



30.08.2019

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

Dear Sir,

**Subject: - 25<sup>th</sup> Annual Report 2018-19**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report of the Company for the Financial Year 2018-19 along with the Notice convening the 25th AGM. The same are being dispatched to the members through permitted mode(s).

The Annual Report for the financial year 2018-19 and the Notice of 25<sup>th</sup> AGM are also uploaded on the Company's website i.e. [www.sbecsugar.com](http://www.sbecsugar.com).

Kindly take the above information on record.

Thanking You,

Yours Faithfully  
For **SBEC Sugar Limited**



**Shobit Nehra**  
Company Secretary & Compliance Officer

Encl: As above



## SBEC SUGAR LIMITED

CIN: L15421UP1991PLC019160

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

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

### NOTICE

Notice is hereby given that the **25th** Annual General Meeting of the Shareholders of **SBEC Sugar Limited** will be held on **Tuesday, the 24th day of September, 2019** at the Registered Office of the Company at **Village: Loyan, Malakpur, Tehsil: Baraut, District: Baghpat, Uttar Pradesh at 11:30 A.M.** to transact the following businesses:

#### ORDINARY BUSINESS:

##### 1. Adoption of Standalone and Consolidated Financial Statements

To consider and adopt:

- The Audited Standalone financial statements of the Company for the financial period ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon; and
- The Audited Consolidated financial statements of the Company for the financial period ended 31st March, 2019 and the Auditors Reports thereon.

##### 2. To appoint Shri. Jayesh Modi, who retires by rotation as a Director

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri. Jayesh Modi (DIN 02849637), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

#### SPECIAL BUSINESS:

##### 3. Appointment of Shri. Abhishek Modi as Whole Time Director Designated as Executive Director of the Company

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

**"RESOLVED THAT** pursuant to the provision of section 196, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, the consent of the members be and is hereby accorded for the appointment of Shri. Abhishek Modi as Whole Time Director Designated as Executive Director of the Company for a period of five years with effect from 25th May, 2019 without any remuneration."

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

##### 4. Re-appointment of Shri. Raj Kumar Sharma as Manager designated as "General Manager-Personnel and Administration"

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company consent of members of the Company be and is hereby accorded to the re-appointment of Shri. R.K. Sharma as a Manager designated as "General Manager-Personnel and Administration" on the Board of the Company for a period commencing from June 14, 2019 to August 25, 2019 upon the following terms and conditions:-

#### Total Salary

The Total CTC of Shri. R.K. Sharma will be in the range of Rs.14 to 17 Lacs per Annum. The above CTC will be bifurcated as per the standard salary structure of the company. He will be entitled for an annual increment as may be fixed by the Board of Directors (hereinafter referred to as



"the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board), within the above ceiling. He will also be entitled to the perquisites as per Company policies, as amended from time to time. Company's contribution to Provident Fund to the extent not taxable under the Income-tax Act, Gratuity according to the Company's rules and Encashment of Leave at the end of the tenure shall not be included in the limits for the remuneration or perquisites.

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

**5. Re-appointment of Mr. Rohit Garg (DIN: 03296571) as an Independent Director.**

To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a "Special Resolution".

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force of Mr. Rohit Garg (DIN: 03296571), who was appointed as an Independent Director to fill the casual vacancy, caused by the death of Sh. Manmohan and who holds office as an Independent Director up to September 25, 2019, in respect of whom the Company has received a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years i.e. up to September 24, 2024 on the Board of the Company.

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

**6. Approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013.**

To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a "Special Resolution".

**"RESOLVED THAT** pursuant to the provisions of Section 185 of the Companies Act, 2013, read with Companies (Amendment) Act, 2017 and Rules made there under as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include unless the context otherwise required, any committee of the Board or any director or officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity covered under the category of 'a person in whom any of the director of the company is interested' as specified in the explanation to Sub section 2 of the said Section upto an aggregate sum of 60 Crores (Rupees Sixty Crores Only) in their absolute discretion deem beneficial and in the interest of the Company."

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company."

**7. Authorization for Related Party Transactions**

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 188 to the extent applicable and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Meetings of Board and its Powers) Rules, 2014 and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the members be and is hereby accorded to the Board of Directors of the Company ("hereinafter referred to as the "Board" which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) to enter into the contracts and/or arrangements, material related party transactions with the Related Parties and its associate companies as defined under the Act, with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind, availing or rendering of any services or any other transactions of whatever nature, giving and taking of ICD's and creation of Charge in favour of Related



Parties on such terms and conditions as may be mutually agreed upon between the Board of Directors of the company and the related parties, as per details mentioned below w.e.f. 1st April, 2019 and every year thereafter upto maximum amount per annum not to exceed Rs. 200 Crores:-

SI No.	Name of Related Party	Period of Contract	Particulars of Contract	Expected Maximum Value of Transactions per annum w.e.f. 1 <sup>st</sup> April, 2019 (Rs. Crores)
1.	Modi Industries Limited	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2022	Sale, purchase or supply of any goods or material, availing or rendering of any service or any other material related party transactions.	200 Crores
2.	Jayesh Tradex Private Limited	--do--	Sale, purchase or supply of any goods or material, availing or rendering of any service, Selling or otherwise disposing of, or buying, property of any kind, ICDs taken/given and creation of charges, payment of Interest on ICDs etc., or any other material related party transactions.	
3.	G.S. Pharmbutor Private Limited	---do--	Sale, purchase or supply of any goods or material, availing or rendering of any service, Selling or otherwise disposing of, or buying, property of any kind, sale of Sugar, ICDs taken/given and creation of charges, payment of Interest on ICDs etc., or any other material related party transactions.	
4.	SBEC Bioenergy Limited	---do---	Sale, purchase or supply of any goods or material, availing or rendering of any service, Selling or otherwise disposing of, or buying, property of any kind, Guarantee/ Security given or any other material related party transactions.	
5.	Longwell Investments Private Limited	----do---	Availing or rendering of any service, Selling or otherwise disposing of, or buying, property of any kind, ICDs taken/given, payment of Interest on ICDs or any other material related party transactions.	
6.	Arvind Continental Private Limited	---do---	Availing or rendering of any service, ICDs taken/given, payment of Interest on ICDs, or any other material related party transactions.	
7.	Moderate Leasing and Capital Services Limited	---do---	Availing or rendering of any service, ICDs taken/given, payment of Interest on ICDs, or any other material related party transactions.	
8.	Any other related party/ies not mentioned hereinabove and as defined under the Act.	--do--	Availing or rendering of any service, Selling or otherwise disposing of, or buying, property of any kind, ICDs taken/given, payment of Interest on ICDs, Guarantee/ Security given or any other material related party transactions.	

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things; to finalize or vary the terms and conditions of the transactions with the aforesaid parties; and to execute or authorize any person to execute all such documents, instruments and writings as may be considered necessary, relevant, usual, customary, proper and / or expedient for giving effect to this resolution and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution for the purpose of giving effect to this Resolution."

#### 8. Remuneration of Cost Auditors

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactments(s) thereof for the time being in force), the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) plus applicable tax and reimbursement of out of pocket expenses payable to M/s. M.K. Singhal & Co., Cost Accountants (Firm Registration No.00074) for conduct of audit of the cost records of the Company for the financial year ending March 31, 2020 as approved by the Board of Directors, be and is hereby ratified.

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

**For & behalf of SBEC Sugar Limited**

**Date : 14<sup>th</sup> August, 2019**  
**Place : New Delhi**

**Umesh Kumar Modi**  
**Chairman & President**



**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business under Item Nos. 3 to 8 of the Notice, is annexed hereto. The relevant details as required under SEBI (LODR) Regulations, 2015 entered into with the Stock Exchange, of persons seeking appointment / re-appointment as Directors under Items No. 3 to 8 of the Notice, are also annexed.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed in the format sent herewith, not less than FORTY-EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such person shall not act as a proxy for any other person or shareholder.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
4. The Register of Members & Share Transfer Books of the Company will remain closed from 18th September, 2019 to 24th September, 2019 (both days inclusive).
5. **The requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on August 29, 2017.**
6. Members, who hold shares in dematerialized form, are requested to notify, changes, if any, in their address, to their respective Depository Participant and those, who hold shares in physical form, may intimate the same to the Company.
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Beetal Financial & Computer Services Pvt. Ltd for assistance in this regard.
8. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Beetal Financial & Computer Services Pvt. Ltd, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by Member holding shares in:
  - a) Demat form to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts and
  - b) Physical form to submit copies of PAN of all shareholders and original cancelled cheque of first shareholder along with copy of Pass Book or Bank Statements to the RTA.
10. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the RTA for registration of transfer of securities.
11. As per SEBI notification dated 03.12.2018, request for Transfer of shares held in physical form will not be processed w.e.f. 31.03.2019 and it shall be mandatory to demat the shares to get the shares transfer in their name. Shareholders are therefore requested to dematerialize their shares for transfer purpose.
12. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. Members/proxies are requested to bring attendance slips sent herewith duly filled in, for attending the meeting.
14. Members desiring any information as regards to accounts are requested to address their questions to the Company Secretary at least 7 days before the date of the meeting so that the required information is made available at the meeting.
15. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
16. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Beetal Financial & Computer Services Pvt. Ltd Company.
17. Members holding shares in physical form are advised to make nomination in Form SH-13 in respect of their shareholding in the Company. The nomination form will be made available by the Company on request.
18. Members may also note that the Notice of the Twenty Fifth Annual General Meeting and the Annual Report for financial year 2018-19 will also be available on the Company's website i.e. **www.sbecsugar.com** for their download.



19. Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 A.M to 1.00 P.M upto the date of Annual General Meeting.
20. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).

The Board of Directors has appointed Ms Nupur Gupta, Practicing Chartered Accountant, 214, Citi Centre, Begum Bridge Road, Meerut, U.P.-250002 (Membership No-075983) as Scrutinizer to scrutinize voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith submit to the Chairman of the Company.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Saturday 21st day of September, 2019 and ends on Monday 23rd day of September, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday 17th day of September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are first time user follow the steps given below:

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

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

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

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

**Dividend Bank Details OR Date of Birth (DOB)**

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

— If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **SBEC SUGAR LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non-Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **[www.evotingindia.co.in](http://www.evotingindia.co.in)** and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)**.
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)** and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **[www.evotingindia.com](http://www.evotingindia.com)**, under help section or write an email to **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)**.

#### GENERAL INSTRUCTIONS:

- (A) The voting period begins on Saturday 21st day of September, 2019 at 9:00 AM and ends on Monday 23rd day of September, 2019 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday 17th day of September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **[www.evotingindia.co.in](http://www.evotingindia.co.in)** under help section or write an email to **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)**.
- (C) Mr. Shobit Nehra, Company Secretary and Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this 25th Annual General Meeting including e-voting. His mail ID is **[investors@sbecsugar.com](mailto:investors@sbecsugar.com)** and may be contacted on phone no. 011-42504878.
- (D) The Notice of the 25th Annual General Meeting are being sent to all the Members, whose names appear in the Register of Members as on cut-off date (record date) i.e. 23th August, 2019 through the mode prescribed under the Companies Act, 2013 and also by E-Mail, wherever registered. The Members may also download a copy of the Notice from the Website of the Company (**[www.sbecsugar.com](http://www.sbecsugar.com)**)
- (E) The Members of the Company, holding Equity Shares either in physical form or in dematerialized (demat) form as on 17th September, 2019 and not casting their vote electronically, may only cast their vote at the 25th Annual General Meeting. The voting rights of shareholders shall be in proportion to their shareholding of paid up share capital of the Company as on 17th September, 2019.

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

##### ITEM NO.3

The Board of Directors changed the designation of Shri. Abhishek Modi from Whole Time Director to Non Executive Director of the Company w.e.f. 13.02.2019 subject to the approval of shareholder, after that Board of Directors received a request letter from Shri Abhishek Modi where he again showed his willingness to act again as Whole Time Director of the Company.

Then on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on May 25, 2019 approved appointment of Shri. Abhishek Modi, as Whole Time Director Designated as Executive Director of the Company for a term of five years commencing from 25th May, 2019 subject to the approval of the members of the Company.

The Board of Directors of the Company has recommended this resolution for approval of the members for his appointment on the terms detailed in the resolution, with effect from 25th May, 2019 in terms of Section 196, 197 and 203 of the Companies Act, 2013 read with Schedule V and other applicable provisions of the Companies Act, 2013.

The profile and specific areas of expertise of Shri. Abhishek Modi is provided to this notice. Mr. Abhishek Modi is interested or concerned in the resolution. Further Mr. Umesh K. Modi, Chairman and President, Mrs. Kumkum Modi and Mr. Jayesh Modi, Director being relatives of Mr. Abhishek Modi are deemed to be concerned or interested in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the members.

Disclosure under regulation 36(3) of the Listing Regulations is set out in the annexure to the Explanatory Statements.

**ITEM NO.4**

Pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company, the Board of Directors of the company has re-appointed Shri. R.K. Sharma (DIN- 07741845) Manager designated as "General Manager-Personnel and Administration" on the Board of the Company for a period of one year commencing from June 14, 2019 to June 13, 2020, and the Nomination and Remuneration Committee of Directors and the Board of Directors in their respective meeting held on 25.05.2019 have approved the re-appointment and proposed remuneration.

Further, by letter dated 14.08.2019 Mr. R.K. Sharma gave resignation from the post of Director and Manager of the Company w.e.f. 25th August, 2019. Therefore, on the recommendations of the Nomination and remuneration Committee, the Board of Directors recommends the re-appointment of Mr. R.K. Sharma, Manager designated as "General Manager- Personnel and Administration" for a period commencing from June 14, 2019 to August 25, 2019, subject to the approval of the shareholders of the Company and such other approvals as may be necessary in this regard.

**The Information As Required Under Schedule V To The Companies Act, 2013 Is Given Hereunder:****I. GENERAL INFORMATION:**

(1)	Nature of Industry	The Company is engaged in the manufacturing and marketing Sugar at its unit at Village-Loyan, Malakpur, Tehsil-Baraut, Baghpat, U.P.
(2)	Date or expected date of commencement of commercial production	The Company is an existing Company and is into manufacturing operation since long.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4)	Financial performance based on given indicators:	Year ended 31 <sup>st</sup> March, 2019

	In lakhs
Sales and Other Income	40129.98
Total Expenditure	43064.45
Operating Profit/(Loss) before Depreciation, Exceptional items & Tax	(2934.47)
Depreciation & Exceptional items	1811.89
Operating Profit/ ( Loss) after Depreciation and Exceptional items but before tax	(4746.36)
Income tax	-
Credit for Deferred tax	1.30
Profit / (Loss) after tax	(4747.66)

(5)	Export performance and net foreign exchange collaborations	Nil
(6)	Foreign investments or collaborators, if any	None

**II. INFORMATION ABOUT THE APPOINTEE:**

(1) Background details:	Shri. Raj Kumar Sharma has completed his Masters in Social work from Lucknow University. He has a rich experience in the field of Human Resource & Development for more than 31 Years.
(2) Past remuneration:	He was drawing a Basic Salary of Rs. 590,700/- and perquisites per annum.
(3) Recognition or awards:	None
(4) Job profile and his suitability:	Mr. Raj Kumar Sharma has served as Manager designated as "General Manager-Personnel and Administration" of the Company and as " <b>OCCUPIER</b> " under the Factories Act, 1948, Uttar Pradesh Sugarcane (Regulation of Supply & Purchase) Act, 1953. He has devoted whole time attention to the affairs of the Company. He has also performed such other duties as are assigned to him from time to time by the Board of Directors of the Company
(5) Remuneration proposed:	Details of the proposed remuneration is given in Item no. 4 of the Notice convening the 25th Annual General Meeting.
(6) Comparative remuneration profile with respect to industry size of the company, profile of the position and person:	The remuneration paid to Shri. Raj Kumar Sharma is in line with the industry norms and even on lower side when compared with similar profile in the industry.





(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	Apart from remuneration, Mr. R.K. Sharma does not have any other pecuniary relationship with the Company. Further, Mr. R.K. Sharma is not related with any other managerial personnel of the Company.
--	---

**III. OTHER INFORMATION:**

(1) Reasons of loss or inadequate profits:	The company has made losses during the financial year 2018-19. The reason for accumulated losses/inadequate profit were due to several external factors like (a) Irrational fixation of SAP by the State Government (b) Lower Sugar Price resulting into lower sugar sales realization (c) Negligible Molasses Prices.
(2) Steps taken or proposed to be taken for improvement:	The company is taking steps to improve quality of sugarcane by introducing various cane development Programme which will increase the recovery of sugar. Secondly, the Company has been taking all measures to maximize the efficiencies and minimize the cost of production of sugar.
(3) Expected increase in productivity and profit in measurable terms.	It is expected that in sugar season 2019-2020, the production of sugarcane and recovery will be better than the previous sugar season. The Government also has been taking steps to help the sugar industries in terms of various measures viz. compulsory export of sugar linked to the Cane Subsidy, minimum sugar selling price, hike in import duty of sugar, Interest Subvention scheme, and subsidy for sugar exports. However, the single most factor which drive the performance of the Company is the volatility in sugar selling price and the uncertainty in sugar procurement cost. In view of the facts stated above, it is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that the productivity and profitability may improve and would be comparable with the industry average.

Except Shri. R.K. Sharma and his relatives, if any, in the Company, none of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Disclosure under regulation 36(3) of the Listing Regulations is set out in the annexure to the Explanatory Statements.

**ITEM No.5**

Mr. Rohit Garg was appointed as an Independent Director to fill the casual vacancy, caused by the death of Sh. Manmohan and current term of his office is due to expire on September 25, 2019.

Mr. Rohit Garg, aged 39 years has experienced in the area of administration and management.

As per the provision of Section 149 of the Companies Act, 2013 an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five year, on passing a special resolution by shareholder.

Mr. Rohit Garg, has given consent and intimation in writing to act as a Director in form DIR-2 and intimation in form DIR-8, he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Company Act, 2013 and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Company Act, 2013 & regulation 16 of SEBI (LODR), 2015 as amended from time to time.

Pursuant to recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company approved the re-appointment of Mr. Rohit Garg as Independent Non-Executive Director of the Company for a second term of five years commencing from 24th September, 2019 subject to the approval of shareholders of the Company and such other approvals as may be necessary in this regard.

In the opinion of the Board, Mr. Rohit Garg satisfies the conditions specified under the Companies Act, 2013, rule made there under and SEBI (LODR), 2015 for his appointment as an Independent Director of the Company. His continuation on the Board as Independent Director will be beneficial to the Company and the Board recommends the resolution set out under Item No.5 for the approval of the members as a Special Resolution.

Except Mr. Rohit Garg and his relatives, if any, in the Company, none of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

Disclosure under regulation 36(3) of the Listing Regulations is set out in the annexure to the Explanatory Statements.

**ITEM NO. 6**

The Company is expected to render support for the business requirements of other companies in the group, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security to other entities of the Group. In the light of amendments notified effective May 7, 2018, inter-alia replacing the provisions Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities.

The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for principal business activities of the entities in the Group.



Hence, in order to enable the company to advance loan to Subsidiaries/ Joint Ventures /associates/ other Companies/ Firms in which Directors are interested directly or indirectly under section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution.

The Board of Directors Recommend the Special Resolution for approval by the members. Except Shri. Umesh Kumar Modi, Chairman& President, Smt. Kumkum Modi, Shri. Jayesh Modi, Non-Executive Director, Shri. Abhishek Modi, Whole Time Director and Shri. R.K. Agarwal, Director of the Company, none of the Directors or Key Managerial Persons or their relatives is concerned or interested in the resolution.

#### ITEM NO. 7

Pursuant to Section 188 of the Companies Act, 2013, the Company can enter into transactions which are in the ordinary course of business and/or are on arm's length basis. Transactions that do not satisfy these criteria can be carried out only with the approval of the shareholders accorded by way of an ordinary resolution. Though all the transactions with the related parties mentioned under the resolution in Item No.7 are in the ordinary course of business and are at arm's length basis.

Further, pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has made it mandatory that all material Related Party Transactions (i.e., the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company) shall require approval of the shareholders by way of an ordinary resolution. The Audit Committee and the Board of Directors of the Company in their meetings held on 14<sup>th</sup> August, 2019 have approved the transactions given in Item No.7 of the Notice. However, since these transactions, though may be on arm's length basis and also may be in the ordinary course of business, yet as an abundant caution, it is proposed to seek approval of members by passing an ordinary Resolution pursuant to Section 188 read with rules made thereunder and as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nature of Interest of Related parties in the Company is given below:-

Sl. No.	Name of the Related Party	Nature of Interest or Concern
1.	Modi Industries Limited	Sh. Umesh Kumar Modi Chairman & President of the Company is also Managing Director in the Related party and holds 3.15% shares in Related Party and Sh. Abhishek Modi Whole Time Director of the Company are also Director in Related Party.
2.	Jayesh Tradex Private Limited	Smt. Kumkum Modi Director are also Director in Related Party and Sh. Jayesh Modi Director holds Directorship and 99.99% shareholding in Related Party.
3.	G.S. Phrambutor Private Limited	Sh. Rajeev Kumar Agarwal, Independent Director is also Director in Related Party.
4.	SBEC Bioenergy Limited	It is a Subsidiary Company of the Company. Shri. Umesh Kumar Modi is common chairman of the Board of Directors of both companies, while Sh. Abhishek Modi, Whole Time Director is Whole Time Director in both the Companies.
5.	Longwell Investment Private Limited	Sh. Umesh Kumar Modi, Smt. Kumkum Modi, Sh. Abhishek Modi, Sh. Jayesh Modi Directors of SBEC Sugar Limited are also Directors in Related Party.
6.	Arvind Continental Private Limited	Relative of Smt. Kumkum Modi (Director of SBEC Sugar Limited) is Director in Related Party.
7.	Moderate Leasing and Capital Services Limited	Holds 19.02% of paid-up Equity Share Capital of the company and belongs to the part of promoter group of the Company

#### ITEM NO. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s M.K. Singhal & Co., Cost Accountants as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

The Board recommends the Ordinary Resolution at Item No. 8 for approval of the Members. None of the Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

**For & behalf of SBEC Sugar Limited**

**Date : 14<sup>th</sup> August, 2019**  
**Place : New Delhi**

**Umesh Kumar Modi**  
**Chairman & President**



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

<b>Name of Director</b>	Mr. Jayesh Modi	Mr. Abhishek Modi	Mr. Raj Kumar Sharma	Mr. Rohit Garg
<b>Director Identification Number (DIN)</b>	02849637	00002798	07741845	03296571
<b>Date of Birth &amp; Age</b>	14/11/1991 & 28 Yr	22/12/1975 & 44 Yr	11/08/1961 & 57 Yr	16/12/1979 & 39 Yr
<b>Date of Appointment</b>	18/06/2010	13/05/1994	23/02/2017	25/03/2016
<b>Qualifications</b>	Completed his studies in United Kingdom.	Engineering Graduate and has done Masters in Business Administration from Harvard Business School, U.S.A.	Completed his Master in Social work from Lucknow University	M.B.B.S from University of Pune, M.D. from Chattarpati Sahu Ji Maharaj Medical University
<b>Expertise</b>	He has rich experience in various types of Packaging Products.	He has more than 18 years of vast experience in Business Industry.	He has a rich experience in the field of Human Resource & Development for more than 32 Years.	He has rich experience in the area of Administration and Managements
<b>Shareholding of Director in the Company</b>	55,487	NIL	NIL	NIL
<b>Relationship with other directors and KMPs of the Company</b>	Mr. Umesh Kumar Modi (father) Mrs. Kumkum Modi (Mother) Mr. Abhishek Modi (Brother)	Mr. Umesh Kumar Modi (father) Mrs. Kumkum Modi (Mother) Mr. Jayesh Modi (Brother)	NIL	NIL
<b>List of outside Directorships as on Appointment Date</b>	1. A to Z Holdings Pvt. Ltd. 2. Modi-Mundipharma Pvt. Ltd. 3. Jayesh Traders Pvt. Ltd. 4. Longwell Investment Pvt. Ltd. 5. Modi Hitech India Ltd. 6. SBEC Bioenergy Ltd. 7. Win-medicare Pvt. Ltd. 8. Bihar Sponge Iron Ltd.	1. A to Z Holdings Private Limited 2. Bihar Sponge Iron Limited 3. Longwell Investment Private Limited 4. Modi Industries Limited 5. Modi Mundipharma Private Limited 6. Modiline Travel Service Private Limited 7. Modi Hitech India Limited 8. SBEC Bioenergy Limited 9. Win-Medicare Private Limited 10. Modi Goods and Retail Services P Ltd 11. Modi Arts Pvt. Limited 12. PHD Chamber of Commerce and Industry 13. Modi Ilva India Pvt. Limited 14. YPO (Delhi Chapter) U/S25	NIL	1. Bihar Sponge Iron Limited 2. Chandil Power Ltd. 3. Eazy Healthcare Solutions Pvt. Ltd. 4. Elpis Pharmaceuticals Pvt. Ltd.
<b>Chairmanship/ Membership of Committee</b>	Nil	Nil	Nil	Nil

**SBEC SUGAR LIMITED**

CIN : L15421UP1991PLC019160

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

Form No. MGT-11

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

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

Registered Address : .....E-mail ID : .....

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company, to be held on the 24<sup>th</sup> day of September, 2019 at the Registered Office of the company at Village: Loyan, Malakpur, Tehsil: Baraut, District: Baghpat, Uttar Pradesh at 11:30 A.M and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution number	Resolution	Vote (Optional see Note 2)		
		For	Against	Abstain
Ordinary business				
1.	Adoption of Standalone and Consolidated Financial Statements: a) The Audited Standalone financial statements of the Company for the financial period ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon; and b) The Audited Consolidated financial statements of the Company for the financial period ended 31st March, 2019 and the Auditors Reports thereon.			
2.	To appoint Shri. Jayesh Modi, who retires by rotation as a Director			
Special Business				
3.	Appointment of Shri. Abhishek Modi as Whole Time Director Designated as Executive Director of the Company.			
4.	Re-appointment of Shri. Raj Kumar Sharma as Manager designated as “General Manager-Personnel and Administration.			
5.	Re-appointment of Mr. Rohit Garg (DIN: 03296571) as an Independent Director.			
6.	Approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013.			
7.	Authorization for Related Party Transactions			
8.	Remuneration of Cost Auditors			

Signed this .....day of **September**, 2019

Signature of shareholder

Signature of first proxy

**Affix  
Revenue  
Stamp**

**Notes :**

- This form duly stamped, completed, signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of meeting.
- It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

**SBEC SUGAR LIMITED**

CIN : L15421UP1991PLC019160

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

**ATTENDANCE SLIP**25<sup>th</sup> Annual General Meeting held on Tuesday, the 24<sup>th</sup> day of September, 2019 at 11:30 A.M.**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

Joint Shareholders may obtain additional Slips on request.

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

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

I hereby record my presence at the 24<sup>th</sup> day of September, 2019 at the Registered Office of the company at Village Loyan Malakpur, Tehsil Baraut, District Baghpat, U.P. at 11:30 A.M.**SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING**

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

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





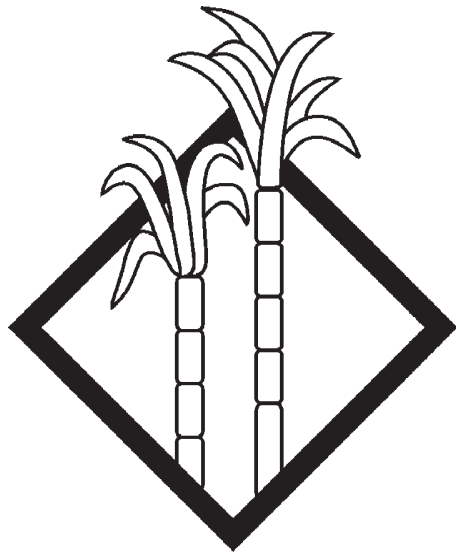
**DELHI SAHARANPUR HIGHWAY**

**CHAPRAULI ROAD**

**FACTORY APPROACH ROAD**

**SBEC SUGAR LIMITED**

# ***SBEC Sugar Limited***



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

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**2019**



**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. A.K. Goel

**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

**Contents**

Directors' Report .....	1-18
Management Discussion and Analysis .....	19-20
Corporate Governance Report .....	21-30
Auditors' Report .....	31-35
Balance Sheet .....	36-36
Profit & Loss Account.....	37-37
Cash Flow Statement .....	38-38
Statement of Changes in Equity.....	39-39
Notes forming part of Balance Sheet.....	40-60
Consolidated Accounts .....	60-92



## DIRECTORS' REPORT

To,  
The Shareholders,  
SBEC Sugar Limited

Dear Members,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2019.

### 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 31<sup>st</sup> March, 2019.

(Rs. in Lacs)

Financial Parameters	STANDALONE		CONSOLIDATED	
	Period ended 31.03.2019	Period ended 31.03.2018	Period ended 31.03.2019	Period ended 31.03.2018
Profit before interest, Depreciation, exceptional items and tax	(2,428.04)	(5,852.96)	(1,810.06)	(4903.96)
Interest	506.43	806.43	1,228.29	1,618.68
Depreciation	1,811.89	1,789.16	2,043.49	1,999.72
Exceptional Items - Income				
Profit before tax	(4,746.36)	(8,448.55)	(5,081.84)	(8,522.34)
Provision for taxation	1.30		4.56	10.23
Profit after tax	(4,747.66)	(8,448.55)	(5,086.4)	(8,532.57)
Other Comprehensive Income	(0.69)	8.72	(0.57)	11.09
Total Comprehensive Income	(4,748.35)	(8,439.84)	(5,086.97)	(8,521.48)

### 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, 2019.

### SHARE CAPITAL

The paid up Equity capital as on March 31, 2019 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 2018-19 started on 10th November, 2018 and cane crushed during season 2018-19 was 129.78 Lac Qtls as compared to 146.27 Lac Qtls in the last season.

Particulars	Unit	Sugar Season		
		2016-17	2017-18	2018-19
Cane Crush	Lac Qtl	106.52	146.27	129.78
Recovery	%	9.37	9.73	11.10
Sugar Production	Lac Qtl	10	14.24	14.43

Company crushed 129.78 lakh Qtls sugarcane and increases recovery by 1.37% over the previous Sugar Season. 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.

Your Company's sugar factories is in U.P. where state governments announce the Sate Administrative Price (SAP), which is much higher than the Fixed Remunerative Price (FRP). This creates a distortion in the industry because SAP is neither linked to sugar recovery nor it takes in to account domestic and global prices and other relevant parameters. As a result, when sugar prices are low, mill owners are unable to pay to farmers resulting in delayed payment, huge cane arrears and trust deficit between farmers and millers.

As per ISMA, during the Sugar Season Sugar 2018-19, till 30<sup>th</sup> June, 2019, about 328.09 lakh tons of sugar have been produced, taking total sugar production in Sugar Season 2018-19 about to 329-329.50 lac tons. The opening stocks as on 1st October 2019 is expected to be all time high of around 145 lac tons. As compared to a normative requirement of around 50 lac tons on 1st October of any year as opening stocks, the industry is unnecessarily carrying about 95 lac tons of sugar inventory, unless the surplus stock is cleared from the country, the scenario may not undergo any significant change. It is expected that the pressure on the sugar price would continue to remain given the over-supply scenario.





Despite several challenges, your company continuous thrust on strong farmer relationship, cost control, efficiency improvement and continued to focus on cane development activities, comprising clean cane, varietal change and modern agriculture practices that is expected to improve productivity 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 31<sup>st</sup> 2019, 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.18-19 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 STATEMENT**

The consolidated financial statements of the Company for the financial period 2018-19, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standard (Ind AS) and SEBI (LODR) Regulations, 2015.

#### **DIRECTORS**

During the year the Board of Directors changed the designation of Shri. Abhishek Modi from Whole Time Director to Non-executive Director of the Company w.e.f.13.02.2019 subject to the approval of shareholder after that Shri. Abhishek Modi showed his willingness to again act as Whole time Director of the Company without drawing any remuneration. Then, the Board of Directors approved appointment of Shri. Abhishek Modi whole Time Director Designated as Executive Director of the Company w.e.f.25thMay, 2019, for a period of five (5) years 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 14<sup>th</sup> June, 2019 for a period of one(1) year subject to the approval of shareholders in forthcoming Annual General Meeting.

Shri. Rohit Garg was appointed as an Independent Director to fill the casual vacancy, caused by the death of Shri. Manmohan and who holds office as an Independent Director Upto September 25, 2019. In accordance to the provision of section 149, 150 and 152 of the Companies Act, 2013 Shri. Rohit Garg re-appointed as Independent Non-Executive director of the Company not liable to retire by rotation and to hold office for a second term of 5(five) consecutive year w.e.f 24<sup>th</sup> September, 2019 subject to the approval of shareholder 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, Shri. Jayesh Modi (DIN 02849637), Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible for re-appointment.

Particulars of Directors seeking appointment/re-appointment have been given in the explanatory statement annexed to this notice for the Annual General Meeting.

All the Directors have made necessary disclosures as required under various provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

#### **KEY MANAGERIAL PERSONNEL (KMP)**

During the financial period ended 31.03.2019, following persons are Whole Time Key Managerial personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

SI. No.	Name	Designation
1.	Shri. Raj Kumar Sharma	Manager
2.	Shri. Anil Kumar Goel	Chief Financial Officer
3.	Shri. Shobit Nehra	Company Secretary

\*Shri Abhishek Modi was appointed as Whole Time Director of the Company w.e.f. 25<sup>th</sup> May, 2019.

#### **BOARD MEETINGS**

The Board met Seven times during the financial year 2018-19, 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.

#### **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:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed and there are no material departures from the same;
- b) 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, 2019 and of the profit and loss of the Company for the year ended on that date;
- c) 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;
- d) The Directors have prepared the Annual Accounts on a going concern basis.
- e) The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

#### **INTERNAL FINANCIAL CONTROLS**

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

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

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

##### **Statutory Auditors**

M/s. K. K. Jain & Co. Chartered Accountants (FRN.02465N) were appointed as Statutory Auditors of the Company for a term of 5 Years to hold office from the conclusion of 23<sup>rd</sup> Annual General Meeting (AGM) held on August 29, 2017 till the conclusion of the 28<sup>th</sup> Annual General Meeting of the Company, subject to annual ratification of their appointment by the members at the every AGM of the Company, on such remuneration as may be decided by the Audit Committee of the Board.

After that due to amendment to Section 139 of the Companies Act, 2013, which became effective from May 7, 2018, the annual ratification of statutory auditors is no longer required.

Accordingly, the Notice of ensuing Annual General Meeting does not include the proposal for seeking shareholders' approval for ratification of appointment of Statutory Auditors of the company.

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

The Auditors Report contains qualifications and the Company has given its comments on Auditor Qualified Opinion for the Financial Year 2018-19. The details are mentioned here under:

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

Under the power vested with the Cane Commissioner (U.P) for waiver of interest under U.P. Sugar Cane (Regulation of Supply and purchase) Act, 1953 in respect of loss making/ sick companies, the Company had made an application to Cane Commissioner (U.P) for waiver of interest on Cane Dues. Pending receipt of the Cane Commissioner decision, no interest has been provided on the cane dues. The Company has decided to account for the same on actual payment basis.

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

The management is of the opinion that no provision for doubtful debts is required as subsidiary company is the major secured creditor of Modi Industries Limited which owns substantial properties which are quite sufficient to take care of its entire liabilities. In view of that the management is confident for recovery of whole amount.

**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 2019-20 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. Singhal & Associates, Practicing Company Secretaries, as the Secretarial Auditor to undertake the Secretarial Audit of the Company for Financial Year 2018-19. 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.sbcsugar.com](http://www.sbcsugar.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. 9<sup>th</sup> 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, 2019 are given in "**Annexure -D**" to this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The details of Loans, Guarantees and Investment covered under the provision of Section 186 of the Companies Act, 2013 are given in the notes to financial statements.

**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 and complied the provisions of Section 188 of the Companies Act, 2013. 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. 30 of the Financial Statements for the financial year ended 31.3.2019.

However, there was a transaction between the Company and SBEC Bioenergy Limited which was on arm's length basis but the same was a material transaction. All the relevant details of the said transaction have been given in AOC-2 which is enclosed as "**Annexure E**" and forms part of this director report.

The Board has framed a Policy on related party transactions and placed the same on the Company's website at [www.sbcsugar.com](http://www.sbcsugar.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-F"** to this Report and also available on the website of the Company at [www.sbecsugar.com](http://www.sbecsugar.com).

### **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. 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: 14<sup>th</sup> August, 2019

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

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

**"Annexure-A"**

### **ANNEXURE TO BOARD'S REPORT**

#### **"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**

S. No.	Name of the Subsidiary Company	Date on which when Subsidiary was acquired	Financial period ended	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1	SBEC Bioenergy Limited	12.03.1997	31-Mar-19	INR	230000000	549840107	1258206726	1258206726	109356580	164495082	(33379884)	33704966	NIL	55%
2	SBEC Stockholding Investments Limited	09.06.2001	31-Mar-19	INR	45500000	(4854814)	379732632	379732632	379251000	-	(168121)	(168121)	NIL	100%

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

Place: New Delhi

Date: 14<sup>th</sup> August, 2019

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

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





"ANNEXURE-B"

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For The Financial Year Ended On 31st March, 2019**  
(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, 2019, 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, 2019 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; (Not applicable to the Company during the audit period);
  - (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 (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) Indian Boilers Act, 1923
- (q) The Uttar Pradesh Vaccum Pan Sugar Factories Licensing Order 1969
- (r) Sugar Control Order, 1966
- (s) The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013,

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

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

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

1. The Company had taken loans from M/s. First Leasing Company of India Limited and during the tenure of loans the said company went into liquidation. Thereafter, on the directions of the Hon'ble High Court of Madras the Company had paid a sum of Rs. 4 Crores to the learned Official Liquidator towards full and final settlement and upon receipt of the full and final amount the learned official Liquidator has issued No Objection certificates to the Company. However, the Company has not filed the satisfaction of charge to the Registrar of Companies (ROC). As informed by the management, the Company has approached the Learned Official Liquidator for affixing of Digital Signature on CHG-4 i.e. Satisfaction of Charge. After that the Official Liquidator, High Court, Madras vide its letter No. F.NO.1039/2014(181)/AR-V/Debt dated 05th July, 2019, advised the Company to pursue the matter with ROC, Kanpur to resolve the issue. The Company is in process to resolve the issue.
2. During the year under review the Securities Exchange Board of India on September 17, 2018 had issued directions to the Promoter Group of the Company (namely Shri. Umesh Kumar Modi, Kumkum Modi, Jayesh Modi, Longwell Investments Pvt. Ltd., A to Z Holdings Pvt. Ltd, Moderate Leasing and Capital Services Limited and SBEC Systems (India) Ltd), severally or jointly, make a public announcement to acquire the shares of the Target Company in accordance with the provisions of the Takeover Regulations, 2011, within a period of 45 days from the date of order. As per the said impugned order, the Promoter Group have violated the provisions of Regulation 3(2) of the Takeover Regulations, 2011 by acquiring shares in excess of the prescribed limit without making an announcement for open offer.  
  
Against the said impugned SEBI order, the Promoter Group namely (Shri. Umesh Kumar Modi, Kumkum Modi, Jayesh Modi, Longwell Investments Pvt. Ltd, A to Z Holdings Pvt. Ltd and Moderate Leasing and Capital Services Limited) had filed an appeal before the Securities Appellant Tribunal, Mumbai.  
  
The matter is sub-judice.
3. The Company has not confirmed in its Board Report that it has constituted any separate 'Internal Complaints Committee' under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. However, they have taken note and confirmed that no complaint of sexual harassment of women at workplace was received during the year under review.
4. The status of Mr. Rohit Garg, Independent Director of the Company is active non compliant on the website of Ministry of Company Affairs.

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. As on March 31st 2019 the Company has two Material Subsidiary i.e. SBEC Bioenergy Limited and one Wholly owned subsidiary M/s SBEC Stock-holding Investments Limited. As per SEBI Circular No. CIR/CFO/CMD1/27/2019 the Secretarial Audit of the Material Subsidiary 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 Bioenergy 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 creditor (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. 29599

Place: New Delhi  
Dated: 14.08.2019

**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 31.03.2019 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 UP 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 31.03.2019.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

(Rahul Singhal)  
Prop.  
M. No. 29599

Place: New Delhi  
Dated: 14.08.2019

#### 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. Installation of VFD on:
  - a) R.J. Pumps.
  - b) Vacuum filters.
  - c) M.O.L. Pump.
  - d) B.W. Boiler I.D. Fan.
  - e) Thermax Boiler bagasse feeders.
  - f) Aux. Cane Carriers.
  - g) Prepared cane belt.
  - h) Cane unloader – 02Nos.



2. Partial replacement of conventional lights with LED Light at Guest house, admin office, store, compressor room & work shop.
3. Automatic power factor control panel of 1500KVAR at 12MW Triveni TG Set to improve power factor.
4. Auto control system on all tube wells for ON-OFF by sensing level of overhead cold water tank.
5. In phases we are replacing conventional reduction gear boxes with planetary gears to reduce power consumption.

(ii) **Seps taken by the Company for utilising alternate sources of energy: NIL**

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

**B. TECHNOLOGY ABSORPTION:**

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

1. Improvement of feed water temp. of JT Boilers by addition of overflow of condensate water from thermax boiler.
2. Installation of latest technology bases – 05 nos. Thyssen-Krupp make centrifugal machines in boiling house.
3. Installation of 01 no. vapor line juice heater to reduce steam consumption.
4. Partial use of condensate for heating juice in juice heaters in place of steam.
5. Air diffuser installed in aeration chamber of ETP to improve treated water quality and to reduce power consumption.

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

1. J.T. Side feed water temp. Improved from 92 Deg.C. to 100 Deg.C. resulting improvement in boiler efficiency.
2. Installation of Centrifugal machines helps in improving boiling house efficiency and color of sugar.
3. Vapor line juice heater helps in reduction of steam consumption.
4. Use of condensate helps in reduction of steam consumption.
5. To comply statutory requirement of CPCB norms.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Rs. In Lacs)

	2018-19	2017-18
The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows.		
Foreign Exchange earned	-	-
Foreign Exchange outgo	25.67	27.10

For & behalf of the Board  
SBEC Sugar Limited

Place: New Delhi

Date: 14<sup>th</sup> August, 2019

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

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

**"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.307356 (12 months). The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2018-19 are as under:

Directors	Designation	Remuneration Of Directors In Financial Period 2018-19 (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	1449504	4.72:1

\*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 2018-19 (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 Personnel's	Designation	Remuneration Of KMP In Financial Period 2018-19 (Rs.)	% Increase In Remuneration
Shri.R. K. Sharma	Manager	14,49,504	7.60
Shri. A. K. Goel*	Chief Financial Officer	31,35,000	N.A.
Shri. Shobit Nehra	Company Secretary	8,31,396	10.70

\*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 5%.

(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, 2019 was 269.

(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 2018-19 was 5%.

(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. A.K. Goel/66	Chief Financial Officer	3135000	FCA, FCS/44	01.11.2017	Modipon Limited
Mr. Satish Gupta/62	General Manager (Technical)	2165428	B.Sc. ANSI Kanpur /38	05.02.2004	Bajaj Hindustan Ltd.
Mr. Vipin Kumar/50	Vice President	1890000	B. Tech. BOE / Energy Mgr./29	01.07.2017	Modi Sugar Mill Modinagar U.P
Mr. R.K. Yadav/57	Addl.G.M.(ENGG.)	1500000	B.Tech. NSI Kanpur/32	08.05.2014	Bihar State Sugar Corp.Ltd Samastipur
Mr. Vijay Kumar Jain/42	Dy. General Manager (Commercial)	1492452	B.Ed. MBA LLB MA (Eco.)/19	01.04.2000	N.A.
Mr. Mukesh Malik/ 54	General Manager (Cane)	1492452	B.Sc. (AG)/27	20.12.2011	Titawi Sugar Complex Titawi
Mr. R.K. Sharma/ 58	GM (P&A)	1449504	MSW/36	30.07.2013	Bihar Sponge Iron Ltd.
Mr. Pritam Singh/ 53	Add. Chief Chemist	1143024	M.Sc. ANSI (Kanpur) /30	27.05.2006	Shakumbhari Sugar & Allied Tondarpur
Mr. Preet Pal Singh/60	Dy. General Manager (Elect.)	1130052	BE (Electrical)/ 33	05.09.2016	Bajaj Hindustan Ltd.
Mr. L.C. Sharma/ 62	Senior Manager Accounts	926255	B.Com./42	20.05.1995	Modi Industries Limited

**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: 14<sup>th</sup> August, 2019**

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

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

**ANNEXURE-E****FORM NO. AOC.2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

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

Name of Related Party	<b>NONE</b>
Name of Relationship	
Nature and Duration of the Contracts/arrangements/transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any	
Justification for entering into such contracts or arrangements or transactions	
Date of approval by the Board	
Amount paid as advances, if any:	
Date of Shareholder Resolution Passed if any.	



## 2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of Related Party	SBEC Bioenergy Limited	Smt. Nandini Modi
Nature of Relationship	Subsidiary of the Company and Shri. Umesh Kumar Modi, Shri. Abhishek Modi, and Shri. Jayesh Modi are common Directors	Wife of Shri. Abhishek Modi
Duration of the contracts/ arrangements/ transactions	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019
Salient terms of the contracts or arrangements or transactions including the value, if any	Job works charges, Payment against Debt assignment and GST credit on Sales.	As per section 118(1)(f) of the Companies Act, 2013 holds place of profit in SBEC Bioenergy Limited a subsidiary of the Company
Date of approval by the Board	28.07.2017	29.05.2018
Amount paid as advances, if any:	NIL	NIL
Date of Shareholders Resolution Passed if any.	28.07.2017	24-09-2018

For & behalf of the Board  
SBEC Sugar Limited

Place: New Delhi

Date: 14<sup>th</sup> August, 2019

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

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

## ANNEXURE-F

### FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2019

[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 & contact details	Village: Loyan Malakpur, Teh: Baraut, Baghpat, Uttar Pradesh-250611 email: investors@sbecsugar.com / web: www.sbecsugar.com Ph.: 01234-259206, 259273
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Beetal Financial & Computer Services Pvt. Ltd Beetal House, 3rd Floor, Behind Local Shopping Complex, 99, Madangir, New Delhi-11006

#### 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	% to 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 (As on 31<sup>st</sup> March, 2019)

Sr. No.	Name and Address of The Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares Held	Applicable Section
1.	SBEC Bioenergy Limited	U40105UP1996PLC037250	Subsidiary	55%	2(87)(ii)
2.	SBEC Stockholding and Investment Limited	U67120DL2001PLC112424	Wholly Owned Subsidiary	100%	2(87)(ii)



#### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as percentage to Total Equity)

##### i. Category-wise Share Holding

Category of Share-holders	No. of Shares held at the beginning of year				No. of Shares held at the end of the year				% Change during the period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual / HUF	83787	-	83787	0.18	83787	-	83787	0.18	-
b) Central Govt. & State Govt. (s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	29400452	-	29400452	61.70	29400452	-	29400452	61.70	0.00
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (1):-</b>	<b>29484239</b>	<b>-</b>	<b>29484239</b>	<b>61.88</b>	<b>29484239</b>	<b>-</b>	<b>29484239</b>	<b>61.88</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	1571213	10	1571223	3.29	1571213	10	1571223	3.29	0.00
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2):-</b>	<b>1571213</b>	<b>10</b>	<b>1571223</b>	<b>3.29</b>	<b>1571213</b>	<b>10</b>	<b>1571223</b>	<b>3.29</b>	<b>0.00</b>
<b>TOTAL SHAREHOLDING OF PROMOTER (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>0.00</b>
<b>B. PUBLIC SHARE-HOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
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>
<b>(2) Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	7580303	1035750	8616053	18.08	7798539	814850	8613389	18.07	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									



i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	528820	4453430	4982250	10.45	560780	4423830	4984610	10.46	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	93064	1911700	2004764	4.21	93064	1911700	2004764	4.21	0
c) Others (specify)									
(i) NRI	1825	-	1825	0	1072	-	1072	0	0
(ii) HUF	30396	3100	33469	0.07	31783	3100	34883	0.07	0
(iii) Clearing Members	330	-	330	-	-	-	-	-	0
<b>SUB TOTAL (B)(2):-</b>	<b>8234738</b>	<b>7403980</b>	<b>15638718</b>	<b>32.82</b>	<b>8485238</b>	<b>7153480</b>	<b>15638718</b>	<b>32.82</b>	<b>0.00</b>
<b>TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)</b>	<b>8234738</b>	<b>8363680</b>	<b>16598418</b>	<b>34.83</b>	<b>8485238</b>	<b>8113180</b>	<b>16598418</b>	<b>34.83</b>	<b>0.00</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>39290190</b>	<b>8363690</b>	<b>47653880</b>	<b>100.00</b>	<b>39540690</b>	<b>8113190</b>	<b>47653880</b>	<b>100.00</b>	<b>0.00</b>

## ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares 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 period
1	Umesh Kumar Modi	1571223	3.30	0.00	1571223	3.30	0.00	0.00
2	KumKum Modi	28300	0.06	0.00	28300	0.06	0.00	0.00
3	Jayesh Modi	55487	0.12	0.00	55487	0.12	0.00	0.00
4	Longwell Investment Pvt Ltd	2721500	5.71	0.00	2721500	5.71	0.00	0.00
5	A to Z Holdings Pvt Ltd	3382500	7.1	0.00	3382500	7.1	0.00	0.00
6	Moderate Leasing and Capital Services Ltd	9065568	19.02	0.00	9065568	19.02	0.00	0.00
7	SBEC Systems (India) Ltd	14230884	29.86	0.00	14230884	29.86	0.00	0.00
	<b>Total</b>	<b>31055462</b>	<b>65.17</b>	<b>0.00</b>	<b>31055462</b>	<b>65.17</b>	<b>0.00</b>	<b>0.00</b>

## iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of Total Shares of the company
1	Shareholding at the beginning				
2	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	<b>NO CHANGE</b>			
3	Shareholdings at the end				



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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Abhikum Leasing and Investments Pvt Ltd	5624844	11.81	-	-
2.	T C Healthcare Pvt Ltd	2047782	4.3	-	-
3.	Occident Orient Company Limited	959700	2.01	-	-
4.	Karvy Consultants Ltd	760500	1.60	-	-
5.	Paras Mal Jain	711400	1.49	-	-
6.	Jitendra Kumar	212700	0.45	-	-
7.	Pramod Kumar	151100	0.32	-	-
8.	Sarvamangal Mercantile Co. Ltd.	100000	0.21	-	-
9.	Atul R Desai	80000	0.17	-	-
10.	Vijay Mahajan	68500	0.14	-	-

**v. Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For Each of the Directors & KMP	Shareholding at the begning 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 K. Modi, Director &amp; Chairman</b>				
	At the beginning of the year	1571223	3.3	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	1571223	3.3	-	-
<b>2</b>	<b>KumKum Modi, Director</b>				
	At the beginning of the year	28300	0.06	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	28300	0.06	-	-
<b>3</b>	<b>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</b>	<b>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</b>	<b>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</b>	<b>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>12</b>	<b>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>13</b>	<b>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	NIL	NIL	-	-

**V. INDEBTEDNESS**

<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
<b>Indebtedness at the beginning of the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
i) Principal Amount	2,57,00,000	9,30,00,017	35,77,286	12,22,77,303
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,57,00,000</b>	<b>9,30,00,017</b>	<b>35,77,286</b>	<b>12,22,77,303</b>
<b>Change in Indebtedness during the year</b>				
Additions	2,01,00,00,000	47,53,83,458	1,09,658	2,48,54,93,116
Reduction	2,57,00,000	20,15,77,854	3,14,700	22,75,95,554
<b>Net Change</b>	<b>1,98,43,00,000</b>	<b>27,38,05,604</b>	<b>(2,08,042)</b>	<b>2,25,78,97,562</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,01,00,00,000	36,68,05,621	33,69,244	2,38,01,74,865
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,01,00,00,000</b>	<b>36,68,05,621</b>	<b>33,69,244</b>	<b>2,38,01,74,865</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors : NIL****B. Remuneration to other directors (i.e. Independent and Non-Executive Directors):**

Company provides Rs. 1000 per meeting as Sitting fees, according to their presence in the Meeting.

No fees or commission was paid to Non-executive Directors during the year.

**C. Remuneration To Key Managerial Personnel**

<b>Sl. No</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>			
<b>1</b>	<b>Gross Salary</b>	<b>R. K. Sharma, Manager</b>	<b>A. K. Goel, CFO</b>	<b>Shobit Nehra, Company Secretary</b>	<b>Total</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	14,03,251	28,83,159	8,04,162	50,90,572
	(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>14,03,251</b>	<b>28,83,159</b>	<b>8,04,162</b>	<b>50,90,572</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For & behalf of the Board  
SBEC Sugar Limited

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

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

Place: New Delhi  
Date: 14<sup>th</sup> August, 2019



## MANAGEMENT DISCUSSION & ANALYSIS

### Sugar Industry- Scenario in India

As per ISMA report, sugar mills across the country produced 321.19 LMT of sugar between October 1, 2018 and April 30, 2019 about 9.36 LMT more than 311.83 LMT produced at the same time last year. Even though the quantum of sugarcane crushing is less than that in the last season, the sugar production in SY 2018-19 is expected to be around 330 LMT, about 5 LMT more than last year.

India's exports of 4.64 LMT last year is a small portion of the global trade estimated at 450 LMT. In India, high cane price raises the cost of production, making the country's high sugar prices uncompetitive in the International market. Australia and Brazil dragged India to the WTO for its market-distorting policies on sugar.

Due to excessive carryover stocks, liquidity problems will be faced by the sugar mills and cane price arrears to sugarcane farmers will burgeon.

### Government Policies for Sugar Industry

#### Minimum Sugar Price

The Central Government on June 7, 2018, notified "Sugar Price Control Order 2018". Under Clause 3 of the above order, Central Government directed that no producer of sugar shall sell or agree to sell white/refined sugar in the domestic market at a rate below Rs. 29/kg till further orders. On February 14, 2019, the Government increased the minimum selling price of white/refined sugar in the domestic market to Rs. 31 per Kg from the earlier level of Rs. 29 per Kg.

Also, the Government came out with quota system for sale of sugar which restricted the sugar mills in terms of sales volumes in order to ensure that the price did not go below the MSP levels

#### Soft Loan by Central Government

With a view to facilitate payment of cane dues of the farmers for the current sugar season 2018-19, the Central Government notified a scheme for extending soft loan to sugar mills. The quantum of soft loan has been determined at 85% of reported production of white sugar by mills in sugar season 2017-18, valued at Rs. 31000/Mt. The financial assistance extended is interest subvention for the soft loan amount for a period of one year, calculated at 7% simple interest or actual rate of interest charged by the bank, whichever is lower. As per the scheme, only those mills which had cleared at least 25% of FRP dues of Sugar Season 2018-19 by 26.3.2019 were eligible for interest subvention.

#### Exports

In order to achieve financial liquidity, the Government of India, on September 28, 2018, notified Minimum Indicative Export Quota (MIEQ) for sugar year 2018-19, mandating mills to export raw, plantation white and refined sugar to the tune of 50 LMT. Central Government asked sugar mills to set their quarterly export targets and intimate the same to the Department of Food & Public Distribution (DFPD) for monitoring. It further said that in case a sugar mill fails to achieve its quarterly sugar export target, the equivalent quantity of un-exported sugar during the said quarter shall be deducted in three equal instalments from the quantity of sugar to be allocated for each month in the subsequent quarter.

#### Scheme of Assistance for payment of cane price dues of farmers for the season 2018-19

The Central Government notified a scheme of assistance for sugar mills to offset the cost of cane and facilitate timely payment of cane price dues to farmers. The scheme provides for payment of an assistance of `13.88/quintal of sugarcane crushed during the 2018-19 sugar season or the quantity allocated by the Sugar directorate for the sugar season 2018-19, whichever is lower.

In addition to the above, the Central Government notified a scheme for defraying expenditure towards internal transport, freight handling & other charges on export as under

- For mills located within 100 KM from ports –Rs. 1000/Mt of sugar
- For distance more than 100 KM and mills located in coastal States- Rs.2500/Mt of sugar
- For distance more than 100 KM and mills located in other than coastal States –Rs.3500/Mt of sugar

#### Soft Loan by State Government

With a view to improve the liquidity position of private sector sugar mills of the state enabling them to clear the cane price arrears of the crushing seasons 2016-17 and 2017-18 and timely settlement of cane price as per State Advised Price (SAP) fixed by the State Government, to the sugarcane farmers, hereby notified the following scheme, namely "Scheme for Extending Financial Assistance to Sugar Undertakings-2018". Under the said scheme, the maximum loan amount shall be Rs.4,000 crores. The interest on sanctioned loan shall be applicable at the rate of 5% simple interest per annum, which will be calculated from the date of disbursement of loan. The maximum duration for repayment of loan shall be 5 years, payable in monthly instalments, starting from the month of July, 2019.

#### Overview- Sugarcane

The sugar season 2017-18 started with record opening stocks of 10.7 MMT. The production during the season broke all the previous year record. This led to crash in sugar prices leading to a liquidity crisis for sugar mills which in turn resulted in the accumulation of huge cane dues. In order to support the industry and cane farmers, various measures were taken both by the State and Central Government in the form of soft loans, cane production subsidy, transport subsidy on sugar exports, fixing of minimum sugar price (MSP) and interest subvention for setting up of ethanol capacities and the State governments in the form of soft loans and cane subsidies which provided some respite to the sugar industry.

Despite the various policies and incentives by the Government, unless the surplus stock is cleared from the country, the scenario may not undergo any significant change. It is expected that the pressure on the sugar price would continue to remain given the over-supply scenario.

### COMPANY STRUCTURE AND DEVELOPMENT

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

### OPERATIONAL PERFORMANCE

The crushing for the season 2018-19 started on 10th November, 2018 and cane crushed during season 2018-19 was 129.78 Lac Qtls as compared to 146.27 Lac Qtls in the last season.



Particulars	Unit	Sugar Season		
		2018-19	2017-18	2016-17
Cane Crush	Lac Qtls	129.78	146.27	106.52
Recovery	%	11.10	9.73	9.37
Sugar Production	Lac Qtls	14.43	14.24	10

#### FINANCIAL PERFORMANCE

(In Lacs)

Particulars	2018-19	2017-18
Revenue	40129.98	46954.75
EBITDA**	(2428.04)	11044.15

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

#### RISK AND CONCERNS-SWOT

##### Analysis Strengths

- Located in sugarcane rich belt of Western UP with high sucrose varieties of cane.
- The Company has continued its focus on cane quality promotion and is continually investing in cane variety development. The same are also visible in form of increased availability of high yield variety of cane and higher Sugar recovery.

##### Weaknesses

- The Central and State Governments decide sugarcane prices in a manner that is not linked to sugar prices. Unviable sugarcane prices may impact the profitability of the Company.
- High Cane arrears due to low sugar prices.
- Risk of coercive measures by the State Government on account of huge cane arrears.

##### Opportunities

- Higher recovery, Higher rates of by-products of Sugar.
- Government support towards production of Ethanol.

##### Threats

- Due to domestic surplus, there could be a softening in the sugar prices affecting the profitability.
- Increase in State Administrative Price of Sugarcane by the State Government.
- Reduction of Co-generation tariffs.

#### 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, ethanol produced from molasses can be used for blending with petrol for motor fuel.

#### 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.

#### DETAILS OF SIGNIFICANT CHANGES

Details of significant changes as required under SEBI (LODR) Regulations, 2015 are as under;

SI. NO.	Particulars	As on 31.03.2019	As on 31.3.2018
1.	Debtors Turnover	45.30 times	39.46 times
2.	Inventory Turnover	4.75 times	5.26 times
3.	Interest Coverage Ratio	(8.37) times	(9.48) times
4.	Current Ratio	0.44 times	0.51 times
5.	Debt Equity Ratio	(44.59) times	14.18 times
6.	Operating Profit Margin (%)	(10.57%)	(16.29%)
7.	Net Profit Margin (%)	(11.84%)	(17.99%)
8.	Return on net worth	(3.71) times	(2.43) times

#### 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, 2019, the Company has 11 Directors of which 10 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, 2019 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 meetings during the year 2018-19		Attendance at the Last AGM (Held on September 24, 2018)	No of Directorships including this Company (as on March 31, 2019)	Number of membership/ chairmanship in other Board committee (as on March 31, 2019)	
		Held	Attended			Public	Chairman
Shri. Umesh Kumar Modi	NED	7	6	Not Present	6	Nil	Nil
Smt. Kumkum Modi	NED	7	1	Not Present	3	Nil	Nil
Shri. Abhishek Modi*	ED	7	5	Not Present	5	Nil	Nil
Shri. Jayesh Modi	NED	7	1	Not Present	4	Nil	Nil
Shri. Vijay Kumar Modi	INED	7	6	NA	3	1	2
Shri. N.P. Bansal	INED	7	7	Present	3	-	1
Shri. R.K.Agarwal	INED	7	7	Present	8	5	6
Shri. J.C. Chawla	INED	7	7	Present	4	1	7
Shri. Shyam Babu Vyas	INED	7	1	Not Present	3	-	3
Shri. Rohit Garg	INED	7	1	NA	3	-	-
Shri. R. K. Sharma	ED & MAN-AGER	7	3	NA	1	-	-

Note:

- (i) ED: Executive Director (b) NED: Non-Executive Director (c) INED: Independent Non-Executive Director (d) CEO: Chief Executive Officer
- (ii) None of the Directors used Video/tele-conferencing facilities to participate in the meetings.
- (iii) (\*) the Board of Directors changed the designation of Shri. Abhishek Modi from Whole Time Director to Non-executive Director of the Company w.e.f. 13.02.2019 subject to the approval of shareholder after that Shri. Abhishek Modi showed his willingness again to act as Whole time Director of the Company without drawing any remuneration. Then, the Board of Directors approved appointment of Shri. Abhishek Modi whole Time Director Designated as Executive Director of the Company w.e.f. 25th May, 2019, for a period of five (5) years subject to the approval of shareholders in the forthcoming Annual General Meeting.



**(b) Board Meetings**

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

Seven (7) Board meetings were held during the year ended March 31, 2019. These were held on May 29, 2018, August 09, 2018, October 23, 2018, November 13, 2018, December 19, 2018, February 13, 2019 and February 25, 2019 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) Name of other listed entities where Directors of the company are Directors and the category of Directorship:**

Name of Director	DIN	Name of Listed entity in which the concerned Director is Director	Category of Directorship
Shri. Umesh Kumar Modi	00002757	1. Bihar Sponge Iron Limited	Non-Independent Non-Executive Director
Smt. Kumkum Modi	00522904	1. Bihar Sponge Iron Limited	Non-Independent Non-Executive Director
Shri. Abhishek Modi*	00002798	1. Bihar Sponge Iron Limited	Non-Independent Non-Executive Director
Shri. Jayesh Modi	02849637	1. Bihar Sponge Iron Limited	Non-Independent Non-Executive Director
Shri. Vijay Kumar Modi	00004606	1. SBEC Systems (India) Limited	Non-Independent Non-Executive Director
Shri. N.P. Bansal	00010587	-	-
Shri. R.K. Agarwal	00298252	1. Bihar Sponge Iron Limited 2. SBEC Systems (India) Limited	Independent Non- Executive Director Independent Non- Executive Director
Shri. J.C. Chawla	05316202	1. Bihar Sponge Iron Limited 2. SBEC Systems (India) Limited	Independent Non- Executive Director Independent Non- Executive Director
Shri. Shyam Babu Vyas	02025415	1. Bihar Sponge Iron Limited 2. SBEC Systems (India) Limited	Independent Non- Executive Director Independent Non- Executive Director
Shri. Rohit Garg	03296571	1. Bihar Sponge Iron Limited	Non-Independent Non-Executive Director
Shri. R. K. Sharma	07741845	-	-

**(d) 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 31<sup>st</sup> March, 2019.

**(e) 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://sbecsugar.com) and can be accessed through the following link <http://sbecsugar.com/wp-content/uploads/2011/07/DETAILS-OF-FAMILIRIZATION-PROGRAME-SUGAR.pdf>

**(f) 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.

**(g) Skills/Expertise/Competence of the Board of Directors**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

1. Knowledge on Company's businesses (Manufacturing sugar from sucrose from sugar cane) policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2. Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3. Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making.
4. Financial and Management skills.
5. Technical / Professional skills and specialized knowledge in relation to Company's business.

**3. Audit Committee****(a) Terms of Reference**

The Audit Committee acts as a link between the Statutory and the Internal Auditors and Board of Directors. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting process, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's Statutory and Internal Audit Activities. 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, 2019 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 September 24, 2018. 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 31<sup>st</sup> March, 2019, the Audit Committee met six times on May 29, 2018, June 13, 2018, August 09, 2018, October 23, 2018, November 13, 2018 and February 13, 2019 and the maximum gap between the two Audit Committee Meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

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

S. No.	Name of the Member	Designation	Category	Number of meetings during the year 2018-19	
				Held	Attended
1.	Shri. R.K. Agarwal	Chairman	Independent Director	6	6
2.	Shri. J.C. Chawla	Member	Independent Director	6	6
3.	Shri. Shyam Babu Vyas	Member	Independent Director	6	1
4.	Shri. V. K. Modi	Member	Independent Director	6	4

**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 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.

Shri J. C. Chawla, Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting held on September 24, 2018. The Company Secretary acts as Secretary to the Committee.

During the period ended March 31, 2019, 3 meetings of the Committee were held on May 29, 2018, August 09, 2018 and February 13, 2019.

- (b) The Composition of the Nomination and Remuneration Committee and details of the Meetings of the Committee held and attended during the year 2018-2019 are as under:

S. No	Name of the Member	Category	Number of meetings during the year 2018-19	
			Held	Attended
1.	Shri. J. C. Chawla- Chairman	Independent Director	3	3
3.	Shri. V. K. Modi	Independent Director	3	2
4.	Shri. N. P. Bansal	Independent Director	3	3
5.	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 At, 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 2018-19**

As on March 31, 2019, 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 2018-19, the Committee met four times on May 29, 2018, August 09, 2018, November 13, 2018 and February 13, 2019.

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

S. No	Name of the Member	Category	Number of meetings during the year 2018-19	
			Held	Attended
1.	Shri. R.K. Agarwal Chairman	Independent Director	4	4
2.	Shri. N.P. Bansal	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 Lohan, Malakpur,  
Tehsil Baraut,  
Dist. Baghpat- 250611  
Uttar Pradesh  
Email:investors@sbecsugar.com

During the period ended March 31, 2019, 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)
2017-18	September 24, 2018 at 11.30 A.M.	Village: Loyan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh	No
2016-17	August 29, 2017 at 11.30 A.M.	---do--	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

### (b) Extraordinary General Meetings

No Extraordinary General Meeting of the Members was held during the year 2018-19.

### (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 or Hari Bhoomi 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" in English and "Awam-e-hind" or "Hari Bhoomi" in Hindi. The financial results, shareholding pattern and other updates on the working of the Company have been posted on the Company's website: [www.sbcsugar.com](http://www.sbcsugar.com). Besides the above, the Company also submits, inter-alia, to the Stock Exchanges, the full version of the Annual Report; quarterly report on corporate governance; quarterly/ yearly financial results; quarterly shareholding pattern; quarterly secretarial audit report; details of appointment/resignation of Directors and Company Secretary and such other reports as may be specified. The Company has also designated the email id: investors@sbcsugar.com 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.sbcsugar.com](http://www.sbcsugar.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** 24<sup>th</sup> September, 2019 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, 2018 to March 31, 2019 (Both days Inclusive)

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

18<sup>th</sup> September, 2019 to 24<sup>th</sup> September, 2019 (Both days inclusive)

(iv). **Dividend Payment Date**

Not Applicable

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

The company is listed on the following Stock Exchanges:-



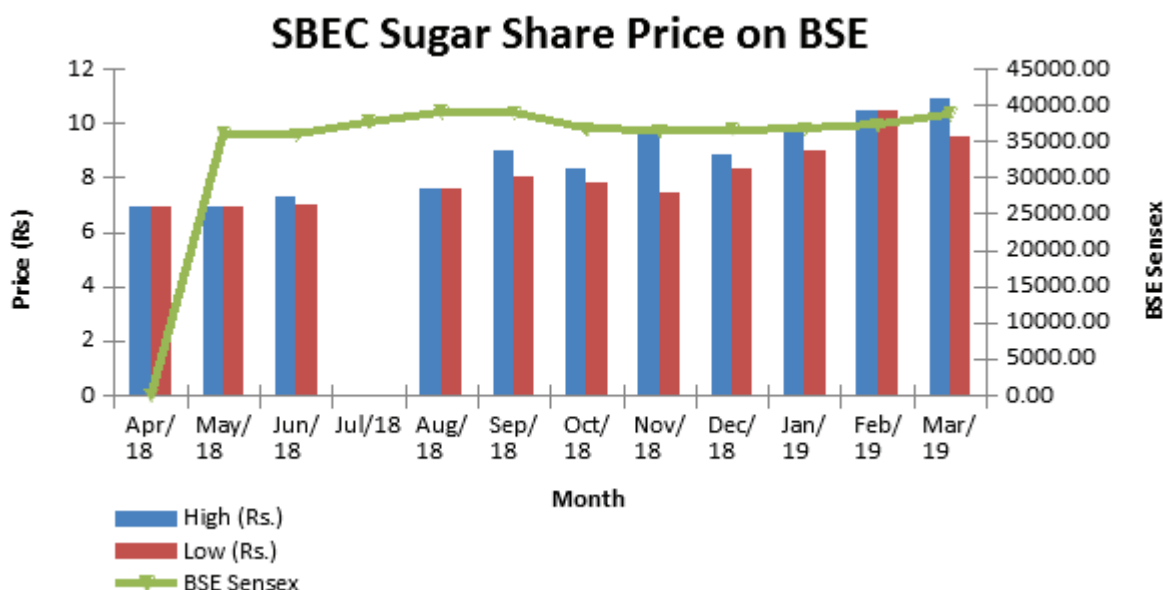
Stock Exchange	Stock Code
Bombay Stock Exchange Limited	532102
The Calcutta Stock Exchange Association Limited	----

The Company has paid annual listing fee to Bombay Stock Exchange Limited for the year 2019-20.

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 2018	6.96	6.95	6.96	182
May 2018	6.96	6.96	6.96	753
June 2018	7.3	7	7.25	2758
July 2018	-	-	-	-
August 2018	7.61	7.61	7.61	395
September 2018	9	7.99	8.5	12271
October 2018	8.3	7.8	8.3	1343
November 2018	9.85	7.45	8	5239
December 2018	8.8	8.32	8.71	894
January 2019	9.95	9	9.95	1987
February 2019	10.43	10.43	10.43	1
March 2019	10.89	9.5	9.5	3687



**(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, 3<sup>rd</sup> 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 31<sup>st</sup> March, 2019.**

No of Shares	Number of Shareholders	Number of Shares	% of total Shares
Upto 5000	2316	868773	1.82
5001 - 10000	460	418519	0.88
10001 – 20000	180	301394	0.63
20001- 30000	310	816714	1.71
30001 – 40000	55	199341	0.42
40001 – 50000	146	713224	1.50
50001 – 100000	134	1022088	2.14
100001 and above	89	43313827	90.90
Total	3690	47653880	100

**x). Shareholding Pattern as on March 31, 2019**

SI No.	Category of Shareholder	Total No. of Shares	% of Shareholding
<b>A</b>	<b>PROMOTER AND PROMOTER GROUP</b>	<b>31055462</b>	<b>65.17</b>
	<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	8613389	18.07
b	Individuals	6989374	14.67
c	NRI/ OCB	1072	0.00
d	HUF	34883	0.08
	<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 scrip less 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 2019, 82.975% of the Company's total listed capitals representing 39540690 shares were held in dematerialized form and the balance 17.025 % comprising 8113190 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, 3<sup>rd</sup> 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**

The transactions entered with related parties during the year under review were on Arm's Length basis and in the ordinary course of business and complied the provisions of Section 188 of the Companies Act, 2013. 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. 30 of the Financial Statements for the financial year ended 31.3.2019.

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) 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 Regulation 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 finding 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 deliberation of terms of settlement with internal Committee of SEBI on 24<sup>th</sup> April 2018, the authorized representative of the Company made an application for revision of settlement terms to settle the defaults vide letter dated April 27<sup>th</sup> 2018.

Upon receipt of the application for revision of settlement terms, the High Powered Advisory Committee in its meeting held on 14<sup>th</sup> 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 proceeding against the company were settled and dropped by SEBI as per the terms of settlement vide settlement letter dated 12<sup>th</sup> July 2018.

As additional measures taken by the Company, it has adopted code of practices to regulate, monitor and report trading by insiders as per the Prohibition of Insider Trading Regulation on February 25<sup>th</sup>, 2019 and the same was hosted on the website of the company. As per the said code of practice, the Company receives disclosure by every person on appointment as KMP/director or upon becoming a promoter by virtue of his/her nomination.

- (iv) There are no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under except;

The Securities Exchange Board of India on September 17, 2018 had issued directions to the Promoter Group of the Company (namely Shri. Umesh Kumar Modi, Kumkum Modi, Jayesh Modi, Longwell Investments Pvt. Ltd., A to Z Holdings Pvt. Ltd, Moderate Leasing and Capital Services Limited and SBEC Systems (India) Ltd), severally or jointly, make a public announcement to acquire the shares of the Target Company (i.e. SBEC Sugar Limited) in accordance with the provisions of the Takeover Regulations, 2011, within a period of 45 days from the date of above mentioned order. The shareholding/voting rights of the Promoter Group had increased from 54.46% (2,59,51,083 shares) as on June 30, 2014 to 63.86% (3,04,32,117 shares) as on September 30, 2014. In addition to the aforesaid acquisition, one of the lending promoter i.e. Moderate Leasing & Capital Services Ltd. had also acquired 1.31% shares of SBEC Sugar Limited during March 18, 2015 to March 23, 2015, which increased the shareholding of the Promoter Group to 65.17%. As per the said impugned order, the Promoter Group have violated the provisions of Regulation 3(2) of the Takeover Regulations, 2011 by acquiring shares in excess of the prescribed limit without making an announcement for open offer.

Against the said impugned SEBI order, the Promoter Group namely (Shri. Umesh Kumar Modi, Kumkum Modi, Jayesh Modi, Longwell Investments Pvt. Ltd, A to Z Holdings Pvt. Ltd and Moderate Leasing and Capital Services Limited) had filed an appeal before the Securities Appellant Tribunal, Mumbai. Whereas, M/s. SBEC Systems (India) Ltd. had filed a separate appeal before the Securities Appellant Tribunal, Mumbai.

Both the appeals were admitted and the matter is sub-judice.

**(v) 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.

**(vi) 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.

**(vii) 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 and 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, 2019.

Place: New Delhi

Date: 14<sup>th</sup> August, 2019

Sd/-

Abhishek Modi  
Chief Executive Officer

**(viii) 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.

**(ix) Details of utilization of funds through preferential allotment:**

During the Financial Year ended 31st March, 2019, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

**(x) Compliance Certificate from Practicing Company Secretary:**

Certificate from Practicing Company Secretary confirming compliance with conditions of Corporate Governance as stipulated in Regulations Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report.

**(xi) Recommendation of any Committee;**

There have been no instances of non-acceptance of any recommendations of the any Committee by the Board during the Financial Year under review.

**(xii) Fees paid by Company and its subsidiaries, to its Statutory Auditor**

Total fees of Rs.4,91,616 for financial year 2018-19, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

**(xiii) 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.

**(xiv) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

During the year from April 1, 2018 to March 31, 2019 the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. At the end of March 31, 2019, no complaint was pending for redressal.

**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: 14<sup>th</sup> August, 2019

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 2019, 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**

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

**Place: New Delhi  
Dated: 14<sup>th</sup> August, 2019**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**To,****The Members of****M/s. SBEC Sugar Limited**

Village Loyan Malakpur,  
Baraut, Distt. Baghpat. U.P.-250611

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SBEC Sugar Limited having CIN: L15421UP1991PLC019160 and having registered office at Village Loyan Malakpur, Distt. Baghpat, U.P.-25061 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ended on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment</b>
1	Umesh Kumar Modi	00002757	03-02-1995
2	Kumkum Modi	00522904	26-05-2000
3	Abhishek Modi	00002798	13-05-1994
4	Jayesh Modi	02849637	18-06-2010
5	Vijay Kumar Modi	00004606	06-02-2015
6	Narayan Prakash Bansal	00010587	18-10-2003
7	Rajeev Kumar Agarwal	00298252	29-04-2015
8	Jaquish Chander Chawla	05316202	27-05-2015
9	Raj Kumar Sharma	07741845	23-02-2017
10	Shyam Babu Vyas	02025415	27-05-2015
11	Rohit Garg	03296571	25-03-2016

The status of Mr. Rohit Garg, having DIN NO.-03296571, Independent Director of the company is active non-complaint.

Ensuring the eligibility of for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

**Place: New Delhi  
Dated: 14<sup>th</sup> August, 2019**



## INDEPENDENT AUDITORS' REPORT

### To The Members of SBEC Sugar Limited

#### Qualified Opinion

We have audited the accompanying standalone financial statements of M/s SBEC SUGAR LIMITED ('the Company'), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, the loss and total comprehensive income (loss), changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- During the year ended 31st March, 2019 the Company has not made provision for interest, on late payment of cane dues amounting to Rs. 574.01 lacs for sugar season 2018-19 and Rs. 3797.83 lacs for sugar season 2017-18, had the company made provisions, the expense and loss for the year ended 31st March 2019 would have been higher by Rs. 4,371.84 lacs respectively and its consequential impact on EPS.
- The company has taken the debt of IDBI, PNB & IFCI in Modi Industries Limited. As at 31st March, 2019 the company has net exposure of Rs. 14,685 lacs. No interest on the said amount has been provided as there is no reasonable certainty of its collection since the net worth of Modi Industries Limited has been completely eroded. Recoverability of the above balance is also doubtful. However, no provisions for doubtful debts were made in the financial statements of the company and consequently we are unable to opine on the appropriateness of the same and its consequential impact on the financial statements.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

#### Emphasis of Matters

We draw attention to the following matters in the

Notes to the financial statements:

- Note no (d) of the standalone 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 23rd April, 2018 has upheld the Hon'ble High Court order dated 9th March, 2017. The matter is still sub-judice.

Our opinion is not modified in respect of above matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. We have determined that except for the matter described in the "Basis for Qualified Opinion" section, there are no other key audit matters to communicate in our report.

#### Information Other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Standalone 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 accu-



racy 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.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by Section 143(3) of the Act, based on our audit, 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, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the Directors as on 31st March 2019 taken on record by the Board of directors, none of the Directors is disqualified as on 31st March 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
  - (g) With respect to the other matters to be included in the

Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



- (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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**(Simmi Jain)**  
**Partner**

**Membership No.086496**

**Place: New Delhi**  
**Date: 25th May, 2019**

**"Annexure A" 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, 2019 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, 2019, 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.





**"Annexure B" to the Independent Auditor's Report to the members of SBEC Sugar Limited dated May 25, 2019.**

**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, <b>however the Fixed assets have not been physically verified by the management during the year therefore discrepancies, if any, could not be determined.</b>
	(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. Some of these title deeds are given as security for securing various facilities and accordingly these original title deeds are kept as security for the lenders.
ii.		<b>The inventory has not been physically verified by the management during the year.</b>
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 <b>"Annexure C"</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 Registration No. 002465N**

**(Simmi Jain)**  
**Partner**

**Membership No.086496**

**Place: New Delhi**  
**Date: 25th May, 2019**



### “ANNEXURE C” 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 2019.

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 Ltd	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 Central Excise and Service Tax, Meerut-1 for Remand
Finance Act , 1994	Service tax Credit taken in invoice beyond 6 month	44.90	Dec 2013 – Dec 2014	Application filed before Assistant Commissioner, Central Excise & Service Tax, Division-1 Meerut on 25.02.2016
Central Excise ,1944	Excise Duty on removal of Bagasse and Press-mud	75.24	2015-16	Appeal allowed by Commissioner Appeals, Meerut vide order dt. 30.11.18 and Commissioner CGSTMeerut filled appeal before CESTAT, Allahabad vide Appeal No.70247/2019
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, CGST Division Shamli.
Central Excise ,1944	Excise Duty on removal of Bagasse and Press-mud	42.21	01.12.2016 to 31.01.2017	SCN Reply Submitted on 18.12.18 before Deputy Commissioner, CGST Division Shamli.
Central Excise ,1944	Excise Duty on removal of Bagasse and Press-mud	24.90	01.02.2017 to 28.02.2017	SCN Reply Submitted on 12.02.19 before Deputy Commissioner, CGST Division Shamli.

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

**Place: New Delhi**  
**Date: 25th May, 2019**

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


**BALANCE SHEET AS AT 31.03.2019**
**(Amount in Rs.)**

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, Plant and Equipment	3	2,26,18,01,479	2,43,54,15,987
(b) Other intangible assets	3(a)	2,30,894	3,24,655
(c) Capital work - in - progress	3(b)	2,96,99,146	30,44,459
(d) Financial assets			
- Investments	4	17,25,82,515	17,25,82,515
- Others	4A	1,46,85,97,682	-
(e) Other non - current assets	5	4,88,379	7,14,247
		<b>3,93,34,00,095</b>	<b>2,61,20,81,863</b>
<b>(2) Current assets</b>			
(a) Inventories	6	1,32,80,98,229	82,13,55,138
(b) Financial assets			
(i) Trade receivables	7	7,13,17,234	10,57,36,218
(ii) Cash and cash equivalents	8	8,39,94,568	11,48,35,627
(iii) Loans	9	24,92,89,135	1,24,38,87,346
(iv) Other Bank Balances	10	20,91,665	19,26,351
(c) Other current assets	5	4,29,60,178	1,56,14,831
		<b>1,77,77,51,009</b>	<b>2,30,33,55,511</b>
(d) Non Current assets held for sale		-	-
		<b>1,77,77,51,009</b>	<b>2,30,33,55,511</b>
<b>Total assets</b>		<b>5,71,11,51,104</b>	<b>4,91,54,37,375</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
(a) Equity share capital	11	47,69,40,175	47,69,40,175
(b) Other equity	12	(60,50,24,395)	(13,01,88,421)
		<b>(12,80,84,220)</b>	<b>34,67,51,754</b>
<b>LIABILITIES</b>			
<b>(2) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	1,74,74,59,032	1,08,51,002
(ii) Trade payables	16		
- Total Outstanding dues of micro enterprises and small enterprises		-	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Provisions	14	2,89,99,252	2,47,88,079
(c) Other non-current liabilities	15	12,26,200	12,26,200
		<b>1,77,76,84,484</b>	<b>3,68,65,281</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	36,13,46,589	8,59,55,616
(ii) Trade payables	16		
- Total Outstanding dues of micro enterprises and small enterprises		18,74,180	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		2,94,18,72,472	4,22,71,31,851
(iii) Other financial liabilities	17	73,22,87,998	17,75,29,632
(b) Other current liabilities	15	1,99,36,572	3,75,85,790
(c) Provisions	14	42,33,030	36,17,451
		<b>4,06,15,50,841</b>	<b>4,53,18,20,340</b>
<b>Total Equity &amp; Liabilities</b>		<b>5,71,11,51,104</b>	<b>4,91,54,37,375</b>

The accompany note no. (3 to 26) are integral part of the financial statement.

Summary of Significant Accounting Policies

As per our report of even date, attached

2

**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 : 25th May 2019**

**R.K. Sharma**  
(Manager)

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

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

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31.03.2019****(Amount in Rs.)**

Particulars	Note No.	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
I Revenue from operations	18	<b>4,00,98,78,291</b>	4,69,04,22,244
II Other income	19	<b>31,20,099</b>	50,52,369
III <b>Total income (I + II)</b>		<b>4,01,29,98,390</b>	4,69,54,74,612
IV <b>Expenses</b>			
Cost of materials consumed	20	<b>4,26,06,46,620</b>	4,47,21,59,108
Changes in inventories of finished goods, stock - in - trade and work - in - progress	21	<b>(51,38,36,960)</b>	31,31,67,174
Employee benefits expenses	22	<b>13,94,28,955</b>	12,99,51,845
Finance costs	23	<b>5,06,42,869</b>	8,06,43,419
Depreciation and amortization expenses	24	<b>18,11,89,338</b>	17,89,16,075
Other expenses	25	<b>36,95,63,969</b>	36,54,92,399
Total expenses		<b>4,48,76,34,791</b>	5,54,03,30,021
V <b>Profit / (loss) before exceptional items and tax (I - IV)</b>		<b>(47,46,36,401)</b>	(84,48,55,408)
VI Exceptional items		-	-
VII <b>Profit / (loss) before tax (V - VI)</b>		<b>(47,46,36,401)</b>	(84,48,55,408)
VIII Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Adjustment of Tax for Earlier Years		<b>1,30,580</b>	-
		<b>1,30,580</b>	-
IX <b>Profit / (loss) from continuing operations (VII - VIII)</b>		<b>(47,47,66,981)</b>	(84,48,55,408)
X Profit / (loss) from discontinued operations (VII - VIII)		-	-
XI Tax expense of discontinued operations		-	-
XII Profit / (loss) from discontinued operations (after tax) (X - XI)		-	-
XIII <b>Profit / (loss) for the period (IX + XII)</b>		<b>(47,47,66,981)</b>	(84,48,55,408)
XIV <b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss		<b>(68,993)</b>	8,71,587
(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>(68,993)</b>	8,71,587
XV <b>Total comprehensive income for the period (XIII + XIV)</b>		<b>(47,48,35,974)</b>	(84,39,83,821)
XVI <b>Earnings per equity share (for continuing operations)</b>			
(1) Basic	26	<b>(9.96)</b>	(17.73)
(2) Diluted	26	<b>(9.96)</b>	(17.73)

The accompany note no. (3 to 26) are integral part of the financial statement.

**Summary of Significant Accounting Policies**

As per 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 : 25th May 2019

R.K. Sharma  
(Manager)

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

Sd/-  
Shobit Nehra  
(Company Secretary)


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019**
**(Amount in Rs.)**

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>A. Cash flow from operating activities</b>		
Profit for the year before tax	(47,46,36,401)	(84,48,55,408)
Adjustments for:		
Finance costs	5,06,42,869	8,06,43,419
Interest income	(2,27,269)	(15,04,440)
Depreciation and amortisation expense	18,11,89,338	17,89,16,075
Loss/(Profit) on sale of Fixed Assets	-	(28,369)
Provision for Bad & doubtful debts/Advances	24,45,772	40,00,457
Provision written back	(28,25,789)	(24,21,236)
Dividend Income	(60,000)	(60,000)
<b>Operating Profit/(Loss) before working capital changes</b>	<b>(24,34,71,480)</b>	<b>(58,53,09,501)</b>
<b>Movements in working capital:</b>		
Trade receivables	3,44,18,984	2,22,33,249
Other assets	(1,49,58,82,475)	3,55,95,688
Inventories	(50,67,43,090)	29,67,42,850
Loans	99,45,98,210	24,83,00,004
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(1,28,33,85,200)	43,41,10,619
Other liabilities	(1,76,49,218)	(6,17,97,237)
Other financial liabilities	55,47,58,367	9,14,51,919
Provisions/other items	51,37,776	37,19,279
<b>Cash generated from operations</b>	<b>(1,95,82,18,125)</b>	<b>48,50,46,870</b>
Income tax paid	(1,30,580)	-
<b>Net cash generated by operating activities (A)</b>	<b>(1,95,83,48,706)</b>	<b>48,50,46,870</b>
<b>B. Cash flow from investing activities</b>		
Investment	-	-
Purchases of fixed assets (including WIP)	(3,43,53,254)	(2,09,92,955)
Interest received	2,27,269	15,04,440
Dividend received	60,000	60,000
Proceeds from Sales of Fixed Assets	2,17,496	7,24,891
Non Current assets held for sale	-	-
<b>Net cash generated by/(used in) investing activities (B)</b>	<b>(3,38,48,489)</b>	<b>(1,87,03,624)</b>
<b>C. Cash flow from financing activities (refer note 44)</b>		
Proceed /Repayment of term loan	2,01,19,99,003	(33,03,90,657)
Interest paid	(5,06,42,869)	(8,06,43,419)
<b>Net cash generated by/(used in) financing activities (C)</b>	<b>1,96,13,56,134</b>	<b>(41,10,34,076)</b>
<b>Net Increase/decrease in Cash and cash equivalents (A+B+C)</b>	<b>(3,08,41,061)</b>	<b>5,53,09,170</b>
Cash and cash equivalents at the beginning of the year	8	11,48,35,626
Cash and cash equivalents at the end of year end	8	5,95,26,455
In terms of our report of even date, attached		8,39,94,568

**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 : 25th May 2019**

**R.K. Sharma**  
(Manager)

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

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


**Statement of Changes in equity for the year ended March 31, 2019**

Particulars	Equity Share Capital	Other Equity					Total Equity
		Reserves & Surplus			Item of Other Comprehensive Income		
		Capital reserve*	Surplus in the Statement of profit and loss	Storage fund for molasses account	Actuarial gain / (loss) on employee benefit plans through OCI	Total Other Equity	
As at April 01, 2017	47,69,40,175	49,16,625	71,02,90,645	12,76,476	(26,88,346)	71,37,95,400	1,19,07,35,575
Add: Profit for the year	-	-	(84,48,55,408)	-	-	(84,48,55,408)	(84,48,55,408)
Add: Transfer to/(from) storage fund for molasses	-	-	(2,92,840)	2,92,840	-	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	8,71,587	8,71,587	8,71,587
As at March 31, 2018	47,69,40,175	49,16,625	(13,48,57,603)	15,69,316	(18,16,759)	(13,01,88,421)	34,67,51,754
Add: Profit for the year	-	-	(47,47,66,981)	-	-	(47,47,66,981)	(47,47,66,981)
Add: Transfer to/(from) storage fund for molasses	-	-	(2,86,351)	2,86,351	-	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	(68,993)	(68,993)	(68,993)
As at March 31, 2019	47,69,40,175	49,16,625	(60,99,10,935)	18,55,667	(18,85,752)	(60,50,24,395)	(12,80,84,220)

**As per our report of even date, attached**

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

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

**Place : New Delhi**  
**Date : 25th May 2019**

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

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

**R.K. Sharma**  
(Manager)

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019****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. 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**

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time)

The preparation of financial statements requires the use of certain significant accounting estimates and judgements. It also requires the management to exercise judgement in applying the Company's accounting policies.

The Company has applied the following standards for the first time for their annual reporting period commencing 1st April, 2018 Ind AS 115, "Revenue from Contracts with Customers". Adoption of Ind AS 115 did not have any significant impact on the amounts recognized in prior, current and future period.

**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. 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 relating 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 infinite 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 recognized 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 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.

(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 recognized 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 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.


**NOTE:3 PROPERTY, PLANT AND EQUIPMENT**

(Amount in Rs.)

GROSS BLOCK											
	Freehold	Land Leasehold	Buildings	Lease Hold Improvements	Plant & Machinery	Office Equipment	Computer Equipment	Factory Approach Ro.	Furniture & Flextures	Vehicles	Total
As at 31st March 2017	16,71,98,000	43,22,74,674	31,38,61,280	84,740	2,59,21,05,751	36,84,340	92,59,347	2,44,32,136	67,87,135	1,16,12,552	3,56,12,99,955
Additions	-	-	-	-	1,66,61,146	5,17,633	14,55,716	-	3,10,292	-	1,89,44,787
Disposals	-	-	-	-	-	-	-	-	-	51,34,802	51,34,802
As at 31st March 2018	16,71,98,000	43,22,74,674	31,38,61,280	84,740	2,60,87,66,897	42,01,973	1,07,15,063	2,44,32,136	70,97,427	64,77,750	3,57,51,09,940
Additions	-	-	-	-	69,79,641	1,83,091	5,35,835	-	-	-	76,98,567
Disposals	-	-	-	-	-	-	-	-	-	12,98,476	12,98,476
As at 31st March 2019	16,71,98,000	43,22,74,674	31,38,61,280	84,740	2,61,57,46,538	43,85,064	1,12,50,898	2,44,32,136	70,97,427	51,79,274	3,58,15,10,031
DEPRECIATION											
	Freehold	Land Leasehold	Buildings	Lease Hold Improvements	Plant & Machinery	Office Equipment	Computer Equipment	Factory Approach Ro.	Furniture & Flextures	Vehicles	Total
As at 31st March 2017	-	2,84,27,176	6,47,76,133	84,740	82,09,40,599	30,41,406	81,34,542	2,44,32,136	62,60,456	92,18,804	96,53,15,992
Charged for the year	-	2,73,20,372	1,34,17,375	-	13,65,20,026	2,22,232	4,65,861	-	1,30,441	7,39,935	17,88,16,241
Disposals	-	-	-	-	-	-	-	-	-	44,38,280	44,38,280
As at 31st March 2018	-	5,57,47,548	7,81,93,508	84,740	95,74,60,625	32,63,638	86,00,403	2,44,32,136	63,90,897	55,20,459	1,13,96,93,953
Charged for the year	-	2,72,72,596	1,34,17,375	-	13,78,42,888	4,11,172	14,65,456	-	2,44,402	4,41,688	18,10,95,577
Disposals	-	-	-	-	-	-	-	-	-	10,80,980	10,80,980
As at 31st March 2019	-	8,30,20,144	9,16,10,882	84,740	1,09,53,03,513	36,74,810	1,00,65,859	2,44,32,136	66,35,299	48,81,167	1,31,97,08,550
NET BLOCK											
As at 31st March 2017	16,71,98,000	40,38,47,498	24,90,85,147	-	1,77,11,65,152	6,42,934	11,24,805	-	5,26,679	23,93,748	2,59,59,83,963
As at 31st, March 2018	16,71,98,000	37,65,27,126	23,56,67,772	-	1,65,13,06,273	9,38,335	21,14,660	-	7,06,530	9,57,291	2,43,54,15,987
As at 31st March 2019	16,71,98,000	34,92,54,530	22,22,50,398	-	1,52,04,43,026	7,10,254	11,85,039	-	4,62,128	2,98,107	2,26,18,01,479

**NOTE: 3(a) INTANGIBLE ASSETS**

(Amount in Rs.)

Particulars	As At 31.03.2019	As At 31.03.2018
<b>Gross Block</b>		
Opening	19,91,583	19,91,583
Additions	-	-
Disposals	-	-
<b>Closing</b>	<b>19,91,583</b>	<b>19,91,583</b>
<b>Depreciation</b>		
Opening	16,66,928	15,67,094
Charge for the year	93,761	99,834
Disposals	-	-
<b>Closing</b>	<b>17,60,689</b>	<b>16,66,928</b>
<b>Net Block</b>	<b>2,30,894</b>	<b>3,24,655</b>

**NOTE:3 (b) CAPITAL WORK -IN-PROGRESS**

(Amount in Rs.)

Particulars	As At 31.03.2019	As At 31.03.2018
Plant and machinery under erection	30,44,459	9,96,291
Additions	2,66,54,687	20,48,168
Disposals	-	-
<b>Total</b>	<b>2,96,99,146</b>	<b>30,44,459</b>

**NOTE:4 INVESTMENTS**

(Amount in Rs.)				
Particulars	Non - current As at 31.03.2019	Current As at 31.03.2019	Non - current As at 31.03.2018	Current As at 31.03.2018
<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 )*	12,65,82,500		12,65,82,500	
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)	4,55,00,000		4,55,00,000	
<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)	5,00,000		5,00,000	
30 Equity Shares of Rs.10/-each in Modi Casing s and Packaging Pvt Ltd.(P.Y.30 Equity Shares of Rs.10/each)	300		300	
Less: Provision made for diminution in value of investment**	285		285	
<b>Sub Total</b>	15		15	
<b>Total</b>	17,25,82,515	-	17,25,82,515	-
*Including Rs.82500/-Share Transfer Fee				
**Provision for diminution in value of investments.				
Aggregate amount of unquoted investments	17,25,82,515		17,25,82,515	
Aggregate provision for diminution in value of investments	285		285	
# The Company ceases to be subsidiary w.e.f.30.09.2014				

**NOTE 4A : FINANCIAL ASSETS - OTHER**

(Amount in Rs.)				
Particulars	Non - current As at 31.03.2019	Current As at 31.03.2019	Non - current As at 31.03.2018	Current As at 31.03.2018
Debt Assignment Recoverable	1,46,85,97,682	-	-	-
<b>Total Financial Assets-Other</b>	1,46,85,97,682			

**NOTE 5 : OTHER ASSETS**

(Amount in Rs.)				
Particulars	Non - current As at 31.03.2019	Current As at 31.03.2019	Non - current As at 31.03.2018	Current As at 31.03.2018
<b>- Unsecured, considered good</b>				
Advances recoverable in cash or kind or for value to be received	-	44,18,554	-	30,70,582
<b>Advances other than Capital Advances -</b>				
Security deposits	1,53,782	-	2,62,142	-
-Prepaid Expenses	-	15,27,446	-	8,37,240
Balances with statutory authorities		3,70,14,178	-	1,17,07,009
-Direct tax Recoverable	3,34,597	-	4,52,105	-
<b>Total other assets</b>	4,88,379	4,29,60,178	7,14,247	1,56,14,831


**NOTE: 6 INVENTORIES**
**(Amount in Rs.)**

Particulars	As at 31.03.2019	As at 31.03.2018
Raw Materials	-	-
Stores & Spares	7,07,64,043	6,49,68,603
Work - in - progress	94,64,242	2,42,81,746
Finished goods	1,15,69,81,448	70,64,56,273
others	9,08,88,495	2,56,48,516
<b>Total</b>	<b>1,32,80,98,229</b>	<b>82,13,55,138</b>

**NOTE: 7 TRADE RECEIVABLES**
**(Amount in Rs.)**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Exceeding 6 months from payment due date</b>		
- Unsecured, considered good	1,48,25,348	62,97,396
- Unsecured, considered Doubtful	91,26,093	94,64,110
- Allowance for bad & doubtful debts	(91,26,093)	(94,64,110)
	1,48,25,348	62,97,396
<b>Less than 6 months</b>		
- Unsecured, considered good from related party	-	-
- Unsecured, considered good	5,64,91,886	9,94,38,822
<b>Total</b>	<b>7,13,17,234</b>	<b>10,57,36,218</b>

**NOTE: 8 CASH & CASH EQUIVALENTS**
**(Amount in Rs.)**

Particulars	As at 31.03.2019	As at 31.03.2018
Balances with banks		
- in Current Accounts	8,37,90,240	11,40,13,654
Cheques, drafts in hand	-	-
Cash in hand	2,04,328	8,21,973
<b>Total</b>	<b>8,39,94,568</b>	<b>11,48,35,627</b>

**NOTE: 9 LOANS**
**(Amount in Rs.)**

Particulars	Current As at 31.03.2019	Current As at 31.03.2018
Security Deposits		
- Unsecured, considered good	-	-
Loans to related parties	24,28,87,523	1,22,63,47,089
Less : Expected Credit loss	(1,28,37,523)	-
Advance to vendors	1,92,39,136	1,75,40,257
<b>Total</b>	<b>24,92,89,135</b>	<b>1,24,38,87,346</b>

**NOTE: 10 OTHER BANK BALANCES**
**(Amount in Rs.)**

Particulars	As at 31.03.2019	As at 31.03.2018
Margin Money	1,84,204	1,73,043
Balance with Govt dept.	-	-
Fixed Deposit	19,07,461	17,53,308
<b>Total</b>	<b>20,91,665</b>	<b>19,26,351</b>

**NOTE 11 : SHARE CAPITAL**
**(Amount in Rs.)**

Particulars	As at 31.03.2019	As at 31.03.2018
Authorised Share Capital:		
100,000,000 (Previous Year 100,000,000) Equity Shares of Rs.10/- each.	1,00,00,00,000	1,00,00,00,000
Issued, Subscribed Capital :		
47,814,430 (Previous Year 47,814,430) Equity Shares of Rs.10/- each.	47,81,44,300	47,81,44,300
Paid Up Capital :		
47,653,880 (Previous Year 47,653,880) Equity Shares of Rs.10/- each.	47,65,38,800	47,65,38,800
Share Forfeiture Account	4,01,375	4,01,375
<b>TOTAL</b>	<b>47,69,40,175</b>	<b>47,69,40,175</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.)

Name of Shareholder	As at 31.03.2019		As At 31.03.2018	
	No. of shares Held	%age of Holding	No. of shares Held	%age of Holding
Equity Shares				
M/s SBEC Systems (India) Ltd.	1,42,30,884	29.86%	1,42,30,884	29.86%
M/s Moderate Leasing & Capital Services Ltd	90,65,568	19.02%	90,65,568	19.02%
Abhikum Leasing and Investment Pvt. Ltd.	55,31,994	11.80%	55,31,994	11.80%
M/s A to Z Holding Pvt. Ltd.	33,82,500	7.10%	33,82,500	7.10%
M/s Longwell Investments Pvt. Ltd.	27,21,500	5.71%	27,21,500	5.71%

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

Equity Shares	As at 31.03.2019		As At 31.03.2018	
	No. of shares	(Rs.)	No. of shares	(Rs.)
At the beginning of the year	4,76,53,880	47,65,38,800	4,76,53,880	47,65,38,800
Add: Shares Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>4,76,53,880</b>	<b>47,65,38,800</b>	<b>4,76,53,880</b>	<b>47,65,38,800</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 12 : OTHER EQUITY**

(Amount in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
Surplus / (Deficit)		
Balance as per last financial statement	(13,66,74,362)	70,76,02,299
Balance in Statement of Profit & Loss	(47,47,66,981)	(84,48,55,408)
Less: Transfer to Reserves	(2,86,351)	(2,92,840)
Add: Remeasurement of defined benefit obligation (net of tax)	(68,993)	8,71,587
<b>Closing Balance</b>	<b>(61,17,96,687)</b>	<b>(13,66,74,362)</b>
Capital Reserve		
Balance as per last financial statement	49,16,625	49,16,625
<b>Closing Balance</b>	<b>49,16,625</b>	<b>49,16,625</b>
Other Reserve		
Molasses Storage Fund		
Balance as per last financial statement	15,69,316	12,76,476
Add: Additions during the year	2,86,351	2,92,840
<b>Closing Balance</b>	<b>15,55,667</b>	<b>15,69,316</b>
<b>TOTAL</b>	<b>(60,50,24,395)</b>	<b>(13,01,88,421)</b>




**NOTE:13 BORROWINGS**
**(Amount in Rs.)**

Particulars	Non - Current As at 31.03.2019	Current As at 31.03.2019	Non - Current As at 31.03.2018	Current As at 31.03.2018
Term Loan /Unsecured Loans				
- Secured				
From Banks	2,01,00,00,000	-	-	-
Less : Current maturities of long term debt	26,80,00,000			
<b>Net Balance</b>	<b>1,74,20,00,000</b>			
- Unsecured				
Deposits From Selling Agents	54,59,032	-	1,08,51,002	-
Vehicle Loans	-	-	-	-
Inter Corporate Deposit	-	36,13,46,589	-	8,59,55,616
<b>Total</b>	<b>1,74,74,59,032</b>	<b>36,13,46,589</b>	<b>1,08,51,002</b>	<b>8,59,55,616</b>

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

Landing Institution	Outstanding as at 31.03.2019	2019-20	2020-21	2021-22 & Above
Uttar Pradesh Co-operative Bank Ltd.	2,01,00,00,000	26,80,00,000	40,20,00,000	1,34,00,00,000

\* During the year ended March 2019, the Company has received a Soft Loan of Rs. 201 Crores from Uttar Pradesh Co-operative Bank Ltd, Lucknow, under a Scheme namely "Scheme for Extending Financial Assistance to the Sugar Undertakings-2018" as notified by the Government of Uttar Pradesh to clear the outstanding Cane Dues of the Farmers for the Sugar Season 2017-18. The Soft Loan is secured by way of First Charge over the Moveable and Immoveable Assets of the Company inclusive of equitable mortgage of Land and Buildings. The Soft Loan shall be further secured by way of Corporate Guarantee, Personal Guarantee and such other securities as per Sanction Letter. The interest on the Soft Loan shall be applicable at the rate of 5% simple interest per annum. The duration for the repayment of the Soft Loan shall be 5 years, payable in monthly instalments starting from the July, 2019.

**NOTE: 14 PROVISIONS**
**(Amount in Rs.)**

Particulars	Non - Current As at 31.03.2019	Current As at 31.03.2019	Non - Current As at 31.03.2018	Current As at 31.03.2018
Provision for employee benefits				
- Gratuity	2,60,34,825	29,22,315	2,21,97,219	23,37,359
- Leave Encashment	29,64,427	13,10,715	25,90,860	12,80,092
<b>Total</b>	<b>2,89,99,252</b>	<b>42,33,030</b>	<b>2,47,88,079</b>	<b>36,17,451</b>

**NOTE: 15 OTHER LIABILITIES**
**(Amount in Rs.)**

Particulars	Non - Current As at 31.03.2019	Current As at 31.03.2019	Non - Current As at 31.03.2018	Current As at 31.03.2018
Security Deposits	12,26,200	-	12,26,200	-
Statutory Payables	-	1,77,93,528	-	3,52,34,704
Retention money	-	21,43,044	-	23,51,086
<b>Total</b>	<b>12,26,200</b>	<b>1,99,36,572</b>	<b>12,26,200</b>	<b>3,75,85,790</b>

**NOTE:16 TRADE PAYABLE**
**(Amount in Rs.)**

Particulars	Non - Current As at 31.03.2019	Current As at 31.03.2019	Non - Current As at 31.03.2018	Current As at 31.03.2018
Due to parties registered under MSMED Act	-	18,74,180	-	-
Due to other parties	-	2,94,18,72,472	-	4,22,71,31,851
Due to related parties	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2,94,37,46,652</b>	<b>-</b>	<b>4,22,71,31,851</b>

**NOTE:17 OTHER FINANCIAL LIABILITIES****(Amount in Rs.)**

Particulars	Non - Current As at 31.03.2019	Current As at 31.03.2019	Non - Current As at 31.03.2018	Current As at 31.03.2018
Current maturities of long term debt	-	26,80,00,000	-	-
Employees related dues	-	2,34,39,649	-	1,73,17,427
Advance from Customer	-	2,17,48,928	-	13,02,75,149
Other Liabilities for Expenses	-	40,49,513	-	42,37,056
Other Payables	-	41,50,49,909	-	2,57,00,000
<b>Total</b>	<b>-</b>	<b>73,22,87,998</b>	<b>-</b>	<b>17,75,29,632</b>

**NOTE: 18 REVENUE FROM OPERATIONS****(Amount in Rs.)**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
A. Sale of Goods	4,00,51,70,150	4,69,03,76,458
Gross Sales		
Less:Excise Duty	-	-
Net Sales	4,00,51,70,150	4,69,03,76,458
B. Other Operating Revenue	47,08,141	45,786
<b>Total</b>	<b>4,00,98,78,291</b>	<b>4,69,04,22,244</b>

**NOTE: 19 OTHER INCOME****(Amount in Rs.)**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest income	2,27,269	15,04,440
Provision written back	28,25,789	24,34,121
Dividend	60,000	60,000
Net Gain on sale of fixed assets	-	28,369
Subsidy from State Govt.	-	-
Misc. Income	7,041	10,25,439
<b>Total</b>	<b>31,20,099</b>	<b>50,52,369</b>

**NOTE: 20 COST OF MATERIALS CONSUMED****(Amount in Rs.)**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Raw materials consumed	4,26,06,46,620	4,47,21,59,108
<b>Total</b>	<b>4,26,06,46,620</b>	<b>4,47,21,59,108</b>

**NOTE: 21 CHANGED IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS****(Amount in Rs.)**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>Inventories at the end of the year</b>		
Finished Goods	1,24,60,40,316	71,73,85,852
Work-in-progress	94,64,242	2,42,81,746
Stock in trade	-	-
<b>Sub Total</b>	<b>1,25,55,04,557</b>	<b>74,16,67,597</b>
<b>Inventory at the beginning of the year</b>		
Finished Goods	71,73,85,852	1,01,07,07,129
Work-in-progress	2,42,81,746	4,41,27,642
Sub Total	74,16,67,597	1,05,48,34,771
<b>Total</b>	<b>(51,38,36,960)</b>	<b>31,31,67,174</b>


**NOTE: 22 EMPLOYEE BENEFIT EXPENSES**
**(Amount in Rs.)**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Salary & Wages & Bonus	12,52,62,111	11,74,85,055
Contribution to provident & other funds	96,62,283	81,34,057
Workman and staff welfare	45,04,561	43,32,733
<b>Total</b>	<b>13,94,28,955</b>	<b>12,99,51,845</b>

**NOTE: 23 FINANCE COSTS**
**(Amount in Rs.)**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest Expenses	4,87,46,346	7,88,74,154
Interest Impact on Gratuity	18,96,523	16,04,265
Interest on amortisation of Loans	-	1,65,000
<b>Total</b>	<b>5,06,42,869</b>	<b>8,06,43,419</b>

**NOTE:24 DEPRECIATION AND AMORTIZATION EXPENSES**
**(Amount in Rs.)**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Depreciation of tangible assets	18,10,95,577	17,88,16,241
Amortization of intangible assets	93,761	99,834
<b>Total</b>	<b>18,11,89,338</b>	<b>17,89,16,075</b>

**NOTE:25 OTHER EXPENSES**
**(Amount in Rs.)**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Consumption of stores & spare parts	16,62,56,517	12,33,04,198
Power & fuel	-	1,10,121
Material Handling Expenses	1,66,88,640	1,60,71,798
Repairs & maintenance		
-Plant & Machinery	10,62,73,327	11,08,35,913
-Building	78,31,957	1,16,33,101
-Others	63,36,356	52,14,367
Insurance (Net)	(16,81,342)	(4,02,860)
Rent	3,36,975	7,29,091
Rates & Taxes	41,12,500	30,41,968
Legal & Professional Charges	1,34,21,951	1,21,80,493
Telephone,Postage & Telegram	8,65,792	8,14,672
Travelling & Conveyance	77,39,587	90,16,103
Director's Sitting Fee	55,000	51,000
Auditor's Remuneration :		
-As Audit Fee	2,25,000	2,25,000
-Certification & Company Law	1,00,000	1,00,000
-Expenses Reimbursement	1,416	17,258
Prior Period Adjustments	-	6,65,332
Freight & Forwarding	17,91,231	18,30,914
Commission to selling agents	1,22,22,370	1,37,64,944
Other selling expenses	12,44,347	11,23,953
Excise duty on Increase/(Decrease)in stock	-	2,59,54,683
Other expenses	1,54,46,287	1,63,27,128
Provision for Bad & doubtful debts/Advances	24,45,772	40,00,457
Security Guard Expenses	53,75,254	63,18,466
Vehicle Expenses	24,75,033	25,64,299
<b>Total</b>	<b>36,95,63,969</b>	<b>36,54,92,399</b>

**NOTE:26 EARNINGS PER SHARE**
**(Amount in Rs.)**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Net profit/ (loss) as per Statement of Profit & Loss (for calculation of basic EPS)	(47,47,66,981)	(84,48,55,408)
Weighted average number of equity shares in calculating basic EPS	4,76,53,880	4,76,53,880
Basic earning per share	(9.96)	(17.73)
Diluted earning per share	(9.96)	(17.73)

**NOTE 27: Contingent Liabilities**

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

(Rs in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
i)	Outstanding against Guarantee given to SVC Co-operative Bank Limited on behalf of SBEC Bio-energy Ltd.	2,215.91	-
ii)	Duties and Tax liabilities disputed by the Company	357.14	372.15

Corporate Guarantee given to the Government of Jharkhand dated 26<sup>th</sup> May, 2004 against the Soft Loan of Rs. 32.50 Crores plus interest, given to the Bihar Sponge Iron Limited.

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 (ii) 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 28. Commitment****28.1 Capital Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) : **Rs. 629.83 (P.Y. Nil).**

28.2 Other Commitments: Rs.Nil(P.Y. Nil).

**Note 29: 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	7,426,208/-	7,356,479/-

**(ii) Defined Benefits Plans**

Particulars	Gratuity Unfunded		Leave Encashment Unfunded	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Current service cost	2,676,776	2,391,451	246,017	230,330
Interest cost	1,896,523	1,604,265	214,370	197,492
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain)/loss	-	-	(39,436)	(329,983)
Past service cost	-	-	-	-
Re-measurements recognized in OCI (Gain)/Loss	-	-	-	-
Comprehensive Income on Gratuity	(68,993)	871,587	-	-
Expenses recognized in the statement of Profit & Loss	(2,676,776)	(2,391,451)	420,951	97,839
Interest Impact on Gratuity	(1,896,523)	(1,604,265)	-	-

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

Particulars	Gratuity		Leave Encashment	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Discount Rate	7.66%	7.73%	7.66%	7.73%
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)	13.75 years	14.46 years	13.75 years	14.46 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	24,534,578	21,767,497	2,773,216	2,679,672
Current service cost	2,676,776	2,391,451	246,017	230,330
Interest Cost	1,896,523	1,604,265	214,370	197,492



Benefits paid	(219,730)	(357,048)	(11,831)	(4,295)
Past service cost Curtailment Gains/Losses	-	-	-	-
Contribution by plan participants	-	-	-	-
Re-measurements Recognized in OCI (gain)/ loss	-	-	-	-
Actuarial (gain)/ loss	68,993	(871,587)	(39,436)	(329,983)
Projected benefit obligation at end of the year	-	-	-	-
Net amount recognized in the balance sheet as at the end of the year	28,957,140	24,534,578	3,182,336	2,773,216

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

### Note 30: 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)</b>	<b>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)</b>	<b>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	Shobit Nehra	Company Secretary
<b>B</b>	<b>(i)</b>	<b>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)</b>	<b>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>	



(iii) (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).**

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 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. Trimum 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.**

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

- 1 SBEC SYSTEMS (India) Limited

**(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-19	6,000	-	<b>6,000</b>
	31-Mar-18	4,000	-	<b>4,000</b>
Kumkum Modi	31-Mar-19	1,000	-	<b>1,000</b>
	31-Mar-18	1,000	-	<b>1,000</b>
Abhishek Modi	31-Mar-19	1,000	-	-
	31-Mar-18	-	-	-
Jayesh Modi	31-Mar-19	1,000	-	<b>1,000</b>
	31-Mar-18	1,000	-	<b>1,000</b>
<b>Total F.Y. 2018-19</b>		<b>9,000</b>	-	<b>8,000</b>
<b>Total F.Y. 2017-18</b>		<b>6,000</b>	-	<b>6,000</b>
<b>ii. Remuneration paid to :</b>				
<b>Nandini Modi</b>				
- Salary and Allowances (Including Perquisites)	31-Mar-19	-	-	-
	31-Mar-18	1,377,803	-	<b>1,377,803</b>
- Contribution to PF and superannuation	31-Mar-19	-	-	-
	31-Mar-18	117,800	-	<b>117,800</b>
<b>Company Secretary</b>				
- Salary and Allowances (Including Perquisites)	31-Mar-19	-	804,162	<b>804,162</b>
	31-Mar-18	-	774,507	<b>774,507</b>
- Contribution to PF and superannuation	31-Mar-19	-	40,500	<b>40,500</b>
	31-Mar-18	-	39,334	<b>39,334</b>
<b>Chief Financial Officer</b>				
- Salary and Allowances (Including Perquisites)	31-Mar-19	-	2,883,159	<b>2,883,159</b>
	31-Mar-18	-	1,081,625	<b>1,081,625</b>



- Contribution to PF and superannuation	31-Mar-19	-	225,720	225,720
	31-Mar-18	-	94,050	94,050
<b>Manager</b>				
- Salary and Allowances (Including Perquisites)	31-Mar-19	-	1,403,251	1,403,251
	31-Mar-18	-	1,309,976	1,309,976
- Contribution to PF and superannuation	31-Mar-19	-	70,884	70,884
	31-Mar-18	-	65,022	65,022
<b>Total F.Y. 2018-19</b>		-	<b>5,427,676</b>	<b>5,427,676</b>
<b>Total F.Y. 2017-18</b>		<b>1,495,603</b>	<b>3,364,514</b>	<b>4,860,117</b>
<b>iii. Job Charges Paid/ Reversed</b>				
SBEC Bio-Energy Ltd	31-Mar-19	(21,199,684)	-	(21,199,684)
	31-Mar-18	12,124,286	-	12,124,286
<b>Total F.Y. 2018-19</b>		<b>(21,199,684)</b>	-	<b>(21,199,684)</b>
<b>Total F.Y. 2017-18</b>		<b>12,124,286</b>	-	<b>12,124,286</b>
<b>iv. Reimbursement of expenses paid to :</b>				
Win Medicare Pvt. Ltd.	31-Mar-19	28,510	-	28,510
	31-Mar-18	5,321	-	5,321
Modi Ilva India Pvt. Ltd.	31-Mar-19	-	-	-
	31-Mar-18	7,301	-	7,301
<b>Total F.Y. 2018-19</b>		<b>28,510</b>	-	<b>28,510</b>
<b>Total F.Y. 2017-18</b>		<b>12,622</b>	-	<b>12,622</b>
<b>v. Purchase of materials/Paid for Exp.</b>				
Modiline Travels Service Pvt. Ltd.	31-Mar-19	1,493,233	-	1,493,233
	31-Mar-18	1,630,634	-	1,630,634
Modi Hitech India Ltd.	31-Mar-19	657,152	-	657,152
	31-Mar-18	1,075,129	-	1,075,129
Modi Industries Ltd (Modi Sugar section)	31-Mar-19	1,034,566	-	1,034,566
	31-Mar-18	198,132	-	198,132
Jayesh Tradex Pvt. Ltd.	31-Mar-19	1,215,810	-	1,215,810
	31-Mar-18	6,450,731	-	6,450,731
MM Printers Division of Modi Motors	31-Mar-19	101,149	-	101,149
	31-Mar-18	56,891	-	56,891
Modi Mundipharma Beauty product Pvt. Ltd.	31-Mar-19	-	-	-
	31-Mar-18	-	-	-
SBEC Bioenergy Ltd (GST Recoverable)	31-Mar-19	59,833,056	-	59,833,056
	31-Mar-18	-	-	-
<b>Total F.Y. 2018-19</b>		<b>64,334,966</b>	-	<b>64,334,966</b>
<b>Total F.Y. 2017-18</b>		<b>9,411,517</b>	-	<b>9,411,517</b>
<b>vi. Sales of Materials</b>				
GS Pharmbutor Pvt. Ltd.	31-Mar-19	466,278,483	-	466,278,483
	31-Mar-18	218,412,779	-	218,412,779
Modi Industries Ltd (Modi Sugar section)	31-Mar-19	1,530,500	-	1,530,500
	31-Mar-18	168,430	-	168,430
SBEC Bioenergy Ltd (GST Payable)	31-Mar-19	21,500,830	-	21,500,830
	31-Mar-18	-	-	-
<b>Total F.Y. 2018-19</b>		<b>489,309,813</b>	-	<b>489,309,813</b>
<b>Total F.Y. 2017-18</b>		<b>218,581,209</b>	-	<b>218,581,209</b>
<b>vii. Commission paid to</b>				
GS Pharmbutor Pvt. Ltd.	31-Mar-19	2,408,852	-	2,408,852
	31-Mar-18	-	-	-
<b>Total F.Y. 2018-19</b>		<b>2,408,852</b>	-	<b>2,408,852</b>
<b>Total F.Y. 2017-18</b>		-	-	-
<b>viii. Interest paid</b>				
Arvind Continental Pvt. Ltd.	31-Mar-19	1,037,466	-	1,037,466
	31-Mar-18	1,530,000	-	1,530,000
Mahabir Export & Import Co. Ltd.	31-Mar-19	12,329	-	12,329
	31-Mar-18	2,700,000	-	2,700,000
Longwell Investment Pvt. Ltd.	31-Mar-19	7,530,280	-	7,530,280
	31-Mar-18	6,480,448	-	6,480,448
GS Pharmbutor Pvt. Ltd.	31-Mar-19	9,033,461	-	9,033,461
	31-Mar-18	28,483,889	-	28,483,889
<b>Total F.Y. 2018-19</b>		<b>17,613,536</b>	-	<b>17,613,536</b>
<b>Total F.Y. 2017-18</b>		<b>39,194,337</b>	-	<b>39,194,337</b>
<b>ix. Amount Received against Loan</b>				
SBEC Bio-Energy Ltd.	31-Mar-19	153,514,709	-	153,514,709





	31-Mar-18	52,614,000	-	<b>52,614,000</b>
GS Pharmbutor Pvt. Ltd.	31-Mar-19	102,165,130	-	<b>102,165,130</b>
	31-Mar-18	-	-	-
<b>Total F.Y. 2018-19</b>		<b>255,679,839</b>	-	<b>255,679,839</b>
<b>Total F.Y. 2017-18</b>		<b>52,614,000</b>	-	<b>52,614,000</b>
<b>x. Amount Paid against Loan</b>				
GS Pharmbutor Pvt. Ltd.	31-Mar-19	22,666,750	-	<b>22,666,750</b>
	31-Mar-18	315,013,320	-	<b>315,013,320</b>
<b>Total F.Y. 2018-19</b>		<b>22,666,750</b>	-	<b>22,666,750</b>
<b>Total F.Y. 2017-18</b>		<b>315,013,320</b>	-	<b>315,013,320</b>
<b>xi. Debt Assignment Receivable from MIL</b>				
Modi Industries Limited	31-Mar-19	1,468,597,682	-	<b>1,468,597,682</b>
	31-Mar-18	-	-	-
<b>Total F.Y. 2018-19</b>		<b>1,468,597,682</b>	-	<b>1,468,597,682</b>
<b>Total F.Y. 2017-18</b>		-	-	-
<b>xii. Outstanding " Receivables"</b>				
SBEC stockholding & Investment Ltd.	31-Mar-19	230,050,000	-	<b>230,050,000</b>
	31-Mar-18	230,050,000	-	<b>230,050,000</b>
Modi Industries Ltd (Sugar section)	31-Mar-19	64,298,550	-	<b>64,298,550</b>
	31-Mar-18	61,802,616	-	<b>61,802,616</b>
Modi Industries Ltd (Debt Assignment)	31-Mar-19	1,468,597,682	-	<b>1,468,597,682</b>
	31-Mar-18	-	-	-
SBEC System (I) Ltd. 12837523/-	-	-	-	-
	31-Mar-19	-	-	-
Less-(Loss on Impairment on Assets ) 12837523/-	-	-	-	-
	31-Mar-18	12,837,523	-	<b>12,837,523</b>
Modi Ilva India Pvt. Ltd.	31-Mar-19	-	-	-
	31-Mar-18	3,045	-	<b>3,045</b>
Daya Charitable Trust	31-Mar-19	-	-	-
	31-Mar-18	-	-	-
Modi Hitech India Ltd.	31-Mar-19	3,342,848	-	<b>3,342,848</b>
	31-Mar-18	(518,218)	-	<b>(518,218)</b>
<b>Total F.Y. 2018-19</b>		<b>1,766,289,080</b>	-	<b>1,766,289,080</b>
<b>Total F.Y. 2017-18</b>		<b>304,174,966</b>	-	<b>304,174,966</b>
<b>xii. Outstanding " Payables"</b>				
Modiline Travels Service Pvt. Ltd.	31-Mar-19	169,585	-	<b>169,585</b>
	31-Mar-18	173,716	-	<b>173,716</b>
Company Secretary	31-Mar-19	-	91,102	<b>91,102</b>
	31-Mar-18	-	54,753	<b>54,753</b>
Chief Financial Officer	31-Mar-19	-	37,768	<b>37,768</b>
	31-Mar-18	-	119,944	<b>119,944</b>
Manager	31-Mar-19	-	89,209	<b>89,209</b>
	31-Mar-18	-	(26,415)	<b>(26,415)</b>
SBEC Bio-Energy Ltd.	31-Mar-19	415,049,909	-	<b>415,049,909</b>
	31-Mar-18	(983,459,567)	-	<b>(983,459,567)</b>
Win Medicare Pvt. Ltd.	31-Mar-19	12,539	-	<b>12,539</b>
	31-Mar-18	(268,058)	-	<b>(268,058)</b>
Arvind Continental Pvt. Ltd.	31-Mar-19	2,500,000	-	<b>2,500,000</b>
	31-Mar-18	8,500,000	-	<b>8,500,000</b>
Mahabir Export & Import Co. Ltd.	31-Mar-19	-	-	-
	31-Mar-18	15,000,000	-	<b>15,000,000</b>
Longwell Investment Pvt. Ltd.	31-Mar-19	47,460,939	-	<b>47,460,939</b>
	31-Mar-18	41,834,896	-	<b>41,834,896</b>
GS Pharmbutor Pvt. Ltd.	31-Mar-19	115,570,920	-	<b>115,570,920</b>
	31-Mar-18	4,789,935	-	<b>4,789,935</b>
Bihar Sponge iron Ltd.	31-Mar-19	805,566	-	<b>805,566</b>
	31-Mar-18	805,566	-	<b>805,566</b>
Modi Mundi Pharma Beauty Products Pvt. Ltd.	31-Mar-19	269,597	-	<b>269,597</b>
	31-Mar-18	269,597	-	<b>269,597</b>
Jayesh Tradex Pvt. Ltd.	31-Mar-19	525	-	<b>525</b>
	31-Mar-18	1,043,957	-	<b>1,043,957</b>
<b>Total F.Y. 2018-19</b>		<b>581,839,580</b>	<b>218,079</b>	<b>582,057,659</b>
<b>Total F.Y. 2017-18</b>		<b>(911,309,958)</b>	<b>148,282</b>	<b>(911,161,676)</b>



### Note 31: 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 32: 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 31.03.2019	As at 31.03.2018
a)	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year. (ii) Interest due thereon.	1,874,180 -	-
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.	-	-

### Note 33: 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.

#### As at 31.03.2019

Particulars	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	268,000,000	1,747,459,032	2,015,459,032
Current borrowings	361,346,589	-	361,346,589
Trade payables	2,943,746,652	-	2,943,746,652
Other financial liabilities	732,287,998	-	732,287,998

**As at 31.03.2018**

Particulars	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	-	10,851,000	10,851,000
Current borrowings	85,955,616	-	85,955,616
Trade payables	4,227,131,851	-	4,227,131,851
Other financial liabilities	177,529,632	-	177,529,632

- 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 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	As at 31 March, 2019 (Rs.)	As at 31 March, 2018 (Rs.)
Debt (See note 'i' below)	2,376,805,621	96,806,618
Cash and bank balances	86,086,233	116,761,978
<b>Net debt</b>	2,290,719,388	(19,955,360)
<b>Total equity</b>	(128,084,220)	346,751,898
<b>Net debt to equity ratio (times)</b>	(17.88)	(0.06)

**Note:**

- i. Debt is defined as long and short-term borrowings (excluding derivative, financial guarantee contracts), as described in notes 13 and 17.
- 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.

**k) Categories of financial instruments**

Particulars	As at 31 March, 2019 (Rs.)	As at 31 March, 2018 (Rs.)
<b>Financial assets</b>		
<b>Measured at amortized cost</b>		
Other non-current assets	488,379	714,247
Other financial assets (non current)	1,468,597,682	-
Trade receivables	71,317,234	105,736,218
Cash and cash equivalents	83,994,568	114,835,627
Bank Balances other than Cash and cash equivalents	2091,665	1,926,351
Other current assets	42,960,178	15,614,831
Other financial assets (current)	-	-
Loans	249,289,135	1,243,887,346
<b>Measured at fair value through Profit &amp; Loss</b>		
Investments		
<b>Financial liabilities</b>		
<b>Measured at amortized cost</b>		
Borrowings (non-current)	1747,459,032	10,851,002
Borrowings (current)	361,346,589	85,955,616
Trade payables	2943,746,652	4,227,131,851
Other financial liabilities (non-current)	-	-
Other financial liabilities (current)	732,287,998	177,529,632
Other current liabilities	19,936,572	37,585,790
Other Non-Current liabilities	1,226,200	1,226,200



**I) 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, 2019 (Rs.)		As at 31 March, 2018 (Rs.)	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Financial Assets at amortized cost :	1,918,738,841		1,482,714,620	
<b>Financial Liabilities</b>				
Financial Liabilities held at amortized cost:	5,806,003,043		4,540,280,091	

**Exposure to credit risk**

**Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)**

Particulars	As at 31 March, 2019 (Rs.)	As at 31 March, 2018 (Rs.)
Investments	172,582,515	172,582,515
Cash and bank balances	83,994,568	114,835,627
Bank deposit	2091,665	1,926,351
Short-term loans and advances	249,289,135	1,243,887,346

**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, 2019 (Rs.)	As at 31 March, 2018 (Rs.)
Trade Receivable	71,317,234	105,736,218

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

Particulars	
<b>As at 31.03.2019</b>	
Up to 6 months	56,491,886
More than 6 months	14,825,348
<b>As at 31.03.2018</b>	
Up to 6 months	99,438,822
More than 6 months	6,297,396

During the year the Company has recognized loss allowance of Rs. 9,126,093/- under 12 months expected credit loss model.

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

**Note 34. Other Disclosures**

- (i) 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's letter dated 28<sup>th</sup> September, 2006. In terms of this settlement, the Company had agreed to make payment of Rs. 2,810.60 lacs together with interest to PNB. In consideration of the same, PNB had 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 to 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 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 31st December, 2012 in favour of its subsidiary M/s. SBEC Bioenergy Limited (SBL) by which the company assigned all its claim together with all securities and charges created by PNB for a consideration of Rs. 12,500.00 Lacs. A sum of Rs. 4,200.00 lacs had been paid simultaneously with the execution of this deed and the remaining sum of Rs. 8,300.00 lacs was to be paid as per the mutually agreed installments within a period of five years from the date of execution of this deed. However, upto 31.03.2018, no payment had been received by the Company due to financial distress in SBEC Bioenergy Limited.

During the year 2018-19, SBEC Bioenergy Limited being unable to pay the balance amount of Rs. 8300.00 Lacs as per agreed terms and conditions approached the Company with a proposal to return the said debt to the Company at a total consideration of Rs. 12,500 Lacs at which the said assignment was originally acquired. Accordingly, SBL had executed a deed of assignment on 06<sup>th</sup> June, 2018 in favour of the Company and has assigned all its claims together with all securities and charges created. As per Assignment Deed, a sum of Rs. 7530.00 Lacs has been paid simultaneously at the time of execution of the Deed, and the balance amount of Rs. 4970.00 Lacs shall be payable in the mutually agreed instalments within a period of 10 years from the date of execution of this Deed.



- (ii) M/s. SBEC Bioenergy Limited (SBL), a Subsidiary of the Company had negotiated, settle and acquired the Debt of IDBI in Modi Industries Limited (MIL) and entered into an agreement on 6<sup>th</sup> October, 2007 with IDBI. This agreement was in terms of IDBI's Letter dated 09<sup>th</sup> February, 2007. Under the said agreement IDBI agreed to assign its entire debt due and payable by the MIL to IDBI, subject to the OTS amount of Rs. 1232.20 Lacs together with interest. IDBI has executed a Deed of assignment on 05<sup>th</sup> March, 2018 in favour of SBL by which IDBI assigned all its rights together with all securities and charges created by MIL in favour of SBL. The Registrar of Companies has registered the modification of charge in favour of the SBL.

During the Year 2018-19, SBL gave a proposal to transfer the above debt by way of assignment to the Company at a total consideration of Rs. 1232.20 Lacs at which the said debt was acquired by SBL from IDBI. Thereafter, SBL has executed a Deed of Assignment on 12<sup>th</sup> June, 2018 in favour of the Company and assigned all its claims together with all securities and charges created in the assets of MIL. The Registrar of Companies has registered the modification of charge in favour of the Company. The said debts are now receivable by the Company from Modi Industries Limited.

- (iii) M/s. SBEC Bioenergy Limited (SBL), a Subsidiary of the Company had negotiated, settle and acquired the Debt of IFCI in Modi Industries Limited (MIL) and entered into an agreement on 30<sup>th</sup> December, 2009 with IFCI. This agreement was in terms of IFCI's Letter dated 30<sup>th</sup> December, 2007. Under the said agreement IFCI agreed to assign its entire debt due and payable by MIL to IFCI, subject to payment of the OTS amount of Rs. 775 Lacs together with interest and in consideration thereof IFCI executed a Deed of assignment dated 19<sup>th</sup> April, 2012 and assigned all its claims against MIL together with securities and charges in favour of SBL. The Registrar of Companies has registered the modification of charge in favour of the SBL.

During the Year 2018-19, SBL gave a proposal to transfer the above debt by way of assignment to the Company at a total consideration of Rs. 775 Lacs at which the said debt was initially acquired from IFCI. Thereafter, SBL has executed a Deed of Assignment on 12<sup>th</sup> June, 2018 in favour of the Company and assigned all its claims together with all securities and charges created in the assets of MIL. The Registrar of Companies has registered the modification of charge in favour of the Company. The said debts are now receivable by the Company from Modi Industries Limited.

**Note 35: 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, 2019	Year Ended 31 <sup>st</sup> March, 2018
Sugarcane Crushing M.T. per day (No License required)	8,000	8,000

**(b) Production Purchase, Turnover & Stock**

Classes of Goods	Opening stock – Quantity (Qtls.)	Production Quantity (Qtls.)	Sales		Closing stock	
			Quantity (Qtls.)	Value (In Lacs)	Quantity (Qtls.)	Value (In Lacs)
Sugar	253,530	1,390,671	1,271,217	37,804.76	372,984	11,569.81
	(246,508)	(1,324,214)	(1,317,192)	(44,074.81)	(253,530)	(7,064.56)
Molasses (By-product)	350,187.94	621,912.06	572,700	141.00	399,400	835.51
	(200,158.45)	(735,707.19)	(585,677.70)	(1,180.69)	(350,187.94)	(35.02)
		<b>Purchases</b>				
Sugar Trading	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

**(c) Consumption of Raw Material**

Particulars	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018	
	Quantity (Quintals)	Value (Rs. In lacs)	Quantity (Quintals)	Value (Rs. In lacs)
<b>Sugar Cane</b>	130,14,674	42,606.47	137,00,322	44,721.59

**(d) Expenditure in foreign currency (On accrual basis) (Rs. in lacs)**

Particulars	Current year	Previous Year
Interest, Others,	-	-

**(e) CIF Value of import (Rs. in lacs)**

Particulars	Current year	Previous Year
Store & Spares	25.67	19.98

**(f) Earning in foreign currency (Rs. in lacs)**

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	42,606.47	100%	-	Nil
Previous Year	44,721.59	100%	-	Nil
Stores & Spares*	2,317.02	98.89%	25.67	1.11%
Previous Year	2,347.20	99.16%	19.98	0.84%

\*Excluding spares used for capitalization.

\* ( ) Show Previous year figures.

**Note: 36.Recent Accounting Pronouncements**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's Financial statements is disclosed below. The Company intends to adopt the standard, if applicable, when it becomes effective.

Ind AS 116

Ind AS 116 Leases was notified in October 2018 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires leases to account for all leases under a single on balance sheet model, similar to accounting for finance lease under Ind AS 17. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessee will be required to separately recognise the interest expense on the lease liability and depreciation expense on the right of use asset.

The company is evaluating the impact of this amendment on its standalone financial statements.

Amendment to Ind AS 19 'Employee Benefits'

"On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition –

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, Other Comprehensive Income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the Standalone Financial Statement.

**Note: 37.** 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 37 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 : 25th May 2019</b>	<b>R.K. Sharma</b> (Manager)	<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**

### Qualified Opinion

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, 2019, 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").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified Opinion** section of our report, and based on the reports of other auditors as referred in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner, so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its Subsidiaries as at 31 March, 2019, and the consolidated Profit, consolidated Total Comprehensive Income, the consolidated Statement of Changes in Equity and the consolidated Cash Flows for the year ended on that date.

### Basis for Qualified Opinion

- 1) **During the year ended 31st March, 2019 the Company has not made provision for interest, on late payment of cane dues amounting to Rs. 574.01 lacs for the sugar season 2018-19 and Rs. 3797.83 lacs for sugar season 2017-18, had the company made provisions, the expense and loss for the year ended 31st March 2019 would have been higher by Rs. 4,371.84 lacs respectively and its consequential impact on EPS.**
- 2) **The company has taken the debt of IDBI, PNB & IFCI in Modi Industries Limited. As at 31st March, 2019 the company has net exposure of Rs.14,685 lacs. No Interest on the said amount has been provided as there is no reasonable certainty of its collection since the net worth of Modi Industries Limited has been completely eroded. Recoverability of the above balance is also doubtful. However, no provisions for doubtful debts were made in the financial statements of the company and consequently we are unable to opine on the appropriateness of the same and its consequential impact on the financial statements.**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

### Emphasis of Matters

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

a. Note no (d) of the Consolidated 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. The matter is still sub-judice.

Our opinion is not modified in respect of above matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that except for the matter described in the "Basis for Qualified Opinion" section, there are no other key audit matters to communicate in our report.

### Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders' Information Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the consolidated 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 consolidated Ind AS financial statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance, Consolidated Total Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows of the Company including its subsidiaries in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The Board of Directors of the Company and of its Subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Company.

In preparing the consolidated financial statements, the Board of Directors of the Company and of its Subsidiaries are responsible for assessing the ability of the Company and of its Subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company and of its Subsidiaries or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its Subsidiaries are also responsible for overseeing the financial reporting process of the Company and its Subsidiaries.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements





Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its Subsidiary Companies which are Companies incorporated in India, has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its Subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its Subsidiaries to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidences regarding the financial information of the Company and its Subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the Independent Auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

We did not audit the financial statements of subsidiaries. The financial statements of SBEC Bio-energy Limited reflects total assets of Rs.12582.06 lacs as at 31st March, 2019, total revenues of Rs.1653.60 lacs for the year ended on that date & the financial statements of SBEC Stockholding and Investment Limited reflects total assets of Rs.3797.33 lacs as at 31st March, 2019, total revenues of Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of accounts as required by law relating to preparation of aforesaid consolidated 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 Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the Statutory Auditors of its Subsidiaries Companies incorporated in India, none of the Directors of the Company and its Subsidiaries Companies incorporated in India is disqualified as on 31st March, 2019 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 A"; which is based on the auditor's reports of the Company and its Subsidiaries Companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those Companies, for reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors, the remuneration paid by the Company and its Subsidiaries Companies to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- (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, as amended in our opinion and to the best of our information and according to the explanations given to us and reports of the 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 29 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, 2019.
- 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, 2019.

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

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

**Place: New Delhi**  
**Date:25<sup>th</sup> May, 2019**

**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statement to the members of SBEC Sugar Limited dated March 31, 2019.**

**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, 2019. 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:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) 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, 2019, 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**

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

**Place: New Delhi**  
**Date:25<sup>th</sup> May, 2019**



## CONSOLIDATED BALANCE SHEET AS AT 31.03.2019

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, plant and equipment	3	2,80,27,06,647	2,99,04,01,628
(b) Other intangible assets	3(a)	2,30,988	3,24,748
(c) Capital work - in - progress	3(b)	2,96,99,146	35,70,619
(d) Financial assets			
(i) Investments	4	38,03,33,615	38,03,33,615
(ii) Others	5	1,47,19,54,049	1,47,20,21,409
(e) Other non - current assets	6	62,25,110	60,88,930
(f) Deferred tax assets (net)	7	3,99,54,692	4,02,79,774
		<b>4,73,11,04,247</b>	<b>4,89,30,20,723</b>
<b>(2) Current assets</b>			
(a) Inventories	8	1,36,15,04,228	85,43,95,728
(b) Financial assets			
(i) Trade receivables	9	12,67,04,273	18,93,09,037
(ii) Cash and cash equivalents	10	12,45,73,376	11,72,72,649
(iii) Loans & other financial assets	11	2,42,81,528	3,45,68,316
(iv) Other Bank Balances	12	20,91,665	19,26,351
(c) Other current assets	6	5,28,74,757	1,94,27,862
		<b>1,69,20,29,827</b>	<b>1,21,68,99,944</b>
(d) Non Current assets held for sale		-	-
		<b>1,69,20,29,827</b>	<b>1,21,68,99,944</b>
<b>Total Assets</b>		<b>6,42,31,34,073</b>	<b>6,10,99,20,668</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	13	47,69,40,175	47,69,40,175
(b) Other equity	14	(30,74,70,152)	18,60,65,983
		<b>16,94,70,023</b>	<b>66,30,06,158</b>
<b>Non Controlling Interest</b>		<b>35,09,28,048</b>	<b>36,60,89,773</b>
<b>LIABILITIES</b>			
<b>(1) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	1,91,49,58,562	38,62,16,348
(ii) Trade payables	19	-	-
-Total Outstanding dues of micro enterprises and small enterprises -		-	-
-Total Outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Deferred Revenue/Income		-	-
(c) Provisions	16	3,42,55,704	2,93,96,158
(d) Other financial liabilities	17	45,000	45,000
(e) Other non-current liabilities	18	12,26,200	12,26,200
		<b>1,95,04,85,466</b>	<b>41,68,83,706</b>
<b>(2) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	15	50,00,96,268	8,99,80,601
(ii) Trade payables	19	-	-
- Total Outstanding dues of micro enterprises and small enterprises		18,74,180	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		2,96,03,34,809	4,28,56,23,985
(iii) Other financial liabilities	17	42,68,51,492	24,15,33,618
(b) Other current liabilities	18	5,82,69,335	4,28,36,323
(c) Provisions	16	48,24,452	39,66,503
		<b>3,95,22,50,536</b>	<b>4,66,39,41,030</b>
<b>Total Equity &amp; Liabilities</b>		<b>6,42,31,34,073</b>	<b>6,10,99,20,668</b>

The accompany note no. (3 to 28) are integral part of the financial statement.

summary of Significant Accounting Policies

2

As per our report of even date, attached

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

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

**Place : New Delhi**  
**Date : 25th May 2019**

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

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

**R.K. Sharma**  
(Manager)

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

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

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

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

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

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



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31.03.2019

(Amount in Rs.)

Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
I Revenue from operations	20	4,17,43,73,373	4,85,65,08,793
II Other income	21	40,00,034	61,56,261
<b>III Total income (I + II)</b>		<b>4,17,83,73,407</b>	<b>4,86,26,65,054</b>
IV Expenses			
Cost of materials consumed	22	4,26,06,46,620	4,47,21,59,108
Changes in inventories of finished goods, stock - in - trade and work - in - progress	23	(51,38,85,614)	31,32,89,347
Employee benefits expenses	24	16,37,13,334	15,42,37,912
Finance costs	25	12,28,29,427	16,18,67,836
Depreciation and amortization expenses	26	20,43,48,908	19,99,69,737
Other expenses	27	44,89,05,138	41,33,75,185
<b>Total expenses</b>		<b>4,68,65,57,812</b>	<b>5,71,48,99,125</b>
V Profit / (loss) before exceptional items and tax (I - IV)		<b>(50,81,84,405)</b>	<b>(85,22,34,071)</b>
VI Exceptional items		-	-
<b>VII Profit / (loss) before tax (V - VI)</b>		<b>(50,81,84,405)</b>	<b>(85,22,34,071)</b>
<b>VIII Tax expense</b>			
(1) Current tax		-	-
(2) Deferred tax	7	3,25,082	10,23,349
(3) Adjustment of Tax for Earlier Years		1,30,580	-
		<b>4,55,662</b>	<b>10,23,349</b>
IX Profit / (loss) from continuing operations (VII - VIII)		<b>(50,86,40,067)</b>	<b>(85,32,57,420)</b>
X Profit / (loss) from discontinued operations (VII - VIII)		-	-
XI Tax expense of discontinued operations		-	-
XII Profit / (loss) from discontinued operations (after tax) (X - XI)		-	-
<b>XIII Profit / (loss) for the period (IX + XII)</b>		<b>(50,86,40,067)</b>	<b>(85,32,57,420)</b>
<b>XIV Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss		(56,749)	11,09,437
(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>(56,749)</b>	<b>11,09,437</b>
<b>XV Total comprehensive income for the period (XIII + XIV)</b>		<b>(50,86,96,816)</b>	<b>(85,21,47,983)</b>
Shareholders of the company		<b>(49,35,35,091)</b>	<b>(84,84,87,624)</b>
Non Controlling Interest		<b>(1,51,61,725)</b>	<b>(36,60,360)</b>
<b>Of the total comprehensive income above, profit for the year attributable to:</b>			
Shareholders of the company		<b>(49,34,72,833)</b>	<b>(84,94,90,061)</b>
Non Controlling Interest		<b>(1,51,67,234)</b>	<b>(37,67,360)</b>
<b>Of the total comprehensive income above, other comprehensive income attributable to:</b>			
Shareholders of the company		<b>(62,259)</b>	<b>10,02,437</b>
Non Controlling Interest		<b>5,510</b>	<b>1,07,000</b>
<b>XVI Earnings per equity share (for continuing operations)</b>			
(1) Basic	28	<b>(10.67)</b>	<b>(17.91)</b>
(2) Diluted	28	<b>(10.67)</b>	<b>(17.91)</b>

The accompany note no. (3 to 28) are integral part of the financial statement.

### Summary of Significant Accounting Policies

As per 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 : 25th May 2019

R.K. Sharma  
(Manager)

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

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



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(Amount in Rs.)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>A. Cash flow from operating activities</b>		
Profit for the year before tax	(50,81,84,405)	(85,22,34,071)
Adjustments for:		
Finance costs	12,28,29,427	16,18,67,836
Interest income	(2,27,269)	(15,04,440)
Depreciation and amortisation expense	20,43,48,908	19,99,69,737
Loss/(Profit) on sale of Fixed Assets	-	(28,369)
Provision for Bad & doubtful debts/Advances	-	-
Provision written back	-	-
Dividend Income	(1,20,000)	(1,20,000)
<b>Operating Profit/(Loss) before working capital changes</b>	<b>(18,13,53,339)</b>	<b>(49,20,49,307)</b>
Movements in working capital:		
Trade receivables	6,26,04,764	1,72,94,502
Other assets	(3,36,81,029)	8,48,01,206
Inventories	(50,71,08,499)	29,41,48,423
Loans	1,02,86,788	17,35,62,488
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(1,32,34,14,996)	47,20,30,765
Other current liabilities	1,54,33,012	(5,90,68,637)
Other financial liabilities	18,53,17,874	6,71,31,052
Provisions/other items	56,59,702	46,40,584
<b>Cash generated from operations</b>	<b>(1,76,62,55,724)</b>	<b>56,24,91,075</b>
Income tax paid	(1,30,580)	-
<b>Net cash generated by operating activities (A)</b>	<b>(1,76,63,86,304)</b>	<b>56,24,91,075</b>
<b>B. Cash flow from investing activities</b>		
Investment	-	-
Purchases of fixed assets( including WIP)	(4,29,06,189)	(3,41,27,298)
Interest received	2,27,269	15,04,440
Dividend received	1,20,000	1,20,000
Proceeds from Sales of Fixed Assets	2,17,496	7,24,891
Non Current assets held for sale	-	-
<b>Net cash generated by/(used in) investing activities (B)</b>	<b>(4,23,41,424)</b>	<b>(3,17,77,967)</b>
<b>C. Cash flow from financing activities (refer note 44)</b>		
Proceed /Repayment of term loan	1,93,88,57,881	(32,96,25,809)
Interest paid	(12,28,29,427)	(16,18,67,836)
<b>Net cash generated by/(used in) financing activities (C)</b>	<b>1,81,60,28,456</b>	<b>(49,14,93,643)</b>
<b>Net Increase/decrease in Cash and cash equivalents (A+B+C)</b>	<b>73,00,727</b>	<b>3,92,19,465</b>
Cash and cash equivalents at the beginning of the year	11,72,72,649	7,80,53,184
<b>Cash and cash equivalents at the end of year end</b>	<b>12,45,73,376</b>	<b>11,72,72,649</b>

As per our report of even date, attached

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

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

Place : New Delhi  
Date : 25th May 2019

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

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

R.K. Sharma  
(Manager)

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

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

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

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

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

Sd/-  
Shobit Nehra  
(Company Secretary)

**Consolidate Statement of Changes in equity for the year ended March 31, 2019**

	Equity Share Capital	Other Equity					Total Equity
		Reserves & Surplus			Item of Other Comprehensive Income		
		Capital reserve	Surplus in the Statement of profit and loss	Storage fund for molasses account	Actuarial gain / (loss) on employee benefit plans through OCI	Attributable the equity holders of the Parent	
<b>As at April 01, 2017</b>	47,69,40,175	49,16,625	1,03,10,29,696	12,76,476	(26,69,191)	1,03,45,53,606	1,51,14,93,781
Add: Profit for the year	-	-	(84,95,97,060)	-	-	(84,95,97,060)	(84,95,97,060)
Add: Transfer to/(from) storage fund for molasses	-	-	(2,92,840)	2,92,840	-	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	11,09,437	11,09,437	11,09,437
<b>As at March 31, 2018</b>	47,69,40,175	49,16,625	18,11,39,797	15,69,316	(15,59,754)	18,60,65,983	66,30,06,158
Add: Profit for the year	-	-	(49,34,79,385)	-	-	(49,34,79,385)	(49,34,79,385)
Add: Transfer to/(from) storage fund for molasses	-	-	(2,86,351)	2,86,351	-	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	(56,749)	(56,749)	(56,749)
<b>As at March 31, 2019</b>	47,69,40,175	49,16,625	(31,26,25,940)	18,55,667	(16,16,503)	(30,74,70,151)	16,94,70,023

**As per our report of even date, attached**

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

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

**Place : New Delhi**  
**Date : 25th May 2019**

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

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

**R.K. Sharma**  
(Manager)

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

**Sd/-**  
**J.C. Chawla**  
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**Sd/-**  
**Vijay Kumar Modi**  
(Director)  
DIN : 00004606

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

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st, MARCH, 2019****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, 2019 (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.
- (B) The financial statements have been prepared under the historical cost convention on accrual basis.
- (C) The Company has applied the following standards for the first time for their annual reporting period commencing 1st April, 2018 Ind AS 115, "Revenue from Contracts with Customers". Adoption of Ind AS 115 did not have any significant impact on the amounts recognized in prior, current and future period.

**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 recognized 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 relating 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.
- 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**

- 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.

**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 recognized 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 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.

## (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.

**NOTE:3 PROPERTY, PLANT AND EQUIPMENT**

(Amount in Rs.)

GROSS BLOCK											
	Freehold	Lead Leasehold	Buildings Improvements	Lease Hold	Plant & Machinery	Office Equipment	Computer Equipment	Factory Approach Ro.	Furniture & Flextures	Vehicles	Total
As at 31st March 2017	27,01,90,000	43,22,74,674	35,84,30,855	84,740	3,44,81,56,584	40,13,384	99,85,974	2,53,01,694	72,32,648	1,61,36,059	4,57,18,06,612
Additions	-	-	-	-	1,72,73,146	5,17,633	14,96,216	-	3,10,292	1,19,55,683	3,15,52,970
Disposals Sold	-	-	-	-	-	-	-	-	-	51,34,802	51,34,802
As at 31st , March 2018	27,01,90,000	43,22,74,674	35,84,30,855	84,740	3,46,54,29,730	45,31,017	1,14,82,190	2,53,01,694	75,42,940	2,29,56,940	4,59,82,24,780
Additions	-	-	-	-	75,41,131	2,33,091	5,35,835	-	-	84,67,605	1,67,77,662
Disposals Sold	-	-	-	-	-	-	-	-	-	12,98,476	12,98,476
As at 31st March, 2019	27,01,90,000	43,22,74,674	35,84,30,855	84,740	3,47,29,70,861	47,64,108	1,20,18,025	2,53,01,694	75,42,940	3,01,26,069	4,61,37,03,966
DEPRECIATION											
As at 31st March 2017	-	2,84,27,176	7,99,87,627	84,740	1,24,80,03,445	33,06,767	88,42,457	2,52,58,216	66,90,171	1,17,90,929	1,41,23,91,528
Charged for the year	-	2,73,20,372	1,57,02,579	-	15,33,13,136	2,32,511	4,76,399	-	1,31,677	26,93,231	19,98,69,904
Disposals	-	-	-	-	-	-	-	-	-	44,38,280	44,38,280
As at 31st , March 2018	-	5,57,47,548	9,56,90,205	84,740	1,40,13,16,580	35,39,278	93,18,856	2,52,58,216	68,21,848	1,00,45,880	1,60,78,23,152
Charged for the year	-	2,72,72,596	1,57,02,751	-	15,46,58,340	4,32,904	14,99,500	-	2,45,661	44,43,395	20,42,55,147
Disposals	-	-	-	-	-	-	-	-	-	10,80,980	10,80,980
As at 31st March, 2019	-	8,30,20,144	11,13,92,956	84,740	1,55,59,74,920	39,72,182	1,08,18,356	2,52,58,216	70,67,509	1,34,08,295	1,81,09,97,319
NET BLOCK											
As at 31st March 2017	27,01,90,000	40,38,47,497	27,84,43,228	-	2,20,01,53,139	7,06,617	11,43,517	43,478	5,42,477	43,45,130	3,15,94,15,084
As at 31st March, 2018	27,01,90,000	37,65,27,125	26,27,40,650	-	2,06,41,13,149	9,91,739	21,63,334	43,478	7,21,092	1,29,11,060	2,99,04,01,628
As at 31st March, 2019	27,01,90,000	34,92,54,529	24,70,37,899	-	1,91,69,95,940	7,91,926	11,99,669	43,478	4,75,431	1,67,17,774	2,80,27,06,647

**NOTE: 3(a) INTANGIBLE ASSETS**

(Amount in Rs.)

Particulars	As At 31.03.2019	As At 31.03.2018
<b>Gross Block</b>		
Opening	24,02,018	24,02,018
Additions	-	-
Disposals	-	-
Closing	24,02,018	24,02,018
<b>Depreciation</b>		
Opening	20,77,270	19,77,436
Charge for the year	93,761	99,834
Disposals	-	-
Closing	21,71,030	20,77,270
<b>Net Block</b>	<b>2,30,988</b>	<b>3,24,748</b>

**NOTE:3(b) CAPITAL WORK -IN-PROGRESS**

(Amount in Rs.)

Particulars	As At 31.03.2019	As At 31.03.2018
Plant and machinery under erection	35,70,619	9,96,291
Additions	2,66,54,687	25,74,328
Disposals	5,26,160	-
<b>Total</b>	<b>2,96,99,146</b>	<b>35,70,619</b>


**NOTE:4 INVESTMENTS**
**(Amount in Rs.)**

<b>Particulars</b>	<b>Non - current As at 31.03.2019</b>	<b>Current As at 31.03.2019</b>	<b>Non - current As at 31.03.2018</b>	<b>Current As at 31.03.2018</b>
<b>Investment</b>				
Of Joint venture companies (2,74,50,000 equity shares @Rs.10/-each of fully paid up in Modi Illva India Pvt.Ltd) (P.Y. 2,14,50,000 as at 31st March,2018 @ Rs.10/-each)	27,45,00,000		21,45,00,000	
of other entities(100 equity shares @Rs.10/-each of fully paid up in Chandil Power Ltd) (P.Y. 100 as at 31st March,2018 @ Rs.10/-each)	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)	10,00,000		10,00,000	
<b>Tranfer /Stamp Fee</b>	82,600		82,600	
of Joint venture companies (10,47,500 non transferable compulsorily convertible unsecured zero % debentures of @Rs.100/-each of fully paid up in Modi Illva India Pvt.Ltd) (16,47,500 as at 31st March,2018 @ Rs.100/-each)	10,47,50,000		16,47,50,000	
30 Equity Shares of Rs.10/-each in Modi Casing s and Packaging Pvt Ltd.(P.Y.30 Equity Shares of Rs.10/each)	300		300	
Less: Provision made for diminution in value of investment*	285		285	
<b>Sub Total</b>	<b>15</b>		<b>15</b>	
<b>TOTAL</b>	<b>38,03,33,615</b>	<b>-</b>	<b>38,03,33,615</b>	<b>-</b>
*Provision for diminution in value of investments.				
Aggregate amount of unquoted investments	38,03,33,615	-	38,03,33,615	-
Aggregate provision for diminution in value of investments	285	-	285	-

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

**NOTE 5:FINANCIAL ASSETS-OTHER**
**(Amount in Rs.)**

<b>Particulars</b>	<b>Non - current As at 31.03.2019</b>	<b>Current As at 31.03.2019</b>	<b>Non - current As at 31.03.2018</b>	<b>Current As at 31.03.2018</b>
Debt Assignment Recoverable	1,46,85,97,682	-	1,46,85,97,682	-
Other Receivable	33,56,367	-	34,23,727	-
<b>TOTAL</b>	<b>1,47,19,54,049</b>	<b>-</b>	<b>1,47,20,21,409</b>	<b>-</b>

\* Other receivable includes recoverable from Related parties Rs. 33,56,367/- (Previous year Rs. 34,23,727/-)

**NOTE :6 OTHER ASSETS**
**(Amount in Rs.)**

<b>Particulars</b>	<b>Non - current As at 31.03.2019</b>	<b>Current As at 31.03.2019</b>	<b>Non - current As at 31.03.2018</b>	<b>Current As at 31.03.2018</b>
- Unsecured, considered good				
Advances recoverable in cash or kind or for value to be received	-	80,92,467		66,99,636
Advances other than Capital Advances -	-	-		-
Security deposits	2,42,994	-	3,51,354	-
-Prepaid Expenses	-	77,55,748	-	10,08,853
Balances with statutory authorities	-	3,70,14,178		1,17,07,009
-Direct tax Recoverable	59,82,116	12,364	57,37,576	12,364
<b>Total other assets</b>	<b>62,25,110</b>	<b>5,28,74,757</b>	<b>60,88,930</b>	<b>1,94,27,862</b>

**NOTE 7 : DEFERRED TAX (ASSETS) / LIABILITY (NET)**

	<b>As at As at 31.03.2019</b>	<b>For the year</b>	<b>As at As at 31.03.2018</b>
Deferred tax assets on account of :			
Depreciation	(1,53,74,618)	15,67,821	(1,38,06,797)
Disallowance u/s 43B	4,14,064	(68,006)	3,46,058
Gratuity	13,14,083	(2,23,422)	10,90,661
Other disallowance under income tax act	-	-	-
Carry Forward Losses	5,36,01,163	(9,51,311)	5,26,49,852
<b>Total</b>	<b>3,99,54,692</b>	<b>3,25,082</b>	<b>4,02,79,774</b>

**NOTE: 8 INVENTORIES****(Amount in Rs.)**

<b>PARTICULARS</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Raw Materials	-	-
Stores & Spares	10,28,81,982	9,67,69,787
Work - in - progress	94,64,242	2,42,81,746
Finished goods	1,15,82,69,508	70,64,56,273
others	9,08,88,495	2,68,87,922
<b>Total</b>	<b>1,36,15,04,228</b>	<b>85,43,95,728</b>

**NOTE:9 TRADE RECEIVABLES****(Amount in Rs.)**

<b>PARTICULARS</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Exceeding 6 months from payment due date		
- Unsecured, considered good	1,48,25,348	62,97,396
- Unsecured, considered Doubtful	91,26,093	94,64,110
- Allowance for bad & doubtful debts	(91,26,093)	(94,64,110)
	1,48,25,348	62,97,396
Less than 6 months		
- Unsecured, considered good	11,18,78,925	18,30,11,641
	11,18,78,925	18,30,11,641
<b>Total</b>	<b>12,67,04,273</b>	<b>18,93,09,037</b>

**NOTE:10 CASH & CASH EQUIVALENTS****(Amount in Rs.)**

<b>PARTICULARS</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Balances with banks		
- in Current Accounts	12,43,46,332	11,64,25,185
Cash on hand	2,27,044	8,47,464
<b>Total</b>	<b>12,45,73,376</b>	<b>11,72,72,649</b>

**NOTE:11 LOANS****(Amount in Rs.)**

<b>PARTICULARS</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Security Deposits		
- Unsecured, considered good	-	1,28,37,523
Loan to realated parties	1,28,37,523	2,16,00,158
Less : Expected Credit loss	(1,28,37,523)	-
Advance to vendors	2,42,81,529	1,30,635
<b>Total</b>	<b>2,42,81,528</b>	<b>3,45,68,316</b>

**NOTE: 12 OTHER BANK BALANCES****(Amount in Rs.)**

<b>PARTICULARS</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Margin Money	1,84,204	1,73,043
Balance with Govt dept.	-	-
Fixed Deposit	19,07,461	17,53,308
<b>Total</b>	<b>20,91,665</b>	<b>19,26,351</b>

**NOTE 13 : SHARE CAPITAL****(Amount in Rs.)**

<b>PARTICULARS</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Authorised Share Capital:		
100,000,000 (Previous Year 100,000,000) Equity Shares of Rs.10/- each.	1,00,00,00,000	1,00,00,00,000
Issued, Subscribed Capital :		
47,814,430 (Previous Year 47,814,430) Equity Shares of Rs.10/- each.	47,81,44,300	47,81,44,300
Paid Up Capital :		
47,653,880 (Previous Year 47,653,880) Equity Shares of Rs.10/- each.	47,65,38,800	47,65,38,800
Share Forfeiture Account	4,01,375	4,01,375
<b>TOTAL</b>	<b>47,69,40,175</b>	<b>47,69,40,175</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**

Equity Shares	As at 31.03.2019		As At 31.03.2018	
	No. of shares Held	%age of Holding	No. of shares Held	%age of Holding
<b>Name of Shareholder</b>				
1 M/s SBEC Systems (India) Ltd.	1,42,30,884	29.86%	1,42,30,884	29.86%
2 M/s Moderate Leasing & Capital Services Ltd	90,65,568	19.02%	90,65,568	19.02%
3 Abhikum Leasing and Investment Pvt. Ltd.	55,31,994	11.80%	55,31,994	11.80%
4 M/s A to Z Holding Pvt. Ltd.	33,82,500	7.10%	33,82,500	7.10%
5 M/s Longwell Investments Pvt. Ltd.	27,21,500	5.71%	27,21,500	5.71%

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

Particulars	As at 31.03.2019		As At 31.03.2018	
	No. of shares	(Rs.)	No. of shares	(Rs.)
At the beginning of the year	4,76,53,880	47,65,38,800	4,76,53,880	47,65,38,800
Add: Shares Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	4,76,53,880	47,65,38,800	4,76,53,880	47,65,38,800

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

**NOTE 14 : OTHER EQUITY**

Particulars	(Amount in Rs.)	
	As at 31.03.2019	As at 31.03.2018
Balance as per last financial statement	18,12,53,902	1,03,10,37,847
Balance in Statement of Profit & Loss	(49,34,72,833)	(84,94,90,061)
Less: Transfer to Reserves	2,86,351	2,92,840
Closing balance	(31,25,05,281)	18,12,54,946
Actuarial gain/loss on employee benefit plans		
Opening balance	(16,74,904)	(26,77,341)
Change during the year	(62,259)	10,02,437
Closing balance	(17,37,163)	(16,74,904)
Capital Reserve		
Balance as per last financial statement	49,16,625	49,16,625
Closing balance	49,16,625	49,16,625
Other Reserve		
Molasses Storage Fund		
Balance as per last financial statement	15,69,316	12,76,476
Add: Additions during the year	2,86,351	2,92,840
Closing balance	18,55,667	15,69,316
<b>TOTAL</b>	<b>(30,74,70,152)</b>	<b>18,60,65,983</b>

**NOTE:15 BORROWINGS****(Amount in Rs.)**

<b>Particulars</b>	<b>Non - Current As at 31.03.2019</b>	<b>Current As at 31.03.2019</b>	<b>Non - Current As at 31.03.2018</b>	<b>Current As at 31.03.2018</b>
<b>Term Loan /Unsecured Loans :</b>				
- Term Loan				
From Banks	2,23,15,91,007	-	37,23,65,346	-
Less : Current maturities of long term debt	33,32,58,978		-	-
Net Balance	1,89,83,32,029		37,23,65,346	
From Others	-		30,00,000	
	1,89,83,32,029	-	37,53,65,346	-
Vehicle Loan	1,11,67,501		-	
Total	1,90,94,99,530	-	37,53,65,346	-
- Unsecured				
Deposits from selling agent	54,59,032			
From Body Corporates	-	-	1,08,51,002	-
Inter Corporate Deposits	-	36,13,46,589	-	8,99,80,601
Working capital loan from banks repayable on demand				
Others	-	13,87,49,679	-	-
<b>Total</b>	<b>1,91,49,58,562</b>	<b>50,00,96,268</b>	<b>38,62,16,348</b>	<b>8,99,80,601</b>

**NOTE:16 PROVISIONS****(Amount in Rs.)**

<b>Particulars</b>	<b>Non - Current As at 31.03.2019</b>	<b>Current As at 31.03.2019</b>	<b>Non - Current As at 31.03.2018</b>	<b>Current As at 31.03.2018</b>
Provision for employee benefits				
- Gratuity	3,05,10,718	35,00,589	2,60,95,581	26,74,573
- Leave Encashment	37,44,986	13,23,863	33,00,577	12,91,930
<b>Total</b>	<b>3,42,55,704</b>	<b>48,24,452</b>	<b>2,93,96,158</b>	<b>39,66,503</b>

**NOTE: 17 OTHER FINANCIAL LIABILITIES****(Amount in Rs.)**

<b>Particulars</b>	<b>Non - Current As at 31.03.2019</b>	<b>Current As at 31.03.2019</b>	<b>Non - Current As at 31.03.2018</b>	<b>Current As at 31.03.2018</b>
Security Deposits ( Retention Money)	45,000	-	45,000	-
Current maturities of long term debt	-	33,32,58,978	-	6,13,99,000
Employees related dues	-	2,60,94,687	-	1,95,72,608
Advance from Customer	-	2,17,48,928	-	13,02,75,147
Other Liabilities for Expenses	-	1,25,03,423	-	45,86,863
Other Payables	-	3,32,45,477	-	2,57,00,000
<b>Total</b>	<b>45,000</b>	<b>42,68,51,492</b>	<b>45,000</b>	<b>24,15,33,618</b>

**NOTE: 18 OTHER LIABILITIES****(Amount in Rs.)**

<b>Particulars</b>	<b>Non - Current As at 31.03.2019</b>	<b>Current As at 31.03.2019</b>	<b>Non - Current As at 31.03.2018</b>	<b>Current As at 31.03.2018</b>
Other Liabilities	-	1,83,966		
Security Deposits	12,26,200	-	12,26,200	-
Statutory Payables	-	5,57,14,974	-	4,03,18,114
Retention money	-	23,70,395	-	25,18,209
<b>Total</b>	<b>12,26,200</b>	<b>5,82,69,335</b>	<b>12,26,200</b>	<b>4,28,36,323</b>


**NOTE:19 TRADE PAYABLE**
**(Amount in Rs.)**

Particulars	Non - Current		Current	
	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2018
Due to parties registered under MSMED Act	-	18,74,180	-	-
Due to other parties	-	2,96,03,34,809	-	4,28,56,23,985
Due to related parties	-	-	-	-
<b>Total</b>	-	<b>2,96,22,08,989</b>	-	<b>4,28,56,23,985</b>

**NOTE:20 REVENUE FROM OPERATIONS**
**(Amount in Rs.)**

Particulars	Year Ended 31.03.2019	Year ended 31.03.2018
A. Sale of Goods	4,16,96,65,232	4,85,64,63,007
Gross Sales		
Less:Excise Duty	-	-
Net Sales	4,16,96,65,232	4,85,64,63,007
B. Other Operating Revenue	47,08,141	45,786
<b>Total</b>	<b>4,17,43,73,373</b>	<b>4,85,65,08,793</b>

**NOTE:21 OTHER INCOME**
**(Amount in Rs.)**

Particulars	Year Ended 31.03.2019	Year ended 31.03.2018
Interest income	2,27,269	15,04,440
Provision written back	28,41,724	24,34,121
Dividend	1,20,000	1,20,000
Net Gain on sale of fixed assets	-	28,369
Misc. Income	7,041	20,69,331
Hire Charges	8,04,000	-
<b>Total</b>	<b>40,00,034</b>	<b>61,56,261</b>

**NOTE:22 COST OF MATERIALS CONSUMED**
**(Amount in Rs.)**

Particulars	Year Ended 31.03.2019	Year ended 31.03.2018
Raw materials consumed	4,26,06,46,620	4,47,21,59,108
<b>Total</b>	<b>4,26,06,46,620</b>	<b>4,47,21,59,108</b>

**NOTE:23 CHANGED IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS**
**(Amount in Rs.)**

Particulars	Year Ended 31.03.2019	Year ended 31.03.2018
Inventories at the end of the year		
Finished Goods	1,24,73,28,376	71,86,25,258
Work-in-progress	94,64,242	2,42,81,746
Stock in trade	-	-
Sub Total	1,25,67,92,617	74,29,07,003
Inventories at the beginning of the year		
Finished Goods	71,86,25,258	1,01,20,68,708
Work-in-progress	2,42,81,746	4,41,27,642
Stock in trade	-	-
Sub Total	74,29,07,003	1,05,61,96,350
<b>Total</b>	<b>(51,38,85,614)</b>	<b>31,32,89,347</b>

**NOTE: 24 EMPLOYEE BENEFIT EXPENSES**
**(Amount in Rs.)**

Particulars	Year Ended 31.03.2019	Year ended 31.03.2018
Salary & Wages & Bonus	14,72,97,353	14,01,50,504
Contribution to provident & other funds	1,13,87,429	97,54,675
Workman and staff welfare	45,25,127	43,32,733
Gratuity	5,03,425	-
<b>Total</b>	<b>16,37,13,334</b>	<b>15,42,37,912</b>

**NOTE:25 FINANCE COSTS****(Amount in Rs.)**

<b>Particulars</b>	<b>Year Ended 31.03.2019</b>	<b>Year ended 31.03.2018</b>
Interest Expense	11,05,08,358	15,68,34,971
EIR Adjustment on Borrowing	-	30,00,000
Interest Impact on Gratuity	22,23,933	18,67,865
Other Interest	1,00,97,136	-
Interest on amortisation of Loans	-	1,65,000
<b>Total</b>	<b>12,28,29,427</b>	<b>16,18,67,836</b>

**NOTE:26 DEPRECIATION AND AMORTIZATION EXPENSES****(Amount in Rs.)**

<b>Particulars</b>	<b>Year Ended 31.03.2019</b>	<b>Year ended 31.03.2018</b>
Depreciation of tangible assets	20,42,55,147	19,98,69,904
Amortization of intangible assets	93,761	99,834
<b>Total</b>	<b>20,43,48,908</b>	<b>19,99,69,738</b>

**NOTE:27 OTHER EXPENSES****(Amount in Rs.)**

<b>Particulars</b>	<b>Year Ended 31.03.2019</b>	<b>Year ended 31.03.2018</b>
Consumption of stores & spare parts	17,43,39,359	13,15,00,995
Power & fuel	43,36,306	49,04,918
Material Handling Expenses	1,66,88,640	2,28,91,581
Repairs & maintenance		
-Plant & Machinery	13,43,09,946	13,03,89,201
-Building	79,80,772	1,26,44,819
-Others	64,72,313	53,42,630
Insurance (Net)	(6,27,479)	4,48,262
Rent	3,36,975	7,29,091
Rates & Taxes	46,69,114	45,33,157
Legal & Professional Charges	1,93,08,047	1,62,08,092
Telephone, Postage & Telegram	9,91,026	8,90,875
Travelling & Conveyance	1,33,08,671	1,31,95,788
Director's Sitting Fee	78,000	77,000
Auditor's Remuneration	1,47,500	
-As Audit Fee	2,42,700	3,67,700
-As Tax Audit Fee	-	12,980
-Certification & Company Law	1,00,000	1,00,000
-Expenses Reimbursement	1,416	17,258
Prior Period Adjustments	-	8,61,778
Freight & Forwarding	17,91,231	18,30,914
Commission to selling agents	1,22,22,370	1,37,64,944
Other selling expenses	12,44,347	11,23,953
Excise duty on Increase/(Decrease) in stock	-	2,59,54,683
Other expenses	3,12,56,438	1,02,18,224
Provision for Bad & doubtful debts/Advances	24,45,772	40,00,457
Security Guard Expenses	72,92,857	80,75,446
Bank Charges	29,508	-
Fee for GST	1,600	-
Bagasse and Ash Handling Charges	67,82,813	-
Vehicle Expenses	31,54,897	32,90,439
<b>Total</b>	<b>44,89,05,138</b>	<b>41,33,75,185</b>

**NOTE:28 EARNINGS PER SHARE****(Amount in Rs.)**

<b>Particulars</b>	<b>Year Ended 31.03.2019</b>	<b>Year ended 31.03.2018</b>
Net profit/ (loss) as per Statement of Profit & Loss (for calculation of basic EPS)	(50,86,40,067)	(85,32,57,420)
Weighted average number of equity shares in calculating basic EPS	4,76,53,880	4,76,53,880
Basic earning per share	(10.67)	(17.91)
Diluted earning per share	(10.67)	(17.91)


**NOTE 29: Contingent Liabilities**

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

In the case of the Holding Company:

(Rs in Lakhs)

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
i)	Outstanding against Guarantee given to SVC Co-operative Bank Limited on behalf of SBEC Bio-energy Ltd.	2,215.91	-
ii)	Duties and Tax liabilities disputed by the Company	357.14	372.15

Corporate Guarantee given to the Government of Jharkhand dated 26th May, 2004 against the Soft Loan of Rs. 32.50 Crores plus interest, given to the Bihar Sponge Iron Limited.

**In the case of the Bio-Energy Limited: N.A.**

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 (ii) 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 30: Commitments**
**30.1 Capital Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 629.83 (P.Y. Nil)

**30.2 Other Commitments: Rs. Nil (P.Y. Nil)**
**Note 31: 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	90,05,684/-	8,814,906/-

**(ii) Defined Benefits Plans**

Particulars	Gratuity Unfunded		Leave Encashment Unfunded	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Current service cost	3,180,201	3,024,612	301,171	284,106
Interest cost	2,223,933	1,867,865	257,806	237,096
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain)/loss	-	-	(65,874)	(398,818)
Past service cost	-	-	-	-
Re-measurements recognized in OCI (Gain)/Loss	-	-	-	-
Comprehensive Income on Gratuity	(56,749)	1,109,437	-	-
Expenses recognized in the statement of Profit & Loss	(3,180,201)	(3,024,612)	348,799	73,294
Interest Impact on Gratuity	(2,223,933)	(1,867,865)	-	-

**(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%	7.73%	7.73%	7.73%
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	12.71 years	12.71 years	12.71 years

**(c) 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	28,770,154	25,344,162	3,535,128	3,217,039



Current service cost	3180201	2840,247	3,01,171	284,106
Interest Cost	2223933	1,867,865	2,57,806	237,096
Benefits paid	(219730)	(357,048)	(11,831)	(4,295)
Past service cost Curtailment Gains/Losses		184,365		-
Contribution by plan participants		-		-
Re-measurements Recognized in OCI (gain)/ loss		-		-
Actuarial (gain)/ loss	56749	(1,109,437)	(65,874)	(398,818)
Projected benefit obligation at end of the year		-		-
Net amount recognized in the balance sheet as at the end of the year	34011307	28,770,154	3,816,400	3,335,128

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

**NOTE 32: 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
(i)	<b>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>	
	Umesh Kumar Modi	Promoters having voting control
	Kumkum Modi	Promoters having voting control
	Jayesh Modi	Promoters having voting control
	Abhishek Modi	Relative of promoter having voting control
(ii)	<b>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>	
	Abhishek Modi	Executive Director & CEO
	Raj Kumar Sharma	Manager
	Anil Kumar Goel	Chief Financial Officer (appointed w.e.f. 01-11-2017)
	Shobit Nehra	Company Secretary
	Ajay Gupta	Chief Financial Officer
	Nitish Nautiyal	Company Secretary (resigned w.e.f. 15-10-2018)
(i)	<b>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
(ii)	<b>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

(iii) (a) The entity is controlled or jointly controlled by a person identified in (a).

(iv) (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).

A to Z holdings Pvt. Limited  
 Bihar Sponge Iron Limited  
 Jai Abhishek Investments Pvt. Ltd.  
 Longwell Investment Pvt. Ltd.  
 Modi Goods and Retail Services Pvt. Ltd.  
 Modi Hitech India Limited  
 Modi Ilva India Pvt. Ltd.  
 Modi Industries Limited  
 Modi – Mundipharma Healthcare Pvt. Ltd.  
 Modi-Mundipharma Beauty Products Private Limited  
 Modi-Mundipharma Pvt. Ltd.



SBEC Bioenergy Ltd  
 SBEC Stockholding & Investment Limited  
 SBEC Systems (India) Ltd.  
 Umesh Modi Corp Pvt. Ltd  
 Win-Medicare Private Limited  
 Modi-Senator (India) Pvt. Ltd.  
 Abhikum Leasing & Investments Pvt. Ltd.  
 ABC Holding Pvt. Ltd  
 Kumabhi Investments Pvt. Ltd  
 Meghkum Leasing & Investment Pvt. Ltd.  
 Jayesh Tradex Pvt. Ltd.  
 M First Trading Pvt. Ltd.  
 Meghna Autoworks Pvt. Ltd  
 MG Mobiles India Pvt. Ltd  
 Modi Arts Pvt. Ltd  
 Modi Diagnostics Pvt. Ltd  
 Modi Motors Pvt. Ltd.  
 PHD Chamber of Commerce and Industry  
 GO Mobile Trading Pvt. Ltd  
 H.M. Tubes & Containers Pvt. Ltd  
 Swasth Investment Private Limited

Directorship and Shareholding along with relatives in the Company.

**(v) Reporting entity being an associate of the other entity**

SBEC Sugar Limited is the associate Company of SBEC SYSTEMS (India) Limited

SBEC Bioenergy is the Associate Company of Moderate Leasing and Capital Services Limited

**(B) Details of transactions with related parties**

		(Rs. in Lacs)		
Transactions		Other Related Parties	Key Managerial personnel	Total
<b>i. Sitting Fees paid to :</b>				
Umesh Kumar Modi	31-Mar-19	10,000	-	10,000
	31-Mar-18	7,000	-	7,000
Abhishek Modi	31-Mar-19	1,000	-	1,000
	31-Mar-18	-	-	-
Kumkum Modi	31-Mar-19	1,000	-	1,000
	31-Mar-18	1,000	-	1,000
Jayesh Modi	31-Mar-19	2,000	-	2,000
	31-Mar-18	2,000	-	2,000
<b>Total F.Y. 2018-19</b>		<b>14,000</b>	<b>-</b>	<b>14,000</b>
<b>Total F.Y. 2017-18</b>		<b>10,000</b>	<b>-</b>	<b>10,000</b>
<b>ii. Remuneration paid to :</b>				
<b>Whole Time Director</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-19	6,712,435	-	6,712,435
	31-Mar-18	7,797,461	-	7,797,461
-Contribution to PF and superannuation	31-Mar-19	465,372	-	465,372
	31-Mar-18	444,557	-	444,557
<b>Vice President</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-19	3,133,079	-	3,133,079
	31-Mar-18	3,781,803	-	3,781,803
-Contribution to PF and superannuation	31-Mar-19	316,644	-	316,644
	31-Mar-18	302,800	-	302,800
<b>Company Secretary</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-19	-	804,162	804,162
	31-Mar-18	-	774,507	774,507





-Contribution to PF and superannuation	31-Mar-19	-	40,500	<b>40,500</b>
	31-Mar-18	-	39,334	<b>39,334</b>
<b>Chief Financial Officer</b>		-	-	-
-Salary and Allowances (Including Perquisites)	31-Mar-19	-	2,883,159	<b>2,883,159</b>
	31-Mar-18	-	1,081,625	<b>1,081,625</b>
-Contribution to PF and superannuation	31-Mar-19	-	225,720	<b>225,720</b>
	31-Mar-18	-	94,050	<b>94,050</b>
<b>Manager</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-19		1,403,251	<b>1,403,251</b>
	31-Mar-18		1,309,976	<b>1,309,976</b>
-Contribution to PF and superannuation	31-Mar-19		70,884	<b>70,884</b>
	31-Mar-18		65,022	<b>65,022</b>
<b>Company Secretary(Bio)</b>		-	-	-
-Salary and Allowances (Including Perquisites)	31-Mar-19	-	177,495	<b>177,495</b>
	31-Mar-18	-	206,022	<b>206,022</b>
-Contribution to PF and superannuation	31-Mar-19	-	9,650	<b>9,650</b>
	31-Mar-18	-	13,760	<b>13,760</b>
<b>Chief Financial Officer(Bio)</b>		-	-	-
-Salary and Allowances (Including Perquisites)	31-Mar-19	-	528,917	<b>528,917</b>
	31-Mar-18	-	497,821	<b>497,821</b>
-Contribution to PF and superannuation	31-Mar-19	-	33,228	<b>33,228</b>
	31-Mar-18	-	31,608	<b>31,608</b>
<b>Total F.Y. 2018-19</b>		<b>10,627,530</b>	<b>6176,966</b>	<b>16,804,496</b>
<b>Total F.Y. 2017-18</b>		<b>12,326,621</b>	<b>4113,725</b>	<b>16,440,346</b>
<b>iii. Reimbursement of expenses paid to :</b>				
Win Medicare Pvt. Ltd.	31-Mar-19	28,510	-	<b>28,510</b>
	31-Mar-18	5,321	-	<b>5,321</b>
Modi Ilva India Pvt. Ltd.	31-Mar-19	-	-	-
	31-Mar-18	7,301	-	<b>7,301</b>
<b>Total F.Y. 2018-19</b>		<b>28,510</b>	-	<b>28,510</b>
<b>Total F.Y. 2017-18</b>		<b>12,622</b>	-	<b>12,622</b>
<b>iv. Purchase of materials/Paid for Exp.</b>				
Modiline Travels Service Pvt. Ltd.	31-Mar-19	2,815,328	-	<b>2,815,328</b>
	31-Mar-18	2,434,634	-	<b>2,434,634</b>
Modi Hitech India Ltd.	31-Mar-19	657,152	-	<b>657,152</b>
	31-Mar-18	1,075,129	-	<b>1,075,129</b>
Modi Industries Ltd (Sugar section)	31-Mar-19	1,034,566	-	<b>1,034,566</b>
	31-Mar-18	198,132	-	<b>198,132</b>
Jayesh Tradex Pvt. Ltd.	31-Mar-19	1,215,810	-	<b>1,215,810</b>
	31-Mar-18	6,450,731	-	<b>6,450,731</b>
MM Printers Division of Modi Motors	31-Mar-19	101,149	-	<b>101,149</b>
	31-Mar-18	56,891	-	<b>56,891</b>
Modi Mundipharma Beauty product Pvt. Ltd.	31-Mar-19	-	-	-
	31-Mar-18	-	-	-
Modi Ilva India Pvt Ltd	31-Mar-19	19,614	-	<b>19,614</b>
	31-Mar-18	16,000	-	<b>16,000</b>
MG Mobile India Pvt Ltd	31-Mar-19	-	-	-
	31-Mar-18	-	-	-
Moderate leasing & capital service ltd	31-Mar-19	2,471,151	-	<b>2,471,151</b>
	31-Mar-18	563,422	-	<b>563,422</b>



			<b>Total F.Y. 2018-19</b>	<b>8,314,770</b>	-	<b>8,314,770</b>
			<b>Total F.Y. 2017-18</b>	<b>10,794,939</b>	-	<b>10,794,939</b>
<b>v.</b>	<b>Sales of Materials</b>					
	GS Pharambutor Pvt. Ltd.	31-Mar-19	466,278,483			<b>466,278,483</b>
		31-Mar-18	218,412,779	-		<b>218,412,779</b>
	Modi Industries Ltd (Sugar section)	31-Mar-19	1,530,500			<b>1,530,500</b>
		31-Mar-18	168,430			<b>168,430</b>
	<b>Total F.Y. 2018-19</b>		<b>467,808,983</b>	-		<b>467,808,983</b>
	<b>Total F.Y. 2017-18</b>		<b>218,581,209</b>	-		<b>218,581,209</b>
<b>vi.</b>	<b>Commission paid to</b>					
	GS Pharambutor Pvt. Ltd.	31-Mar-19	2,408,852			<b>2,408,852</b>
		31-Mar-18	-			-
	<b>Total F.Y. 2018-19</b>		2,408,852	-		<b>2,408,852</b>
	<b>Total F.Y. 2017-18</b>		-	-		-
<b>vii.</b>	<b>Interest paid</b>					
	Arvind Continental Pvt. Ltd.	31-Mar-19	1,037,466			<b>1,037,466</b>
		31-Mar-18	1,530,000			<b>1,530,000</b>
	Mahabir Export & Import Co. Ltd.	31-Mar-19	12,329			<b>12,329</b>
		31-Mar-18	2,700,000			<b>2,700,000</b>
	Longwell Investment Pvt. Ltd.	31-Mar-19	7,530,280			<b>7,530,280</b>
		31-Mar-18	6,480,448			<b>6,480,448</b>
	GS Pharambutor Pvt. Ltd.	31-Mar-19	9,033,461			<b>9,033,461</b>
		31-Mar-18	28,483,889			<b>28,483,889</b>
	Moderate leasing & capital service ltd	31-Mar-19	8,695,845			<b>8,695,845</b>
		31-Mar-18	60,597,982			<b>60,597,982</b>
	<b>Total F.Y. 2018-19</b>		<b>26,309,381</b>	-		<b>26,309,381</b>
	<b>Total F.Y. 2017-18</b>		<b>99,792,319</b>	-		<b>99,792,319</b>
<b>viii.</b>	<b>Amount Received against Loan</b>					
	Moderate leasing & capital service ltd	31-Mar-19	82,143,151	-		<b>82,143,151</b>
		31-Mar-18	129,291,000	-		<b>129,291,000</b>
	GS Pharambutor Pvt. Ltd.	31-Mar-19	102,165,130			<b>102,165,130</b>
		31-Mar-18	-			-
	<b>Total F.Y. 2018-19</b>		<b>184,308,281</b>	-		<b>184,308,281</b>
	<b>Total F.Y. 2017-18</b>		<b>129,291,000</b>	-		<b>129,291,000</b>
<b>ix.</b>	<b>Amount Paid against Loan</b>					
	GS Pharambutor Pvt. Ltd.	31-Mar-19	22,666,750	-		<b>22,666,750</b>
		31-Mar-18	315,013,320	-		<b>315,013,320</b>
	Moderate leasing & capital service ltd	31-Mar-19	51,509,499	-		<b>51,509,499</b>
		31-Mar-18	536,891,000	-		<b>536,891,000</b>
	<b>Total F.Y. 2018-19</b>		<b>74,176,249</b>	-		<b>74,176,249</b>
	<b>Total F.Y. 2017-18</b>		<b>851,904,320</b>	-		<b>851,904,320</b>
<b>x.</b>	<b>Lease Rent Received from</b>					
	Modi Industries Ltd (Sugar Section)	31-Mar-19	948,720	-		<b>948,720</b>
		31-Mar-18	922,590	-		<b>922,590</b>
	<b>Total F.Y. 2018-19</b>		<b>948,720</b>	-		<b>948,720</b>
	<b>Total F.Y. 2017-18</b>		<b>922,590</b>	-		<b>922,590</b>
<b>xi.</b>	<b>Investment Made</b>					
	SBEC Stockholding & Investment Ltd	31-Mar-19	-	-		-
		31-Mar-18	-	-		-
	<b>Total F.Y. 2018-19</b>		-	-		-
	<b>Total F.Y. 2017-18</b>		-	-		-



<b>xii. Debt Assignment Receivable from MIL</b>	31-Mar-19	1,468,597,682		<b>1,468,597,682</b>
Modi Industries Ltd	31-Mar-18	-		-
<b>Total F.Y. 2018-19</b>		<b>1,468,597,682</b>	-	<b>1,468,597,682</b>
<b>Total F.Y. 2017-18</b>		-	-	-
<b>xiii. Outstanding "Receivables"</b>				
SBEC stockholding & Investment Ltd.	31-Mar-19	230,050,000	-	<b>230,050,000</b>
	31-Mar-18	230,050,000	-	<b>230,050,000</b>
Modi Industries Ltd (Sugar section)	31-Mar-19	65,326,015	-	<b>65,326,015</b>
	31-Mar-18	62,897,616	-	<b>62,897,616</b>
Modi Industries Ltd (Debt Assignment)	31-Mar-19	1,468,597,682		<b>1,468,597,682</b>
	31-Mar-18	-		-
SBEC System (I) Ltd. 15166425.00	31-Mar-19	2,328,902	-	<b>2,328,902</b>
Less - (Loss on Impairment on Assets) 12837523				
<b>Balance 2328902</b>				
	31-Mar-18	15,166,523	-	<b>15,166,523</b>
Modi Ilva India Pvt. Ltd.	31-Mar-19	-		-
	31-Mar-18	3,045	-	<b>3,045</b>
Daya Charitable Trust	31-Mar-19	-	-	-
	31-Mar-18	-	-	-
Modi Hitech India Ltd.	31-Mar-19	3,342,848		<b>3,342,848</b>
	31-Mar-18	(518,218)		<b>(518,218)</b>
<b>Total F.Y. 2018-19</b>		<b>1,769,645,447</b>	-	<b>1,769,645,447</b>
<b>Total F.Y. 2017-18</b>		<b>307,598,966</b>	-	<b>307,598,966</b>
<b>xv. Outstanding "Payables"</b>				
Modiline Travels Service Pvt. Ltd.	31-Mar-19	247,968	-	<b>247,968</b>
	31-Mar-18	368,716	-	<b>368,716</b>
Company Secretary	31-Mar-19	-	91,102	<b>91,102</b>
	31-Mar-18	-	54,753	<b>54,753</b>
Chief Financial Officer	31-Mar-19	-	37,768	<b>37,768</b>
	31-Mar-18	-	119,944	<b>119,944</b>
Manager	31-Mar-19	-	89,209	<b>89,209</b>
	31-Mar-18	-	(26,415)	<b>(26,415)</b>
Arvind Continental Pvt. Ltd.	31-Mar-19	2,500,000	-	<b>2,500,000</b>
	31-Mar-18	8,500,000	-	<b>8,500,000</b>
Mahabir Export & Import Co. Ltd.	31-Mar-19	-	-	-
	31-Mar-18	15,000,000	-	<b>15,000,000</b>
Longwell Investment Pvt. Ltd.	31-Mar-19	47,460,939	-	<b>47,460,939</b>
	31-Mar-18	41,834,896	-	<b>41,834,896</b>
GS Pharmbutor Pvt. Ltd.	31-Mar-19	115,570,920	-	<b>115,570,920</b>
	31-Mar-18	4,789,935	-	<b>4,789,935</b>
Bihar Sponge iron Ltd.	31-Mar-19	1,826,999	-	<b>1,826,999</b>
	31-Mar-18	1,826,999	-	<b>1,826,999</b>
Modi Mundi Pharma Beauty Products Pvt. Ltd.	31-Mar-19	280,257	-	<b>280,257</b>
	31-Mar-18	280,597	-	<b>280,597</b>
Jayesh Tradex Pvt. Ltd.	31-Mar-19	525	-	<b>525</b>
	31-Mar-18	1,057,957	-	<b>1,057,957</b>
Whole Time Director	31-Mar-19	176,855	-	<b>176,855</b>
	31-Mar-18	349,000	-	<b>349,000</b>
Vice-President	31-Mar-19	207,854		<b>207,854</b>
	31-Mar-18	(114,994)		<b>(114,994)</b>
Company Secretary (Bio)	31-Mar-19	-	10,760	<b>10,760</b>



	31-Mar-18	-	2,000	<b>2,000</b>
Win Medicare Pvt Ltd	31-Mar-19	44,809	-	<b>44,809</b>
	31-Mar-18	(268,058)	-	<b>(268,058)</b>
Modi Illva India Pvt Ltd	31-Mar-19	-	-	-
	31-Mar-18	28,000	-	<b>28,000</b>
Moderate leasing & capital Service Ltd	31-Mar-19	38,571,830	-	<b>38,571,830</b>
	31-Mar-18	22,600,000	-	<b>22,600,000</b>
Chief Financial Officer(Bio)	31-Mar-19		24,407	<b>24,407</b>
	31-Mar-18		(6,840)	<b>(6,840)</b>
<b>Total F.Y. 2018-19</b>		<b>206,888,956</b>	<b>253,246</b>	<b>207,142,202</b>
<b>Total F.Y. 2017-18</b>		<b>96,253,048</b>	<b>143,442</b>	<b>96,396,490</b>

### Note 33: 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 34: 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 31.03.2019	As at 31.03.2018
a)	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year. (ii) Interest due thereon.	1874,180	-
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.	-	-

### Note 35: 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 31.03.2019

Particulars	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	333,258,978	1914,958,562	2,248,217,540
Current borrowings	500,096,268	-	500,096,268
Trade payables	2,962,208,989	-	2,962,208,989
Other financial liabilities (Current)	426,851,492	-	426,851,492
Other financial liabilities (Non-Current)	45,000	-	45,000

##### As at 31.03.2018

Particulars	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	61,399,000	386,216,348	447,615,346
Current borrowings	89,980,601	-	89,980,601
Trade payables	4285,623,985	-	4285,623,985
Other financial liabilities (Current)	241,533,618	-	241,533,618
Other financial liabilities (Non-Current)	-	45,000	45,000

- 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 15 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, 2019 (Rs.)	As at 31 March, 2018 (Rs.)
Debt (See note 'I' below)	2,748,313,808	537,595,947
Cash and bank balances	126,665,041	119,199,000
<b>Net debt</b>	<b>2,621,648,767</b>	<b>418,396,947</b>
<b>Total equity</b>	<b>169,470,023</b>	<b>663,006,158</b>
<b>Net debt to equity ratio (times)</b>	<b>15.47</b>	<b>0.63</b>

Note:

- Debt is defined as long and short-term borrowings (excluding derivative, financial guarantee contracts), as described in notes 15 and 17.
- 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, 2019	As at 31 March, 2018
<b>Financial assets</b>		
<b>Measured at amortized cost</b>		
Other noncurrent assets	6,225,110	6,088,930
Other financial assets (non current)	1471,954,049	1,472,021,409
Trade receivables	126,704,273	189,309,037
Cash and cash equivalents	124,573,376	117,272,649
Bank Balances other than Cash and cash equivalents	2,091,665	1,926,351
Other current assets	52,874,757	19,427,862
Other financial assets (current)	-	-
Loans	24,281,528	34,568,316



<b>Measured at fair value through Profit &amp; Loss</b>		
Investments		
<b>Financial liabilities</b>		
<b>Measured at amortized cost</b>		
Borrowings (non-current)	1914,958,562	386,216,348
Borrowings (current)	500,096,268	89,980,601
Trade payables	2,962,208,989	4,285,623,985
Other financial liabilities (non-current)	45,000	45,000
Other financial liabilities (current)	426,851,492	241,533,618
Other current liabilities	58,269,335	42,836,323
Other Non-Current liabilities	1,226,200	1,226,200

**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, 2019		As at 31 March, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Financial Assets at amortized cost :	1,808,704,758		1,840,614,554	
<b>Financial Liabilities</b>				
Financial Liabilities held at amortized cost:	5,863,655,846		5,047,462,075	

**Exposure to credit risk**

Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Investments	380,333,615	380,333,615
Cash and bank balances	124,573,376	117,272,649
Bank deposit	2,091,665	1,926,351
Short-term loans and advances	24,281,528	34,568,316

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, 2019	As at 31 March, 2018
Trade Receivable	126,704,273	189,309,037

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

Particulars	
<b>As at 31.03.2019</b>	
Up to 6 months	111,878,925
More than 6 months	14,825,348
<b>As at 31.03.2018</b>	
Up to 6 months	183,011,641
More than 6 months	6,297,396

During the year the Company has recognised loss allowance of Rs. 91,26,093/- under 12 months expected credit loss model.

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

**Note 36. Other Disclosures**

**In Case of Holding Company**

- (i) 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's letter dated 28<sup>th</sup> September, 2006. In terms of this settlement, the Company had agreed to make payment of Rs. 2,810.60 lacs together with interest to PNB. In consideration of the same, PNB had 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 to 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 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 31st December, 2012 in favour of its subsidiary M/s. SBEC Bioenergy Limited (SBL) by which the company assigned all its claim together with all securities and charges created by PNB for a consideration of Rs. 12,500.00 Lacs. A sum of Rs. 4,200.00 lacs had been paid simultaneously with the execution of this deed and the remaining sum of Rs. 8,300.00 lacs was to be paid as per the mutually agreed installments within a period of five years from the date of execution of this deed. However, upto 31.03.2018, no payment had been received by the Company due to financial distress in SBEC Bioenergy Limited.

During the year 2018-19, SBEC Bioenergy Limited being unable to pay the balance amount of Rs. 8300.00 Lacs as per agreed terms and conditions approached the Company with a proposal to return the said debt to the Company at a total consideration of Rs. 12,500 Lacs at which the said assignment was originally acquired. Accordingly, SBL had executed a deed of assignment on 06<sup>th</sup> June, 2018 in favour of the Company and has assigned all its claims together with all securities and charges created. As per Assignment Deed, a sum of Rs. 7530.00 Lacs has been paid simultaneously at the time of execution of the Deed, and the balance amount of Rs. 4970.00 Lacs shall be payable in the mutually agreed instalments within a period of 10 years from the date of execution of this Deed.

- (ii) M/s. SBEC Bioenergy Limited (SBL), a Subsidiary of the Company had negotiated, settle and acquired the Debt of IDBI in Modi Industries Limited (MIL) and entered into an agreement on 6<sup>th</sup> October, 2007 with IDBI. This agreement was in terms of IDBI's Letter dated 09<sup>th</sup> February, 2007. Under the said agreement IDBI agreed to assign its entire debt due and payable by the MIL to IDBI, subject to the OTS amount of Rs. 1232.20 Lacs together with interest. IDBI has executed a Deed of assignment on 05<sup>th</sup> March, 2018 in favour of SBL by which IDBI assigned all its rights together with all securities and charges created by MIL in favour of SBL. The Registrar of Companies has registered the modification of charge in favour of the SBL.

During the Year 2018-19, SBL gave a proposal to transfer the above debt by way of assignment to the Company at a total consideration of Rs. 1232.20 Lacs at which the said debt was acquired by SBL from IDBI. Thereafter, SBL has executed a Deed of Assignment on 12<sup>th</sup> June, 2018 in favour of the Company and assigned all its claims together with all securities and charges created in the assets of MIL. The Registrar of Companies has registered the modification of charge in favour of the Company. The said debts are now receivable by the Company from Modi Industries Limited.

- (iii) M/s. SBEC Bioenergy Limited (SBL), a Subsidiary of the Company had negotiated, settle and acquired the Debt of IFCI in Modi Industries Limited (MIL) and entered into an agreement on 30<sup>th</sup> December, 2009 with IFCI. This agreement was in terms of IFCI's Letter dated 30<sup>th</sup> December, 2007. Under the said agreement IFCI agreed to assign its entire debt due and payable by MIL to IFCI, subject to payment of the OTS amount of Rs. 775 Lacs together with interest and in consideration thereof IFCI executed a Deed of assignment dated 19<sup>th</sup> April, 2012 and assigned all its claims against MIL together with securities and charges in favour of SBL. The Registrar of Companies has registered the modification of charge in favour of the SBL.

During the Year 2018-19, SBL gave a proposal to transfer the above debt by way of assignment to the Company at a total consideration of Rs. 775 Lacs at which the said debt was initially acquired from IFCI. Thereafter, SBL has executed a Deed of Assignment on 12<sup>th</sup> June, 2018 in favour of the Company and assigned all its claims together with all securities and charges created in the assets of MIL. The Registrar of Companies has registered the modification of charge in favour of the Company. The said debts are now receivable by the Company from Modi Industries Limited.

#### In Case of Bio-Energy Limited:

- i) The 132 KV Line was laid by Uttar Pradesh Power Corporation Limited (UPPCL) and commissioned on 1st December, 2005. The Company's contribution in respect of the line amounted to Rs.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. 6,34,099/- for the year 2018-19 (Previous Year Rs. 6,94,894/-) as Annual Maintenance Charges. As per the Power Purchase Agreement dated 8th November, 2006, the charge is @ 1.50% on the cost of 132 KV Line in the first year and yearly increment as per agreement executed. Since, the total expenditure on the 132 KV Line is pending finalization by UPPCL, this charge again, is on provisional basis.

#### NOTE 37: 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	6,608,794	7,714,531
Cont. to Provident Fund	465,372	444,597
Others	103,641	82,890

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)	(33,379,884)	(7,348,329)
<b>Add:-</b>		
(a) Depreciation provided in the Accounts	23,159,570	21,053,662
(b) Director and Manager Remuneration	7,177,807	8,242,018
(c) Loss on sale of Fixed Assets	0	0
<b>Less:-</b>		
(a) Depreciation as per section 123 of the Companies Act, 2013	23,159,570	21,053,662
(b) Profit on sale of Fixed Assets		
<b>Profit(Loss) u/s 198</b>	<b>(26,202,077)</b>	<b>893,689</b>





**Note 38: Additional information**

In Case of Holding Company

**(a) Capacity**

Installed Capacity(as certified by the management)	Year Ended 31 <sup>st</sup> March,2019	Year Ended 31 <sup>st</sup> March,2018
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	253,530	1,390,671	1271,217	37804.76	372,984	11569.81
	(246,508)	(1,324,214)	(1317192)	(44074.81)	(253530)	(7064.56)
Molasses (By-product)	350,187.94	621912.06	572,700	141.00	399,400	835.51
	(200158.45)	(735707.19)	(585677.70)	(1,180.69)	(350187.94)	(35.02)
		<b>Purchases</b>				
Sugar Trading	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

**(c) Consumption of Raw Material**

	Year ended 31 <sup>st</sup> March,2019		Year ended 31 <sup>st</sup> March,2018	
Particulars	Quantity (Quintals)	Value (Rs. In lacs)	Quantity (Quintals)	Value (Rs. In lacs)
Sugar Cane	130,14,674	42606.47	137,00,322.00	44,721.59

**(d) Expenditure in foreign currency (On accrual basis)**

Particulars	Current year	Previous Year
-	-	-

**(e) CIF Value of import**

Particulars	Current year	Previous Year
Store & Spares	25.67	19.98

**(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	42606.47	100%	-	Nil
Previous Year	44,721.59	100%	-	Nil
Stores & Spares*	2317.02	98.89%	25.67	1.11%
Previous Year	2,347.20	99.16%	19.98	0.84%

\*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	28,557,980 (22,034,136)	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	50,22,492	3,085,594

### Note: 40. Recent Accounting Pronouncements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's Financial statements is disclosed below. The Company intends to adopt the standard, if applicable, when it becomes effective.

#### Ind AS 116

Ind AS 116 Leases was notified in October 2018 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires leases to account for all leases under a single on balance sheet model, similar to accounting for finance lease under Ind AS 17. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessee will be required to separately recognise the interest expense on the lease liability and depreciation expense on the right of use asset.

The company is evaluating the impact of this amendment on its standalone financial statements.

#### Amendment to Ind AS 19 'Employee Benefits'

"On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.



The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting on initial application without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, Other Comprehensive Income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the Standalone Financial Statement.

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: 41**

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 41 Containing Accounting Policies and General Notes from part of the financial statements.

**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 2019**

**R.K. Sharma**  
(Manager)

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

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

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