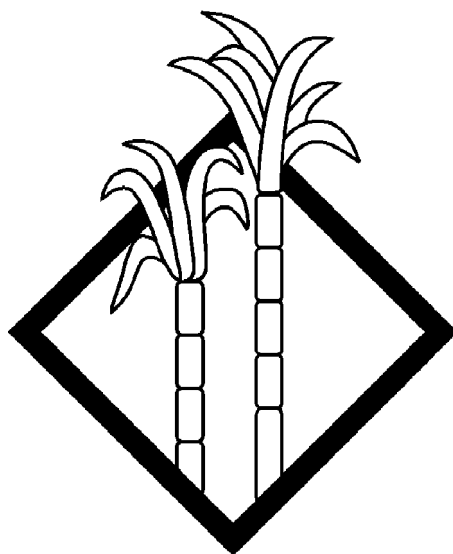


SBEC Sugar Limited



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

2013

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

REGISTERED OFFICE & PLANT

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

CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

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NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Shareholders of SBEC Sugar Limited will be held on Monday, the 30th day of September, 2013 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 2013 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 Mr. Gulab Chand Jain who retires from the office by rotation, and being eligible offers himself for re-appointment.
3. To consider and appoint a Director in place of Mr. Jayesh Modi, 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 an Ordinary Resolution:-**

"RESOLVED THAT in accordance with the provisions of 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 and subject to the approval of the shareholders and such other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. Abhishek Modi as Executive Director of the company for a further period of 5 years with effect from 10th July, 2013 without any remuneration."

6. **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, 2013 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 increase the aforesaid salary from time to time subject to that the overall remuneration shall not exceed the remuneration limits prescribed 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."

By order of the Board
For SBEC Sugar Limited

Place : New Delhi
Date : 8th August, 2013

Ajay PS Saini
Company Secretary

NOTES:

- 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.**
- The Register of Members & Share Transfer Books of the Company will remain closed from 21st September, 2013 to 30th September, 2013 (both days inclusive).
- 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.
- Members/proxies are requested to bring attendance slips sent herewith duly filled in, for attending the meeting.
- 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.
- Non-Resident Shareholders are requested to inform immediately the change in the residential status on return for permanent settlement.
- 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.
- 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.
- 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 24th September, 2008, the shareholders had approved the re-appointment of Mr. Abhishek Modi as Executive Director of the company for a further period of 5 years with effect from 10th July, 2008.

The term of office of Mr. Abhishek Modi as Executive Director of the Company expired on 09th July, 2013. Considering the efforts made by the Executive Director in enhancing the manufacturing capacity, substantial improvement in the performance of the company, the Board has subject to your approval, re-appointed him as Executive Director of the Company for a further period of 5 years with effect from 10th July, 2013 without any remuneration.



Mr. Abhishek Modi is an Engineering Graduate and has done Masters in Business Administration from Harvard Business School, U.S.A. He has more than 12 years of vast experience in Business Administration. The present proposal is to seek the member's approval for reappointment of Mr. Abhishek Modi as Executive Director in terms of the applicable provisions of Companies Act, 1956. The Board therefore recommends this resolution for your approval.

The term of re-appointment given in the said resolution may be treated as an abstract of the terms and conditions of appointment of the said Executive Director u/s 302 of the Companies Act, 1956.

Mr. Abhishek Modi is interested or concerned in the resolution. Further Mr. Umesh K. Modi, Chairman and President, Mrs. Kum Kum Modi and Mr. Jayesh Modi, Director being relatives of Mr. Abhishek Modi are deemed to be concerned or interested in the resolution.

ITEM NO. 6

At the Annual General Meeting held on 29th December 2012, 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 2012. The term of office of Mr. Santosh Chand Gupta as Whole Time Director(Works) of the Company has expired on 17th June 2013.

Mr. Santosh Chand Gupta is a Post Graduate in Commerce and has more than 42 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 15th June 2013, approved and recommended to the Board for payment of such remuneration as mentioned in item no. 6 of this notice, to Mr. Santosh Chand Gupta for a period of one year w.e.f. 18th June, 2013.

The Board in their Meeting held on 15th June, 2013 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 31.03.2013
Sales and other income	32068.30
Profit/(Loss) before interest, depreciation & tax	(2258.85)
Interest and Finance charges	3096.65
Depreciation and Amortisation	606.33
Prior period expenses (net)	1011.52
Profit / (Loss) before extra-ordinary items & provision for taxation	(6973.35)
Exceptional items	6287.27
Profit / (Loss) before tax	(686.08)
Provision for taxation	—
Deferred tax charge/ (credit)	372.61
Profit / (Loss) after tax	(1058.69)
Transfer to molasses storage fund	7.20
Profit / (Loss) for the period after appropriation	(1065.89)

(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 42 years of vast experience in the field of Administration, Finance, Purchases etc.
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(2) Past remuneration:

At the Annual General Meeting held on 29th December 2012, the shareholders had approved the remuneration of Mr. Santosh Chand Gupta with basic salary of Rs. 94545/- 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. 6 of the Notice convening the 19th 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:

The market sentiments for sugar during the financial year remained bearish owing to the continued mismatch between supply and demand of sugar, affecting sales realization. Further during the year UP Government has announced very high cane price which has resulted in the Loss before extraordinary expenses and provision for taxation to Rs.6973.35 Lacs against the Loss of Rs. 2033.53 lacs last year.

(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 2013 -2014, 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.

BRIEF RESUME, EXPERIENCE AND OTHER DIRECTORSHIP

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

MR. GULAB CHAND JAIN

Mr. Gulab Chand Jain, Director of the Company retires by rotation and being eligible offers himself for re-appointment . He is a fellow member of the Institute of Chartered Accountants of India and has more than 43 years of experience in the fields of Finance, Accounts, Taxation and Company Law matters. He holds directorship/membership of Committees of the Board in the following other Public Limited Companies:

1. Own Investment India Limited 2. Bihar Sponge Iron Limited 3. SBEC Systems (India) Ltd. 4. Modi Gourmet Limited
5. SBEC Investments Limited 6. SBEC Bioenergy Limited

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

MR. JAYESH MODI

Mr. Jayesh Modi , Director of the Company retires by rotation and being eligible offers himself for re-appointment. He is young entrepreneur and completed his studies in United Kingdom . He holds directorship/membership of Committees of the Board in the following other Public Limited Company:

1. Modi Hitech Limited 2. Bihar Sponge Iron Limited 3. Chandil Power Limited 4. SBEC Bioenergy Limited

He holds 55487 equity shares of the company in his name.

By order of the Board
For SBEC Sugar Limited

Place :New Delhi
Date : 8th August, 2013

Ajay PS Saini
Company Secretary



DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the 19th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2013.

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 31.03.2013	Period ended 31.03.2012	Period ended 31.03.2013	Period ended 31.03.2012
Sales and other income	32068.30	32017.97	33309.57	33366.43
Profit/(Loss) Before Interest, Depreciation & Tax	(2258.85)	925.22	(1602.60)	1753.39
Interest and Finance Charges	3096.65	2198.28	3552.68	2680.49
Depreciation and Amortisation	606.33	748.79	718.57	843.21
Prior period expenses (net)	1011.52	11.68	1011.52	11.68
Profit/(Loss) before Extra-Ordinary Expenses & Provision for Taxation	(6973.35)	(2033.53)	(6885.37)	(1781.99)
Exceptional Items	6287.27	(1483.32)	(295.41)	(1483.32)
Profit/(Loss) before Tax	(686.08)	(3516.85)	(7180.78)	(3265.31)
Provision for Taxation	—	—	19.88	48.52
Deferred Tax Charge/ (Credit)	372.61	—	396.84	80.32
Profit/(Loss) After Tax	(1058.69)	(3516.85)	(7597.50)	(3394.15)
Transfer to Minority Interest	—	—	20.02	1140.31
Transfer to Molasses Storage Fund	7.20	7.22	7.20	7.22
Profit/(Loss) for the period after appropriation	(1065.89)	(3524.07)	(7624.72)	(4541.68)
Earning Per Share (in Rs.)	(2.22)	(7.38)	(15.99)	(9.51)

OPERATIONS

The cane crushing for the period under review was 92.38 Lacs quintals in 134 days with an average crushing rate of 68943 quintals per day as against 99.35 Lacs quintals in 151 days with an average crushing rate of 65798 quintals per day for the previous period. The sugar recovery has slightly increased to 8.67 % as against 8.23% in the previous period.

For the sugar season 2011-12, the Government of U.P had increased the cane price as compared to last sugar season and the sugar market sentiments remained bearish throughout the year. Due to resulting financial losses the company was not able to meet its cane price obligation to farmers in time. The farmers resorted to agitation and disturbed the operation of the company. Fearing damage to person and property management was forced to close down the plant from July,2012 to October,2012, which affected the administration, repair & maintenance work of the plant during the year under review.

For the Sugar season 2012-13 the Government of U.P further increased the cane price and demand for sugar and its prices remained sluggish. The farmers again resorted to agitation and workers also resorted to illegal strike. For the safety of person and property management left with no option but to declare a lockout in the plant w.e.f 8th July,2013 which was lifted by the management on 2nd August,2013 pursuant to the negotiation and settlement arrived at before the Dy. Labour Commissioner, Meerut.

On the basis of annual audited accounts of the company as at 31st March,2013, the Board of Directors formed an opinion that the net worth of the company as at 31st March,2013 has been fully eroded and that the company has become a sick industrial company as defined under Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Board of Directors decided that a reference will be made with the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) to seek determination of measures which would be adopted as required under Section 15(1) and other applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

FIXED DEPOSITS

During the period under review, the Company accepted/renewed deposits to the extent of Rs. 319 Lacs. The total amount of fixed deposit held as on 31st March 2013 was Rs. 466.25 Lacs . However, Rs. 417 lacs amount of fixed deposit is matured but not yet claimed by the deposit holders.

**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, Mr. Gulab Chand Jain, Non Executive Independent Director and Mr. Jayesh Modi, Non Executive 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, 2013 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 had appointed M/s. M.K. Singhal & Co., Cost Accountants, as cost auditors of the company, with the approval of Central Government.

ACCOUNTS AND AUDITORS' REPORT

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

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

Reference to the Auditors comments on physical verification of fixed assets and inventory, it is hereby clarified that the physical verification of fixed assets and inventory is being taken during off season. However, during the off season falling in the financial year 2012-2013, physical verification could not be undertaken due to farmer's agitation from July 2012 to October, 2012.

DIRECTORS RESPONSIBILITY STATEMENT

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

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

CORPORATE GOVERNANCE

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

**LISTING OF SECURITIES**

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENTS

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

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

Place : New Delhi
Date : 8th August, 2013

Umesh Kumar Modi
(Chairman & President)

ANNEXURE TO DIRECTORS' REPORT**PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) 1975 (AS AMENDED).**

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

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

- i. Nature of Employment : NIL
- ii. Other term & Conditions : NIL
- iii. Percentage of equity shares held : NIL

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

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

- i. Nature of Employment : NIL
- ii. Other term & conditions : NIL
- iii. Percentage of equity shares held : NIL



PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.

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

PARTICULARS	UNIT	CURRENT ACCOUNTING PERIOD (01.04.2012 – 31.03.2013)	PREVIOUS ACCOUNTING PERIOD (01-04-2011 - 31.03.2012)
A. Power and Fuel consumption			
Electricity			
Quantity	KWH	19442654	19611680
Total Conversion Charges	Rs.	—	—
Per Unit Conversion Charges	Rs.	—	—
Own generation			
(i) Through Diesel Generator			
Quantity	KWH	9745	22523
Units per –litr. of Diesel oil	KWH	3.25	3.25
Total amount	Rs.	149890	294560
Cost/ Unit	Rs.	15.38	13.08
(ii) Through Steam Turbine/Generator			
Quantity	KWH	—	6780070
Units per- litr. of fuel oil /gas	KWH	—	—
Cost/ unit	Rs.	—	0.62
B. Consumption per MT of sugar production			
Electricity	KWH	245.90	239.86

FORM B: DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

(A) RESEARCH AND DEVELOPMENT (R&D)

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

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

FOREIGN EXCHANGE EARNING AND OUTGO

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

ii.	(Rs. in Lacs)	
Particulars	Current Accounting Period (01.04.2012–31.03.2013)	Previous Accounting Period (01.04.2011-31.03.2012)
Total foreign exchange used	33.22	22.28
Eamed	—	—

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

For & on behalf of the Board
For SBEC SUGAR LTD.

Place : New Delhi
Date : 8th August, 2013

Umesh Kumar Modi
(Chairman & President)