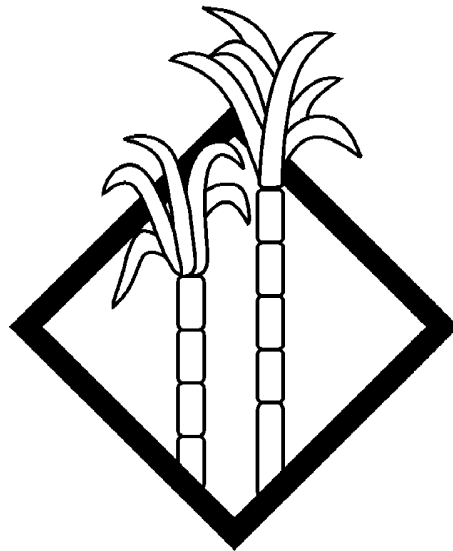


SBEC Sugar Limited



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

2012

**BOARD OF DIRECTORS**

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

ALTERNATE DIRECTOR

Mr. N. P. Bansal	- Alternate to Mr. Claude Philogene
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CHIEF FINANCIAL OFFICER

Mr. Arun Kumar Gupta

COMPANY SECRETARY

Mr. Ajay PS Saini

AUDITORS

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

BANKERS

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

REGISTERED OFFICE & PLANT

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

CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

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NOTICE

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

ORDINARY BUSINESS

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

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

SPECIAL BUSINESS

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

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

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



Explanation:-

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

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

3. OTHER TERMS

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

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

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

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

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

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

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

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

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

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

By order of the Board
For SBEC Sugar Limited

Place :New Delhi
Date : 12th November, 2012

Ajay PS Saini
Company Secretary

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN HIS/HER BEHALF AND THE PROXY NEED NOT TO BE MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE SCHEDULED TIME OF COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A BLANK PROXY FORM IS ANNEXED HERewith.**
2. The Register of Members & Share Transfer Books of the Company will remain closed from 21st December, 2012 to 29th December, 2012 (both days inclusive).
3. Members, who hold shares in dematerialized form, are requested to notify, changes, if any, in their address, to their respective Depository Participant and those, who hold shares in physical form, may intimate the same to the Company.
4. Members/proxies are requested to bring attendance slips sent herewith duly filled in, for attending the meeting.
5. Members desiring any information as regards to accounts are requested to address their questions to the Company Secretary at least 7 days before the date of the meeting so that the required information is made available at the meeting.
6. Non-Resident Shareholders are requested to inform immediately the change in the residential status on return for permanent settlement.
7. As per the provisions of the Companies Act, 1956, as amended, facility for making nominations is available to INDIVIDUALS holding shares in the Company. The Nomination can be made in Form-2B, which can be obtained from the Share Department of the Company.
8. Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 A.M to 1.00 P.M upto the date of Annual General Meeting.
9. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by permitting companies to communicate with its members through electronic mode. Members are requested to register their e-mail address with the Company or its Registrar & Transfer Agent, Beetel Financial & Computer Services (P) Limited . Members are also requested to update/intimate changes in their email address from time to time.

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

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

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

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

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

I. GENERAL INFORMATION:

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



(4) Financial performance based on given indicators:

(Rs. in Lacs)

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

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

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

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

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

(2) Past remuneration:

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

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

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

(5) Remuneration proposed:

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

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

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

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

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



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

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

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

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

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

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

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

ITEM NO. 6,7 & 8

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

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

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

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

BRIEF RESUME , EXPERIENCE AND OTHER DIRECTORSHIP

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

MRS. KUM KUM MODI

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

1. Morgardshammar India Limited
2. Bihar Sponge Iron Limited

She holds 28300 equity shares in her name.

MR. MAN MOHAN

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

1. DCM Shriram Granites Limited

He holds 2600 equity shares in his name.

By order of the Board
For SBEC Sugar Limited

Place: New Delhi
Date : 12th November, 2012

Ajay PS Saini
Company Secretary



DIRECTORS' REPORT

Dear Shareholders,

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

FINANCIAL RESULTS

The summarised financial results of SBEC Sugar Ltd. as well as Consolidated with its subsidiaries i.e. M/s. SBEC Bioenergy Ltd., M/s. SBEC Stockholding and Investment Ltd and M/s Modi Gourmet Limited are as follows:

(Rs. in Lacs)

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

OPERATIONS

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

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

FIXED DEPOSITS

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

DIRECTORS

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

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

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

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

**AUDITORS**

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

COST AUDITOR

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

ACCOUNTS AND AUDITORS' REPORT

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

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

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

CORPORATE GOVERNANCE

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

LISTING OF SECURITIES

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENTS

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

For & behalf of the Board
for SBEC Sugar Limited

Place: New Delhi

Date: 12th November, 2012

Umesh Kumar Modi
(Chairman & President)

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

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

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

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

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

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

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

FOREIGN EXCHANGE EARNING AND OUTGO

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

(Rs. in Lacs)

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

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

Place : New Delhi
Date : 12th November, 2012

Umesh Kumar Modi
(Chairman & President)