

30th

ANNUAL REPORT 2013-2014

SAGAR SYSTECH LIMITED

Board of Directors

Mr. Mukesh Babu
Mr. K. Chandrasekhar
Mr. Benny Itty

Main Bankers

Oriental Bank of Commerce

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Auditors

Chaitanya C. Dalal & Co
Chartered Accountants
111, Maker Chambers III
223, Nariman Point,
Mumbai - 400021.

Registered Office

12A/1, New Sion Co-op.Hsg. Soc. Ltd.
Sion - West,
Mumbai - 400 022.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2014

The Directors have pleasure in presenting 30th Annual Report and Statement of accounts for the year ended 31st March 2014.

TOTAL INCOME	<u>761,026</u>	<u>741,420</u>
Profit/(Loss) before Interest, Depreciation & Tax	631,310	597,852
Less : Interest	-	-
Gross Profit	631,310	597,852
Less : Depreciation	-	-
Profit/(Loss) before Taxation	631,310	597,852
Add/(less) : Current Tax	-	-
Add/(less) : Deferred Tax	(74,560)	3,951
Net Profit/(Loss) after Taxation	<u>556,750</u>	<u>601,803</u>

YEAR IN RETROSPECT

The company has earned Net profit after Tax of ₹ 5.57 lakhs as compared to net profit of ₹ 6.02 lacs in the previous year.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies (Amendment) Act, 2000 with respect to Directors' Responsibilities Statement, it is hereby confirmed:

- (i) that the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2014 on a going concern basis.

DIRECTORS

Mr. Benny Itty who retires by rotation and being eligible, offers himself for re-appointment.

FIXED DEPOSITS

The company has not accepted any deposit from the public during the year.

DIVIDEND

The company do not recommend dividend for the year.

AUDITORS

The current Auditors M/s. Chaitanya C. Dalal & Company retire on the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

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

As the company is a service company, no particulars have been given regarding conservation of Energy and Technology Absorption.

Foreign Exchange earning and outgo during the year – ₹ Nil (Previous Year ₹ Nil).

PARTICULARS OF EMPLOYEES

Since the Company did not employ persons drawing remuneration in excess of ₹ 500,000 per month or ₹ 60,00,000 per annum, the information pursuant to section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not applicable.

CASH FLOW ANALYSIS

As per clause 32 of the Listing Agreement the cash flow statement has been attached to the Balance Sheet as on 31st March 2014 and Statement of Profit and Loss for the year ended 31st March, 2014.

ACKNOWLEDGEMENTS

Your directors wish to thank the company's bankers and shareholders for their co-operation.

**FOR AND ON BEHALF OF THE BOARD
SAGAR SYSTECH LTD.**

Sd/-

**MUKESH BABU
DIRECTOR**

Place : Mumbai

Date : 30th May 2015.

CORPORATE GOVERNANCE REPORT

PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE

The Company is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Keeping in view the Company's size and complexity in operations, the company's corporate governance framework is based on the following main principles:

- a. Appropriate composition and size of the Board, with each Director bringing in key expertise in different areas and being accountable to the Company and stakeholders.
- b. Strategic guidance and Effective monitoring by the Board and equitable treatment to all stakeholders.
- c. Timely and accurate disclosure of all material operational and financial information to the stakeholders.
- d. Protection to minority interests and rights.

The Securities and Exchange Board of India (SEBI) through clause 49 of the listing agreement with the stock exchanges regulates corporate governance for listed companies. The details of compliance for the year ended March 31, 2014 are as follows:

1. BOARD OF DIRECTORS

a) As at 31st March, 2014 the Board comprised of 3 Directors.

Composition and Categories of Board of Directors:

Name of the Directors	Category	No. of Directorship		No. of Committees Chairpersonship/Membership held including Sagar Systech Limited	
		Public	Private	Chairperson	Members
Mr. Mukesh Babu	Promoter, & Executive Director	2	2		
Mr. K. Chandrasekhar	Independent & Non – Executive Director	1	2	3	6
Mr. Benny Itty	Independent & Non – Executive Director	Nil	Nil	0	3

b) During the Financial Year 2013-2014 the Board met on Four Occasions i.e. on 10th May 2013, 5th August 2013, 15th November 2013 and 14th February 2014

Directors	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attended last AGM
Mr. Mukesh Babu	Promoter and Non Executive Director	4	4	Yes
Mr. K. Chandrasekhar	Independent Non Executive Director	4	4	Yes
Mr. Benny Itty	Independent Non Executive Director	4	4	Yes

2. AUDIT COMMITTEE

The Company has an Independent Audit Committee at the Board level with powers and role that are in accordance with clause 49 of the listing agreement. The Committee acts as a link between the management, the statutory auditors and the Board of Directors and oversees the financial reporting process.

The Audit Committee presently comprises of 2 Non Executive & Independent Directors. Mr. K. Chandrasekhar is an independent Chairman while Mr. Benny Itty is the other one independent member of the committee.

The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchanges. These include the Review of accounting and financial policies and procedures, Review of financial reporting system, Internal control system and Procedures and ensuring compliance of statutory requirements.

The Audit Committee reviews the financial statements with the Statutory Auditors and the Management with reference to the accounting policies and practices before commending the same to the Board for its approval.

Composition and Attendance of members at the Meetings of the Audit Committee held during 2013-14

Members	Category	Meetings held	Meetings attended
Mr. K. Chandrasekhar	Chairman (Non Executive & Independent Director)	4	4
Mr. Benny Itty	Member (Non Executive & Independent Director)	4	4

3. REMUNERATION COMMITTEE

a) Brief Terms of reference:

To recommend to the Board, remuneration payable to whole time Directors and to decide the amount of salary, perquisites and commission to be paid to the Managing Director and Executive Directors within the overall ceiling fixed by the shareholders.

b) Composition

Members	Category	Meetings held	Meetings attended
Mr. K. Chandrasekhar	Chairman (Non Executive & Independent Director)	4	4
Mr. Benny Itty	Member (Non Executive & Independent Director)	4	4

4. SHAREHOLDERS / INVESTORS' GRIEVANCES COMMITTEE

The company has constituted Shareholders / Investors' Grievances Committee of the Board of Directors to look into the specific complaints received from the share holders of the Company

Members	Category	Meetings held	Meetings attended
Mr. K. Chandrasekhar	Member Non Executive & Independent Director	4	4
Mr. Benny Itty	Member Non Executive & Independent Director	4	4

All valid requests for the share transfers received during the year have been acted upon. There were no share transfer requests pending as on March 31, 2014. The Company has not received any complaint from shareholders/investors during the year.

5. A. REMUNERATION PAID TO DIRECTORS DURING 2013-14

In Rs.

Sr. No.	Names	Category	Sitting Fees	Salary & Perquisites	Commission	Total
1	Mr. Mukesh Babu	Promoter and Non Executive Director	nil	Nil	nil	nil
2	Mr. K. Chandrasekhar	Independent Non Executive Director	nil	Nil	nil	nil
3	Mr. Benny Itty	Independent Non Executive Director	nil	Nil	nil	nil

B. EQUITY SHAREHOLDING OF THE NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 31st MARCH, 2014

Sr. No.	Name of the Non-Executive Director	No. of Shares
1	Mr. K. Chandrasekhar	Nil
2	Mr. Benny Itty	Nil

6. GENERAL BODY MEETINGS

Location and time of last three AGM's held:

Financial Year	Date	Time	Location	Special Resolution(s)
2012-13	30 th September 2013	11.00AM	Registered of the Company	None
2011-12	28 th September,2012	11.00AM	Registered of the Company	None
2010-11	30 th September,2011	11.00AM	Registered of the Company	None

EXTRA ORDINARY GENERAL MEETING:

No Extra Ordinary General Meeting was held during the year.
No Special Resolution were passed or proposed during the last year through postal ballot.

7. MEANS OF COMMUNICATION

The means of communication between the Shareholders and Company are transparent and investor friendly. The Quarterly Results of the Company are published in "The Free Press Journal" and "Navshakti" as required by the Listing Agreement. These results are also placed on the Company's web site.

8. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI Regulations on prevention of insider trading, the company has adopted a code of for its Directors and designated employees. The code lays down guidelines which include procedures to be following disclosures to be made while dealing into the shares of the Company

9. DISCLOSURE REGARDING RE-APPOINTMENT OF DIRECTORS

During the financial year 2013-14, there was no other change in the composition of the Board of the Company.

10. DISCLOSURES

a. Related party transactions

All the transactions with the related parties are at the prevalent market rate and details and the quantum of such transactions are disclosed in the schedules of notes to accounts as a practice of sound accounting policy and they are not conflicting in any manner with the interest of the Company at large.

b. Accounting Treatment

The accounts are prepared in line with the accounting standard followed and any treatment which is not in consonance with the generally accepted accounting standard and principles are separately stated in the schedules of notes to the accounts with reasons and justifications for such treatment.

c. Risk Management

The Board regularly reviews and discusses the risk perception of the Company and executive management of the Company is guided to control risk through means of a properly defined framework.

d. Proceeds from public issues, right issues, preferential issues etc.

As and when money is raised through an issue, right issues, preferential issues etc. the utilization of the said collected fund is properly disclosed through a separate statements duly certified by the auditors of the Company to informed the stakeholders on time.

e. Management Discussion and Analysis

In addition to the Directors Report, Management Discussion and Analysis forms part of the Annual Report.

f. Shareholders

Whenever a new Director is appointed or an existing director seeks re-appointment on the Board of the Company, brief resume, his experience and expertise, his directorships on other Boards and membership of committees and shareholding of all the Directors etc are disclosed in the relevant section of the Corporate Governance Report included in the Annual Report.

g. Non compliance with any statutory provisions and penalties, strictures etc.

Non compliance with any of the statutory provisions, if any are disclosed in the Directors report and wherever penalties, strictures are imposed, if any they are distinctively disclosed in the schedules of notes to the accounts.

h. Whistle Blower Policy

Though there is no formal Whistle Blower Policy, the Company takes cognizance of the complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and wherever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

11. **GENERAL SHAREHOLDER INFORMATION**

AGM Date & Venue	30th Annual General Meeting, on 30th September,2014 at Registered Office at 11.00AM
Financial Year	April 2013 to March 2014
Financial Calendar	Financial Results reporting for quarter ended
	1) June 30, 2014 on or before 14 th August,2014
	2) September 30, 2014 on or before 14 th November,2014
	3) December 31,2014 on or before 14 th February,2015
	4)March 31,2015 on or before 15 th May,2015
Date of Closure	21 st September,2014 to 30 th September,2014
Dividend Payment	No Dividend Declared
Listing on Stock exchanges	Bombay Stock exchange(BSE)
Stock Codes	BSE:511254

CATEGORIES OF SHAREHOLDERS (AS ON 31st March, 2014)

Category	No. of Shareholders	Voting Strength (percentage)	Number of Shares held
Promoters	3	70.78	226500
Non Resident Individuals /OCB Companies	0	0	0
FII's / FI's / Mutual fund/ Bank	0	0	0
Individuals	135	29.22	93500
Total	138	100	320000

12. **REGISTRAR & TRANSFER AGENTS : (FOR PHYSICAL & DEMAT SHARES)**

In House: At Company Registered Address

13. **DEMATERIALISATION OF SHARES**

As on 31st March, 2014, 100% of the total equity share capital of the Company is held in dematerialized form.

14. **CODE OF CONDUCT**

The Board has adopted the Code of Conduct for members of the Board and Senior Management personal of the Company. The Code lays down, in details, the standards of business conduct, ethics and governance. The compliance of the same has posted on the company's website.

Declaration

As provide under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with Code of Conduct for the year ended 31st March, 2014

For The Sagar Systech limited

Sd/-

**Date: 30th May 2014
Place: Mumbai**

**Mukesh Babu
Director**

CEO/CFO CERTIFICATION

To,
The Board of Directors,
SAGAR SYSTECH LIMITED

We hereby certify that for the financial year, ending 31st March, 2014 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
 - a. There have been no significant changes in internal control during the year;
 - b. There have been no significant changes in accounting policies during the year.
 - c. There have been no instances of significant fraud of which we are become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For The Sagar Systech limited

Sd/-

**Mukesh Babu
Director**

**Date: 30th May 2014
Place: Mumbai**

To
The Members of
Sagar Systech Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by "Sagar Systech Limited" (the Company) for the financial year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange. 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 to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended on March 31, 2014, no investor grievances are pending against the Company for more than one month as per records maintained by the Company and presented to the Investor Grievance / Share Transfer Committee.

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

**For Chaitanya C. Dalal & Co.
Chartered Accountants**

**Sd/-
Chaitanya C Dalal
Partner
Membership No. 35809
FRN: 101632W**

**Date: 30/05/2014
Place: Mumbai**

Independent Auditor's Report

To
The Members of
SAGAR SYSTECH LIMITED

We have audited the accompanying financial statements of **SAGAR SYSTECH LIMITED**, which comprise of the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 . This responsibility includes the design, implementation and maintenance of internal control 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:

- a) We have 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 appears from our examination of those books
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Chaitanya C. Dalal & Co.
Chartered Accountants**

**Sd/-
Chaitanya C. Dalal
Partner
Membership No. 35809
Firm Registration Number: 101632W**

**Place: Mumbai
Date: 30/05/2014**

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of SAGAR SYSTECH LIMITED on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) According to the information and explanations given to us and on the basis of our examination of the books of account the company does not have any fixed assets as on 31st March,2014. Thus sub clauses (b) & (c) are not applicable to the company.
- (ii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account the company does not have any Inventories as on 31st March,2014. Thus sub clauses (b) & (c) are not applicable to the company.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii(f) and iii (g) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- (v) (a) In our opinion and according to the information and explanation given to us, they are transactions made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956.

(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of section 301 of the Act and exceeding the value of Rupees five Lakhs in respect of any party during the year, if any, have been made at prices which are reasonable having regard to the prevailing market prices at te relevant time.
- (vi) The company has not accepted any deposits from the public thus clause 4(vi) of the Companies (Auditor's report) Order 2003 is not applicable.
- (vii) In our opinion the company has an internal audit system commensurate with its size and nature of its business.
- (viii) As explained to us, the Central Government has not prescribed the maintenance of Cost records under section 209 (1) (d) of the Companies Act 1956 for the company's products.

- (ix) (a) According to the information and explanations given to us and according to books and records as produced and examined by us, there are no amount payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues as at the year end outstanding for the period more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
- (x) The Company has no accumulated losses as at 31st March,2014 and not incurred any cash losses in the years and has not incurred cash losses in the immediately preceding financial year.
- (xi) According to the records of the company as examined by us and information and explanation given to us , bank overdraft balance is subject to confirmation and reconciliation as stated in Note. No. 12 (B) (2) of the Other Notes to Accounts.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares debentures and other securities.
- (xiii) As the company is not a nidhi / mutual benefit fund / society Clause (xiii) of the order is not applicable.
- (xiv) In our opinion and according to the information and explanations given to us the Company is not a dealer or trader in securities thus Clause (xiv) of the order is not applicable.
- (xv) The company has not given any guarantees for loans taken by others from bank or Financial Institutions the terms and conditions whereof are prima facie prejudicial to the interest of the Company.
- (xvi) According to the information and explanation given to us the company has not obtained any term loans hence Clause (xvi) of the order is not applicable.
- (xvii) According to the information and explanation given to us and an overall examination of the balance sheet of the company we report that no funds raised on short term basis has been used for long term investments.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xix) The company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) 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 and according to the information and explanation given to us, during the year, we have neither come across any instance of fraud on or by the company nor have we been informed of such case by the management.

**For Chaitanya C Dalal & Co.
Chartered Accountants**

**Sd/-
Chaitanya C Dalal
Membership No. 35809
Firm Registration Number: 101632W**

**Place: Mumbai
Date: 30/05/2014**

SAGAR SYSTECH LIMITED
BALANCE SHEET AS ON MARCH 31, 2014

Particulars	Note No.	March 31, 2014		March 31, 2013	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	3,200,000		3,200,000	
(b) Reserves and surplus	2	5,371,026		4,814,276	
(c) Money received against share warrants		-	8,571,026	-	8,014,276
2 Share application money pending allotment			-		-
3 Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions		-	-	-	-
4 Current liabilities					
(a) Short-term borrowings	3	285,982		285,982	
(b) Trade payables		-		-	
(c) Other current liabilities	4	2,461,236		2,961,236	
(d) Short-term provisions		-	2,747,218	-	3,247,218
TOTAL			11,318,244		11,261,494
II. ASSETS					
Non-current assets					
1 (a) Fixed assets					
(i) Tangible assets		-		-	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	5	9,217,135		9,217,135	
(c) Deferred tax assets (net)	6	123,339		197,899	
(d) Long-term loans and advances		-		-	
(e) Other non-current assets		-	9,340,474	-	9,415,034
2 Current assets					
(a) Current investments		-		-	
(b) Inventories		-		-	
(c) Trade receivables		-		-	
(d) Cash and cash Balances	7	414,210		282,900	
(e) Short-term loans and advances	8	1,563,338		1,563,338	
(f) Other current assets	9	222	1,977,770	222	1,846,460
TOTAL			11,318,244		11,261,494

Contingent Liabilities & Commitments -
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AS PER OUR REPORT OF EVEN DATE
FOR CHAITANYA C. DALAL & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF
SAGAR SYSTECH LIMITED

Sd/-
(CHAITANYA C.DALAL)
Partner
Membership No.35809
FRN NO. 101632W

Sd/-
Mukesh Babu
Director
Sd/-
K. Chandrasekhar
Director

Place : Mumbai
Date :30th May 2014

Place : Mumbai
Date :30th May 2014

SAGAR SYSTECH LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No.	March 31, 2014		March 31, 2013	
		₹	₹	₹	₹
I Revenue from operations			-		-
II Other income	10		761,026		741,420
III Total Revenue (I + II)			761,026		741,420
IV Expenses:					
Employee benefits expense		-		-	
Finance costs		-		-	
Depreciation and amortization expense		-		-	
Other expenses	11	129,716		143,568	
Total expenses			129,716		143,568
V Profit before exceptional and extraordinary items and tax (III-IV)			631,310		597,852
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			631,310		597,852
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			631,310		597,852
X Tax expense:					
(1) Current tax		-		-	
(2) Deferred tax		(74,560)	(74,560)	3,951	3,951
XI Profit (Loss) for the period from continuing operations (VII-VIII)			556,750		601,803
XII Profit (Loss) for the period (XI + XIV)			556,750		601,803
XIII Earnings per equity share:					
(1) Basic			1.74		1.88
(2) Diluted			1.74		1.88

NOTES ON ACCOUNTS

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AS PER OUR REPORT OF EVEN DATE
FOR CHAITANYA C. DALAL & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF
SAGAR SYSTECH LIMITED

Sd/-

Sd/-

Sd/-

(CHAITANYA C.DALAL)
Partner
Membership No.35809
FRN NO. 101632W

Mukesh Babu
Director

K. Chandrasekhar
Director

Place : Mumbai
Date :30th May 2014

Place : Mumbai
Date :30th May 2014

SAGAR SYSTECH LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	March 31, 2014		March 31, 2013	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax and Extraordinary Item		631,310		597,852
Adjustments for :				
Depreciation & Misc. Exp. Written off	-		-	
Loss on Sale on Investments	-		-	
Interest/Dividend (Received)	(761,026)		(741,420)	
Interest paid	-		-	
Excess Provision for Taxation	-	(761,026)	-	(741,420)
Operating Profit Before Working Capital Changes		(129,716)		(143,568)
Adjustments for:				
Sundry Debtors	-		-	
Loans and Advances	-		-	
Other Current Assets	-		(222)	
Sundry Creditors	-		-	
Other Liabilities	(500,000)	(500,000)	(500,000)	(500,222)
Cash Generated from Operations		(629,716)		(643,790)
Interest Paid		-		-
Direct Taxes Paid		-		-
Cash Flow Before Extraordinary Items		(629,716)		(643,790)
Extraordinary Items				-
NET CASH FROM OPERATING ACTIVITIES		(629,716)		(643,790)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	-		-	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		-	
Sale of Investments	-		-	
Interest & Dividend Received	761,026	761,026	741,420	741,420
NET CASH USED IN INVESTING ACTIVITIES		761,026		741,420
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Short Term Borrowings	-		-	
Repayment of Loan	-		-	
Interest paid	-		-	
Increase in Misc. & Public Issue Expenses	-		-	
NET CASH USED IN FINANCING ACTIVITIES		-		-
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		131,310		97,630
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		282,900		185,270
CASH & CASH EQUIVALENTS AT THE CLOSING OF THE YEAR		414,210		282,900

As per our report of even date.

FOR CHAITANYA C. DALAL & CO.
Chartered Accountants

Sd/-
(CHAITANYA C.DALAL)
Partner
Membership No.35809
FRN NO. 101632W

Place : Mumbai

Date :30th May 2014

FOR AND ON BEHALF OF THE BOARD OF
SAGAR SYSTECH LIMITED

Sd/-
Mukesh Babu
Director

Sd/-
K. Chandrasekhar
Director

Place : Mumbai

Date :30th May 2014

SAGAR SYSTECH LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

Note 1 SHARE CAPITAL

Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 1956

Share Capital	March 31, 2014		March 31, 2013	
	Number	₹	Number	₹
Authorised Equity Shares of ₹ 10 each	500,000	5,000,000	500,000	5,000,000
Issued Equity Shares of ₹ 10 each	320,000	3,200,000	320,000	3,200,000
Subscribed & Paid up Equity Shares of ₹ 10 each fully paid	320,000	3,200,000	320,000	3,200,000
Subscribed but not fully Paid up Equity Shares of ₹ 10 each, not fully paid up	-	-	-	-
Total	320,000	3,200,000	320,000	3,200,000

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

Particulars - Equity Shares	March 31, 2014		March 31, 2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	320,000	3,200,000	320,000	3,200,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	320,000	3,200,000	320,000	3,200,000

Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956 -- (NIL)

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (more than 5%)

Name of Shareholder	March 31, 2014		March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mukesh Babu	120,000	38%	120,000	38%
Meena Mukesh Babu	90,000	28%	90,000	28%
Hemant Babu	16,500	5%	16,500	5%
Rasesh Maniar	30,000	9%	30,000	9%
Hiten Shah	30,000	9%	30,000	9%

Disclosure pursuant to Note no. 6 (A) (e, h, j) of Part I of Schedule VI to the Companies Act, 1956

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital.

Particulars	March 31, 2014		March 31, 2013	
	Number	Description	Number	Description
Equity Shares Restrictions on the distribution of dividends voting rights or with differential voting rights as to dividend	320,000	Parri Pasu None All shares have equal Voting Rights	320,000	Parri Pasu None All shares have equal Voting Rights

SAGAR SYSTECH LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

Note 2 RESERVES AND SURPLUS

Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956

Particulars	March 31, 2014	March 31, 2013
	₹	₹
h. Surplus		
Opening balance	4,814,276	4,212,473
(+) Net Profit/(Net Loss) For the current year	556,750	601,803
Closing Balance	5,371,026	4,814,276
Total Reserves & Surplus	5,371,026	4,814,276

Note 3 SHORT-TERM BORROWINGS

Disclosure pursuant to Note no. 6(F) of Part I of Schedule VI to the Companies Act, 1956

Particulars	March 31, 2014	March 31, 2013
	₹	₹
<u>Secured</u>	-	-
<u>Unsecured</u>		
(a) Loans repayable on demand		
from banks	285,982	285,982
from other parties	-	-
Total Short Term Borrowings	285,982	285,982

Note 4 OTHER CURRENT LIABILITIES

Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956

Particulars	March 31, 2014	March 31, 2013
	₹	₹
<u>Payable to Related Party</u>	2,450,000	2,950,000
<u>Outstanding Expenses</u>	11,236	11,236
Total Current Liabilities	2,461,236	2,961,236

SAGAR SYSTECH LIMITED

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

Note 5 NON CURRENT INVESTMENTS

Disclosure pursuant to Note no. K (i) of Part I of Schedule VI to the Companies Act, 1956

Particulars		March 31, 2014	March 31, 2013
		₹	₹
A. Other Investments (Quoted)			
a.	Investment in Equity instruments	9,167,135	9,167,135
b.	Investment in Trust Securities	50,000	50,000
Total Other Investments		9,217,135	9,217,135

Particulars	March 31, 2014	March 31, 2013
	₹	₹
Aggregate amount of quoted investments (Market value of ₹./- (Previous Year ₹ 1,66,63,925/-)	9,217,135	9,217,135
	9,217,135	9,217,135

A. Details of Other Investments					
Sr.	Name of the Body Corporate	No. of Shares / Units		Amount (₹)	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
1	2	4	5	+	11
a	Investment in Equity Instruments				
	Mukesh Babu Financial Services Ltd (Associate compnay. Extent Of Holding 8.67%)	604,500	604,500	9,114,425	9,114,425
	Patheja Forging & Auto parts Mfg. Ltd	3,000	3,000	3,900	3,900
	Shree Cement Ltd	500	500	36,875	36,875
	Zenith Health Care Ltd	5,500	5,500	11,935	11,935
		613,500	613,500	9,167,135	9,167,135
b.	Investment in Trust Securities				
	UTI IEF	5,500	5,500	50,000	50,000
		5,000	5,000	50,000	50,000
	Total	1,237,500	1,237,500	9,217,135	9,217,135

Note:-

- 1 There is no investment in Joint Venture, Subsidiary, Associate or Controlled Company than stated above.
- 2 All the Investment are Fully paid up.
- 3 Whereever Extent of the of the Holding is known, is shown seperatly
- 4 All the Investment are stated at cost.
- 5 Adjustment if any is accounted on Split of face value of shares and Bonus Shares received during the year.

SAGAR SYSTECH LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

Note 6 DEFERRED TAX ASSET (NET)

The Company has accounted for taxes on income in accordance with AS-22 – Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. Consequently, the net incremental deferred tax (liability) / asset is charged / credited to Profit and Loss Account. The year end position of taxes on income is as under:

Particulars	March 31, 2014	March 31, 2013
	₹	₹
Deferred tax assets		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	7,089	7,089
Gross deferred tax liability	7,089	7,089
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	116,250	190,810
Gross deferred tax asset	116,250	190,810
Net deferred tax liability / (asset)	123,339	197,899

Note 7 CASH AND CASH EQUIVALENTS

Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956

Particulars	March 31, 2014		March 31, 2013	
	₹	₹	₹	₹
CASH AND CASH EQUIVALENTS				
A. Balances with banks*				
In Current Accounts with Scheduled Banks		316,302		184,992
B. Cash on hand*		97,908		97,908
Cash and Cash Equivalents		414,210		282,900
C. Other Bank Balances		-		-
Total Cash and Bank Balances (A+B+C)		414,210		282,900

Note 8 SHORT TERM LOANS AND ADVANCES

Disclosure pursuant to Note no.R (i), (ii) & (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	March 31, 2014		March 31, 2013	
	₹	₹	₹	₹
A. Loans and advances to related parties		-		-
B. Loans and advances to others				
Unsecured, considered good		1,563,338		1,563,338
Total Short-term loans and advances (A+B)		1,563,338		1,563,338

Note 9 OTHER CURRENT ASSETS

Disclosure pursuant to Note no.R (i), (ii) & (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	March 31, 2014		March 31, 2013	
	₹	₹	₹	₹
Taxation				
Advance tax & TDS	222	222	222	222
Non-Taxation				
	-	-	-	-
Total Other Current Assets		222		222

Note 10 OTHER INCOME

Disclosure pursuant to Note no. 4 of Part II of Schedule VI to the Companies Act, 1956

Particulars	March 31, 2014		March 31, 2013	
	₹	₹	₹	₹
Dividend Income		761,026		739,200
Interest on Debentures		-		2,220
Total Other Income		761,026		741,420

Note 11 OTHER EXPENSES

Particulars	March 31, 2014		March 31, 2013	
	₹	₹	₹	₹
Auditors Remuneration for Audit		11,236		11,236
Bank & Demat Charges		-		3,694
Filing Fees		2,000		2,000
Listing Fees		16,854		16,854
Professional fees		36,913		40,163
Profession Tax		2,500		2,500
Website Expenses		-		7,765
Publishing Expenses		60,213		59,356
Total Other Expenses		129,716		143,568

Note – 12:- – OTHER NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014.

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting Concepts:

The financial statements are prepared on historical cost basis and as a going concern. Accounting Policies not referred to otherwise are consistent with generally accepted accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of The Companies Act, 1956.

2. Revenue Recognition:

Company follows Mercantile System of accounting and recognizes Income and Expenditure on accrual basis with necessary provisions for all known liabilities. Accounting Policies not referred to otherwise, are consistent with generally accepted accounting principles.

3. Fixed Assets and Depreciation:

Fixed assets are carried at historical costs less accumulated depreciation, if any. Fixed Assets are stated at cost, if any. Depreciation on Fixed Asset of the year has been provided on the written down value method in accordance in rates and manner provided in schedule XVI of Companies Act, 1956 wherever applicable.

4. Investments :

Investments are stated at cost of acquisition. No provision has been made in the accounts of the company for the depletion or appreciation in the value of the investments.

5. Deferred Tax Assets / Liabilities:

Deferred Tax assets and Liabilities are measured assuming the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

The company has accounted for taxes on income in accordance with AS – 22 accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. Consequently, the net incremental deferred tax (liability) / assets is charged / credited to Profit and Loss Account.

6. Cash and Cash Equivalent:

Cash and Cash Equivalent in the Balance Sheet comprise of cash at bank and cash on hand.

B. NOTES TO THE ACCOUNTS:

1. No provision for taxation has been made, since there is no liability of Taxes.
2. Bank overdraft balance is subject to reconciliation and confirmation.
3. As none of the employee is employed in service hence no provision for gratuity is required to be made and hence the disclosure required under AS-15 are not applicable
4. The Schedules referred to in the Balance Sheet and Profit and Loss Account form an integral part of the accounts.
5. **Current Assets Loans and Advances:**
In the opinion of the management balances in Loans and Advances & Current Assets have approximate value on realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance sheet. According to the management provision for all the loans and liabilities are adequate. Balances in Creditors, Loans, and advances and current assets are subject to confirmation & reconciliation.

6. **Related Party Disclosure in accordance with Accounting Standard - 18:**

Name of the Associate Company : 1. Mukesh Babu Securities Limited

(₹ In Lacs)

Transactions During the year	Relationship	Current Year	Previous year
Net amount Payable as opening balance	Associates Company	29.50	34.50
Payment during the Year	Associates Company	5.00	5.00
Amount Received during year	Associates Company	00.00	00.00
Net amount Payable as Closing Balance	Associates Company	24.50	29.50

7. **Auditor's Remuneration:**

Auditor's remuneration in accordance with paragraph 4B of part II of Schedule VI to the Companies Act, 1956

Particulars	Current Year ₹	Previous Year ₹
For Audit Fees	11,236/-	11,236/-
Total	11,236/-	11,236/-

8. **Foreign Currency Transactions:**

There were no foreign exchange transactions during the year.

9. Earning per share is as follows.

Particulars	Current Year ₹	Current Year ₹
Basic & Diluted Earning per share		
Net profit after Taxation	556,750	601,803
Number of shares issued (F.V. ₹10)	320,000	320,000
Basic earning per share	1.74	1.88

10. **Prior Period Comparatives:**

The Figures of the previous year are regrouped, rearranged and reclassified wherever necessary to correspond with those of current year.

11. The additional information pursuant to paragraph 3, 4, 4A, 4C, and 4D of Part II of Schedule VI to the Companies Act, 1956 is not applicable.

Signatures to the Schedules '1' to '12'
FOR CHAITANYA C. DALAL & CO.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF
SAGAR SYSTECH LIMITED

Sd/-

Sd/

Sd/-

(Chaitanya C. Dalal)
Partner
Membership No.35809
FRN.No. 101632W

(Mukesh Babu)
Director

(K. Chandrasekhar)
Director

Place : Mumbai
Date : 30th May 2014

Place : Mumbai
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