



27.09.2018

To,

**The Manager  
The Bombay Stock Exchange Limited  
25th Floor, P.J.Towers,  
Dalal Street  
Mumbai-400001**

Dear Sir,

**Subject: - 24<sup>th</sup> Annual Report 2017-18**

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, We are enclosing herewith the soft copy of Annual Report for the financial year 2017-18 duly approved and adopted by the members of the Company at the 24<sup>th</sup> Annual General Meeting held on Monday, 24<sup>th</sup> September, 2018 at Village Loyan, Malakpur, Baraut, Distt. Baghpat - 250611.

Kindly take the above informaion on record.

Thanking You,

Yours Faithfully

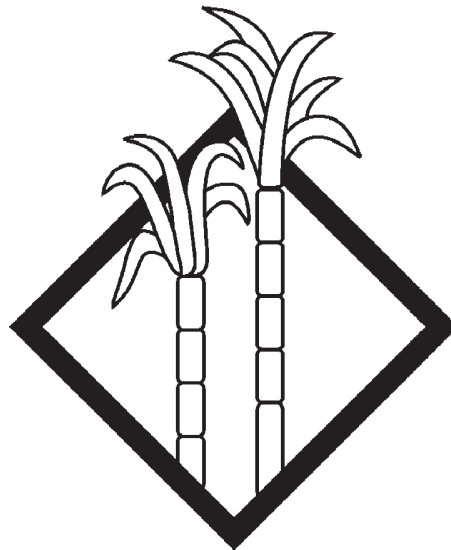
For **SBEC Sugar Limited**



**Shobit Nehra**  
**Company Secretary & Compliance Officer**

Encl: As above

# ***SBEC Sugar Limited***



**T W E N T Y   F O U R T H   A N N U A L   R E P O R T**

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**2018**

**BOARD OF DIRECTORS**

Shri. Umesh K Modi	- Chairman & President
Smt. Kum Kum Modi	
Shri. Abhishek Modi	- Executive Director & Chief Executive Officer
Shri. Jayesh Modi	
Shri. Vijay Kumar Modi	
Shri. Narayan Prakash Bansal	
Shri. Rajeev Kumar Agarwal	
Shri. Jagdish Chandra Chawla	
Shri. Shyam Babu Vyas	
Shri. Rohit Garg	
Shri. Raj Kumar Sharma	

**CHIEF FINANCIAL OFFICER**

Shri. L.C. Sharma	- [Resigned from the post of Chief financial officer w.e.f. 31.10.2017]
Shri. A.K. Goel	- [Appointed as Chief Financial Officer w.e.f 01.11.2017]

**COMPANY SECRETARY**

Shri. Shobit Nehra

**AUDITORS**

M/s K.K. Jain & Co.  
184, Garud Apartments,  
Pocket-IV, Mayur Vihar,  
Phase-1, Delhi-110 091

**BANKERS**

Axis Bank Ltd.  
Punjab National Bank  
State Bank of India

**REGISTERED OFFICE & PLANT**

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

**REGISTRAR & SHARE TRANSFER AGENT**

M/s Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3rd Floor, 99 Madangir,  
Near Dada Harsukhdas Mandir,  
Behind Local Shopping Centre,  
New Delhi-110062

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## DIRECTORS' REPORT

To,  
The Shareholders,  
SBEC Sugar Limited

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2018.

### FINANCIAL RESULTS

The summarised financial results of SBEC Sugar Ltd. as well as Consolidated with its subsidiaries i.e. SBEC Bioenergy Limited and SBEC Stockholding and Investment Limited for the financial year ended 31st March, 2018.

Financial Parameters	STANDALONE		CONSOLIDATED	
	Period ended 31.03.2018	Period ended 31.03.2017	Period ended 31.03.2018	Period ended 31.03.2017
Profit before interest, Depreciation, exceptional items and tax	(11,044.14)	(6,356.12)	(12,140.76)	(8,017.36)
Interest	806.43	789.45	1,618.68	1,541.91
Depreciation	1,789.16	1,791.35	1,999.72	1,987.21
Exceptional Items - Income				
Profit before tax	(8,448.55)	(3,775.31)	(8,522.36)	(4,488.23)
Provision for taxation			10.23	(51.04)
Profit after tax	(8,448.55)	(3,775.31)	(8,532.60)	(4,437.19)
Other Comprehensive Income	8.72	(26.88)	11.09	(26.69)
Total Comprehensive Income	(8,439.84)	(3,802.19)	(8,521.50)	(4,463.89)

# The aforesaid financial highlights are based on the Company's first Indian Accounting Standards ('Ind AS') Audited Standalone and consolidated financial statements for the year ended 31st March, 2018 prepared in accordance with the Accounting Standards as notified under Section 133 of the Companies Act, 2013.

### DIVIDEND & RESERVES

As the Company has incurred loss during the year under review, your Directors have not recommended any dividend for the financial year ended March 31, 2018.

### SHARE CAPITAL

The paid up Equity capital as on March 31, 2018 was Rs.4765.38 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

### OPERATIONS

The crushing for the season 2017-18 started on 24th October, 2017 and cane crushed during season 2017-18 was 146.27 Lac Qtls as compared to 106.52 Lac Qtls in the last season.

Particulars	Unit	Sugar Season		
		2015-16	2016-17	2017-18
Cane Crush	Lac Qtl	94.84	106.52	146.27
Recovery	%	9.56	9.37	9.73
Sugar Production	Lac Qtl	9.08	10	14.24

Intensive cane development work done in the last years the Company achieved higher cane crush by 39.75 lakh Qtls and higher recovery by 0.36% over the previous year. With gradual acceptance of sugarcane variety Co-0238 by the farmers of the area, the cane production throughout the State gradually increased, resulted in excess sugar production leading to a steep decline in current sugar prices as compared to last year. The State Government decided sugarcane prices in a manner that is not linked to sugar prices. Unviable sugarcane prices impact the profitability of the Company.

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

### MATERIAL CHANGES AND COMMITMENTS

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

**SUBSIDIARY COMPANIES**

As on March 31st 2018, the Company has one Wholly Owned Subsidiary i.e. SBEC Stockholding & Investments Limited and one Subsidiary i.e. SBEC Bioenergy Limited. There are no associates companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies are annexed in Form AOC-1 and marked as "**Annexure-A**" to the Annual Financial Statements.

In accordance with the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company containing standalone and consolidated financial statements has been placed on the website of the Company, [www.sbecsugar.com](http://www.sbecsugar.com). Further, the audited accounts of the Subsidiary Companies and the related detailed information have also been placed on the website of the Company [www.sbecsugar.com](http://www.sbecsugar.com). A copy of annual accounts of subsidiaries will be made available to shareholders seeking such information at any point of time.

On the basis of Audited Financials Accounts of the Company for the FY.17-18 the Company has two Material Subsidiaries Company i.e. SBEC Bioenergy Limited and SBEC Stockholding & Investment Limited. The Minutes of the Board Meetings of the subsidiary companies are placed at the Board Meetings of the Company. Details of significant transactions and arrangements entered into by the subsidiary companies are noted by the Board. The Audit Committee of the Company reviews the financial Statement of the subsidiary companies including investments made. There has been no change in relationship of any subsidiary company during the financial year.

**CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements of the Company for the financial period 2017-18, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standard (Ind AS) and SEBI (LODR) Regulations, 2015.

**DIRECTORS**

Shri. Abhishek Modi re-appointed as Whole Time Director Designated as Executive Director of the Company w.e.f. 10th July, 2018 for a period of five (5) year subject to the approval of shareholders in the forthcoming Annual General Meeting.

Shri. R.K. Sharma re-appointed as a Manager of the Company w.e.f. 14th June, 2018 for a period of one (1) year subject to the approval of shareholders in forthcoming Annual General Meeting.

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

**KEY MANAGERIAL PERSONNEL (KMP)**

During the financial period ended 31.03.2018, following persons are Whole Time Key Managerial personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

Sl. No.	Name	Designation
1.	Shri. Abhishek Modi	Whole Time Director
2.	Shri. Raj Kumar Sharma	Manager
3.	Shri. L.C. Sharma*	Chief Financial Officer
4.	Shri. Anil Kumar Goel#	Chief Financial Officer
5.	Shri. Shobit Nehra	Company Secretary

\*Mr. L.C. Sharma has resigned from the post of Chief Financial Officer of the Company w.e.f. 31st October, 2017.

#Mr. Anil Kumar Goel was appointed as Chief Financial Officer w.e.f. 1st November, 2017.

**BOARD MEETINGS**

The Board met Seven times during the financial year 2017-18, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015.

**FORMAL ANNUAL EVALUATION**

Pursuant to the requirements of Section 134(3)(p) of the Companies Act, 2013 read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Board has carried out a performance evaluation of itself, its Committees, the Chairman and each of the other Directors.

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

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board. The performance evaluation of Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at their meeting held separately.

At the conclusion of the evaluation exercise, the Members of the Board assessed that the Board as a whole together with each of its Committees was working effectively in performance of its key functions.

**SCHEME OF AMALGAMATION FOR MERGER OF SBEC BIOENERGY LIMITED WITH THE COMPANY**

The Board of Directors of your Company and the Board of Directors of the SBEC Bioenergy Limited ('SBL') at their respective meetings held on July 28, 2017, had approved a Scheme of Amalgamation of SBL with the Company subject to approval of the shareholders of both the



Companies, NCLT and other regulatory authorities. After that the Company gave several disclosure to the Bombay Stock Exchange and also applied before the Stock Exchange for no objection certificate regarding the Scheme of Amalgamation under regulation 37 of SEBI (LODR) Regulations, 2015. On 15th December, 2017, the Company received the observation letter/ no objection certificate from the stock Exchange regarding the Scheme of Amalgamation. However, subsequent to observation letter/ no objection certificate received from the Stock Exchange, the Unsecured Creditors (especially Cane Societies) deny/made reservations for the NOC regarding the Scheme of Amalgamation.

Considering the above factors and other organizational issues, the Board of Directors rescind the Scheme of Amalgamation between the Company and M/s. SBEC Bioenergy Limited (its Subsidiary Company).

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

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

- in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed and there are no material departures from the same;
- the Board of Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit and loss of the Company for the year ended on that date;
- the Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis.
- The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **DECLARATION FROM INDEPENDENT DIRECTORS**

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

#### **INTERNAL FINANCIAL CONTROLS**

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

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

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

##### **Statutory Auditors**

M/s. K. K. Jain & Co. Chartered Accountants (FRN.02465N) were appointed as Statutory Auditors of the Company by the shareholders at the 23rd Annual General Meeting held on August 29, 2017 to hold office upto the conclusion of the 28th Annual General Meeting.

##### **STATUTORY AUDITOR'S REPORT**

The Auditors Report contains qualifications and the Company has given its comments on Auditor Qualified Opinion for the Financial Year 2017-18. The details are mentioned here under:

##### **Response to Qualified Opinion (i)**

The Indian sugar industry, particularly in the state of Uttar Pradesh, had faced difficulties on account of increasing sugarcane prices, lower sugarcane recoveries and lower sugar prices resulting in under recovery of cost of production. A Public Interest Litigation PIL (c) No. 21444 of 2017 filed before the Hon'ble High Court (Lucknow Bench) against the Company where the Hon'ble Court on 18.01.2018 directed that the Company will not utilize any part of the sale proceeds of the sugar received for the year 2017-18 except for making payment of cane growers for the year 2017-18 and 2016-17. The Company has therefore not provided the interest in the books for the season 2017-18, 2016-17 and has decided to account for the same on actual payment basis.

##### **Response to Qualified Opinion (ii)**

Due to the financial distress in SBEC Bioenergy Limited (SBL) and its inability to liquidate the liability of Rs. 8,300 lacs, it had offered to the Company to take back the assignment of MIL Debt, which was agreed by the Company. Therefore management is of the opinion that no provision is required.

##### **COST AUDITORS**

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company's cost records are subject to Cost Audit.

The Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. M.K. Singhal & Co., Cost Accountants, as the





Cost Auditors to audit the cost accounting records maintained by the Company for the financial year 2018-19 on a remuneration of Rs.60,000/- plus taxes as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking member's approval of the remuneration payable to the Cost Auditor forms part of the notice convening the Annual General Meeting.

**SECRETARIAL AUDITOR**

The Board appointed M/s R.K. Singhal & Associates, Practicing Company Secretaries, as the Secretarial Auditor to undertake the Secretarial Audit of the Company for Financial Year 2017-18. The Report of the Secretarial Audit is given in "**Annexure-B**" to this Report.

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

**FIXED DEPOSITS**

During the financial year, Company has not accepted any deposit from public within the meaning of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

**RISK MANAGEMENT POLICY**

As per Section 134(3) (n) of the Companies Act, 2013, the Company has adopted a Risk Management Policy which is reviewed on a periodic basis in order to recognize and reduce exposure to risks wherever possible. The Company's risk management policies are based on the philosophy of achieving substantial growth while mitigating and managing risks involved. Major risks identified are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

**AUDIT COMMITTEE**

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

**NOMINATION AND REMUNERATION COMMITTEE**

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

**REMUNERATION POLICY**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES.**

Pursuant to the provisions of the Section 135 of the Companies Act, 2013 (the Act), the CSR provisions are not applicable as per immediately preceding year financials of the Company. The CSR Committee constituted by the Board of Directors have been dissolved w.e.f. 9th August, 2018.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is enclosed in "**Annexure-C**" and forms part of this Report.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information required under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2018 are given in "**Annexure - D**" to this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the financial year 2017-18, the company has neither made any investment nor given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

**RELATED PARTY TRANSACTIONS**

The transactions entered with related parties during the year under review were on Arm's Length basis and in the ordinary course of business. The provisions of Section 188 of the Companies Act, 2013 are therefore, not attracted. All related party transactions were approved by the Audit Committee and the Board. The relevant information regarding related party transactions has been set out in Note No. 31 of the Financial Statements for the financial year ended 31.03.2018. Thus, disclosure in Form AOC-2 is not required.

The Board has framed a Policy on related party transactions and placed the same on the Company's website at [www.sbecsugar.com](http://www.sbecsugar.com).

**VIGIL MECHANISM & WHISTLE BLOWER POLICY**

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

**EXTRACT OF THE ANNUAL RETURN**

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



## COMPLIANCE OF SECRETARIAL STANDARD

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government as required under Section 118(10) of the Companies Act, 2013.

## 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.

## BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website ([www.sbecsugar.com](http://www.sbecsugar.com)). More detail on diversity is available in the corporate governance report that forms part of this Annual Report.

## CORPORATE GOVERNANCE

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

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

The Whole Time Director and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under SEBI (LODR), Regulations, 2015.

## PERSONNEL RELATIONS

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

## APPRECIATION

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

For & behalf of the Board  
SBEC Sugar Limited

Place: New Delhi  
Date: 09<sup>TH</sup> August, 2018

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

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

## ANNEXURES TO THE BOARD'S REPORT

### "ANNEXURE - A "

#### "FORM- AOC-1"

Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of The Financial Statements of Subsidiaries or associate companies or Joint ventures.

#### PART A - SUBSIDIARIES

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

S.No	Name of the Subsidiary Company	Date on which Subsidiary was acquired	Financial period ended	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1.	SBEC Bioenergy Limited	12.03.1997	31-Mar-18	INR	230,000,000	583,532,828	2,309,061,819	2,309,061,819	109,356,580	166,086,549	(7,348,634)	(8,371,983)	Nil	55%
2.	SBEC Stockholding Investments Limited	09.06.2001	31-Mar-18	INR	45500000	(4,689,693)	379,787,522	379,787,522	379,251,000	-	(30,570)	(30,570)	Nil	100%

For & behalf of the Board  
SBEC Sugar Limited

Place: New Delhi  
Date: 09<sup>TH</sup> August, 2018

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

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





## Form No. MR-3

## SECRETARIAL AUDIT REPORT

## For The Financial Year Ended On 31st March, 2018

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

To,  
The Members

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (Not applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period) and;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period).
- (vi) **OTHER APPLICABLE ACTS,**
  - (a) The Factories Act, 1948
  - (b) The Payment of Wages Act, 1936, and rules made thereunder,
  - (c) The Minimum Wages Act, 1948, and rules made thereunder,
  - (d) The Payment of Gratuity Act, 1972
  - (e) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
  - (f) The Payment of Bonus Act, 1965, and rules made thereunder,
  - (g) The Industrial Dispute Act, 1947
  - (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,



- (i) The Air (Prevention & Control of Pollution) Act, 1981 Read with the Air (Prevention & Control of Pollution) Rules, 1982
- (j) The Contract Labour (Regulation and Abolition) Act, 1970
- (k) The Industrial Employment (Standing Orders) Act, 1946
- (l) The Sugar Cess Act, 1982
- (m) The Levy Sugar Price Equilisation Fund Act, 1976
- (n) The Food & Safety Standards Act, 2006
- (o) The Essential Commodities Act, 1955
- (p) Insolvency and Bankruptcy Code, 2016
- (q) Indian Boilers Act, 1923
- (r) The Uttar Pradesh Vacuum Pan Sugar Factories Licensing Order 1969
- (s) Sugar Control Order, 1966

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations Guidelines, Standards, etc mentioned above.

We further report that,

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

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

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

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

We further report as under:

1. The Company has two Material Subsidiary i.e. SBEC Bioenergy Limited and M/s SBEC Stockholding Investments Limited. As per SEBI Circular No. SEBI/LAD-NRO/GN/2018/10 dated 9th May 2018 the Secretarial Audit of the Material Subsidiaries will be conducted for the year ending 31.03.2019. During the year under audit reliance has been placed on the Statutory Auditors of the said companies for compiling the Secretarial Audit Report of SBEC Sugar Limited..
2. That the company had received a settlement notice from the Bombay Stock Exchange dated 16.05.2017 for violation of regulation 13(6) of SEBI (Prohibition of Insider Trading), Regulations, 1992 with respect to delayed filing of disclosure under Regulation 13(6) of PIT Regulations to Stock Exchange consequent to change in shareholding of promoter from 54.46% to 63.86%.  
In this Connection the Company has filed Application for settlement, without admitting or denying the findings of fact and conclusion of law on 29.06.2017 and on 10.08.2017 with the settlement division, Enforcement Department-2 of Securities and Exchange Board of India.  
Consequent to the deliberations of terms of settlement with Internal Committee of SEBI on 24th April 2018, the authorized representative of the company made an application for revision of settlement terms to settle the defaults vide letter dated April 27th 2018.  
Upon receipt of the application for revision of settlement terms, the High Powered Advisory Committee in its meeting held on 14th May 2018 recommended to Panel of whole time members of SEBI for settlement of alleged default of the company upon payment of Rs. 9,49,400/- by the company as settlement charges, which was accepted by the Panel of whole time members of SEBI and intimated to the Company on June 15, 2018.  
As per the revised terms of settlement the company has deposited the settlement charges of Rs. 9,49,400/- on June 21, 2018 by way of demand draft.  
Upon payment of settlement charges in accordance with settlement terms, the proposed adjudication proceedings against the company were settled and dropped by SEBI as per the terms of settlement vide settlement letter dated 12th July 2018.
3. That during the year under Audit 2017-18 the Company proposed the Amalgamation with its Subsidiary Company SBEC Bio-energy Limited for operational synergies in the Board Meeting held on 28th July 2017. In pursuance of the scheme of amalgamation the company made various compliances which apart from other actions includes various intimations to Stock exchange, disclosures on website of the



Company and payment of non refundable process fees of Rs. 5,00,000/- to Bombay Stock Exchange on 27th September 2017.

On 15th December 2017 the Company received an observation letter/ no objection certificate from Bombay Stock Exchange.

However, subsequent to observation letter/ no objection certificate received from the Stock Exchange, the Unsecured Creditors (especially Cane Societies) conveyed their dissent for the NOC regarding the Scheme of Amalgamation.

Considering the above factors and other organizational issues, the Board of Directors rescinded the Scheme of Amalgamation between the Company and M/s. SBEC Bioenergy Limited (its Subsidiary Company).

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

**(Rahul Singhal)  
Prop.  
M. No. 029599**

**PLACE: NEW DELHI  
DATED: 09.08.2018**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the audited financial statements for the year ended on 31.03.2018 for the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. That the details of disputed liabilities and demands raised by various authorities including U P VAT, Central Excise, Service Tax Authorities, Corporate Guarantee given to Govt. of Jharkhand against soft loan given to group company Bihar Sponge Iron Ltd., Guarantee given on behalf of SBEC Bio Energy Ltd., Interest and RCC charges on Cane Arrears payment that have not been acknowledged as debts by the company have been detailed in Notes to the Financial Statements. We have relied on the statement issued by the company and as incorporated in the audited Financial Statements for the year ending 31.03.2018.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

**(Rahul Singhal)  
Prop.  
M. No. 029599**

**PLACE: NEW DELHI  
DATED: 09.08.2018**

**"ANNEXURE-C"**

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

**A. CONSERVATION OF ENERGY**

**i) The steps taken or impact on conservation of energy**

1. Zero Liquid discharge as per Central Pollution Control Board / National Green Tribunal directions.
2. Cooling tower installed on hot water Under Ground Reservoir (UGR) for cooling of excess condensate water was commissioned and made operational under zero water discharge programme.
3. Use of CFL and LED lighting in Factory and Guest house to reduce the power load.
4. Installation of Variable Frequency Drives (VFD) at feed pump to save energy.
5. 100% lagging of steam carrying lines to minimise heat loss.
6. Additional power capacitor in the power house, all MCC and PCC rooms to increase power factor to reduce power consumption.



7. Automatic on-off system have been installed for underground water reservoir pumps to reduce the cost of power.
8. System has been made 100% circulation of cooling water to reduce the use of groundwater and borewell water.

(ii) **Steps taken by the Company for utilizing alternate sources of energy: NIL**

(iii) **Capital investment on energy conservation equipment: Nil**

#### **B. TECHNOLOGY ABSORPTION:**

(i) **Efforts made towards technology absorption:**

Research and Development (R&D): Under Sugarcane Research & Development, specific areas in which R&D is carried out by the Company during the year ended March 31, 2018 were accelerated as under:

1. Introduction of coragen, a pesticide used to protect cane crop from borers in the area and was provided to farmers.
2. New cane varieties Co 0238, 0239, Co 98014, in early group and CoJ 88, Cos 8432 in general group were introduced.
3. Use of grease in mill roller bearings in place of oil.
4. Introduced chemical cleaning instead of mechanical cleaning with caustic soda at Semi kestner.
5. "On line monitoring" of ETP effluent after treatment.
6. Synchronization of back-up power source of DG set.

(ii) **Benefits derived like product improvement, cost reduction, product development or import substitution:**

1. Very low infestation of borers in the plots where Coragen was applied and it resulted in good quality healthy cane supply to the mill, also the yield of the farmers was better as compared to previous years.
2. Average cane yield increased resulting in availability of increased sugar cane.
3. Stoppage of the lubricant contamination in juice and reduction in the load at ETP due to no spillage of grease from bearings.
4. Steam saving, time saving, manpower saving and saving of tools, used for mechanical cleaning.
5. Online monitoring helpful in instance trend of BOD & COD of treated effluent, also this is a statutory requirement.
6. At backup power system synchronization enhance the capacity utilization of DG set during plant emergency.

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

(Rs. In Lacs)

	2017-18	2016-17
<b>The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows.</b>		
Foreign Exchange earned	-	-
Foreign Exchange outgo	27.10	16.95

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

<b>Place: New Delhi</b>	<b>Sd/- Abhishek Modi (Whole Time Director) (DIN: 00002798)</b>	<b>Sd/- R.K. Agarwal (Director) (DIN: 00298252)</b>
<b>Date: 09<sup>th</sup> August, 2018</b>		

**"ANNEXURE-D"**

#### **STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**(1) Information as per Section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:**

- (a) The median remuneration of employees of the Company during the financial year was Rs.168984 (12 months). The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2017-18 are as under:



DIRECTORS	DESIGNATION	REMUNERATION OF DIRECTORS IN FINANCIAL PERIOD 2017-18 (RS.)	RATIO OF REMUNERATION TO MEDIAN REMUNERATION OF EMPLOYEES
Shri. Umesh Kumar Modi*	Non-Executive Director	N.A.	N.A.
Smt. Kumkum Modi*	Non-Executive Director	N.A.	N.A.
Shri. Abhishek Modi#	Whole Time Director	N.A.	N.A.
Shri. Jayesh Modi*	Non-Executive Director	N.A.	N.A.
Shri. Vijay Kumar Modi*	Non- Executive &Independent Director	N.A.	N.A.
Shri. N.P. Bansal*	Non- Executive &Independent Director	N.A.	N.A.
Shri. R.K. Agarwal*	Non- Executive &Independent Director	N.A.	N.A.
Shri. J.C. Chawla*	Non- Executive &Independent Director	N.A.	N.A.
Shri. Shyam Babu Vyas*	Non- Executive &Independent Director	N.A.	N.A.
Shri. Rohit Garg*	Non- Executive &Independent Director	N.A.	N.A.
Shri. R. K. Sharma	Manager	1346808	7.97:1

\*All the non-executive Directors of the Company were not paid any remuneration and were paid only sitting fee for attending the meetings of the Board/Committee of Directors. Therefore, the said ratio of remuneration of each director to median remuneration of the employees of the company is not applicable.

# Mr. Abhishek Modi were appointed as Whole time Director but not drawing any remuneration from the Company.

- (b) The percentage increase in Remuneration of each Director, Whole Time Director, Chief Financial Officer and Company Secretary in the financial year:

Directors

Directors	Remuneration of Director in Financial Period 2017-18 (Rs.)	% Increase in Remuneration
Shri. Umesh Kumar Modi*	Non-Executive Director	N.A.
Smt. Kumkum Modi*	Non-Executive Director	N.A.
Shri. Abhishek Modi#	Whole Time Director	N.A.
Shri. Jayesh Modi*	Non-Executive Director	N.A.
Shri. Vijay Kumar Modi*	Non- Executive &Independent Director	N.A.
Shri. N.P. Bansal*	Non- Executive &Independent Director	N.A.
Shri. R.K. Agarwal*	Non- Executive &Independent Director	N.A.
Shri. J.C. Chawla*	Non- Executive &Independent Director	N.A.
Shri. Shyam Babu Vyas*	Non- Executive &Independent Director	N.A.
Shri. Rohit Garg*	Non- Executive &Independent Director	N.A.
Shri. R. K. Sharma	Manager	Nil

\*All the non-executive Directors of the Company were not paid any remuneration and were paid only sitting fee for attending the meetings of the Board/Committee of Directors. Therefore, the percentage increase in remuneration of each Director is not applicable.

# Mr. Abhishek Modi were appointed as Whole time Director but not drawing any remuneration from the Company.

#### Key Managerial Personnel's (KMPs)

KEY MANAGERIAL	DESIGNATION KMP IN FINANCIAL PERSONNEL'S	REMUNERATION OF PERIOD 2017-18 (RS.)	% INCREASE IN REMUNERATION
Shri. R. K. Sharma#	Manager	13,46,808	N.A.
Shri. L. C. Sharma*	Chief Financial Officer	4,86,364	N.A.
Shri. A. K. Goel**	Chief Financial Officer	11,75,675	N.A.
Shri. Shobit Nehra	Company Secretary	7,50,000	21.83

# Appointed as a Manager of the Company w.e.f. 14.06.2017.

\* Resigned from the position of Chief Financial Officer of the Company w.e.f. 31.10.2017.

\*\*Appointed as a Chief Financial Officer of the Company w.e.f. 01.11.2017.



- (c) The percentage increase in the Median Remuneration of Employees in the financial period was 8 %.
- (d) The number of Permanent Employees on the Rolls of the Company:  
The number of Permanent Employees on the Rolls of Company as on 31st March, 2018 was 395.
- (e) Average percentage increase already made in the salaries of employees other than managerial personnel in the last financial period and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:  
The average increase in salaries of employees in 2017-18 was 8%.
- (f) Affirmation that the Remuneration is as per the Remuneration Policy of the Company:  
The Company affirms that the Remuneration paid during the period were as per the Remuneration Policy of the Company.

**(2) Information as per Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and 5 (3) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- (a) Name of employee employed throughout the financial year and was in receipt of remuneration Rs.1,02,00,000/- or more: NIL
- (b) Name of employee employed for a part of the financial year and was in receipt of remuneration not less than Rs.8,50,000/- per month: NIL

**(c) Details of Top Ten Employees in terms of remuneration drawn:**

Name/Age	Designation of Employees	Remuneration (Rs.)	Qualification/ Experience (Years)	Date of Commencement of Employment	Previous Employment
Mr. Satish Gupta/61	General Manager (Technical)	2012016	37	05.02.2004	Bajaj Hindustan Ltd.
Mr. Vipin Kumar/49	Vice President	1800000	29	01.07.2017	Modi Sugar Mill Modinagar U.P
Mr. Vijay Kumar Jain/41	Dy. General Manager (Commercial)	1386720	18	01.04.2000	N.A.
Mr. Mukesh Malik/ 53	General Manager (Cane)	1386720	26	20.12.2011	Titawi Sugar Complex Titawi
Mr. Pritam Singh/ 52	Add. Chief Chemist	1062036	29	27.05.2006	Shakumbhari Sugar & Allied Tadarpur
Mr. Preet Pal Singh/59	Dy. General Manager (Elect.)	1050000	32	05.09.2016	Bajaj Hindustan Ltd.
Mr. L.C. Sharma/61	Senior Manager Accounts	860604	41	20.05.1995	Modi Industries Ltd.
Mr. Naresh Kumar Gupta/54	Addl. Chief Engineer	814380	26	21.06.2006	Lakshmi Sugar Mills Co.Ltd
Mr. Anurag Agarwal/ 44	Senior Manager (Purchase)	810000	17	16.10.2015	Pearey Lal & Sons Ltd.
Mr. Vineet Kumar Singh/32	Senior Manager (Inst)	750000	11	13.08.2016	kwale Sugar International Co.Ltd.

**Notes:**

1. The nature of employment of all employees above is whole time in nature and terminable with 1 months' notice on either side.
2. The above mentioned employees are not relatives (in terms of the Companies Act, 2013) of any Director of the Company.
3. Mr. L.C. Sharma holds 500 Equity Shares except that no employee mentioned above is holding shares in the Company.

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

**Place: New Delhi  
Date: 09<sup>TH</sup> August, 2018**

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

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





"Annexure-E"

**Form No. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31st March, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	L15421UP1991PLC019160
ii) Registration Date	03/05/1991
iii) Name of the Company	SBEC SUGAR LIMITED
iv) Category/Sub-Category of the Company	Public Company Limited by Shares
v) Address of the Registered office and contact details	Village: Loyan Malakpur, Teh: Baraut, Baghpat, Uttar Pradesh-250611 email: investors@sbecsugar.com / web: www.sbecsugar.com
vi) Whether listed company	YES
vii) Name, Address and Contact details of Registrar and Transfer Agent	M/s. Beetal Financial & Computer Services Pvt. Ltd Beetal House, 3rd Floor, Behind Local Shopping Complex, 99, Madangir, New Delhi-110062 Ph:011-2996 1281

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

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

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

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

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**

**i) Category-wise Shareholding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	83787	-	83787	0.18	83787	-	83787	0.18	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	29400452	-	29400452	61.70	29400452	-	29400452	61.70	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>29484239</b>	<b>0</b>	<b>29484239</b>	<b>61.88</b>	<b>29484239</b>	<b>0</b>	<b>29484239</b>	<b>61.88</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	1571213	10	1571223	3.29	1571213	10	1571223	3.29	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter</b>									
<b>(A)= (A)(1)+(A)(2)</b>	<b>31055452</b>	<b>10</b>	<b>31055462</b>	<b>65.17</b>	<b>31055452</b>	<b>10</b>	<b>31055462</b>	<b>65.17</b>	<b>-</b>

**B. PUBLIC SHAREHOLDING****(1) Institutions**

a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investors	-	959700	959700	2.01	-	959700	959700	2.01	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>-</b>	<b>959700</b>	<b>959700</b>	<b>2.01</b>	<b>-</b>	<b>959700</b>	<b>959700</b>	<b>2.01</b>	<b>-</b>

**(2) Non Institutions**

a) Bodies corporates									
i) Indian	7181251	1431500	8612751	18.07	7580303	1035750	8616053	18.08	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	554327	4469230	5023557	10.54	528820	4453430	4982250	10.45	0.1
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	67154	1911700	1911700	4.15	93064	1911700	2004764	4.21	0.06
c) Others (specify)	-	-	-	-	-	-	-	-	-
(i) NRI	1072	-	1072	0.00	1825	-	1825	0.00	-
(ii) HUF	18384	3100	21484	0.04	30396	3073	33469	0.07	0.03
(iii) Clearing Members	1000	-	-	0.00	330	-	330	-	-
<b>SUB TOTAL (B)(2):</b>	<b>7823188</b>	<b>7815530</b>	<b>15638718</b>	<b>32.82</b>	<b>7823188</b>	<b>7815530</b>	<b>15638718</b>	<b>32.82</b>	<b>-</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>7823188</b>	<b>8775230</b>	<b>16598418</b>	<b>34.83</b>	<b>8234738</b>	<b>8363663</b>	<b>16598418</b>	<b>34.83</b>	<b>-</b>

**C. Shares held by Custodian for****GDRs & ADRs**

<b>Grand Total (A+B+C)</b>	<b>38878640</b>	<b>8775240</b>	<b>47653880</b>	<b>100</b>	<b>39290190</b>	<b>8363663</b>	<b>47653880</b>	<b>100</b>	<b>-</b>
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**(ii) SHAREHOLDING OF PROMOTERS**

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



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

There is no change in promoters shareholding during the period under review.

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares of the company	% of total shares of the company	No of shares of the company	% of total shares of the company
1.	Abhikum Leasing and Investment Pvt Ltd	5624844	11.81	-	-
2.	Occident Orient Company Limited	959700	2.01	-	-
3.	Karvy Consultants Ltd	760500	1.60	-	-
4.	Paras Mal Jain	711400	1.49	-	-
5.	ABC Holding Pvt Ltd	657250	1.37	-	-
6.	T C Healthcare Pvt Ltd	580218	1.22	-	-
7.	Jaykum Investment Pvt. Ltd	297200	0.62	-	-
8.	Meghkum Leasing and Investments Pvt Ltd	251450	0.53	-	-
9.	Jitendra Kumar	212700	0.45	-	-
10.	Pramod Kumar	151100	0.32	-	-

**(v) Shareholding of Directors & KMP**

S.. No Promoter's Shareholding		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1</b>	<b>Umesh Kumar Modi, Director &amp; Chariman</b>				
	At the beginning of the year	1571223	3.30	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	1571223	3.30	-	-
<b>2</b>	<b>Kum Kum Modi, Director</b>				
	At the beginning of the year	28300	0.06	-	-
	Date wise increase/decrease	-	-	-	-
	At the end of the year	28300	0.06	-	-
<b>3</b>	<b>Abhishek Modi, Whole Time Director</b>				
	At the beginning of the year	Nil	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	Nil	Nil	-	-
<b>4</b>	<b>Jayesh Modi, Director</b>				
	At the beginning of the year	55487	0.12	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	55487	0.12	-	-
<b>5</b>	<b>R.K. Sharma, Director</b>				
	At the beginning of the year	Nil	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	Nil	Nil	-	-
<b>6</b>	<b>Vijay Kumar Modi, Director</b>				
	At the beginning of the year	Nil	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	Nil	Nil	-	-
<b>7</b>	<b>Narayan Prakash Bansal, Director</b>				
	At the beginning of the year	Nil	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	Nil	Nil	-	-
<b>8</b>	<b>Rajeev Kumar Agarwal, Director</b>				
	At the beginning of the year	Nil	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-



	At the end of the year	Nil	Nil	-	-
<b>9 Jagdish Chandra Chawla, Director</b>					
	At the beginning of the year	250	0	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	250	0	-	-
<b>10 Shyam Babu Vyas, Director</b>					
	At the beginning of the year	Nil	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	Nil	Nil	-	-
<b>11. Rohit Garg, Director</b>					
	At the beginning of the year	Nil	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	Nil	Nil	-	-
<b>Other KMP's</b>					
<b>1 Lakhmi Chand Sharma, Chief Financial officer*</b>					
	At the beginning of the year	500	0	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	500	0	-	-
<b>2 Anil Kumar Goel, Chief Financial officer #</b>					
	At the beginning of the year	Nil	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	Nil	Nil	-	-
<b>3 Shobit Nehra, Company Secretary</b>					
	At the beginning of the year	Nil	Nil	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
	shareholding during the year	-	-	-	-
	At the end of the year	Nil	Nil	-	-

\* Lakhmi Chand Sharma resigned from the post of Chief Financial Officer w.e.f. 31-10-2017.

# Anil Kumar Goel appointed as Chief Financial Officer of the Company w.e.f. 01-11-2017.

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Indebtness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i)	Principal Amount	415,066,323	67,886,185	3,142,106	486,094,614
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>415,066,323</b>	<b>67,886,185</b>	<b>3,142,106</b>	<b>486,094,614</b>
<b>Change in Indebtedness during the financial year</b>					
	Additions	341,509	618,490,725	465,180	619,297,414
	Reduction	389,707,832	593,376,893	30,000	983,114,725
	Net Change	(389,366,323)	25,113,832	435,180	(363,817,311)
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	25,700,000	67,886,185	3,577,286	122,277,303
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>25,700,000</b>	<b>67,886,185</b>	<b>3,577,286</b>	<b>122,277,303</b>



## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Director: NIL

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

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

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

S.No.	Particulars of Remuneration	Key Managerial Personnel				
1	Gross Salary	R.K. Sharm Manager	L.C. Sharma CFO*	A.K. Goel CFO#	Shobit Nehra Company Secretary	Total
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,346,808	486,364	11,75,675	750,000	3,758,847
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
(c)	Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961.	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	As % of Profit	-	-	-	-	-
5	Others, Please Specify	-	-	-	-	-
	<b>Total</b>	<b>1,346,808</b>	<b>486,364</b>	<b>1,081,625</b>	<b>750,000</b>	<b>3,758,847</b>

\* Shri L.C. Sharma resigned from the post of CFO w.e.f. 31.10.2017

# Shri A.K. Goel appointed as CFO of the Company w.e.f. 01.11.2017

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For & behalf of the Board  
SBEC Sugar Limited

Place: New Delhi  
Date: 9<sup>TH</sup> August, 2018

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

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



## MANAGEMENT DISCUSSION & ANALYSIS

### Sugar Industry- Scenario in India

For the third consecutive year, Uttar Pradesh (UP) will be the largest producer of sugar in India; followed by Maharashtra, which is expected to trail marginally behind UP. Also, sugar production in Karnataka will recover to its near normal levels (five-year average). Together, these states will contribute almost 84 per cent of total sugar production in the year. The western part of the state forms the core of sugarcane production in the country. **Source: Global Agriculture Information Network**

In India, the annual sugar consumption is pegged at 25 MMT. However according to Indian Sugar Mills Association (ISMA), sugar production is estimated to touch a record high at 31.5 MMT in the 2017-18 sugar season (October-September). After plunging to a low of around Rs. 29,000 per tonne in the first week of February 2018, sugar prices picked up in the following weeks on the back of government initiatives such as the doubling of import duty to 100% and the imposition of limits on sugar sales by sugar mills. ISMA revised the sugar production estimate for the 2017-2018 season upwards to 31.5 mn tonnes, a rise of 55% compared to previous year's output of 20.3 mn tonnes.

The U.P. state government increased the State Advised Price (SAP) of the general variety of sugarcane from Rs. 305 per quintal to Rs.315 per quintal for the sugar season October 2017-September 2018, which is a 3.3% Y-o-Y growth. The SAP is higher than the Fair and Remunerative Price (FRP) of Rs.255, which is fixed by the central government.

Due to low sugar realizations from domestic sales and a depressed global sugar market, mills were unable to generate funds for the timely payment of cane price to farmers.

### Government Policy Interventions

- In April 2017, the government announced that only a restricted quantity of 5 lakh tonnes of raw sugar would be allowed duty-free through open general license.
- In July 2017, import duty on sugar was hiked from 40% to 50%.
- In August 2017, the government imposed a stock holding limit on sugar ahead of the festive season. With this imposition, no sugar producer was allowed to hold any stock of sugar in excess of 21% and 8% at the end of September 2017 and October 2017, respectively. This was withdrawn in December 2017 to smoothen the supply chain for easy availability of sugar in all regions as well as to aid traders to increase their sugar stocks which would help increase demand of and support domestic prices.
- In February 2018, the import duty on sugar was increased to 100% and limit on sugar that has to be retained by producers in February 2018 (retention of 83% stock in hand) and March 2018 (retention of 86% stock in hand) was imposed.
- India usually always retains a normative requirement of three months stock but considering the surplus situation in the current sugar season, the government has allowed export of 2 million tonnes of sugar by the end of September 2018 under Minimum Indicative Export Quota (MIEQ) in March 2018.
- The export of white sugar was allowed till September 2018 under the Duty Free Import Authorization (DFIA) scheme. To encourage sugar exports, the government scrapped the 20% export duty on raw, white or refined sugar in March 2018.
- The Government announced a compulsory export of 2 million tons under the MIEQ scheme. Quotas were fixed sugar mill-wise and 30th September, 2018 has been set as the target date within which export obligations needed to be fulfilled.
- The Government also announced approval of financial assistance of Rs.5.50 per quintal of sugarcane crushed during the season 2017-18 to help clear cane price dues. This assistance would be directly paid to farmers on behalf of sugar mills towards their cane dues

(Source: CARE Ratings)

### COMPANY STRUCTURE AND DEVELOPMENT

The Company is located at Village Malakpur, District Baghpat, Uttar Pradesh. The plant started with an initial crushing capacity of 3500 tons of cane crushed per day (tcd), which had been gradually increased to 8500 TCD over time. The Company has one of the most modern and efficient sugar factory in the country.

### OPERATIONAL PERFORMANCE

The crushing for the season 2017-18 started on 24th October, 2017 and cane crushed during season 2017-18 was 146.27 Lac Qtls as compared to 106.52 Lac Qtls in the last season.

Particulars	Unit	Sugar Season		
		2015-16	2016-17	2017-18
Cane Crush	Lac Qtls	94.84	106.52	146.27
Recovery	%	9.56	9.37	9.73
Sugar Production	Lac Qtls	9.08	10.00	14.24



**FINANCIAL PERFORMANCE**

Particulars	2016-17	2017-18
Revenue	29981.06	46954.75
EBITDA**	6356.11	11044.15

**\*\* Earning before interest, tax, depreciation and amortization.**

**OPPORTUNITIES & THREATS**

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

After the decision of Hon'ble Supreme Court empowering the State Government to fix the Cane Price, one of the major threat to the Sugar Industry relates to the successive interventions of the State Government in the pricing as well as distribution of Sugarcane. High cane arrears due to lower sugar prices and risk of coercive measures by the State Government on account of huge cane arrears.

**RISK AND CONCERNS**

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

**Raw Material Risk:**

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

**Price Risk:**

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

**Regulatory Risk:**

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

**FUTURE OUTLOOK**

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

**INTERNAL CONTROLS AND SYSTEMS**

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

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

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

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

**CAUTIONARY STATEMENT**

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



## REPORT ON CORPORATE GOVERNANCE

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

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

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

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

The Company is in compliance with the requirements of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

### II. BOARD OF DIRECTORS

#### a) Composition

- As on March 31, 2018, the Company has 11 Directors of which 9 are Non-Executive Directors. 6 of the 11 Board Members are Independent Directors. The Chairman of the Board is a Non-Executive Director. The Composition of the Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015. As required under Section 149(1) of the Companies Act, 2013, Mrs. Kumkum Modi, is a Woman Director on the Board of Directors of the Company.
- The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Sec 149(7) of the Companies Act, 2013. Independent Directors do not serve in more than 7 listed companies.
- The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships (including SBEC Sugar Limited) held by them in Public Companies as on March 31, 2018 are given below. Other directorships do not include alternate directorships, Section 8 Companies, Private Companies and foreign companies. Chairmanships/Memberships in Committees includes only Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies.

Name of the Director	Category	Number of Board meeting during the year 2017-18		Attendance at the last AGM (held on Aug. 29, 2017)	No. of Outside Directorships (as on March 31, 2018)	Number of membership/charmanship in other Board committee (as on March 31, 2018)	
		Held	Attended			Public	Chairman Member
Shri. Umesh Kumar Modi	NED	7	5	Not Present	6	Nil	Nil
Smt. Kumkum Modi	NED	7	1	Not Present	3	Nil	Nil
Shri. Abhishek Modi	ED & CEO	7	6	Not Present	5	Nil	Nil
Shri. Jayesh Modi	NED	7	1	Not Present	4	Nil	Nil
Shri. Vijay Kumar Modi	INED	7	6	Not Present	3	1	2
Shri. N.P. Bansal	INED	7	7	Present	3	-	1
Shri. R.K. Agarwal	INED	7	7	Present	8	4	6
Shri. J.C. Chawla	INED	7	6	Present	4	1	6
Shri. Shyam Babu Vyas	INED	7	1	Not Present	3	-	3
Shri. Rohit Garg	INED	7	1	Not Present	3	-	-
Shri R.K. Sharma*	ED & MANAGER	7	4	Not Present	-	-	-

Note:

- (a) ED: Executive Director (b) NED: Non-Executive Director (c) INED: Independent Non-Executive Director (d) CEO: Chief Executive Officer
- None of the Directors used Video/tele-conferencing facilities to participate in the meetings.
- (\*) Shri. R. K. Sharma was appointed as a "Manager" w.e.f. 14th June, 2017, designated as "General Manager-Personnel & Administration" and his appointment was approved by the shareholders in Annual General Meeting held on 29th August, 2017.

#### (b) Board Meetings

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



Seven (7) Board meetings were held during the year ended March 31, 2018. These were held on May 29, 2017, July 28, 2017, June 13, 2017, September 14, 2017, November 01, 2017, November 15, 2017 and February 10, 2018 the maximum gap between the two Board Meetings did not exceed 120 days. Necessary quorum was present for all meetings.

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

**(c) Details of Shareholding of Non-Executive Directors**

Shri. Umesh Kumar Modi holds 15,71,223 equity Shares, Smt. Kumkum holds 28,300 equity Shares, Shri. Jayesh Modi holds 55,487 equity Shares and Shri. Jagdish Chandra Chawla holds 250 equity Shares of the Company as on 31st March, 2018.

**(d) Familiarization programme for Independent Director**

At the time of appointment, the Director is explained in detail the compliances required from him under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and other relevant regulations and his affirmations taken. By way of an introduction to the Company, the Chairman/CEO interacts with the newly appointed Director and explains the functioning of various divisions/departments, the Company's market share, governance and internal control processes and other relevant information pertaining to the Company's business. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfil his role as a Director of the Company. The familiarization programme for Directors is also placed on the Company's website [www.sbecsugar.com](http://www.sbecsugar.com) and can be accessed through the following link <http://sbecsugar.com/wp-content/uploads/2011/07/DETAILS-OF-FAMILIRIZATION-PROGRAME-SUGAR.pdf>

**(e) Information supplied to the Board**

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

**3. Audit Committee**

**(a) Terms of Reference**

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

**(b) Composition**

As on March 31, 2018 the Audit Committee of the Board comprises Four Directors. All Four directors are Independent Directors and have sound knowledge of finance and accounting. Shri R. K. Agarwal, Chairman of the Audit Committee was present at the Annual General Meeting held on August 29, 2017. The Company Secretary acts as the Secretary to the Audit Committee.

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

During the financial year ended 31st March, 2018, the Audit Committee met six times on May 29, 2017, July 28, 2017, September 14, 2017, November 15, 2017, February 10, 2018 and March 07, 2018 the maximum gap between the two Audit Committee Meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

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

S.	Name of the Member	Designation	Category	Number of meetings during the year 2017-18	
				Held	Attended
1.	Shri. R.K. Agarwal	Chairman	Independent Director	6	6
2.	Shri. J.C. Chawla	Member	Independent Director	6	5
3.	Shri. Shyam Babu Vyas	Member	Independent Director	6	1
4.	Shri. V. K. Modi	Member	Independent Director	6	5

**4. Nomination and Remuneration Committee**

**(a) Terms of Reference**

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

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

The Chairman of the Nomination and Remuneration Committee attended the last Annual General Meeting.

The Company Secretary acts as Secretary to the Committee.

During the period ended March 31, 2018, 3 meetings of the Committee were held on May 29, 2017, June 13, 2017 and November 01, 2017.



**(b) The Composition of the Nomination and Remuneration Committee and details of the Meetings of the Committee held and attended during the year 2017-2018 are as under:**

S.	Name of the Member	Category	Number of meetings during the year 2017-18	
			Held	Attended
1.	Shri. J. C. Chawla- Chairman	Independent Director	3	3
2.	Shri. V. K. Modi	Independent Director	3	3
3.	Shri. N. P. Bansal	Independent Director	3	3
4.	Shri. R. K. Agarwal	Independent Director	3	3

**Performance Evaluation of Independent Directors**

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

**Remuneration Policy**

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

**(i). Remuneration to Managing/ Whole-time/ Executive/ Managing Director, KMP and Senior Management Personnel:**

The Remuneration/ Compensation/ Commission etc. to be paid to Director/ Managing

Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**(ii). Remuneration to Non-Executive/ Independent Director:**

**Sitting Fee**

The Non-executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board/ Committee meetings thereof in accordance with the provisions of Act.

**Remuneration**

The Companies Act, 2013, under Section 197 allows a company to pay remuneration to its NED depending upon the role and the degree, quality of their engagement with the Board, either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other as per the Company's criteria for making payment to Non-executive Directors. An independent director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or/committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law.

The Company does not have any Employees Stock Option Scheme.

**5. Stakeholders Relationship Committee**

**(a) Terms of Reference**

The Company has a Board Committee namely "Stakeholder Relationship Committee" as required under the provisions of Section 178 (1) of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 to look into various issues relating to delay in transfers of shares, non-receipt of balance sheet, non-receipt of declared dividends/share certificates, dematerialization of shares, replacement of lost/stolen/ mutilated share certificates, etc.

**(b) The Composition of Stakeholders Relationship Committee and details of the Meetings of the Committee held and attended during the year 2017-18**

As on March 31, 2018, the Stakeholders Relationship Committee of the Board comprises of 3 Directors. All Three directors are Independent Directors. The Company Secretary acts as the Secretary of the Committee.

During the financial year 2017-18, the Committee met four times on May 29, 2017, September 14, 2017, November 15, 2017 and February 10, 2018.

**The Particulars of meetings held and attended by the members of the Committee are given below:**

S.	Name of the Member	Category	Number of meetings during the year 2017-18	
			Held	Attended
1.	Shri R.K. Agarwal	Independent Director	4	4
2.	Shri N.P. Bansal	Non-Executive & Non-Independent Director	4	4
3.	Shri J.C. Chawla	Independent Director	4	4



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

**The Compliance Officer can be contacted at:**

SBEC Sugar Limited  
Village Loyan, Malakpur,  
Tehsil Baraut,  
Dist. Baghpat- 250611  
Uttar Pradesh

Email: [investors@sbecsugar.com](mailto:investors@sbecsugar.com)

During the period ended March 31, 2018, No complaint was received from the shareholders. No complaints are pending at the end of the financial period.

## 7. VIGIL MECHANISM

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, the Company has a Whistle-Blower Policy and Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimization of the persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No employee of the Company was denied access to the Audit Committee. The said whistle blower policy and vigil mechanism has been hosted on the website of the Company at: [www.sbecsugar.com](http://www.sbecsugar.com)

No complaints were received under this policy during the year.

## 8. GENERAL BODY MEETINGS:

### (a) Annual General Meetings

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

Year	Date & Time of Meeting	Location	Special Resolution passed (Yes/ No)
2016-17	August 29, 2017 at 11.30 A.M.	Village: Loyan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh	1. Appointment of Shri. Raj Kumar Sharma as Manager designated as "General Manager-Personnel and Administration". 2. Alteration/Adoption of Object Clause of the Memorandum of Association of the Company as per Companies Act, 2013. 3. Alteration/Adoption of New Set of Articles of Association of Company as per Companies Act, 2013.
2015-16	September 28, 2016 at 2.30 P.M	- do -	- No -
2014-15	September 24, 2015	- do -	- No -

### (b) Extraordinary General Meetings

No Extraordinary General Meeting of the Members was held during the year 2017-18.

### (c) Postal Ballot

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

## 9. Means of Communication

### (a) Quarterly Results

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

The Annual Reports, notices and other communications have been sent to each shareholder through the permitted mode. As per the statutory requirements under Regulation 33 & 47 of the Listing Regulations, the quarterly/annual financial results are generally published in "Financial Express" and "Awam-e-hind". The financial results, shareholding pattern and other updates on the working of the Company have been posted on the Company's website: [www.sbecsugar.com](http://www.sbecsugar.com). Besides the above, the Company also submits, inter-alia, to the Stock Exchanges, the full version of the Annual Report; quarterly report on corporate governance; quarterly/ yearly financial results; quarterly shareholding pattern; quarterly secretarial audit report; details of appointment/resignation of Directors and Company Secretary and such other reports as may be specified. The Company has also designated the email id: [investors@sbecsugar.com](mailto:investors@sbecsugar.com) exclusively for investor servicing.

### (b) Website

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



**(c) Annual Report**

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

**10. General Shareholder Information**

**(i). Annual General Meeting is proposed to be held on** 24th September, 2018 at 11:30 A.M Village: Loyan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh-250611.

**(ii). Financial Year**

The Financial Year covers the period from April 1, 2017 to March 31, 2018 (Both days Inclusive)

**(iii). Date of Book Closure**

18th September, 2018 to 24th September, 2018 (Both days inclusive)

**(iv). Dividend Payment Date**

Not Applicable

**(v). Listing on Stock Exchanges**

The company is listed on the following Stock Exchanges:-

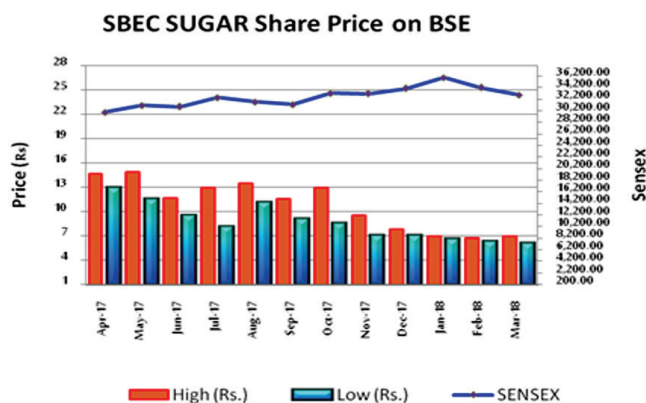
Stock Exchange	Stock Code
Bombay Stock Exchange Limited	532102
The Calcutta Stock Exchange Association Limited	-

The Company has paid annual listing fee to Bombay Stock Exchange Limited for the year 2018-19.

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

**(vi). Market Price Data:**

Month	High Price	Low Price	Close Price	Volume
April 2017	14.70	12.90	13.00	17,309
May 2017	14.90	11.59	11.59	8,877
June 2017	11.70	9.50	9.50	4,380
July 2017	12.94	8.13	12.85	29,479
August 2017	13.49	11.10	11.51	14,475
September 2017	11.55	9.06	10.94	29,723
October 2017	12.98	8.55	9.03	16,946
November 2017	9.51	7.05	7.75	24,495
December 2017	7.80	7.00	7.07	6,072
January 2018	7.00	6.61	6.61	3,695
February 2018	6.73	6.28	6.40	7,964
March 2018	6.96	6.08	6.96	15,000





**(vii). Registrar & Share Transfer Agent:**

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

**M/s Beetal Financial & Computer Services Pvt. Ltd.**

Beetal House, 3rd Floor,  
99, Madangir, Near Dada Harsukhdas Mandir,  
Behind Local Shopping Complex  
New Delhi –110062  
Ph. No. 011- 29961281-83  
Fax: 011-29961284 Email: [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com)

**(viii). Share Transfer System:**

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

The Company obtains half yearly certificate from a Company Secretary in Practice relating compliance with the shares transfer formalities as required under Regulation 40 (9) of the SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges, from time to time.

**(ix). Distribution of Shareholdings as on 31st March, 2018.**

No. of Shares	Number of Shareholders	Number of Shares	% of total Shares
Upto 5000	2313	871265	1.82
5001 - 10000	455	413446	0.87
10001 – 20000	181	305810	0.65
20001- 30000	311	816600	1.71
30001 – 40000	55	199341	0.42
40001 – 50000	146	713224	1.50
50001 – 100000	133	1015918	2.13
100001 and above	97	43318276	90.90
<b>Total</b>	<b>3691</b>	<b>47653880</b>	<b>100</b>

**(x). Shareholding Pattern as on 31<sup>st</sup> March, 2018**

S.No.	Category of Shareholder	Total No. of Shares	% of Shareholding
<b>A</b>	<b>PROMOTER AND PROMOTER GROUP</b>	31055462	65.17
	<b>Sub Total (A)</b>	31055462	65.17
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>		
<b>I</b>	<b>INSTITUTIONS</b>		
a	Foreign Institutional Investor	959700	2.01
<b>II</b>	<b>NON-INSTITUTIONS</b>		
a	Bodies Corporate	8616053	18.08
b	Individuals	6987014	14.66
c	NRI/ OCB	1825	0.00
d	HUF	33496	0.08
e	Clearing Member	330	0.00
	<b>Sub-Total [B=(BI + BII)]</b>		
	<b>Total (A+B)</b>	<b>47653880</b>	<b>100.00</b>

**(xi). Dematerialization of equity Shares and liquidity**

The trading in Equity Shares of the Company is permitted in dematerialized form. The Company has joined National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the trading. Accordingly, it may kindly be requested to all the shareholders who are holding the shares in physical form to get their shares converted into demat form and thereby avail the option of scripless trading. For this purpose, Shareholders can open a de-mat account with a depository participant (DP) to avail the facility of dematerialization of shares or shareholders having de-mat account can surrender their share certificate to their respective DPs. As on 31st March 2018, 82.449% of the Company's total listed capitals representing 39290190 shares were held in dematerialized form and the balance 17.551 % comprising 8363690 shares were held in physical form.

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

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

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

**(xiii). Plant Location of the Company**

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



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

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

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

**11. Disclosures**

(i) **Related Party Transactions**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required under Ind AS-24 has been made in the notes to the Financial Statements.

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

(ii) **Subsidiary**

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

(iii) **Details of Non-Compliance by the Company, Penalties or Strictures imposed on the Company by the Stock Exchange or SEBI or any other Statutory Authority, on any mater related to the capital markets during the last three years.**

The Securities and Exchange Board of India ('SEBI'), on May 16, 2017 had issued a Settlement Notice alleging that, the Company has not complied/violated the provisions of Securities and Exchange Board of India Act, 1992 and disclosures requirements under regulation 13(6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with respect to the transactions made by the promoters during June-September, 2014.

The Company has submitted a settlement application on 20.06.2017 and revised settlement application on 10.08.2017 with SEBI. The settlement application pertains the matter for inadvertent delay occurred in giving disclosure as per SEBI Letter dated May 16, 2017 under Regulation 13(6) and PIT regulations and through above mentioned settlement application the Company on suo-moto basis applied to settle the matter relating to inadvertent delay occurred to disclosures under 13(6) and 13(3) of PIT Regulations during August-September 2014. The settlement application process is based on an undertaking that the Company will neither admit nor deny the finding of fact or conclusion of law.

The SEBI appointed Adjudicating Officer and authorized officer attended the personal hearing on 24th April, 2014. After that the company made an application for revision of settlement terms to settle the defaults vide letter dated April 27th 2018. Upon receipt of the application for revision of settlement terms, the High Powered Advisory Committee in its meeting held on 14th May 2018 recommended to Panel of whole time members of SEBI for settlement of alleged default of the company upon payment of Rs. 9,49,400/- by the company as settlement charges, which was accepted by the Panel of whole time members of SEBI and intimated to the Company on June 15, 2018. The Company deposited the settlement charges of Rs. 9,49,400/- to the SEBI.

(iv) **Disclosure of Accounting Treatment**

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

(v) **Insider Trading**

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

(vi) **Code of Conduct**

The Company has adopted the code of conduct for all Board members and Senior Management as required under Regulation 17 of the Listing Regulations. The Code is posted on the Company's website: [www.sbecsugar.com](http://www.sbecsugar.com). All Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis and a declaration to this effect signed by Mr. Abhishek Modi, Chief Executive Officer forms part of this Report.

**Declaration**

I, Abhishek Modi, Whole Time Director & Chief Executive Officer of SBEC Sugar Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 17 of the SEBI (LODR) Regulation, 2015, for the year ended March 31, 2018.

Place: New Delhi  
Date: 09th August, 2018

sd/-  
Abhishek Modi  
Chief Executive Officer



**(vii) CEO/ CFO CERTIFICATION**

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

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

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

**12. Non-mandatory Clauses**

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

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

Place: New Delhi  
Date: 9<sup>th</sup> August, 2018

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

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

## REPORT ON CORPORATE GOVERNANCE

To,

**The Members of SBEC Sugar Limited**

We have examined the compliance of the conditions of Corporate Governance by **SBEC Sugar Limited** ("the Company") for the year ended on 31st March 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the documents and records maintained by the Company and the report on Corporate governance as adopted by the Board of Directors.

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

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

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

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

**PLACE: NEW DELHI  
DATED: 09<sup>th</sup> August, 2018**

Sd/-  
(Rahul Singhal)  
Prop.  
M. No. 029599



## INDEPENDENT AUDITORS' REPORT

To The Members of SBEC Sugar Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of SBEC Sugar Limited ("the company"), which comprise the balance sheet as at 31st March, 2018, the statement of profit and loss, including the statement of other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

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

### Basis of qualified opinion

- 1) *During the quarter the company has not made provision for interest, on late payment of cane dues amounting to Rs 931.31 lac for sugar season 2017-18 and Rs 3540.85 for sugar season 2016-17, had the company made provisions, the expense and loss for the quarter and year ended 31st March 2018 would have been higher by Rs 4472.16 lac and its consequential impact on EPS.*
- 2) *The company had executed a deed of assignment with a subsidiary company "SBEC Bioenergy Limited" to transfer its claim and all securities and charges created by Modi Industries Limited in its favour for a consideration of Rs12,500 lacs of which Rs. 8,300 lacs were to be received as per the mutually agreed instalments within a period of five years from the date of execution of the deed. The company has not received any amount out of balance amount of Rs 8300 lacs till the end of March 31st '2018. Since the period of five years has already elapsed it may affect the ultimate recoverability of the carrying value of the said amount due from SBEC Bioenergy Limited. These financial statements do not include any adjustments that might result from the uncertainty mentioned above.*

**Qualified Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matters**

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

- a) Note no (d) of the standalone Audited Financial Statement regarding interest payment on cane dues where the High Court vide its order dated 9th March, 2017 has set aside the decision of State Government for the waiver of interest for the year 2012-13, 2013-14 and 2014-15 and asked the Cane Commissioner to take a final call in the matter, pending final order the Company has not made provision for interest, on the late payment of cane dues for years 2012-13, 2013-14 and 2014-15. The Hon'ble Supreme Court vide its order dated 23rd April, 2018 has upheld the Hon'ble High Court order dated 9th March, 2017.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
  - c) The balance sheet, statement of profit and loss including the statement of other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-  
(Simmi Jain)  
Partner

Membership No.-086496

Place: New Delhi  
Dated: 29th May, 2018



**Annexure "A" To The Independent Auditors' Report To The Member Of SBEC Sugar Ltd. Dated May 29, 2018**  
**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section**

- i. (a) The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
- (b) Though the Company has a programme of physical verification of its fixed assets in phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets, however the Fixed assets have not been physically verified by the management during the year therefore discrepancies, if any, could not be determined.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the company.
- ii. The inventory has not been physically verified by the management during the year.
- iii. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any fresh deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable.
- vi. We have broadly reviewed the records, including the books of account maintained by the company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of company's products and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. (a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities.
- (b) According to the information and explanations given to us and as per the books and records examined by us, the particulars of statutory dues of the specified statue as at the year, which have not been deposited on account of a dispute are referred to in **Annexure "B"**.
- viii. According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of its dues to Governments, banks and financial institutions. The Company has not taken any loans from debenture holders.
- ix. Based on our audit procedures and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer / further public offer. Further, based on our audit procedures and according to the information and explanations given to us and on an overall examination of the balance sheet, we report that monies raised by way of term loans were applied for the purposes for which those were raised.
- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management
- xi. Based on our audit and according to the information and explanations given to us, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. Based on our audit procedures and according to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv. Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For K. K. Jain & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 002465N**

**Sd/-**  
**(Simmi Jain)**  
**Partner**

**Membership No.-086496**

**Place: New Delhi**  
**Dated: 29th May, 2018**





## ANNEXURE “B” TO AUDITORS’ REPORT

Referred in Paragraph VII(B) of Annexure “A” a statement on the matters specified in the Companies (Auditors’ Report) Order, 2016 for the year ended 31st March 2018.

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 imposed on bagasse given to M/s SBEC Bioenergy	43.47	2008-09	Appeal filed before Honorable High Court by Commercial Tax department against order passed by Member Commercial Tax, Tribunal, Meerut
Finance Act , 1994	Service Tax Credit Taken on Modinagar Site	3.49	2014-15	Appeal filed before CESTAT Allahabad
Finance Act , 1994	Service Tax on Commission	150.88	2003-04	CESTAT has sent back the case to Commissioner Appeals, Meerut-1 for Remand
Central Excise ,1944	Cenvat Credit taken on HR plates, Angles, Shape section	13.88	2012-13	Appeal filed before Commissioner Appeal-1 Central Excise& Service Tax, Meerut.
Central Excise ,1944	Excise duty on removal for Bagasse & Press Mud	75.24	2015-16	Appeal filed before Commissioner Appeal-1 Central Excise& Service Tax, Meerut.
Finance Act , 1994	Service tax Credit taken in invoice beyond 6 month	8.59	Dec 2013 – Dec 2014	Application filed before Assistant Commissioner, Division-1 Meerut on 25.02.16
Finance Act , 1994	Service Tax on Lease Rent	16.83	01.04.2008 - 01.12.2010	Appeal Allowed by way of Remand by CESTAT, Delhi
Finance Act , 1994	Service Tax on Lease Rent	7.24	2012-13	Appeal Allowed by way of Remand by CESTAT, Delhi
Central Excise ,1944	Cenvat Credit taken on HR plates, Angles, Shape section	15.54	2015-17	SCN Reply Submitted before Deputy Commissioner, Division Shamli. Tax, Meerut.
Finance Act , 1994	Service Tax Credit taken on Sugar Sales Commission	11.08	2015-16	SCN Reply Submitted before Additional Commissioner Meerut.
Finance Act , 1994	Service Tax Credit taken on Sugar Sales Commission	2.45	2015-16	SCN Reply Submitted before Superintendent, Central Excise, RangeBaraut.
Finance Act , 1994	Service Tax Credit taken on Sugar Sales Commission	38.21	2016-17 & 2017-18	SCN Reply Submitted before Deputy Commissioner, Division Shamli.



## **Annexure 'C' To The Independent Auditor's Report Of Even Date on the Standalone (IND AS) Financial Statements Of SBEC Sugar Limited**

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

We have audited the internal financial controls over financial reporting of SBEC Sugar Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K. K. Jain & Co.**  
Chartered Accountants  
Firm Regn. No. 002465N

Sd/-  
(Simmi Jain)  
Partner

Membership No.-086496

Place: New Delhi  
Dated: 29th May, 2018



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>ASSETS</b>				
<b>1. Non - current assets</b>				
(a) Property, plant and equipment	3	2,435,415,987	2,595,983,963	2,762,758,714
(b) Other intangible assets	3(a)	324,655	424,489	481,273
(c) Capital work - in - progress	3(b)	3,044,459	996,291	3,336,339
(d) Financial assets				
(i) Investments	4	172,582,515	172,582,515	172,582,515
(e) Other non - current assets	5	714,247	566,868	559,639
		<b>2,612,081,863</b>	<b>2,770,554,126</b>	<b>2,939,718,480</b>
<b>2. Current assets</b>				
(a) Inventories	6	821,355,138	1,118,097,988	541,937,349
(b) Financial assets				
(i) Trade receivables	7	105,736,218	131,969,924	147,138,717
(ii) Cash and cash equivalents	8	114,835,627	59,526,456	12,802,993
(iii) Loans	9	1,243,887,346	1,492,187,350	1,566,919,682
(iv) Other Bank Balances	10	1,926,351	5,302,946	7,193,513
(c) Other current assets	5	15,614,831	47,981,304	39,330,359
		<b>2,303,355,511</b>	<b>2,855,065,968</b>	<b>2,315,322,613</b>
(d) Non Current assets held for sale	11	-	-	120,811,776
		<b>2,303,355,511</b>	<b>2,855,065,968</b>	<b>2,436,134,389</b>
<b>Total assets</b>		<b>4,915,437,375</b>	<b>5,625,620,096</b>	<b>5,375,852,870</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. EQUITY</b>				
(a) Equity share capital	12	476,940,175	476,940,175	476,940,175
(b) Other equity	13	(130,188,421)	713,795,400	1,094,014,659
		<b>346,751,754</b>	<b>1,190,735,575</b>	<b>1,570,954,834</b>
<b>LIABILITIES</b>				
<b>2. Non - current liabilities</b>				
(a) Financial liabilities				
- Borrowings	14	10,851,002	367,669,035	19,638,251
(b) Provisions	15	24,788,079	22,402,515	18,487,223
(c) Other non-current liabilities	16	1,226,200	1,256,200	1,426,200
		<b>36,865,281</b>	<b>391,327,750</b>	<b>39,551,674</b>
<b>3. Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	14	85,955,616	59,528,240	233,494,246
(ii) Trade payables	17	4,227,131,851	3,795,442,468	3,385,378,790
(iii) Other financial liabilities	18	177,529,632	86,077,713	93,255,229
(b) Other current liabilities	16	37,585,790	99,353,027	51,521,310
(c) Provisions	15	3,617,451	3,155,323	1,696,787
		<b>4,531,820,340</b>	<b>4,043,556,771</b>	<b>3,765,346,362</b>
<b>Total Equity &amp; Liabilities</b>		<b>4,915,437,375</b>	<b>5,625,620,096</b>	<b>5,375,852,870</b>

Significant accounting policies 2

The schedules referred to above form an integral part of the Balance Sheet  
In terms of our report of even date, attached

For K.K.JAIN & CO.  
Chartered Accountants  
Firm Registration No 02465N

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

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

Sd/-  
Vijay Kumar Modi  
(Director)  
DIN : 00004606

Sd/-  
(Simmi Jain)  
Partner  
Membership No. : 086496

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

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

Sd/-  
N.P. Bansal  
(Director)  
DIN : 00010587

Place : New Delhi  
Date : 29th May 2018

Sd/-  
A.K. Goel  
(Chief Financial Officer)

Sd/-  
Shobit Nehra  
(Company Secretary)



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	NOTE NO.	For the Year ended 31.03.2018 (Amount in Rs. )	For the year ended 31.03.2017 (Amount in Rs.)
I Revenue from operations	19	4,690,422,244	2,995,989,404
II Other income	20	5,052,369	2,112,174
III <b>Total income (I + II)</b>		<b>4,695,474,612</b>	<b>2,998,101,578</b>
IV <b>Expenses</b>			
Cost of materials consumed	21	4,472,159,108	3,091,894,909
Changes in inventories of finished goods, stock - in - trade and work - in - progress	22	313,167,174	(569,909,064)
Employee benefits expenses	23	129,951,845	108,361,830
Finance costs	24	80,643,419	78,945,065
Depreciation and amortization expenses	25	178,916,075	179,134,643
Other expenses	26	365,492,399	487,205,108
<b>Total expenses</b>		<b>5,540,330,021</b>	<b>3,375,632,491</b>
V <b>Profit / (loss) before exceptional items and tax (I - IV)</b>		<b>(844,855,408)</b>	<b>(377,530,913)</b>
VI Exceptional items		-	-
VII <b>Profit / (loss) before tax (V - VI)</b>		<b>(844,855,408)</b>	<b>(377,530,913)</b>
VIII <b>Tax expense</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
		-	-
IX <b>Profit / (loss) from continuing operations (VII - VIII)</b>		<b>(844,855,408)</b>	<b>(377,530,913)</b>
X Profit / (loss) from discontinued operations (VII - VIII)		-	-
XI Tax expense of discontinued operations		-	-
XII <b>Profit / (loss) from discontinued operations (after tax) (X - XI)</b>		<b>-</b>	<b>-</b>
XIII Profit / (loss) for the period (IX + XII)		<b>(844,855,408)</b>	<b>(377,530,913)</b>
XIV Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss		871,587	(2,688,346)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		871,587	(2,688,346)
XV <b>Total comprehensive income for the period (XIII + XIV)</b>		<b>(843,983,821)</b>	<b>(380,219,259)</b>
XVI <b>Earnings per equity share (for continuing operations)</b>			
(1) Basic	27	(17.73)	(7.92)
(2) Diluted		(17.73)	(7.92)

Significant accounting policies

2

The schedules referred to above form an integral part of the Balance Sheet  
In terms of our report of even date, attached

For K.K.JAIN & CO.  
Chartered Accountants  
Firm Registration No 02465N

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

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

Sd/-  
Vijay Kumar Modi  
(Director)  
DIN : 00004606

Sd/-  
(Simmi Jain)  
Partner  
Membership No. : 086496

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

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

Sd/-  
N.P. Bansal  
(Director)  
DIN : 00010587

Place : New Delhi  
Date : 29th May 2018

Sd/-  
A.K. Goel  
(Chief Financial Officer)

Sd/-  
Shobit Nehra  
(Company Secretary)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

(Amount in Rs.)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>A. Cash flow from operating activities</b>		
Profit for the year before tax	(844,855,408)	(377,530,913)
Adjustments for:		
Finance costs	80,643,419	78,945,065
Interest income	(1,504,440)	(1,387,334)
Depreciation and amortisation expense	178,916,075	179,134,643
Loss/(Profit) on sale of Fixed Assets	(28,369)	-
Provision for Bad & doubtful debts/Advances	4,000,457	5,273,253
Provision written back	(2,421,236)	(3,404,707)
Dividend Income	(60,000)	(60,000)
Operating Profit/(Loss) before working capital changes	(585,309,501)	(119,029,993)
Movements in working capital:		
Trade receivables	22,233,249	15,168,793
Other assets	35,595,688	(6,767,607)
Inventories	296,742,850	(576,160,639)
Loans	248,300,004	74,732,331
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	434,110,619	408,195,132
Other current liabilities	(61,797,237)	47,661,717
Other financial liabilities	91,451,919	(7,177,516)
Provisions/other items	3,719,279	2,685,482
<b>Cash generated from operations</b>	<b>485,046,870</b>	<b>(160,692,300)</b>
Income tax paid	-	-
<b>Net cash generated by operating activities (A)</b>	<b>485,046,870</b>	<b>(160,692,300)</b>
<b>B. Cash flow from investing activities</b>		
Investment	-	-
Purchases of fixed assets( including WIP)	(20,992,955)	(9,963,060)
Interest received	1,504,440	1,387,334
Dividend received	60,000	60,000
Proceeds from Sales of Fixed Assets	724,891	-
Non Current assets held for sale	-	120,811,776
<b>Net cash generated by/(used in) investing activities (B)</b>	<b>(18,703,624)</b>	<b>112,296,050</b>
<b>C. Cash flow from financing activities (refer note 44)</b>		
Proceed /Repayment of term loan	(330,390,657)	174,064,778
Interest paid	(80,643,419)	(78,945,065)
<b>Net cash generated by/(used in) financing activities (C)</b>	<b>(411,034,076)</b>	<b>95,119,713</b>
<b>Net Increase/decrease in Cash and cash equivalents (A+B+C)</b>	<b>55,309,170</b>	<b>46,723,463</b>
Cash and cash equivalents at the beginning of the year	59,526,455	12,802,993
<b>Cash and cash equivalents at the end of year end</b>	<b>114,835,626</b>	<b>59,526,455</b>

In terms of our report of even date, attached

**Sd/-**  
**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Registration No 02465N

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

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

**Sd/-**  
**Vijay Kumar Modi**  
(Director)  
DIN : 00004606

**Sd/-**  
**(Simmi Jain)**  
Partner  
Membership No. : 086496

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

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

**Sd/-**  
**N.P. Bansal**  
(Director)  
DIN : 00010587

Place : New Delhi  
Date : 29th May 2018

**Sd/-**  
**A.K. Goel**  
(Chief Financial Officer)

**Sd/-**  
**Shobit Nehra**  
(Company Secretary)



## Statement of Changes in Equity for the year ended March 31st, 2018

(Amount in Rs.)

	Equity Share Capital	Other Equity			Total other Equity	Total Equity
		Capital reserve	Reserves & Surplus Surplus in Statement of profit and loss	Storage fund for molasses account	Item of Other Comprehensive Income Actuarial gain/(loss) on employee benefit plans through OCT	
As at 1st April 2016	476,940,175	1,092,240	1,088,005,794	-	-	1,089,098,034
Add : Profit for the year	-	-	(377,530,913)	-	-	(377,530,913)
Add : Transfer to / (from) storage fund for molasses	-	-	(184,236)	184,236	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	(2,688,346)	(2,688,346)
As at 31st March 2017	476,940,175	1,092,240	710,290,645	184,236	(2,688,346)	708,878,775
Add : Profit for the year	-	-	(844,855,408)	-	-	(844,855,408)
Add : Transfer to / (from) storage fund for molasses	-	-	(292,840)	-	-	(292,840)
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	871,587	871,587
As at 31st March 2018	476,940,175	1,092,240	(134,857,603)	184,236	(1,816,759)	(135,397,886)

In terms of our report of even date

For and on behalf of Board of Directors

**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Registration No 02465N

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

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

**Sd/-**  
**Vijay Kumar Modi**  
(Director)  
DIN : 00004606

**Sd/-**  
**(Simmi Jain)**  
Partner  
Membership No. : 086496

**Sd/-**  
**Rajeev Kumar Agarwal**  
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DIN: 00298252

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**J.C. Chawla**  
(Director)  
DIN : 05316202

**Sd/-**  
**N.P. Bansal**  
(Director)  
DIN : 00010587

**Place : New Delhi**  
**Date : 29th May 2018**

**Sd/-**  
**A.K. Goel**  
(Chief Financial Officer)

**Sd/-**  
**Shobit Nehra**  
(Company Secretary)



## NOTES TO THE FINANCIAL STATEMENT

### Note: 1. Company Overview

SBEC Sugar Limited ('the Company') is a Public Limited Company incorporated in India under the provisions of the Companies Act and its shares are listed on Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is situated at Village-Loyan, Malakpur, Baraut, District- Baghpat, 250611 (UP), and its principal place of business is at Malakpur, Baraut District- Baghpat, 250611 (UP), the Company is engaged in production of sugar, incorporated in the year 1991, the Company commenced its operations in 1990-2000 with capacities of 3125 TCD and increase to 8000 TCD.

### Note: 2. Significant Accounting Policy

#### 2.1 Basis of preparation of financial information

- a) The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Up to the year ended 31 March, 2017, the Company prepared its financial statements in accordance with the requirements of the Generally Accepted Accounting Principles in India ('Indian GAAP'), which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Refer Note 2.4 for the details of the first-time adoption exemptions availed by the Company.
- b) The financial statements have been prepared under the historical cost convention on accrual basis.
- c) First-time adoption of Indian Accounting Standards- Mandatory exemptions, optional exemptions:
- i) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company, with effect from 1 April 2017, has adopted Indian Accounting Standards (the 'Ind AS') notified under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amended) Rules, 2016 and other relevant provisions of the Act. The financial statements up to the Year ended 31st March, 2017 were prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act. (Referred to as 'Indian GAAP').
  - ii) These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April, 2017. The company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. The transition was carried out from accounting principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and description of the effects of the transition have been summarized in Note 37. The details of the first time adoption exemptions availed by the Company are given in Note 37.
  - iii) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 2.2 Historical Cost Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

- a) Defined benefit plan-plan assets measured at fair value.
- b) Certain financial assets and liabilities.

#### 2.3 Summary of Significant Accounting Policies

##### Current and non-current classification:

**The Group presents assets and liabilities in the balance sheet based on current/non-current classification.**

##### An asset is treated as current when it is:

- i) expected to be realized or intended to be sold or consumed in normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) expected to be realized within twelve months after the reporting period,
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or
- v) Carrying current portion of non-current financial assets. All other assets are classified as non-current.

##### A liability is current when:

- i) It is expected to be settled in normal operating cycle,
- ii) It is held primarily for the purpose of trading,
- iii) It is due to be settled within twelve months after the reporting period,
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, or
- v) It includes current portion of non-current financial liabilities.

##### All other liabilities are classified as non-current.

##### a) Inventory Valuation

- i) Finished Goods (Sugar): Sugar - at lower of cost or net realizable value.
- ii) Goods in Process - at cost
- iii) Raw material - at cost
- iv) Stores and spares - at cost (computed on FIFO basis)
- v) Molasses (By-product) is valued at net realizable value.
- vi) Provision for obsolescence and other anticipated losses are made on the stocks, whenever identified / considered necessary.

##### b) Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant





parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on DE recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

**c) Intangible assets**

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

**d) Depreciation**

Depreciation on Tangible fixed assets other than Land and Building, Plant & Machinery is charged on straight line method so as to write off the cost/carrying amount of assets. The useful life of assets as prescribed under Part C of Schedule II of the Companies Act 2013 and depreciation is charged on that are on the following basis:-

i) Depreciation on All Assets is charged at Straight Line Method basis in the manner as prescribed in Companies Act 2013 and rate as per prescribed useful life.

ii) Intangible assets are amortized over a period of 5 year on a straight line basis.

The management has estimated the useful life is different as below:

Assets	Useful Life (Years)
Plant & Machinery	25-32
Building	30-60

**e) Expenditure during Construction**

In respect of new projects, all expenses including interest incurred up to the date of commencement of commercial production are capitalized.

In respect of substantial expansion of business, at existing locations, only direct costs are capitalized together with interest on the funds relatable to them up to the date of commercial production.

**f) Impairment of Non- Financial Assets**

The carrying amount of any property, plant and equipment and intangible assets with finite lives are reviewed at each balance sheet date, if there is any indication of impairment based on internal / external factor. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount. At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**g) Recognition of Revenues & Expenses**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, including excise duty and excluding taxes or duties collected on behalf of the government (other than excise duty).

Revenue is recognized only if the following conditions are satisfied:-

The Company has transferred risks and rewards incidental to ownership to the customer; -

The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; -

It is probable that the economic benefit associated with the transaction will flow to the Company; and It can be reliably measured

and it is reasonable to expect ultimate collection

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

**h) Foreign Currency Transactions**

i) Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of the financial year are revalue at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the statement of profit and loss. However, in respect of long-term foreign currency monetary items taken prior to April 1, 2015 being the date of transition to Ind AS, the exchange difference relating to acquisition of capital assets, has been adjusted to the capital assets.

ii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

**i) Investments**

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

ii) Unquoted investments are stated at cost.



- iii) Current investments are valued at carrying value without any adjustment for increase/diminution, if any is accounted at the time of sale of such investments.
- j) **Borrowing Cost**  
Borrowing Cost attributable to the acquisition or construction of qualifying assets is capitalized as part of cost of that asset. Other borrowing costs are recognized as expense in the period in which they relate.
- k) **Employee Benefits**
  - i) **Provident Fund and ESI**  
The Company makes contribution to statutory Provident Fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948 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.
  - ii) **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.  
Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in Other Comprehensive Income. The effect of any plan amendments is recognized in net profits in the Statement of Profit and Loss.
  - iii) **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.
  - iv) **Leave Encashment**  
The Liability on account of un-availed earned leave at the yearend is fully provided for on actuarial valuation basis.
  - v) **Other Short Term Benefits**  
Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.
- l) **Leases**  
Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.  
If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.  
Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.
- m) **Financial instruments:**
  - i) **Financial assets**
    - A) **Initial recognition**  
The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognized when the group becomes a party to the contractual provisions of the instrument. Financial instruments are recognized initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through statement of profit and loss, which are initially measured at fair value, excluding transaction costs (which is recognized in statement of profit and loss).
    - B) **Subsequent measurement**
      - a) **Financial assets carried at amortized cost (AC)**  
A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
      - b) **Financial assets at fair value through other comprehensive income (FVTOCI)**  
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
      - c) **Financial assets at fair value through statement of profit and loss (FVTPL)**
        - Equity instruments**  
All equity investments in scope of Ind AS 109 are measured at fair value either as at FVTOCI or FVTPL. The Company makes such election on instrument-by-instrument basis. For equity instruments measured as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.
        - Investment in subsidiaries and associates**  
Investment in subsidiaries and associates are carried at cost.
    - d) **Impairment of financial assets**  
The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:



1. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
2. Financial assets that are debt instruments and are measured as at FVTOCI
3. Lease receivables
4. Trade receivables or any contractual right to receive cash or another financial asset
5. Loan commitments which are not measured as at FVTPL The Company follows 'simplified approach' for recognition of impairment loss allowance on: Trade receivables or contract revenue receivables; and all lease receivables. The application of simplified approach does not require the Company to track changes in credit risk rather; it recognizes impairment loss allowance based on 12 months ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ii) **Financial liabilities**

A) **Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in statement of profit and loss as finance cost.

B) **Subsequent measurement:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- a) **Loans and borrowings after initial recognition,** interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when liabilities are derecognized. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance cost in the statement of profit and loss.
- b) Compound financial instruments at the issue date the fair value of the liability component of a compound instrument is using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortized cost using the effective interest method until extinguished upon conversion or at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument. This is recognized in equity, net of income tax effects, and is not subsequently re-measured.

iii) **De-recognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

iv) **Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

v) **Derivative financial instruments**

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges which is recognized in Other Comprehensive Income and later to statement of profit or loss when the hedge item effects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

n) **Accounting for Taxation**

- (i) Provision for Current Tax is made on the basis of applicable Income Tax Act, 1961.
- (ii) Deferred Tax assets and liabilities are accounted for in accordance with IND AS-12.

o) **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.

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.

p) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, 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 the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

q) **Cash and Cash Equivalent**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at Bank, cash in hand and demand deposits with bank with an original maturity of three months or less than the date of acquisition.



r) **Cash Flow Statement**

Cash flow are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

s) **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

i) **Depreciation and useful lives of property, plant and equipment:**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

ii) **Recoverability of trade receivable:**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) **Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

iv) **Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

v) **Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi) **Fair value measurement of financial instruments:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**2.4 First Time IND AS adoption reconciliation:**

The Company has adopted Ind AS with effect from April 1, 2017 with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at April 1, 2016 ("transition date"). The financial statement prepared as per previous GAAP for the year ended March 31, 2017 has been restated to realign with the accounting policies and other accounting principles adopted for Ind AS.

**Exemptions from retrospective application:**

- i) Fair value as deemed cost exemption under the previous GAAP (erstwhile Indian GAAP), property, plant and equipment, were carried in the balance sheet at historical cost. The Company has elected to regard those values of property as deemed cost as at transition date except for Land and Building and Plant & Machinery which are stated at fair value as on the date of transition to Ind AS.
- ii) Investments in subsidiaries and associate The Company has elected to measure investment in subsidiaries and associate at cost.
- iii) Estimates exception upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise the estimates under Ind-AS except where estimates were required by Ind AS and not required by Indian GAAP.
- iv) De-recognition of financial assets and liabilities exception financial assets and liabilities derecognized before transition date are not re-recognized under Ind AS.
  - a) Under previous GAAP, actuarial gains and losses were recognized in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognized in other comprehensive income. Consequently, the tax effect of the same has also been recognized in other comprehensive income under Ind AS instead of profit or loss.
  - b) Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of statement of profit and loss as part of expenses. There is no impact on the total equity and profit.
  - c) Under Previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expenses, gains, or losses are required to be presented in other comprehensive income.

Notes to Financial Statements for the Year Ended on 31<sup>st</sup> March, 2018

## NOTE - 3 : PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs.)

Particulars	GROSS BLOCK										
	Land		Buildings	Lease Hold Improvements	Plant & Machinery	Office Equip-ment	Computer Equipment	FACTORY APPROACH ROAD	Furniture & Fixtures	Vehicles	Total
	Freehold	Leasehold									
As at 1st April 2016	167,198,000	432,274,674	313,861,280	84,740	2,581,040,499	3,484,410	8,291,422	24,432,136	6,771,135	11,612,552	3,549,050,847
Additions	-	-	-	-	11,065,253	199,930	967,925	-	16,000	-	12,249,108
As at 31st March 2017	167,198,000	432,274,674	313,861,280	84,740	2,592,105,751	3,684,340	9,259,347	24,432,136	6,787,135	11,612,552	3,561,299,955
Additions	-	-	-	-	16,661,146	517,633	1,455,716	-	310,292	-	18,944,787
Disposals	-	-	-	-	-	-	-	-	-	5,134,802	5,134,802
As at 31st March 2018	167,198,000	432,274,674	313,861,280	84,740	2,608,766,897	4,201,973	10,715,063	24,432,136	7,097,427	6,477,750	3,575,109,940
Particulars	DEPRECIATION										
	Land		Buildings	Lease Hold Improvements	Plant & Machinery	Office Equipment	Computer Equipment	FACTORY APPROACH ROAD	Furniture & Fixtures	Vehicles	Total
	Freehold	Leasehold									
As at 1st April 2016	-	1,090,879	51,358,758	84,740	684,877,412	2,852,586	7,774,840	24,432,136	6,033,398	7,787,384	786,292,133
Charged for the year	-	27,336,297	13,417,375	-	136,063,187	188,820	359,702	-	227,058	1,431,420	179,023,859
As at 31st March 2017	-	28,427,176	64,776,133	84,740	820,940,599	3,041,406	8,134,542	24,432,136	6,260,456	9,218,804	965,315,992
Charged for the year	-	27,320,372	13,417,375	-	136,520,026	222,232	465,861	-	130,441	739,935	178,816,241
Disposals	-	-	-	-	-	-	-	-	-	4,438,280	4,438,280
As at 31st March 2018	-	55,747,548	78,193,508	84,740	957,460,625	3,263,638	8,600,403	24,432,136	6,390,897	5,520,459	1,139,693,953
NET BLOCK											
As at 1st April 2016	167,198,000	431,183,795	262,502,522	-	1,896,163,087	631,824	516,582	-	737,737	3,825,168	2,762,758,714
As at 31st March 2017	167,198,000	403,847,498	249,085,147	-	1,771,165,152	642,934	1,124,805	-	526,679	2,393,748	2,595,983,963
As at 31st, March 2018	167,198,000	376,527,126	235,667,772	-	1,651,306,273	938,335	2,114,660	-	706,530	957,291	2,435,415,987

1. Freehold Land includes land aggregating Rs. 1.58 lacs in the name of SBEC Systems(India) Limited as nominee.

2. Factory approach Road, represent expenditure incurred by the company on roads outside factory premises and are written off over a period of five years.

## Note : 3 (a) INTANGIBLE ASSETS

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
<b>Gross Block</b>			
Opening	1,991,583	1,937,583	1,937,583
Additions	-	54,000	-
Disposals	-	-	-
Closing	1,991,583	1,991,583	1,937,583
<b>Depreciation</b>			
Opening	1,567,094	1,456,310	1,456,310
Charge for the year	99,834	110,784	-
Disposals	-	-	-
Closing	1,666,928	1,567,094	1,456,310
<b>Net Block</b>	<b>324,655</b>	<b>424,489</b>	<b>481,273</b>

## Note : 3 (b) CAPITAL WORK - IN - PROGRESS

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Plant and machinery under erection	996,291	3,336,339	3,336,339
Additions	2,048,168	-	-
Disposals	-	2,340,048	-
<b>Total</b>	<b>3,044,459</b>	<b>996,291</b>	<b>3,336,339</b>



## Notes to Financial Statements for the Year Ended on 31<sup>st</sup> March, 2018

### NOTE:4 INVESTMENTS

(Amount in Rs.)

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
<b>Investment in Susidiary Companies</b>						
1,26,50,000 Equity Shares of Rs.10/-each in SBEC Bioenergy Ltd.						
(P.Y. 1,26,50,000 Equity Shares of Rs.10/-each )*	126,582,500	-	126,582,500	-	126,582,500	-
45,50,,000 Equity Shares of Rs.10/-each in SBEC Stockholding & Investment Ltd.(P.Y. 45,50,000 Equity Shares of Rs.10 each)	45,500,000	-	45,500,000	-	45,500,000	-
<b>Other Investments:</b>						
20,000 Equity Shares of Rs.25/-each in The SVC Bank Ltd (P.Y. 20,000 Equity Shares of Rs.25 each)	500,000	-	500,000	-	500,000	-
30 Equity Shares of Rs.10/-each in Modi Casings and Packaging Pvt Ltd.#(P.Y.30 Equity Shares of Rs.10 each)	300	-	300	-	300	-
Less: Provision made for diminution in value of investment**	285	-	285	-	285	-
<b>Sub Total</b>	15		15		15	
<b>Total</b>	172,582,515	-	172,582,515	-	172,582,515	-

\*Including Rs.82500/-Share Transfer Fee

\*\*Provision for diminution in value of investments .

Aggregate amount of unquoted investments	172,582,515		172,582,515		172,582,515	-
Aggregate provision for diminution in value of investments	-		-		-	-
Aggregate provision for diminution in value of investments	285.00		285		285	-

# The Company ceases to be subsidiary w.e.f.30.09.2014

### NOTE :5 OTHER ASSETS

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
- Unsecured, considered good						
Advances recoverable in cash or kind or for value to be received	-	3,070,582	-	24,062,450	-	6,300,143
Security deposits	262,142	-	262,142	-	261,142	-
-Prepaid Expenses	-	837,240	-	2,398,656	-	1,549,210
Balances with statutory authorities	-	11,707,009	-	21,520,198	-	31,481,006
-Direct tax Recoverable	452,105	-	304,726	-	298,497	-
<b>Total</b>	714,247	15,614,831	566,868	47,981,304	559,639	39,330,359

### NOTE: 6 INVENTORIES

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Raw Materials			
Stores & Spares	64,968,603	56,761,287	54,028,862
Work - in - progress	24,281,746	44,127,642	22,438,822
Finished goods	706,456,273	897,557,812	387,873,762
Others	25,648,516	119,651,247	77,595,903
<b>Total</b>	821,355,138	1,118,097,988	541,937,349

### NOTE: 7 TRADE RECEIVABLES

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Exceeding 6 months from payment due date</b>			
- Unsecured, considered good	6,297,396	28,313,257	14,318,066
- Unsecured, considered Doubtful	9,464,110	5,463,653	190,400
- Allowance for bad & doubtful debts	(9,464,110)	(5,463,653)	(190,400)
	6,297,396	28,313,257	14,318,066
<b>Less than 6 months</b>			
- Unsecured, considered good from related party	-	-	-
- Unsecured, considered good	99,438,822	103,656,667	132,820,651
	99,438,822	103,656,667	132,820,651
<b>Total</b>	105,736,218	131,969,924	147,138,717




**Notes to Financial Statements for the Year Ended on 31<sup>st</sup> March, 2018**
**NOTE: 8 CASH & CASH EQUIVALENTS**

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balances with banks			
- in Current Accounts	114,013,654	59,474,030	12,271,009
Cheques, drafts on hand	-	-	-
Cash on hand	821,973	52,426	531,984
<b>Total</b>	<b>114,835,627</b>	<b>59,526,456</b>	<b>12,802,993</b>

**NOTE: 9 LOANS**

Particulars	Current As at 31.03.2018	Current As at 31.03.2017	Current As at 01.04.2016
<b>Security Deposits</b>			
- Unsecured, considered good	-	-	-
<b>Loans to related parties</b>			
SBEC Stockholding & Investment Ltd.	230,050,000	230,050,000	230,050,000
SBEC Bio Energy Ltd.	153,459,567	228,009,616	236,434,890
Recoverable Against Debt Assignment	830,000,000	830,000,000	830,000,000
Promoter Company-SBEC Systems (India) Limited	12,837,523	12,837,523	12,837,523
Advance to Vendors	17,540,257	191,290,211	40,886,576
Amount Recoverable	-	-	216,710,693
<b>Total</b>	<b>1,243,887,346</b>	<b>1,492,187,350</b>	<b>1,566,919,682</b>

**NOTE: 10 OTHER BANK BALANCES**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Margin Money	173,043	3,662,345	5,663,912
Balance with Govt dept.	-	-	-
Fixed Deposit	1,753,308	1,640,601	1,529,601
<b>Total</b>	<b>1,926,351</b>	<b>5,302,946</b>	<b>7,193,513</b>

**NOTE:11 NON-CURRENT ASSETS HELD FOR SALES**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Fixed Assets Held for disposal	-	-	120,811,776
<b>Total</b>	<b>-</b>	<b>-</b>	<b>120,811,776</b>

**NOTE 12 : SHARE CAPITAL**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Authorised Share Capital:</b>			
100,000,000 (Previous Year 100,000,000) Equity Shares of Rs.10/- each.	1,000,000,000	1,000,000,000	1,000,000,000
<b>Issued, Subscribed Capital :</b>			
47,814,430 (Previous Year 47,814,430) Equity Shares of Rs.10/- each.	478,144,300	478,144,300	478,144,300
<b>Paid Up Capital :</b>			
47,653,880 (Previous Year 47,653,880) Equity Shares of Rs.10/- each.	476,538,800	476,538,800	476,538,800
Share Forfeiture Account	401,375	401,375	401,375
<b>TOTAL</b>	<b>476,940,175</b>	<b>476,940,175</b>	<b>476,940,175</b>

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

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

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





## Notes to Financial Statements for the Year Ended on 31<sup>st</sup> March, 2018

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

(Amount in Rs.)

Name of the Shareholder	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
	No. of Shares Held	% age of Holding	No. of Shares held	% age of Holding	No. of shares Held	% age of Holding
1 M/s SBEC Systems (India) Ltd.	14,230,884	29.86%	14,230,884	29.86%	14,230,884	29.86%
2 M/s Moderate Leasing & Capital Services Ltd	9,065,568	19.02%	9,065,568	19.02%	9,065,568	19.02%
3 M/s Abhikum Leasing and Investment Pvt. Ltd.	5,531,994	11.80%	5,531,994	11.80%	5,531,994	11.80%
4 M/s A to Z Holding Pvt. Ltd.	3,382,500	7.10%	3,382,500	7.10%	3,382,500	7.10%
5 M/s Longwell Investments Pvt. Ltd.	2,721,500	5.71%	2,721,500	5.71%	2,721,500	5.71%
<b>c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>	At the					
beginning of the year	47,653,880	476,538,800	47,653,880	476,538,800	47,653,880	476,538,800
Add: Shares Issued during the year	-	-	-	-	-	-
Less: Bought back during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>47,653,880</b>	<b>476,538,800</b>	<b>47,653,880</b>	<b>476,538,800</b>	<b>47,653,880</b>	<b>476,538,800</b>

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

### NOTE 13 : OTHER EQUITY

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Margin Money			
Surplus / (Deficit)			
Balance as per last financial statement	707,602,299	1,088,005,794	-
Balance in Statement of Profit & Loss	(844,855,408)	(377,530,913)	-
Add: Amortisation of Loan	-	-	-
Less: Transfer to Reserves	(292,840)	184,236	-
Add: Remeasurement of defined benefit obligation (net of tax)	871,587	(2,688,346)	-
Closing balance	(136,674,362)	707,602,299	1,088,005,79
Capital Reserve			
Balance as per last financial statement	4,916,625	4,916,625	-
Closing balance	4,916,625	4,916,625	4,916,625
Other Reserve	-	-	-
Molasses Storage Fund			
Balance as per last financial statement	1,276,476	1,092,240	-
Add: Additions during the year	292,840	184,236	-
Closing balance	1,569,316	1,276,476	1,092,240
<b>TOTAL</b>	<b>(130,188,421)</b>	<b>713,795,400</b>	<b>1,094,014,659</b>

### NOTE: 14 BORROWINGS

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
<b>Term Loan /Unsecured Loans</b>						
- Secured						
From Banks	-	-	-	-	10,980,306	-
- Unsecured						
Deposits from Selling Agents	10,851,002	-	367,669,035	-	8,657,945	-
Inter Corporate Deposit	-	85,955,616	-	59,528,240	-	233,494,246
<b>Total</b>	<b>10,851,002</b>	<b>85,955,616</b>	<b>367,669,035</b>	<b>59,528,240</b>	<b>19,638,251</b>	<b>233,494,246</b>


**Notes to Financial Statements for the Year Ended on 31<sup>st</sup> March, 2018**
**NOTE: 15 PROVISIONS**

(Amount in Rs.)

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
<b>Provision for employee benefits</b>						
- Gratuity	22,197,219	2,337,359	19,901,075	1,866,422	15,562,801	1,502,464
- Leave Encashment	2,590,860	1,280,092	2,501,440	1,288,901	2,924,422	194,323
<b>Total</b>	<b>24,788,079</b>	<b>3,617,451</b>	<b>22,402,515</b>	<b>3,155,323</b>	<b>18,487,223</b>	<b>1,696,787</b>

**NOTE: 16 OTHER LIABILITIES**

(Amount in Rs.)

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
Security Deposits	1,226,200	-	1,256,200	-	1,426,200	-
Statutory Payables	-	35,234,704	-	97,467,121	-	48,582,053
Retention money	-	2,351,086	-	1,885,906	-	2,939,257
<b>Total</b>	<b>1,226,200</b>	<b>37,585,790</b>	<b>1,256,200</b>	<b>99,353,027</b>	<b>1,426,200</b>	<b>51,521,310</b>

**NOTE:17 TRADE PAYABLE**

(Amount in Rs.)

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
Due to parties registered under MSMED Act (refer note no. 33)	-	-	-	177,000.00	-	-
Due to other parties	-	4,227,131,851	-	3,795,265,468	-	3,385,378,790
Due to related parties	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>4,227,131,851</b>	<b>-</b>	<b>3,795,442,468</b>	<b>-</b>	<b>3,385,378,790</b>

**NOTE:18 OTHER FINANCIAL LIABILITIES**

(Amount in Rs.)

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
Security Deposits ( Retention Money)	-	-	-	-	-	-
Current maturities of long term debt	-	-	-	10,632,429	-	24,057,854
Employees related dues	-	17,317,427	-	17,050,966	-	14,838,212
Advance from Customer	-	130,275,149	-	17,815,718	-	6,111,322
Other Liabilities for Expenses	-	4,237,056	-	4,397,999	-	3,391,693
Other Payables	-	25,700,000	-	36,180,601	-	44,856,148
<b>Total</b>	<b>-</b>	<b>177,529,632</b>	<b>-</b>	<b>86,077,713</b>	<b>-</b>	<b>93,255,229</b>

**NOTE: 19 REVENUE FROM OPERATIONS**

(Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A. Sale of Goods	4,690,376,458	2,961,176,620
Gross Sales		
Less:Excise Duty	-	-
Net Sales	4,690,376,458	2,961,176,620
C.Other Operating Revenue	45,786	34,812,784
<b>Total</b>	<b>4,690,422,244</b>	<b>2,995,989,404</b>

**Notes to Financial Statements for the Year Ended on 31<sup>st</sup> March, 2018**
**NOTE: 20 OTHER INCOME**

(Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest income	1,504,440	1,387,334
Provision written back	2,434,121	94,496
Dividend	60,000	60,000
Net Gain on sale of fixed assets	28,369	-
Misc. Income	1,025,439	570,344
<b>Total</b>	<b>5,052,369</b>	<b>2,112,174</b>


**NOTE: 21 COST OF MATERIALS CONSUMED**

(Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Raw materials consumed	4,472,159,108	3,091,894,909
<b>Total</b>	<b>4,472,159,108</b>	<b>3,091,894,909</b>

**NOTE: 22 CHANGED IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Inventories at the end of the year		
Finished Goods	717,385,852	1,010,707,129
Work-in-progress	24,281,746	44,127,642
Stock in trade	-	-
<b>Sub Total</b>	<b>741,667,597</b>	<b>1,054,834,771</b>
Inventory at the beginning of the year		
Finished Goods	1,010,707,129	462,486,885
Work-in-progress	44,127,642	22,438,822
<b>Sub Total</b>	<b>1,054,834,771</b>	<b>484,925,707</b>
<b>Total</b>	<b>313,167,174</b>	<b>(569,909,064)</b>

**NOTE: 23 EMPLOYEE BENEFIT EXPENSES**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salary & Wages & Bonus	117,485,055	96,880,926
Contribution to provident & other funds	8,134,057	7,345,504
Workman and staff welfare	4,332,733	4,135,400
<b>Total</b>	<b>129,951,845</b>	<b>108,361,830</b>

**NOTE: 24 FINANCE COSTS**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest Expense	78,874,154	77,414,844
Interest Impact on Gratuity	1,604,265	1,365,221
Interest on amortisation of Loans	165,000	165,000
<b>Total</b>	<b>80,643,419</b>	<b>78,945,065</b>

**NOTE:25 DEPRECIATION AND AMORTIZATION EXPENSES**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Depreciation of tangible assets	178,816,241	179,023,859
Amortization of intangible assets	99,834	110,784
<b>Total</b>	<b>178,916,075</b>	<b>179,134,643</b>

**NOTE:26 OTHER EXPENSES**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Consumption of stores & spare parts	123,304,198	86,387,627
Power & fuel	110,121	172,058
Material Handling Expenses	16,071,798	9,436,169
Repairs & maintenance		
-Plant & Machinery	110,835,913	91,251,349
-Building	11,633,101	19,055,204
-Others	5,214,367	4,443,910
Insurance (Net)	(402,860)	489,640
Rent	729,091	297,000
Rates & Taxes	3,041,968	2,808,760
Legal & Professional Charges	12,180,493	7,536,636
Telephone,Postage & Telegram	814,672	1,018,588
Travelling & Conveyance	9,016,103	5,856,650
Director's Sitting Fee	51,000	30,000
Auditor's Remuneration		
-As Audit Fee	225,000	225,000
-Certification & Company Law	100,000	15,424
-Expenses Reimbursement	17,258	12,350
Prior Period Adjustments	665,332	2,058,346
Freight & Forwarding	1,830,914	2,042,781



Commission to selling agents	13,764,944	12,404,651
Other selling expenses	1,123,953	861,816
Excise duty on Increase/(Decrease) in stock	25,954,683	197,299,482
Other expenses	6,052,310	31,480,679
Provision for Bad & doubtful debts/Advances	4,000,457	5,273,253
Security Guard Expenses	6,318,466	4,769,974
Job Work Expenses	10,274,818	-
Vehicle Expenses	2,564,299	1,977,761
<b>Total</b>	<b>365,492,399</b>	<b>487,205,108</b>

**NOTE:27 EARNINGS PER SHARE**

Net profit/ (loss) as per Statement of Profit & Loss (for calculation of basic EPS)	(844,855,408)	(377,530,913)
Weighted average number of equity shares in calculating basic EPS	47,653,880	47,653,880
Basic earning per share	(17.73)	(7.92)
Diluted earning per share	(17.73)	(7.92)

**NOTE 28: Contingent Liabilities**

Claims against the Company not acknowledged as debts are as under:

(Rs in Lakhs)

S.No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
i)	Corporate Guarantee given to Government of Jharkhand against Soft loan (incl. interest) given to Bihar Sponge Iron Ltd.	8,596.63	7,959.84	7,353.65
ii)	Outstanding against Guarantee given on behalf of SBEC Bio-energy Ltd.	-	500.00	1,100.00
iii)	Duties and Tax liabilities disputed by the Company	313.78	1,825.81	1,774.07
iv)	Interest and R C Charges on cane arrear payment as recovered by DCO, Baghpat, case is pending with Allahabad High Court.	-	-	35.99

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

**Note 29 : Commitment****29.1 Capital Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (P.Y. Nil)

**29.2 : Other Commitments: Rs. Nil (P.Y. Nil)****Note 30: Employee Benefits**

The disclosure of 'Employee Benefits' as defined in IND AS-19 is as under:

**Expenses recognized in the statement of Profit & Loss****i) Defined Contribution Plan**

(Amount in Rs.)

Particulars	Current Year	Previous Year
Employer's Contribution to Provident Fund	7,356,479/-	6,595,201/-

**ii) Defined Benefits Plans**

Particulars	Gratuity Unfunded		Leave Unfunded		Encashment
	C. Yr.	P. Yr.	C. Yr.	P. Yr.	
Current service cost	2,391,451	2,278,358	230,330	242,075	
Interest cost	1,604,265	1,365,221	197,492	155,128	
Expected Return on Plan Assets	-	-	-	-	
Net Actuarial (gain)/loss	-	-	(329,983)	458,378	
Past service cost	-	-	-	-	
Re-measurements recognized in OCI (Gain)/Loss	-	-	-	-	
Comprehensive Income on Gratuity	871,587	(26,88346)	-	-	
Expenses recognized in the statement of Profit & Loss	(2,391,451)	(2,278,358)	(97,839)	(855,581)	
Interest Impact on Gratuity	(1,604,265)	(1,365,221)	-	-	



**(a) The assumptions used to determine the benefit obligations:**

	Gratuity		Leave	Encashment
	C. Yr.	P. Yr.	C. Yr	P. Yr.
Discount Rate	7.73%	7.37%	7.73%	7.37%
Expected Rate of increase in Compensation Levels	5.50%	5.50%	5.50%	5.50%
Expected Rate of Return on Plan Assets	NA	NA	NA	NA
Expected Average remaining working lives of employees (years)	12.71 years	13.33 years	12.71 years	13.33 years

**(b) Reconciliation of Opening and Closing balances of benefit obligations:**

	Gratuity Unfunded		Leave Encashment Unfunded	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Benefit obligation at beginning of the year	21,767,497	17,065,265	2,679,672	1,939,105
Current service cost	2,391,451	2,278,358	230,330	242,075
Interest Cost	1,604,265	1,365,221	197,492	155,128
Benefits paid	(357,048)	(1,629,693)	(4,295)	(115,014)
Past service cost Curtailment Gains/Losses	-	-	-	-
Contribution by plan participants	-	-	-	-
Re-measurements Recognized in OCI (gain)/ loss	-	-	-	-
Actuarial (gain)/ loss	(871,587)	2,688,346	(329,983)	458,378
Projected benefit obligation at end of the year	-	-	-	-
Net amount recognized in the balance sheet as at the end of the year	24,534,578	21,767,497	2,773,216	2,679,672

**(c) There is no plan asset at the beginning and at the closing of the year.**

**Note 31: RELATED PARTY DISCLOSURE**

**Name of Related Parties where control exists and with whom transactions have taken place during the year:**

S.No.	Name of Related Party	Nature of Relationship
<b>A</b>	<b>(i) A person or a close member of that person's family of a reporting entity has control or joint control over the reporting entity</b>	
1	Umesh Kumar Modi	Promoters having voting control
2	Kumkum Modi	Promoters having voting control
3	Jayesh Modi	Promoters having voting control
4	Abhishek Modi	
	<b>(ii) A person or a close member of that person's family of a reporting entity is a member of the Key Management Personnel of the reporting entity or of a parent of the reporting entity.</b>	
1	Abhishek Modi	Executive Director & CEO
2	Raj Kumar Sharma	Manager
3	Anil Kumar Goel	Chief Financial Officer (appointed w.e.f. 01-11-2017)
4	Lakhmi Chand Sharma	Chief Financial Officer (resigned w.e.f. 31-10-2017)
5	Shobit Nehra	Company Secretary
<b>B</b>	<b>(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)</b>	
1	SBEC Stockholding & Investment Limited	Wholly Owned Subsidiary
2	SBEC Bioenergy Limited	Subsidiary
	<b>(ii) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity</b>	
	SBEC Sugar EPF Trust	Trust
<b>(iii) (a)</b>	<b>The entity is controlled or jointly controlled by a person identified in (a).</b>	
<b>(iii) (b)</b>	<b>A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</b>	
1	A to Z holdings Pvt. Limited	Directorship and Shareholding along with relatives in the Company.
2	Bihar Sponge Iron Limited	
3	Jai Abhishek Investments Pvt. Ltd.	
4	Longwell Investment Pvt. Ltd.	



- 5 Modi Goods and Retail Services Pvt. Ltd.
- 6 Modi Hitech India Limited
- 7 Modi Ilva India Pvt. Ltd.
- 8 Modi Industries Limited
- 9 Modi – Mundipharma Healthcare Pvt. Ltd.
- 10 Modi-Mundipharma Beauty Products Private Limited
- 11 Modi-Mundipharma Pvt. Ltd.
- 12 SBEC Bioenergy Ltd
- 13 SBEC Stockholding & Investment Limited
- 14 SBEC Systems (India) Ltd.
- 15 Umesh Modi Corp Pvt. Ltd
- 16 Win-Medicare Private Limited
- 17 Modi-Senator (India) Pvt. Ltd.
- 18 Abhikum Leasing & Investments Pvt. Ltd.
- 19 ABC Holding Pvt. Ltd
- 20 Kumabhi Investments Pvt. Ltd
- 21 Meghkum Leasing & Investment Pvt. Ltd.
- 22 Trimium Advisors Private Limited
- 23 Jayesh Tradex Pvt. Ltd.
- 24 M First Trading Pvt. Ltd.
- 25 MeghnaAutoworks Pvt. Ltd
- 26 MG Mobiles India Pvt. Ltd
- 27 Modi Arts Pvt. Ltd
- 28 Modi Diagnostics Pvt. Ltd
- 29 Modi Motors Pvt. Ltd.
- 30 PHD Chamber of Commerce and Industry
- 31 GO Mobile Trading Pvt. Ltd
- 32 H.M. Tubes & Containers Pvt. Ltd
- 33 Swasth Investment Private Limited

(iv) Reporting entity being an associate of the other entity

- 1 SBEC SYSTEMS (India) Limited Associate Company

(B) Details of transactions with related parties

Transactions		Other related parties	Key Management Personnel	Total
<b>i. Sitting Fees paid to :</b>				
Umesh Kumar Modi	31-Mar-18	4,000	-	4,000
	31-Mar-17	2,000	-	2,000
Kumkum Modi	31-Mar-18	1,000	-	1,000
	31-Mar-17	1,000	-	1,000
Jayesh Modi	31-Mar-18	1,000	-	1,000
	31-Mar-17	1,000	-	1,000
<b>Total F.Y. 2017-18</b>		<b>6,000</b>	<b>-</b>	<b>6,000</b>
<b>Total F.Y. 2016-17</b>		<b>4,000</b>	<b>-</b>	<b>4,000</b>
<b>ii. Remuneration paid to :</b>				
<b>Nandani Modi</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-18	1,377,803	-	1,377,803
	31-Mar-17	1,954,594	-	1,954,594
-Contribution to PF and superannuation	31-Mar-18	117,800	-	117,800
	31-Mar-17	223,417	-	223,417
<b>Company Secretary</b>				
-Salary and Allowances (Including Perquisites)	-	-	-	-
	31-Mar-18	-	774,507	774,507
-Contribution to PF and superannuation	31-Mar-17	-	602,526	602,526
	31-Mar-18	-	39,334	39,334
-Contribution to PF and superannuation	31-Mar-17	-	30,643	30,643
	31-Mar-18	-	-	-



**Chief Financial Officer**

-Salary and Allowances (Including Perquisites)	31-Mar-18	-	1,081,625	1,081,625
	31-Mar-17	-	-	-
-Contribution to PF and superannuation	31-Mar-18	-	94,050	94,050
	31-Mar-17	-	-	-

**Ex-Chief Financial Officer**

-Salary and Allowances (Including Perquisites)	31-Mar-18	-	4,86,363	4,86,363
	31-Mar-17	-	747,734	747,734
-Contribution to PF and superannuation	31-Mar-18	-	29226	29226

**Manager**

-Salary and Allowances (Including Perquisites)	31-Mar-18	-	1309,976	1309976
	31-Mar-17	-	-	-
-Contribution to PF and superannuation	31-Mar-18	-	65,022	65,022
	31-Mar-17	-	-	-

<b>Total F.Y. 2017-18</b>	<b>1,495,603</b>	<b>3,880,103</b>	<b>5,775,706</b>
<b>Total F.Y. 2016-17</b>	<b>2,178,011</b>	<b>1,430,979</b>	<b>3,608,990</b>

**iii. Job Work Charges Paid**

SBEC Bio-Energy Ltd	31-Mar-18	12,124,286	-	12,124,286
	31-Mar-17	-	-	-

<b>Total F.Y. 2017-18</b>	<b>12,124,286</b>	<b>-</b>	<b>12,124,286</b>
<b>Total F.Y. 2016-17</b>	<b>-</b>	<b>-</b>	<b>-</b>

**iv. Reimbursement of expenses paid to :**

Win Medicare Pvt. Ltd.	31-Mar-18	5,321	-	5,321
	31-Mar-17	14,815	-	14,815
Modi Illva India Pvt. Ltd.	31-Mar-18	7,301	-	7,301
	31-Mar-17	-	-	-

<b>Total F.Y. 2017-18</b>	<b>12,622</b>	<b>-</b>	<b>12,622</b>
<b>Total F.Y. 2016-17</b>	<b>14,815</b>	<b>-</b>	<b>14,815</b>

**v. Purchase of materials/Paid for Exp.**

Modiline Travels Service Pvt. Ltd.	31-Mar-18	1,630,634	-	1,630,634
	31-Mar-17	545,269	-	545,269
Modihitech India Ltd.	31-Mar-18	1,075,129	-	1,075,129
	31-Mar-17	1,083,563	-	1,083,563
Modi Industries Ltd (Sugar section)	31-Mar-18	198,132	-	198,132
	31-Mar-17	59,735,983	-	59,735,983
Jayesh Tradex Pvt. Ltd.	31-Mar-18	6,450,731	-	6,450,731
	31-Mar-17	17,589,997	-	17,589,997
MM Printers Devision of Modi Motors	31-Mar-18	56,891	-	56,891
	31-Mar-17	59,442	-	59,442
Modi Mudupharma Beauty product Pvt. Ltd.	31-Mar-18	-	-	-
	31-Mar-17	11,007	-	11,007

<b>Total F.Y. 2017-18</b>	<b>9,411,517</b>	<b>-</b>	<b>9,411,517</b>
<b>Total F.Y. 2016-17</b>	<b>79,014,254</b>	<b>-</b>	<b>79,014,254</b>

**vi. Sales of Materials**

GS Pharmbutors Pvt. Ltd.	31-Mar-18	218,412,779	-	218,412,779
	31-Mar-17	-	-	-
Modi Industries Ltd (Sugar section)	31-Mar-18	168,430	-	168,430
	31-Mar-17	8,968,074	-	8,968,074

<b>Total F.Y. 2017-18</b>	<b>218,581,209</b>	<b>-</b>	<b>218,581,209</b>
<b>Total F.Y. 2016-17</b>	<b>8,968,074</b>	<b>-</b>	<b>8,968,074</b>

**vii. Commission paid to**

Modi Industries Ltd (Sugar section)	31-Mar-18	-	-	-
	31-Mar-17	1,265,546	-	1,265,546





<b>Total F.Y. 2017-18</b>		-	-	-
<b>Total F.Y. 2016-17</b>		<b>1,265,546</b>	-	<b>1,265,546</b>
<b>viii. Interest paid</b>				
Arvind Contenental Pvt. Ltd.	31-Mar-18	1,530,000		1,530,000
	31-Mar-17	1,530,000		1,530,000
Mahabir Export & Import Co. Ltd.	31-Mar-18	2,700,000		2,700,000
	31-Mar-17	2,700,000		2,700,000
Longwell Investment Pvt. Ltd.	31-Mar-18	6,480,448		6,480,448
	31-Mar-17	5,585,678		5,585,678
GS Pharmbutors Pvt. Ltd.	31-Mar-18	28,483,889		28,483,889
	31-Mar-17	-		-
<b>Total F.Y. 2017-18</b>		<b>39,194,337</b>	-	<b>39,194,337</b>
<b>Total F.Y. 2016-17</b>		<b>9,815,678</b>	-	<b>9,815,678</b>
<b>ix. Amount Received against Loan</b>				
SBEC Bio-Energy Ltd.	31-Mar-18	52,614,000	-	52,614,000
	31-Mar-17	7,445,000	-	7,445,000
<b>Total F.Y. 2017-18</b>		<b>52,614,000</b>	-	<b>52,614,000</b>
<b>Total F.Y. 2016-17</b>		<b>7,445,000</b>	-	<b>7,445,000</b>
<b>x. Amount Paid against Loan</b>				
GS Pharmbutors Pvt. Ltd.	31-Mar-18	315,013,320	-	315,013,320
	31-Mar-17	-	-	-
<b>Total F.Y. 2017-18</b>		<b>315,013,320</b>	-	<b>315,013,320</b>
<b>Total F.Y. 2016-17</b>		-	-	-
<b>xi. Outstanding " Receivables"</b>				
SBEC stockholding & Investment Ltd.	31-Mar-18	230,050,000	-	230,050,000
	31-Mar-17	230,050,000	-	230,050,000
	1-Apr-16	230,050,000	-	230,050,000
SBEC Bio-Energy Ltd.	31-Mar-18	983,459,567	-	983,459,567
	31-Mar-17	1,058,009,616	-	1,058,009,616
	1-Apr-16	1,066,434,890	-	1,066,434,890
Modi Industries Ltd (Sugar section)	31-Mar-18	61,802,616	-	61,802,616
	31-Mar-17	59,868,135	-	59,868,135
	1-Apr-16	(22,046,436)	-	(22,046,436)
Win Medicare Pvt. Ltd.	31-Mar-18	268,058	-	268,058
	31-Mar-17	273,379	-	273,379
	1-Apr-16	200,379	-	200,379
SBEC System (I) Ltd.	31-Mar-18	12,837,523	-	12,837,523
	31-Mar-17	12,837,523	-	12,837,523
	1-Apr-16	12,837,523	-	12,837,523
Modi Illava India Pvt. Ltd.	31-Mar-18	3,045	-	3,045
	31-Mar-17	680,027	-	680,027
	1-Apr-16	680,027	-	680,027
Daya Charitable Trust	31-Mar-18	-	-	-
	31-Mar-17	1,240	-	1,240
	1-Apr-16	1,240	-	1,240
Ex-Chief Financial Officer	31-Mar-18	-	-	-
	31-Mar-17	-	73,905	73,905
	1-Apr-16	-	187,873	187,873
<b>Total F.Y. 2017-18</b>		<b>1,288,420,809</b>	-	<b>1,288,420,809</b>
<b>Total F.Y. 2016-17</b>		<b>1,361,719,920</b>	<b>73,905</b>	<b>1,361,793,825</b>
<b>Total F.Y. 2015-16</b>		<b>1,288,157,623</b>	<b>187,873</b>	<b>1,288,345,496</b>
<b>xii. Outstanding " Payables"</b>				
Modiline Travels Service Pvt. Ltd.	31-Mar-18	173,716	-	173,716
	31-Mar-17	54,485	-	54,485
	1-Apr-16	(22,940)	-	(22,940)
Company Secretary	31-Mar-18	-	54,753	54,753
	31-Mar-17	-	36,057	36,057
	1-Apr-16	-	23,000	23,000
Chief Financial Officer	31-Mar-18	-	119,944	119,944
	31-Mar-17	-	-	-



	1-Apr-16	-	-	-
Modihitech India Ltd.	31-Mar-18	518,218	-	518,218
	31-Mar-17	258,373	-	258,373
	1-Apr-16	-	-	-
Arvind Contenental Pvt. Ltd.	31-Mar-18	8,500,000	-	8,500,000
	31-Mar-17	8,500,000	-	8,500,000
	1-Apr-16	8,500,000	-	8,500,000
Mahabir Export & Import Co. Ltd.	31-Mar-18	15,000,000	-	15,000,000
	31-Mar-17	15,000,000	-	15,000,000
	1-Apr-16	15,000,000	-	15,000,000
Longwell Investment Pvt. Ltd.	31-Mar-18	41,834,896	-	41,834,896
	31-Mar-17	36,002,495	-	36,002,495
	1-Apr-16	34,425,386	-	34,425,386
GS Pharmbutors Pvt. Ltd.	31-Mar-18	4,789,935	-	4,789,935
	31-Mar-17	-	-	-
	1-Apr-16	-	-	-
Bihar Sponge iron Ltd.	31-Mar-18	805,566	-	805,566
	31-Mar-17	805,566	-	805,566
	1-Apr-16	1,069,011	-	1,069,011
Modi Mundi Pharma Beauty Products Pvt. Ltd.	31-Mar-18	269,597	-	269,597
	31-Mar-17	269,597	-	269,597
	1-Apr-16	258,590	-	258,590
Jayesh Tradex Pvt. Ltd.	31-Mar-18	1,043,957	-	1,043,957
	31-Mar-17	11,880,072	-	11,880,072
	1-Apr-16	304,699	-	304,699
<b>Total F.Y. 2017-18</b>		<b>72,935,885</b>	<b>174,697</b>	<b>73,110,582</b>
<b>Total F.Y. 2016-17</b>		<b>72,770,588</b>	<b>36,057</b>	<b>72,806,645</b>
<b>Total F.Y. 2015-16</b>		<b>59,534,746</b>	<b>23,000</b>	<b>59,557,746</b>

### Note 32: Segment Reporting

The Company is a single location single product company and hence the requirement of Ind As-108 on segment reporting is not required.

### Note 33: Outstanding dues to micro, small and medium Enterprises :

The disclosure of dues details relating to enterprises covered under micro, small and medium enterprises Development Act 2006, to the extent the information are available with the company, are as under :

				(in Rs.)
S.No.	Particulars	As at		As at
		31st March, 2018	31st March, 2017	
a)	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	-	-	1,52,000
	(ii) Interest due thereon.	-	-	-
b)	(i) The amount of interest paid in terms of sec.16 of MSMED Act, 2006 beyond the respective due date during the year.	-	-	-
	(ii) The amount of principal paid beyond the due date during the year.	-	-	-
c)	The amount of interest due and payable for delay period (where principal has already been paid after due date.)	-	-	-
d)	The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-	-
e)	The amount of interest accrued and remaining unpaid as at the end of the accounting year.	-	-	25,000

### Note 34: Financial Instruments

#### a) Financial risk management

The Company's activities expose it to a variety of financial risks which includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarized ahead.

#### b) Market risk

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.



### c) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primarily arises from trade receivables, balances with banks, investments and security deposits. The credit risk on bank balances is limited because the counter parties are banks with good credit ratings.

### d) Trade Receivables

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables.

### e) Investments

The Company limits its exposure to credit risk by generally investing with counter parties that have a good credit rating. The Company has funded defined-benefit gratuity plans. The funded status of these plans is influenced by movements in financial market. A negative performance of the financial markets could have a material impact on cash funding requirements.

### f) Cash & cash equivalents

With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's risk exposure arises from the default of the counter party, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. Since the counter party involved is a bank, Company considers the risks of non-performance by the counter party as non-material.

### g) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

### h) Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	As at 31.03.2018		
	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	-	10,851,000	10,851,000
Current borrowings	-	-	-
Trade payables	4,227,131,851	-	4,227,131,851
Other financial liabilities	177,529,632	-	177,529,632
As at 31.03.2017			
Non-Current borrowings	-	367,669,035	367,669,035
Current borrowings	10,632,000	-	10,632,000
Trade payables	3,795,442,468	-	3,795,442,468
Other financial liabilities	86,077,713	-	86,077,713

i) The Company manages its capital to ensure that the entities in the Company will be able to continue as going concern while maximizing the return to shareholders and also complying with the ratios stipulated in the loan agreements through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note 14 offset by cash and bank balances as detailed in note 8 & 10) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

### j) Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	(in Rs.)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1st April, 2016
Debt (See note 'i' below)	96,806,618	437,829,704	277,190,351
Cash and bank balances	116,761,978	64,829,402	19,996,506
Net debt	(19,955,360)	373,000,302	257,193,845
<b>Total equity</b>	<b>346,751,898</b>	<b>1,190,735,719</b>	<b>1,570,955,175</b>
<b>Net debt to equity ratio (%)</b>	<b>(0.06%)</b>	<b>0.31%</b>	<b>0.16%</b>

#### Note:

- Debt is defined as long and short-term borrowings (excluding derivative, financial guarantee contracts), as described in notes 14 and 18.
- In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current years and previous years.



### k) Categories of financial instruments

(in Rs.)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1st April, 2016
<b>Financial assets</b>			
<b>Measured at amortized cost</b>			
Other non current assets	714,247	566,868	559,639
Other financial assets (non current)	-	-	-
Trade receivables	105,736,218	131,969,924	147,138,717
Cash and cash equivalents	114,835,627	59,526,456	12,802,993
Bank Balances other than Cash and cash equivalents	1,926,351	5,302,946	7,193,513
Other current assets	15,614,831	47,981,305	39,330,359
Other financial assets (current)	-	-	-
Loans	1,243,887,346	1,492,187,350	1,566,919,681
<b>Measured at fair value through Profit &amp; Loss</b>			
Investments			
<b>Financial liabilities</b>			
<b>Measured at amortized cost</b>			
Borrowings (non-current)	10,851,002	367,669,035	19,638,251
Borrowings (current)	85,955,616	59,528,240	233,494,246
Trade payables	4,227,131,851	3,795,442,468	3,385,378,790
Other financial liabilities (non-current)	-	-	-
Other financial liabilities (current)	177,529,632	86,077,713	93,255,229
Other current liabilities	37,585,790	99,353,027	51,521,310

### l) Fair value of the financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

(in Rs.)

Particulars	As at 31 March, 2018	As at 31 March, 2017
	Carrying amount	Fair Value
<b>Financial Assets</b>		
Financial Assets at amortized cost :	1,482,714,620	1,737,534,848
<b>Financial Liabilities</b>		
Financial Liabilities held at amortized cost:	4,539,053,889	44,080,704,822
<b>Exposure to credit risk</b>		
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Investments	172,582,515	172,582,515
Cash and bank balances	114,835,627	59,526,456
Bank deposit	1,926,351	5,302,946
Short-term loans and advances	1,243,887,346	1,492,187,350
Balance with banks is subject to low credit risks due to good credit ratings assigned to these banks.		
<b>Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)</b>		
Trade Receivable	105,736,218	131,969,924

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

Particulars	As at 31.03.2018
Up to 6 months	99,438,822
More than 6 months	6,297,396
	As at 31.03.2017
Up to 6 months	103,656,667
More than 6 months	28,313,257

During the year the Company has recognized loss allowance of Rs. 9,464,110 under 12 months expected credit loss model.

No significant changes in estimation techniques or assumptions were made during the reporting period.



### Note 35. Other Disclosures

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

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

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

### Note 36: Additional information pursuant to provisions of Part II of Schedule III of Companies Act 2013:

#### a) CAPACITY

Installed Capacity (as certified by the management)	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
Sugarcane Crushing M.T. per day (No License required)	8000	8000

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

Classes of Goods	Opening Stock	Production	Sales		Closing stock	
	Quantity (Qtls.)	Quantity (Qtls.)	Quantity (Qtls.)	Value (in Lacs)	Quantity (Qtls.)	Value (in Lacs)
Sugar	246508 (1,34,648)	1324214 (8,35,615)	1317192 (723755)	44074.81 (26580.50)	253530 (246508)	7064.56 (8,975.58)
Molasses (By-product)	200158.45 (1,12,833.52)	735707.19 (455794.95)	585677.70 (368469.95)	1180.69 (1608.86)	350187.94 (200158.45)	35.02 (965.51)
<b>Purchases</b>						
Sugar Trading	(-)	(-)	(-)	(-)	(-)	(-)

#### (c) CONSUMPTION OF RAW MATERIALS

(Rs. In lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2018		Year ended 31 <sup>st</sup> March, 2017	
	Quantity (Quintals)	Value (Rs. In lacs)	Quantity (Quintals)	Value (Rs. In lacs)
<b>Sugar Cane</b>	137,00,322.00	44721.59	90,52,523.00	30918.95

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

(Rs. in lacs)

Particulars	Current year	Previous Year
Interest, Others,	-	-

#### e) CIF VALUE OF IMPORTS

Store & Spares	19.98	7.92
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#### f) EARNING IN FOREIGN CURRENCY

Export of goods calculated on FOB basis	-	-
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#### g) VALUE OF IMPORTED / INDIGENOUS RAW MATERIALS STORES AND SPARES CONSUMED

Particulars	Indigenous Value	% Age	Imported Value	% Age
Raw Materials	44721.59	100%	-	Nil
Previous Year	30918.95	100%	-	Nil
Stores & Spares*	2347.20	99.16%	19.98	0.84%
Previous Year	854.44	99.08%	7.92	0.92%

\*Excluding spares used for capitalization.

\* (-) Show Previous year figures.


**Note No. : 37 NOTES RELATED TO INDIAN ACCOUNTING STANDAREDS**
**(A) Effets of Ind AS adoption on the balance sheet as at 31st March 2017 and 1st April 2016**

(Amount in Rs.)

Particulars	Previous GAAP 31.03.2017	Effect of transition to Ind AS	Ind AS 1.03.2017	Previous GAAP 01.04.2016	Effect of transition to Ind AS	Ind AS 1.04.2016
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
(a) Property, Plant and Equipment	383,070,001	2,212,913,962	2,595,983,963	398,666,289	2,364,092,425	2,762,758,714
(b) Capital Work in Progress	996,291	-	996,291	3,336,339	-	3,336,339
(c) Other Intangible Assets	424,489	-	424,489	481,273	-	481,273
(d) Investments	172,582,515	-	172,582,515	172,582,515	-	172,582,515
(e) Loans	262,142	(262,142)	-	261,142	(261,142)	-
(g) Other non Current Assets	162,345	404,523	566,868	2,163,912	(1,604,273)	559,639
	<b>557,497,783</b>	<b>2,213,056,343</b>	<b>2,770,554,126</b>	<b>577,491,470</b>	<b>2,362,227,010</b>	<b>2,939,718,480</b>
<b>Current Assets</b>						
(a) Inventories	1,118,097,988	-	1,118,097,988	541,937,349	-	541,937,349
(b) Financial Assets		-			-	
(i) Trade Receivables	131,969,924	-	131,969,924	147,138,718	-	147,138,717
(ii) Cash and Cash Equivalents	61,167,057	(1,640,601)	59,526,456	14,003,513	(1,200,520)	12,802,993
(iii) Loans	1,543,629,630	(51,442,280)	1,492,187,350	1,606,250,040	(39,330,359)	1,566,919,682
(iii) Others Bank Balances	-	5,302,946	5,302,946	-	7,193,513	7,193,513
(c) Others Current assets	3,804,726	44,176,578	47,981,304	124,610,273	(85,279,914)	39,330,359
Non Current assets held for sale	-	-	-	-	120,811,776	120,811,776
	<b>2,858,669,325</b>	<b>(3,603,357)</b>	<b>2,855,065,968</b>	<b>2,433,939,893</b>	<b>2,194,495</b>	<b>2,436,134,388</b>
<b>TOTAL ASSETS</b>	<b>3,416,167,108</b>	<b>2,209,452,988</b>	<b>5,625,620,096</b>	<b>3,011,431,363</b>	<b>2,364,421,507</b>	<b>5,375,852,870</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
(a) Equity Share Capital	476,940,175	-	476,940,175	476,940,175	-	476,940,175
(b) Other Equity	(1,499,283,563)	2,213,078,963	713,795,400	(1,270,407,766)	2,364,422,425	1,094,014,659
	<b>(1,022,343,388)</b>	<b>2,213,078,963</b>	<b>1,190,735,575</b>	<b>(793,467,591)</b>	<b>2,364,422,425</b>	<b>1,570,954,834</b>
<b>LIABILITIES</b>						
<b>Non-Current Liabilities</b>						
a) Financial Liabilities						
i) Borrowings	367,669,035	-	367,669,035	19,638,251	-	19,638,251
ii) Other Long term Liabilities	1,256,200	-	1,256,200	1,426,200	-	1,426,200
b) Provisions	23,513,184	(1,110,669)	22,402,515	18,487,223	-	18,487,223
	<b>392,438,419</b>	<b>(1,110,669)</b>	<b>391,327,750</b>	<b>39,551,674</b>	<b>-</b>	<b>39,551,674</b>
<b>Current Liabilities</b>						
a) Financial Liabilities						
i) Borrowings	59,528,240	-	59,528,240	233,494,246	-	233,494,246
ii) Trade Payables	3,790,126,240	5,316,228	3,795,442,468	3,385,049,709	329,081	3,385,378,790
iii) Other Financial Liabilities	-	86,077,713	86,077,713	-	93,255,229	93,255,229
b) Other Current Liabilities	194,372,943	(95,019,916)	99,353,027	145,106,538	(93,585,228)	51,521,310
c) Provisions	2,044,654	1,110,669	3,155,323	1,696,787	-	1,696,787
	<b>4,046,072,077</b>	<b>(2,515,307)</b>	<b>4,043,556,771</b>	<b>3,765,347,280</b>	<b>(918)</b>	<b>3,765,346,362</b>
<b>Total Equity and Liabilities</b>	<b>3,416,167,108</b>	<b>2,209,452,988</b>	<b>5,625,620,096</b>	<b>3,011,431,363</b>	<b>2,364,421,507</b>	<b>5,375,852,870</b>

**(B) Effets of Ind AS adoption on the Statement of Profit and Loss for the year ended March 2017**

(Amount in Rs.)

Particulars	Notes	As at 31st March, 2017		Ind AS
		Previous GAAP	Effect of transition to Ind AS	
<b>Revenue</b>				
Revenue From Operations		2,798,161,072	197,828,332	2,995,989,404
Other Income		31,963,674	(29,851,500)	2,112,174
<b>Total Revenue (A)</b>		<b>2,830,124,746</b>	<b>167,976,832</b>	<b>2,998,101,578</b>
<b>Expenses</b>				
Cost of Material Consumed		3,091,894,909	-	3,091,894,909
Change in inventories of power banked		(569,909,064)	-	(569,909,064)
Manufacturing Expenses		242,111,748	(242,111,748)	-
Employee Benefit Expense		112,415,397	(4,053,567)	108,361,830
Finance Cost		77,414,844	1,530,221	78,945,065
Depreciation & Amortization Expense		27,956,180	151,178,463	179,134,643
Others Expenses		77,116,528	410,088,580	487,205,108
<b>Total Expenses (B)</b>		<b>3,059,000,542</b>	<b>316,631,949</b>	<b>3,375,632,491</b>
<b>Profit before tax (A-B)</b>		<b>(228,875,796)</b>	<b>(148,655,117)</b>	<b>(377,530,913)</b>
Tax expense :				
Current tax		-	-	-
Deferred tax		-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the period</b>		<b>(228,875,796)</b>	<b>(148,655,117)</b>	<b>(377,530,913)</b>
<b>Other comprehensive income</b>				
(i) Items that will not be reclassified to profit or loss		-	(2,688,346)	(2,688,346)
<b>Total</b>		<b>(228,875,796)</b>	<b>(151,343,463)</b>	<b>(380,219,259)</b>

**(C) Effets of Ind AS adoption on the Cash Flow Statement**

Net Cash (used) in / generation from operating activities	(41,410,745)	(119,281,555)	(160,692,300)
Net Cash (used) in/ flow from investing activities	(8,515,726)	120,811,776	112,296,050
Net Cash Flows From /(Used) in Financing activities	96,649,934	(1,530,221)	95,119,713
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>46,723,463</b>	<b>-</b>	<b>46,723,463</b>
Cash and Cash equivalents at beginning of period	12,802,993	-	12,802,993
<b>Cash and Cash equivalents at end of the period</b>	<b>59,526,456</b>	<b>-</b>	<b>59,526,456</b>

**(D) Effets of Ind AS adoption on the Statement of changes in Equity**

(Amount in Rs.)

Particulars	Previous GAAP	Effect of Changes in	Ind AS 01.04.2016	Previous GAAP	Effect of Changes in	Ind AS 31.03.2017
	01.04.2016	Share Capital		01.04.2017	Share Capital	
Opening Balance	476,940,175	-	476,940,175	476,940,175	-	476,940,175
Add: Addition -	-	-	-	-	-	-
<b>Closing Balance</b>	<b>476,940,175</b>	<b>-</b>	<b>476,940,175</b>	<b>476,940,175</b>	<b>-</b>	<b>476,940,175</b>




**(E) Effects of Ind adoption on the Statement of Changes in Other Equity**

(Amount in Rs.)

Particulars	Retained Earning	Effect of Changes	Total	Capital Reserve	Other Reserve Molasses Storage Fund	Total
Opening Balance as on 01.04.2015	(1,327,696,476)	-	(1,327,696,476)	4,916,625	758,521	(1,322,021,330)
Add: Fair valuation as deemed cost for Property Plant and Equipment	-	2,364,092,425	2,364,092,425	-	-	2,364,092,425
Add : Impact of measurement of Term Loans at amortised cost	-	330,000	330,000	-	-	330,000
Add: Addition During the year	-	-	-	-	-	-
: Profit (Loss) / For the year	51,613,564	-	51,613,564	-	333,719	51,947,283
Less: Transfer to Reserve	333,719	-	333,719	-	-	333,719
<b>Closing Balance as on 31.03.2016</b>	<b>(1,276,416,631)</b>	<b>2,364,422,425</b>	<b>1,088,005,794</b>	<b>4,916,625</b>	<b>1,092,240</b>	<b>1,094,014,659</b>
Opening Balance as on 01.04.2016	(1,276,416,631)	2,364,422,425	1,088,005,794	4,916,625	1,092,240	1,094,014,659
Add: Addition as per Profit (Loss) / For the year	(228,875,797)	(148,655,116)	(377,530,913)	-	184,236	(377,346,677)
Less: Transfer to Reserve	184,236	-	184,236	-	-	184,236
<b>Closing Balance as on 31.03.2017</b>	<b>(1,505,476,664)</b>	<b>2,215,767,309</b>	<b>710,290,645</b>	<b>4,916,625</b>	<b>1,276,476</b>	<b>716,483,746</b>

**Note: 38. Recent Accounting Pronouncements**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

**The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.**

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The company is evaluating the effect on adoption of Ind AS 115.

**Note: 39.**

The financial statements were approved for issue by the Board of Directors, at its meeting held on May 29, 2018

Previous Year Figures have been recast/restated.

**Note 1 to 39 Containing Accounting Policies and General Notes from part of the financial statements.**

<b>For K.K.JAIN &amp; CO.</b> Chartered Accountants <b>Firm Registration No 02465N</b>	<b>Sd/-</b> <b>Umesh Kumar Modi</b> (Chairman & President) DIN : 00002757	<b>Sd/-</b> <b>Abhishek Modi</b> (Whole-Time Director) DIN : 00002798	<b>Sd/-</b> <b>Vijay Kumar Modi</b> (Director) DIN : 00004606
<b>Sd/-</b> <b>(Simmi Jain)</b> Partner Membership No. : 086496	<b>Sd/-</b> <b>Rajeev Kumar Agarwal</b> (Director) DIN : 00298252	<b>Sd/-</b> <b>J.C. Chawla</b> (Director) DIN : 05316202	<b>Sd/-</b> <b>N.P. Bansal</b> (Director) DIN : 00010587
<b>Place : New Delhi</b> <b>Date : 29th May 2018</b>		<b>Sd/-</b> <b>A.K. Goel</b> (Chief Financial Officer)	<b>Sd/-</b> <b>Shobit Nehra</b> (Company Secretary)



## INDEPENDENT AUDITOR'S REPORT

**To the members of SBEC Sugar Limited**

### **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated financial statements of SBEC Sugar Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated balance sheet as at March 31, 2018, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its subsidiary in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its subsidiary and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Basis for Qualified Opinion**

- 1) *During the quarter and year ended 31st March 2018 the company has not made provision for interest, on late payment of cane dues amounting to Rs 931.31 lac for sugar season 2017-18 and Rs 3540.85 for sugar season 2016-17, had the company made provisions the expense and loss for the quarter and year ended 31st March 2018 would have been higher by Rs 4472.16 lac and its consequential impact on EPS.*
- 2) *In case of subsidiary Company, the company has taken the debt of IDBI, IFCI & SBEC Sugar Limited in Modi Industries Limited. As at 31st March, 2018 the company has net exposure of Rs.146.85lacs. No Interest on the said amount has been provided as there is no reasonable certainty of its collection since the net worth of Modi Industries Limited has been completely eroded. Recoverability of the above balance is alsodoubtful however, no provisions for doubtful debts were made in the financial statements of the company and consequently we are unable to opine on the appropriateness of the same and its consequential impact on the financial statements.*

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated loss and their consolidated cash flows for the year ended on that date.

**Emphasis of Matters**

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

a.note no (c)of the Consolidated Un-audited financial statement regarding interest payment on cane dues where the Hon'ble High Court vide its order dated 9th March, 2017 has set aside the decision of State Government for the waiver of Interest for the year 2012-13, 2013-14 and 2014-15 and asked the Cane Commissioner to take a final call in the matter, pending final order the Company has not made provision for interest, on the late payment of cane dues for years 2012-13, 2013-14 and 2014-15.The Hon'ble Supreme Court vide its order dated 23.04.2018 has upheld the Hon'ble High Court order dated 9th March, 2017.

**Our opinion is not modified in respect of these matters.**

**Other Matters**

We did not audit the financial statements of subsidiaries.The financial statements of SBEC Bio-energy Limited reflects total assets of Rs.23090.62 lacs as at 31st March, 2018, total revenues of Rs.1774.65 lacs for the year ended on that date & the financial statements of SBEC Stockholding and Investment Limited reflects total assets of Rs.3797.88 lacs as at 31st March, 2018, total revenues of Rs. Nil for the year ended on that date, as considered in the consolidated financial statements.These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

**Report on Other Legal and Regulatory Requirements**

- i) As required by section 143 (3) of the Act, we report to the extent applicable, that:
- a) We have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
  - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - c) The consolidated balance sheet, the consolidated statement of profit and loss including the statement of other comprehensive income, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standard) Amendment Rules, 2015, as amended;
  - e) The matter described under the Emphasis of Matters paragraph above, in our opinion, may not have an adverse effect on the functioning of the group;
  - f) On the basis of the written representations received from the respective directors of the Holding Company and its subsidiary company incorporated in India as on March 31, 2017 taken on record by the respective Board of Directors, none of the directors of the Group's companies, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India, refer to our separate report in "**Annexure A**" to this report;
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and other auditors:
  - i) The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its subsidiary – Refer Note 30 to the consolidated Ind AS financial statements;
  - ii) The Group and its subsidiaries did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2018.

**For K. K. Jain & Co.**  
**Chartered Accountants**  
**Firm Registration No. 002465N**

**Place: New Delhi**  
**Date: 29th May, 2018**

**(Simmi Jain)**  
**Partner**  
**Membership No.086496**



**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statement to the members of SBEC Sugar Limited dated March 31 2018.**

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

In conjunction with our audit of the consolidated financial statement of **SBEC Sugar Limited** as of March 31, 2018. We have audited the internal financial controls over financial reporting of SBEC Sugar Limited (hereinafter referred to as the "Holding Company") and two subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") incorporated in India, as of the date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company and two subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

**Other matters**

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

**For K. K. Jain & Co.**  
**Chartered Accountants**  
**Firm Registration No. 002465N**

**(Simmi Jain)**

**Partner**

**Membership No.086496**

**Place: New Delhi**  
**Date: 29th May, 2018**



## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>ASSETS</b>				
<b>1. Non - current assets</b>				
(a) Property, plant and equipment	3	2,990,401,628	3,159,415,084	3,335,856,126
(b) Other intangible assets	3(a)	324,748	424,582	483,045
(c) Capital work - in - progress	3(b)	3,570,619	996,291	12,171,298
(d) Financial assets				
(i) Investments	4	380,333,615	380,333,615	350,333,615
(ii) Others	5	1,472,021,409	1,471,414,673	1,471,575,763
(d) Other non - current assets	6	6,088,930	5,665,588	5,635,424
(e) Deferred tax assets (net)	7	40,279,774	41,303,123	36,198,925
		<b>4,893,020,723</b>	<b>5,059,552,957</b>	<b>5,212,254,196</b>
<b>(2) Current assets</b>				
(a) Inventories	8	854,395,728	1,148,544,151	570,684,373
(b) Financial assets				
(i) Trade receivables	9	189,309,037	206,603,539	216,547,312
(ii) Cash and cash equivalents	10	117,272,649	78,053,184	14,435,051
(iii) Loans	11	34,568,316	208,130,804	274,836,688
(iv) Bank Balances	12	1,926,351	5,302,946	7,193,513
(d) Other current assets	6	19,427,862	101,882,551	126,675,764
		<b>1,216,899,944</b>	<b>1,748,517,175</b>	<b>1,210,372,702</b>
(e) Non Current assets held for sale	13	-	-	120,811,776
		<b>1,216,899,944</b>	<b>1,748,517,175</b>	<b>1,331,184,478</b>
<b>Total assets</b>		<b>6,109,920,668</b>	<b>6,808,070,132</b>	<b>6,543,438,674</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital	14	476,940,175	476,940,175	476,940,175
(b) Other equity	15	186,065,983	1,034,553,607	1,451,197,333
		<b>663,006,158</b>	<b>1,511,493,782</b>	<b>1,928,137,508</b>
<b>Non Controlling Interest</b>		<b>366,089,773</b>	<b>369,750,133</b>	<b>399,494,983</b>
<b>LIABILITIES</b>				
<b>(1) Non - current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	16	386,216,348	694,669,035	64,080,889
(b) Deferred Revenue/Income				
(c) Provisions	17	29,396,158	27,692,779	21,915,370
(d) Other financial liabilities	18	45,000	45,000	-
(e) Other non-current liabilities	19	1,226,200	1,256,200	1,471,200
		<b>416,883,706</b>	<b>723,663,014</b>	<b>87,467,459</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	16	89,980,601	111,153,723	488,768,981
(ii) Trade payables	20	4,285,623,985	3,813,593,220	3,426,734,110
(iii) Other financial liabilities	18	241,533,618	174,402,566	157,430,820
(b) Other current liabilities	19	42,836,323	101,874,960	53,612,936
(c) Provisions	17	3,966,503	2,138,734	1,791,878
		<b>4,663,941,030</b>	<b>4,203,163,203</b>	<b>4,128,338,725</b>
<b>Total Equity &amp; Liabilities</b>		<b>6,109,920,668</b>	<b>6,808,070,132</b>	<b>6,543,438,674</b>

Significant accounting policies

2

The schedules referred to above form an integral part of the Balance Sheet  
In terms of our report of even date, attached

**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Registration No 02465N

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

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

**Sd/-**  
**Vijay Kumar Modi**  
(Director)  
DIN : 00004606

**Sd/-**  
**(Simmi Jain)**  
Partner  
Membership No. : 086496

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

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

**Sd/-**  
**N.P. Bansal**  
(Director)  
DIN : 00010587

Place : New Delhi  
Date : 29th May 2018

**Sd/-**  
**A.K. Goel**  
(Chief Financial Officer)

**Sd/-**  
**Shobit Nehra**  
(Company Secretary)



# **CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

	NOTE NO.	For the Year ended 31.03.2018 (Amount in Rs.)	For the year ended 31.03.2017 (Amount in Rs.)
I Revenue from operations	21	4,856,508,793	3,094,178,166
II Other income	22	6,156,261	2,947,674
III <b>Total income (I + II)</b>		<b>4,862,665,054</b>	<b>3,097,125,840</b>
IV Expenses			
Cost of materials consumed	23	4,472,159,108	3,091,894,909
Changes in inventories of finished goods, stock - in - trade and work - in - progress	24	313,289,347	(569,975,766)
Employee benefits expenses	25	154,237,912	126,352,820
Finance costs	26	161,867,836	154,190,628
Depreciation and amortization expenses	27	199,969,737	198,720,594
Other expenses	28	413,375,185	544,766,238
<b>Total expenses</b>		<b>5,714,899,125</b>	<b>3,545,949,423</b>
V <b>Profit / (loss) before exceptional items and tax (I - IV)</b>		<b>(852,234,071)</b>	<b>(448,823,583)</b>
VI <b>Exceptional items</b>		-	-
VII <b>Profit / (loss) before tax (V - VI)</b>		<b>(852,234,071)</b>	<b>(448,823,583)</b>
VIII <b>Tax expense</b>			
(1) Current tax		-	-
(2) Deferred tax	7	1,023,349	(5,104,198)
<b>IX Profit / (loss) from continuing operations (VII - VIII)</b>		<b>(853,257,420)</b>	<b>(443,719,385)</b>
X Profit / (loss) from discontinued operations (VII - VIII)		-	-
<b>XI Tax expense of discontinued operations</b>		-	-
<b>XII Profit / (loss) from discontinued operations (after tax) (X - XI)</b>		-	-
<b>XIII Profit / (loss) for the period (IX + XII)</b>		<b>(853,257,420)</b>	<b>(443,719,385)</b>
XIV <b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss		1,109,437	(2,669,191)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
<b>XV Total comprehensive income for the period (XIII + XIV)</b>		<b>(852,147,983)</b>	<b>(446,388,576)</b>
Shareholders of the company		(848,487,624)	(416,643,726)
Non Controlling Interest		(3,660,360)	(29,744,850)
<b>Of the Total Comprehensive income above profit for the year attributable to:-</b>			
Shareholders of the company		(84,94,90,061)	(41,39,66,385)
Non Controlling Interest		(37,67,360)	(2,97,53,000)
<b>Of the Total Comprehensive income above, other comprehensive income attributable to:-</b>			
Shareholders of the company		(10,02,437)	26,77,341
Non Controlling Interest		(1,07,000)	(8,150)
XVI <b>Earnings per equity share (for continuing operations)</b>			
(1) Basic	29	(17.91)	(9.31)
(2) Diluted	29	(17.91)	(9.31)

Significant accounting policies

2

The schedules referred to above form an integral part of the Balance Sheet  
In terms of our report of even date, attached

**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Registration No 02465N

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

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

**Sd/-**  
**Vijay Kumar Modi**  
(Director)  
DIN : 00004606

**Sd/-**  
**(Simmi Jain)**  
Partner  
Membership No. : 086496

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

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

**Sd/-**  
**N.P. Bansal**  
(Director)  
DIN : 00010587

Place : New Delhi  
Date : 29th May 2018

**Sd/-**  
**A.K. Goel**  
(Chief Financial Officer)

**Sd/-**  
**Shobit Nehra**  
(Company Secretary)





## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(Amount in Rs.)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>A. Cash flow from operating activities</b>		
Profit for the year before tax	(852,234,071)	(446,388,576)
<u>Adjustments for:</u>		
Finance costs	161,867,836	154,190,628
Interest income	(1,504,440)	(1,387,334)
Depreciation and amortisation expense	199,969,737	198,720,594
Loss/(Profit) on sale of Fixed Assets	(28,369)	-
Provision for Bad & doubtful debts/Advances		
Provision written back		
Dividend Income	(120,000)	(60,000)
<b>Operating Profit/(Loss) before working capital changes</b>	(492,049,307)	(94,924,688)
<u>Movements in working capital:</u>		
Trade receivables	17,294,502	9,943,773
Other assets	84,801,206	26,814,706
Inventories	294,148,423	(577,859,777)
Loans	173,562,488	66,705,884
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	472,030,765	386,859,110
Other current liabilities	(59,068,637)	48,047,024
Other financial liabilities	67,131,052	17,016,746
Provisions/other items	4,640,584	1,020,067
<b>Cash generated from operations</b>	562,491,075	(116,377,155)
Income tax paid	-	-
<b>Net cash generated by operating activities (A)</b>	562,491,075	(116,377,155)
<b>B. Cash flow from investing activities</b>		
Investment	-	(30,000,000)
Purchases of fixed assets( including WIP)	(34,127,298)	(11,046,083)
Interest received	1,504,440	1,387,334
Dividend received	120,000	60,000
Proceeds from Sales of Fixed Assets	724,891	-
Non Current assets held for sale	-	120,811,776
<b>Net cash generated by/(used in) investing activities (B)</b>	(31,777,967)	81,213,027
<b>C. Cash flow from financing activities</b>		
Proceed /Repayment of term loan	(329,625,809)	252,972,889
Interest paid	(161,867,836)	(154,190,628)
<b>Net cash generated by/(used in) financing activities (C)</b>	(491,493,643)	98,782,261
<b>Net Increase/decrease in Cash and cash equivalents (A+B+C)</b>	39,219,465	63,618,133
Cash and cash equivalents at the beginning of the year	78,053,184	14,435,051
Cash and cash equivalents at the end of year end	117,272,649	78,053,184

In terms of our report of even date, attached

**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Registration No 02465N

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

Sd/-  
**Abhishek Modi**  
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DIN : 05316202

Sd/-  
**N.P. Bansal**  
(Director)  
DIN : 00010587

Place : New Delhi  
Date : 29th May 2018

Sd/-  
**A.K. Goel**  
(Chief Financial Officer)

Sd/-  
**Shobit Nehra**  
(Company Secretary)





## Statement of Changes in equity for the year ended March 31st, 2018

(Amount in Rs.)

	Equity Share Capital	Other Equity			Item of Other Comprehensive Income	Attributable the equity holders of Parent	Total Equity
		Capital reserve	Reserves & Surplus	Storage fund for molasses account			
			Surplus in Statement of profit and loss		Acturial gain/ (loss) on employee benefit plans through OCT		
As at 1st April 2016	476,940,175	4,916,625	1,445,188,468	1,092,240	-	1,451,197,333	1,928,137,508
Add : Profit for the year	-	-	(413,974,536)	-	-	(413,974,536)	(413,974,536)
Add : Transfer to / (from) storage fund for molasses	-	-	(184,263)	184,236	-	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	(2,669,191)	(2,669,191)	(2,669,191)
As at 31st March 2017	476,940,175	4,916,625	1,031,029,696	1,276,476	(2,669,191)	1,034,553,606	1,511,493,782
Add : Profit for the year	-	-	(849,597,060)	-	-	(849,597,060)	(849,597,060)
Add : Transfer to / (from) storage fund for molasses	-	-	(292,840)	292,840	-	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	1,109,437	1,109,437	1,109,437
As at 31st March 2017	476,940,175	4,916,625	181,139,797	1,569,316	(1,559,754)	186,065,983	663,006,158

In terms of our report of even date,

For and on behalf of the Board of Directors

**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Registration No 02465N

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

**Sd/-**  
**Abhishek Modi**  
(Whole-Time Director)  
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DIN : 05316202

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**N.P. Bansal**  
(Director)  
DIN : 00010587

**Place : New Delhi**  
**Date : 29th May 2018**

**Sd/-**  
**A.K. Goel**  
(Chief Financial Officer)

**Sd/-**  
**Shobit Nehra**  
(Company Secretary)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

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

The consolidated financial statements of the company and its subsidiaries "SBEC Bio-Energy Limited.", & and its Wholly Owned Subsidiary "SBEC Stock Holding & Investment Limited" used in the consolidation are drawn for a period of Twelve months ended on 31st March, 2018 (hereinafter referred to as "the subsidiary companies").

### Note: 2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation of financial information

- (A) The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Up to the year ended 31 March, 2017, the Company prepared its financial statements in accordance with the requirements of the Generally Accepted Accounting Principles in India ('Indian GAAP'), which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Refer note 2.4 for the details of the first-time adoption exemptions availed by the Company.
- (B) The financial statements have been prepared under the historical cost convention on accrual basis.
- (C) First-time adoption of Indian Accounting Standards- Mandatory exemptions, optional exemptions:
- i. In accordance with the notification issued by the Ministry of Corporate Affairs, the Company, with effect from 1 April 2017, has adopted Indian Accounting Standards (the 'Ind AS') notified under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act. The financial statements up to the Year ended 31st March 2017 were prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act. (Referred to as 'Indian GAAP'). These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April, 2016. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. The transition was carried out from accounting principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and description of the effects of the transition have been summarized in Note No. 40. The details of the first time adoption exemptions availed by the Company are given in Note 2.4.
- Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 2.2 Historical Cost Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

- a. Defined benefit plan-plan assets measured at fair value.
- b. Certain financial assets and liabilities.

#### 2.3 Summary of Significant Accounting Policies

##### (A) Principles of Consolidation

- (i) 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.
- (ii) The Subsidiary Companies considered in the consolidated financial statement:

Name of the Company	Country of Incorporation	% of Voting Power as on 31.03.2018
SBEC Bio-Energy Limited	India	55
SBEC Stockholding & Investment Limited	India	100

- (iii) 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.
- (iv) 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.

##### (B) Current and non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- i) expected to be realized or intended to be sold or consumed in normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) expected to be realized within twelve months after the reporting period,
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or
- v) carrying current portion of non-current financial assets. All other assets are classified as non-current.

##### A liability is current when:

- i) it is expected to be settled in normal operating cycle,



- ii) it is held primarily for the purpose of trading,
- iii) it is due to be settled within twelve months after the reporting period,
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, or
- v) it includes current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

**(C) Recognition of Revenues & Expenses**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, including excise duty and excluding taxes or duties collected on behalf of the government (other than excise duty).

Revenue is recognized only if the following conditions are satisfied: -

The Company has transferred risks and rewards incidental to ownership to the customer;

The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold

It is probable that the economic benefit associated with the transaction will flow to the Company; and

It can be reliably measured and it is reasonable to expect ultimate collection

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

**(D) Inventory Valuation**

- (i) Finished Goods (Sugar): Sugar - at lower of cost or net realizable value.
- (ii) Goods in Process - at cost
- (iii) Raw material - at cost
- (iv) Stores and spares - at cost (computed on FIFO basis)
- (v) Molasses (By-product) is valued at net realizable value.
- (vi) Provision for obsolescence and other anticipated losses are made on the stocks, whenever identified / considered necessary.
- (vii) Closing Stock of Power Banked is valued at lower of cost and market value. (Cost includes raw material, stores and spares consumed and factory overheads.)

**(E) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on DE recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

**(F) Intangible assets**

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

**(G) Depreciation**

Depreciation on Tangible fixed assets other than land is charged on straight line method so as to write off the cost/carrying amount of assets. The useful life of assets as prescribed under Part C of Schedule II of the Companies Act 2013 and depreciation is charged on that are on the following basis:-

- (i) Depreciation on All Assets is charged at Straight Line Method basis in the manner as prescribed in Companies Act 2013 and rate as per prescribed useful life
- (ii) Intangible assets are amortized over a period of 5 year on a straight line basis.

The management has estimated the useful life is different as below:

Assets	Useful Life (Years)
Plant & Machinery	25-32
Building	30-60

**(H) Impairment of Non Financial Assets**

The carrying amount of any property, plant and equipment and intangible assets with finite lives are reviewed at each balance sheet date, if there is any indication of impairment based on internal / external factor. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount. At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(I) Expenditure during Construction**

In respect of new projects, all expenses including interest incurred up to the date of commencement of commercial production are capitalized.

In respect of substantial expansion of business, at existing locations, only direct costs are capitalized together with interest on the funds relatable to them up to the date of commercial production.

**(J) Foreign Currency Transactions**

- (i) Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of the financial year are revalued at the exchange rates prevailing on the balance sheet date.



Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the statement of profit and loss. However, in respect of long-term foreign currency monetary items taken prior to April 1, 2015 being the date of transition to Ind AS, the exchange difference relating to acquisition of capital assets, has been adjusted to the capital assets.

- ii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

**(K) Investments**

- Long term Investments are stated at cost of acquisition. Provision for diminution in the value is made only if the decline is other than temporary.
- Unquoted investments are stated at cost.
- Current investments are valued at carrying value without any adjustment for increase/diminution, if any is accounted at the time of sale of such investments.

**(L) Borrowing Cost**

Borrowing Cost attributable to the acquisition or construction of qualifying assets is capitalized as part of cost of that asset. Other borrowing costs are recognized as expense in the period in which they relate.

**(M) Employee Benefits**

**(i) Provident Fund and ESI**

The Company makes contribution to statutory Provident Fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948 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.

**(ii) 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.

Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in Other Comprehensive Income. The effect of any plan amendments is recognized in net profits in the Statement of Profit and Loss.

**(iii) 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.

**(iv) Other Short Term Benefits**

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**(v) Leave Encashment**

The Liability on account of un-availed earned leave at the year end is fully provided for on actuarial valuation basis.

**(N) Leases**

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

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

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

**(O) Financial instruments:**

**i) Financial assets**

**(A) Initial recognition**

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognized when the group becomes a party to the contractual provisions of the instrument. Financial instruments are recognized initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through statement of profit and loss, which are initially measured at fair value, excluding transaction costs (which is recognized in statement of profit and loss).

**(B) Subsequent measurement**

Financial assets carried at amortized cost (AC) A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**C Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**D Financial assets at fair value through statement of profit and loss (FVTPL)**

**Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value either as at FVTOCI or FVTPL. The Company makes such election on instrument-by-instrument basis. For equity instruments measured as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.



Investment in subsidiaries and associates  
Investment in subsidiaries and associates are carried at cost.

#### **E Impairment of financial assets**

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

1. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
2. Financial assets that are debt instruments and are measured as at FVTOCI
3. Lease receivables
4. Trade receivables or any contractual right to receive cash or another financial asset
5. Loan commitments which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on: Trade receivables or contract revenue receivables; and all lease receivables. The application of simplified approach does not require the Company to track changes in credit risk rather; it recognizes impairment loss allowance based on 12 months ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

#### **ii) Financial liabilities**

##### **(A) Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in statement of profit and loss as finance cost.

##### **(B) Subsequent measurement:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- a) **Loans and borrowings after initial recognition**, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when liabilities are derecognized. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance cost in the statement of profit and loss.

- b) **Compound financial instruments**

At the issue date the fair value of the liability component of a compound instrument is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortized cost using the effective interest method until extinguished upon conversion or at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument. This is recognized in equity, net of income tax effects, and is not subsequently re-measured.

#### **iii) De-recognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### **iv) Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value and such value may vary from actual realization on future date.

#### **v) Derivative financial instruments**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to statement of profit or loss when the hedge item effects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

#### **(P) Accounting for Taxes**

- (i) Provision for Current Tax is made on the basis of applicable Income Tax Act, 1961.
- (ii) Deferred Tax assets and liabilities are accounted for in accordance with IND AS-12.

#### **(Q) 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. 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.

#### **(R) Miscellaneous Expenditure**

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

#### **(S) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, 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 the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks



specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(T) **Cash and Cash Equivalent**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at Bank, cash in hand and demand deposits with bank with an original maturity of three months or less than the date of acquisition.

(U) **Cash Flow Statement**

Cash flow are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

(V) **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

i) **Depreciation and useful lives of property, plant and equipment:**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

ii) **Recoverability of trade receivable:**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) **Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

iv) **Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

v) **Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Fair value measurement of financial instruments: The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**2.4 First-time IND AS adoption reconciliation:**

The Company has adopted Ind AS with effect from April 1, 2017 with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at April 1, 2016 ("transition date"). The financial statement prepared as per previous GAAP for the year ended March 31, 2017 has been restated to realign with the accounting policies and other accounting principles adopted for Ind AS.

**Exemptions from retrospective application:**

- i) Fair value as deemed cost exemption under the previous GAAP (erstwhile Indian GAAP), property, plant and equipment, were carried in the balance sheet at historical cost. The Company has elected to regard those values of property as deemed cost as at transition date except for Land and Building and Plant & Machinery which are stated at fair value as on the date of transition to Ind AS.
- ii) Investments in subsidiaries and associate The Company has elected to measure investment in subsidiaries and associate at cost.
- iii) Estimates exception upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise the estimates under Ind-AS except where estimates were required by Ind AS and not required by Indian GAAP.
- iv) De-recognition of financial assets and liabilities exception financial assets and liabilities derecognized before transition date are not re-recognized under Ind AS.
  - a) Under previous GAAP, actuarial gains and losses were recognized in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognized in other comprehensive income. Consequently, the tax effect of the same has also been recognized in other comprehensive income under Ind AS instead of profit or loss.
  - b) Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of statement of profit and loss as part of expenses. There is no impact on the total equity and profit.
  - c) Under Previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expenses, gains, or losses are required to be presented in other comprehensive income.



Notes to Financial Statements for the Year Ended on 31<sup>st</sup> March, 2018

## NOTE - 3 : PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs.)

Particulars	GROSS BLOCK										
	Land		Buildings	Lease Hold Improve- ments	Plant & Machinery	Office Equip- ment	Computer Equipment	FACTORY APPROACH ROAD	Furniture & Fixtures	Vehicles	Total
	Freehold	Leasehold									
Cost or Valuation											
As at 1st April 2016	270,190,000	432,274,674	358,430,855	84,740	3,427,237,850	3,754,453	9,018,049	25,301,694	7,211,148	16,136,059	4,549,639,522
Additions	-	-	-	-	20,918,734	258,931	967,925	-	21,500	-	22,167,090
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2017	270,190,000	432,274,674	358,430,855	84,740	3,448,156,584	4,013,384	9,985,974	25,301,694	7,232,648	16,136,059	4,571,806,612
Additions	-	-	-	-	17,273,146	517,633	1,496,216	-	310,292	11,955,683	31,552,970
Disposals	-	-	-	-	-	-	-	-	-	5,134,802	5,134,802
As at 31st March 2018	270,190,000	432,274,674	358,430,855	84,740	3,465,429,730	4,531,017	11,482,190	25,301,694	7,542,940	22,956,940	4,598,224,780
Depreciation	DEPRECIATION										
	Land		Buildings	Lease Hold Improve- ments	Plant & Machinery	Office Equipment	Computer Equipment	FACTORY APPROACH ROAD	Furniture & Fixtures	Vehicles	Total
	Freehold	Leasehold									
As at 1st April 2016	-	1,090,879	64,285,048	84,740	1,095,281,894	3,106,641	8,442,687	25,258,216	6,446,238	9,787,053	1,213,783,396
Charged for the year	-	27,336,297	15,702,579	-	152,721,551	200,126	399,770	-	243,933	2,003,876	198,608,132
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2017	-	28,427,176	79,987,627	84,740	1,248,003,445	3,306,767	8,842,457	25,258,216	6,690,171	11,790,929	1,412,391,528
Charged for the year	-	27,320,372	15,702,579	-	153,313,136	232,511	476,399	-	131,677	2,693,231	199,869,904
Disposals	-	-	-	-	-	-	-	-	-	4,438,280	4,438,280
As at 31st March 2018	-	55,747,549	95,690,205	84,740	1,401,316,580	3,539,278	9,318,856	25,258,216	6,821,848	10,045,880	1,607,823,152
	NET BLOCK										
As at 1st April 2016	270,190,000	431,183,795	294,145,807	-	2,331,955,956	647,812	575,362	43,478	764,910	6,349,006	3,335,856,126
As at 31st March 2017	270,190,000	403,847,497	278,443,228	-	2,200,153,139	706,617	1,143,517	43,478	542,477	4,345,130	3,159,415,084
As at 31st, March 2018	270,190,000	376,527,125	262,740,650	-	2,064,113,149	991,739	2,163,334	43,478	721,092	12,911,060	2,990,401,628

## Note : 3 (a) INTANGIBLE ASSETS

(Amount in Rs.)

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
<b>Gross Block</b>			
Opening	2,402,018	2,348,018	2,348,018
Additions	-	54,000	-
Disposals	-	-	-
Closing	2,402,018	2,402,018	2,348,018
<b>Depreciation</b>			
Opening	1,977,436	1,864,973	1,864,973
Charge for the year	99,834	112,463	-
Disposals	-	-	-
Closing	2,077,270	1,977,436	1,864,973
<b>Net Block</b>	<b>324,748</b>	<b>424,582</b>	<b>483,045</b>

## Note : 3 (b) CAPITAL WORK - IN - PROGRESS

(Amount in Rs.)

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Plant and machinery under erection	996,291	12,171,298	12,171,298
Additions	2,574,328	-	-
Disposals	-	11,175,007	-
<b>Total</b>	<b>3,570,619</b>	<b>996,291</b>	<b>12,171,298</b>




**NOTE:4 INVESTMENTS**

(Amount in Rs.)

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
<b>Investment</b>						
2,14,50,000 Equity Shares of Rs.10/-each in Modi Illva India Pvt. Ltd. (P.Y.1,45,75,000 Equity Shares of Rs.10/-each )	<b>214,500,000</b>	-	145,750,000	-	44,500,000	-
100 Equity Shares of Rs.10/-each in Chandil Power Ltd (P.Y. 100 Equity Shares of Rs.10/each)	<b>1,000</b>	-	1,000	-	1,000	-
40,000 Equity Shares of Rs.25/-each in The SVC Bank Ltd (P.Y. 40,000 Equity Shares of Rs.25/each)	<b>1,000,000</b>	-	1,000,000	-	1,000,000	-
<b>Tranfer /Stamp Fee</b>	<b>82,600</b>	-	82,600	-	82,600	-
16,47,500 Non Transferable compulsorily convertible unsecured Zero %n debentures of Modi Illva India Pvt. Ltd. Rs.100/each (P.Y.23,35,000 non tranferable compulsority convertible unsecured zero % debentures of Rs.100/-each)	<b>164,750,000</b>	-	233,500,000	-	304,750,000	-
30 Equity Shares of Rs.10/-each in Modi Casings and Packaging Pvt Ltd. #(P.Y.30 Equity Shares of Rs.10/each)	<b>300</b>	-	300	-	300	-
Less: Provision made for diminution in value of investment*	<b>285</b>	-	285	-	285	-
<b>Sub Total</b>	<b>15</b>	-	15	-	15	-
<b>Total</b>	<b>380,333,615</b>	-	<b>380,333,615</b>	-	<b>350,333,615</b>	-
Aggregate amount of unquoted investments	<b>380,333,615</b>	-	380,333,615	-	380,333,615	-
Aggregate provision for diminution in value of investments	<b>285</b>	-	285	-	285	-
# The Company ceases to be subsidiary w.e.f.30.09.2014						

**NOTE : 5 FINANCIAL ASSETS - OTHER**

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
Debt Assignment Recoverable (Refer Note No. 33 )	<b>1,468,597,682</b>		1468597682		1,468,597,682	
Others Receivable*	<b>3,423,727</b>		2816991		2,978,081	
	<b>1,472,021,409</b>		- 1,471,414,673		- 1,471,575,763	

\* Other receivable includes recoverable from Related parties Rs. 35,45,561/- (Previous year Rs. 25,11,217/-)

**NOTE : 6 OTHER CURRENT ASSETS**

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
Debt Assignment Recoverable (Refer Note No. 33 )						
- Unsecured, considered good						
Advances recoverable in cash or kind or for value to be received	-	<b>6,699,636</b>	-	77,578,504	-	93,521,803
Security deposits	<b>351,354</b>	-	351,354	-	350,354	-
-Prepaid Expenses	-	<b>1,008,853</b>	-	2,769,106	-	1,658,212
Balances with statutory authorities	-	<b>11,707,009</b>		21,520,198		31,481,006
-Direct tax Recoverable	<b>5,737,576</b>	<b>12,364</b>	5314234	14,743	5,285,070	14,743
<b>Total other assets</b>	<b>6,088,930</b>	<b>19,427,862</b>	5,665,588	101,882,551	5,635,424	126,675,764

**NOTE :7 DEFERRED TAX (ASSETS) / LIABILITY (NET)**

(Amount in Rs.)

Particulars	Non - current As at 31.03.2018	For the Year	Non-current As at 31.03.2017	For the Year	Non-current As at 01.04.2016
Deferred tax assets an account of :					
Depreciation	(13,806,797)	(1,204,965)	(12,601,832)	(1,628,160)	(10,973,672)
Disallowance u/s 43B	346,058	11,946	334,112	(32,656)	366,768
Gratuity	1,090,661	169,670	920,991	(62)	921,053
Other disallowance under income tax act	-	-	-	(1,681,555)	1,681,555
Carry Forward Losses	52,649,852	-	52,649,852	8,446,631	44,203,221
<b>Total</b>	<b>40,279,774</b>	<b>(1,023,349)</b>	<b>41,303,123</b>	<b>5,104,198</b>	<b>36,198,925</b>

**NOTE: 8 INVENTORIES**

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Raw Materials			
Stores & Spares	96,769,787	85,845,870	81,481,010
Work - in - progress	24,281,746	44,127,642	22,438,822
Finished goods	706,456,273	897,557,813	387,873,760
others	26,887,922	121,012,826	78,890,781
<b>Total</b>	<b>854,395,728</b>	<b>1,148,544,151</b>	<b>570,684,373</b>

**NOTE: 9 TRADE RECEIVABLES**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Exceeding 6 months from payment due date</b>			
- Unsecured, considered good	6,297,396	28,313,257	14,318,066
- Unsecured, considered Doubtful	9,464,110	5,463,653	190,400
- Allowance for bad & doubtful debts	(9,464,110)	(5,463,653)	(190,400)
	6,297,396	28,313,257	14,318,066
<b>Less than 6 months</b>			
- Unsecured, considered good	183,011,641	178,290,282	202,229,246
	183,011,641	178,290,282	202,229,246
<b>Total</b>	<b>189,309,037</b>	<b>206,603,539</b>	<b>216,547,312</b>

**NOTE: 10 CASH & CASH EQUIVALENTS**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balances with banks			
- in Current Accounts	116,425,185	77,913,506	13,841,682
Cash on hand	847,464	139,678	593,369
<b>Total</b>	<b>117,272,649</b>	<b>78,053,184</b>	<b>14,435,051</b>

**NOTE: 11 LOANS**

Particulars	Current As at 31.03.2018	Current As at 31.03.2017	Current As at 01.04.2016
<b>Loans to related parties</b>			
- Unsecured, considered good	12,837,523	12,837,523	12,837,523
Advance to vendors	21,600,158	195,289,380	261,999,165
Staff loans and advances	130,635	3,901	
<b>Total</b>	<b>34,568,316</b>	<b>208,130,804</b>	<b>274,836,688</b>


**NOTE: 12 OTHER BANK BALANCES**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Margin Money	173,043	3,662,345	5,663,912
Balance with Govt dept.	-	-	-
Fixed Deposit	1,753,308	1,640,601	1,529,601
<b>Total</b>	<b>1,926,351</b>	<b>5,302,946</b>	<b>7,193,513</b>

**NOTE:13 NON-CURRENT ASSETS HELD FOR SALES**

Fixed Assets Held for disposal	-	-	120,811,776
<b>Total</b>	<b>-</b>	<b>-</b>	<b>120,811,776</b>

**NOTE 14 : SHARE CAPITAL**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Authorised Share Capital:</b>			
100,000,000 (Previous Year 100,000,000) Equity Shares of Rs.10/- each.	1,000,000,000	1,000,000,000	1,000,000,000
Issued, Subscribed Capital :			
47,814,430 (Previous Year 47,814,430) Equity Shares of Rs.10/- each.	478,144,300	478,144,300	478,144,300
<b>Paid Up Capital :</b>			
47,653,880 (Previous Year 47,653,880) Equity Shares of Rs.10/- each.	476,538,800	476,538,800	476,538,800
Share Forfeiture Account	401,375	401,375	401,375
<b>TOTAL</b>	<b>476,940,175</b>	<b>476,940,175</b>	<b>476,940,175</b>

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

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

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

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

(Amount in Rs.)

Equity Shares		As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
Name of the Shareholder		No. of Shares Held	% age of Holding	No. of Shares held	% age of Holding	No. of shares Held	% age of Holding
1	M/s SBEC Systems (India) Ltd.	14,230,884	29.86%	14,230,884	29.86%	14,230,884	29.86%
2	M/s Moderate Leasing & Capital Services Ltd	9,065,568	19.02%	9,065,568	19.02%	9,065,568	19.02%
3	Abhikum Leasing and Investment Pvt. Ltd.	5,531,994	11.80%	5,531,994	11.80%	5,531,994	11.80%
4	M/s A to Z Holding Pvt. Ltd.	3,382,500	7.10%	3,382,500	7.10%	3,382,500	7.10%
5	M/s Longwell Investments Pvt. Ltd.	2,721,500	5.71%	2,721,500	5.71%	2,721,500	5.71%

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

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
<b>Equity Shares</b>	No. of Shares	Rs.	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year	47,653,880	476,538,800	47,653,880	476,538,800	47,653,880	476,538,800
Add: Shares Issued during the year	-	-	-	-	-	-
Less: Bought back during the year	-	-	-	-	-	-
Outstanding at the end of the year	<b>47,653,880</b>	<b>476,538,800</b>	<b>47,653,880</b>	<b>476,538,800</b>	<b>47,653,880</b>	<b>476,538,800</b>

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

**NOTE 15 : OTHER EQUITY**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Surplus / (Deficit)</b>			
Balance as per last financial statement	1,031,037,847	1,445,188,468	
Balance in Statement of Profit & Loss	(849,490,061)	(413,966,385)	
Impact of measurement of Term Loans at amortised cost	-	-	
Less: Transfer to Reserves	292,840	(184,236)	
Add: Transfer from Reserves	-	-	
<b>Closing balance</b>	<b>181,254,947</b>	<b>1,031,037,847</b>	<b>1,445,188,468</b>

**Actuarial gain/ (loss) on employee benefit plans**

Opening Balance	(2,677,341)	-	
Change during the year	1,002,437	(2,677,341)	
<b>Closing balance</b>	<b>(1,674,904)</b>	<b>(2,677,341)</b>	

**Capital Reserve**

<b>Balance as per last financial statement</b>	<b>4,916,625</b>	<b>4,916,625</b>	
<b>Closing balance</b>	<b>4,916,625</b>	<b>4,916,625</b>	<b>4,916,625</b>

**Other Reserve**

Molasses Storage Fund			
Balance as per last financial statement	1,276,476	1,092,240	
Add: Additions during the year	292,840	184,236	
Less: Deductions during the year			
<b>Closing balance</b>	<b>1,569,316</b>	<b>1,276,476</b>	<b>1,092,240</b>

<b>TOTAL</b>	<b>186,065,983</b>	<b>1,034,553,606</b>	<b>1,451,197,333</b>
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**NOTE: 16 BORROWINGS**

(Amount in Rs.)

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
<b>Term Loan</b>						
- Secured						
From Banks	372,365,346	-	324,500,000	-	64,080,890	-
Impact of measurement of Term Loans at amortised cost	3,000,000	-	2,500,000	-	-	-
<b>Net Amount</b>	<b>375,365,346</b>		<b>327,000,000</b>		<b>64,080,889</b>	
From Other	-	-	-	51,625,483	-	-
- Unsecured						
Inter Corporate Deposit	-	89,980,601	-	59,528,240	-	488,768,981
From Body Corporates	10,851,002	-	367,669,035	-	-	-
<b>Total</b>	<b>386,216,348</b>	<b>89,980,601</b>	<b>694,669,035</b>	<b>111,153,723</b>	<b>64,080,889</b>	<b>488,768,981</b>

**NOTE: 17 PROVISIONS**

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
<b>Provision for employee benefits</b>						
- Gratuity	26,095,581	2,674,573	23,395,504	194,865	18,458,020	1,587,998
- Leave Encashment	3,300,577	1,291,930	4,297,275	190,076	3,457,350	203,880
<b>Total</b>	<b>29,396,158</b>	<b>3,966,503</b>	<b>27,692,779</b>	<b>2,138,734</b>	<b>21,915,370</b>	<b>1,791,878</b>

**NOTE: 18 OTHER FINANCIAL LIABILITIES**

(Amount in Rs.)

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
Security Deposits - Outsider	45,000	-	45,000	-	-	-
Current maturities of long term debt	-	61,399,000	-	90,632,429	-	84,913,854
Employees related dues	-	19,572,608	-	19,800,460	-	17,457,523
Advance from Customer	-	130,275,147	-	17,815,718	-	6,111,322
Other Liabilities for Expenses	-	4,586,863	-	4,635,434	-	4,091,973
Other Payables	-	25,700,000	-	41,518,525	-	44,856,148
<b>Total</b>	<b>45,000.00</b>	<b>241,533,618</b>	<b>45,000</b>	<b>174,402,566</b>	<b>-</b>	<b>157,430,820</b>



**NOTE:19 OTHER CURRENT LIABILITES**

(Amount in Rs.)

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
Security Deposits - Outsider	45,000	-	45,000	-	-	-
Security Deposits	1,226,200	-	1,256,200	-	1,471,200	-
Statutory Payables	-	40,318,114	-	99,909,190	-	50,593,815
Retention money	-	2,518,209	-	1,965,770	-	3,019,121
<b>Total</b>	<b>1,226,200</b>	<b>42,836,323</b>	<b>1,256,200</b>	<b>101,874,960</b>	<b>1,471,200</b>	<b>53,612,936</b>

**NOTE:20 TRADE PAYABLE**

Particulars	Non - current As at 31.03.2018	Current As at 31.03.2018	Non-current As at 31.03.2017	Current As at 31.03.2017	Non-current As at 01.04.2016	Current As at 01.04.2016
Due to parties registered under MSMED Act (Refer note no. 35 ) -	-	-	-	177,000	-	-
Due to other parties	-	4,285,623,985	-	3,813,416,220	-	3,426,734,110
Due to related parties	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>4,285,623,985</b>	<b>-</b>	<b>3,813,593,220</b>	<b>-</b>	<b>3,426,734,110</b>

**NOTE: 21 REVENUE FROM OPERATIONS**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A. Sale of Goods	4,856,463,007	3,059,365,382
Gross Sales		
Less:Excise Duty	-	-
Net Sales	4,856,463,007	3,059,365,382
B.Other Operating Revenue	45,786	34,812,784
<b>Total</b>	<b>4,856,508,793</b>	<b>3,094,178,166</b>

**NOTE: 22 OTHER INCOME**

(Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest income	1,504,440	1,387,334
Provision written back	2,434,121	94,496
Dividend	120,000	60,000
Net Gain on sale of fixed assets	28,369	-
Misc. Income	2,069,331	1,405,844
<b>Total</b>	<b>6,156,261</b>	<b>2,947,674</b>

**NOTE: 23 COST OF MATERIALS CONSUMED**

Raw materials consumed	4,472,159,108	3,091,894,909
<b>Total</b>	<b>4,472,159,108</b>	<b>3,091,894,909</b>

**NOTE: 24 CHANGED IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
<b>Inventories at the end of the year</b>		
Finished Goods	718,625,258	1,012,068,708
Work-in-progress	24,281,746	44,127,642
Sub Total	742,907,003	1,056,196,350
<b>Inventory at the beginning of the year</b>		
Finished Goods	1,012,068,708	463,781,762
Work-in-progress	44,127,642	22,438,822
Sub Total	1,056,196,350	486,220,584
<b>Total</b>	<b>313,289,347</b>	<b>(569,975,766)</b>

**NOTE: 25 EMPLOYEE BENEFIT EXPENSES**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salary & Wages & Bonus	140,150,504	113,556,209
Contribution to provident & other funds	9,754,675	8,661,211
Workman and staff welfare	4,332,733	4,135,400
<b>Total</b>	<b>154,237,912</b>	<b>126,352,820</b>

**NOTE: 26 FINANCE COSTS**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest Expense	<b>78,874,154</b>	77,414,844
Interest Expense	156,834,971	149,921,947
EIR Adjustment on Borrowing	3,000,000	2,500,000
Interest Impact on Gratuity	1,867,865	1,603,681
Interest on amortisation of Loans	165,000	165,000
<b>Total</b>	<b>161,867,836</b>	<b>154,190,628</b>

**NOTE:27 DEPRECIATION AND AMORTIZATION EXPENSES**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Depreciation of tangible assets	199,869,903	198,608,132
Amortization of intangible assets	99,834	112,462
<b>Total</b>	<b>199,969,737</b>	<b>198,720,594</b>

**NOTE:28 OTHER EXPENSES**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Consumption of stores & spare parts	131,500,995	94,515,172
Power & fuel	4,904,918	4,160,915
Material Handling Expenses	22,891,581	13,052,985
Repairs & maintenance		
-Plant & Machinery	130,389,201	118,218,571
-Building	12,644,819	20,453,554
-Others	5,342,630	4,556,422
Insurance (Net)	448,262	1,301,402
Rent	729,091	297,000
Rates & Taxes	4,533,157	3,308,492
Legal & Professional Charges	16,208,092	9,289,622
Telephone,Postage & Telegram	890,875	1,115,907
Travelling & Conveyance	13,195,788	11,743,910
Director's Sitting Fee	77,000	51,000
Auditor's Remuneration		
-As Audit Fee	367,700	404,125
-As Tax Audit Fee	12,980	43,126
-Certification & Company Law	100,000	15,424
-Expenses Reimbursement	17,258	12,350
Prior Period Adjustments	861,778	2,324,765
Freight & Forwarding	1,830,914	2,042,781
Commission to selling agents	13,764,944	12,404,651
Other selling expenses	1,123,953	861,816
Excise duty on Increase/(Decrease)in stock	25,954,683	197,299,482
Other expenses	10,218,224	33,204,357
Provision for Bad & doubtful debts/Advances	4,000,457	5,273,253
Security Guard Expenses	8,075,446	6,317,974
Vehicle Expenses	3,290,439	2,497,182
<b>Total</b>	<b>413,375,185</b>	<b>544,766,238</b>

**NOTE:29 EARNINGS PER SHARE**

Net profit/ (loss) as per Statement of Profit & Loss (for calculation of basic EPS)	(853,257,420)	(443,719,385)
Weighted average number of equity shares in calculating basic EPS	47,653,880	47,653,880
Basic earning per share	(17.91)	(9.31)
<b>Diluted earning per share</b>	<b>(17.91)</b>	<b>(9.31)</b>



### NOTE 30: Contingent Liabilities

**Claims against the Company not acknowledged as debts are as under:**

#### In the Case of Holding Company

(Rs in Lakhs)

S.No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
i)	Corporate Guarantee given to Government of Jharkhand against Soft loan (incl. interest) given to Bihar Sponge Iron Ltd.	8,596.63	7,959.84	7,353.65
ii)	Outstanding against Guarantee given on behalf of SBEC Bio-energy Ltd.	-	500.00	1,100.00
iii)	Duties and Tax liabilities disputed by the Company	313.78	1,825.81	1,774.07
iv)	Interest and R C Charges on cane arrear payment as recovered by DCO, Baghpat, case is pending with Allahabad High Court.	-	-	35.99

#### In the case of the Bio-Energy Limited:

(Rs in Lakhs)

S.No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
v.	Disputed Income tax matters under Appeals.	-	103.01	286.50

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

### Note 31 : Commitments

#### 31.1 Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (P.Y. Nil)

#### 31.2 : Other Commitments: Rs. Nil (P.Y. Nil)

### Note 32: Employee Benefits

The disclosure of 'Employee Benefits' as defined in IND AS-19 is as under:

#### Expenses recognized in the statement of Profit & Loss

##### (i) Defined Contribution Plan

(Amount in Rs.)

Particulars	Current Year	Previous Year
Employer's Contribution to Provident Fund	8,814,906	7,777,389

##### (ii) Defined Benefits Plans

#### Particulars

	Gratuity Unfunded		Leave Encashment Unfunded	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Current service cost	3,024,612	2,654,965	284,106	299,199
Interest cost	1,867,865	1,603,681	237,096	185,755
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain)/loss	-	-	(398,818)	525,152
Past service cost	-	-	-	-
Re-measurements recognized in OCI (Gain)/Loss	-	-	-	-
Comprehensive Income on Gratuity	1,109,437	(2,669,191)	-	-
Expenses recognized in the statement of Profit & Loss	(3,024,612)	(2,654,965)	(122,484)	(1,010,106)
Interest Impact on Gratuity	(1,867,865)	(1,603,681)	-	-

##### (a) The assumptions used to determine the benefit obligations:

Particulars	Gratuity		Leave Encashment	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Discount Rate	7.73%	7.37%	7.73%	7.37%
Expected Rate of increase in Compensation Levels	5.50%	5.50%	5.50%	5.50%
Expected Rate of Return on Plan Assets	NA	NA	NA	NA
Expected Average remaining working lives of employees (years)	12.71 years	13.33 years	12.71 years	13.33 years



**(b) Reconciliation of Opening and Closing balances of benefit obligations:**

Particulars	Gratuity Unfunded		Leave Encashment Unfunded	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Benefit obligation at beginning of the year	25,344,162	20,046,018	3,217,039	2,321,947
Current service cost	3,024,612	2,654,965	284,106	299,199
Interest Cost	1,867,865	1,603,681	237,096	185,755
Benefits paid	(357,048)	(1,629,693)	(4,295)	(115,014)
Past service cost Curtailment Gains/Losses	184,365	-	-	-
Contribution by plan participants	-	-	-	-
Re-measurements Recognized in OCI (gain)/ loss	-	-	-	-
Actuarial (gain)/ loss	(1,109,437)	2,669,191	(398,728)	525,152
Projected benefit obligation at end of the year	-	-	-	-
Net amount recognized in the balance sheet as at the end of the year	28,770,154	25,344,162	3,335,128	3,217,039

**(c) There is no plan asset at the beginning and at the closing of the year.****Note 33: RELATED PARTY DISCLOSURE****(A) Name of Related Parties where control exists and with whom transactions have taken place during the year:**

S.No.	Name of Related Party	Nature of Relationship
<b>A</b>	<b>(i) A person or a close member of that person's family of a reporting entity has control or joint control over the reporting entity</b>	
1	Umesh Kumar Modi	Promoters having voting control
2	Kumkum Modi	Promoters having voting control
3	Jayesh Modi	Promoters having voting control
4	Abhishek Modi	
	<b>(ii) A person or a close member of that person's family of a reporting entity is a member of the Key Management Personnel of the reporting entity or of a parent of the reporting entity.</b>	
1	Abhishek Modi	Executive Director & CEO
2	Raj Kumar Sharma	Manager
3	Anil Kumar Goel	Chief Financial Officer (appointed w.e.f. 01-11-2017)
4	Lakhmi Chand Sharma	Chief Financial Officer (resigned w.e.f. 31-10-2017)
5	Shobit Nehra	Company Secretary
6	Ajay Gupta	Chief Financial Officer
7	Simriti Tripathi	Company Secretary (resigned w.e.f. 14.04.2017)
8	Nitish Nautiyal	Company Secretary (appointed w.e.f. 17.04.2017)
<b>B</b>	<b>(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)</b>	
1	SBEC Bioenergy Limited	Subsidiary
2	SBEC Stockholding & Investment Limited	Wholly Owned Subsidiary
	<b>(ii) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity</b>	
	SBEC Sugar EPF Trust	Trust
	<b>(iii) The entity is controlled or jointly controlled by a person identified in (a).</b>	
	<b>(iv) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</b>	
1	A to Z holdings Pvt. Limited	
2	Bihar Sponge Iron Limited	
3	Jai Abhishek Investments Pvt. Ltd.	
4	Longwell Investment Pvt. Ltd.	
5	Modi Goods and Retail Services Pvt. Ltd.	
6	Modi Hitech India Limited	
7	Modi Illva India Pvt. Ltd.	
8	Modi Industries Limited	
9	Modi – Mundipharma Healthcare Pvt. Ltd.	
10	Modi-Mundipharma Beauty Products Private Limited	
11	Modi-Mundipharma Pvt. Ltd.	
12	SBEC Bioenergy Ltd	
13	SBEC Stockholding & Investment Limited	



- 14 SBEC Systems (India) Ltd.
- 15 Umesh Modi Corp Pvt. Ltd
- 16 Win-Medicare Private Limited
- 17 Modi-Senator (India) Pvt. Ltd.
- 18 Abhikum Leasing & Investments Pvt. Ltd.
- 19 ABC Holding Pvt. Ltd
- 20 Kumabhi Investments Pvt. Ltd
- 21 Meghkum Leasing & Investment Pvt. Ltd.
- 22 Trimium Advisors Private Limited
- 23 Jayesh Tradex Pvt. Ltd.
- 24 M First Trading Pvt. Ltd.
- 25 MeghnaAutoworks Pvt. Ltd
- 26 MG Mobiles India Pvt. Ltd
- 27 Modi Arts Pvt. Ltd
- 28 Modi Diagnostics Pvt. Ltd
- 29 Modi Motors Pvt. Ltd.
- 30 PHD Chamber of Commerce and Industry
- 31 GO Mobile Trading Pvt. Ltd
- 32 H.M. Tubes & Containers Pvt. Ltd
- 33 Swasth Investment Private Limited

Directorship and Shareholding along with relatives in the Company.

(v) Reporting entity being an associate of the other entity

- 1 SBEC SYSTEMS (India) Limited Associate Company
2. Moderate Leasing and Capital Services Limited Associate Company

(B) Details of transactions with related parties

Transactions		Other Related parties	Key managerial personnel	Total
<b>i. Sitting Fees paid to :</b>				
Umesh Kumar Modi	31-Mar-18	7,000		7,000
	31-Mar-17	3,000		3,000
Kumkum Modi	31-Mar-18	1,000		1,000
	31-Mar-17	1,000		1,000
Jayesh Modi	31-Mar-18	2,000		2,000
	31-Mar-17	3,000		3,000
<b>Total F.Y. 2017-18</b>		<b>10,000</b>	-	<b>10,000</b>
<b>Total F.Y. 2016-17</b>		<b>7,000</b>	-	<b>7,000</b>
<b>ii. Remuneration paid to :</b>				
<b>Whole Time Director</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-18	7,797,000	-	7,797,000
	31-Mar-17	5,254,000	-	5,254,000
-Contribution to PF and superannuation	31-Mar-18	445,000	-	445,000
	31-Mar-17	405,000	-	405,000
<b>Vice President</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-18	3,781,803	-	3,781,803
	31-Mar-17	2,308,594	-	2,308,594
-Contribution to PF and superannuation	31-Mar-18	302,800	-	302,800
	31-Mar-17	262,417	-	262,417
<b>Company Secretary</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-18	-	774,507	774,507
	31-Mar-17	-	602,526	602,526
-Contribution to PF and superannuation	31-Mar-18	-	39,334	39,334
	31-Mar-17	-	30,643	30,643



<b>Chief Financial Officer</b>		-	-	-
-Salary and Allowances (Including Perquisites)	31-Mar-18	-	1,081,625	<b>1,081,625</b>
	31-Mar-17	-	-	-
-Contribution to PF and superannuation	31-Mar-18	-	94,050	<b>94,050</b>
	31-Mar-17	-	-	-
<b>Ex-Chief Financial Officer</b>		-	-	-
-Salary and Allowances (Including Perquisites)	31-Mar-18	-	4,86,363	<b>4,86,363</b>
	31-Mar-17	-	747,734	<b>747,734</b>
-Contribution to PF and superannuation	31-Mar-18	-	29,226	<b>29,226</b>
	31-Mar-17	-	50,076	<b>50,076</b>
<b>Manager</b>		-	-	-
-Salary and Allowances (Including Perquisites)	31-Mar-18	-	1,309,976	<b>1,309,976</b>
	31-Mar-17	-	-	-
-Contribution to PF and superannuation	31-Mar-18	-	65,022	<b>65,022</b>
	31-Mar-17	-	-	-
Company Secretary(Bio)		-	-	-
-Salary and Allowances (Including Perquisites)	31-Mar-18	-	206,022	<b>206,022</b>
	31-Mar-17	-	-	-
-Contribution to PF and superannuation	31-Mar-18	-	13,760	<b>13,760</b>
	31-Mar-17	-	-	-
Chief Financial Officer(Bio)		-	-	-
-Salary and Allowances (Including Perquisites)	31-Mar-18	-	497,821	<b>497,821</b>
	31-Mar-17	-	461,982	<b>461,982</b>
-Contribution to PF and superannuation	31-Mar-18	-	31,608	<b>31,608</b>
	31-Mar-17	-	27,192	<b>27,192</b>
<b>Total F.Y. 2017-18</b>		<b>12,326,603</b>	<b>4,629,314</b>	<b>16,955,917</b>
<b>Total F.Y. 2016-17</b>		<b>8,230,011</b>	<b>1,920,153</b>	<b>10,150,164</b>
<hr/>				
iii. <b>Reimbursement of expenses paid to :</b>				
Win Medicare Pvt. Ltd.	31-Mar-18	5,321	-	<b>5,321</b>
	31-Mar-17	14,815	-	<b>14,815</b>
Modi Illva India Pvt. Ltd.	31-Mar-18	7,301	-	<b>7,301</b>
	31-Mar-17	-	-	-
<b>Total F.Y. 2017-18</b>		<b>12,622</b>	-	<b>12,622</b>
<b>Total F.Y. 2016-17</b>		<b>14,815</b>	-	<b>14,815</b>
<hr/>				
iv. <b>Purchase of materials/Paid for Exp.</b>				
Modiline Travels Service Pvt. Ltd.	31-Mar-18	2,434,634	-	<b>2,434,634</b>
	31-Mar-17	1,369,269	-	<b>1,369,269</b>
Modihitech India Ltd.	31-Mar-18	1,075,129	-	<b>1,075,129</b>
	31-Mar-17	1,083,563	-	<b>1,083,563</b>
Modi Industries Ltd (Sugar section)	31-Mar-18	198,132	-	<b>198,132</b>
	31-Mar-17	59,735,983	-	<b>59,735,983</b>
Jayesh Tradex Pvt. Ltd.	31-Mar-18	6,450,731	-	<b>6,450,731</b>
	31-Mar-17	17,589,997	-	<b>17,589,997</b>
MM Printers Devision of Modi Motors	31-Mar-18	56,891	-	<b>56,891</b>
	31-Mar-17	59,442	-	<b>59,442</b>
Modi Mudupharma Beauty product Pvt. Ltd.	31-Mar-18	-	-	-
	31-Mar-17	11,007	-	<b>11,007</b>
Modi Illva India Pvt. Ltd	31-Mar-18	16,000	-	<b>16,000</b>



	31-Mar-17	12,000	12,000
MG Mobile India Pvt Ltd	31-Mar-18	-	-
	31-Mar-17	59,000	59,000
<b>Total F.Y. 2017-18</b>		<b>10,231,517</b>	<b>- 10,231,517</b>
<b>Total F.Y. 2016-17</b>		<b>79,920,261</b>	<b>- 79,920,261</b>
<b>v. Sales of Materials</b>			
GS Pharmbutors Pvt. Ltd.	31-Mar-18	218,412,779	218,412,779
	31-Mar-17	-	-
Modi Industries Ltd (Sugar section)	31-Mar-18	168,430	168,430
	31-Mar-17	8,968,074	8,968,074
<b>Total F.Y. 2017-18</b>		<b>218,581,209</b>	<b>- 218,581,209</b>
<b>Total F.Y. 2016-17</b>		<b>8,968,074</b>	<b>- 8,968,074</b>
<b>vi. Commission paid to</b>			
Modi Industries Ltd (Sugar section)	31-Mar-18	-	-
	31-Mar-17	1,265,546	1,265,546
<b>Total F.Y. 2017-18</b>		<b>-</b>	<b>-</b>
<b>Total F.Y. 2016-17</b>		<b>1,265,546</b>	<b>- 1,265,546</b>
<b>vii. Interest paid</b>			
Arvind Contenental Pvt. Ltd.	31-Mar-18	1,530,000	1,530,000
	31-Mar-17	1,530,000	1,530,000
Mahabir Export & Import Co. Ltd.	31-Mar-18	2,700,000	2,700,000
	31-Mar-17	2,700,000	2,700,000
Longwell Investment Pvt. Ltd.	31-Mar-18	6,480,448	6,480,448
	31-Mar-17	5,585,678	5,585,678
GS Pharmbutors Pvt. Ltd.	31-Mar-18	28,483,889	28,483,889
	31-Mar-17	-	-
Moderate leasing & capital service ltd	31-Mar-18	60,598,000	60,598,000
	31-Mar-17	61,093,000	61,093,000
<b>Total F.Y. 2017-18</b>		<b>99,792,337</b>	<b>- 99,792,337</b>
<b>Total F.Y. 2016-17</b>		<b>70,908,678</b>	<b>- 70,908,678</b>
<b>viii. Amount Received against Loan</b>			
Moderate leasing & capital service ltd	31-Mar-18	129,291,000	- 129,291,000
	31-Mar-17	184,645,000	- 184,645,000
<b>Total F.Y. 2017-18</b>		<b>129,291,000</b>	<b>- 129,291,000</b>
<b>Total F.Y. 2016-17</b>		<b>184,645,000</b>	<b>- 184,645,000</b>
<b>ix. Amount Paid against Loan</b>			
GS Pharma Beauter Pvt. Ltd.	31-Mar-18	315,013,320	- 315,013,320
	31-Mar-17	-	-
Moderate leasing & capital service ltd	31-Mar-18	536,891,000	- 536,891,000
	31-Mar-17	28,294,000	- 28,294,000
<b>Total F.Y. 2017-18</b>		<b>851,904,320</b>	<b>- 851,904,320</b>
<b>Total F.Y. 2016-17</b>		<b>28,294,000</b>	<b>- 28,294,000</b>



x.	<b>Lease Rent Received from</b>				
	Modi Industries Ltd (Sugar Section)	31-Mar-18	923,000	-	<b>923,000</b>
		31-Mar-17	844,000	-	<b>844,000</b>
	<b>Total F.Y. 2017-18</b>		<b>923,000</b>	-	<b>923,000</b>
	<b>Total F.Y. 2016-17</b>		<b>844,000</b>	-	<b>844,000</b>
xi.	<b>Investment Made</b>				
	Sbec Stockholding & Investment Ltd.	31-Mar-18	-	-	-
		31-Mar-17	108,856,000	-	<b>108,856,000</b>
	<b>Total F.Y. 2017-18</b>		-	-	-
	<b>Total F.Y. 2016-17</b>		<b>108,856,000</b>	-	<b>108,856,000</b>
xii.	<b>Outstanding “ Receivables”</b>				
	SBEC stockholding & Investment Ltd.	31-Mar-18	230,050,000	-	<b>230,050,000</b>
		31-Mar-17	230,050,000	-	<b>230,050,000</b>
		1-Apr-16	230,050,000	-	<b>230,050,000</b>
	Modi Industries Ltd (Sugar section)	31-Mar-18	62,897,616	-	<b>62,897,616</b>
		31-Mar-17	60,056,135	-	<b>60,056,135</b>
		1-Apr-16	(21,697,436)	-	<b>(21,697,436)</b>
	Win Medicare Pvt. Ltd.	31-Mar-18	268,058	-	<b>268,058</b>
		31-Mar-17	273,379	-	<b>273,379</b>
		1-Apr-16	200,379	-	<b>200,379</b>
	SBEC System (I) Ltd.	31-Mar-18	15,166,523	-	<b>15,166,523</b>
		31-Mar-17	15,166,523	-	<b>15,166,523</b>
		1-Apr-16	15,166,523	-	<b>15,166,523</b>
	Modi Illava India Pvt. Ltd.	31-Mar-18	3,045	-	<b>3,045</b>
		31-Mar-17	680,027	-	<b>680,027</b>
		1-Apr-16	680,027	-	<b>680,027</b>
	Daya Charitable Trust	31-Mar-18	-	-	-
		31-Mar-17	1,240	-	<b>1,240</b>
		1-Apr-16	1,240	-	<b>1,240</b>
	Ex-Chief Financial Officer	31-Mar-18	-	-	-
		31-Mar-17	-	73,905	<b>73,905</b>
		1-Apr-16	-	187,873	<b>187,873</b>
	Vice-President	31-Mar-18	115,000	-	<b>115,000</b>
		31-Mar-17	-	-	-
		1-Apr-16	(6,000)	-	<b>(6,000)</b>
	Chief Financial Officer(Bio)	31-Mar-18	-	7,000	<b>7,000</b>
		31-Mar-17	-	(33,000)	<b>(33,000)</b>
		1-Apr-16	-	-	-
	<b>Total F.Y. 2017-18</b>		<b>308,500,242</b>	<b>7,000</b>	<b>308,507,242</b>
	<b>Total F.Y. 2016-17</b>		<b>306,227,304</b>	<b>40,905</b>	<b>306,268,209</b>
	<b>Total F.Y. 2015-16</b>		<b>224,394,733</b>	<b>187,873</b>	<b>224,582,606</b>
xiii.	<b>Outstanding “ Payables”</b>				
	Modiline Travels Service Pvt. Ltd.	31-Mar-18	368,716	-	<b>368,716</b>
		31-Mar-17	67,485	-	<b>67,485</b>
		1-Apr-16	(121,940)	-	<b>(121,940)</b>
	Company Secretary	31-Mar-18	-	54,753	<b>54,753</b>
		31-Mar-17	-	36,057	<b>36,057</b>



	1-Apr-16	-	23,000	<b>23,000</b>
Chief Financial Officer	31-Mar-18	-	119,944	<b>119,944</b>
	31-Mar-17	-	-	-
	1-Apr-16	-	-	-
Modihitech India Ltd.	31-Mar-18	518,218	-	<b>518,218</b>
	31-Mar-17	258,373	-	<b>258,373</b>
	1-Apr-16	-	-	-
Arvind Contenental Pvt. Ltd.	31-Mar-18	8,500,000	-	<b>8,500,000</b>
	31-Mar-17	8,500,000	-	<b>8,500,000</b>
	1-Apr-16	8,500,000	-	<b>8,500,000</b>
Mahabir Export & Import Co. Ltd.	31-Mar-18	15,000,000	-	<b>15,000,000</b>
	31-Mar-17	15,000,000	-	<b>15,000,000</b>
	1-Apr-16	15,000,000	-	<b>15,000,000</b>
Longwell Investment Pvt. Ltd.	31-Mar-18	41,834,896	-	<b>41,834,896</b>
	31-Mar-17	36,002,495	-	<b>36,002,495</b>
	1-Apr-16	34,425,386	-	<b>34,425,386</b>
GS Pharma Beauter Pvt. Ltd.	31-Mar-18	4,789,935	-	<b>4,789,935</b>
	31-Mar-17	-	-	-
	1-Apr-16	-	-	-
Bihar Sponge iron Ltd.	31-Mar-18	1,826,566	-	<b>1,826,566</b>
	31-Mar-17	1,826,566	-	<b>1,826,566</b>
	1-Apr-16	2,090,011	-	<b>2,090,011</b>
Modi Mundi Pharma Beauty Products Pvt. Ltd.	31-Mar-18	280,597	-	<b>280,597</b>
	31-Mar-17	280,597	-	<b>280,597</b>
	1-Apr-16	258,590	-	<b>258,590</b>
Jayesh Tradex Pvt. Ltd.	31-Mar-18	1,057,957	-	<b>1,057,957</b>
	31-Mar-17	11,894,072	-	<b>11,894,072</b>
	1-Apr-16	318,699	-	<b>318,699</b>
Whole Time Director	31-Mar-18	349,000	-	<b>349,000</b>
	31-Mar-17	415,000	-	<b>415,000</b>
	1-Apr-16	42,000	-	<b>42,000</b>
Company Secretary(Bio)	31-Mar-18	-	2,000	<b>2,000</b>
	31-Mar-17	-	-	-
	1-Apr-16	-	-	-
Win Medicare Pvt Ltd	31-Mar-18	32,000	-	<b>32,000</b>
	31-Mar-17	32,000	-	<b>32,000</b>
	1-Apr-16	32,000	-	<b>32,000</b>
Modi illva India pvt Ltd	31-Mar-18	28,000	-	<b>28,000</b>
	31-Mar-17	12,000	-	<b>12,000</b>
	1-Apr-16	-	-	-
Modearte leasing & capital Service ltd	31-Mar-18	22,600,000	-	<b>22,600,000</b>
	31-Mar-17	411,625,000	-	<b>411,625,000</b>
	1-Apr-16	275,426,000	-	<b>275,426,000</b>
<b>Total F.Y. 2017-18</b>		<b>97,185,885</b>	<b>176,697</b>	<b>97,362,582</b>
<b>Total F.Y. 2016-17</b>		<b>485,913,588</b>	<b>36,057</b>	<b>485,949,645</b>
<b>Total F.Y. 2015-16</b>		<b>335,970,746</b>	<b>23,000</b>	<b>335,993,746</b>



### Note 34: Segment Reporting

The Company is a single location single product company and hence the requirement if Ind AS-108 on segment reporting are not required.

### Note 35: Outstanding dues to micro, small and medium Enterprises:

The disclosure of dues details relating to enterprises covered under micro, small and medium enterprises Development Act 2006, to the extent the information are available with the company, are as under:

S.No.	Particulars	As at 31.03.2018	As at 31.03.2017
a)	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year. (ii) Interest due thereon.	-	1,52,000
b)	(i) The amount of interest paid in terms of sec.16 of MSMED Act, 2006 beyond the respective due date during the year. (ii) The amount of principal paid beyond the due date during the year.	-	-
c)	The amount of interest due and payable for delay period (where principal has already been paid after due date.)	-	-
d)	The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-
e)	The amount of interest accrued and remaining unpaid as at the end of the accounting year.	-	25,000

### Note 36: Financial Instruments

#### i) Financial risk management

The Company's activities expose it to a variety of financial risks which includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarized ahead.

#### ii) Market risk

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

#### iii) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primarily arises from trade receivables, balances with banks, investments and security deposits. The credit risk on bank balances is limited because the counter parties are banks with good credit ratings.

#### iv) Trade Receivables

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables.

#### v) Investments

The Company limits its exposure to credit risk by generally investing with counter parties that have a good credit rating. The Company has funded defined-benefit gratuity plans. The funded status of these plans is influenced by movements in financial market. A negative performance of the financial markets could have a material impact on cash funding requirements.

#### vi) Cash & cash equivalents

With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's risk exposure arises from the default of the counter party, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. Since the counter party involved is a bank, Company considers the risks of non-performance by the counter party as non-material.

#### vii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### viii) Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.




**As at 31.03.2018**

Particulars	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	-	386,216,348	386,216,348
Current borrowings	61,399,000	-	61,399,000
Trade payables	4,285,623,985	-	4,285,623,985
Other financial liabilities	241,533,618	-	241,533,618

**As at 31.03.2017**

Particulars	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	-	694,669,035	694,669,035
Current borrowings	90,632,429	-	90,632,000
Trade payables	3,813,593,220	-	3,813,593,220
Other financial liabilities	174,402,566	-	174,402,566

- a) The Company manages its capital to ensure that the entities in the Company will be able to continue as going concern while maximizing the return to shareholders and also complying with the ratios stipulated in the loan agreements through the optimization of the debt and equity balance.
- The capital structure of the Company consists of net debt (borrowings as detailed in note 16 offset by cash and bank balances as detailed in note 10 & 12) and total equity of the Company.
- The Company is not subject to any externally imposed capital requirements.

**b) Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at 31 March, 2018 (Rs.)	As at 31 March, 2017 (Rs.)	As at 1 April, 2016 (Rs.)
Debt (See note 'i' below)	537,595,949	896,455,187	637,763,724
Cash and bank balances	119,199,000	83,356,130	21,628,564
<b>Net debt</b>	<b>418,396,949</b>	<b>813,099,057</b>	<b>616,135,159</b>
<b>Total equity</b>	<b>663,005,527</b>	<b>1,511,493,575</b>	<b>1,928,138,088</b>
<b>Net debt to equity ratio (%)</b>	<b>0.63%</b>	<b>0.54%</b>	<b>0.32%</b>

**Note:**

- i. Debt is defined as long and short-term borrowings (excluding derivative, financial guarantee contracts), as described in notes 16 and 18.
- ii. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.
- No changes were made in the objectives, policies or processes for managing capital during the current years and previous years.

**c) Categories of financial instruments**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>Financial assets</b>			
<b>Measured at amortized cost</b>			
Other noncurrent assets	6,088,930	5,665,588	5,635,424
Other financial assets (non current)	1,472,021,409	1,471,414,673	1,471,575,763
Trade receivables	189,309,037	206,603,539	216,547,312
Cash and cash equivalents	117,272,649	78,053,184	14,435,051
Bank Balances other than Cash and cash equivalents	1,296,351	5,302,946	7,193,513
Other current assets	19,427,862	101,882,551	126,675,764
Other financial assets (current)	-	-	-
Loans	34,568,316	208,130,804	274,836,688
<b>Measured at fair value through Profit &amp; Loss</b>			



Investments			
<b>Financial liabilities</b>			
<b>Measured at amortized cost</b>			
Borrowings (non-current)	386,216,348	694,669,035	64,080,889
Borrowings (current)	89,981,601	111,153,723	488,768,981
Trade payables	4,285,623,985	3,813,593,220	3,426,734,110
Other financial liabilities (non-current)	-	-	-
Other financial liabilities (current)	241,533,618	174,402,566	157,430,820
Other current liabilities	42,836,323	101,874,960	53,612,936

**d) Fair value of the financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)**

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Financial Assets at amortized cost :	1,839,984,553	-	2,077,037,005	-
<b>Financial Liabilities</b>				
Financial Liabilities held at amortized cost:	5,046,191,918	-	489,567,1807	-

**Exposure to credit risk**

Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Investments	380,333,615	380,333,615
Cash and bank balances	117,272,649	78,053,184
Bank deposit	1,926,351	5,302,946
Short-term loans and advances	34,568,316	208,130,804

Balance with banks is subject to low credit risks due to good credit ratings assigned to these banks.

Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Trade Receivable	189,309,037	206,603,539

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

Particulars	
<b>As at 31.03.2018</b>	
Up to 6 months	183,011,641
More than 6 months	6,297,396
<b>As at 31.03.2017</b>	
Up to 6 months	178,290,282
More than 6 months	28,313,257

During the year the Company has recognised loss allowance of Rs. 94,64,110 under 12 months expected credit loss model.

No significant changes in estimation techniques or assumptions were made during the reporting period.

**Note 37. Other Disclosures****In Case of Holding Company**

During the year 2006-2007, a One Time Settlement (OTS) dated 22<sup>nd</sup> 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 28<sup>th</sup> September, 2006. In terms of this settlement, the Company has agreed to make payment of Rs. 2,810.60 lacs together with interest to PNB. In consideration of the same, PNB has agreed to assign all its claims, interest and charges against the Steel Section of MIL in favour of the Company. The Company has made full payment of the settlement amount together with interest aggregating Rs. 3,351.21 lacs to PNB. As per expert legal opinion, during the year interest amounting to Rs. 417.63 lacs (previous year Rs. 417.63 lacs for the period from 22<sup>nd</sup> January, 2007 to 31<sup>st</sup> 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 15<sup>th</sup> 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 31<sup>st</sup> 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.

**In Case of Bio-Energy Limited:**

- i) The 132 KV Line was laid by Uttar Pradesh Power Corporation Limited (UPPCL) and commissioned on 1<sup>st</sup> December, 2005. The Company's contribution in respect of the line amounted to Rs.19,545,474/- as demanded by UPPCL till end of March, 2017. The total expenditure in laying the line is pending finalization by UPPCL. The ownership of the line however, vests with UPPCL.  
UPPCL has charged Rs. 6,94,894/- for the year 2017-18 (Previous Year Rs. 6,61,804/-) as Annual Maintenance Charges. As per the Power Purchase Agreement dated 8<sup>th</sup> 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.
- 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 30<sup>th</sup> December, 2009 on payment of settlement amount, Rs. 77,500,000/-.  
The company made a payment of Rs. 77,500,000/- to IFCI on 30<sup>th</sup> December 2009 and in consideration thereof IFCI Limited executed a Deed of Assignment dated 19<sup>th</sup> 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 of charge 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 31.12.2012 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. 1,25,00,00,000/-. A sum of Rs.42,00,00,000/- have been paid on the date of execution of the said deed and the balance Rs. 83,00,00,000/- shall be payable as per mutually agreed installments within a period of five years from the date of execution of this deed.
- iv) The Company had negotiated and finalized with the IDBI Ltd., the terms for taking over the debt of IDBI in Modi Industries Limited (MIL) under OTS on assignment basis to the Company. In terms of IDBI's letters No. IDBI.L.HO.RD.MIL/2221 dated 27<sup>th</sup> January, 2007 and 9<sup>th</sup> February, 2007. The Company had paid total dues of IDBI i.e. a sum of Rs. 141,097,682/- (previous year Rs. 141,097,682/-) and in consideration thereof IDBI Limited executed a Deed of Assignment dated 03<sup>rd</sup> January, 2018 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.
- v) 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 31<sup>st</sup> March, 2018 the company has net exposure of Rs.1,468,597,682/- as debt acquired. The net worth of MIL has been completely eroded. No provision for the diminution in debts is required to be made in these financial statements.
- vi) Company's leasing arrangements, which are in respect of operating leasing for premises (residential, office etc.) ranges between 11 months to 12 months generally, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged to revenue.

**NOTE 38: MANAGERIAL REMUNERATION****In Case of Bio-Energy Limited**

**Mr. Abhishek Modi**, Executive director was paid remuneration in accordance with Schedule V to the Companies Act, 2013. The same having been included under different heads of expenditure is as follows:

Particulars	Current Year	Previous Year
Salary & Bonus	7,714,531	5,221,760
Cont. to Provident Fund	444,597	405,361
Others	82,890	32,662

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



Computation of Profit in accordance with Section 198 of the Companies Act, 2013 is as under:-

Particulars		Current Year	Previous year
Profit (Loss) for the year before taxation (as per Profit & Loss Account)		(7,348,329)	(71,223,020)
<b>Add:-</b>			
(a)	Depreciation provided in the Accounts	21,053,663	19,585,952
(b)	Director and Manager Remuneration	8,242,018	56,59,783
(c)	Loss on sale of Fixed Assets	0	0
<b>Less:-</b>			
(a)	Depreciation as per section 123 of the Companies Act, 2013	21,053,663	19,585,952
(b)	Profit on sale of Fixed Assets		
<b>Profit(Loss) u/s 198</b>		<b>893,689</b>	<b>(65,563,237)</b>

### Note 39: Additional information

In Case of Holding Company

#### (a) Capacity

Installed Capacity(as certified by the management)	Year Ended 31 <sup>st</sup> March,2018	Year Ended 31 <sup>st</sup> March,2017
Sugarcane Crushing M.T. per day (No License required)	8000	8000

#### (b) Production Purchase, Turnover & Stock

Classes of Goods	Opening stock – Quantity	Production Quantity	Sales		Closing stock	
	(Qtls.)	(Qtls.)	Quantity (Qtls.)	Value (In Lacs)	Quantity (Qtls.)	Value (In Lacs)
Sugar	246,508	1,324,214	1,317,192	44,074.81	253,530	7,064.56
	(1,34,648)	(8,35,615)	(723,755)	(26,580.50)	(246,508)	(8,975.58)
Molasses (By-product)	200,158.45	735,707.19	585,677.70	1,180.69	350,187.94	35.02
	(1,12,833.52)	(455,794.95)	(368,469.95)	(1,608.86)	(200,158.45)	(965.51)
		<b>Purchases</b>				
Sugar Trading	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

#### (c) Consumption of Raw Material

Particulars	Year ended 31 <sup>st</sup> March,2018		Year ended 31 <sup>st</sup> March,2017	
	Quantity (Quintals)	Value (Rs. In lacs)	Quantity (Quintals)	Value (Rs. In lacs)
Sugar Cane	137,00,322.00	44,721.59	90,52,523.00	30,918.95



(d) Expenditure in foreign currency (On accrual basis)

Particulars	Current year	Previous Year
Interest, Others,	-	-

(e) CIF Value of import

Particulars	Current year	Previous Year
Store & Spares	19.98	7.92

(f) Earning in foreign currency

Particulars	Current year	Previous Year
Export of goods calculated on FOB basis	-	-

(g) Value if imported/Indigenous Raw Materials, Stores and Spares Consumed

Particulars	Indigenous Value	%age	Imported Value	%age
Raw Materials	44,721.59	100%	-	Nil
Previous Year	30,918.95	100%	-	Nil
Stores & Spares*	2,347.20	99.16%	19.98	0.84%
Previous Year	854.44	99.08%	7.92	0.92%

\*Excluding spares used for capitalization.

\* ( ) Show Previous year figures.

In Case of Bio-Energy Limited

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

Particulars	Indigenous		Imported	
	Value	%	Value	%
Store / Spares	22,034,136 (26,561,487)	100 (100)	NIL (NIL)	NIL (NIL)

Figures in brackets are for previous year.

b. Value of Import on CIF Basis

Particulars	Current year	Previous year
Store & Spares	Nil	Nil

c. Expenditure in Foreign Currency (Paid)

Particulars	Current year	Previous year
Purchase of stores and spares)	NIL	NIL
Others	3,085,594	4,836,800

**Note No. : 40 NOTES RELATED TO INDIAN ACCOUNTING STANDARDS****(A) Effects of Ind AS adoption on the balance sheet as at 31st March 2017 and 1st April 2016**

(Amount in Rs.)

Particulars	Previous GAAP 31.03.2017	Effect of transition to Ind AS	Ind AS 1.03.2017	Previous GAAP 01.04.2016	Effect of transition to Ind AS	Ind AS 1.04.2016
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
(a) Property, Plant and Equipment	515,843,410	2,643,571,674	3,159,415,084	525,979,146	2,809,876,980	3,335,856,126
(b) Capital Work in Progress	996,291	-	996,291	12,171,298	-	12,171,298
(c) Other Intangible Assets	424,582	-	424,582	483,045	-	483,045
(d) Investments	380,333,615	-	380,333,615	350,333,615	-	350,333,615
(e) Other Financial Assets	-	1,471,414,673	1,471,414,673	-	1,471,575,763.3	1,471,575,763
(e) Deferred Tax Assets	41,303,124	-	41,303,124	36,198,925	-	36,198,925
(f) Loan	351,354	(351,354)	-	350,354	(350,354)	-
(g) Other non Current Assets	1,471,577,018	(1,465,911,430)	5,665,588	1,473,839,118	(1,468,203,694)	5,635,424
	<b>2,410,829,394</b>	<b>2,648,723,564</b>	<b>5,059,552,958</b>	<b>2,399,355,501</b>	<b>2,812,898,695</b>	<b>5,212,254,196</b>
<b>Current Assets</b>						
(a) Inventories	1,148,544,151	-	1,148,544,151	570,684,374	-	570,684,374
(b) Financial Assets						
(i) Trade Receivables	206,603,539	-	206,603,539	216,547,312	-	216,547,312
(ii) Cash and Cash Equivalents	79,693,785	(1,640,601)	78,053,184	15,635,571	(1,200,520)	14,435,051
(iii) Loans	313,459,587	(105,328,783)	208,130,804	401,497,708	(126,661,020)	274,836,688
(iii) Others Bank Balances	-	5,302,946	5,302,946	-	7,193,513	7,193,513
(c) Others Current assets	8,828,977	93,053,574	101,882,551	129,611,589	(2,935,825)	126,675,764
Non Current assets held for sale	-	-	-	-	120,811,776	120,811,776
	1,757,130,039	(8,612,864)	1,748,517,175	1,333,976,554	(2,792,075)	1,331,184,479
<b>TOTAL ASSETS</b>	<b>4,167,959,432</b>	<b>2,640,110,699</b>	<b>6,808,070,132</b>	<b>3,733,332,055</b>	<b>2,810,106,620</b>	<b>6,543,438,674</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
(a) Equity Share Capital	476,940,175	-	476,940,175	476,940,175	-	476,940,175
(b) Other Equity	(1,417,037,603)	2,451,591,210	1,034,553,607	(1,161,431,600)	2,612,628,933	1,451,197,333
	<b>(940,097,428)</b>	<b>2,451,591,210</b>	<b>1,511,493,782</b>	<b>(684,491,425)</b>	<b>2,612,628,933</b>	<b>1,928,137,508</b>
<b>Non Controlling Interest</b>	174,604,165	195,145,968	369,750,133	196,416,935	203,078,048	399,494,983
<b>LIABILITIES</b>						
<b>Non-Current Liabilities</b>						
a) Financial Liabilities						
i) Borrowings	697,669,035	(3,000,000)	694,669,035	69,638,251	(5,557,362)	64,080,889
ii) Other Financial Liabilities	-	45,000	45,000	-	-	-
b) Other Non-Current Liabilities	1,256,200	-	1,256,200	1,426,200	45,000	1,471,200
b) Provisions	27,692,779	0	27,692,779	21,915,370	0	21,915,370
	726,618,014	(2,955,000)	723,663,014	92,979,821	(5,512,362)	87,467,459
<b>Current Liabilities</b>						
a) Financial Liabilities						
i) Borrowings	111,153,723	-	111,153,723	488,768,981	-0	488,768,981
ii) Trade Payables	3,812,300,910	1,292,310	3,813,593,220	3,405,007,212	21,726,898	3,426,734,110
iii) Other Financial Liabilities	-	174,402,566	174,402,566	-	157,430,820	157,430,820
b) Other Current Liabilities	281,241,314	(179,366,354)	101,874,960	232,858,654	(179,245,718)	53,612,936
c) Provisions	2,138,734	0	2,138,734	1,791,878	0	1,791,878
	4,206,834,681	(3,671,478)	4,203,163,203	4,128,426,725	(88,000)	4,128,338,725
<b>Total Equity and Liabilities</b>	<b>4,167,959,432</b>	<b>2,640,110,699</b>	<b>6,808,070,132</b>	<b>3,733,332,055</b>	<b>2,810,106,620</b>	<b>6,543,438,674</b>


**(B) Effets of Ind AS adoption on the Statement of Profit and Loss for the year ended March 2017**

(Amount in Rs.)

As at 31st March, 2017				
Particulars	Notes	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>Revenue</b>				
Revenue From Operations		2,896,349,834	197,828,332	3,094,178,166
Other Income		32,799,174	-29,851,500	2,947,674
<b>Total Revenue</b>		<b>2,929,149,008</b>	<b>167,976,832</b>	<b>3,097,125,840</b>
<b>Expenses</b>				
Cost of Material Consumed		3,091,894,909	-	3,091,894,909
Change in inventories of power banked		(569,975,766)	-	(569,975,766)
Manufacturing Expenses		286,323,050	(286,323,050)	-
Employee Benefit Expense		130,625,693	(4,272,873)	126,352,820
Finance Cost		149,909,607	4,281,021	154,190,628
Depreciation & Amortization Expense		32,415,288	166,305,306	198,720,594
Others Expenses		90,479,195	454,287,043	544,766,238
<b>Total Expenses</b>		<b>3,211,671,977</b>	<b>334,277,446</b>	<b>3,545,949,423</b>
<b>Profit before tax (A-B)</b>		<b>(282,522,969)</b>	<b>(166,300,614)</b>	<b>(448,823,583)</b>
Tax expense :				
Current tax		-	-	-
Deferred tax		(5,104,199)	-	(5,104,198)
<b>Total</b>		<b>(5,104,199)</b>	<b>-</b>	<b>(5,104,198)</b>
<b>Profit/(Loss) for the period</b>		<b>(277,418,770)</b>	<b>(166,300,615)</b>	<b>(443,719,385)</b>
Other comprehensive income				
(i) Items that will not be reclassified to profit or loss		-	(2,669,191)	(2,669,191)
<b>Total Profit / Loss for the year</b>		<b>(277,418,770)</b>	<b>(168,969,806)</b>	<b>(446,388,576)</b>
<b>Shareholders of the company</b>		<b>(255,606,000)</b>	<b>(161,037,726)</b>	<b>(416,643,726)</b>
<b>Non Controlling Interest</b>		<b>(21,812,770)</b>	<b>(7,932,080)</b>	<b>(29,744,850)</b>

**(C) Effets of Ind AS adoption on the Cash Flow Statement**

Net Cash (used) in / generation from operating activities	2,710,963	(119,088,118)	(116,377,155)
Net Cash (used) in/ flow from investing activities	-39,598,749	120,811,776	81,213,027
Net Cash Flows From /(Used) in Financing activities	100,505,918	(1,723,657)	98,782,261
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>63,618,132</b>	<b>-</b>	<b>63,618,134</b>
Cash and Cash equivalents at beginning of period	14,435,051	-	14,435,051
<b>Cash and Cash equivalents at end of the period</b>	<b>78,053,184</b>	<b>-</b>	<b>78,053,184</b>

**(D) Effets of Ind AS adoption on the Statement of changes in Equity**

(Amount in Rs.)

Particulars	Previous GAAP 01.04.2016	Effect of Changes in Share Capital	Ind AS 01.04.2016	Previous GAAP 01.04.2017	Effect of Changes in Share Capital	Ind AS 31.03.2017
Opening Balance	476,940,175	-	476,940,175	476,940,175	-	476,940,175
Add:Addition						
<b>closing Balance</b>	<b>476,940,175</b>	<b>-</b>	<b>476,940,175</b>	<b>476,940,175</b>	<b>-</b>	<b>476,940,175</b>



**(E) Effects of Ind adoption on the Statement of Changes in Other Equity**

(Amount in Rs.)

Particulars	Retained Earning	Effect of Changes	Total	Capital Reserve	Other Reserve Molasses Storage Fund	Total
Opening Balance as on 01.04.2015	(1,204,423,802)	-	(1,204,423,802)	4,916,625	758,521	(1,198,748,656)
Add: Fair valuation as deemed cost for Property Plant and Equipment	-	2,609,273,930	2,609,273,930	-	-	2,609,273,930
Impact of measurement of Term Loans at amortised cost	-	3,355,000	3,355,000	-	-	3,355,000
Add: Profit (Loss) / For the year	37,317,059	-	37,317,059	-	-	37,317,059
Add: Transfer from Reserve	-	-	-	-	333,719	333,719
Less: Transfer to Reserve	333,719	-	333,719	-	-	333,719
<b>Closing Balance as on 31.03.2016</b>	<b>(1,167,440,465)</b>	<b>2,612,628,930</b>	<b>1,445,188,467</b>	<b>4,916,625</b>	<b>1,092,240</b>	<b>1,451,197,333</b>
Opening Balance as on 01.04.2016	(1,167,440,465)	2,612,628,930	1,445,188,467	4,916,625	1,092,240	1,451,197,332
Add: Changes due to valuation as deemed cost of Land, Building, Plant and Equipment	-	-	-	-	-	-
Impact of measurement of Term Loans at amortised cost	-	-	-	-	-	-
Add: Profit (Loss) / For the year	(255,606,000)	(158,360,385)	(413,966,385)	-	-	(413,966,385)
Add: Transfer from Reserve	-	-	-	-	184,236	184,236
Less: Transfer to Reserve	184,236	-	184,236	-	-	184,236
Add: Remeasurement of defined benefit obligation (net of tax)	-	(2,677,341)	(2,677,341)	-	-	(2,677,341)
<b>Closing Balance as on 31.03.2017</b>	<b>(1,423,230,704)</b>	<b>2,454,268,545</b>	<b>1,031,037,846</b>	<b>4,916,625</b>	<b>1,092,240</b>	<b>1,034,553,607</b>

**Note: 41. Recent Accounting Pronouncements**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The company is evaluating the effect on adoption of Ind AS 115.

**Note: 42**

The financial statements for the year ended 31 March, 2018 were approved by the Board of Directors and authorize for issue on 29th May, 2018.

Previous Year Figures have been recast/restated.

Note 1 to 42 Containing Accounting Policies and General Notes from part of the financial statements.

<b>For K.K.JAIN &amp; CO.</b> Chartered Accountants <b>Firm Registration No 02465N</b>	<b>Sd/-</b> <b>Umesh Kumar Modi</b> (Chairman & President) DIN : 00002757	<b>Sd/-</b> <b>Abhishek Modi</b> (Whole-Time Director) DIN : 00002798	<b>Sd/-</b> <b>Vijay Kumar Modi</b> (Director) DIN : 00004606
<b>Sd/-</b> <b>(Simmi Jain)</b> Partner Membership No. : 086496	<b>Sd/-</b> <b>Rajeev Kumar Agarwal</b> (Director) DIN : 00298252	<b>Sd/-</b> <b>J.C. Chawla</b> (Director) DIN : 05316202	<b>Sd/-</b> <b>N.P. Bansal</b> (Director) DIN : 00010587
<b>Place : New Delhi</b> <b>Date : 29th May 2018</b>		<b>Sd/-</b> <b>A.K. Goel</b> (Chief Financial Officer)	<b>Sd/-</b> <b>Shobhit Nehra</b> (Company Secretary)