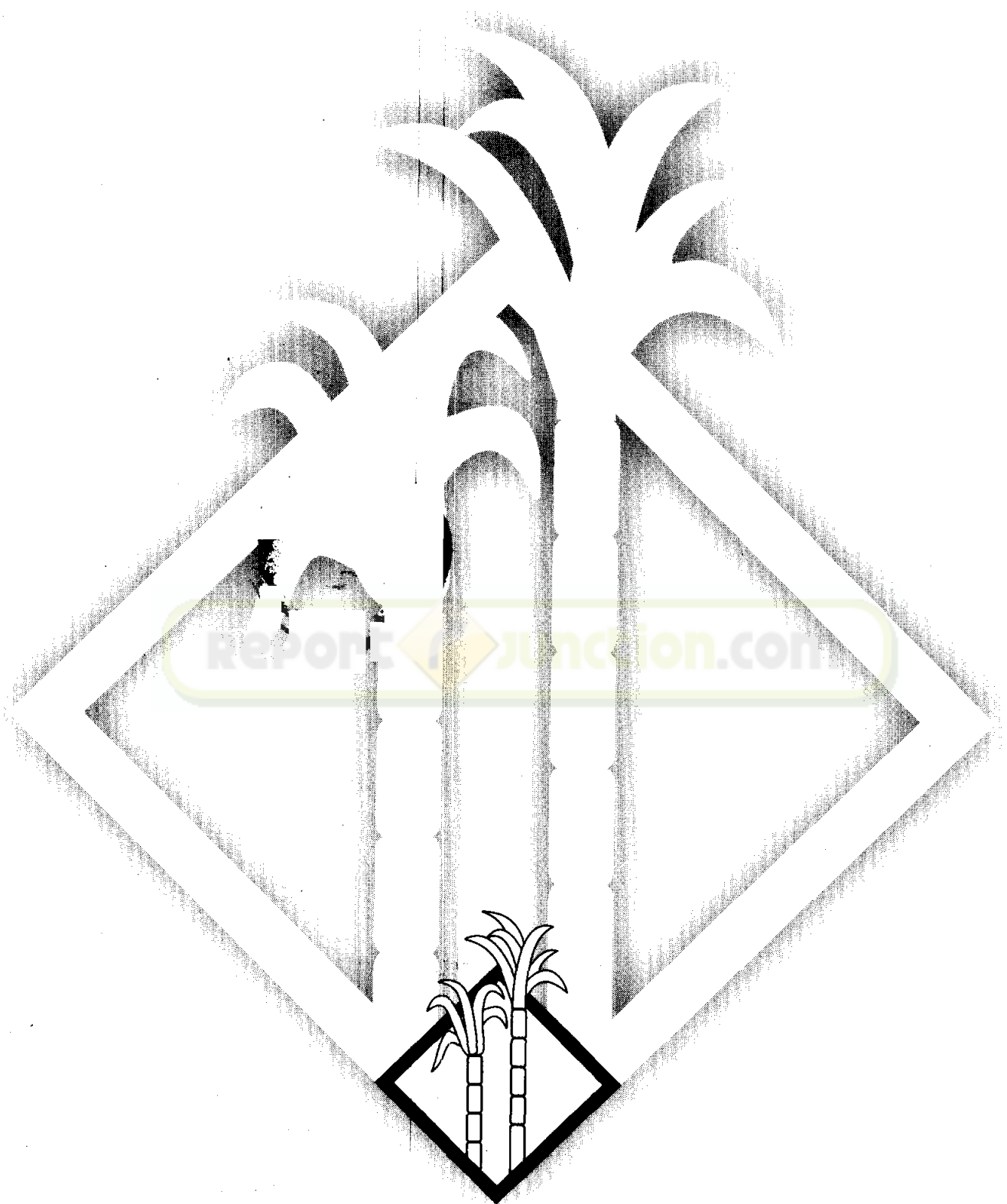


SBEC Sugar Limited



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

2001



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**BOARD OF DIRECTORS**

Mr. Umesh K. Modi (Chairman & President)
 Mr. G. C. Jain
 Mr. Abhishek Modi (Executive Director)
 Mrs. Kum Kum Modi
 Mr. S. K. Mittal - Nominee (PICUP)
 Mr. Man Mohan
 Mr. Claude Philogene
 Mr. Norland L.C. Suzor

ALTERNATE DIRECTOR

Mr. N.P. Bansal (alternate to Mr. Claude Philogene)

COMPANY SECRETARY

Mr. Rakesh Dhody

AUDITORS

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

BANKERS

Citi Bank
 Canara Bank
 Deutsche Bank
 Oriental Bank of Commerce
 Nainital Bank Ltd.

REGISTERED OFFICE & PLANT

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

CORPORATE OFFICE

613, Modi Tower,
 98 Nehru Place,
 New Delhi- 110 019

Notice	3
Directors' Report	4
Auditors' Report	9
Balance Sheet	12
Schedules	14
Notes to Accounts	22
Cash Flow Statement	28

Contents



SBEC Sugar Limited

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Shareholders of **SBEC SUGAR LIMITED** will be held on **Saturday the 29th day of September, 2001** at the Registered Office of the Company at Village Loyan, Malakpur, Tehsil: Baraut, District: Baghpat, Uttar Pradesh at **4 p.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2001, the Profit & Loss Account for the period ended on that date alongwith the Directors' Report and the Auditors' Report thereon.
2. To consider and appoint a Director in place of Mr. Norland Suzor, who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To consider and appoint a Director in place of Mr. Claude Philogene, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

By order of the Board

Place : New Delhi
Date : 29th August 2001

Rakesh Dhody
General Manager (Legal & Taxation) &
Company Secretary

NOTES:

1. **PROXY**
A member entitled to attend and vote is entitled to appoint proxy to attend and vote in his / her stead and a proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to the Annual Report.
2. **BOOK CLOSURE**
The Register of Members and the Share Transfer Books of the Company shall remain closed on 29th September 2001
3. The Members are requested to notify the change in address, if any, to the Company at the earliest.
4. Members / Proxies are requested to bring the Attendance Slip sent herewith duly filled in for attending the meeting.

By order of the Board

Place : New Delhi
Date : 29th August 2001

Rakesh Dhody
General Manager (Legal & Taxation)
& Company Secretary

SBEC Sugar Limited



DIRECTORS' REPORT



MR. UMESH K. MODI

Dear Shareholders,

Your Directors hereby present the Eighth Annual Report of the Company together with Audited Accounts for the period ended 31st March 2001.

FINANCIAL RESULTS

	Period ended 31.03.01 (Rs in Lacs)	Period ended 30.09.99 (Rs in Lacs)
Net Sales	8876.41	1526.93
Other Income	700.03	10.51
Total Expenditure	8233.19	1910.53
Gross profit / (Loss) before interest, depreciation & amortisation	1343.25	(373.09)
Interest and finance charges	801.95	323.74
Depreciation & Amortisation	667.25	352.76
Provision for taxation	—	—
Profit / (Loss) for the period	(125.95)	(1049.59)
Reserves excluding revaluation reserve	48.76	48.50

The period under review is the second year of operation. During the first year of operation the Company was in commercial production for 56 days only and crushed 14.66 lac quintals of sugar cane during the period. However, in the period under review which covers almost two crushing seasons, the company crushed 92.92 lac quintals of sugar cane and produced 8.40 lac quintals of sugar. In addition to selling sugar in the local market your company has also exported 11997.20 tonnes of sugar valued at Rs. 1502 lacs during the period April 2000 to March 2001.

PROSPECTS FOR THE CURRENT YEAR

Your directors are pleased to inform you that after the close of the current season, your company has taken up the development of sugar cane in the area. Better quality of cane will ensure higher percentage of recovery to the company



and better yield per Hectare of land for the farmers. During the current season, high yielding variety of sugar cane has already been planted in 3250 Hectares. In addition the Company has provided insecticides and fungicides to the farmers to save the crop from diseases.

The company is also providing expert advise to the farmers for growing and caring of sugar cane crop.

Further with a view to improve over all performance of the plant, certain balancing equipments are being added. The installation of these equipments will increase the cane crushing capacity of the plant to 5000 Tons of cane per day. In addition the process loss also is expected to come down to 2%.

Your directors are very hopeful that in the next year the company will earn net profit.

EXPORT

Your company has undertaken an export obligation at the time of import of Capital goods. With the export of 24873.20 tonnes of sugar of the value of US \$ 65 lacs approx, the Company has successfully met its export obligation for the current period.

SHARE CAPITAL

During the period under the review, 10,250 equity shares have been re-issued at par, taking the total paid up capital of your Company to Rs. 47,63,74,800 as at 31st March 2001.

FIXED DEPOSITS

During the period under review, the Company accepted deposits to the extent of Rs 154.95 lacs. The total amount of fixed deposits held as on 31st March 2001 were Rs. 154.06 lacs. There were no overdue deposits. There were, however, 24 unclaimed deposits amounting to Rs 2.08 lacs as at 31st March 2001 and the entire amount has since been repaid.

DIRECTORS

Mr. Norland Suzor and Mr. Claude Philogene, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

Information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time:- There is no employee in receipt of remuneration aggregating more than Rs. One Lac per month.

PARTICULARS OF CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

LISTING OF SHARES

The shares of the company are listed on the following stock exchanges namely (1) The U.P. Stock Exchange Association

SBEC Sugar Limited



Ltd., Padam Towers, 14/113, Civil Lines Kanpur, U.P. (2) The Delhi Stock Exchange Association Ltd., 3/1 "DSE House" Asaf Ali Road, New Delhi (3) The Stock Exchange, Mumbai, Phiroz Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400 001 (4) The Stock Exchange- Ahmedabad, Kamdhenu Complex opp. Sahajanad College, Panjrapole, Ahmedabad - 380015 (5) The Calcutta Stock Exchange Assn. Ltd. 7, Lyons Range Kolkatta - 700 001 and (6) Madras Stock Exchange - Exchange Building 11, Second Line Beach Chennai - 600 001.

AUDITORS

M/s Doogar & Associates, Chartered Accountants, are the retiring Auditors and being eligible, offer themselves for re-appointment.

AUDITOR'S REPORT

The observations of Auditors are explained wherever necessary, in the appropriate notes to the accounts.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217

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

- (i) While preparing Annual Accounts, the applicable Accounting Standards have been followed.
- (ii) Company has selected such accounting policies and applied them consistently and made judgements that are reasonable and prudent which gives true and fair view of affairs of the Company.
- (iii) Company has taken proper & sufficient care for the 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 fraud and other irregularities.
- (iv) Company has prepared accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their appreciation and gratitude to the farmers and the co-operative societies for their invaluable support.

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

For & on behalf of the Board

Umesh K Modi
Chairman & President

Place : New Delhi
Date : 29th August 2001



ANNEXURE TO DIRECTORS' REPORT

- a) Energy conservation measures taken: The Company has taken all actions and will continue to make efforts to conserve and optimise use of energy through improved operational techniques.
- b) Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy: Nil
- c) Total Energy consumption and energy consumption per unit of production as per Form A below:

A. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:-

Form - A

PARTICULARS	UNIT	CURRENT YEAR	PREVIOUS YEAR
A. Power & fuel consumption			
1. Electricity			
a) Purchased			
Quantity	KWH	24,358,905	2,943,239
Total Amount	Rs	66,474,108	7,940,315
Rate / Unit	Rs	2.73	2.70
b) Own Generation			
(i) Through diesel generator			
Quantity	KWH	389,647	849,128
Units per litre of diesel oil	KWH	2.75	2.75
Total Amount	Rs	2,158,424	3,476,795
Rate / Unit	Rs	5.54	4.09

B. Consumption per MT of Sugar Production

1. Electricity	KWH	293.88	365.70
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B . DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per form B below :

FORM-B

Research and Development (R&D)

The Company is not engaged in any R & D activity.

Technology Absorption, Adaptation and Innovation

- Efforts in brief, made towards technology absorption, adaptation and innovation:
- Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product improvement, import substitution etc. :
1 and 2. : The Company has acquired the latest technology for manufacture of sugar.
- In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :



- (a) Technology imported – None
- b) Year of import – Not Applicable
- (c) Has technology been fully absorbed? – Not Applicable
- (d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action. – Not Applicable

C FOREIGN EXCHANGE EARNING AND OUTGO

- i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export Plans:

The Company has exported sugar valued at Rs.1502.00 lacs (inclusive of deemed export) during the period under review.

ii)

	Current Period (Rs.)	Previous Period (Rs.)
Total foreign exchange used	5,25,185	30,72,784
Earned	6,77,75,931	NIL