.23
Net Deferred Tax Assets/(Liability) (B-A)	3674.38	1,915.93
*Assets Recognised (Refer note below)	812.07	895.30

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

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

Break-up of Deferred Tax Assets / Liabilities into major Components is given below:

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

Break-up of Deferred Tax Assets / Liabilities into major Components is given below:

Deferred Tax Assets	Deferred Tax Asset/ (Liability) as at 31.03.2014	Current Year (Charge) / Credit	Deferred Tax Asset/(Liability) as at 31.03.2013
Depreciation	(55.17)	(86.93)	31.75
Disallowance u/s 43B	3.64	254	3.64
Gratuity	5.65	(0.28)	5.93
Carry Forward Losses	342.38	245.93	96.45
Other Disallowance under I. Tax Act	16.82	-	16.82
Deferred Tax Assets/ (Liabilities)	313.32	158.72	154.60

43) **For SBEC Stockholding and Investment Limited:**

In the current financial year the company has further invested Rs. 287.50 lacs (Previous Year Rs. 575.00 lacs) in the Zero percent Compulsory Convertible Debentures of M/s Modi Ilva India Pvt. Ltd. Which is a joint venture of the company.

44) The company in terms of Board of Director's resolution dated 6th July 2013 has filled a reference with the Board for Industrial and financial Reconstruction (BIFR) U/S 15(1) of the Sick Industrial companies (Special provisions) Act 1985 (SICA) vide its letter dated 24th July 2013 and as per communication received from BIFR vide its letter No. 3/(S-22)/BC/2013 dated 21st August 2013, The said reference has been registered by BIFR as case No. 58/2013. The BIFR has declared the company as Sick u/s 3(1)(0) of SICA and appointed IDBI as operating agency u/s 17(3) of the Act. in its hearing held on dated 04.02.2014. Since the Company has continued its normal manufacturing operations during the season 2013-14 therefore the accounts are prepared on a "Going Concern Basis".

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



A) In the case of the Holding Company:

(a) Capacity

	Installed Capacity) (as certified by the management	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
Sugarcane Crushing	M. T. per day (No License required)	8000	8000

b) PRODUCTION, PURCHASE, TURNOVER & STOCK

(Rs in lacs)

Classes of Goods	Opening Stock Quantity (Qtls.)	Production Quantity (Qtls.)	Sales		Closing stock	
			Quantity (Qtls.)	Value	Quantity (Qtls.)	Value
Sugar	6,97,185.5 (5,50,075)	799458 (7,90,676)*	946893.5 (6,43,565)	29022.09 (20,502.58)	549750 (6,97,185)	17738.65 (22,764.13)
Molasses (By-product)	2,44,993.9 (2,61,611.95)	476030.3 (4,63,389)	562982.2 (4,80,007.75)	2616.57 (1,937.23)	158042 (2,44,993.90)	732.21 (812.55)
Purchases						
Sugar Trading	83255 (96,545)	127026.3 (2,11,469)	200160.3 (2,24,749.65)	7044.54 (8,182.66)	10121 (83,265)	352.99 (3,005.15)

c) Consumption of raw materials

(Rs. In lacs)

Particulars	Year ended 31 st March, 2014		Year ended 31 st March, 2013	
	Quantity (Quintals)	Value (Rs. In lacs)	Quantity (Quintals)	Value (Rs. In lacs)
Sugar Cane	9123095	25189.50	(92,38,300)	(25,468.48)

d) EXPENDITURE IN FOREIGN CURRENCY (On accrual basis)

(Rs. in lacs)

Particulars	Current year	Previous Year
Interest, Others,	22.19	18.23

e) CIF VALUE OF IMPORTS

Store & Spares	18.65	14.99
----------------	-------	-------

b) In the case of SBEC Bioenergy Limited:

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

Description	Licensed Capacity	Installed Capacity	Actual Generation*
Power	Not Applicable	24MW (24MW)	4,90,14,150 kwh (4,60,27,960 kwh)
Steam	Not Applicable	77 tph (77 tph)	2,25,609 tones (2,26,936 tones)

Figures in brackets are for Previous Year.

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

@ The plant operated for 138 days in the current year (previous year 134 days).



(b) Details of Sale / Conversions									(Rs. in lacs)
Description	Quantity	Op. Stock		Conversion		Sales		Cl. Stock	
		Value	Quantity	Value	Quantity	Value	Quantity*	Value	
Power	13,76,137 kwh	-	2,37,29,150 kwh	-	2,18,31,969 kwh	-	11,46,514 kwh	-	
	(13,76,137 kwh)	14.46 (16.46)	(1,94,42,654 kwh)	(-)	(2,30,26,314 kwh)	898.33 (938.76)	(13,76,137 kwh)	12.84 (14.46)	
Steam	-	-	2,25,609 tons	-	-	-	-	-	
	(-)	(-)	(2,26,936 tones)	(-)	(-)	(-)	(-)	(-)	

Figures in brackets are for previous Year.

* Includes 1,43,314 kwh (Previous Year 1,72,017 kwh) charged as banking fee by UPPCL.

(c) Consumption of Imported and Indigenous Raw Material and Stores & Spares							(Rs. in lacs)
Particulars	Indigenous		Imported		Value	%	
	Value	%	Value	%			
Raw Material (Bagasse)*	-	100	-	-	-	-	
	(-)	(100)	(-)	(-)	(-)	(-)	
Store / Spares(Including Fixed assets)	161.68	100	-	-	-	-	
	(127.49)	(100)	(-)	(-)	(-)	(-)	

Figures in brackets are for previous year.

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

(d) Value of Import on CIF Basis			(Rs. in lacs)
Particulars	Current year	Previous year	
Store & Spares	-	-	

(e) Expenditure in Foreign Currency (Paid)			(Rs. in lacs)
Particulars	Current year	Previous year	
Purchase of stores and spares	-	-	
Others	8.89	25,72	

46. EMPLOYEE BENEFITS (AS-15)

A) In the case of the Holding Company:

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

a) Defined Contribution Plan

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

	(Rs. in lacs)	
	Year ended 31st March 2014	Year ended 31st March 2013
Employer's contribution to Provident Fund	54.43	55.82

b) Defined Benefit Plan

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



1. Reconciliation of opening and closing balances of Defined Benefit Obligation. (Rs. in lacs)				
Particulars	Gratuity	Gratuity	Leave	Leave
	(Unfunded) 31.03.2014	(Unfunded) 31.03.2013	Encashment (Unfunded) 31.03.2014	Encashment (Unfunded) 31.03.2013
Defined Benefit obligation at the beginning of the period.	88.34	92.2	14.10	12.96
Past Service Cost	-	-	-	-
Current Service Cost.	17.25	13.44	1.90	2.04
Interest Cost.	7.07	7.38	1.13	1.04
Actuarial (gain)/loss	26.44	(3.42)	(1.11)	1.71
Benefits, Paid	(12.55)	21.25	(0.80)	(.26)
Settlement cost	-	-	-	-
Defined Benefit obligation at the end of the period	126.55	88.34	15.23	14.10
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 (Rs. in lacs)				
Particulars	Gratuity	Gratuity	Leave	Leave
	(Unfunded) 31.03.2014	(Unfunded) 31.03.2013	Encashment (Unfunded) 31.03.2014	Encashment (Unfunded) 31.03.2013
Fair Value of Plan Assets as at 31st March	-	-	-	-
Present value of obligation as at 31st March	126.55	88.34	15.23	14.10
Net asset/(liability) recognized in the Balance Sheet	(126.55)	(88.34)	(30.28) [^]	(32.37) [^]
[^] It includes company grade employees' freeze liability in books amounting to Rs. 15.05 lacs (Previous year 2011-12 Rs. 18.27 Lacs).				
4. Expense Recognized during the period in Statement of Profit and Loss.				
Current Service Cost	17.25	13.44	1.90	2.04
Past Service Cost	-	-	-	-
Interest Cost	7.07	7.38	1.13	1.04
Expected return on plan assets	-	-	-	-
Net Actuarial (gain)/loss recognized during the period	26.45	(3.42)	(1.11)	(1.71)
Expenses recognized in the statement of Profit & Loss	50.77	17.39	1.92	1.37
5. Actual Return on Plan Assets				
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain)/loss	-	-	-	-
Actual return on plan assets	-	-	-	-
6. Principal Actuarial Assumptions (Rs. in lacs)				
Particulars	Gratuity	Gratuity	Leave	Leave
	(Unfunded) 31.03.2014	(Unfunded) 31.03.2013	Encashment (Unfunded) 31.03.2014	Encashment (Unfunded) 31.03.2013
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96
	duly modified	duly modified	duly modified	duly modified
Discount rate as at 31st March	8.50%	8%	8.50%	8%
Future Salary Increase	6%	5.50%	6%	5.50%
Expected rate of return on plan assets	-	-	-	-
Retirement Age	60 Years	60 Years	60 Years	60 Years
Withdrawal Rates Age	Withdrawal	Withdrawal	Withdrawal	Withdrawal
Upto 30 years	3.00%	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%



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

Particulars	(Rs. in lacs)				
	Leave Encashment (Unfunded) 31.03.2014	Leave Encashment (Unfunded) 31.03.2013	Leave Encashment (Unfunded) 31.03.2012	Leave Encashment (Unfunded) 31.03.2011	Leave Encashment (Unfunded) 31.03.2010
	PBO	15.23	14.10	12.99	11.49
Plan Assets	-	-	-	-	-
Net Assets/(Liability)	(15.23)	(14.10)	(12.99)	(11.49)	(9.51)
Experience adjustment of plan assets(loss)/gain	-	-	-	-	-
Experience adjustment of plan liabilities(loss)/gain	1.12	1.76	1.34	1.01	14.07

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

Particulars	(Rs. in lacs)				
	Gratuity (Unfunded) 31.03.2014	Gratuity (Unfunded) 31.03.2013	Gratuity (Unfunded) 31.03.2012	Gratuity (Unfunded) 31.03.2011	Gratuity (Unfunded) 31.03.2010
	PBO	126.55	88.34	92.19	73.06
Plan Assets	-	-	-	-	-
Net Assets/(Liability)	(126.55)	(88.34)	(92.19)	(73.06)	(57.08)
Experience adjustment of plan assets(loss)/gain	-	-	-	-	-
Experience adjustment of plan liabilities (loss)/gain(26.37)	-	3.79	(4.13)	2.19	9.20

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

Actuarial valuation of Leave Encashment for period ended 31st March, 2014 and 31st March, 2013 pertain to only Seasonal Wage-board grade employees, therefore there is difference in expense recognized in statement of profit & Loss and amount as mentioned in Actuarial certificate. However the expenses have been provided on Accrual Basis.

B) In the case of SBEC Bioenergy Limited:

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

a) Defined Contribution Plan

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

Particulars	(Rs. in lacs)			
	2013-14	2012-13	2011-12	2010-11
Employer's contribution to Provident Fund	10.71	10.82	11.96	9.01

b) Defined Benefit Plan

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



1. Reconciliation of opening and closing balances of Defined Benefit Obligation. (Rs. in lacs)								
	Gratuity (Unfunded) 2013-14	Gratuity (Unfunded) 2012-13	Gratuity (Unfunded) 2011-12	Leave Gratuity (Unfunded) 2010-11	Leave Encashment (Unfunded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12	Encashment (Unfunded) 2010-11
Defined Benefit obligation at the beginning of the year	19.20	22.50	19.65	18.13	2.54	1.99	1.57	1.80
Current Service Cost	2.85	3.22	3.26	2.84	0.46	0.45	0.42	0.42
Past Service Cost	-	-	-	0.19	-	-	-	-
Interest Cost	1.54	1.80	1.67	1.45	0.20	0.16	0.13	0.14
Actuarial (gain)/loss	0.44	(7.97)	(0.75)	(0.95)	(0.19)	(.07)	0.33	(0.79)
Benefits Paid	(5.73)	(0.36)	(1.33)	(2.01)	(0.01)	-	(0.46)	-
Settlement cost	-	-	-	-	-	-	-	-
Defined Benefit obligation at the end of the year	18.30	19.2	22.50	19.65	3.00	2.54	1.99	1.57
2. Reconciliation of opening and closing balances of Fair Value of Plan Assets (Rs. in lacs)								
	Gratuity (Unfunded) 2013-14	Gratuity (Unfunded) 2012-13	Gratuity (Unfunded) 2011-12	Leave Gratuity (Unfunded) 2010-11	Leave Encashment (Unfunded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12	Encashment (Unfunded) 2010-11
Fair value of plan assets at the beginning of the year	-	-	-	-	-	-	-	-
Expected Return	-	-	-	-	-	-	-	-
Actuarial (gain)/loss	-	-	-	-	-	-	-	-
Contribution by Employer	-	-	-	-	-	-	-	-
Benefits Paid	-	-	-	-	-	-	-	-
Settlement cost	-	-	-	-	-	-	-	-
Fair value of plan assets as at the end of the year	-	-	-	-	-	-	-	-
Actual return of plan assets	-	-	-	-	-	-	-	-
3. Reconciliation of amount recognized in Balance Sheet (Rs. in lacs)								
	Gratuity (Unfunded) 2013-14	Gratuity (Unfunded) 2012-13	Gratuity (Unfunded) 2011-12	Leave Gratuity (Unfunded) 2010-11	Leave Encashment (Unfunded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12	Encashment (Unfunded) 2010-11
Fair Value of Plan Assets as at 31st March, 2013	--	-	-	-	--	-	-	-
Present value of obligation as at 31st March, 2013	18.30	19.20	22.50	19.65	3.00	2.54	1.99	1.57
Net asset/(liability) recognized in the Balance Sheet	(18.30)	(19.20)	(22.50)	(19.65)	(3.00)	(2.54)	(1.99)	(1.57)
4. Expense Recognized during the period in Profit & Loss A/c. (Rs. in lacs)								
	Gratuity (Unfunded) 2013-14	Gratuity (Unfunded) 2012-13	Gratuity (Unfunded) 2011-12	Leave Gratuity (Unfunded) 2010-11	Leave Encashment (Unfunded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12	Encashment (Unfunded) 2010-11
Current Service Cost	2.85	3.22	3.26	2.84	0.46	0.45	0.42	0.42
Past Service Cost	-	-	-	0.19	-	-	-	-
Interest Cost	1.54	1.80	1.67	1.45	0.20	0.16	0.13	0.14
Expected return on plan assets	-	-	-	-	-	-	-	-
Net Actuarial (gain)/ loss recognized during the period	0.44	(7.97)	(0.75)	0.95	(0.19)	(0.07)	0.33	(0.79)
Expenses recognized in the statement of Profit & Loss	4.83	(2.95)	4.18	3.53	0.47	0.55	0.89	(0.23)



5. Actual Return on Plan Assets

(Rs. in lacs)

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

6. Principal Actuarial Assumptions

(Rs. in lacs)

	Gratuity (Unfunded) 2013-14	Gratuity (Unfunded) 2012-13	Gratuity (Unfunded) 2011-12	Leave Gratuity (Unfunded) 2010-11	Leave Encashment (Unfunded) 2013-14	Leave Encashment (Unfunded) 2012-13	Leave Encashment (Unfunded) 2011-12	Leave Encashment (Unfunded) 2010-11
Mortality Table(LIC)	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified
Discount rate as at 31st March, 2013	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%
Future Salary Increase	6.00%	5.50%	6.00%	5.50%	6.00%	5.50%	6.00%	5.50%
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
Age	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates	Withdrawal Rates
Upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

- 47) Considering the adverse economic/sector conditions and current financial instability the Management of the company vide their resolution dated 05th March 2013 has decided to dispose-off its Chandil Power Plant (under implementation). The company has formed a committee to negotiate with potential buyers. The management expects that the assets will be realized to the extent as stated & does not call for any provision as on the date of the Balance Sheet. Therefore, the Capital Work in Progress, Capital Advances and other related accounts of the Chandil Power Project have been shown as assets held for disposal.
- 48) Previous year figures have been regrouped/ rearranged wherever considered necessary.

Previous year figures are given in the bracket wherever applicable.

SIGNED FOR IDENTIFICATION NOTE 1 to 48

For & on behalf of

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

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

Abhishek Modi
(Executive Director)
DIN No. 00002798

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

Mukesh Goyal
Mg. Partner
Membership No. : 081810

Arun Kumar Gupta
(Chief Financial Officer)

Shwetambery Khurana
(Company Secretary)

Place : New Delhi
Date : 28th May, 2014

SBEC SUGAR LIMITED

CIN: L15421UP1991PLC019160

Regd Off: Village Loyan Malakpur, Tehsil Baraut, District Baghpat, UP
20th Annual General Meeting held on Thursday, the 25th September, 2014 at 2.30 P.M.

PROXY FORM

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

Name of the member (s):

Registered Address:

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on the 25th day of September, 2014 at the Registered Office of the company at Village Loyan Malakpur, Tehsil Baraut, District Baghpat, UP at 2.30 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote (Optional see Note 2)		
		For	Against	Abstain
Ordinary business				
1.	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2014.			
2.	Appointment of Mrs. Kumkum Modi who retires by rotation and being eligible offers herself for re-appointment.			
3.	Re-appointment of M/s. Doogar & Associates., Chartered Accountants, Auditors and fixing their remuneration.			
Special Business				
4.	Appointment of Mr. G.C. Jain as an Independent Director.			
5.	Appointment of Mr. Om Prakash Modi as an Independent Director.			
6.	Appointment of Mr. Philogene Claude as an Independent Director.			
7.	Appointment of Mr. Manmohan as an Independent Director.			
8.	Appointment of Mr. Norland L. C. Suzor as an Independent Director.			
9.	Change in designation of Mr. Santosh Chandra Gupta from WTD to Non-executive Director.			
10.	Re-appointment of M/s. M.K. Singhal & Co., Cost Accountants, and ratified their remuneration.			
11.	Authorization to the Board of Directors for making Borrowings.			
12.	Authorization to the Board for ratified there Act for issued Guarantee to one of its Subsidiary.			

SBEC SUGAR LIMITED

Signed this.....day of2014

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Notes:

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

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