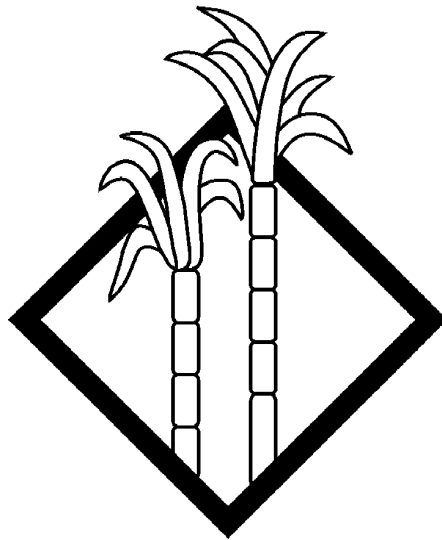


SBEC Sugar Limited



T W E N T Y S E V E N T H A N N U A L R E P O R T

2021



BOARD OF DIRECTORS

Shri. Umesh K Modi - Chairman & President
Smt. Kumkum Modi
Shri. Abhishek Modi - Whole Time Director
Shri. Jayesh Modi
Shri. Vijay Kumar Modi
Shri. Narayan Prakash Bansal
Shri. Jagdish Chander Chawla
Shri. Shyam Babu Vyas
Shri. Rohit Garg

CHIEF FINANCIAL OFFICER

Shri. A.K. Goel

COMPANY SECRETARY

Shri. Ankit K. Srivastava

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

REGISTRAR & SHARE TRANSFER AGENT

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

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Shri Umesh Kumar Modi

Chairman and President
SBEC Sugar Limited



DIRECTORS' REPORT

**To,
The Shareholders,
SBEC Sugar Limited**

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2021.

FINANCIAL RESULT

The summarised financial results of SBEC Sugar Ltd. as well as Consolidated with its subsidiaries i.e. SBEC Bioenergy Limited and SBEC Stockholding and Investment Limited for the financial year ended 31st March, 2021 are as under:

(Rs. in Lacs)

Financial Parameters	STANDALONE		CONSOLIDATED	
	Period ended 31.03.2021	Period ended 31.03.2020	Period ended 31.03.2021	Period ended 31.03.2020
INCOME				
Revenue from operations	56,900.77	47,093.66	57,951.51	48,180.79
Other Income	113.07	16.31	118.28	36.40
Total Income	57,013.84	47,109.97	58,069.79	48,217.18
Cost of materials consumed	47,668.80	47,608.64	47,668.80	47,608.64
Changes in inventories of finished goods, stock-in-trade and work-in-progress	1,636.16	(10,061.99)	1,637.33	(10,058.17)
Employee benefits expenses	1,538.95	1,514.93	1,822.30	1,799.95
Other expenses	4,605.62	4,125.12	5,307.68	4,808.78
Operating Profit/Loss	1,564.31	3,923.27	1,633.67	4,057.97
EBITDA	1,564.31	3,923.27	1,633.67	4,057.97
Depreciation and amortization expenses	1,890.48	1,823.43	2,110.14	2,044.71
EBIT	(326.17)	2,099.84	(476.47)	2,013.26
Finance costs	1,786.07	1,603.29	2,238.29	2,103.82
EBT	(2,112.24)	496.55	(2,714.76)	(90.56)
TAX	0.00	0.00	0.0	(169.61)
PAT	(2,112.24)	496.55	(2,714.76)	79.05

OPERATIONS

The crushing for the season 2020-21 started on 13th November, 2020 and ended on 6th June, 2021 and cane crushed during season 2020-21 was 148.84 Lac Qtls as compared to 152.06 Qtls in the last season.

Particulars	Unit	Sugar Season		
		2018-19	2019-2020	2020-21
Cane Crush	Lac Qtl	129.78	152.06	148.84
Recovery	%	11.10	11.25	11.07
Sugar Production	Lac Qtl	14.41	17.10	16.47

Company crushed 148.84 lakh Qtls sugarcane. However, recovery reduced by 0.18% over the previous Sugar Season due to its late closure (operations going in June). With gradual acceptance of sugarcane variety Co-0238 by the farmers of the area, the cane production throughout the State is expected to gradually increase.

Your Company's sugar factory is in U.P. where state government announces the State Administered cane 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 does it take into 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 Indian Sugar Mills Association (ISMA), the production in the sugar season 2021-22 is expected to be 31 MMT. The season started in October 2020 with 10.6 MMT of opening stock. The Domestic consumption and export in 2020-21 is estimated to 26 MMT and 6 MMT respectively resulting in closing stock of about 9 MMT. The scenario may not undergo any significant change during the forthcoming sugar season. It is expected that the pressure on the sugar price would continue to remain given the over-supply scenario.

Despite several challenges, your company lays continuous thrust on strong farmer relationship, cost control, efficiency improvement and continue to focus on cane development activities, comprising clean cane, varietal change and modern agriculture practices which is expected to improve productivity in the coming years.

Long-term Industry Outlook

The Indian Sugar industry is facing a positive turnaround. High international sugar prices have augured well for the domestic sugar industry. During January-May, 2021, India exported 4.5 million tons of sugar. Moreover, the export subsidy of Rs. 3,500 crore announced by the Government of India in December, 2020 has helped driving growth in the sugar industry.

Sugar output in India grew 14.4% yoy to 30.4 million tons, during October 2020-May 2021, driven by output growth in Maharashtra. Favourable weather condition in the state resulted into better yields and increased cane area. Though current surplus sugar stock in India will inhibit improvement in domestic sugar prices, the diversion of sugarcane and surplus sugar towards ethanol production will provide support to sugar industry.

The Government as part of Ethanol Blended Petrol Program, has set a target of 10% and 20% ethanol blending by 2022 and 2023, respectively. As on May, 2021, 145.4 crore litres of Ethanol has been supplied, of which 77% is made from sugarcane juices. This bodes well for the sugar industry in the long run. India has achieved a blending rate of more than 8%, in the current year. According to ICICI Securities, Ethanol sales will contribute to 25-30% of the revenue of major sugar companies by FY 24.

Expansion of plant capacity:

SBEC Sugar has a total cane area of 22,000 Hectare area of land which produces approx. 189.20 Lac Qtl. Cane. During crushing season 2020-21 we have crushed 148.84 Ton cane against previous year's crushing of 152.06 Tons. To crush the above quantity, we are required to operate the mill for 220 days. (The ideal maximum time of operation is 200 days).

Yield of cane is going-up year after year and it is expected to soon reach 1000 Qtls. per Hectare. Thus, the cane availability is going to substantially increase.

The increased impetus by the Government on Ethanol Blending has given a boost to demand for bagasse and has resulted in increase in its sale price.

Currently, the production facilities are designed for a daily sugarcane crushing capacity of 8,000 TCD. To take advantage of the increasing cane production, the Company is considering augmenting its production capacity in due course to 10,000 TCD in two phases which will be completed within a period of three years. In the first phase it proposes to increase its capacity to 9,000 TCD which will be operative from season 2022-23.

M/s. J.P. Mukherji & Associates Pvt. Ltd., Pune (JPMA) had been assigned the job of preparing detailed technical report on capacity expansion and efficiency improvement. They have already submitted their detailed report and have now been assigned the job of implementing the project.

ETHANOL PLANT

Considering the emphasis being laid by the Government on increasing of Ethanol production capacity to give impetus to its Ethanol Blending Policy with Petrol so as to save foreign exchange being spent on import of petrol, to some extent, the Company is taking steps for setting up a 100 KLPD Ethanol Plant within its complex in Village Loyan Malakpur (Baraut). The Central Government (Department of Food and Public Distribution) has already conveyed its in-principle approval for grant of interest subvention for a loan amount of Rs. 68.12 crores.

The company had earlier proposed setting up of a 60 KLPD Ethanol Plant and most of the approvals for the same had already been received, the Company now proposes to seek License for a 100 KLPD Ethanol Plant.

COVID-19 PANDEMIC

The manufacturing activities of the company were carried out in normal course with the adoption of enhanced safety, security and other required measures. There has been no material impact on the business of the company though the sale and movement of finished products was affected due to lockdown and continuous restrictions imposed by the Govt. of India to curve the spread of COVID-19.

DIVIDEND & RESERVES

As the Company has incurred loss during the year under review, your Board has not recommended any dividend for the financial year ended March 31, 2021.

SHARE CAPITAL

The paid up equity capital as on March 31, 2021 was Rs.4765.38 Lacs. During the year under review, the Company has not issued any shares or any other security.

MATERIAL CHANGES AND COMMITMENTS

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

SUBSIDIARY COMPANIES

As on March 31st 2021, the Company has one Wholly Owned Subsidiary i.e. SBEC Stockholding & Investments Limited and one Subsidiary i.e. SBEC Bioenergy Limited. There are no associate 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. 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. 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.2020-21 the Company has two Material Subsidiary Companies 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 year 2020-21, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standard (Ind AS) and SEBI (LODR) Regulations, 2015.

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the 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 he is eligible for re-appointment.

Shri. Rajeev Kumar Agarwal (DIN: 00298252), Independent Director passed away on December 05, 2020. The Board of Directors placed on record its appreciation for the invaluable contribution made by Shri Rajeev Kumar Agarwal during his tenure and association with the Company.

Particulars of Directors seeking appointment/re-appointment have been given in the explanatory statement annexed to the 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.

CHAIRMAN & KEY MANAGERIAL PERSONNEL (KMP)

During the financial period ended 31.03.2021, details of Chairman & Whole Time Key Managerial personnel (KMP) of the Company are as follows:

S.No.	Name	Designation
1.	Shri Umesh Kumar Modi	Chairman & President
2.	Shri Abhishek Modi	Whole Time Director
3.	Shri Anil Kumar Goel	Chief Financial Officer
4.	Shri Ankit Kumar Srivastava*	Company Secretary & Compliance officer
5.	Shri Vipin Kumar**	Occupier

*Shri Ankit Kumar Srivastava was appointed as Company Secretary & Compliance officer of the Company w.e.f. May 19, 2020 in the Board meeting held on July 28, 2020.

** Shri Vipin Kumar, Occupier of the Company was designated as Key Managerial Personnel w.e.f. September 14, 2020.

BOARD MEETINGS

The Board met five times during the financial year 2020-2021, 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 towards 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:

- in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed and there are no material departures from the same;
- the Board of Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the statement of profit and loss of the Company for the year ended on that date;
- the Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis.



- 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 for the financial year 2021-22, 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 23rd Annual General Meeting (AGM) held on August 29, 2017 till the conclusion of the 28th Annual General Meeting of the Company subject to annual ratification of their appointment by the members at every AGM of the Company, on such remuneration as may be decided by the Audit Committee of the Board.

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 AUDITORS' REPORT

The Auditors' Report contains qualifications and the Company has given its comments on Auditor Qualified Opinion for the Financial Year 2020-2021. 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's 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.

Response to qualified opinion (iii)

The management is of the opinion that Company has valued closing stock at NRV of Rs. 3176.96 considering the current market price of around Rs. 3250 per quintal. The same is still lower than the Market price. Since the market price is much higher than NRV, it has been thought expedient to value Closing Stock at NRV.

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 2020-21 at 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 2020-21. The Report of the Secretarial Audit along with report of Secretarial Audit of Subsidiaries Companies are given in "**Annexure-B**" to this Report.

The observations in secretarial audit report are self-explanatory and therefore do 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., Mr. V.K. Modi as Chairman, Mr. J.C. Chawla, Mr. Shyam Babu Vyas & Mr. N.P. Bansal as Members. The details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE

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

REMUNERATION POLICY

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

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 financials year's of the Company. The CSR Committee constituted by the Board of Directors has been dissolved **w.e.f. 9th August, 2018**.

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2021 are given in "**Annexure -D**" to this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees and Investment covered under the provisions 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 31.3.2021.

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 directors' report.

The Board has framed a Policy on related party transactions and placed the same on the Company's website at www.sbecsugar.com.

VIGIL MECHANISM & WHISTLE BLOWER POLICY

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

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

During the year from April 1, 2020 to March 31, 2021 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, 2021, no complaint was pending for redressal.

ANNUAL RETURN

As per Companies Act, 2013 the Annual Return of the Company for the year will be available on the website of the Company at <http://sbecsugar.com/wp-content/uploads/2018/01/Annual%20Return%202021.pdf>.

COMPLIANCE OF SECRETARIAL STANDARDS

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 BSE 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). 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: 20.07.2021**

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

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

**"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-2021	INR	230000000	447,583,210	1,015,503,370	1,015,503,370	109356580	105,594,568	(60,212,971)	(60,212,971)	NIL	55%
2	SBEC Stockholding Investments Limited	09.06.2001	31-Mar-2021	INR	45500000	(5,091,144)	379,435,383	379,435,383	379251000	-	(38,645)	(38,645)	NIL	100%

For & behalf of the Board
SBEC Sugar Limited

Place: New Delhi
Date: 20.07.2021

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

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

"ANNEXURE-B"**SECRETARIAL AUDIT REPORT**

For The Financial Year Ended On 31st March, 2021

{Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial 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). The 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 the secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021, 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, 2021 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there-under;
- The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- The 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;