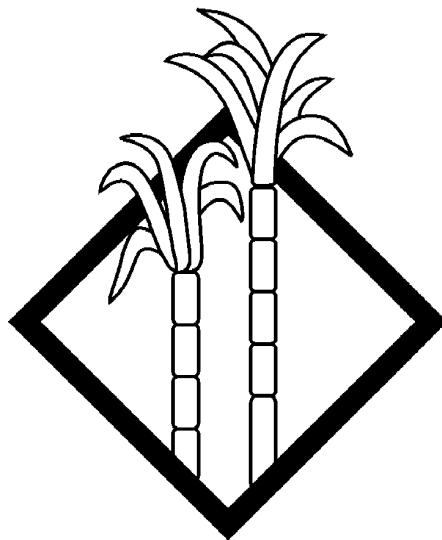


# ***SBEC Sugar Limited***



**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**

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**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
<b>INCOME</b>				
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
<b>Total Income</b>	<b>57,013.84</b>	<b>47,109.97</b>	<b>58,069.79</b>	<b>48,217.18</b>
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
<b>Operating Profit/Loss</b>	<b>1,564.31</b>	<b>3,923.27</b>	<b>1,633.67</b>	<b>4,057.97</b>
<b>EBITDA</b>	<b>1,564.31</b>	<b>3,923.27</b>	<b>1,633.67</b>	<b>4,057.97</b>
Depreciation and amortization expenses	1,890.48	1,823.43	2,110.14	2,044.71
<b>EBIT</b>	<b>(326.17)</b>	<b>2,099.84</b>	<b>(476.47)</b>	<b>2,013.26</b>
Finance costs	1,786.07	1,603.29	2,238.29	2,103.82
<b>EBT</b>	<b>(2,112.24)</b>	<b>496.55</b>	<b>(2,714.76)</b>	<b>(90.56)</b>
<b>TAX</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0</b>	<b>(169.61)</b>
<b>PAT</b>	<b>(2,112.24)</b>	<b>496.55</b>	<b>(2,714.76)</b>	<b>79.05</b>

### **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](http://www.sbecsugar.com). Further, the audited accounts of the Subsidiary Companies



and the related detailed information have also been placed on the website of the Company [www.sbecsugar.com](http://www.sbecsugar.com). A copy of annual accounts of subsidiaries will be made available to shareholders seeking such information at any point of time.

On the basis of Audited Financials Accounts of the Company for the FY.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](http://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](http://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](http://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](http://www.sbecsugar.com)). More detail on diversity is available in the corporate governance report that forms part of this Annual Report.

**CORPORATE GOVERNANCE**

In Compliance with Regulation 17 to 27 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, a detailed Corporate Governance Report has been given elsewhere in this report, along with Management Discussion and Analysis Report, which form an integral part of the Annual Report.

A certificate from R. Singhal & Associates, a firm of Company Secretaries in practice confirming compliance by the Company with the conditions of Corporate Governance as stipulated under part E of schedule V of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 is attached to this report.

The Whole Time Director and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under SEBI (LODR), Regulations, 2015.

**PERSONNEL RELATIONS**

Your directors hereby place on record their appreciation for the services rendered by the executives, staff and workers of the Company for their hard work, dedication and commitment. During the year under review, relations between the employees and the management continued to remain cordial.

**APPRECIATION**

Your directors thank the various Central and State Government Authorities and Agencies for the continued help and cooperation extended by them. The Directors gratefully acknowledge all stakeholders of the Company viz., farmers, customers, members, dealers, vendors and banks for their excellent support during the year. The Directors also place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued cooperation to the Company.

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

**Place: New Delhi  
Date: 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;



- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBIA Act') viz.:
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) OTHER APPLICABLE ACTS,
- (a) The Factories Act, 1948
  - (b) The Payment of Wages Act, 1936, and rules made thereunder;
  - (c) The Minimum Wages Act, 1948, and rules made thereunder;
  - (d) The Payment of Gratuity Act, 1972
  - (e) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
  - (f) The Payment of Bonus Act, 1965, and rules made thereunder;
  - (g) The Industrial Dispute Act, 1947
  - (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
  - (i) The Air (Prevention & Control of Pollution) Act, 1981 Read with the Air (Prevention & Control of Pollution) Rules, 1982
  - (j) The Contract Labour (Regulation and Abolition) Act, 1970
  - (k) The Industrial Employment (Standing Orders) Act, 1946
  - (l) The Sugar Cess Act, 1982
  - (m) The Levy Sugar Price Equilisation Fund Act, 1976
  - (n) The Food & Safety Standards Act, 2006
  - (o) The Essential Commodities Act, 1955
  - (p) India Boilers Act, 1923
  - (q) The Uttar Pradesh Vacuum Pan Sugar Factories Licensing Order 1969
  - (r) Sugar Control Order 1966
  - (s) The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013,

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

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

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

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

Against the said impugned SEBI order, M/s SBEC System (India) Limited had filed appeal No.1 (No.443/2018) before the Securities Appellate Tribunal, Mumbai.

Whereas the Promoter Group namely (Shri. Umesh Kumar Modi, Smt. Kumkum Modi, Shri Jayesh Modi, Longwell Investments Pvt. Ltd, A to Z Holdings Pvt. Ltd and Moderate Leasing and Capital Services Limited) had filed appeal No.2 (No. 444/2018) before the Securities Appellate Tribunal, Mumbai.

The Securities Appellate Tribunal vide its order dated 29.01.2020, has allowed the Appeal No.1 (No.443/2018) filed by M/s. SBEC Systems (India) Limited and also set aside the directions issued by the SEBI qua open offer.



Further, the Securities Appellate Tribunal has partly allowed Appeal No.2 (No.444/2018), whereby, the directions issued by SEBI for open offer qua Appellant nos. 1-4 i.e. Shri. Umesh Kumar Modi, Smt. Kumkum Modi, Shri. Jayesh Modi and M/s. Longwell Investment Private Limited has been set aside and the directions for Open Offer issued qua the Appellants no. 5 & 6 i.e. A to Z Holdings Pvt. Ltd. and Moderate Leasing & Capital Services Ltd. (the acquirer of the shares) has been modified in terms of Regulation 32(1)(b) and they have been directed to sell the shares acquired in violation of the SAST Regulation and to transfer the proceeds of the same to the Investor Protection Fund established under the SEBI (Investor Protection and Education Fund), 2009 within a period of 6 (Six) months from the date of the order i.e. from 29.01.2020.

The promoters namely A to Z Holdings Pvt. Ltd. and Moderate Leasing & Capital Services Ltd. (the acquirer of the shares) could not comply with the order dated January 29, 2020, therefore, the said promoters approached the Hon'ble Securities Appellate Tribunal vide Misc. Application no. 209 / 2020 seeking an extension of 6 (six) months for compliance of the order dated January 29, 2020 inter-alia on the grounds of operations of the said promoters being shut due to the pandemic COVID – 19. The said Misc. Application was listed before Hon'ble Securities Appellate Tribunal on July 29, 2020 and dismissed vide order dated July 29, 2020.

In the meantime, the Securities Exchange Board of India filed a Civil Appeal bearing nos. 2995 – 2996 / 2020 before the Hon'ble Supreme Court of India on July 29, 2020 against the order dated January 29, 2020 passed by Hon'ble Securities Appellate Tribunal.

Furthermore, the promoters namely A to Z Holdings Pvt. Ltd. and Moderate Leasing & Capital Services Ltd. have also filed a Civil Appeal bearing no. 3002 / 2020 before the Hon'ble Supreme Court of India on August 11, 2020 against the order dated July 29, 2020 passed by Hon'ble Securities Appellate Tribunal.

It is important to point out that both the Civil Appeal and the Counter Appeal before the Hon'ble Supreme Court of India have been connected and the pleadings therein are complete. The said Civil Appeals are now listed before the Hon'ble Supreme Court of India for further proceedings.

2. The Company has not constituted any separate 'Internal Complaints Committee' under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. However, they have taken note and confirmed that no complaint of sexual harassment of women at workplace was received during the year under review.
3. The Company has registered all its Independent Director on the Independent Director Database maintained by IICA during the year ended 31.03.2021 as required Under Companies Act 2013, except Mr. Rohit Garg, whose registration was under process during the course of audit.
4. As per examination of records and information available to us, the company has maintained the software for digitisation the database of the Company w.e.f. 31.03.2021 in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings & agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that,

1. As on March 31st 2021, the Company has one Wholly Owned Subsidiary i.e. SBEC Stockholding & Investments Limited and one Material Subsidiary i.e. SBEC Bioenergy Limited. As per SEBI Circular No. CIR/CFD/CMD1/27/2019, separate Secretarial Audit Report have been issued for both the subsidiary Companies.

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

**Sd/-  
(Rahul Singhal)  
Prop.**

**M. No. 29599**

**UDIN : A029599C000767270**

**Place: Meerut**

**Dated: 23.07.2021**

Note: This report is to be read with the note given below which forms an integral part of this report.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company. We have relied on the audited financial statements and statutory auditors report for the year ended on 31.03.2021 for the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.



5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Due to the prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

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

**Sd/-  
(Rahul Singhal)  
Prop.  
M. No. 29599  
UDIN : A029599C000767270**

**Place: Meerut  
Dated: 23.07.2021**

### **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 Personnel) Rules, 2014)

To,  
The Members  
**SBEC BIOENERGY 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 BIOENERGY LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 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:

- (i) The Companies Act, 2013 (the Act) and the rules made there-under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder; Not Applicable on the Company
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.: Not Applicable on the Company
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; as amended from time to time;; Not Applicable
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;; Not Applicable
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;; Not Applicable
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;; Not Applicable
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;; Not applicable
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; : Not applicable
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and;; Not applicable
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not applicable



## (vi) OTHER APPLICABLE ACTS,

- (a) The Factories Act, 1948
- (b) The Payment of Wages Act, 1936, and rules made thereunder,
- (c) The Minimum Wages Act, 1948, and rules made thereunder,
- (d) The Payment of Gratuity Act, 1972
- (e) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
- (f) The Payment of Bonus Act, 1965, and rules made thereunder,
- (g) The Industrial Dispute Act, 1947
- (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
- (i) The Air (Prevention & Control of Pollution) Act, 1981 Read with the Air (Prevention & Control of Pollution) Rules, 1982
- (j) The Contract Labour (Regulation and Abolition) Act, 1970
- (k) The Industrial Employment (Standing Orders) Act, 1946
- (l) The Sugar Cess Act, 1982
- (m) The Levy Sugar Price Equilisation Fund Act, 1976
- (n) The Food & Safety Standards Act, 2006
- (o) The Essential Commodities Act, 1955
- (q) India Boilers Act, 1923
- (r) The Uttar Pradesh Vaccum Pan Sugar Factories Licensing Order 1969
- (s) Sugar Control Order 1966
- (t) The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013,
- (u) The Electricity Act, 2003

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

The Company has not confirmed in its Board Report that it has constituted any separate 'Internal Complaints Committee' under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. However, they have taken note and confirmed that no complaint of sexual harassment of women at workplace was received during the year under review.

Secured Loan amounting to Rs. 6,25,00,002 has been disclosed under the head current maturities of Long Term Debt. However the amount has not been reported in Form DPT-3 for the year ending March 2021.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company M/s SBEC Bioenergy Limited provide power and steam to M/s SBEC Sugar Limited (holding company) for in house consumption unit against the supply of bagasse and water from the sugar plant and supply excess power to the state electricity grid.

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

**Sd/-  
(Rahul Singhal)  
Prop.  
M. No. 29599**

**Place: New Delhi  
Dated: 23/07/2021**

**UDIN : A029599C000767380**

Note: This report is to be read with the note given below which forms an integral part of this report.





1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company. We have relied on the audited financial statements and statutory auditors report for the year ended on 31.03.2021 for the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Due to the prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

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

**Sd/-  
(Rahul Singhal)  
Prop.  
M. No. 29599**

**UDIN : A029599C000767380**

**Place: New Delhi  
Dated: 23/07/2021**

### **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 Personnel) Rules, 2014)

To,

The Members

**SBEC STOCKHOLDING AND INVESTMENT LTD.**

613, Hemkunt Tower 98, Nehru Place,  
New Delhi - 110019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SBEC STOCKHOLDING AND INVESTMENT LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 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:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder: Not Applicable
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder: Not Applicable
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: Not Applicable
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.: Not Applicable
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: Not Applicable
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992: Not Applicable
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: Not Applicable
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: Not Applicable



- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: Not Applicable

(vi) OTHER APPLICABLE ACTS,

- (a) The Payment of Wages Act, 1936, and rules made there-under,
- (b) The Minimum Wages Act, 1948, and rules made there-under,
- (c) The Payment of Gratuity Act, 1972
- (d) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
- (e) The Payment of Bonus Act, 1965, and rules made there-under,
- (f) The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013,

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2015 and all other applicable provisions of the Non-Banking Financial Companies.
- (iii) The Reserve Bank Act, 1934.

In respect of other laws specifically applicable to the Company, we have relied on information/records produced by the Company during the course of our audit and the reporting is limited to that extent. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent as mentioned below:

- The Reserve Bank of India vide letter no. DNBS/NO.783/CMS VIII/05.19.494/2019-20 dated July 30, 2019 had called for an explanation from the Company within 15 days of the letter, pointing out that the Company has failed to achieve minimum required Net owned fund in violation of RBI Circular No. 002/03.10.0001/2014-15 dated November 10, 2014. Further the Company was not able to meet the Principal Business Criteria for last three years and such other matters.  
As informed by the Company, it has not submitted the reply till date of the report, as the matter is under consideration of the higher management for suitable action.
- There is delay in filing DNBS02 and DNBS13 returns prescribed by RBI for F.Y. 2019-20 and 2020-21. As informed, the company is in process of filing DNBS02 – Important Financial Parameter (Annual Return) and DNBS13 – Overseas Investment Details (Quarterly Return) for the said years.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report as under:

That there was no specific event having a major bearing on the Company's affairs in pursuance to above referred laws, rules, regulations, guidelines, standards etc. referred above.

We have relied on the report of the Statutory Auditor for compliance of Prudential Norms on Income recognition, accounting standards, asset classification, provisioning for bad and doubtful debts and concentration of credit/investments as specified in the Directions issued by the Reserve Bank of India in terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.

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

**Sd/-  
(Rahul Singhal)  
Prop.**

**M. No. 29599**

**UDIN : A029599C000767391**

**Place: New Delhi  
Dated: 12.08.2021**

Note: This report is to be read with the note given below which forms an integral part of this report.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.



3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company. We have relied on the audited financial statements and statutory auditor report for the year ended on 31.03.2021 for the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Due to the prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

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

**Sd/-  
(Rahul Singhal)  
Prop.  
M. No. 29599**

**Place: New Delhi  
Dated: 12.08.2021**

**UDIN : A029599C000767391**

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

**To,**

**The Members of  
M/s. SBEC Sugar Limited  
Village Loyan Malakpur,  
Baraut, Distt. Baghpat. U.P.-250611**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SBEC Sugar Limited** having **CIN: L15421UP1991PLC019160** and having registered office at Village Loyan Malakpur, Distt. Baghpat, U.P.-250611 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in))) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

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

**Sd/-  
(Rahul Singhal)  
Prop.  
M. No. 029599**

**Place: Meerut  
Dated: 23.07.2021**

**UDIN : A029599C000767358**


**Information to be given under Section 134 read with Rule 8(3) of the Companies (Accounts) Rules, 2014**
**A. CONSERVATION OF ENERGY**
**(i) The steps taken or impact on conservation of energy**

1. Installation of VFD on:
  - a) B.W. Boiler ID Fan.
  - b) JT-1 Boiler ID Fan.
  - c) JT-2 Boiler ID Fan.
  - d) Mechanical Circulation of Pan No.7.

**(ii) Steps taken by the Company for utilizing alternate sources of energy: NIL**
**(iii) Capital investment on energy conservation equipment: Nil**
**B. TECHNOLOGY ABSORPTION:**
**(i) Efforts made towards technology absorption:**

- (a) Installation of 35 Ton Sugar Grader.
- (b) Installation of A Heavy Molasses conditioner.
- (c) Installation of 100 Ton Pan for C-1 Boiling.
- (d) Installation of B&C Melter.

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

- (a) Sugar grading will improve
- (b) Falls grain removes
- (c) Recovery improvement

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**
**(Rs. In Lacs)**

Name of Director	2020-21	2019-20
<b>The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows.</b>		
Foreign Exchange earned	-	-
Foreign Exchange outgo	20.20	25.99

**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-D"**

**STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

**(1) Information as per Section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:**

- (a) The median remuneration of employees of the Company during the financial year was Rs. 2,40,024 (12 months). The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2020-21 are as under:

Directors	Designation	Remuneration Of Directors In Financial Period 2020-21 (Rs.)	Ratio Of Remuneration To Median Remuneration Of Employees
Shri. Umesh Kumar Modi*	Non-Executive Director	N.A.	N.A.
Smt. Kumkum Modi*	Non-Executive Director	N.A.	N.A.
Shri. Abhishek Modi#	Whole Time Director	N.A.	N.A.
Shri. Jayesh Modi*	Non-Executive Director	N.A.	N.A.
Shri. Vijay Kumar Modi*	Non- Executive &Independent Director	N.A.	N.A.
Shri. N.P. Bansal*	Non- Executive &Independent Director	N.A.	N.A.
Shri. J.C. Chawla*	Non- Executive &Independent Director	N.A.	N.A.
Shri. Shyam Babu Vyas*	Non- Executive &Independent Director	N.A.	N.A.
Shri. Rohit Garg*	Non- Executive &Independent Director	N.A.	N.A.

\*All the non-executive Directors of the Company were not paid any remuneration and were paid only sitting fee for attending the meetings of the Board/ Committee of Directors. Therefore, the said ratio of remuneration of each director to median remuneration of the employees of the company is not applicable.

# Shri. Abhishek Modi was appointed as Whole time Director but not drawing any remuneration from the Company.

- (b) The percentage increase in Remuneration of each Director, Whole Time Director, Chief Financial Officer and Company Secretary in the financial year:

**Directors**

Directors	Remuneration of Director in Financial Period 2020-21 (Rs.)	% Increase in Remuneration
Shri. Umesh Kumar Modi*	Non-Executive Director	N.A.
Smt. Kumkum Modi*	Non-Executive Director	N.A.
Shri. Abhishek Modi#	Whole Time Director	N.A.
Shri. Jayesh Modi*	Non-Executive Director	N.A.
Shri. Vijay Kumar Modi*	Non- Executive &Independent Director	N.A.
Shri. N.P. Bansal*	Non- Executive &Independent Director	N.A.
Shri. J.C. Chawla*	Non- Executive &Independent Director	N.A.
Shri. Shyam Babu Vyas*	Non- Executive &Independent Director	N.A.
Shri. Rohit Garg*	Non- Executive &Independent Director	N.A.

\*All the non-executive Directors of the Company were not paid any remuneration and were paid only sitting fee for attending the meetings of the Board/ Committee of Directors. Therefore, the percentage increase in remuneration of each Director is not applicable.

# Shri. Abhishek Modi was appointed as Whole time Director but not drawing any remuneration from the Company.

**Key Managerial Personnel's (KMPs)**

Key Managerial Personnel's	Designation	Remuneration of KMP In Financial Period 2020-21 (Rs.)	% Increase In
Shri. A. K. Goel	Chief Financial Officer	32,91,756	-
Shri. Ankit K. Srivastava*	Company Secretary	4,80,000	N.A.
Shri Vipin Kumar**	Occupier	19,86,541	-

\*Appointed as a Company Secretary of the Company w.e.f. 19.05.2020.

\*\* Mr. Vipin Kumar designated as Key Managerial person w.e.f. 14.09.2020.



- (c) The percentage increase in the Median Remuneration of Employees in the financial period was 7%.
- (d) The number of Permanent Employees on the Rolls of the Company:  
The number of Permanent Employees on the Rolls of Company as on 31st March, 2021 was 257.
- (e) Average percentage increase already made in the salaries of employees other than managerial personnel in the last financial period and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:  
The average increase in salaries of employees in 2020-21 was 5.54%.
- (f) Affirmation that the Remuneration is as per the Remuneration Policy of the Company:  
The Company affirms that the Remuneration paid during the period were as per the Remuneration Policy of the Company.

**(2) Information as per Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and 5 (3) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- (a) Name of employee employed throughout the financial year and was in receipt of remuneration Rs.1,02,00,000/- or more: NIL
- (b) Name of employee employed for a part of the financial year and was in receipt of remuneration not less than Rs.8,50,000/- per month: NIL
- (c) Details of Top Ten Employees in terms of remuneration drawn:

Name/Age	Designation of Employees	Remuneration (Rs.)	Qualification/ Experience (Years)	Date of Commencement of Employment	Previous Employment
Shri A.K. Goel/67	Chief Financial Officer	32,91,756	FCA, FCS/45	01.11.2017	Modipon Limited
Shri Vipin Kumar/51	Vice President	19,86,541	B. Tech. BOE / Energy Mgr./30	01.07.2017	Modi Sugar Mill Modinagar U.P
Shri Vijay Kumar Jain/43	Dy. General Manager (Commercial)	15,67,091	B.Ed. MBA LLB MA (Eco.)/20	01.04.2000	N.A.
Shri Mukesh Malik/ 55	General Manager (Cane)	15,67,082	B.Sc. (AG)/28	20.12.2011	Titawi Sugar Complex Titawi
Shri Hari Pal Singh/ 53	SR.DY.G.M. (ENGG)	18,60,000	B.Tech (Mechanical)/30	31.08.2020	Bajaj Hindustan Sugar Ltd.
Shri Kaushlendra Singh/ 51	DGM(PUR)	14,25,000	B.Com/32	29.06.2020	Dhampur Sugar Mills Ltd.
Shri Pritam Singh/ 54	Add. Chief Chemist	12,00,176	M.Sc. ANSI (Kanpur) /31	27.05.2006	Shakumbhari Sugar & Allied Toderpur
Smt. Renu/43	OSD	10,69,725	Graduate/3	01.07.2017	N.A.
Shri. KS Jaglan/ 50	Add. Chief Engineer	10,65,000	Diploma Mechanical /26	01.01.2021	Bajaj Hindustan Sugar Ltd.
Shri. Rahul Kumar/34	SR. MGR (INST.)	10,50,000	B.Tech (Inst.)/14	01.10.2020	Shimbhaoli Power Pvt. Ltd

**Notes:**

- The nature of employment of all employees above is whole time in nature and terminable with 1 months' notice on either side.
- The above mentioned employees are not relatives (in terms of the Companies Act, 2013) of any Director of the Company.
- Shri. L.C. Sharma holds 500 Equity Shares except that no employee mentioned above is holding shares in the Company.

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

**Place: New Delhi  
Date: 20.07.2021**

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

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





"ANNEXURE-E"

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

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

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

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

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

Name of Related Party	Smt. Nandini Modi
Nature of Relationship	Wife of Shri. Abhishek Modi
Duration of the contracts/ arrangements/ transactions	01-04-2020 to 31.03.2021
Salient terms of the contracts or arrangements or transactions including the value, if any	As per section 118(1)(f) of the Companies Act, 2013 holds place of profit in SBEC Bioenergy Limited a subsidiary of the Company
Date of approval by the Board	29.05.2018
Amount paid as advances, if any:	NIL
Date of Shareholders Resolution Passed if any.	24-09-2018

**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)**



## MANAGEMENT DISCUSSION & ANALYSIS

### Sugar Industry- Scenario in India

According to ICMR data, in the year 2020-21 the sugar production increased by about 15% with estimated production of 31 MMT.

The COVID-19 pandemic has caused massive disruption in all form of economic activities including sugar. The Government of India prescribed several preventive measures to control the spread of COVID -19, including a complete lockdown for the entire country for more than 2 months, which caused substantial adverse effect on demand for sugar during this period.

### Government Policies for Sugar Industry

The Central Government came out with a slew of corrective measures and supportive mechanisms during the year 2018-19, providing much needed support to the sugar industry reeling under pressure to be rescued from the mounting cane arrears and the high debt burden. Most of these measures continued during 2020-21 as the Government continued to cap the quantity of sugar, which mills in the country could sell and at a minimum selling price. These measures stabilized sugar price in the country with greater degree of transparency, discipline and accountability. Some of the important policy directions issued pertaining to the sugar industry are as follows:

#### Maximum Admissible Export Quantity (MAEQ):

In view of the high inventory levels with the sugar Industry and to facilitate achievement of financial liquidity, mill-wise MAEQ of 60 Lakh Metric Ton (LMT) have been continued for the sugar season 2020-21. Sugar mills are required to export their MAEQ entitlement by September 30, 2021. The Government has approved the subsidy of Rs. 3500 crores to sugar mills to facilitate the export during the sugar season 2020-21.

#### Minimum Sugar Price

The Central Government on February 14, 2019, notified "Sugar Price Control Order 2019". Under the said order, Central Government directed that no producer of sugar shall sell or agree to sell white/refined sugar in the domestic market at a rate below Rs. 31/kg till further orders.

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

#### Soft Loan by Central Government

On March 02, 2019, the Central Government announced a scheme of soft loan of Rs. 10,540 Crore with interest subvention of 7% on actual rate of interest charged by bank, for a period of one year. The Government also provided that all loans sanctioned & disbursed by May 31, 2019 would be covered by the scheme. The Company was granted a loan of Rs. 46.50 crores under the Central Government Scheme from U.P. Co-operative Bank Ltd.. The Managing Committee of U.P. Co-operative Bank Ltd. in its meeting held on March 23, 2021 decided to reduce the rate of interest from 12% p.a. to 11% p.a. w.e.f. April 01, 2021.

### Overview- Sugarcane

The sugar season 2020-21 started with record opening stocks of 10.6 MMT. This led to crash in sugar prices leading to a liquidity crisis for sugar mills which in turn resulted in the accumulation of huge cane dues. In order to support the industry and cane farmers, various measures were taken both by the Central Government in the form of soft loans, cane production subsidy, transport subsidy on sugar exports, fixing of minimum sugar price (MSP) and interest subvention for setting up of ethanol capacities and the State governments in the form of soft loans and cane subsidies which provided some respite to the sugar industry.

Despite the various policies and incentives by the Government, unless the surplus stock is cleared from the country, the scenario may not undergo any significant change. It is expected that the pressure on the sugar price would continue to remain given the over-supply scenario. To cope with this problem, the Central Government also allowed export of some sugar and blending of ethanol has been allowed to be increased to 20% by the year 2023.

### COMPANY STRUCTURE AND DEVELOPMENT

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

The company is considering augmenting its production capacity in due course to 10,000 TCD in two phases. In the first phase it proposes to increase its capacity to 9,000 TCD.

### OPERATIONAL PERFORMANCE

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

Particulars	Unit	Sugar Season		
		2020-2021	2019-2020	2018-19
Cane Crush	Lac Qtls	148.84	152.06	129.78
Recovery	%	11.07	11.25	11.10
Sugar Production	Lac Qtls	16.47	17.10	14.41

### FINANCIAL PERFORMANCE

(Rs. In Lacs)

Particulars	2020-21	2019-20
Revenue	57013.84	47109.97
EBITDA**	1564.31	3923.27

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

**RISK AND CONCERNS-SWOT****Analysis Strengths**

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

**Weaknesses**

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

**Opportunities**

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

**Threats**

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

**FUTURE OUTLOOK**

The sugar industry will be a major player in producing cost effective energy and fuel from its by-products bagasse and molasses. Bagasse can be processed for co-generation of power, ethanol produced from molasses can be used for blending with petrol for motor fuel.

**INTERNAL CONTROLS AND SYSTEMS**

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

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

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company considers human capital as a critical asset and success factor for smooth organizational work flow. Efforts are made to improve skills, knowledge and performance of employees by timely training, job satisfaction and enrichment. The Company has added to its fold, experienced manpower in line with future areas of growth.

**DETAILS OF SIGNIFICANT CHANGES**

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

SI. NO.	Particulars	As on 31.03.2021	As on 31.3.2020
1.	Debtors Turnover	40.15 times	60.65 times
2.	Inventory Turnover	2.36 times	2.88 times
3.	Interest Coverage Ratio	(0.18) times	1.31 times
4.	Current Ratio	0.49 times	0.56 times
5.	Debt Equity Ratio	(22.37) times	(82.33) times
6.	Operating Profit Margin (%)	(0.57) % times	4.46 % times
7.	Net Profit Margin (%)	(3.71)% times	0.99% times
8.	Return on net worth	(0.72) times	(0.57) times

**CAUTIONARY STATEMENT**

The above Management Discussion and Analysis Report contains "forward looking statements" within the meaning of applicable laws, and regulations and is futuristic in nature. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, market position, expenditures and financial results are forward looking statements. The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward looking statements. Investors are requested to make their own independent judgments before taking any investment decisions and the Company assumes no responsibility.



## REPORT ON CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

SBEC Sugar Limited ("SBEC Sugar"), a member of Umesh Modi Group of Companies, firmly believes in effective Corporate Governance practices and follow all the applicable laws in true and letter spirit. Corporate Governance is an ethically driven process that constitute the strong foundation on which successful commercial enterprise are built and enhancing the organization wealth generating capacity. The company also has a strong believe in fair, transparent and ethical governance practices.

The Company has adopted a Code of Conduct for its Board of Directors and its Senior Management persons which are available on the Company's website. The Company's corporate governance philosophy has been further strengthened through the SBEC Sugar Code of Conduct for Prevention of Insider Trading. The Company's corporate governance philosophy is based on the following broad principles;

- Comply all applicable Laws in true and letter Sprit;
- Independence and bias free Board of Directors;
- Simple and transparent corporate structure for enhancing overall shareholder value;
- Delegation of decision-making authority with clearly defined roles, responsibilities and accountability

The Company is in compliance with the requirements of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

### II. BOARD OF DIRECTORS

#### (a) Composition

- As on March 31, 2021, the Company has 9 Directors of which 09 are Non-Executive Directors. 5 of the 09 Board Members are Independent Directors. The Chairman of the Board is a Non-Executive Director. The Composition of the Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015. As required under Section 149(1) of the Companies Act, 2013, Mrs. Kumkum Modi, is a Woman Director on the Board of Directors of the Company.
- The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Sec 149(7) of the Companies Act, 2013. Independent Directors do not serve in more than 7 listed companies.
- The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships (including SBEC Sugar Limited) held by them in Public Companies as on March 31, 2021 are given below. Other directorships do not include alternate directorships, Section 8 Companies, Private Companies and foreign companies. Chairmanships/Memberships in Committees include only Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies.

Name of the Director	Category	Number of Board meetings during the year 2020-21		Attendance at the Last AGM (Held on September 28, 2020)	No of Directorships including this Company (as on March 31, 2021)	Number of membership/ chairmanship in other Board committee (as on March 31, 2021)	
		Held	Attended			Public	Chairman
Shri. Umesh Kumar Modi	NED	5	4	Not Present	6	Nil	Nil
Smt. Kumkum Modi	NED	5	1	Not Present	4	Nil	Nil
Shri. Abhishek Modi*	ED	5	4	Not Present	5	Nil	Nil
Shri. Jayesh Modi	NED	5	1	Not Present	5	Nil	Nil
Shri. Vijay Kumar Modi	INED	5	5	Not Present	7	5	6
Shri. N.P. Bansal	INED	5	4	Not Present	3	-	2
Shri. R.K. Agarwal#	INED	4	3	Present	NA	NA	NA
Shri. J.C. Chawla	INED	5	5	Present	5	2	9
Shri. Shyam Babu Vyas	INED	5	1	Not Present	3	-	5
Shri. Rohit Garg	INED	5	1	Not Present	4	-	-

#### Note:

- (a) ED: Executive Director (b) NED: Non-Executive Director (c) INED: Independent Non-Executive Director (d) CEO: Chief Executive Officer
  - None of the Directors used Video/tele-conferencing facilities to participate in the meetings, except Shri Umesh Kumar Modi.
- # Mr. R.K. Agarwal was passed away on 05.12.2020.

#### (b) Board Meetings

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

Five (5) Board meetings were held during the year ended March 31, 2021. These were held on July 28, 2020, August 31, 2020, September 14, 2020, November 10, 2020 & February 11, 2021 the maximum gap between the two Board Meetings did not exceed 120 days. Necessary quorum was present for all meetings.

None of the Non-Executive Directors have any material pecuniary relationship or transaction with the Company.



**(c) Name of other listed entities where Directors of the company are Directors and the category of Directorship:**

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

# Mr. R.K. Agarwal was passed away on 05.12.2020.

**(d) Details of Shareholding of Non-Executive Directors**

Shri. Umesh Kumar Modi holds 15,71,223 equity Shares, Smt. Kumkum holds 28,300 equity Shares, Shri. Jayesh Modi holds 55,487 equity Shares and Shri. Jagdish Chandra Chawla holds 250 equity Shares of the Company as on 31st March, 2021.

**(e) Familiarization programme for Independent Director**

At the time of appointment, the Director is explained in detail the compliances required from him under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and other relevant regulations and his affirmations taken. By way of an introduction to the Company, the Chairman/CEO interacts with the newly appointed Director and explains the functioning of various divisions/departments, the Company's market share, governance and internal control processes and other relevant information pertaining to the Company's business. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfil his role as a Director of the Company. The familiarization programme for Directors is also placed on the Company's website [www.sbecsugar.com](http://sbecsugar.com) and can be accessed through the following link <http://sbecsugar.com/wp-content/uploads/2011/07/DETAILS-OF-FAMILIRIZATION-PROGRAME-SUGAR.pdf>

**(f) Information supplied to the Board**

The Company provides the information to the Board and Board Committees as set out in Regulation 17 read with Part A of Schedule II of Listing Regulations, 2015 to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers of the respective meetings or by way of presentations and discussions during the meeting.

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

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

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

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted:



Name of Director	Areas of Skills, Expertise and Competencies				
	Knowledge on Company's business, policies & Culture	Behavioral Skills	Business Strategy, Sales & Marketing etc.,	Financial and Management Skills	Technical/ Professional skills
Shri Umesh Kumar Modi	YES	YES	YES	YES	YES
Shri Abhishek Modi	YES	YES	YES	YES	YES
Smt. Kumkum Modi	YES	YES	YES	YES	YES
Shri Jayesh Modi	YES	YES	YES	YES	YES
Shri Shyam Babu Vyas	YES	YES	YES	YES	YES
Shri Rohit Garg	YES	YES	YES	YES	YES
Shri Jagdish Chander Chawla	YES	YES	YES	YES	YES
Shri N.P. Bansal	YES	YES	YES	YES	YES
Shri Vijay Kumar Modi	YES	YES	YES	YES	YES

### 3. Audit Committee

#### (a) Terms of Reference

The Audit Committee acts as a link between the Statutory and the Internal Auditors and Board of Directors. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting process, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's Statutory and Internal Audit Activities. The powers, roles, delegation, responsibilities, and terms of reference of the Audit Committee are prescribed under Section 177 of the Companies Act, 2013 and also as provided in Regulation 18 of SEBI (LODR) Regulations, 2015.

#### (b) Composition

As on March 31, 2021 the Audit Committee of the Board comprises four Directors. All four directors are Independent Directors and have sound knowledge of finance and accounting. Late Shri R. K. Agarwal, Chairman of the Audit Committee was present at the Annual General Meeting held on September 28, 2020. Late Shri R. K. Agarwal was passed away on 05.12.2020 & Shri V.K. Modi is appointed as Chairman of the Committee in the meeting of Board of Directors held on February 11, 2021. The Company Secretary acts as the Secretary to the Audit Committee.

The Head of Departments, Internal Auditors and Statutory Auditors are also invited to the meeting of the Audit Committee as and when required by the Committee. Besides them Chief Financial Officer of the Company is permanent invitee of the Audit Committee.

During the financial year ended 31st March, 2021, the Audit Committee met five times on July 28, 2020, August 31, 2020, September 14, 2020, November 10, 2020, February 11, 2021 and the maximum gap between the two Audit Committee Meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

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

S. No.	Name of the Member	Designation	Category	Number of meetings during the year 2020-21	
				Eligible to attend	Attended
1.	Shri. R.K. Agarwal*	Chairman	Independent Director	4	3
2.	Shri. V. K. Modi*	Chairman	Independent Director	5	5
3.	Shri. Shyam Babu Vyas	Member	Independent Director	5	1
4.	Shri. J.C. Chawla	Member	Independent Director	5	5
5.	Shri N.P. Bansal	Member	Independent Director	5	5

\* Late Shri R. K. Agarwal passed away on December 05, 2020 and Shri V. K. Modi is appointed as Chairman in the meeting of Board of Directors held on February 11, 2021.

### 4. Nomination and Remuneration Committee

#### (a) Terms of Reference

The Company has a Board Committee namely "Nomination and Remuneration Committee" as required under Section 178 (1) of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

The Nomination and Remuneration Committee looks terms and conditions of appointment, remuneration and related matters of Managerial Personnel such as Whole Time Directors & Directors etc. Remuneration Committee recommends the remuneration for Executive Directors to the Board of Directors for its approval and such remuneration is also subject to the approval of shareholders and such other approvals as may be required. In its recommendations, the remuneration committee considers parameters like performance and contribution, practices and norms and followed by companies of similar size and industry standards.





Shri J. C. Chawla, Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting held on September 28, 2020. The Company Secretary acts as Secretary to the Committee.

During the period ended March 31, 2021, 3 meetings of the Committee were held on July 28, 2020, August 31, 2020 and September 14, 2020.

**(b) The Composition of the Nomination and Remuneration Committee and details of the Meetings of the Committee held and attended during the year 2020-21 are as under:**

S. No.	Name of the Member	Designation	Category	Number of meetings during the year 2020-21	
				Eligible to attend	Attended
1.	Shri. J. C. Chawla- Chairman	Independent Director	3	3	3
2.	Shri. V. K. Modi	Independent Director	3	3	3
3.	Shri. N. P. Bansal	Independent Director	3	3	3
4.	Shri. R. K. Agarwal*	Independent Director	3	3	3

\*Late Shri R.K. Agarwal, member of the Committee passed away on December 05, 2020.

**Performance Evaluation of Independent Directors**

The details of the performance evaluation of Independent directors are provided in the "Director Report" forming part of this Annual Report.

**5. Stakeholders Relationship Committee**

**(a) Terms of Reference**

The Company has a Board Committee namely "Stakeholder Relationship Committee" as required under the provisions of Section 178 (1) of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 to look into various issues relating to delay in transfers of shares, non-receipt of balance sheet, non-receipt of declared dividends/share certificates, dematerialization of shares, replacement of lost/stolen/ mutilated share certificates, etc.

**(b) The Composition of Stakeholders Relationship Committee and details of the Meetings of the Committee held and attended during the year 2020-21**

As on March 31, 2021, the Stakeholders Relationship Committee of the Board comprises of 3 Directors. All three directors are Independent Directors. Mr. Vijay Kumar Modi is a Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee.

During the financial year 2020-21, the Committee met once on July 28, 2020.

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

S. No.	Name of the Member	Category	Number of meetings during the year 2020-21	
			Eligible to attend	Attended
1.	Shri. R.K. Agarwal* Chairman	Independent Director	1	1
2.	Shri. N.P. Bansal	Independent Director	1	1
3.	Shri. J.C. Chawla	Independent Director	1	1
4.	Shri V. K. Modi	Independent Director	1	1

\*Late Shri R.K. Agarwal, member of the Committee passed away on December 05, 2020.

**Mr. Ankit Kumar Srivastava, Company Secretary is the Compliance Officer.**

**The Compliance Officer can be contacted at:**

SBEC Sugar Limited  
Village Lohan, Malakpur,  
Tehsil Baraut,  
Dist. Baghpat- 250611  
Uttar Pradesh  
Email:investors@sbecsugar.com

During the period ended March 31, 2021, One complaint was received from the shareholders and same was resolved within stipulated time. No complaints are pending at the end of the financial period.

**6. Remuneration of Directors**

The Company has adopted a Remuneration Policy for executive and non-executive directors and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration as approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be. The remuneration policy of the Company is also placed on the website: [www.sbecsugar.com](http://www.sbecsugar.com).



(i) **Remuneration to Managing/Whole-Time/ Executive/ Managing Director, KMP and Senior Management Personnel:**

The Remuneration/ Compensation/ Commission etc. to be paid to Director/ Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

(ii) **Remuneration to Non-Executive/ Independent Director:**

**Pecuniary Relationship**

The Company does not have any pecuniary relationship or transaction with the Non-executive Directors.

**Sitting Fee**

The Non-executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board/ Committee meetings thereof in accordance with the provisions of Act.

**Remuneration**

The Companies Act, 2013, under Section 197 allows a company to pay remuneration to its NED depending upon the role and the degree, quality of their engagement with the Board, either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other as per the Company's criteria for making payment to Non-executive Directors. An independent director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or/committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as maybe permissible under the applicable law.

The Company does not pay any remuneration to its Executive Directors.

The Company does not provide any fixed component and performance linked incentives to its Directors.

The Company does not have any service contracts with its Directors and no policy regarding notice period & severance fees.

The Company does not have any Employees Stock Option Scheme.

**7. VIGIL MECHANISM**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, the Company has a Whistle-Blower Policy and Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimization of the persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No employee of the Company was denied access to the Audit Committee. The said whistle blower policy and vigil mechanism has been hosted on the website of the Company at: [www.sbecsugar.com](http://www.sbecsugar.com)

No complaints were received under this policy during the year.

**8. General Body Meetings:**

**(a) Annual General Meetings**

Location and time of the last three Annual General Meetings:-

Year	Date & Time of Meeting	Location	Special Resolution passed (Yes/ No)
2019-20	September 28, 2020 At 11:30 A.M.	Village: Loyan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh	1. Re-Appointment of Mr. Rajeev Kumar Agarwal (DIN: 00298252) as an Independent Director for Second term. 2. Re-Appointment of Mr. Jagdish Chander Chawla (DIN: 05316202) as an Independent Director for a second term. 3. Re-Appointment of Mr. Shyam Babu Vyas (DIN: 02025415) as an Independent Director for a second term.
2018-19	September 24, 2019 At 11:30 A.M.	--do--	1. Re-appointment of Mr. Rohit Garg as an Independent Director. 2. Approval of Loan, Investment, Guarantee or security under Section 185 of Companies Act, 2013.
2017-18	September 24, 2018 at 11.30 A.M.	--do--	No

**(b) Extraordinary General Meetings**

No Extraordinary General Meeting of the Members was held during the year 2020-21.

**(c) Postal Ballot**

No resolution requiring a postal ballot was proposed at the last Annual General Meeting of the Members.

**9. Means of Communication**

**(a) Quarterly Results**

The Company's quarterly results in the proforma prescribed by the Stock Exchange pursuant to Regulation 33 & 47 of the Listing Regulations are approved and taken on record by the Board within the prescribed time frame, and sent forthwith to all the Stock Exchanges on which the Company's shares are listed. These results are being published in national and local newspapers, namely The Financial Express in English and Haribhoomi in Hindi, having wide circulation.



The Annual Reports, notices and other communications have been sent through digital mode to the shareholder whose email address is updated with the Company. As per the statutory requirements under Regulation 33 & 47 of the Listing Regulations, the quarterly/annual financial results are generally published in "Financial Express" in English and "Haribhoomi" in Hindi. The financial results, shareholding pattern and other updates on the working of the Company have been posted on the Company's website: [www.sbecsugar.com](http://www.sbecsugar.com). Besides the above, the Company also submits, inter-alia, to the Stock Exchanges, the full version of the Annual Report; quarterly report on corporate governance; quarterly/ yearly financial results; quarterly shareholding pattern; quarterly secretarial audit report; details of appointment/resignation of Directors and Company Secretary and such other reports as may be specified. The Company has also designated the email id: investors@sbecsugar.com exclusively for investor servicing.

**(b) Website**

As per the requirements of Regulation 46 of the Listing Regulations, all the data related to quarterly financial results, shareholding pattern etc. is filled with stock exchanges and also disseminated on the Company's website: ([www.sbecsugar.com](http://www.sbecsugar.com)) within the time prescribed in this regard. The Company's website also displays the official news releases.

**(c) Annual Report**

Annual Report containing, inter alia, Audited Annual Accounts, Financial Statements, Director's Report, Auditor's Report and other important information is circulated to members and other entitled thereto. The Management Discussion and Analysis (MDAR) Report forms part of the Annual Report.

**10. General Shareholder Information**

**(i) Annual General Meeting is proposed to be held on** Thursday, 16th September, 2021, Village: Lohan Malakpur, Tehsil Baraut, Distt. Baghpat, Uttar Pradesh-250611.

**(ii) Financial Year**

The Financial Year covers the period from April 1, 2020 to March 31, 2021 (Both days Inclusive)

**(iii) Date of Book Closure**

10th September, 2021 to 16th September, September, 2021 (Both days inclusive)

**(iv) Dividend Payment Date**

Not Applicable

**(v) Listing on Stock Exchanges**

The company is listed on the following Stock Exchanges:-

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

The Company has paid annual listing fee to BSE Limited for the year 2021-22.

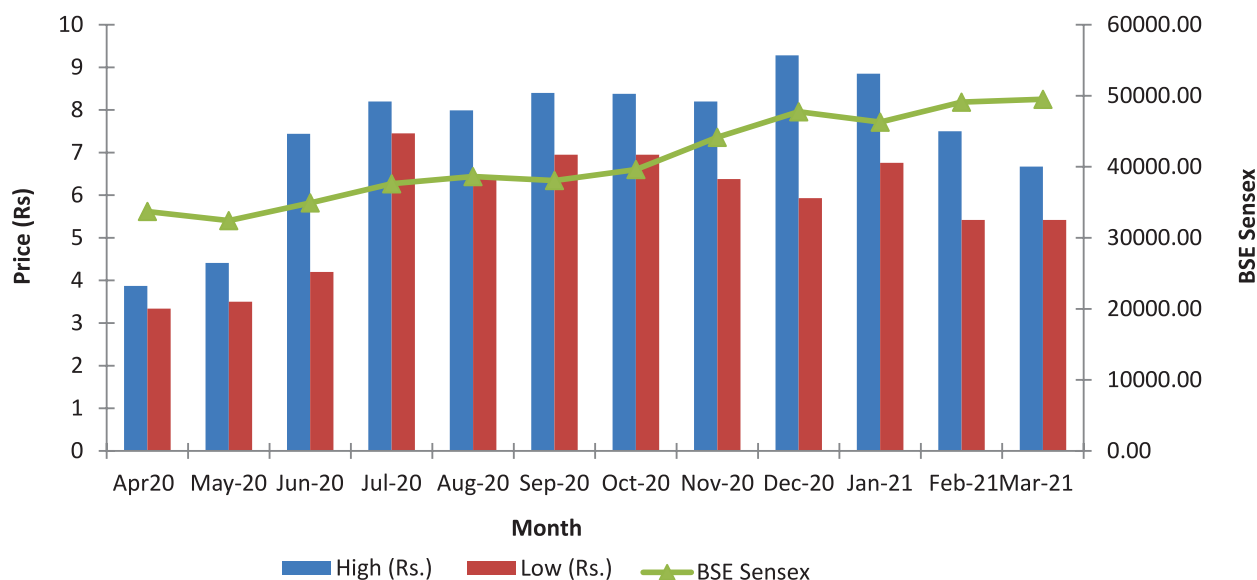
The Company had initiated steps to get the shares delisted from The Calcutta Stock Exchange Association Limited. However, application for delisting of the shares is still pending with the Calcutta Stock Exchange Association Limited.

**(vi) Market Price Data:**

Month	High Price	Low Price	Close Price	Volume
April 2020	3.87	3.34	3.56	1,090
May 2020	4.41	3.5	4.41	733
June 2020	7.44	4.2	7.35	7,390
July 2020	8.2	7.45	7.75	10,474
August 2020	7.99	6.46	7.32	36,432
September 2020	8.4	6.95	8.09	8,213
October 2020	8.38	6.95	8.2	4,682
November 2020	8.2	6.38	6.88	5,935
December 2020	9.28	5.93	8.37	36,764
January 2021	8.85	6.76	7.5	16,478
February 2021	7.5	5.42	6.09	9,787
March 2021	6.67	5.75	6	24,275



### SBEC Sugar Share Price on BSE



#### (vii) Registrar & Share Transfer Agent:

The physical transfer of Equity Shares and Electronic Connectivity for the Depository mode for both NSDL and CDSL is being provided by M/s Beetal Financial & Computer Services Pvt. Limited, Registrar & Transfer Agents of the company whose address is given below:

M/s Beetal Financial & Computer Services Pvt. Ltd.

Beetal House, 3rd Floor,

99, Madangir, Near Dada Harsukhdas Mandir,

Behind Local Shopping Complex

New Delhi –110062

Ph. No. 011- 29961281-83

Fax: 011-29961284 Email: beetal@beetalfinancial.com

#### (viii) Share Transfer System:

The Equity shares of the Company are in dematerialized form. In respect of the Shares held in physical form the transfers and transmission are done by the Registrar and Share Transfer Agent of the Company viz. M/s Beetal Financial & Computer Services Pvt. Ltd.

The Company obtains half yearly certificate from a Company Secretary in Practice relating compliance with the shares transfer formalities as required under Regulation 40 (9) of the SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges, from time to time.

#### (ix) Distribution of Shareholdings as on 31st March, 2021.

Month	High Price	Low Price	Close Price
Upto 5000	2406	875685	1.84
5001 -10000	467	424052	0.89
10001 – 20000	187	313359	0.66
20001- 30000	317	831238	1.74
30001 – 40000	54	195046	0.41
40001 – 50000	146	713713	1.49
50001 – 100000	132	1003204	2.11
100001 and above	91	43297583	90.86
<b>Total</b>	<b>3800</b>	<b>47653880</b>	<b>100.00</b>



**x) Shareholding Pattern as on March 31, 2021**

SI No.	Category of Shareholder	Total No. of Shares	% of Shareholding
<b>A</b>	<b>PROMOTER AND PROMOTER GROUP</b>	3,10,33,032	65.12
	<b>Sub Total (A)</b>	<b>3,10,33,032</b>	<b>65.12</b>
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>		
<b>I</b>	<b>INSTITUTIONS</b>		
a	Foreign Institutional Investor	9,59,700	2.01
<b>II</b>	<b>NON-INSTITUTIONS</b>		
a	Bodies Corporate	86,10,904	18.07
b	Individuals	70,12,023	14.71
c	NRI/ OCB	1,072	0.00
d	HUF	36,834	0.08
e	Clearing Member	315	0.00
	<b>Sub-Total [B=(BI + BII)]</b>	<b>1,66,20,848</b>	<b>34.88</b>
	<b>Total (A+B)</b>	<b>4,76,53,880</b>	<b>100.00</b>

**(xi) Dematerialization of equity Shares and liquidity**

The trading in Equity Shares of the Company is permitted in dematerialized form. The Company has joined National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the trading. Accordingly, it may kindly be requested to all the shareholders who are holding the shares in physical form to get their shares converted into demat form and thereby avail the option of scrip less trading. For this purpose, Shareholders can open a demat account with a depository participant (DP) to avail the facility of dematerialization of shares or shareholders having demat account can surrender their share certificate to their respective DPs. As on 31st March 2021, 83.02% of the Company's total listed capitals representing 3,95,64,000 shares were held in dematerialized form and the balance 16.98 % comprising 80,89,880 shares were held in physical form.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company is **INE948G01019**.

**(xii) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity**

The Company has no outstanding GDRs / ADRs / Warrants or any Convertible Instruments.

**(xiii) Plant Location of the Company**

Village: Loyan Malakpur, Tehsil Baraut, Dist. Baghpat, Uttar Pradesh-250611

**(xiv) Investor's Correspondence may be addressed to**

All the queries of investors regarding the Company's shares may be sent at the following address:

Mr. Bhawendra Jha, M/s Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3rd Floor, 99, Madangir, Near Dada Harsukhdas Mandir, Behind Local Shopping Complex New Delhi-110062 Ph. No. 011-29961281-83 Fax: 011-29961284 Email: [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com)

**11. Disclosures**

**(i) Related Party Transactions**

The transactions entered with related parties during the year under review were on Arm's Length basis and in the ordinary course of business and complied the provisions of Section 188 of the Companies Act, 2013. All related party transactions were approved by the Audit Committee and the Board. The relevant information regarding related party transactions has been set out in Note No. 30 of the Financial Statements for the financial year ended 31.3.2021.

The Board has framed a Policy on related party transactions and placed the same on the Company's website at [www.sbecsugar.com](http://www.sbecsugar.com) and can be accessed through the following link <http://sbecsugar.com/wp-content/uploads/2011/07/Related-Party-Transacion-Policy.pdf>

**(ii) Subsidiary**

The Company has two material subsidiaries Companies i.e. M/s. SBEC Bioenergy Limited and M/s. SBEC Stockholding and Investment Limited as defined under regulation 24 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Policy for Determining Material Subsidiaries has been formulated and uploaded on the website of the Company i.e. [www.sbecsugar.com](http://www.sbecsugar.com) and can be accessed through the following link <http://sbecsugar.com/wp-content/uploads/2011/07/Material-Subsidiary-Policy.pdf>

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

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



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

Whereas the promoter group namely (Shri Umesh Kumar Modi, Kumkum Modi, Jayesh Modi, Longwell Investments Private Limited, A to Z Holdings Pvt. Ltd., Moderate Leasing and Capital Services Limited) had filed appeal no. 2 (No. 444/2018) before the Securities Appellate Tribunal, Mumbai.

The Hon'ble Securities Appellate Tribunal upon hearing the said Appeal vide its order dated January 29, 2020 has allowed the Appeal No. 1 (Appeal No.443 of 2018) and partly allowed Appeal No. 2 (Appeal No.444 of 2018), whereby, the directions issued by SEBI for open offer vide order dated September 17, 2018 qua promoters namely SBEC System (India) Limited, Shri. Umesh Kumar Modi, Smt. Kumkum Modi, Shri. Jayesh Modi and Longwell Investment Private Limited has been set aside, however, the directions issued by SEBI for Open Offer vide order dated September 17, 2018 issued qua the promoters namely A to Z Holdings Pvt. Ltd. and Moderate Leasing & Capital Services Ltd. (the acquirer of the shares) has been modified in terms of Regulation 32(1)(b) and they had been directed to sell the shares acquired in violation of the SAST Regulation and to transfer the proceeds of the same to the Investor Protection Fund established under the SEBI (Investor Protection and Education Fund), 2009 within a period of 6 (Six) months from the date of the order i.e. from January 29, 2020.

The promoters namely A to Z Holdings Pvt. Ltd. and Moderate Leasing & Capital Services Ltd. (the acquirer of the shares) could not comply with the order dated January 29, 2020, therefore, the said promoters approached the Hon'ble Securities Appellate Tribunal vide Misc. Application no. 209 / 2020 seeking an extension of 6 (six) months for compliance of the order dated January 29, 2020 inter-alia on the grounds of operations of the said promoters being shut due to the pandemic COVID – 19. The said Misc. Application was listed before Hon'ble Securities Appellate Tribunal on July 29, 2020 and dismissed vide order dated July 29, 2020.

In the meantime, the Securities Exchange Board of India filed a Civil Appeal bearing nos. 2995 – 2996 / 2020 before the Hon'ble Supreme Court of India on July 29, 2020 against the order dated January 29, 2020 passed by Hon'ble Securities Appellate Tribunal.

Furthermore, the promoters namely A to Z Holdings Pvt. Ltd. and Moderate Leasing & Capital Services Ltd. have also filed a Civil Appeal bearing no. 3002 / 2020 before the Hon'ble Supreme Court of India on August 11, 2020 against the order dated July 29, 2020 passed by Hon'ble Securities Appellate Tribunal.

It is important to point out that both the Civil Appeals before the Hon'ble Supreme Court of India have been connected and the pleadings therein are complete. The said Civil Appeal are now listed before the Hon'ble Supreme Court of India for further proceedings.

- b) In the FY 2019-20, the BSE Limited (Stock Exchange) vide its letter LIST/COMP/532102/Reg. 33-DEC-1-/323/2019-20 dated 03rd March, 2020 had imposed a penalty of Rs. 5900/- (Rupees Five Thousand Nine Hundred) in respect of delayed submission of financial results of quarter and Nine Months ended on December 31, 2019.

**(v) Disclosure of Accounting Treatment**

The financial statements have been prepared in accordance with applicable Indian Accounting Standards (Ind AS) and relevant presentational requirements of the Companies Act, 2013, as applicable.

**(vi) Insider Trading**

As required under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of practices and procedures for fair disclosures of unpublished price sensitive information, to inter alia, prevent insider trading in the shares of the Company.

**(vii) Code of Conduct**

The Company has adopted the code of conduct for all Board members and Senior Management as required under Regulation 17 of the Listing Regulations. The Code is posted on the Company's website: [www.sbecsugar.com](http://www.sbecsugar.com). All Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis and a declaration to this effect signed by Sh. Abhishek Modi, Whole Time Director forms part of this Report.

**Declaration**

I, Abhishek Modi, Whole Time Director of SBEC Sugar Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 17 of the SEBI (LODR) Regulation, 2015, for the year ended March 31, 2021.

Place: New Delhi  
Date: 20.07.2021

Abhishek Modi  
Whole Time Director

**(viii) CEO/ CFO CERTIFICATION**

Sh. Abhishek Modi, Whole Time Director and Sh. Anil Kumar Goel, Chief Financial Officer of the Company have furnished a certificate relating to financial statement and internal controls systems as per the format prescribed under SEBI (LODR), Regulations, 2015 and the Board took the same on record.

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

During the Financial Year ended 31st March, 2021, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

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

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





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

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

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

Total fees of Rs.4,67,700 for financial year 2020-21, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

**(xiii) Directors with materially pecuniary or business relationship with the Company**

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and/or independent Directors for the period under report.

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

During the year from April 1, 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.

**12. Non-mandatory Clauses**

The Company has not adopted any of the non-mandatory requirements as provided in SEBI (LODR), Regulations, 2015.

**13. Disclosures of compliances with Corporate Governance**

The Company has complied all the applicable compliances specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR), 2015.

**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)**

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## REPORT ON CORPORATE GOVERNANCE

To,

The Members of SBEC Sugar Limited

We have examined the compliance of the conditions of Corporate Governance by SBEC Sugar Limited ("the Company") for the year ended on 31st March 2021, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the documents and records maintained by the Company and the report on Corporate governance as adopted by the Board of Directors.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor expression of an opinion on financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to future viability of the Company nor efficiency and effectiveness with which the management has conducted the affairs of the Company.

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

**Place: New Delhi  
Dated: 23.07.2021**

**Sd/-  
(Rahul Singhal)  
Prop.  
M. No. 29599  
UDIN: A029599C000767336**



## INDEPENDENT AUDITORS' REPORT

### To The Members of SBEC Sugar Limited

#### Qualified Opinion

We have audited the accompanying standalone financial statements of M/s SBEC SUGAR LIMITED ('the Company'), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified Opinion** section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, the loss and total comprehensive income (loss), changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

**1) During the year ended 31st March 2021, the company has not made provision for interest on late payment of cane dues amounting to Rs.618.20 lacs for the sugar season 2020-21 and Rs.3108.53 for sugar season 2019-20, had the company made provisions the loss for the year would have been higher by Rs.3726.73 lacs and its consequential impact on EPS.**

**2) The company has taken the debt of IDBI, PNB & IFCI in Modi Industries Limited. As at 31st March, 2021 the company has net exposure of Rs.14685 lacs. No Interest on the said amount has been provided as there is no reasonable certainty of its collection since the net worth of Modi Industries Limited has been completely eroded. Recoverability of the above balance is also doubtful. However, no provisions for doubtful debts were made in the financial statements of the company and consequently we are unable to opine on the appropriateness of the same and its consequential impact on the financial statements.**

**3) The company has valued the closing stock at NRV instead of "the lower of cost and net realisable value" as required under IND AS-2 "Inventories". Since the NRV is higher than cost this has resultant in overstatement of Inventories (Finished Goods and WIP-Sugar) by Rs. 614 lacs, understatement of losses for the year by Rs. 614 lacs and its consequential impact on EPS.**

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

#### Emphasis of Matters

We draw attention to note no 34 (v) of the standalone audited financial statement regarding interest payment on cane dues where the High Court vide its order dated 9th March, 2017 has set aside the decision of State Government for the waiver of Interest for the year 2012-13, 2013-14 and 2014-15 and asked the Cane Commissioner to take a final call in the matter, pending final order the Company has not made provision for interest, on the late payment of cane dues for years 2012-13, 2013-14 and 2014-15. The Hon'ble Supreme Court vide its order dated 23.04.2018 has upheld the Hon'ble High Court order dated 9th March, 2017. The matter is still sub-judice.

Under the power vested with the Cane Commissioner (U.P.) for waiver of interest under UP Sugar Cane (Regulation of Supply & 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 upon decision in the matter/payment.

Our opinion is not qualified in respect of this matter

#### Key Audit Matters

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

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

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

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

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

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other



accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

1. As required by Section 143(3) of the Act, based on our audit, we report, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the Directors as on 31st March 2021 taken on record by the Board of directors, none of the Directors is disqualified as on 31st March 2021 from being appointed as a Director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



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

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

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

**Place: New Delhi**  
**Date: 13.05.2021**  
**UDIN: 21086496AAAAFR2990**

### **"Annexure A" to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of SBEC Sugar Limited**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting of SBEC Sugar Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Sd/-**  
**(Simmi Jain)**  
**Partner**

**Membership No.086496**

**Place: New Delhi**

**Date: 13.05.2021**

**UDIN: 21086496AAAAFR2990**

**"Annexure B" to the Independent Auditor's Report to the members of SBEC Sugar Limited dated May 13th, 2021.**

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 2 of 'Report on Other Legal and Regulatory Requirements' section**

i.	(a)	The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
	(b)	Though the Company has a programme of physical verification of its fixed assets in phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets, <b>however the Fixed assets have not been physically verified by the management during the year therefore discrepancies, if any, could not be determined.</b>
	(c)	According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the company. Some of these title deeds are given as security for securing various facilities and accordingly these original title deeds are kept as security for the lenders.
ii.		<b>The inventory has not been physically verified by the management during the year.</b>
iii.		According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the company and hence not commented upon.
iv.		In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
v.		The Company has not accepted any fresh deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable.
vi.		We have broadly reviewed the records, including the books of account maintained by the company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of company's products and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
vii.	(a)	According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities.
	(b)	According to the information and explanations given to us and as per the books and records examined by us, the particulars of statutory dues of the specified statute as at the year, which have not been deposited on account of a dispute are referred to in <b>"Annexure C"</b> .
viii.		According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of its dues to Governments, banks and financial institutions. The Company has not taken any loans from debenture holders.
ix.		Based on our audit procedures and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer / further public offer. Further, based on our audit procedures and according to the information and explanations given to us and on an overall examination of the balance sheet, we report that monies raised by way of term loans were applied for the purposes for which those were raised.
x.		During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.



xi.	Based on our audit and according to the information and explanations given to us, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
xii.	In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
xiii.	Based on our audit procedures and according to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
xiv.	According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
xv.	Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
xvi.	According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Sd/-**  
**(Simmi Jain)**  
**Partner**

**Membership No.086496**

**Place: New Delhi**

**Date: 13.05.2021**

**UDIN: 21086496AAAAFR2990**

### "ANNEXURE C" TO AUDITORS' REPORT

Referred in Paragraph VII(B) of Annexure "A" a statement on the matters specified in the Companies (Auditors' Report) Order, 2016 for the year ended 31st March 2021.

Name of The Statute	Name of Dues	Amount (Rs. in Lacs)	Period to which amount relates	Forum where dispute is pending
UP VAT Act, 2008	VAT imposed on Bagasse given to M/s SBEC Bioenergy Ltd	43.47	2008-09	Appeal filed before Honorable High Court by Commercial Tax department against order passed by Member Commercial Tax, Tribunal, Meerut
Finance Act , 1994	Service Tax on Commission	150.88	2003-04	CESTAT has sent back the case to Commissioner Central Excise and Service Tax, Meerut-1 for Remand
Finance Act , 1994	Service tax Credit taken in invoice beyond 6 month	44.90	Dec 2013 – Dec 2014	Application filed before Assistant Commissioner, Central Excise & Service Tax, Division-1 Meerut on 25.02.2016
Finance Act , 1994	Service Tax on Lease Rent	16.83	01.04.2008-01.12.2010	Appeal Allowed by way of Remand by CESTAT, Delhi
Finance Act , 1994	Service Tax on Lease Rent	7.24	2012-13	Appeal Allowed by way of Remand by CESTAT, Delhi
Central Excise ,1944	Excise Duty on removal of Bagasse and Press-mud	42.21	01.12.2016 to 31.01.2017	SCN Reply Submitted on 18.12.18 before Deputy Commissioner, CGST Division Shamli.
Central Excise ,1944	Excise Duty on removal of Bagasse and Press-mud	24.90	01.02.2017 to 28.02.2017	SCN Reply Submitted on 12.02.19 before Deputy Commissioner, CGST Division Shamli.
Central Excise ,1944	Excise Duty on removal of Bagasse and Press-mud	25.34	Mar-17	SCN Reply Submitted on 25.04.2019 before Joint Commissioner, CGST Division Shamli.
Central Excise ,1944	Excise Duty on removal of Bagasse and Press-mud	27.34	Apr-17 to June-17	SCN Reply Submitted on 15.05.2019 before Joint Commissioner, CGST Division Shamli.





# BALANCE SHEET AS AT 31.03.2021

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3	2,075,660,665	2,200,897,071
(b) Other intangible assets	3(a)	85,713	184,808
(c) Capital work - in - progress	3(b)	21,417,168	20,569,523
(d) Financial assets			
- Investments	4	172,582,515	172,582,515
- Others	4A	1,468,597,682	1,468,597,682
(e) Other non - current assets	5	426,660	424,660
		<b>3,738,770,402</b>	<b>3,863,256,258</b>
<b>2 Current assets</b>			
(a) Inventories	6	2,200,848,897	2,340,582,990
(b) Financial assets			
(i) Trade receivables	7	199,474,831	83,988,070
(ii) Cash and cash equivalents	8	24,213,832	60,174,797
(iii) Loans	9	253,941,951	246,066,715
(iv) Other Bank Balances	10	3,406,566	3,227,891
(c) Other current assets	5	123,813,394	102,812,337
		<b>2,805,699,471</b>	<b>2,836,852,801</b>
(d) Non Current assets held for sale		-	-
		<b>2,805,699,471</b>	<b>2,836,852,801</b>
<b>Total assets</b>		<b>6,544,469,873</b>	<b>6,700,109,059</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
(a) Equity share capital	11	476,940,175	476,940,175
(b) Other equity	12	(769,464,579)	(558,326,071)
		<b>(292,524,404)</b>	<b>(81,385,896)</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	1,082,711,320	1,713,240,814
(ii) Trade payables	16	-	-
- Total Outstanding dues of micro enterprises and small enterprises		-	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Provisions	14	41,065,394	38,069,853
(c) Other non-current liabilities	15	1,076,672	1,106,200
		<b>1,124,853,386</b>	<b>1,752,416,867</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	402,280,989	271,715,399
(ii) Trade payables	16	-	-
- Total Outstanding dues of micro enterprises and small enterprises		2,775,794	3,977,059
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		4,458,154,704	3,992,510,355
(iii) Other financial liabilities	17	803,791,061	746,252,682
(b) Other current liabilities	15	42,219,689	11,121,602
(c) Provisions	14	2,918,656	3,500,992
		<b>5,712,140,893</b>	<b>5,029,078,089</b>
<b>Total Equity &amp; Liabilities</b>		<b>6,544,469,873</b>	<b>6,700,109,059</b>

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

Summary of Significant Accounting Policies

As per our report of even date, attached

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

For K.K.JAIN & CO.

Chartered Accountants

Firm Registration No 02465N

Sd/-

(SIMMI JAIN)

Partner

Membership No. 086496

Sd/-

Umesh Kumar Modi

(Chairman & President)

DIN: 00002757

Sd/-

Abhishek Modi

(Whole Time Director)

DIN: 00002798

Sd/-

J.C. Chawla

(Director)

DIN: 05316202

Sd/-

Ankit K. Srivastava

(Company Secretary)

Sd/-

Vijay Kumar Modi

(Director)

DIN: 00004606

Sd/-

N.P. Bansal

(Director)

DIN: 00010587

Place : New Delhi

Date : 13th May, 2021

Sd/-

A.K. Goel

(Chief Financial Officer)



**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31.03.2021****(Amount in Rs.)**

Particulars	Note No.	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
<b>I</b> Revenue from operations	18	<b>5,690,076,633</b>	4,709,365,669
<b>II</b> Other income	19	<b>11,307,320</b>	1,631,228
<b>III</b> <b>Total income (I + II)</b>		<b>5,701,383,952</b>	4,710,996,896
<b>IV</b> <b>Expenses:</b>			
Cost of materials consumed	20	<b>4,766,879,821</b>	4,760,863,729
Changes in inventories of finished goods, stock - in - trade and work - in - progress	21	<b>163,616,270</b>	(1,006,199,194)
Employee benefits expenses	22	<b>153,894,985</b>	151,493,369
Finance costs	23	<b>178,607,280</b>	160,329,337
Depreciation and amortization expenses	24	<b>189,048,020</b>	182,342,651
Other expenses	25	<b>460,561,609</b>	412,511,572
<b>Total expenses</b>		<b>5,912,607,985</b>	4,661,341,464
<b>V</b> <b>Profit / (loss) before exceptional items and tax (I - IV)</b>		<b>(211,224,033)</b>	49,655,432
<b>VI</b> Exceptional items		-	-
<b>VII</b> Profit / (loss) before tax (V - VI)		<b>(211,224,033)</b>	49,655,432
<b>VIII</b> <b>Tax expense</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Adjustment of Tax for Earlier Years		-	-
<b>IX</b> <b>Profit / (loss) from continuing operations (VII - VIII)</b>		<b>(211,224,033)</b>	49,655,432
<b>X</b> Profit / (loss) from discontinued operations (VII - VIII)		-	-
<b>XI</b> Tax expense of discontinued operations		-	-
<b>XII</b> Profit / (loss) from discontinued operations (after tax) (X - XI)		-	-
<b>XIII</b> <b>Profit / (loss) for the period (IX + XII)</b>		<b>(211,224,033)</b>	49,655,432
<b>XIV</b> <b>Other comprehensive income</b>			
<b>A</b> (i) Items that will not be reclassified to profit or loss		<b>85,524</b>	(2,957,108)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>B</b> (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		<b>85,524</b>	(2,957,108)
<b>XV</b> <b>Total comprehensive income for the period (XIII + XIV)</b>		<b>(211,138,509)</b>	46,698,324
<b>XVI</b> <b>Earnings per equity share (for continuing operations)</b>			
(i) Basic	26	<b>(4.43)</b>	1.04
(ii) Diluted	26	<b>(4.43)</b>	1.04

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

**Summary of Significant Accounting Policies**

As per our report of even date, attached

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

**Sd/-**  
**(SIMMI JAIN)**  
Partner  
Membership No. 086496

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

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

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

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

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

Place : New Delhi  
Date : 13th May, 2021

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

**Sd/-**  
**Ankit K. Srivastava**  
(Company Secretary)



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(in Rs.)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>A. Cash flow from operating activities:</b>		
Profit for the year before tax	(211,224,033)	49,655,432
Adjustments for:		
Finance costs	178,607,280	160,329,337
Interest income	(238,113)	(317,512)
Depreciation and amortisation expense	189,048,020	182,342,651
Loss/(Profit) on sale of Fixed Assets	(218,364)	(147,368)
Provision for Bad & doubtful debts/Advances	(4,146,961)	1,742,926
Provision written back	(10,844,243)	(177,218)
Dividend Income	-	(60,000)
<b>Operating profit/(Loss) before working capital changes</b>	<b>140,983,587</b>	<b>393,368,247</b>
<b>Movements in working capital:</b>		
Trade receivables	(115,486,761)	(12,670,837)
Other assets	(21,181,732)	3,373,884
Inventories	139,734,093	(1,012,484,762)
Loans	(7,875,236)	3,222,421
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	464,443,084	988,442,212
Other liabilities	31,068,559	(8,934,970)
Other financial liabilities	57,538,379	13,964,684
Provisions/other items	17,489,933	3,815,747
<b>Cash generated from operations</b>	<b>706,713,905</b>	<b>372,096,627</b>
Income tax paid	-	-
<b>Net cash generated by operating activities (A)</b>	<b>706,713,905</b>	<b>372,096,627</b>
<b>B. Cash flows from investing activities</b>		
Investment	-	-
Purchases of fixed assets( including WIP)	(64,613,990)	(112,318,639)
Interest received	238,113	317,512
Dividend received	-	60,000
Proceeds from Sales of Fixed Assets	272,190	203,474
Non Current assets held for sale	-	-
<b>Net cash generated by/(used in) investing activities (B)</b>	<b>(64,103,687)</b>	<b>(111,737,653)</b>
<b>C. Cash flow from financing activities (refer note 44)</b>		
Proceed /Repayment of term loan	(499,963,904)	(123,849,408)
Interest paid	(178,607,280)	(160,329,337)
<b>Net cash generated by/(used in) financing activities (C)</b>	<b>(678,571,184)</b>	<b>(284,178,745)</b>
<b>Net Increase/decrease in Cash and cash equivalents (A+B+C)</b>	<b>(35,960,966)</b>	<b>(23,819,770)</b>
Cash and cash equivalents at the beginning of the year	8 60,174,797	83,994,568
<b>Cash and cash equivalents at the end of year end</b>	<b>8 24,213,832</b>	<b>60,174,797</b>

In terms of our report of even date, attached

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

Sd/-  
(SIMMI JAIN)  
Partner  
Membership No. 086496

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

Sd/-  
Abhishek Modi  
(Whole Time Director)  
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Sd/-  
N.P. Bansal  
(Director)  
DIN: 00010587

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

Sd/-  
Ankit K. Srivastava  
(Company Secretary)

Place : New Delhi  
Date : 13th May, 2021



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Equity Share Capital	Other Equity					Total Equity
		Reserves & Surplus			Item of Other Comprehensive Income		
		Capital reserve*	Surplus in the Statement of profit and loss	Storage fund for molasses account	Actuarial gain / (loss) on employee benefit plans through OCI	Total Other Equity	
As at April 01, 2019	476,940,175	4,916,625	(609,910,935)	1,855,667	(1,885,752)	(605,024,395)	(128,084,220)
Add: Profit for the year	-	-	49,655,432	-	-	49,655,432	49,655,432
Add: Transfer to/(from) storage fund for molasses	-	-	(1,037,844)	1,037,844	-	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	(2,957,108)	(2,957,108)	(2,957,108)
As at March 31, 2020	476,940,175	4,916,625	(561,293,347)	2,893,511	(4,842,860)	(558,326,071)	(81,385,896)
Add: Profit for the year	-	-	(211,224,033)	-	-	(211,224,033)	(211,224,033)
Add: Transfer to/(from) storage fund for molasses	-	-	774,953	(774,953)	-	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	85,524	85,524	85,524
As at March 31, 2021	476,940,175	4,916,625	(771,742,427)	2,118,558	(4,757,336)	(769,464,580)	(292,524,404)

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

**Sd/-**  
**(SIMMI JAIN)**  
Partner  
**Membership No. 086496**

**Sd/-**  
**Umesh Kumar Modi**  
(Chairman & President)  
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**J.C. Chawla**  
(Director)  
DIN: 05316202

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

Place : New Delhi  
Date : 13th May, 2021

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

**Sd/-**  
**Ankit K. Srivastava**  
(Company Secretary)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2021****Note: 1. Company Overview**

SBEC Sugar Limited ('the Company') is a Public Limited Company incorporated in India under the provisions of the Companies Act and its shares are listed on BSE Ltd (Stock Exchange). The registered office of the Company is situated at Village-Loyan, Malakpur, Baraut, District- Baghpat, 250611 (UP), and its principal place of business is at Malakpur, Baraut District- Baghpat, 250611 (UP), the Company is engaged in production of sugar, incorporated in the year 1991, the Company commenced its operations in 1990-2000 with capacities of 3125 TCD and increase to 8000 TCD.

**Note: 2. Significant Accounting Policy****2.1 Basis of preparation of financial information**

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

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

**2.2 Historical Cost Convention**

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**a. Certain financial assets and liabilities.****2.3 Summary of Significant Accounting Policies****Current and non-current classification:**

**The Group presents assets and liabilities in the balance sheet based on current/non-current classification.**

**An asset is treated as current when it is:**

- i) expected to be realized or intended to be sold or consumed in normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) expected to be realized within twelve months after the reporting period,
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or
- v) Carrying current portion of non-current financial assets. All other assets are classified as non-current.

**A liability is current when:**

- i) It is expected to be settled in normal operating cycle,
- ii) It is held primarily for the purpose of trading,
- iii) It is due to be settled within twelve months after the reporting period,
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, or
- v) It includes current portion of non-current financial liabilities.

**All other liabilities are classified as non-current.****a) Inventory Valuation**

- (i) Finished Goods (Sugar): Sugar – at Net Realisable Value
- (ii) Goods in Process - at cost
- (iii) Raw material - at cost
- (iv) Stores and spares - at cost (computed on FIFO basis)
- (v) Molasses (By-product) is valued at net realizable value.
- (vi) Provision for obsolescence and other anticipated losses are made on the stocks, whenever identified / considered necessary.

**b) Property, Plant and Equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

**c) Intangible assets**

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.



**d) Depreciation**

Depreciation on Tangible fixed assets other than Land and Building, Plant & Machinery is charged on straight line method so as to write off the cost/carrying amount of assets. The useful life of assets as prescribed under Part C of Schedule II of the Companies Act 2013 and depreciation is charged on that are on the following basis:-

- (i) Depreciation on All Assets is charged at Straight Line Method basis in the manner as prescribed in Companies Act 2013 and rate as per prescribed useful life.
- (ii) Intangible assets are amortized over a period of 5 year on a straight line basis.

The management has estimated the useful life is different as below:

Assets	Useful Life (Years)
Plant & Machinery	25-32
Building	30-60

**e) Expenditure during Construction**

In respect of new projects, all expenses including interest incurred up to the date of commencement of commercial production are capitalized.

In respect of substantial expansion of business, at existing locations, only direct costs are capitalized together with interest on the funds relatable to them up to the date of commercial production.

**f) Impairment of Non- Financial Assets**

The carrying amount of any property, plant and equipment and intangible assets with infinite lives are reviewed at each balance sheet date, if there is any indication of impairment based on internal / external factor. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount. At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**g) Recognition of Revenues & Expenses**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, including excise duty and excluding taxes or duties collected on behalf of the government (other than excise duty).

Revenue is recognized only if the following conditions are satisfied:-

The Company has transferred risks and rewards incidental to ownership to the customer; -

The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; -

It is probable that the economic benefit associated with the transaction will flow to the Company; and -

It can be reliably measured and it is reasonable to expect ultimate collection

- (i) Dividends income is recognized when the shareholders right to receive payment was established by the balance sheet date.

**h) Foreign Currency Transactions**

- (i) Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of the financial year are revalued at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the statement of profit and loss.
- (ii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

**i) Investments**

- (i) Long term Investments are stated at cost of acquisition. Provision for diminution in the value is made only if the decline is other than temporary.
- (ii) Unquoted investments are stated at cost.
- (iii) Current investments are valued at carrying value without any adjustment for increase/diminution, if any is accounted at the time of sale of such investments.

**j) Borrowing Cost**

Borrowing Cost attributable to the acquisition or construction of qualifying assets is capitalized as part of cost of that asset. Other borrowing costs are recognized as expense in the period in which they relate.

**k) Employee Benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS) -19 – 'Employee Benefits'.

**(i) Provident Fund and ESI**

The Company makes contribution to statutory Provident Fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

**(ii) Gratuity**

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in Other Comprehensive Income. The effect of any plan amendments is recognized in net profits in the Statement of Profit and Loss.

**(iii) Compensated Absence**

Liability in respect of compensated absence becoming due or expected after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

**(iv) Leave Encashment**

The Liability on account of un-availed earned leave at the yearend is fully provided for on actuarial valuation basis.

**(v) Other Short Term Benefits**

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**l) Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of



domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **The Company as a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### **m) Financial instruments:**

##### **i) Financial assets**

##### **A) Initial recognition**

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognized when the group becomes a party to the contractual provisions of the instrument. Financial instruments are recognized initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through statement of profit and loss, which are initially measured at fair value, excluding transaction costs (which is recognized in statement of profit and loss).

##### **B) Subsequent measurement**

##### **a) Financial assets carried at amortized cost (AC)**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **b) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **c) Financial assets at fair value through statement of profit and loss (FVTPL)**

##### **Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value either as at FVTOCI or FVTPL. The Company makes such election on instrument-by-instrument basis. For equity instruments measured as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Investment in subsidiaries and associates

Investment in subsidiaries and associates are carried at cost.

##### **d) Impairment of financial assets**

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

1. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
2. Financial assets that are debt instruments and are measured as at FVTOCI
3. Lease receivables
4. Trade receivables or any contractual right to receive cash or another financial asset
5. Loan commitments which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on: Trade receivables or contract revenue receivables; and all lease receivables. The application of simplified approach does not require the Company to track changes in credit risk rather; it recognizes impairment loss allowance based on 12 months ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

##### **ii) Financial liabilities**

##### **A. Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognized in statement of profit and loss as finance cost.



**B. Subsequent measurement:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- a) Loans and borrowings after initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when liabilities are derecognized. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance cost in the statement of profit and loss.
- b) Compound financial instruments at the issue date the fair value of the liability component of a compound instrument is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortized cost using the effective interest method until extinguished upon conversion or at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument. This is recognized in equity, net of income tax effects, and is not subsequently re-measured.

**iii) De-recognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**iv) Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

**v) Derivative financial instruments**

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges which is recognized in Other Comprehensive Income and later to statement of profit or loss when the hedge item effects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

**n) Accounting for Taxation**

- (i) Provision for Current Tax is made on the basis of applicable Income Tax Act, 1961.
- (ii) Deferred Tax assets and liabilities are accounted for in accordance with IND AS-12.

**o) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**q) Cash and Cash Equivalent**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at Bank, cash in hand and demand deposits with bank with an original maturity of three months or less than the date of acquisition.

**r) Cash Flow Statement**

Cash flow are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

**s) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**i) Depreciation and useful lives of property, plant and equipment:**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's



historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

**ii) Recoverability of trade receivable:**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**iii) Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**iv) Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**v) Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**vi) Fair value measurement of financial instruments:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**vii) Estimation uncertainty relating to COVID-19 outbreak**

The company has taken into account the possible impact of COVID-19 in preparation of financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non financial assets, impact on revenues etc. The company has considered internal and certain external sources of information including reliable credit reports, economic forecast upto the date of approval of the financial results.


**NOTE:3 PROPERTY, PLANT AND EQUIPMENT**
**(Amount in Rs.)**

Gross Block										
	Land		Buildings	Lease Hold	Plant &	Office	Computer	Factory	Furniture	Vehicles
	Freehold	Leasehold		Improvements	Machinery	Equipment	Equipment	Approach Road	& Fixtures	
As at 31st March 2019	167,198,000	432,274,674	313,861,280	84,740	2,615,746,538	4,385,064	11,250,898	24,432,136	7,097,427	5,179,274
As at 31st March 2020	167,198,000	432,274,674	313,861,280	84,740	2,735,018,267	4,901,865	11,813,272	24,432,136	7,097,427	5,379,592
As at 31st March 2021	167,198,000	432,274,674	313,861,280	84,740	2,795,188,473	6,075,132	12,998,242	24,432,136	7,097,427	3,354,028

Depreciation										
	Land		Buildings	Lease Hold	Plant &	Office	Computer	Factory	Furniture	Vehicles
	Freehold	Leasehold		Improvements	Machinery	Equipment	Equipment	Approach Road	& Fixtures	
As at 31st March 2019	-	83,020,144	91,610,882	84,740	1,095,303,513	3,674,810	10,065,859	24,432,136	6,635,299	4,881,167
As at 31st March 2020	-	110,292,740	105,028,257	84,740	1,235,135,860	4,170,878	10,902,288	24,432,136	6,842,959	4,274,323
As at 31st March 2021	-	137,565,336	118,445,631	84,740	1,381,053,710	4,892,488	12,047,444	24,432,136	7,026,294	1,355,686

Net Block										
As at 31st, March 2019	167,198,000	349,254,530	222,250,398	-	1,520,443,026	710,254	1,185,039	-	462,128	298,107
As at 31st March 2020	167,198,000	321,981,934	208,833,023	-	1,499,882,407	730,988	910,984	-	254,468	1,105,269
As at 31st March 2021	167,198,000	294,709,338	195,415,649	-	1,414,134,763	1,182,644	950,798	-	71,133	1,998,342

**NOTE:3(a) INTANGIBLE ASSETS**
**(Amount in Rs.)**

Particulars	As At 31.03.2021	As At 31.03.2020
<b>Gross Block</b>		
Opening	2,037,346	1,991,583
Additions	-	45,763
Disposals	-	-
<b>Closing</b>	<b>2,037,346</b>	<b>2,037,346</b>
<b>Depreciation</b>		
Opening	1,852,538	1,760,689
Charge for the year	99,095	91,849
Disposals	-	-
<b>Closing</b>	<b>1,951,633</b>	<b>1,852,538</b>
<b>Net Block</b>	<b>85,713</b>	<b>184,808</b>

**NOTE:3(b) CAPITAL WORK -IN-PROGRESS**
**(Amount in Rs.)**

Particulars	As At 31.03.2021	As At 31.03.2020
Plant and machinery under erection	20,569,523	29,699,146
Additions	53,124,523	86,164,599
Disposals	52,276,878	95,294,222
<b>Total</b>	<b>21,417,168</b>	<b>20,569,523</b>

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

Particulars	Non - current As at 31.03.2021	Current As at 31.03.2021	Non - current As at 31.03.2020	Current As at 31.03.2020
<b>Investment in Susidiary Companies</b>				
1,26,50,000 Equity Shares of Rs.10/-each in SBEC Bioenergy Ltd. (P.Y. 1,26,50,000 Equity Shares of Rs.10/-each )*	<b>126,582,500</b>		126,582,500	
45,50,,000 Equity Shares of Rs.10/-each in SBEC Stockholding & Investment Ltd.(P.Y. 45,50,000 Equity Shares of Rs.10/ each)	<b>45,500,000</b>		45,500,000	
<b>Other Investments:</b>				
20,000 Equity Shares of Rs.25/-each in The SVC Bank Ltd (P.Y. 20,000 Equity Shares of Rs.25/each)	<b>500,000</b>		500,000	
30 Equity Shares of Rs.10/-each in Modi Casing and Packaging Pvt Ltd.(P.Y.30 Equity Shares of Rs.10/each)	<b>300</b>		300	
Less: Provision made for diminution in value of investment**	<b>285</b>		285	
<b>Sub Total</b>	<b>15</b>		15	
<b>Total</b>	<b>172,582,515</b>	-	172,582,515	-

\*Including Rs.82500/-Share Transfer Fee

\*\*Provision for diminution in value of investments ,

Aggregate amount of unquoted investments

172,582,515

172,582,515

Aggregate provision for diminution in value of investments

285

285

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

**NOTE 4A: FINANCIAL ASSETS-OTHER****(Amount in Rs.)**

Particulars	Non - current As at 31.03.2021	Current As at 31.03.2021	Non - current As at 31.03.2020	Current As at 31.03.2020
Debt Assignment Recoverable	1,468,597,682	-	1,468,597,682	-
<b>Total Financial Assets-Other</b>	<b>1,468,597,682</b>		1,468,597,682	

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

Particulars	Non - current As at 31.03.2021	Current As at 31.03.2021	Non - current As at 31.03.2020	Current As at 31.03.2020
- Unsecured, considered good				
Advances recoverable in cash or kind or for value to be received	-	<b>103,183,199</b>	-	93,486,440
<b>Advances other than Capital Advances -</b>				
Security deposits	<b>220,782</b>	-	220,782	-
-Prepaid Expenses	-	<b>5,859,175</b>	-	2,154,750
<b>Balances with statutory authorities</b>	-	<b>14,771,021</b>	-	7,171,148
-Direct tax Recoverable	<b>205,878</b>	-	203,878	-
<b>Total other assets</b>	<b>426,660</b>	<b>123,813,394</b>	424,660	102,812,337

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

Particulars	As At 31.03.2021	As At 31.03.2020
<b>Raw Materials</b>	<b>2,420,658</b>	31,222
Stores & Spares	100,338,757	77,816,081
Work - in - progress	67,888,259	50,499,956
Finished goods	1,825,544,754	1,986,388,549
Others	204,656,468	225,847,182
<b>Total</b>	<b>2,200,848,897</b>	2,340,582,990


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

Particulars	As At 31.03.2021	As At 31.03.2020
<b>Exceeding 6 months from payment due date</b>		
- Unsecured, considered good	29,736	17,607,234
- Unsecured, considered Doubtful	5,795,860	10,183,898
- Allowance for bad & doubtful debts	(5,795,860)	(10,183,898)
	<b>29,736</b>	<b>17,607,234</b>
<b>Less than 6 months</b>		
- Unsecured, considered good from related party	-	-
- Unsecured, considered good	199,445,096	66,380,837
<b>Total</b>	<b>199,474,831</b>	<b>83,988,070</b>

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

Particulars	As At 31.03.2021	As At 31.03.2020
Balances with banks		
- in Current Accounts	23,567,677	59,957,218
Cheques, drafts in hand	-	-
Cash in hand	646,155	217,579
<b>Total</b>	<b>24,213,832</b>	<b>60,174,797</b>

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

Particulars	Current	
	As At 31.03.2021	As At 31.03.2020
<b>Security Deposits</b>		
- Unsecured, considered good		
Loans to related parties	242,887,523	242,887,523
Less : Expected Credit loss	(9,628,142)	(12,837,523)
Advance to vendors	22,544,858	17,925,502
Less : Provision for Doubtful Advance	(1,862,288)	(1,908,787)
<b>Total</b>	<b>253,941,951</b>	<b>246,066,715</b>

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

Particulars	As At 31.03.2021	As At 31.03.2020
Margin Money	209,379	197,438
Balance with Govt dept.	-	-
Fixed Deposit	3,197,187	3,030,453
<b>Total</b>	<b>3,406,566</b>	<b>3,227,891</b>

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

Particulars	As At 31.03.2021	As At 31.03.2020
<b>Authorised Share Capital:</b>		
100,000,000 (Previous Year 100,000,000) Equity Shares of Rs.10/- each.	1,000,000,000	1,000,000,000
<b>Issued, Subscribed Capital :</b>		
47,814,430 (Previous Year 47,814,430) Equity Shares of Rs.10/- each.	478,144,300	478,144,300
<b>Paid Up Capital :</b>		
47,653,880 (Previous Year 47,653,880) Equity Shares of Rs.10/- each.	476,538,800	476,538,800
Share Forfeiture Account	401,375	401,375
<b>TOTAL</b>	<b>476,940,175</b>	<b>476,940,175</b>

**a) Terms/rights attached to Equity Shares**

Company has only one class of equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**b) Detail of Shareholders holding more than 5% Equity Shares in the company****(Amount in Rs.)**

Name of Shareholder	As at 31.03.2021		As At 31.03.2020	
	No. of shares Held	% age of Holding	No. of shares Held	%age of Holding
<b>Equity Shares</b>				
1. M/s SBEC Systems (India) Ltd.	14,230,884	29.86%	14,230,884	29.86%
2. M/s Moderate Leasing & Capital Services Ltd	9,065,568	19.02%	9,065,568	19.02%
3. Abhikum Leasing and Investment Pvt. Ltd.	5,531,994	11.80%	5,531,994	11.80%
4. M/s A to Z Holding Pvt. Ltd.	3,382,500	7.10%	3,382,500	7.10%
5. M/s Longwell Investments Pvt. Ltd.	2,721,500	5.71%	2,721,500	5.71%

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

Equity Shares	As at 31.03.2021		As At 31.03.2020	
	No. of shares	(Rs.)	No. of shares	(Rs.)
At the beginning of the year	47,653,880	476,538,800	47,653,880	476,538,800
Add: Shares Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>47,653,880</b>	<b>476,538,800</b>	<b>47,653,880</b>	<b>476,538,800</b>

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

**NOTE 12 : OTHER EQUITY****(Amount in Rs.)**

Particulars	As At 31.03.2021	As At 31.03.2020
Surplus / (Deficit)		
Balance as per last financial statement	(566,136,207)	(611,796,687)
Balance in Statement of Profit & Loss	(211,224,033)	49,655,432
Less: Transfer to Reserves	774,953	(1,037,844)
Add: Remeasurment of defined benefit obligation (net of tax)	85,524	(2,957,108)
<b>Closing Balance</b>	<b>(776,499,763)</b>	<b>(566,136,207)</b>
<b>Particulars</b>	<b>As At 31.03.2021</b>	<b>As At 31.03.2020</b>
Capital Reserve		
Balance as per last financial statement	4,916,625	4,916,625
<b>Closing Balance</b>	<b>4,916,625</b>	<b>4,916,625</b>
<b>Other Reserve</b>		
<b>Molasses Storage Fund</b>		
Balance as per last financial statement	2,893,511	1,855,667
Add: Additions during the year	(774,953)	1,037,844
<b>Closing Balance</b>	<b>2,118,558</b>	<b>2,893,511</b>
<b>TOTAL</b>	<b>(769,464,579)</b>	<b>(558,326,071)</b>


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

Particulars	Non - Current	Current	Non - Current	Current
	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
<b>Term Loan /Unsecured Loans</b>				
- Secured				
From Banks	1,634,698,139	-	2,185,494,452	-
Less : Current maturities of long term debt	557,004,000	-	479,500,002	-
<b>Net Balance</b>	<b>1,077,694,139</b>		<b>1,705,994,450</b>	
- Unsecured				
Deposits From Selling Agents	3,610,945	-	5,459,032	-
Vehicle Loans	1,406,236	-	1,787,332	-
Inter Corporate Deposit	-	402,280,989	-	271,715,399
<b>Total</b>	<b>1,082,711,320</b>	<b>402,280,989</b>	<b>1,713,240,814</b>	<b>271,715,399</b>

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

Particulars	Non - Current	Current	Non - Current	Current
	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
<b>Provision for employee benefits</b>				
- Gratuity	36,905,641	1,829,597	33,263,816	3,306,553
- Leave Encashment	4,159,753	1,089,059	4,806,037	194,439
<b>Total</b>	<b>41,065,394</b>	<b>2,918,656</b>	<b>38,069,853</b>	<b>3,500,992</b>

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

Particulars	Non - Current	Current	Non - Current	Current
	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
Security Deposits	1,076,672	-	1,106,200	-
Statutory Payables	-	38,663,893	-	5,247,071
Retention money	-	3,555,796	-	5,874,531
<b>Total</b>	<b>1,076,672</b>	<b>42,219,689</b>	<b>1,106,200</b>	<b>11,121,602</b>

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

Particulars	Non - Current	Current	Non - Current	Current
	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
Due to parties registered under MSMED Act	-	2,775,794	-	3,977,059
Due to other parties	-	4,458,154,704	-	3,992,510,355
Due to related parties	-	-	-	-
<b>Total</b>	<b>-</b>	<b>4,460,930,498</b>	<b>-</b>	<b>3,996,487,414</b>

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

Particulars	Non - Current	Current	Non - Current	Current
	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
Current maturities of long term debt	-	557,004,000	-	479,500,002
Employees related dues	-	20,771,026	-	19,798,421
Advance from Customer	-	11,293,944	-	8,116,306
Other Liabilities for Expenses	-	2,612,701	-	4,180,922
Other Payables	-	212,109,391	-	234,657,032
<b>Total</b>	<b>-</b>	<b>803,791,061</b>	<b>-</b>	<b>746,252,682</b>



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

<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
A. Sale of Goods	5,647,768,355	4,702,230,649
Gross Sales		
Less: Excise Duty	-	-
Net Sales	5,647,768,355	4,702,230,649
B. Other Operating Revenue	42,308,278	7,135,020
<b>Total</b>	<b>5,690,076,633</b>	<b>4,709,365,669</b>

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

<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
Interest income	238,113	317,512
Provision written back	10,844,243	177,218
Dividend	-	60,000
Net Gain on sale of fixed assets	218,364	147,368
Subsidy from State Govt.	-	-
Misc. Income	6,600	929,129
Foreign Exchange Fluctuation	-	-
<b>Total</b>	<b>11,307,320</b>	<b>1,631,228</b>

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

<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
Raw materials consumed	4,766,879,821	4,760,863,729
<b>Total</b>	<b>4,766,879,821</b>	<b>4,760,863,729</b>

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

<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
Inventories at the end of the year		
Finished Goods	2,030,199,223	2,211,203,796
Work-in-progress	67,888,259	50,499,956
Stock in trade	-	-
Sub Total	2,098,087,481	2,261,703,751
Inventory at the beginning of the year		
Finished Goods	2,211,203,796	1,246,040,316
Work-in-progress	50,499,956	9,464,242
Sub Total	2,261,703,751	741,667,597
<b>Total</b>	<b>163,616,270</b>	<b>(1,006,199,194)</b>

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

<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
Salary & Wages & Bonus	138,339,426	137,584,622
Contribution to provident & other funds	9,217,435	8,378,915
Workman and staff welfare	6,338,124	5,529,832
<b>Total</b>	<b>153,894,985</b>	<b>151,493,369</b>


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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest Expense	176,120,495	158,111,220
Interest Impact on Gratuity	2,486,785	2,218,117
Interest on amortisation of Loans	-	-
<b>Total</b>	<b>178,607,280</b>	<b>160,329,337</b>

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation of tangible assets	188,948,925	182,250,802
Amortization of intangible assets	99,095	91,849
<b>Total</b>	<b>189,048,020</b>	<b>182,342,651</b>

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Consumption of stores & spare parts	175,994,921	152,561,900
Power & fuel	56,694	-
Material Handling Expenses	23,103,508	21,419,803
Repairs & maintenance		
-Plant & Machinery	143,004,121	111,501,107
-Building	9,685,412	8,866,513
-Others	23,774,943	19,318,594
Insurance (Net)	529,002	(1,698,223)
Rent	3,493,733	1,387,824
Rates & Taxes	3,720,711	1,774,455
Legal & Professional Charges	7,233,038	12,051,882
Telephone, Postage & Telegram	739,109	812,464
Travelling & Conveyance	6,606,143	7,942,692
Director's Sitting Fee	44,000	48,000
Auditor's Remuneration :		
-As Audit Fee	225,000	225,000
-Certification & Company Law	100,000	100,000
-Expenses Reimbursement	-	-
Prior Period Adjustments	-	-
Freight & Forwarding	3,558,646	3,299,399
Commission to selling agents	17,224,340	12,338,565
Other selling expenses	28,708,914	39,713,750
Other expenses	9,351,008	11,389,102
Provision for Bad & doubtful debts/Advances	-4,146,961	1,742,926
Security Guard Expenses	5,886,806	5,435,426
Job Work Expenses	-	-
Vehicle Expenses	1,668,522	2,280,393
<b>Total</b>	<b>460,561,609</b>	<b>412,511,572</b>

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Net profit/ (loss) as per Statement of Profit & Loss (for calculation of basic EPS)	(211,224,033)	49,655,432
Weighted average number of equity shares in calculating basic EPS	47,653,880	47,653,880
Basic earning per share	(4.43)	1.04
Diluted earning per share	(4.43)	1.04

**NOTE 27: Contingent Liabilities**

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

(Amount in Rs.)

S.No.	Particulars	As at 31.03.2021	As at 31.03.2020
i)	Outstanding against Guarantee given to SVC Co-operative Bank Limited on behalf of SBEC Bio-energy Ltd.	1148.46	1,582.65
ii)	Duties and Tax liabilities disputed by the Company	383.10	398.65

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

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the company's favor in respect of all the items listed at (i) to (ii) above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

**Note 28: Commitment****28.1 Capital Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances): **Rs.162.24 lakhs (P.Y. 194.63 Lakhs).**

**28.2 Other Commitments: Rs. Nil (P.Y. Nil).****Note 29: Employee Benefits**

The disclosure of 'Employee Benefits' as defined in IND AS-19 is as under:

**Expenses recognized in the statement of Profit & Loss****(i) Defined Contribution Plan**

(Amount in Rs.)

Particulars	Current Year	Previous Year
Employer's Contribution to Provident Fund	80,87,794/-	8,040,184/-

**(ii) Defined Benefits Plan**

(Amount in Rs.)

Particulars	Gratuity Unfunded		Leave Encashment Unfunded	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Current service cost	3,059,096	3,139,577	291,646	280,465
Interest cost	2,486,785	2,218,117	266,278	243,767
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain)/loss	-	-	(15954)	245,739
Past service cost	-	-	-	-
Re-measurements recognized in OCI (Gain)/Loss	-	-	-	-
Comprehensive Income on Gratuity	85,524	(2,957,108)	-	-
Expenses recognized in the statement of Profit & Loss	3,059,096	3,139,577	541,970	769,971
Interest Impact on Gratuity	2,486,785	2,218,117	-	-

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

(Amount in Rs.)

Particulars	Gratuity		Leave Encashment	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Discount Rate	6.70%	6.80%	6.70%	6.80%
Expected Rate of increase in Compensation Levels	5.50%	5.50%	5.50%	5.50%
Expected Rate of Return on Plan Assets	NA	NA	NA	NA
Expected Average remaining working lives of employees (years)	15.15 Years	15.83 years	11.71Years	12.47 years


**(b) Reconciliation of Opening and Closing balances of benefit obligations:**
**(Amount in Rs.)**

Particulars	Gratuity Unfunded		Leave Encashment Unfunded	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Benefit obligation at beginning of the year	36,570,369	28,957,140	3,915,858	3,182,336
Current service cost	3,059,096	3,139,577	291,646	280,465
Interest Cost	2,486,785	2,218,117	266,278	243,767
Benefits paid	(3,295,488)	(701,573)	(30,708)	(36,449)
Past service cost Curtailment Gains/Losses		-		-
Contribution by plan participants		-		-
Re-measurements Recognized in OCI (gain)/ loss		-		-
Actuarial (gain)/ loss	(85,524)	2,957,108	(15,954)	245,739
Projected benefit obligation at end of the year	-	-		-
Net amount recognized in the balance sheet as at the end of the year	38,735,238	36,570,369	44,27,120	3,915,858

**(c) There is no plan asset at the beginning and at the closing of the year.**
**Note 30: RELATED PARTY DISCLOSURE**
**(A) Name of Related Parties where control exists and with whom transactions have taken place during the year:**

S.No.	Name of Related Party	Nature of Relationship
<b>A</b>	<b>(i) A person or a close member of that person's family of a reporting entity has control or joint control over the reporting entity</b>	
1	Umesh Kumar Modi	Promoters having voting control
2	Kumkum Modi	Promoters having voting control
3	Jayesh Modi	Promoters having voting control
4	Abhishek Modi	
	<b>(ii) A person or a close member of that person's family of a reporting entity is a member of the Key Management Personnel of the reporting entity or of a parent of the reporting entity.</b>	
1	Abhishek Modi	Whole Time Director
2	Anil Kumar Goel	Chief Financial Officer
<b>B</b>	<b>(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)</b>	
1	SBEC Stockholding & Investment Limited	Wholly Owned Subsidiary
2	SBEC Bioenergy Limited	Subsidiary
	<b>(ii) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity</b>	
	SBEC Sugar EPF Trust	Trust
	<b>(iii) (a) The entity is controlled or jointly controlled by a person identified in (a).</b>	
	<b>(iii) (b) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</b>	



1	A to Z holdings Pvt. Limited	<b>Directorship and Shareholding along with relatives in the Company.</b>
2	Bihar Sponge Iron Limited	
3	Jai Abhishek Investments Pvt. Ltd.	
4	Longwell Investment Pvt. Ltd.	
5	Modi Goods and Retail Services Pvt. Ltd.	
6	Modi Hitech India Limited	
7	Modi Illva India Pvt. Ltd.	
8	Modi Industries Limited	
9	Modi – Mundipharma Healthcare Pvt. Ltd.	
10	Modi-Mundipharma Beauty Products Private Limited	
11	Modi-Mundipharma Pvt. Ltd.	
12	SBEC Bioenergy Ltd	
13	SBEC Stockholding & Investment Limited	
14	SBEC Systems (India) Ltd.	
15	Umesh Modi Corp Pvt. Ltd	
16	Win-Medicare Private Limited	
17	Modi-Senator (India) Pvt. Ltd.	
18	Abhikum Leasing & Investments Pvt. Ltd.	
19	ABC Holding Pvt. Ltd	
20	Kumabhi Investments Pvt. Ltd	
21	Meghkum Leasing & Investment Pvt. Ltd.	
22	Trimium Advisors LLP (Formerly Known as Trimium Advisors Private Limited)	
23	Jayesh Tradex Pvt. Ltd.	
24	M First Trading Pvt. Ltd.	
25	Meghna Autoworks Pvt. Ltd	
26	MG Mobiles India Pvt. Ltd	
27	Modi Arts Pvt. Ltd	
28	Modi Diagnostics Pvt. Ltd	
29	Modi Motors Pvt. Ltd.	
30	PHD Chamber of Commerce and Industry	
31	MG Mobiles India Trading Pvt. Ltd	
32	H.M. Tubes & Containers Pvt. Ltd	
33	Swasth Investment Private Limited	
34	Modiline Travel Services Pvt. Ltd.	
35	G S Pharmabutor Pvt. Ltd.	
36	Arvind Continental Pvt. Ltd.	
37	Mahabir Export & Import Co. Ltd.	
(iv)	<b>Reporting entity being an associate of the other entity</b>	
1	SBEC SYSTEMS (India) Limited	


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

Transactions		Other Related parties	Key managerial personnel	Total
<b>i. Sitting Fees paid to :</b>				
Umesh Kumar Modi	31-Mar-21	4,000	-	<b>4,000</b>
	31-Mar-20	5,000	-	<b>5,000</b>
Kumkum Modi	31-Mar-21	1,000	-	<b>1,000</b>
	31-Mar-20	1,000	-	<b>1,000</b>
Jayesh Modi	31-Mar-21	1,000	-	<b>1,000</b>
	31-Mar-20	1,000	-	<b>1,000</b>
<b>Total F.Y. 2020-21</b>		<b>6,000</b>	-	<b>6,000</b>
<b>Total F.Y. 2019-20</b>		<b>7,000</b>	-	<b>7,000</b>
<b>ii. Remuneration paid to :</b>				
<b>Company Secretary</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-21	-	382,879	<b>382,879</b>
	31-Mar-20	-	642,264	<b>642,264</b>
-Contribution to PF and superannuation	31-Mar-21	-	20,005	<b>20,005</b>
	31-Mar-20	-	32,454	<b>32,454</b>
<b>Chief Financial Officer</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-21	-	3,054,734	<b>3,054,734</b>
	31-Mar-20	-	3,046,887	<b>3,046,887</b>
-Contribution to PF and superannuation	31-Mar-21	-	237,024	<b>237,024</b>
	31-Mar-20	-	237,024	<b>237,024</b>
<b>Manager</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-21	-	-	-
	31-Mar-20	-	608,017	<b>608,017</b>
-Contribution to PF and superannuation	31-Mar-21	-	-	-
	31-Mar-20	-	29,473	<b>29,473</b>
<b>Total F.Y. 2020-21</b>		-	<b>3,694,642</b>	<b>3,694,642</b>
<b>Total F.Y. 2019-20</b>		-	<b>4,596,119</b>	<b>4,596,119</b>
<b>iii Reimbursement of expenses paid to :</b>				
Win Medicare Pvt. Ltd.	31-Mar-21	13,140	-	<b>13,140</b>
	31-Mar-20	20,036	-	<b>20,036</b>
<b>Total F.Y. 2020-21</b>		<b>13,140</b>	-	<b>13,140</b>
<b>Total F.Y. 2019-20</b>		<b>20,036</b>	-	<b>20,036</b>
<b>iv Purchase of materials/Paid for Exp.</b>				
Modiline Travels Service Pvt. Ltd.	31-Mar-21	58,166	-	<b>58,166</b>
	31-Mar-20	717,988	-	<b>717,988</b>
Modihitech India Ltd.	31-Mar-21	1,575,229	-	<b>1,575,229</b>
	31-Mar-20	1,080,850	-	<b>1,080,850</b>
Modi Industries Ltd (Modi Sugar Mills)	31-Mar-21	346,396	-	<b>346,396</b>
	31-Mar-20	470,337	-	<b>470,337</b>
Jayesh Tradex Pvt. Ltd.	31-Mar-21	3,574,986	-	<b>3,574,986</b>
	31-Mar-20	2,118,557	-	<b>2,118,557</b>
MM Printers Devision of Modi Motors	31-Mar-21	48,330	-	<b>48,330</b>
	31-Mar-20	67,894	-	<b>67,894</b>
SBEC Bioenergy Ltd	31-Mar-21	37,144,676	-	<b>37,144,676</b>
	31-Mar-20	36,106,714	-	<b>36,106,714</b>
Umesh Modi Corp. P Ltd	31-Mar-21	295,000	-	<b>295,000</b>
	31-Mar-20	295,000	-	<b>295,000</b>
MG Mobiles( I) P Ltd	31-Mar-21	0.00	-	-
	31-Mar-20	58,900	-	<b>58,900.00</b>
Modi Mundi Pharma Beauty Products Pvt. Ltd.	31-Mar-21	16,992	-	<b>16,992.00</b>
	31-Mar-20	0.00	-	<b>0.00</b>
<b>Total F.Y. 2020-21</b>		<b>43,059,775</b>	-	<b>43,059,775</b>
<b>Total F.Y. 2019-20</b>		<b>40,916,240</b>	-	<b>40,916,240</b>



Transactions		Other Related parties	Key managerial personnel	Total
<b>V Sales of Materials</b>				
GS Pharmbutor Pvt. Ltd.	31-Mar-21	648,461,903		<b>648,461,903</b>
	31-Mar-20	133,416,966		<b>133,416,966</b>
Modi Industries Ltd (Modi Sugar Mills)	31-Mar-21	1,620,143		<b>1,620,143</b>
	31-Mar-20	3,823,663		<b>3,823,663</b>
SBEC Bioenergy Ltd	31-Mar-21	15,949,796		<b>15,949,796</b>
	31-Mar-20	13,292,091		<b>13,292,091</b>
<b>Total F.Y. 2020-21</b>		<b>666,031,842</b>	-	<b>666,031,842</b>
<b>Total F.Y. 2019-20</b>		<b>150,532,720</b>	-	<b>150,532,720</b>
<b>Vi Commission paid to</b>				
GS Pharmbutor Pvt. Ltd.	31-Mar-21	0.00		<b>0.00</b>
	31-Mar-20	856,651		<b>856,651</b>
<b>Total F.Y. 2020-21</b>		-	-	-
<b>Total F.Y. 2019-20</b>		<b>856,651</b>	-	<b>856,651</b>
<b>Vii Interest paid</b>				
Arvind Contenental Pvt. Ltd.	31-Mar-21	0.00		<b>0.00</b>
	31-Mar-20	212,933		<b>212,933</b>
Longwell Investment Pvt. Ltd.	31-Mar-21	9,769,804		<b>9,769,804</b>
	31-Mar-20	8,542,966		<b>8,542,966</b>
GS Pharmbutor Pvt. Ltd.	31-Mar-21	3,276,793		<b>3,276,793</b>
	31-Mar-20	8,704,604		<b>8,704,604</b>
<b>Total F.Y. 2020-21</b>		<b>13,046,597</b>	-	<b>13,046,597</b>
<b>Total F.Y. 2019-20</b>		<b>17,460,503</b>	-	<b>17,460,503</b>
<b>Viii Amount Paid against Loan</b>				
GS Pharmbutor Pvt. Ltd.	31-Mar-21	21,000,000	-	<b>21,000,000</b>
	31-Mar-20	34,200,000	-	<b>34,200,000</b>
<b>Total F.Y. 2020-21</b>		<b>21,000,000</b>	-	<b>21,000,000</b>
<b>Total F.Y. 2019-20</b>		<b>34,200,000</b>	-	<b>34,200,000</b>
<b>Ix Debt Assignment Receivable from MIL</b>				
Modi Industries Ltd (Sugar section)	31-Mar-21	1,468,597,682		<b>1,468,597,682</b>
	31-Mar-20	1,468,597,682	-	<b>1,468,597,682</b>
<b>Total F.Y. 2020-21</b>		<b>1,468,597,682</b>	-	<b>1,468,597,682</b>
<b>Total F.Y. 2019-20</b>		<b>1,468,597,682</b>	-	<b>1,468,597,682</b>
<b>X Outstanding " Receivables"</b>				
SBEC stockholding & Investment Ltd.	31-Mar-21	230,050,000	-	<b>230,050,000</b>
	31-Mar-20	230,050,000	-	<b>230,050,000</b>
Modi Industries Ltd (Modi Sugar Mills)	31-Mar-21	49,922,821	-	<b>49,922,821</b>
	31-Mar-20	62,353,239	-	<b>64,298,550</b>
Modi Industries Ltd (Debt Assignment)	31-Mar-21	1,468,597,682		<b>1,468,597,682</b>
	31-Mar-20	1,468,597,682		<b>1,468,597,682</b>
SBEC System (I) Ltd. 12837523/-	31-Mar-21	-	-	-
Less-(Loass on Impairment on Assets )- 12837523/-	31-Mar-20	-	-	-
Modihitech India Ltd.	31-Mar-21	686,769		<b>686,769</b>
	31-Mar-20	2,261,998		<b>2,261,998</b>
<b>Total F.Y. 2020-21</b>		<b>1,749,257,272</b>	-	<b>1,749,257,272</b>
<b>Total F.Y. 2019-20</b>		<b>1,763,262,919</b>	-	<b>1,765,208,230</b>





Transactions		Other Related parties	Key managerial personnel	Total
<b>Xi Outstanding " Payables"</b>				
Modiline Travels Service Pvt. Ltd.	31-Mar-21	(33,974)	-	<b>-33,974</b>
	31-Mar-20	122,930	-	<b>122,930</b>
Chief Financial Officer	31-Mar-21	-	66,553	<b>66,553</b>
	31-Mar-20	-	46,837	<b>46,837</b>
Manager	31-Mar-21		0	<b>0</b>
	31-Mar-20		(1,393)	<b>(1,393)</b>
SBEC Bio-Energy Ltd.	31-Mar-21	212,109,391		<b>212,109,391</b>
	31-Mar-20	234,657,032		<b>234,657,032</b>
Win Medicare Pvt. Ltd.	31-Mar-21	7996.00	-	<b>7,996</b>
	31-Mar-20	32,575	-	<b>32,575</b>
Umesh Kumar Modi	31-Mar-21	2775.00	-	<b>2,775</b>
	31-Mar-20	0.00	-	<b>-</b>
Longwell Investment Pvt. Ltd.	31-Mar-21	61,910,525	-	<b>61,910,525</b>
	31-Mar-20	54,276,696	-	<b>54,276,696</b>
GS Pharmbutor Pvt. Ltd.	31-Mar-21	168,461,033	-	<b>168,461,033</b>
	31-Mar-20	136,057,316	-	<b>136,057,316</b>
Bihar Sponge iron Ltd.	31-Mar-21	805,566	-	<b>805,566</b>
	31-Mar-20	805,566	-	<b>805,566</b>
Modi Mundi Pharma Beauty Products Pvt. Ltd.	31-Mar-21	286,589	-	<b>286,589</b>
	31-Mar-20	269,597	-	<b>269,597</b>
Umesh Modi Corp. P Ltd	31-Mar-21	276,250		<b>276,250</b>
	31-Mar-20	133,850		<b>133,850</b>
<b>Total F.Y. 2020-21</b>		<b>443,826,151</b>	<b>66,553</b>	<b>443,892,704</b>
<b>Total F.Y. 2019-20</b>		<b>426,355,562</b>	<b>45,444</b>	<b>426,401,006</b>

### Note 31: Segment Reporting

The Company is a single location single product company and hence the requirement of Ind As-108 on segment reporting is not required.

### Note 32: Outstanding dues to micro, small and medium Enterprises :

The disclosure of dues details relating to enterprises covered under micro, small and medium enterprises Development Act 2006, to the extent the information are available with the company, are as under:

S.No.	Particulars	As at 31.03.2021	As at 31.03.2020
a)	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	27,75,794	3,977,059
	(ii) Interest due thereon.	-	-
b)	(i) The amount of interest paid in terms of sec.16 of MSMED Act, 2006 beyond the respective due date during the year.	-	-
	(ii) The amount of principal paid beyond the due date during the year.	-	-
c)	The amount of interest due and payable for delay period (where principal has already been paid after due date.)	-	-
d)	The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-
e)	The amount of interest accrued and remaining unpaid as at the end of the accounting year.	-	-

### Note 33: Financial Instruments

#### a) Financial risk management

The Company's activities expose it to a variety of financial risks which includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarized ahead.

**b) Market risk**

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

**c) Credit risk management**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primarily arises from trade receivables, balances with banks, investments and security deposits. The credit risk on bank balances is limited because the counter parties are banks with good credit ratings.

**d) Trade Receivables**

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables.

**e) Investments**

The Company limits its exposure to credit risk by generally investing with counter parties that have a good credit rating. The Company has funded defined-benefit gratuity plans. The funded status of these plans is influenced by movements in financial market. A negative performance of the financial markets could have a material impact on cash funding requirements.

**f) Cash & cash equivalents**

With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's risk exposure arises from the default of the counter party, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. Since the counter party involved is a bank, Company considers the risks of non-performance by the counter party as non-material.

**g) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

**h) Maturity profile of financial liabilities**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

**As at 31.03.2021**

Particulars	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	557,004,000	1,082,711,320	1,639,715,320
Current borrowings	402,280,989	-	402,280,989
Trade payables	4,460,930,498	-	4,460,930,498
Other financial liabilities	803,791,061	-	803,791,061

**AS AT 31.03.2020**

Particulars	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	479,500,002	1,713,240,814	2,192,740,816
Current borrowings	271,715,399	-	271,715,399
Trade payables	3,996,487,414	-	3,996,487,414
Other financial liabilities	746,252,682	-	746,252,682

- i) The Company manages its capital to ensure that the entities in the Company will be able to continue as going concern while maximizing the return to shareholders and also complying with the ratios stipulated in the loan agreements through the optimization of the debt and equity balance.

The Company is not subject to any externally imposed capital requirements.

**j) Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at 31 March, 2021 (Rs.)	As at 31 March, 2020 (Rs.)
Debt (See note 'i' below)	2,041,996,309	2,464,456,215
Cash and bank balances	27,620,398	63,402,688
Net debt	2,014,375,911	2,401,053,527
Total equity	(292,524,404)	(81,385,896)
Net debt to equity ratio (times)	(6.88)	(29.50)


**Note:**

- i. Debt is defined as long and short-term borrowings (excluding derivative, financial guarantee contracts), as described in notes 13 and 17.
- ii. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current years and previous years.

**k) Categories of financial instruments**

Particulars	As at 31 March, 2021 (Rs.)	As at 31 March, 2020 (Rs.)
<b>Financial assets</b>		
<b>Measured at amortized cost</b>		
Other non-current assets	426,660	424,660
Other financial assets (non current)	1,468,597,682	1,468,597,682
Trade receivables	199,474,831	83,988,070
Cash and cash equivalents	24,213,832	60,174,797
Bank Balances other than Cash and cash equivalents	3,406,566	3,227,891
Other current assets	123,813,394	102,812,337
Other financial assets (current)	-	-
Loans	253,941,951	246,066,715
<b>Measured at fair value through Profit &amp; Loss</b>		
Investments		
<b>Financial liabilities</b>		
<b>Measured at amortized cost</b>		
Borrowings (non-current)	1,082,711,320	1,713,240,814
Borrowings (current)	402,280,989	271,715,399
Trade payables	4,460,930,498	3,996,487,414
Other financial liabilities (non-current)	-	-
Other financial liabilities (current)	803,791,061	746,252,682
Other current liabilities	42,219,689	11,121,602
Other Non-Current liabilities	1,076,672	11,06,200

**l) Fair value of the financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)**

(Amount in Rs.)

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Financial Assets at amortized cost :	2,073,874,916		1,965,292,153	
Financial Liabilities				
Financial Liabilities held at amortized cost:	6,793,010,229		6,739,924,111	

**Exposure to credit risk****Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)****(Amount in Rs.)**

Particulars	As at 31 March, 2021	As at 31 March, 2020
Investments	172,582,515	172,582,515
Cash and bank balances	24,213,832	60,174,797
Bank deposit	3,406,566	3,227,891
Short-term loans and advances	253,941,951	246,066,715

Balance with banks is subject to low credit risks due to good credit ratings assigned to these banks.

**Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)****(Amount in Rs.)**

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade Receivable	199,474,831	83,988,070

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

Particulars	
<b>As at 31.03.2021</b>	
Up to 6 months	199,445,096
More than 6 months	29,736
<b>As at 31.03.2020</b>	
Up to 6 months	66,380,837
More than 6 months	17,607,234

During the year the Company has recognized loss allowance of Rs. NIL under 12 months expected credit loss model.

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

**Note 34. Other Disclosures**

- (i) During the year 2006-2007, a One Time Settlement (OTS) dated 22nd January, 2007 was signed between the Company, Punjab National Bank (PNB), Mr. Umesh K. Modi (as Guarantor of MIL) and Modi Industries Limited (MIL) on the terms as contained in the PNB's letter dated 28th September, 2006. In terms of this settlement, the Company had agreed to make payment of Rs. 2,810.60 lacs together with interest to PNB. In consideration of the same, PNB had agreed to assign all its claims, interest and charges against the Steel Section of MIL in favour of the Company. The Company has made full payment of the settlement amount together with interest aggregating to Rs. 3,351.21 lacs to PNB. As per expert legal opinion, during the year interest amounting to Rs. 417.63 lacs (previous year Rs. 417.63 lacs for the period from 22nd January, 2007 to 31st March, 2012) has been allocated to the cost of "Debt Assignment" acquired by the company from PNB, since in the opinion of the management the borrowing of the company were raised to pay for Debt Assignment.

PNB thereafter executed a "Deed of Assignment" on 15th May, 2012 (an event occurring after the date of the Balance Sheet) in favour of the company by which PNB assigned all its claim together with all securities and charges created by MIL in its favour, to the company.

The company thereafter executed a "Deed of Assignment" on 31st December, 2012 in favour of its subsidiary M/s. SBEC Bioenergy Limited (SBL) by which the company assigned all its claim together with all securities and charges created by PNB for a consideration of Rs. 12,500.00 Lacs. A sum of Rs. 4,200.00 lacs had been paid simultaneously with the execution of this deed and the remaining sum of Rs. 8,300.00 lacs was to be paid as per the mutually agreed installments within a period of five years from the date of execution of this deed. However, upto 31.03.2018, no payment had been received by the Company due to financial distress in SBEC Bioenergy Limited.

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

- (ii) M/s. SBEC Bioenergy Limited (SBL), a Subsidiary of the Company had negotiated, settle and acquired the Debt of IDBI in Modi Industries Limited (MIL) and entered into an agreement on 6th October, 2007 with IDBI. This agreement was in terms of IDBI's Letter dated 09th February, 2007. Under the said agreement IDBI agreed to assign its entire debt due and payable by the MIL to IDBI, subject to the OTS amount of Rs. 1232.20



Lacs together with interest. IDBI has executed a Deed of assignment on 05th March, 2018 in favour of SBL by which IDBI assigned all its rights together with all securities and charges created by MIL in favour of SBL. The Registrar of Companies has registered the modification of charge in favour of the SBL.

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

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

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

- (iv) The company has valued the closing stock of Inventory (Sugar) at net realizable value instead of "the lower of cost and net realisable value" as required under IND AS-2 "Inventories". Since NRV is higher than cost this has resultant in overstatement of Inventories (Finished Goods-Sugar) by Rs.614 lakhs and understatement of losses for the year by Rs.614 lakhs and its consequential impact on EPS.
- (v) The Hon'ble Supreme Court vide its order dated 23.04.2018 has upheld the order passed by the Hon'ble High Court of Judicature at Allahabad dated 9th March, 2017 in PIL No. 67617/2004, where the said court has set aside the decision of the state Government for the waiver of interest for the year 2012-13, 2013-14 and 2014-15 and proceeded to ask the Cane Commissioner to take a final call in the matter. Pending final order, the Company has not made provision for interest on the late payment of cane dues for the years 2012-13, 2013-14 and 2014-15. The Matter is Sub-Judice. Under the power vested with the Cane Commissioner (U.P.) for waiver of interest under UP Sugar Cane (Regulation of Supply & 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 upon decision in the matter/payment.

**Note 35: Additional information pursuant to provisions of Part II of Schedule III of Companies Act 2013:**

**(a) Capacity**

Installed Capacity(as certified by the management)	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Sugarcane Crushing M.T. per day (No License required)	8,000	8,000

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

Classes of Goods	Opening stock – Quantity	Production Quantity	Sales		Closing stock	
	(Qtls.)	(Qtls.)	Quantity (Qtls.)	Value	8,000	8,000
Sugar	640,770.50	1,585,542	1,651,693	51417.83	574,620	18255.45
	(3,72,984)	(1,618,925)	(1,351,138.50)	(42,581.34)	(640,770.50)	(19,863.89)
Molasses (By-product)	415,605.70	6,18,165.01	735,406.45	3088.28	298,364.26	1744.98
	(399,400)	(668,100.55)	(651,894.85)	(2,421.04)	(415,605.70)	(2,009.32)
		<b>Purchases</b>				
Sugar Trading	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

**(C) Consumption of Raw Material**

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Quantity (Quintals)	Value (Rs. In lacs)	Quantity (Quintals)	Value (Rs. In lacs)
<b>Sugar Cane</b>	142,03,541.17	47,668.80	14,194,453	47,608.64

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

Particulars	Current year	Previous Year
Interest, Others.	2.91	5.00

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

Particulars	Current year	Previous Year
Store & Spares	20.20	25.99

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

Particulars	Current year	Previous Year
Export of goods calculated on FOB basis	-	-

**(g) Value if imported/Indigenous Raw Materials, Stores and Spares Consumed****(Rs. in lacs)**

Particulars	Indigenous Value	%age	Imported Value	%age
Raw Materials	47,668.80	100%	-	Nil
Previous Year	(47,608.64)	100%	-	Nil
Stores & Spares*	(3,096.02)	99.35%	20.20	0.65%
Previous Year	(3265.48)	99.21%	25.99	0.79%

\*Excluding spares used for capitalization.

\* ( ) Show Previous year figures.

**Note: 36 Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 and Companies (Indian Accounting Standard) Amendment Rules, 2020 notifies new standard or amendments to the standards. There is no such new notification which would be applicable from April 1, 2021.

**Note: 37.**

**The financial statements were approved for issue by the Board of Directors, at its meeting held on 13 May, 2021**

Previous Year Figures have been recast/restated.

Note 1 to 37 Containing Accounting Policies and General Notes from part of the financial statements.

**For K.K.JAIN & CO.**

Chartered Accountants

**Firm Registration No 02465N****Sd/-****(SIMMI JAIN)**

Partner

**Membership No. 086496****Sd/-****Umesh Kumar Modi**

(Chairman &amp; President)

DIN: 00002757

**Sd/-****Abhishek Modi**

(Whole Time Director)

DIN: 00002798

**Sd/-****J.C. Chawla**

(Director)

DIN: 05316202

**Sd/-****Vijay Kumar Modi**

(Director)

DIN: 00004606

**Sd/-****N.P. Bansal**

(Director)

DIN: 00010587

**Sd/-****A.K. Goel**

(Chief Financial Officer)

**Sd/-****Ankit K. Srivastava**

(Company Secretary)

Place : New Delhi

Date : 13th May, 2021



## INDEPENDENT AUDITOR'S REPORT

To the members of SBEC Sugar Limited

Report on the Consolidated Ind AS Financial Statements

### Qualified Opinion

We have audited the accompanying consolidated financial statements of SBEC Sugar Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified Opinion** section of our report, and based on the reports of other auditors as referred in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner, so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its Subsidiaries as at 31 March, 2021, and the consolidated loss, consolidated Total Comprehensive Income, the consolidated Statement of Changes in Equity and the consolidated Cash Flows for the year ended on that date.

### Basis for Qualified Opinion

**1) During the year ended 31st March 2021, the company has not made provision for interest on late payment of cane dues amounting to Rs.618.20 lacs for the sugar season 2020-21 and Rs.3108.53 for sugar season 2019-20, had the company made provisions the loss for the year would have been higher by Rs.3726.73 lacs and its consequential impact on EPS.**

**2) The company has taken the debt of IDBI, PNB & IFCI in Modi Industries Limited. As at 31st March, 2021 the company has net exposure of Rs.14685 lacs. No Interest on the said amount has been provided as there is no reasonable certainty of its collection since the net worth of Modi Industries Limited has been completely eroded. Recoverability of the above balance is also doubtful. However, no provisions for doubtful debts were made in the financial statements of the company and consequently we are unable to opine on the appropriateness of the same and its consequential impact on the financial statements.**

**3) The company has valued the closing stock at NRV instead of "the lower of cost and net realisable value" as required under IND AS-2 "Inventories". Since the NRV is higher than cost this has resultant in overstatement of Inventories (Finished Goods and WIP-Sugar) by Rs. 614 lacs, understatement of losses for the year by Rs. 614 lacs and its consequential impact on EPS.**

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

### Emphasis of Matters

We draw attention to note no 36 (v) of the consolidated audited financial statement regarding interest payment on cane dues where the High Court vide its order dated 9th March, 2017 has set aside the decision of State Government for the waiver of Interest for the year 2012-13, 2013-14 and 2014-15 and asked the Cane Commissioner to take a final call in the matter, pending final order the Company has not made provision for interest, on the late payment of cane dues for years 2012-13, 2013-14 and 2014-15. The Hon'ble Supreme Court vide its order dated 23.04.2018 has upheld the Hon'ble High Court order dated 9th March, 2017. The matter is still sub-judice.

Under the power vested with the Cane Commissioner (U.P.) for waiver of interest under UP Sugar Cane (Regulation of Supply & 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 upon decision in the matter/payment.

Our opinion is not qualified in respect of this matter

### Key Audit Matters

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

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

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

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

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





### Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance, Consolidated Total Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows of the Company including its subsidiaries in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The Board of Directors of the Company and of its Subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Company.

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

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

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

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

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

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

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

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

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

### Other Matters

We did not audit the financial statements/financial information of two subsidiaries included in the consolidated financial results. whose financial statements / financial information reflect total assets of Rs 13949.38 lacs (PY Rs. 14753.13 lac) as at 31st March, 2021, total revenues of Rs 1055.95Lacs (PY Rs 1107.21Lacs), total net loss after tax of Rs 602.52Lacs (PY Rs,417.50 Lacs) total comprehensive income of Rs (0.77) Lacs (PY Rs. (4.11)Lac) for the year ended on that date, as considered in the consolidated financial results.



These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of accounts as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors of the Company and the reports of the Statutory Auditors of its Subsidiaries Companies incorporated in India, none of the Directors of the Company and its Subsidiaries Companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; which is based on the auditor's reports of the Company and its Subsidiaries Companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those Companies, for reasons stated therein.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors, the remuneration paid by the Company and its Subsidiaries Companies to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its subsidiary – Refer Note 29 to the consolidated Ind AS financial statements;

ii. The Group and its subsidiaries did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2021.

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

**Sd/-**  
**(Simmi Jain)**  
**Partner**

**Membership No.086496**  
**UDIN: 21086496AAAAFQ5814**

**Place: New Delhi**  
**Date: 13.05.2021**

**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statement to the members of SBEC Sugar Limited dated March 31, 2021.****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section**

In conjunction with our audit of the consolidated financial statement of SBEC Sugar Limited as of March 31, 2021. We have audited the internal financial controls over financial reporting of SBEC Sugar Limited (hereinafter referred to as the "Holding Company") and two subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") incorporated in India, as of the date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of



Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company and two subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

#### **Other matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiaries which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

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

**Sd/-**  
**(Simmi Jain)**  
**Partner**

**Membership No.086496**  
**UDIN: 21086496AAAFQ5814**

**Place: New Delhi**  
**Date: 13.05.2021**



## CONSOLIDATED BALANCE SHEET AS AT 31.03.2021

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	2,574,156,793	2,720,425,046
(b) Other intangible assets	3(a)	85,712	184,807
(c) Capital work - in - progress	3(b)	21,417,168	20,569,523
(d) Financial assets			
- Investments	4	380,333,615	380,333,615
- Others	5	1,473,182,024	1,472,886,689
(e) Other non - current assets	6	6,325,271	6,348,207
(f) Deferred tax assets (net)	7	56,928,348	56,928,348
		<b>4,512,428,932</b>	<b>4,657,676,236</b>
<b>2 Current assets</b>			
(a) Inventories	8	2,231,450,325	2,369,609,060
(b) Financial assets			
(i) Trade receivables	9	274,674,271	203,258,664
(ii) Cash and cash equivalents	10	35,510,835	64,518,912
(iii) Loans & other financial assets	11	27,731,458	20,301,326
(iv) Other Bank Balances	12	3,406,566	3,227,891
(c) Other current assets	6	131,190,368	111,266,525
		<b>2,703,963,823</b>	<b>2,772,182,379</b>
(d) Non Current assets held for sale		-	-
		<b>2,703,963,823</b>	<b>2,772,182,379</b>
<b>Total assets</b>		<b>7,216,392,755</b>	<b>7,429,858,615</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	13	476,940,175	476,940,175
(b) Other equity	14	(528,384,959)	(284,048,569)
		<b>(51,444,784)</b>	<b>192,891,606</b>
Non Controlling Interest		<b>304,912,444</b>	<b>332,042,729</b>
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	1,140,460,062	1,817,414,641
(ii) Trade payables	19	-	-
- Total Outstanding dues of micro enterprises and small enterprises		-	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Deferred Revenue/Income		-	-
(c) Provisions	16	48,443,649	44,472,582
(d) Other financial liabilities	17	45,000	45,000
(e) Other non-current liabilities	18	1,076,672	1,106,200
		<b>1,190,025,383</b>	<b>1,863,038,423</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	550,104,655	404,175,373
(ii) Trade payables	19	-	-
- Total Outstanding dues of micro enterprises and small enterprises		2,775,794	3,977,059
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		4,483,634,662	4,012,047,503
(iii) Other financial liabilities	17	686,072,901	602,013,844
(b) Other current liabilities	18	46,781,043	15,192,601
(c) Provisions	16	3,530,658	4,479,475
		<b>5,772,899,712</b>	<b>5,041,885,854</b>
<b>Total Equity &amp; Liabilities</b>		<b>7,216,392,755</b>	<b>7,429,858,615</b>

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

Summary of Significant Accounting Policies

As per our report of even date, attached

For K.K.JAIN &amp; CO.

Chartered Accountants

Firm Registration No 02465N

Sd/-

(SIMMI JAIN)

Partner

Membership No. 086496

Sd/-

Umesh Kumar Modi

(Chairman &amp; President)

DIN: 00002757

Sd/-

Abhishek Modi

(Whole Time Director)

DIN: 00002798

Sd/-

J.C. Chawla

(Director)

DIN: 05316202

Sd/-

Ankit K. Srivastava

(Company Secretary)

Sd/-

Vijay Kumar Modi

(Director)

DIN: 00004606

Sd/-

N.P. Bansal

(Director)

DIN: 00010587

Place : New Delhi  
Date : 13th May, 2021

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



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31.03.2021

(Amount in Rs.)

Particulars	Note No.	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
<b>I</b> Revenue from operations	20	<b>5,795,150,689</b>	4,818,078,705
<b>II</b> Other income	21	<b>11,827,832</b>	3,639,571
<b>III</b> <b>Total income (I + II)</b>		<b>5,806,978,520</b>	4,821,718,275
<b>IV</b> <b>Expenses:</b>			
Cost of materials consumed	22	<b>4,766,879,821</b>	4,760,863,729
Changes in inventories of finished goods, stock - in - trade and work - in - progress	23	<b>163,733,250</b>	(1,005,816,577)
Employee benefits expenses	24	<b>182,230,161</b>	179,995,431
Finance costs	25	<b>223,828,688</b>	210,381,916
Depreciation and amortization expenses	26	<b>211,014,217</b>	204,471,379
Other expenses	27	<b>530,768,033</b>	480,878,481
<b>Total expenses</b>		<b>6,078,454,169</b>	4,830,774,359
<b>V</b> Profit / (loss) before exceptional items and tax (I - IV)		<b>(271,475,649)</b>	(9,056,084)
<b>VI</b> Exceptional items		-	-
<b>VII</b> Profit / (loss) before tax (V - VI)		<b>(271,475,649)</b>	(9,056,084)
<b>VIII</b> <b>Tax expense</b>			
(1) Current tax		-	-
(2) Deferred tax		-	(16,973,655)
(3) Adjustment of Tax for Earlier Years		-	12,364
		-	(16,961,291)
<b>IX</b> <b>Profit / (loss) from continuing operations (VII - VIII)</b>		<b>(271,475,649)</b>	7,905,207
<b>X</b> Profit / (loss) from discontinued operations (VII - VIII)		-	-
<b>XI</b> Tax expense of discontinued operations		-	-
<b>XII</b> Profit / (loss) from discontinued operations (after tax) (X - XI)		-	-
<b>XIII</b> <b>Profit / (loss) for the period (IX + XII)</b>		<b>(271,475,649)</b>	7,905,207
<b>XIV</b> <b>Other comprehensive income</b>			
<b>A</b> (i) Items that will not be reclassified to profit or loss		<b>8,972</b>	(3,368,942)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>B</b> (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		<b>8,972</b>	(3,368,942)
<b>XV</b> <b>Total comprehensive income for the period (XIII + XIV)</b>		<b>(271,466,677)</b>	4,536,265
<b>Shareholders of the company</b>		<b>(244,336,391)</b>	23,421,583
Non Controlling Interest		<b>(27,130,285)</b>	(18,885,319)
Of the total comprehensive income above, profit for the year attributable to:			
Shareholders of the company		<b>(244,379,812)</b>	26,605,200
Non Controlling Interest		<b>(27,095,837)</b>	(18,699,993)
Of the total comprehensive income above, other comprehensive income attributable to:			
Shareholders of the company		<b>43,420</b>	(3,183,617)
Non Controlling Interest		<b>(34,448)</b>	(185,325)
<b>XVI</b> Earnings per equity share (for continuing operations)			
(1) Basic	28	<b>(5.70)</b>	0.17
(2) Diluted	28	<b>(5.70)</b>	0.17

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

### Summary of Significant Accounting Policies

As per our report of even date, attached

For K.K.JAIN & CO.

Chartered Accountants

Firm Registration No 02465N

Sd/-  
(SIMMI JAIN)  
Partner  
Membership No. 086496

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

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

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

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

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

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

Sd/-  
Ankit K. Srivastava  
(Company Secretary)

Place : New Delhi  
Date : 13th May, 2021



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(in Rs.)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>A. Cash flow from operating activities:</b>		
Profit for the year before tax	(271,475,649)	(9,056,084)
Adjustments for:		
Finance costs	223,828,688	210,381,916
Interest income	(238,113)	(432,832)
Depreciation and amortisation expense	211,014,217	204,471,379
Loss/(Profit) on sale of Fixed Assets	(218,364)	(1,154,397)
Provision for Bad & doubtful debts/Advances	-	-
Provision written back	-	-
Dividend Income	-	(120,000)
<b>Operating profit/(Loss) before working capital changes</b>	<b>162,910,779</b>	<b>404,089,982</b>
<u>Movements in working capital:</u>		
Trade receivables	(71,415,607)	(76,554,392)
Other assets	(20,374,917)	3,714,819
Inventories	138,158,735	(1,008,104,833)
Loans	(7,430,132)	3,980,203
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	470,385,894	989,517,023
Other current liabilities	31,558,914	(43,196,734)
Other financial liabilities	84,059,057	175,162,352
Provisions/other items	3,031,222	6,502,959
<b>Cash generated from operations</b>	<b>790,883,945</b>	<b>455,111,377</b>
Income tax paid	-	(12,364)
<b>Net cash generated by operating activities (A)</b>	<b>790,883,945</b>	<b>455,099,013</b>
<b>B. Cash flows from investing activities</b>		
Investment	-	-
Purchases of fixed assets( including WIP)	(65,548,340)	(113,121,787)
Interest received	238,113	432,832
Dividend received	-	120,000
Proceeds from Sales of Fixed Assets	272,190	1,262,209
Non Current assets held for sale	-	-
<b>Net cash generated by/(used in) investing activities (B)</b>	<b>(65,038,037)</b>	<b>(111,306,746)</b>
<b>C. Cash flow from financing activities (refer note 44)</b>		
Proceed /Repayment of term loan	(531,025,297)	(193,464,816)
Interest paid	(223,828,688)	(210,381,916)
<b>Net cash generated by/(used in) financing activities (C)</b>	<b>(754,853,985)</b>	<b>(403,846,730)</b>
<b>Net Increase/decrease in Cash and cash equivalents (A+B+C)</b>	<b>(29,008,077)</b>	<b>(60,054,463)</b>
Cash and cash equivalents at the beginning of the year	10 64,518,912	124,573,376
<b>Cash and cash equivalents at the end of year end</b>	<b>10 35,510,835</b>	<b>64,518,912</b>

In terms of our report of even date, attached

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

Sd/-  
(SIMMI JAIN)  
Partner  
Membership No. 086496

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

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

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

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

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

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

Sd/-  
Ankit K. Srivastava  
(Company Secretary)

Place : New Delhi  
Date : 13th May, 2021



### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Equity Share Capital	Other Equity					Total Equity
		Reserves & Surplus			Item of Other Comprehensive Income		
		Capital reserve*	Surplus in the Statement of profit and loss	Storage fund for molasses account	Actuarial gain / (loss) on employee benefit plans through OCI	Total Other Equity	
As at April 01, 2019	476,940,175	4,916,625	(312,625,940)	1,855,667	(1,616,503)	(307,470,151)	169,470,023
Add: Profit for the year	-	-	26,605,200	-	-	26,605,200	26,605,200
Add: Transfer to/(from) storage fund for molasses	-	-	(1,037,844)	1,037,844	-	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	(3,183,617)	(3,183,617)	(3,183,617)
As at March 31, 2020	476,940,175	4,916,625	(287,058,584)	2,893,511	(4,800,120)	(284,048,568)	192,891,606
Add: Profit for the year	-	-	(244,379,812)	-	-	(244,379,812)	(244,379,812)
Add: Transfer to/(from) storage fund for molasses	-	-	774,953	(774,953)	-	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	43,420	43,420	43,420
As at March 31, 2021	476,940,175	4,916,625	(530,663,443)	2,118,558	(4,756,699)	(528,384,959)	(51,444,784)

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

**Sd/-**  
**(SIMMI JAIN)**  
Partner  
**Membership No. 086496**

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

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

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

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

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

Place : New Delhi  
Date : 13th May, 2021

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

**Sd/-**  
**Ankit K. Srivastava**  
(Company Secretary)



**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2021****Note: 1. BASIS AND PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements of the company and its subsidiaries "SBEC Bio-Energy Limited.", & and its Wholly Owned Subsidiary "SBEC Stock Holding & Investment Limited" used in the consolidation are drawn for a period of Twelve months ended on 31st March, 2021 (hereinafter referred to as "the subsidiary companies").

**Note: 2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of financial information**

- (A) The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.
- (B) The financial statements have been prepared under the historical cost convention on accrual basis.

**2.2 Historical Cost Convention**

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

- a. Defined benefit plan-plan assets measured at fair value.
- b. Certain financial assets and liabilities.

**2.3 Summary of Significant Accounting Policies****(A) Principles of Consolidation**

- (i) The financial statements of the holding company and subsidiary companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances, intra-group transactions and the unrealized profits.

The financial statements of the holding company and the subsidiary companies have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances except where otherwise stated.

- (ii) The Subsidiary Companies considered in the consolidated financial statement:

Name of the Company	Country of Incorporation	% of Voting Power as on 31.03.2021
SBEC Bio-Energy Limited	India	55
SBEC Stockholding & Investment Limited	India	100

- (iii) Minority Interest's share of net profit of subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- (iv) Minority Interest's share of net assets of subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

**(B) Current and non-current classification:**

**The Group presents assets and liabilities in the balance sheet based on current/non-current classification.**

**An asset is treated as current when it is:**

- i) expected to be realized or intended to be sold or consumed in normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) expected to be realized within twelve months after the reporting period,
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or
- v) Carrying current portion of non-current financial assets. All other assets are classified as non-current.

**A liability is current when:**

- i) it is expected to be settled in normal operating cycle,
- ii) it is held primarily for the purpose of trading,
- iii) it is due to be settled within twelve months after the reporting period,
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, or
- v) it includes current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

**(C) Recognition of Revenues & Expenses**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, including excise duty and excluding taxes or duties collected on behalf of the government (other than excise duty).



Revenue is recognized only if the following conditions are satisfied: -

The Company has transferred risks and rewards incidental to ownership to the customer;

The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold

It is probable that the economic benefit associated with the transaction will flow to the Company; and

It can be reliably measured and it is reasonable to expect ultimate collection

Dividends income is recognized when the shareholders right to receive payment was established by the balance sheet date.

#### (D) Inventory Valuation

- (i) Finished Goods (Sugar): Sugar – at net realizable value.
- (ii) Goods in Process - at cost
- (iii) Raw material - at cost
- (iv) Stores and spares - at cost (computed on FIFO basis)
- (v) Molasses (By-product) is valued at net realizable value.
- (vi) Provision for obsolescence and other anticipated losses are made on the stocks, whenever identified / considered necessary.
- (vii) Closing Stock of Power Banked is valued at lower of cost and market value. (Cost includes raw material, stores and spares consumed and factory overheads.)

#### (E) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on DE recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

#### (F) Intangible assets

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

#### (G) Depreciation

Depreciation on Tangible fixed assets other than land is charged on straight line method so as to write off the cost/carrying amount of assets. The useful life of assets as prescribed under Part C of Schedule II of the Companies Act 2013 and depreciation is charged on that are on the following basis:-

- (i) Depreciation on All Assets is charged at Straight Line Method basis in the manner as prescribed in Companies Act 2013 and rate as per prescribed useful life
- (ii) Intangible assets are amortized over a period of 5 year on a straight line basis.

The management has estimated the useful life is different as below:

Assets	Useful Life (Years)
Plant & Machinery	25-32
Building	30-60

#### -(H) Impairment of Non Financial Assets

The carrying amount of any property, plant and equipment and intangible assets with finite lives are reviewed at each balance sheet date, if there is any indication of impairment based on internal / external factor. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount. At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### (I) Expenditure during Construction

In respect of new projects, all expenses including interest incurred up to the date of commencement of commercial production are capitalized.

In respect of substantial expansion of business, at existing locations, only direct costs are capitalized together with interest on the funds relatable to them up to the date of commercial production.

**(J) Foreign Currency Transactions**

- (i) Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of the financial year are revalued at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the statement of profit and loss.
- ii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

**(K) Investments**

- Long term Investments are stated at cost of acquisition. Provision for diminution in the value is made only if the decline is other than temporary.
- Unquoted investments are stated at cost.
- Current investments are valued at carrying value without any adjustment for increase/diminution, if any is accounted at the time of sale of such investments.

**(L) Borrowing Cost**

Borrowing Cost attributable to the acquisition or construction of qualifying assets is capitalized as part of cost of that asset. Other borrowing costs are recognized as expense in the period in which they relate.

**(M) Employee Benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS) -19 – 'Employee Benefits'.

**(i) Provident Fund and ESI**

The Company makes contribution to statutory Provident Fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

**(ii) Gratuity**

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Gains and losses through re-measurements of the net defined benefit liability/asset are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in Other Comprehensive Income. The effect of any plan amendments is recognized in net profits in the Statement of Profit and Loss.

**(iii) Compensated Absence**

Liability in respect of compensated absence becoming due or expected after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

**(iv) Other Short Term Benefits**

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**(v) Leave Encashment**

The Liability on account of un-availed earned leave at the year end is fully provided for on actuarial valuation basis.

**(N) Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.



At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **The Company as a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### **(O) Financial instruments:**

##### **i) Financial assets**

##### **A. Initial recognition**

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognized when the group becomes a party to the contractual provisions of the instrument. Financial instruments are recognized initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through statement of profit and loss, which are initially measured at fair value, excluding transaction costs (which is recognized in statement of profit and loss).

##### **B. Subsequent measurement**

- a) Financial assets carried at amortized cost (AC) A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **C. Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **D. Financial assets at fair value through statement of profit and loss (FVTPL) Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value either as at FVTOCI or FVTPL. The Company makes such election on instrument-by-instrument basis. For equity instruments measured as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Investment in subsidiaries and associates

Investment in subsidiaries and associates are carried at cost.

##### **E. Impairment of financial assets**

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

1. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
2. Financial assets that are debt instruments and are measured as at FVTOCI
3. Lease receivables
4. Trade receivables or any contractual right to receive cash or another financial asset
5. Loan commitments which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on: Trade receivables or contract revenue receivables; and all lease receivables. The application of simplified approach does not require the Company to track changes in credit risk rather; it recognizes impairment loss allowance based on 12 months ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on



other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

**ii) Financial liabilities**

**A. Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognized in statement of profit and loss as finance cost.

**B. Subsequent measurement:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**a) Loans and borrowings after initial recognition,** interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when liabilities are derecognized. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance cost in the statement of profit and loss.

**b) Compound financial instruments**

At the issue date the fair value of the liability component of a compound instrument is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortized cost using the effective interest method until extinguished upon conversion or at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument. This is recognized in equity, net of income tax effects, and is not subsequently re-measured.

**iii) De-recognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**iv) Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value and such value may vary from actual realization on future date.

**v) Derivative financial instruments**

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges which is recognized in other Comprehensive Income and later to statement of profit or loss when the hedge item effects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

**(P) Accounting for Taxes**

- (i) Provision for Current Tax is made on the basis of applicable Income Tax Act, 1961.
- (ii) Deferred Tax assets and liabilities are accounted for in accordance with IND AS-12.

**(Q) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(R) Miscellaneous Expenditure**

Preliminary expenses and deferred revenue expenses are being amortized over a period of ten years from the date of commencement of commercial operations.

**(S) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**(T) Cash and Cash Equivalent**



Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at Bank, cash in hand and demand deposits with bank with an original maturity of three months or less than the date of acquisition.

**(U) Cash Flow Statement**

Cash flow are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

**(V) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**i) Depreciation and useful lives of property, plant and equipment:**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

**ii) Recoverability of trade receivable:**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**iii) Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**iv) Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**v) Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Fair value measurement of financial instruments: The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.


**NOTE:3 PROPERTY, PLANT AND EQUIPMENT**
**(Amount in Rs.)**

Gross Block											
	Land		Buildings	Lease Hold	Plant &	Office	Computer	Factory	Furniture	Vehicles	Total
	Freehold	Leasehold		Improvements	Machinery	Equipment	Equipment	Approach Road	& Fixtures		
As at 31st March 2019	270,190,000	432,274,674	358,430,855	84,740	3,472,970,861	4,764,108	12,018,025	25,301,694	7,542,940	30,126,069	4,613,703,966
Additions	-	-	-	-	119,877,829	666,999	609,224	-	-	1,051,595	122,205,647
Disposals	-	-	-	-	-	-	-	-	-	5,374,784	5,374,784
As at 31st , March 2020	270,190,000	432,274,674	358,430,855	84,740	3,592,848,690	5,431,107	12,627,249	25,301,694	7,542,940	25,802,880	4,730,534,829
Additions	-	-	-	-	61,096,956	1,174,517	1,184,970	-	7,600	1,236,652	64,700,695
Disposals	-	-	-	-	-	1,250	-	-	-	3,262,216	3,263,466
As at 31st March, 2021	270,190,000	432,274,674	358,430,855	84,740	3,653,945,646	6,604,374	13,812,219	25,301,694	7,550,540	23,777,316	4,791,972,058
Depreciation											
	Land		Buildings	Lease Hold	Plant &	Office	Computer	Factory	Furniture	Vehicles	Total
	Freehold	Leasehold		Improvements	Machinery	Equipment	Equipment	Approach Road	& Fixtures		
As at 31st March 2019	-	83,020,144	111,392,956	84,740	1,555,974,920	3,972,182	10,818,356	25,258,216	7,067,509	13,408,295	1,810,997,319
Charged for the year	-	27,272,596	15,702,751	-	156,661,444	552,806	855,540	-	208,916	3,125,383	204,379,436
Disposals	-	-	-	-	-	-	-	-	-	5,266,972	5,266,972
As at 31st , March 2020	-	110,292,740	127,095,707	84,740	1,712,636,364	4,524,989	11,673,896	25,258,216	7,276,425	11,266,706	2,010,109,782
Charged for the year	-	27,272,596	15,702,963	-	162,770,222	780,017	1,166,030	-	185,284	3,038,011	210,915,122
Disposals	-	-	-	-	-	-	-	-	-	3,209,640	3,209,640
As at 31st March, 2021	-	137,565,336	142,798,669	84,740	1,875,406,586	5,305,005	12,839,926	25,258,216	7,461,709	11,095,077	2,217,815,264
			9,556								
Net Block											
As at 31st March 2019	270,190,000	349,254,529	247,037,899	-	1,916,995,940	791,926	1,199,669	43,478	475,431	16,717,774	2,802,706,647
As at 31st , March 2020	270,190,000	321,981,933	231,335,149	-	1,880,212,326	906,119	953,353	43,478	266,515	14,536,174	2,720,425,046
As at 31st March, 2021	270,190,000	294,709,337	215,632,186	-	1,778,539,060	1,299,369	972,293	43,478	88,831	12,682,239	2,574,156,793

**NOTE:3(a) INTANGIBLE ASSETS**
**(Amount in Rs.)**

Particulars	As At 31.03.2021	As At 31.03.2020
<b>Gross Block</b>		
Opening	2,447,781	2,402,018
Additions	-	45,763
Disposals	-	-
<b>Closing</b>	<b>2,447,781</b>	<b>2,447,781</b>
<b>Depreciation</b>		
Opening	2,262,974	2,171,030
Charge for the year	99,095	91,943
Disposals	-	-
<b>Closing</b>	<b>2,362,069</b>	<b>2,262,974</b>
<b>Net Block</b>	<b>85,712</b>	<b>184,807</b>

**NOTE:3(b) CAPITAL WORK -IN-PROGRESS**
**(Amount in Rs.)**

Particulars	As At 31.03.2021	As At 31.03.2020
Plant and machinery under erection	20,569,523	29,699,146
Additions	53,124,523	86,164,599
Disposals	52,276,878	95,294,222
<b>Total</b>	<b>21,417,168</b>	<b>20,569,523</b>



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

Particulars	Non - current As at 31.03.2021	Current As at 31.03.2021	Non - current As at 31.03.2020	Current As at 31.03.2020
<b>Investment in Susidiary Companies</b>				
of Joint venture companies (3,21,25,000 equity shares @Rs.10/- each of fully paid up in Modi Illva India Pvt.Ltd) (P.Y. 3,21,25,000 as at 31st March,2020 @ Rs.10/-each)	321,250,000		321,250,000	
of other entities(100 equity shares @Rs.10/-each of fully paid up in Chandil Power Ltd) (P.Y. 100 as at 31st March,2020 @ Rs.10/-each)	1,000		1,000	
40,000 Equity Shares of Rs.25/-each in The SVC Bank Ltd (P.Y. 40,000 Equity Shares of Rs.25/each)	1,000,000		1,000,000	
<b>Tranfer /Stamp Fee</b>	82,600		82,600	
of Joint venture companies (5,80,000 non transferable compulsorily convertible unsecured zero % debentures of @ Rs.100/-each of fully paid up in Modi Illva India Pvt.Ltd) (5,80,000 as at 31st March,2020 @ Rs.100/-each)	58,000,000		58,000,000	
30 Equity Shares of Rs.10/-each in Modi Casing s and Packaging Pvt Ltd.(P.Y.30 Equity Shares of Rs.10/each)	300		300	
Less: Provision made for diminution in value of investment*	285		285	
<b>Sub Total</b>	15		15	
<b>Total</b>	380,333,615	-	380,333,615	-

**\*Provision for diminution in value of investments .**

Aggregate amount of unquoted investments	380,333,615	-	380,333,615	-
Aggregate provision for diminution in value of investments	285	-	285	-
# The Company ceases to be subsidiary w.e.f. 30.09.2014				

**NOTE 5:Financial Assets-Other****(Amount in Rs.)**

Particulars	Non - current As at 31.03.2021	Current As at 31.03.2021	Non - current As at 31.03.2020	Current As at 31.03.2020
Debt Assignment Recoverable	1,468,597,682	-	1,468,597,682	-
Other Receivable	4,584,342	-	4,289,007	-
	1,473,182,024	-	1,472,886,689	-

\* Other receivable includes recoverable from Related parties Rs. 45,84,342/- (Previous year Rs. 42,89,007/-)

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

Particulars	Non - current As at 31.03.2021	Current As at 31.03.2021	Non - current As at 31.03.2020	Current As at 31.03.2020
<b>- Unsecured, considered good</b>				
Advances recoverable in cash or kind or for value to be received	-	107,863,318	-	97,289,293
Advances other than Capital Advances -	-	-	-	-
Security deposits	475,994	-	475,994	-
-Prepaid Expenses	-	8,556,030	-	6,806,085
Balances with statutory authorities	-	14,771,021	-	7,171,148
-Direct tax Recoverable	5,849,277	-	5,872,213	-
<b>Total other assets</b>	6,325,271	131,190,368	6,348,207	111,266,525


**NOTE 7 : Deferred tax (assets) / Liability (net)**
**(Amount in Rs.)**

Particulars	As At 31.03.2021	For the year	As At 31.03.2020
<b>Deferred tax assets on account of :</b>			
Depreciation	(17,234,980)	-	(17,234,980)
Disallowance u/s 43B	465,518	-	465,518
Gratuity	1,674,466	-	1,674,466
Other disallowance under income tax act	-	-	-
Carry Forward Losses	72,023,344	-	72,023,344
<b>Total</b>	<b>56,928,348</b>	<b>-</b>	<b>56,928,348</b>

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

Particulars	As At 31.03.2021	As At 31.03.2020
Raw Materials	2,420,658	31,222.00
Stores & Spares	130,151,722	105,936,708
Work - in - progress	67,888,259	50,499,956
Finished goods	1,826,333,217	1,987,293,992
Others	204,656,468	225,847,182
<b>Total</b>	<b>2,231,450,325</b>	<b>2,369,609,060</b>

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

Particulars	As At 31.03.2021	As At 31.03.2020
<b>Exceeding 6 months from payment due date</b>		
- Unsecured, considered good	2,843,616	53,382,938
- Unsecured, considered Doubtful	5,795,860	10,183,898
- Allowance for bad & doubtful debts	(5,795,860)	(10,183,898)
Less than 6 months		
- Unsecured, considered good	271,830,656	149,875,727
	<b>271,830,656</b>	<b>149,875,727</b>
<b>Total</b>	<b>274,674,271</b>	<b>203,258,664</b>

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

Particulars	As At 31.03.2021	As At 31.03.2020
Balances with banks		
- in Current Accounts	34,827,038	64,178,425
Cash in hand	683,797	340,487
<b>Total</b>	<b>35,510,835</b>	<b>64,518,912</b>

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

Particulars	As At 31.03.2021	As At 31.03.2020
<b>Security Deposits</b>		
- Unsecured, considered good	-	-
Loan to related parties	12,837,523	12,837,523
Less : Expected Credit loss	(9,628,142)	(12,837,523)
Advance to vendors	26,547,836	22,402,152
Less : Provision for Doubtful Advance	(2,025,759)	(2,100,826)
<b>TOTAL</b>	<b>27,731,458</b>	<b>20,301,326</b>

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

Particulars	As At 31.03.2021	As At 31.03.2020
Margin Money	209,379	197,438
Balance with Govt dept.	-	-
Fixed Deposit	3,197,187	3,030,453
<b>Total</b>	<b>3,406,566</b>	<b>3,227,891</b>

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

Particulars	As At 31.03.2021	As At 31.03.2020
<b>Authorised Share Capital:</b>		
100,000,000 (Previous Year 100,000,000) Equity Shares of Rs.10/- each.	1,000,000,000	1,000,000,000
<b>Issued, Subscribed Capital :</b>		
47,814,430 (Previous Year 47,814,430) Equity Shares of Rs.10/- each.	478,144,300	478,144,300
<b>Paid Up Capital :</b>		
47,653,880 (Previous Year 47,653,880) Equity Shares of Rs.10/- each.	476,538,800	476,538,800
Share Forfeiture Account	401,375	401,375
<b>Total</b>	<b>476,940,175</b>	<b>476,940,175</b>

**a) Terms/rights attached to Equity Shares**

Company has only one class of equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**b) Detail of Shareholders holding more than 5% Equity Shares in the company****(Amount in Rs.)**

Particulars	As At 31.03.2021		As At 31.03.2020	
	No. of shares Held	%age of Holding	No. of shares Held	%age of Holding
Name of Shareholder				
1 M/s SBEC Systems (India) Ltd.	14,230,884	29.86%	14,230,884	29.86%
2 M/s Moderate Leasing & Capital Services Ltd	9,065,568	19.02%	9,065,568	19.02%
3 Abhikum Leasing and Investment Pvt. Ltd.	5,531,994	11.80%	5,531,994	11.80%
4 M/s A to Z Holding Pvt. Ltd.	3,382,500	7.10%	3,382,500	7.10%
5 M/s Longwell Investments Pvt. Ltd.	2,721,500	5.71%	2,721,500	5.71%

**c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period****(Amount in Rs.)**

Particulars	As At 31.03.2021		As At 31.03.2020	
	No. of shares	(Rs.)	No. of shares	(Rs.)
At the beginning of the year	47,653,880	476,538,800	47,653,880	476,538,800
Add: Shares Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>47,653,880</b>	<b>476,538,800</b>	<b>47,653,880</b>	<b>476,538,800</b>

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


**NOTE 14 : OTHER EQUITY**
**(Amount in Rs.)**

Particulars	As At 31.03.2021	As At 31.03.2020
<b>Surplus / (Deficit)</b>		
Balance as per last financial statement	(286,937,924)	(312,505,281)
Balance in Statement of Profit & Loss	(244,379,812)	26,605,200
Less: Transfer to Reserves	774,953	1,037,844
<b>Closing balance</b>	<b>(530,542,783)</b>	<b>(286,937,924)</b>
<b>Actuarial gain/loss on employee benefit plans</b>		
Opening balance	(4,920,780)	(1,737,163)
Change during the year	43,420	(3,183,617)
<b>Closing balance</b>	<b>(4,877,359)</b>	<b>(4,920,780)</b>
<b>Capital Reserve</b>		
Balance as per last financial statement	4,916,625	4,916,625
<b>Closing balance</b>	<b>4,916,625</b>	<b>4,916,625</b>
<b>Other Reserve</b>		
<b>Molasses Storage Fund</b>		
Balance as per last financial statement	2,893,511	1,855,667
Add: Additions during the year	(774,953)	1,037,844
Closing balance	2,118,558	2,893,511
<b>TOTAL</b>	<b>(528,384,959)</b>	<b>(284,048,569)</b>

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

Particulars	Non - Current	Current	Non - Current	Current
	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
<b>Term Loan /Unsecured Loans :</b>				
- Term Loan				
From Banks	1,749,543,952	-	2,343,759,756	-
Less : Current maturities of long term debt	619,504,002	-	542,000,004	-
<b>Net Balance</b>	<b>1,130,039,950</b>	<b>-</b>	<b>1,801,759,752</b>	<b>-</b>
From Others	-	-	-	-
	1,130,039,950	-	1,801,759,752	-
Vehicle Loan	6,809,167	-	10,195,857	-
<b>Total</b>	<b>1,136,849,117</b>	<b>-</b>	<b>1,811,955,609</b>	<b>-</b>
<b>- Unsecured</b>				
Deposits from selling agent	3,610,945	-	545,9032	-
From Body Corporates	-	-	-	-
Inter Corporate Deposits	-	402,280,989	-	271,715,399
<b>Working capital loan from banks repayable on demand</b>				
Others	-	147,823,666	-	132,459,974
<b>Total</b>	<b>1,140,460,062</b>	<b>550,104,655</b>	<b>1,817,414,641</b>	<b>404,175,373</b>

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

Particulars	Non - Current	Current	Non - Current	Current
	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
Provision for employee benefits				
- Gratuity	43,392,878	2,295,969	38,740,557	4,270,066
- Leave Encashment	5,050,771	1,234,689	5,732,025	209,409
<b>Total</b>	<b>48,443,649</b>	<b>3,530,658</b>	<b>44,472,582</b>	<b>4,479,475</b>

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

Particulars	Non - Current	Current	Non - Current	Current
	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
Security Deposits ( Retention Money)	45,000	-	45,000	-
Current maturities of long term debt	-	619,504,002	-	542,000,004
Employees related dues	-	23,848,893	-	21,945,199
Advance from Customer	-	11,293,944	-	8,116,306
Other Liabilities for Expenses	-	12,561,248	-	13,302,001
Other Payables	-	18,864,815	-	16,650,335
<b>Total</b>	<b>45,000</b>	<b>686,072,901</b>	<b>45,000</b>	<b>602,013,844</b>

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

Particulars	Non - Current	Current	Non - Current	Current
	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
Other Liabilities	-	120,047	-	80,495
Security Deposits	1,076,672	-	1,106,200	-
Statutory Payables	-	42,720,600	-	8,923,665
Retention money	-	3,940,396	-	6,188,441
<b>Total</b>	<b>1,076,672</b>	<b>46,781,043</b>	<b>1,106,200</b>	<b>15,192,601</b>

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

Particulars	Non - Current	Current	Non - Current	Current
	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
Due to parties registered under MSMED Act	-	2,775,794	-	3,977,059
Due to other parties	-	4,483,634,662	-	4,012,047,503
Due to related parties	-	-	-	-
<b>Total</b>	<b>-</b>	<b>4,486,410,456</b>	<b>-</b>	<b>4,016,024,562</b>

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
A. Sale of Goods	5,752,842,411	4,810,943,685
Gross Sales		
Less:Excise Duty	-	-
Net Sales	5,752,842,411	4,810,943,685
B.Other Operating Revenue	42,308,278	7,135,020
<b>Total</b>	<b>5,795,150,689</b>	<b>4,818,078,705</b>

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest income	238,113	432,832
Provision written back	10,893,522	196,712
Dividend	-	120,000
Net Gain on sale of fixed assets	218,364	1,154,397
Misc. Income	6,600	931,629
Hiring Charges	471,233	804,000
<b>Total</b>	<b>11,827,832</b>	<b>3,639,571</b>


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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Raw materials consumed	4,766,879,821	4,760,863,729
<b>Total</b>	<b>4,766,879,821</b>	<b>4,760,863,729</b>

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>Inventories at the end of the year</b>		
Finished Goods	2,030,987,686	2,212,109,239
Work-in-progress	67,888,259	50,499,956
Stock in trade	-	-
Sub Total	2,098,875,944	2,262,609,194
<b>Inventory at the beginning of the year</b>		
Finished Goods	2,212,109,239	1,247,328,376
Work-in-progress	50,499,956	9,464,242
Stock in trade	-	-
Sub Total	2,262,609,194	742,907,003
<b>Total</b>	<b>163,733,250</b>	<b>(1,005,816,577)</b>

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Salary & Wages & Bonus	164,059,169	163,491,997
Contribution to provident & other funds	11,176,374	10,365,351
Workman and staff welfare	6,372,271	5,550,979
Gratuity	622,347	587,104
<b>Total</b>	<b>182,230,161</b>	<b>179,995,431</b>

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest Expense	218,246,572	204,414,975
EIR Adjustment on Borrowing	-	-
Interest Impact on Gratuity	2,924,722	2,605,266
Other Interest	2,657,394	3,361,675
Interest on amortisation of Loans	-	-
<b>Total</b>	<b>223,828,688</b>	<b>210,381,916</b>

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation of tangible assets	210,915,122	204,379,436
Amortization of intangible assets	99,095	91,943
<b>Total</b>	<b>211,014,217</b>	<b>204,471,379</b>

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

<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
Consumption of stores & spare parts	182,445,838	158,836,257
Power & fuel	479,036	5,221,800
Material Handling Expenses	23,103,508	21,419,803
Repairs & maintenance		
-Plant & Machinery	180,054,840	136,633,114
-Building	9,685,412	8,902,030
-Others	23,980,275	19,444,528
Insurance (Net)	2,160,493	92,251
Rent	3,493,733	1,387,824
Rates & Taxes	4,236,213	2,038,735
Legal & Professional Charges	8,539,850	15,104,851
Telephone, Postage & Telegram	794,537	897,628
Travelling & Conveyance	8,219,023	12,785,950
Director's Sitting Fee	74,000	67,000
Auditor's Remuneration		
-As Audit Fee	367,700	367,700
-As Tax Audit Fee	-	-
-Certification & Company Law	100,000	100,000
-Expenses Reimbursement	-	-
Prior Period Adjustments	-	-
Freight & Forwarding	3,558,646	3,299,399
Commission to selling agents	17,224,340	12,338,565
Other selling expenses	28,708,914	39,713,750
Other expenses	17,891,291	18,890,695
Provision for Bad & doubtful debts/Advances	-4,175,803	6,852,668
Security Guard Expenses	7,512,206	7,060,826
Bank Charges	6,892	10,387
Fee for GST	4,150	3,000
Bagasse and Ash Handling Charges	10,209,375	6,769,553
Vehicle Expenses	2,093,564	2,640,167
<b>Total</b>	<b>530,768,033</b>	<b>480,878,481</b>

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

<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
Net profit/ (loss) as per Statement of Profit & Loss (for calculation of basic EPS)	(271,475,649)	7,905,207
Weighted average number of equity shares in calculating basic EPS	47,653,880	47,653,880
Basic earning per share	(5.70)	0.17
Diluted earning per share	(5.70)	0.17

**NOTE 29: Contingent Liabilities****Claims against the Company not acknowledged as debts are as under:****In the case of the Holding Company:****(Amount in Rs.)**

<b>S. No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
i)	Outstanding against Guarantee given to SVC Co-operative Bank Limited on behalf of SBEC Bio-energy Ltd.	1,148.46	1,582.65
ii)	Duties and Tax liabilities disputed by the Company	383.10	398.65

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





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

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the company's favour in respect of all the items listed at (i) to (ii) above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

**NOTE 30: Commitments**

**30.1 Capital Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) **Rs. 162.24 Lakhs** (P.Y. 194.63 Lakhs).

**30.2 Other Commitments:** Rs. Nil (P.Y. Nil)

**Note 31: Employee Benefits**

The disclosure of 'Employee Benefits' as defined in IND AS-19 is as under:

**Expenses recognized in the statement of Profit & Loss**

**(i) Defined Contribution Plan**

(Amount in Rs.)

Particulars	Current Year	Previous Year
Employer's Contribution to Provident Fund	98,89,531/-	98,73,812/-

**(ii) Defined Benefits Plans**

(Amount in Rs.)

Particulars	Gratuity Unfunded		Leave Encashment Unfunded	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Current service cost	3,681,443	3,726,681	358,643	343,288
Interest cost	2,924,722	2,605,266	319,407	292,336
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain)/loss	-	-	(8724)	281,598
Past service cost	-	-	-	-
Re-measurements recognized in OCI (Gain)/Loss	-	-	-	-
Comprehensive Income on Gratuity	8972	(3,368,942)	-	-
Expenses recognized in the statement of Profit & Loss	3,681,443	3,726,681	669,326	917,222
Interest Impact on Gratuity	2,924,722	2,605,266		

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

(Amount in Rs.)

Particulars	Gratuity		Leave Encashment Unfunded	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Discount Rate	6.70%	6.80%	6.70%	6.80%
Expected Rate of increase in Compensation Levels	5.50%	5.50%	5.50%	5.50%
Expected Rate of Return on Plan Assets	NA	NA	NA	NA
Expected Average remaining working lives of employees (years)	15.15 years	15.83 years	11.71 years	14.68 years

**(b) Reconciliation of Opening and Closing balances of benefit obligations:****(Amount in Rs.)**

Particulars	Gratuity Unfunded		Leave Encashment Unfunded	
	C. Yr.	P. Yr.	C. Yr.	P. Yr.
Benefit obligation at beginning of the year	43,010,623	34,011,307	4697,173	3,816,400
Current service cost	3,681,443	3,726,681	358,643	343,288
Interest Cost	2924,722	2,605,266	319,407	292,336
Benefits paid	(3,918,969)	(701,573)	(30,708)	(36,449)
Past service cost Curtailment Gains/Losses	-	-	-	-
Contribution by plan participants	-	-	-	-
Re-measurements Recognized in OCI (gain)/ loss	-	-	-	-
Actuarial (gain)/ loss	(8972)	3,368,942	(8724)	281,598
Projected benefit obligation at end of the year				
Net amount recognized in the balance sheet as at the end of the year	45,688,847	43,010,623	5,335,791	4,697,173

**(c) There is no plan asset at the beginning and at the closing of the year.****NOTE 32: RELATED PARTY DISCLOSURE****(A) Name of Related Parties where control exists and with whom transactions have taken place during the year:**

S.No.	Name of Related Party	Nature of Relationship
<b>A</b>	<b>(i) A person or a close member of that person's family of a reporting entity has control or joint control over the reporting entity</b>	
	Umesh Kumar Modi	Promoters having voting control
	Kumkum Modi	Promoters having voting control
	Jayesh Modi	Promoters having voting control
	Abhishek Modi	Relative of promoter having voting control
	<b>(ii) A person or a close member of that person's family of a reporting entity is a member of the Key Management Personnel of the reporting entity or of a parent of the reporting entity.</b>	
	Abhishek Modi	Whole Time Director
	Anil Kumar Goel	Chief Financial Officer
	Ajay Gupta	Chief Financial Officer
<b>B</b>	<b>(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)</b>	
	<b>1</b> SBEC Bioenergy Limited	Subsidiary
	<b>2</b> SBEC Stockholding & Investment Limited	Wholly Owned Subsidiary
	<b>(ii) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity</b>	
	SBEC Sugar EPF Trust	Trust
	<b>(iii) (a) The entity is controlled or jointly controlled by a person identified in (a).</b>	
	<b>(iv) (b) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</b>	



	A to Z holdings Pvt. Limited	<b>Directorship and Shareholding along with relatives in the Company.</b>
	Bihar Sponge Iron Limited	
	Jai Abhishek Investments Pvt. Ltd.	
	Longwell Investment Pvt. Ltd.	
	Modi Goods and Retail Services Pvt. Ltd.	
	Modi Hitech India Limited	
	Modi Illva India Pvt. Ltd.	
	Modi Industries Limited	
	Modi – Mundipharma Healthcare Pvt. Ltd.	
	Modi-Mundipharma Beauty Products Private Limited	
	Modi-Mundipharma Pvt. Ltd.	
	SBEC Bioenergy Ltd	
	SBEC Stockholding & Investment Limited	
	SBEC Systems (India) Ltd.	
	Umesh Modi Corp Pvt. Ltd	
	Win-Medicare Private Limited	
	Modi-Senator (India) Pvt. Ltd.	
	Abhikum Leasing & Investments Pvt. Ltd.	
	ABC Holding Pvt. Ltd	
	Kumabhi Investments Pvt. Ltd	
	Meghkum Leasing & Investment Pvt. Ltd.	
	Jayesh Tradex Pvt. Ltd.	
	M First Trading Pvt. Ltd.	
	Meghna Autoworks Pvt. Ltd	
	MG Mobiles India Pvt. Ltd	
	Modi Arts Pvt. Ltd	
	Modi Diagnostics Pvt. Ltd	
	Modi Motors Pvt. Ltd.	
	PHD Chamber of Commerce and Industry	
	H.M. Tubes & Containers Pvt. Ltd	
	Swasth Investment Private Limited	
	Modiline Travel Services Pvt. Ltd.	
	G S Pharmabutor Pvt. Ltd.	
	Arvind Continental Pvt. Ltd.	
	Mahabir Export & Import Co. Ltd.	
<b>(v)</b>	<b>Reporting entity being an associate of the other entity</b>	
	SBEC Sugar Limited is the associate Company of SBEC SYSTEMS (India) Limited	
	SBEC Bioenergy is the Associate Company of Moderate Leasing and Capital Services Limited	

**41.2. Related Party Disclosures****(B) Details of transactions with related parties****(Rs. in lacs)**

Transactions		Other Related parties	Key managerial personnel	Total
<b>i. Sitting Fees paid to :</b>				
Umesh Kumar Modi	31-Mar-21	7,000		<b>7,000</b>
	31-Mar-20	8,000		<b>8,000</b>
Kumkum Modi	31-Mar-21	1,000		<b>1,000</b>
	31-Mar-20	1,000		<b>1,000</b>
Jayesh Modi	31-Mar-21	2,000		<b>2,000</b>
	31-Mar-20	2,000		<b>2,000</b>
<b>Total F.Y. 2020-21</b>		<b>10,000</b>	-	<b>10,000</b>
<b>Total F.Y. 2019-20</b>		<b>11,000</b>	-	<b>11,000</b>
<b>ii. Remuneration paid to :</b>				
<b>Whole Time Director</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-21	8,146,878	-	<b>8,146,878</b>
	31-Mar-20	8,426,153	-	<b>8,426,153</b>
-Contribution to PF and superannuation	31-Mar-21	557,700	-	<b>557,700</b>
	31-Mar-20	576,705	-	<b>576,705</b>
<b>Vice President</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-21	3,607,115	-	<b>3,607,115</b>
	31-Mar-20	3,767,009	-	<b>3,767,009</b>
-Contribution to PF and superannuation	31-Mar-21	379,464	-	<b>379,464</b>
	31-Mar-20	392,393	-	<b>392,393</b>
<b>Company Secretary</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-21	-	382,879	<b>382,879</b>
	31-Mar-20	-	642,264	<b>642,264</b>
-Contribution to PF and superannuation	31-Mar-21	-	20,005	<b>20,005</b>
	31-Mar-20	-	32,454	<b>32,454</b>
<b>Chief Financial Officer</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-21	-	3,054,734	<b>3,054,734</b>
	31-Mar-20	-	3,046,887	<b>3,046,887</b>
-Contribution to PF and superannuation	31-Mar-21	-	237,024	<b>237,024</b>
	31-Mar-20	-	237,024	<b>237,024</b>
<b>Manager</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-21		0.00	-
	31-Mar-20		608,017	<b>608,017</b>
-Contribution to PF and superannuation	31-Mar-21		0.00	-
	31-Mar-20		29,473	<b>29,473</b>
<b>Company Secretary(Bio)</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-21	-	0.00	-
	31-Mar-20	-	33,700	<b>33,700</b>
-Contribution to PF and superannuation	31-Mar-21	-	0.00	-
	31-Mar-20	-	-	-
<b>Chief Financial Officer(Bio)</b>				
-Salary and Allowances (Including Perquisites)	31-Mar-21	-	545,196	<b>545,196</b>
	31-Mar-20	-	543,909	<b>543,909</b>
-Contribution to PF and superannuation	31-Mar-21	-	34,488	<b>34,488</b>
	31-Mar-20	-	34,488	<b>34,488</b>
<b>Total F.Y. 2020-21</b>		<b>12,691,157</b>	<b>4,274,326</b>	<b>16,965,483</b>
<b>Total F.Y. 2019-20</b>		<b>13,162,260</b>	<b>5,208,216</b>	<b>18,370,476</b>



<b>iii Reimbursement of expenses paid to :</b>				
Win Medicare Pvt. Ltd.	31-Mar-21	13,140	-	<b>13,140</b>
	31-Mar-20	20,036	-	<b>20,036</b>
<b>Total F.Y. 2020-21</b>		<b>13,140</b>	-	<b>13,140</b>
<b>Total F.Y. 2019-20</b>		<b>20,036</b>	-	<b>20,036</b>
<b>iv Purchase of materials/Paid for Exp.</b>				
Modiline Travels Service Pvt. Ltd.	31-Mar-21	454,947	-	<b>454,947</b>
	31-Mar-20	1,979,046	-	<b>1,979,046</b>
Modihitech India Ltd.	31-Mar-21	1,575,229	-	<b>1,575,229</b>
	31-Mar-20	1,080,850	-	<b>1,080,850</b>
Modi Industries Ltd (Sugar section)	31-Mar-21	346,396	-	<b>346,396</b>
	31-Mar-20	470,337	-	<b>470,337</b>
Jayesh Tradex Pvt. Ltd.	31-Mar-21	3,574,986	-	<b>3,574,986</b>
	31-Mar-20	2,194,557	-	<b>2,194,557</b>
MM Printers Devision of Modi Motors	31-Mar-21	48,330	-	<b>48,330</b>
	31-Mar-20	67,894	-	<b>67,894</b>
MG Mobile India Pvt Ltd	31-Mar-21	0.00	-	<b>-</b>
	31-Mar-20	58,900	-	<b>58,900</b>
Moderate leasing & capital service ltd	31-Mar-21	0.00	-	<b>-</b>
	31-Mar-20	1,618,393	-	<b>1,618,393</b>
Umesh Modi Corp. P Ltd	31-Mar-21	295,000	-	<b>295,000</b>
	31-Mar-20	295,000	-	<b>295,000</b>
Modi Mundi Pharma Beauty Products Pvt. Ltd.	31-Mar-21	16,992	-	<b>16,992</b>
	31-Mar-20	0.00	-	<b>-</b>
<b>Total F.Y. 2020-21</b>		<b>6,311,880</b>	-	<b>6,311,880</b>
<b>Total F.Y. 2019-20</b>		<b>7,764,977</b>	-	<b>7,764,977</b>
<b>v Sales of Materials</b>				
GS Pharmbutor Pvt. Ltd.	31-Mar-21	648,461,903	-	<b>648,461,903</b>
	31-Mar-20	133,416,966	-	<b>133,416,966</b>
Modi Industries Ltd (Modi Sugar mills)	31-Mar-21	1,620,143	-	<b>1,620,143</b>
	31-Mar-20	3,823,663	-	<b>3,823,663</b>
<b>Total F.Y. 2020-21</b>		<b>650,082,046</b>	-	<b>650,082,046</b>
<b>Total F.Y. 2019-20</b>		<b>137,240,629</b>	-	<b>137,240,629</b>
<b>vi Commission paid to</b>				
GS Pharmbutor Pvt. Ltd.	31-Mar-21	0.00	-	<b>-</b>
	31-Mar-20	856,651	-	<b>856,651</b>
<b>Total F.Y. 2020-21</b>		<b>-</b>	-	<b>-</b>
<b>Total F.Y. 2019-20</b>		<b>856,651</b>	-	<b>856,651</b>
<b>vii Interest paid</b>				
Arvind Contenental Pvt. Ltd.	31-Mar-21	0.00	-	<b>-</b>
	31-Mar-20	212,933	-	<b>212,933</b>
Longwell Investment Pvt. Ltd.	31-Mar-21	9,769,804	-	<b>9,769,804</b>
	31-Mar-20	8,542,966	-	<b>8,542,966</b>
GS Pharmbutor Pvt. Ltd.	31-Mar-21	3,276,793	-	<b>3,276,793</b>
	31-Mar-20	8,704,604	-	<b>8,704,604</b>
Moderate leasing & capital service ltd	31-Mar-21	0.00	-	<b>-</b>
	31-Mar-20	980,757	-	<b>980,757</b>
<b>Total F.Y. 2020-21</b>		<b>13,046,597</b>	-	<b>13,046,597</b>
<b>Total F.Y. 2019-20</b>		<b>18,441,260</b>	-	<b>18,441,260</b>



<b>viii Amount Received against Loan</b>				
Moderate leasing & capital service ltd	31-Mar-21	0.00	-	<b>0.00</b>
	31-Mar-20	2,945,988	-	<b>2,945,988</b>
<b>Total F.Y. 2020-21</b>		-	-	<b>-</b>
<b>Total F.Y. 2019-20</b>		<b>2,945,988</b>	-	<b>2,945,988</b>
<b>ix Amount Paid against Loan</b>				
GS Pharmbutor Pvt. Ltd.	31-Mar-21	21,000,000	-	<b>21,000,000</b>
	31-Mar-20	34,200,000	-	<b>34,200,000</b>
Moderate leasing & capital service ltd	31-Mar-21	0.00	-	<b>-</b>
	31-Mar-20	37,605,667	-	<b>37,605,667</b>
<b>Total F.Y. 2020-21</b>		<b>21,000,000</b>	-	<b>21,000,000</b>
<b>Total F.Y. 2019-20</b>		<b>71,805,667</b>	-	<b>71,805,667</b>
<b>x Lease Rent Received from</b>				
Modi Industries Ltd (Sugar Section)	31-Mar-21	556,055	-	<b>556,055</b>
	31-Mar-20	948,720	-	<b>948,720</b>
<b>Total F.Y. 2020-21</b>		<b>556,055</b>	-	<b>556,055</b>
<b>Total F.Y. 2019-20</b>		<b>948,720</b>	-	<b>948,720</b>
<b>xi Debt Assignment Receivable from MIL</b>				
Modi Industries Ltd (Sugar section)	31-Mar-21	1,468,597,682		<b>1,468,597,682</b>
	31-Mar-20	1,468,597,682		<b>1,468,597,682</b>
<b>Total F.Y. 2020-21</b>		<b>1,468,597,682</b>	-	<b>1,468,597,682</b>
<b>Total F.Y. 2019-20</b>		<b>1,468,597,682</b>	-	<b>1,468,597,682</b>
<b>xii. Outstanding "Receivables"</b>				
SBEC stockholding & Investment Ltd.	31-Mar-21	230,050,000	-	<b>230,050,000</b>
	31-Mar-20	230,050,000	-	<b>230,050,000</b>
Modi Industries Ltd (Sugar section)	31-Mar-21	52,178,261	-	52,178,261
	31-Mar-20	64,313,344	-	64,313,344
Modi Industries Ltd (Debt Assignment)	31-Mar-21	1,468,597,682		1,468,597,682
	31-Mar-20	1,468,597,682		1,468,597,682
	31-Mar-21	2,328,902	-	2,328,902
SBEC System (I) Ltd.		15166425		
Less-(Loss on Impairment on Assets)		12837523		
Balance		2328902		
	31-Mar-20	2,328,902	-	2,328,902
Modihitech India Ltd.	31-Mar-21	686,769		686,769
	31-Mar-20	2,261,998		2,261,998
<b>Total F.Y. 2020-21</b>		<b>1,753,841,614</b>	-	<b>1,753,841,614</b>
<b>Total F.Y. 2019-20</b>		<b>1,767,551,926</b>	-	<b>1,767,551,926</b>



<b>xiii. Outstanding "Payables"</b>				
Modiline Travels Service Pvt. Ltd.	31-Mar-21	142,730	-	<b>142,730</b>
	31-Mar-20	303,706	-	<b>303,706</b>
Chief Financial Officer	31-Mar-21	-	66,553	66,553
	31-Mar-20	-	46,837	46,837
Manager	31-Mar-21	-	-	-
	31-Mar-20	-	(1,393)	(1,393)
Longwell Investment Pvt. Ltd.	31-Mar-21	61,910,525	-	61,910,525
	31-Mar-20	54,276,696	-	54,276,696
GS Pharma Beauter Pvt. Ltd.	31-Mar-21	168,461,033	-	168,461,033
	31-Mar-20	136,057,316	-	136,057,316
Bihar Sponge iron Ltd.	31-Mar-21	1,826,999	-	1,826,999
	31-Mar-20	1,826,999	-	1,826,999
Modi Mundi Pharma Beauty Products Pvt. Ltd.	31-Mar-21	297,249	-	297,249
	31-Mar-20	280,257	-	280,257
Win Medicare Pvt Ltd	31-Mar-21	7,996	-	7,996
	31-Mar-20	64,845	-	64,845
Modearte leasing & capital Service ltd	31-Mar-21	-	-	-
	31-Mar-20	188,559	-	188,559
Chief Financial Officer(Bio)	31-Mar-21	-	-	-
	31-Mar-20	-	24,647	24,647
Umesh Modi Corp. P Ltd	31-Mar-21	276,250	-	276,250
	31-Mar-20	133,850	-	133,850
Umesh Modi	31-Mar-21	5,550	-	5,550
	31-Mar-20	-	-	-
<b>Total F.Y. 2020-21</b>		<b>232,928,332</b>	<b>66,553</b>	<b>232,994,885</b>
<b>Total F.Y. 2019-20</b>		<b>193,132,228</b>	<b>70,091</b>	<b>193,202,319</b>

### Note 33: Segment Reporting

The Company is a single location single product company and hence the requirement if Ind As-108 on segment reporting are not required.

### Note 34: Outstanding dues to micro, small and medium Enterprises:

The disclosure of dues details relating to enterprises covered under micro, small and medium enterprises Development Act 2006, to the extent the information are available with the company, are as under:

S.No.	Particulars	As at 31.03.2021	As at 31.03.2020
a)	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year. (ii) Interest due thereon.	27,75,794	3,977,059
b)	(i) The amount of interest paid in terms of sec.16 of MSMED Act, 2006 beyond the respective due date during the year. (ii) The amount of principal paid beyond the due date during the year.	-	-
c)	The amount of interest due and payable for delay period (where principal has already been paid after due date.)	-	-
d)	The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-
e)	The amount of interest accrued and remaining unpaid as at the end of the accounting year.	-	-

### Note 35: Financial Instruments

#### i) Financial risk management

The Company's activities expose it to a variety of financial risks which includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarized ahead.





## ii) Market risk

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

## iii) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primarily arises from trade receivables, balances with banks, investments and security deposits. The credit risk on bank balances is limited because the counter parties are banks with good credit ratings.

## iv) Trade Receivables

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables.

## v) Investments

The Company limits its exposure to credit risk by generally investing with counter parties that have a good credit rating. The Company has funded defined-benefit gratuity plans. The funded status of these plans is influenced by movements in financial market. A negative performance of the financial markets could have a material impact on cash funding requirements.

## vi) Cash & cash equivalents

With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's risk exposure arises from the default of the counter party, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. Since the counter party involved is a bank, Company considers the risks of non-performance by the counter party as non-material.

## vii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies

Related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

## viii) Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

### As at 31.03.2021

Particulars	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	619,504,002	1,140,460,062	1,759,964,064
Current borrowings	550,104,655	-	550,104,655
Trade payables	4,486,410,456	-	4,486,410,456
Other financial liabilities (Current)	686,072,901	-	686,072,901
Other financial liabilities (Non-Current)	45,000	-	45,000

### AS AT 31.03.2020

Particulars	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	542,000,004	1,817,414,641	2,359,414,645
Current borrowings	404,175,373	-	404,175,373
Trade payables	4,016,024,562	-	4,016,024,562
Other financial liabilities (Current)	602,013,844	-	602,013,844
Other financial liabilities (Non-Current)	45,000	-	45,000

- a) The Company manages its capital to ensure that the entities in the Company will be able to continue as going concern while maximizing the return to shareholders and also complying with the ratios stipulated in the loan agreements through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note 15 offset by cash and bank balances as detailed in note 10 & 12) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.


**b) Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at 31 March, 2021 (Rs.)	As at 31 March, 2020 (Rs.)
Debt (See note 'i' below)	2,310,068,719	2,763,590,018
Cash and bank balances	38,917,401	67,746,803
<b>Net debt</b>	<b>2,271,151,318</b>	<b>2,695,843,215</b>
<b>Total equity</b>	<b>(51,444,784)</b>	<b>192,891,606</b>
<b>Net debt to equity ratio (times)</b>	<b>(44.15)</b>	<b>13.98</b>

**Note:**

- Debt is defined as long and short-term borrowings (excluding derivative, financial guarantee contracts), as described in notes 15 and 17.
- In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current years and previous years.

**c) Categories of financial instruments**

Particulars	As at 31 March, 2021 (Rs.)	As at 31 March, 2020 (Rs.)
<b>Financial assets</b>		
<b>Measured at amortized cost</b>		
Other noncurrent assets	6,325,271	6,348,207
Other financial assets (non current)	1,473,182,024	1,472,886,689
Trade receivables	274,674,271	203,258,664
Cash and cash equivalents	35,510,835	64,518,912
Bank Balances other than Cash and cash equivalents	3,406,566	3,227,891
Other current assets	131,190,368	111,266,525
Other financial assets (current)	-	-
Loans	27,731,458	20,301,326
<b>Measured at fair value through Profit &amp; Loss</b>		
Investments		
<b>Financial liabilities</b>		
<b>Measured at amortized cost</b>		
Borrowings (non-current)	1,140,460,062	1,817,414,641
Borrowings (current)	550,104,655	404,175,373
Trade payables	4486,410,456	4,016,024,562
Other financial liabilities (non-current)	45,000	45,000
Other financial liabilities (current)	686,072,901	602,013,844
Other current liabilities	46,781,043	15,192,601
Other Non-Current liabilities	1,076,672	1,106,200



**d) Fair value of the financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)**

(Amount in Rs.)

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Financial Assets at amortized cost :	1,952,020,794		1,881,808,215	
<b>Financial Liabilities</b>				
Financial Liabilities held at amortized cost:	6,910,950,788		6,855,972,221	

**Exposure to credit risk**

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

(Amount in Rs.)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Investments	380,333,615	380,333,615
Cash and bank balances	35,510,835	64,518,912
Bank deposit	34,06,566	3,227,891
Short-term loans and advances	27,731,458	20,301,326

Balance with banks is subject to low credit risks due to good credit ratings assigned to these banks.

Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)

(Amount in Rs.)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade Receivable	274,674,271	203,258,664

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

Particulars	
<b>As at 31.03.2021</b>	
Up to 6 months	271,830,656
More than 6 months	2843,616
<b>As at 31.03.2020</b>	
Up to 6 months	149,875,727
More than 6 months	53,382,937

During the year the Company has recognised loss allowance of Rs. Nil (Previous Year Rs. 10,183,898/-) under 12 months expected credit loss model.

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

**Note 36. Other Disclosures**

**In Case of Holding Company**

- (i) During the year 2006-2007, a One Time Settlement (OTS) dated 22nd January, 2007 was signed between the Company, Punjab National Bank (PNB), Mr. Umesh K. Modi (as Guarantor of MIL) and Modi Industries Limited (MIL) on the terms as contained in the PNB's letter dated 28th September, 2006. In terms of this settlement, the Company had agreed to make payment of Rs. 2,810.60 lacs together with interest to PNB. In consideration of the same, PNB had agreed to assign all its claims, interest and charges against the Steel Section of MIL in favour of the Company. The Company has made full payment of the settlement amount together with interest aggregating to Rs. 3,351.21 lacs to PNB. As per expert legal opinion, during the year interest amounting to Rs. 417.63lacs (previous year Rs. 417.63 lacs for the period from 22nd January, 2007 to 31st March, 2012) has been allocated to the cost of "Debt Assignment" acquired by the company from PNB, since in the opinion of the management the borrowing of the company were raised to pay for Debt Assignment.

PNB thereafter executed a "Deed of Assignment" on 15th May, 2012(an event occurring after the date of the Balance Sheet) in favour of the company by which PNB assigned all its claim together with all securities and charges created by MIL in its favour, to the company.



The company thereafter executed a "Deed of Assignment" on 31st December, 2012 in favour of its subsidiary M/s. SBEC Bioenergy Limited (SBL) by which the company assigned all its claim together with all securities and charges created by PNB for a consideration of Rs. 12,500.00 Lacs. A sum of Rs. 4,200.00 lacs had been paid simultaneously with the execution of this deed and the remaining sum of Rs. 8,300.00 lacs was to be paid as per the mutually agreed installments within a period of five years from the date of execution of this deed. However, upto 31.03.2018, no payment had been received by the Company due to financial distress in SBEC Bioenergy Limited.

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

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

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

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

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

- (iv) The company has valued the closing stock of Inventory (Sugar) at net realizable value instead of "the lower of cost and net realisable value" as required under IND AS-2 "Inventories". Since NRV is higher than cost this has resultant in overstatement of Inventories (Finished Goods-Sugar) by Rs.614 lakhs and understatement of losses for the year by Rs.614 lakhs and its consequential impact on EPS.
- (V) The Hon'ble Supreme Court vide its order dated 23.04.2018 has upheld the order passed by the Hon'ble High Court of Judicature at Allahabad dated 9th March, 2017 in PIL No. 67617/2004, where the said court has set aside the decision of the state Government for the waiver of interest for the year 2012-13, 2013-14 and 2014-15 and proceeded to ask the Cane Commissioner to take a final call in the matter. Pending final order, the Company has not made provision for interest on the late payment of cane dues for the years 2012-13, 2013-14 and 2014-15. The Matter is Sub-Judice. Under the power vested with the Cane Commissioner (U.P.) for waiver of interest under UP Sugar Cane (Regulation of Supply & 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 upon decision in the matter/payment.

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

- i) The 132 KV Line was laid by Uttar Pradesh Power Corporation Limited (UPPCL) and commissioned on 1st December, 2005. The Company's contribution in respect of the line amounted to Rs.19,545,474/- as demanded by UPPCL till end of March, 2017. The total expenditure in laying the line is pending finalization by UPPCL. The ownership of the line however, vests with UPPCL.
- ii) UPPCL has charged Rs. 6,82,448/- for the year 2020-21 (Previous Year Rs. 6,57,776/-) as Annual Maintenance Charges.

#### NOTE 37: MANAGERIAL REMUNERATION

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

**Mr. Abhishek Modi**, Executive director was paid remuneration in accordance with Schedule V to the Companies Act, 2013. The same having been included under different heads of expenditure is as follows:

Particulars	Current Year	Previous Year
Salary & Bonus	7,823,184	8,089,741
Cont. to Provident Fund	557,700	576,705
Others	323,694	336,412

**Note:** Remuneration excludes provision for gratuity determined on actuarial basis as these are determined for the company as a whole.


**Computation of Profit in accordance with Section 198 of the Companies Act, 2013 is as under:-**

Particulars	Current Year	Previous Year
Profit (Loss) for the year before taxation (as per Profit & Loss Account)	(60,212,971)	(58,529,195)
<b>Add:-</b>		
(a) Depreciation provided in the Accounts	21,966,197	22,128,728
(b) Director and Manager Remuneration	8,704,578	9,002,858
(c) Loss on sale of Fixed Assets	-	-
<b>Less:-</b>		
(a) Depreciation as per section 123 of the Companies Act, 2013	<b>21,966,197</b>	<b>22,128,728</b>
(b) Profit on sale of Fixed Assets	-	-
Profit(Loss) u/s 198	(51,508,393)	(49,526,337)

**Note 38: Additional information**
**In Case of Holding Company**
**(a) Capacity**

Installed Capacity(as certified by the management)	Year Ended 31st March,2021	Year Ended 31st March,2020
Sugarcane Crushing M.T. per day (No License required)	<b>8000</b>	<b>8000</b>

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

Classes of Goods	Opening stock – Quantity (Qtls.)	Production Quantity (Qtls.)	Sales		Closing stock	
			Quantity (Qtls.)	Value (In Lacs)	Quantity (Qtls.)	Value (In Lacs)
Sugar	640,770.50	1,585,542	1,651,693	51417.83	574620	18255.45
	(3,72,984)	(1,618,925)	(1,351,138.50)	(42,581.34)	(640,770.50)	(19,863.89)
Molasses (By-product)	415,605.70	6,18,165.01	735,406.45	3088.28	298,364.26	1744.98
	(399,400)	(668,100.55)	(651,894.85)	(2,421.04)	(415,605.70)	(2,009.32)
		<b>Purchases</b>				
Sugar Trading	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

**(C) Consumption of Raw Material**

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Quantity (Quintals)	Value (Rs. In lacs)	Quantity (Quintals)	Value (Rs. In lacs)
<b>Sugar Cane</b>	142,03,541.17	47,668.80	14,194,453	47,608.64

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

Particulars	Current year	Previous Year
Interest, Others.	2.91	5.00

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

Particulars	Current year	Previous Year
Store & Spares	20.20	25.99


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

Particulars	Current year	Previous Year
Export of goods calculated on FOB basis	-	-

**(g) Value if imported/Indigenous Raw Materials, Stores and Spares Consumed**
**(Rs. in lacs)**

Particulars	Indigenous Value	%age	Imported Value	%age
Raw Materials	47,668.80	100%	-	Nil
Previous Year	(47,608.64)	100%	-	Nil
Stores & Spares*	(3,096.02)	99.35%	20.20	0.65%
Previous Year	(3265.48)	99.21%	25.99	0.79%

\*Excluding spares used for capitalization.

\* ( ) Show Previous year figures.

**In Case of Bio-Energy Limited**

Additional information required to be given pursuant to Part II of Schedule III to the Companies Act, 2013 (to the extent applicable) is as follows:

**a. Statement of Installed & Licensed Capacity and Generation Quantity: @**

Description	Licensed Capacity	Installed Capacity	Actual Generation*
Power	Not Applicable	24MW (24MW)	79,721,100 kwh (80,664,400) kwh
Steam	Not Applicable	77 tph (77 tph)	315,555 tonnes (326,154) tonnes

Figures in brackets are for Previous Year.

\* Transmission losses have not been considered in arriving at generation quantity.

@ The plant operated for 200 days in the current year (previous year 206 days).

**b. Details of Sales/Conversions.**

Description	Op. Stock		Conversion		Sales		Cl .Stock	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity*	Value
Power	831,456 kwh (1,139,423 kwh)	905,443 (1,288,060)	38,716,020 kwh (37,726,540 kwh)	---- ----	34,803,283 kwh (37,047,124 kwh)	105,074,056 (108,713,036)	633,421 kwh (831,456 kwh)	788,463 (905,443)
Steam	----	----	315,555 tonnes (326,154 tonnes)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

Figures in brackets are for previous Year.

\* Includes 97,770 kwh (Previous Year 1,42,428 kwh) charged as banking fee by UPPCL.

**c. Consumption of Imported and Indigenous Raw Material and Stores & Spares**

Particulars	Indigenous		Imported	
	Value	%	Value	%
Store / Spares	34,478,921 (21,900,436)	100% 100%	Nil Nil	Nil Nil

Figures in brackets are for previous year.

**d. Value of Import on CIF Basis**

Particulars	Current year	Previous Year
Store & Spares	Nil	Nil

**e. Expenditure in Foreign Currency (Paid)**

Particulars	Current year	Previous Year
Purchase of stores and spares	NIL	NIL
Others	1410,869	56,84,036

**Note: 40. Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 notifies new standard or amendments to the standards. There is no such new notification which would be applicable from April 1, 2021.

**Note: 41**

The financial statements for the year ended 31 March, 2021 were approved by the Board of Directors and authorize for issue on 13th May, 2021.

Previous Year Figures have been recast/restated.

Note 1 to 41 Containing Accounting Policies and General Notes from part of the financial statements.

**For K.K.JAIN & CO.**

Chartered Accountants

**Firm Registration No 02465N**

**Sd/-**

**(SIMMI JAIN)**

Partner

**Membership No. 086496**

**Sd/-**

**Umesh Kumar Modi**

(Chairman & President)

DIN: 00002757

**Sd/-**

**Abhishek Modi**

(Whole Time Director)

DIN: 00002798

**Sd/-**

**J.C. Chawla**

(Director)

DIN: 05316202

**Sd/-**

**Vijay Kumar Modi**

(Director)

DIN: 00004606

**Sd/-**

**N.P. Bansal**

(Director)

DIN: 00010587

**Sd/-**

**A.K. Goel**

(Chief Financial Officer)

**Sd/-**

**Ankit K. Srivastava**

(Company Secretary)

Place : New Delhi

Date : 13th May, 2021



*If undelivered, please return to:*

**SBEC SUGAR LIMITED**

REGISTERED OFFICE & PLANT

Village : Loyan Malakpur,

Tehsil : Baraut - 250 611,

Distt. Baghpat,

Uttar Pradesh