

**SBEC SYSTEMS**  
(INDIA) LIMITED

**Sugar Bio-Energy & Control Systems**

**Date: 30.09.2016**

**To,  
The Manager  
The Bombay Stock Exchange Ltd,  
P J Towers,  
Dalal Street,  
Mumbai-400001**

**Subject: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Submission of Annual Report**

**Stock Code: 517360**

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report for the Financial Year 2015-16 duly approved at the 27<sup>th</sup> Annual General Meeting of the Company held on September 27, 2016.

The above are being uploaded on the Company website.

**Thanking You**

**Yours faithfully**

**For SBEC Systems (India) Limited**  
**For SBEC Systems (India) Ltd.**

*Akanksha Sharma*

Company Secretary

**Akanksha Sharma**  
**Company Secretary & Compliance Officer**

**Encl: a/a**

# **SBEC**

## **27th Annual Report - 2016**

**SBEC SYSTEMS (INDIA) LIMITED**  
**(Sugar, Bio-Energy & Control Systems)**

**BOARD OF DIRECTORS**

|                            |                                 |
|----------------------------|---------------------------------|
| Mr. Vijay K Modi           | - Chairman                      |
| Mr. S.S. Agarwal           | - Executive Director & CEO      |
| Mr. J.N. Khurana           |                                 |
| Ms. Ritu Sikka             |                                 |
| Dr. Anupam Bansal          |                                 |
| Mr. G.C. Jain              | - (resigned w.e.f. 12.08.2015)  |
| Mr. Rajeev Kumar Agarwal   | - (Appointed w.e.f.21.05.2015)  |
| Mr. Jagdish Chandra Chawla | - (Appointed w.e.f. 21.05.2015) |
| Mr. Shyam Babu Vyas        | - (Appointed w.e.f. 21.05.2015) |
| Mr. B.K. Luthra            | - (ceased on 05.01.2016)        |

**CHIEF FINANCIAL OFFICER**

|               |                       |
|---------------|-----------------------|
| Mr. Anil Jain | - (w.e.f. 21.05.2015) |
|---------------|-----------------------|

**COMPANY SECRETARY**

|                    |                                 |
|--------------------|---------------------------------|
| Ms Akanksha Sharma | - (Appointed w.e.f. 08.01.2016) |
| Ms Varsha Yadav    | - (Resigned w.e.f. 30.11.2015)  |

**AUDITORS**

M/s K.K. Jain & Co.  
Chartered Accountants  
184 A, Garud Apartments  
Pocket-IV, Mayur Vihar Phase-I  
Delhi-110 091

**BANKERS**

Standard Chartered Bank Limited  
Canara Bank

**REGISTERED OFFICE**

1400, Modi Tower  
98, Nehru Place,  
New Delhi-110 019

**SHARE TRANSFER AGENT**

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

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## DIRECTORS' REPORT

### Dear Members,

Your Directors take pleasure in presenting the 27th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2016.

### FINANCIAL RESULT

The Summarised Financial Results of the Company for the Financial Year 2015-16 Vis-a-Vis 2014-15 are as under:

| Particulars                        | (Rs. in Lacs)              |                            |
|------------------------------------|----------------------------|----------------------------|
|                                    | Period ended<br>31.03.2016 | Period ended<br>31.03.2015 |
| Sales & Other Income               | 1.82                       | 23.35                      |
| Total Expenditure                  | 63.28                      | 48.72                      |
| Operating Profit/(Loss) before Tax | (61.45)                    | (25.36)                    |
| Profit/(Loss) After Tax            | (61.25)                    | (25.36)                    |

During the year under review, the revenue from other income stood at Rs. 1.82 Lacs. The net loss of the Company stood at Rs. 61.25 Lacs as compared to net loss of Rs. 25.36 Lacs for the previous year.

### DIVIDEND & RESERVES

In view of the losses incurred, your Board is unable to recommend any dividend for the financial year ended March 31, 2016.

The Company has not transferred any amount to the reserves for the year ended March 31, 2016.

### SHARE CAPITAL

The paid up equity capital as on March 31, 2016 was Rupees Ten Crores out of which Rupees Forty One Thousand are calls in arrears. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

### ASSOCIATE/SUBSIDIARY/JOINT VENTURE COMPANY

As on March 31st 2016, the Company has one Associate Company i.e. SBEC Sugar Limited. Investment in the Associate is dealt with in accordance with Accounting Standard (AS) 23, the consolidation of accounts of the Company with its associate are combined by using "Equity Method".

Further, a statement containing the salient features of the financial statements of the Associate company are prescribed in AOC-1 and appended as **Annexure-A** to the Board's Report.

There is no subsidiary company within the meaning of Section 2(87) of the Companies Act, 2013 ("Act").

### 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, 2016, the applicable accounting standards have been followed and there are no material departures from the same;
- the 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, 2016 and of the loss of the Company for the year ended on that date;
- the 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;
- The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively and
- 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.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Ritu Sikka (DIN 06953465), Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

As per provision of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Rajeev Kumar Agarwal, Mr. Jagdish Chandra Chawla and Mr. Shyam Babu Vyas were appointed as Independent Directors of the Company with effect from May 21, 2015 for a period of five years commencing from September 23rd, 2015.

Mr. Louis Claude Norland Suzor ceased to be Director of the Company under section 167 of the Companies Act, 2013 w.e.f. 21st May, 2015.

Late Shri Bindu Kumar Luthra who was initially appointed as Alternate Director of Mr. Louis Claude Norland Suzor ceased to be an Alternate Director w.e.f. 21st May, 2015. He was re-appointed as Non-Executive Director of the Company w.e.f. 21st May, 2015 and was ceased to be a Director due to death on January 05, 2016.

The Company took on record the sudden and intemperate demise and the invaluable contributions made by Late Mr. B.K. Luthra, as a Non-Executive Director of the Company from the time of his appointment until his Death.

Mr. G.C. Jain who was appointed as Independent Director has resigned from the Directorship w.e.f. August 12, 2015.

Ms. Varsha Yadav has resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 30th November, 2015 and Ms. Akanksha Sharma was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 08th January, 2016.

Mr. Anil Jain resigned from the post of Manager w.e.f. 21st May, 2015 and re-appointed and designated as Chief Financial Officer of the Company w.e.f. 21st May, 2015.

Mr. S.S. Agarwal, Director of the Company is designated as Chief Executive Officer of the Company w.e.f. 21st May, 2015.

### BOARD MEETING

The Board met Five times during the financial year 2015-16, 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.

### COMMITTEES OF THE BOARD

During the year in accordance with the Companies Act, 2013 the Board has re-constituted some of its Committees and presently the Company has following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

The details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in the "Report on Corporate Governance" forming part of this Annual Report.

#### **POLICY ON DIRECTOR'S APPOINTMENT & REMUNERATION AND OTHER DETAILS**

The Board, on recommendation of the Nomination & Remuneration pursuant section 178(3) of Companies Act, 2013, has framed a policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters specified under said section. The policy is available on the website of the Company [www.sbecosystems.com](http://www.sbecosystems.com).

#### **BOARD EVALUATION:**

As required under Section 134(3)(p) of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board of Directors had already approved the evaluation criteria for evaluating the performance of the Board of Directors, its Committees, namely, Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee, the Directors individually and the performance of Independent Directors.

The manner in which the evaluation was carried out and the process adopted has been mentioned in the Corporate Governance Report.

#### **STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS**

As required under Section 149 (7) of the Companies Act, 2013, all the Independent Directors have given their respective declarations that they meet the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013.

#### **STATUTORY AUDITORS**

The Shareholders at the 26th Annual General Meeting held on September 23, 2015, had appointed M/s K.K. Jain & Co. ( FRN – 02465N ) as Statutory Auditors of the Company to hold office until the conclusion of ensuing Annual General Meeting subject to ratification of their appointment at every intermittent AGM. M/s K.K. Jain & Co. being eligible has expressed their willingness to continue as auditors of the Company and accordingly, the ratification of their appointment is recommended to the Shareholders.

#### **STATUTORY AUDITORS REPORT**

The Statutory Audit Report contains qualifications and the Company has given its comments on Audit Qualified Opinion for the Financial Year 2015-16, the details are mentioned below:

##### **Qualifications**

Non reversal of diminution of current quoted investment, it is hereby clarified that the company is holding 1,42,31,214 Equity Shares of SBEC Sugar Limited and the Company is not intending to sale/ transfer/ otherwise dispose off these shares, the management has decided not to make any provision of diminution or reversal thereof.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

#### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s R. Singhal & Associates, Company Secretaries in practice as the Secretarial Auditor to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is given in **Annexure-B** to this Report.

The observation in secretarial audit report are self-explanatory and therefore not call for any further explanation.

#### **RISK MANAGEMENT POLICY**

As required under Section 134(n) of the Companies Act, 2013, the Company has laid down the policy on risk management stating therein the objectives and purpose of the said policy.

The Risk Management Policy of the Company can be viewed on the Company's website [www.sbecosystems.com](http://www.sbecosystems.com).

#### **INTERNAL FINANCIAL CONTROLS**

The Company has adequate Internal Financial Controls with proper checks to ensure that transactions are properly authorised, recorded and reported apart from safeguarding its assets. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis. The internal auditors of the Company reviews the controls across the key processes and submits reports periodically to the Management and significant observations are also presented to the Audit Committee for review. Follow up mechanism is in place to monitor the implementation of the various recommendations.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES.**

Section 134 read with Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company i.e. (a) net worth of the Company to be Rs. 500 crore or more; or (b) turnover of the company to be Rs. 1,000 crore or more; or (c) net profit of the company to be Rs.5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of Section 135 are not applicable to the Company.

#### **RELATED PARTY TRANSACTIONS**

As required under Section 188 of Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company places before the Audit Committee related parties transaction. The Audit Committee accords its omnibus approval for such related party transactions on annual basis. The updates on the transactions with the related parties are placed before the Audit Committee on a quarterly basis. The details are also placed before the Board of Directors for its information.

All contracts/arrangements/transactions entered into during the financial year with the related parties were on arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions with the promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

As required under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a policy on related party transactions and the same was approved by the Audit Committee and the Board of Directors. The said policy has been uploaded at the investors section of the Company's website at [www.sbecosystems.com](http://www.sbecosystems.com).

The details of contracts/arrangements with related parties as required to be disclosed in **Form-AOC-2** is not applicable on the Company.

#### **CORPORATE GOVERNANCE**

In terms of Chapter IV Regulation 15 Read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Corporate Governance Report is made part of this Annual Report.

A certificate from M/s R. Singhal & Associates, Company Secretaries in practice regarding compliance of the conditions stipulated for Corporate Governance as required under Part E of Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Corporate Governance Report.



The declaration by the Chief Executive Officer and Chief Financial Officer addressed to the Members of the Company pursuant to Clause D of Schedule V Read with Regulation 34(3) and Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct by the Members of the Board and by the Members of the Senior Management Personnel of the Company is also attached to the Corporate Governance report.

The report also contains the details as required to be provided on Board evaluation, remuneration policy, whistle blower policy/vigil mechanism etc.

#### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause B of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement, form part of this Annual Report.

#### VIGIL MECHANISM & WHISTLE BLOWER POLICY

The Company has a vigil mechanism and a whistle blower policy. The same has been posted on the Company's website and the details of the same are given in the Corporate Governance Report.

#### 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 given in Annexure-C to this Report.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2015-16, the Company has not made any investment nor given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

#### PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to the ratio of the Remuneration of each Director to the median employees remuneration shall not apply because none of the Directors has drawn any remuneration from the Company for the financial year 2015-16. In terms of the Provisions of Section 197(12) of the Companies act, 2013 read with Rule 5(2) &(3) of the Companies Appointment & Remuneration of Managerial Personnel ) Rules, 2014. None of the employees of the Company were in receipt of remuneration of more than limit specified as set out in the above said Rules.

#### EXTRACT OF THE ANNUAL RETURN

The details of the extract of the Annual Return in Form MGT-9 are given in Annexure-D to this Report.

#### FIXED DEPOSITS

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

#### LISTING WITH STOCK EXCHANGES

The Company's Equity Shares are listed with BSE Limited. The annual fee for the Bombay Stock Exchange have been paid promptly for the year 2015-2016. Pursuant to the requirements of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company executed fresh listing agreements with the BSE Limited on February 18,2016.

#### 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.

#### SUSPENSION OF SHARES

The Equity shares of the Company are lying suspended on the Bombay Stock Exchange due to penal reasons. They were last quoted on the Bombay Stock exchange on 6th September 2001 at Rs. 2.30 per share. The Company is in process for revocation of suspension of trading.

#### 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., 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  
for SBEC Systems ( India) Limited**

Sd/-  
Vijay Kumar Modi  
Chairman  
DIN: 00004606

Place: New Delhi  
Date: 11-08-2016

### ANNEXURE-A TO THE BOARD'S REPORT

#### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

#### Part "B": Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| Name of Associates   | SBEC SUGAR LIMITED   |
|--|--|
| 1. Latest audited Balance Sheet Date   | March 31,2016  |
| 2. Date on which the Associate or Joint Venture was associated or acquired                 | 1996-1997  |
| 3. Shares of Associate or Joint Ventures held by the Company on the year end;              |  |
| No. of Shares  | 14,231,214   |
| Amount of Investment in Associates or Joint venture  | 14,23,12,140   |
| Extend of Holding%   | 29.86%   |
| 4. Description of how there is significant influence                                       | There is significant influence due to (%) of share Capital |
| 5. Reason why the associate/joint venture is not consolidated                              | Not Applicable   |
| 6. Net worth attributable to shareholding as per latest audited Balance Sheet <sup>1</sup> | (20,43,89,139)   |
| 7. Profit/Loss for the year  |  |
| i. Considered in Consolidation   | -  |
| ii. Not Considered in Consolidation  | 37,317,059   |

**ANNEXURE- B TO THE BOARD'S REPORT**

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

For The Financial Year Ended On 31st March, 2016

(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 SYSTEMS (INDIA) LIMITED**  
1400, Modi Tower  
98, Nehru Place  
NEW DELHI – 110 019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SBEC SYSTEMS (INDIA) 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, 2016, 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, 2016 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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under. 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.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (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(Not applicable to the Company during the audit period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999(Not applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008(Not applicable to the Company during the audit period);
  - (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(Not applicable to the Company during the audit period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period);
  - (i) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015.

**(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,

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 Agreements entered into by the Company with Bombay 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. That a loan of Rs. 671.00 Lac (USD 10,04,944) is a Foreign Currency Loan from Overseas Corporate Body M/s Occident Orient Company Ltd. Mauritius, taken by the Company subject to approval of RBI/Finance Ministry, pertaining to period prior to 1999 outstanding in the books of accounts of the Company. This is an undisputed liability that the Company has been unable to pay due to its continuous losses. Further interest of USD 281974 for earlier year is payable by the company on above mentioned loan, pending approval of RBI, this liability is being shown as contingent liability.

**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:**

1. That there were no operations during the year under review, the accumulated losses continued to more than fifty percent of its net worth.
2. During the year under review, the company has received a notice from the Bombay Stock Exchange dated 12.02.2016 regarding suspension in the trading of company's securities on account of non-compliance with various clauses/ regulations of erstwhile Listing Agreement/ Listing Regulations, 2015 and the company was advised to comply with the non-compliances marked by the BSE within prescribed time frame. As informed the company has filed its reply with BSE along-with the supporting documents pertaining to compliance of various clauses & regulations of erstwhile Listing Agreement & Listing Regulations respectively.
3. The Company has one Associate Company i.e. SBEC Sugar Limited.

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

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

**PLACE: NEW DELHI  
DATED: 11.08.2016**

Note : This report is to be read with the notes 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 relied on the audited financial statements for the year ended on 31.03.2016 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.

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

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

**PLACE: NEW DELHI  
DATED: 11.08.2016**

## ANNEXURE- C TO THE BOARD'S REPORT

**Information to be given under Section 134 read with Rule 8(3) of the Companies (Accounts) Rules, 2014**

|            |   |         |         |
|------------|---|---------|---------|
| <b>A.</b>  | <b>CONSERVATION OF ENERGY</b>   |         |         |
| i)         | The steps taken or impact on conservation of energy   |         | N.A.    |
| ii)        | The steps taken by the Company for utilizing alternate sources of energy  |         | N.A.    |
| iii)       | The Capital investment on energy conservation equipment   |         | N.A.    |
| <b>B.</b>  | <b>TECHNOLOGY ABSORPTION</b>  |         |         |
| i)         | The efforts made towards technology absorption  |         | N.A.    |
| ii)        | The benefits derived like product improvement, cost reduction, product development or import substitution                 |         | N.A.    |
| iii)       | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - |         | N.A.    |
| (a)        | The details of technology imported  |         | None    |
| (b)        | The year of import  |         | N.A.    |
| (c)        | Whether the technology been fully absorbed  |         | N.A.    |
| (d)        | If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and                           |         | N.A.    |
| (e)        | The expenditure incurred on Research and Development  |         | N.A.    |
| <b>(C)</b> | <b>FOREIGN EXCHANGE EARNINGS AND OUTGO</b> (Rs. In Lacs)  |         |         |
|            |   | 2015-16 | 2014-15 |

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.

|                         |     |     |
|-------------------------|-----|-----|
| Foreign Exchange earned | NIL | NIL |
| Foreign Exchange outgo  | NIL | NIL |

## ANNEXURE- D TO THE BOARD'S REPORT

**Form No. MGT - 9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31st March, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2015]

### I. REGISTRATION AND OTHER DETAILS:

|      |   |  |
|------|---|--|
| i)   | CIN:-   | L74210DL1987PLC029979  |
| ii)  | Registration Date   | 12/15/1987   |
| iii) | Name of the Company   | SBEC SYSTEMS (INDIA) LIMITED   |
| iv)  | Category/Sub-Category of the Company                              | Public Company Limited by Shares   |
| v)   | Address of the Registered office and contact details              | Village: 1400, Modi Tower, 98 Nehru Place, New Delhi-110019  |
| vi)  | Whether listed company  | YES  |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent | M/s BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED<br>BEETAL HOUSE, 99, MADANGIR, BEHIND LOCAL SHOPPING COMPLEX,<br>NEW DELHI-110062 |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sl.No. | Name and Description of main products/ services          | NIC Code of the Product/ service | % of total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1      | Engineering activities and related technical Consultancy | 7110                             | 100%                               |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| Sl.No. | Name and Address of the Company | CIN/GLN               | Holding/<br>Subsidiaries/ Associate | % of shares held | Applicable Section |
|--------|---------------------------------|-----------------------|-------------------------------------|------------------|--------------------|
| 1      | SBEC Sugar Limited              | L15421UP1991PLC019160 | Associate                           | 29.86            | Section-2(6)       |



**IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**

**i) Category-wise Shareholding**

| Category  | No. of Shares held at the beginning of the year |                 |                 |                   | No. of Shares held at the end of the year |                 |                 |                   | % change |
|---|---|-----------------|-----------------|-------------------|---|-----------------|-----------------|-------------------|----------|
|   | Demat   | Physical        | Total           | % of Total Shares | Demat                                     | Physical        | Total           | % of Total Shares |          |
| <b>A. Promoters</b>   |   |                 |                 |                   |   |                 |                 |                   |          |
| <b>(1) Indian</b>   |   |                 |                 |                   |   |                 |                 |                   |          |
| a) Individual/HUF   | 0   | 2079760         | 2079760         | 20.8              | 0   | 2079760         | 2079760         | 20.8              | -        |
| b) Central Govt.or State Govt.  | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| c) Bodies Corporates  | 0   | 980000          | 980000          | 9.80              | -   | 980000          | 980000          | 9.80              | -        |
| d) Bank/FI  | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| e) Any other  | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| <b>SUB TOTAL:(A) (1)</b>  | <b>0</b>  | <b>3059760</b>  | <b>3059760</b>  | <b>30.6</b>       | <b>0</b>                                  | <b>3059760</b>  | <b>3059760</b>  | <b>30.6</b>       |          |
| <b>(2) Foreign</b>  |   |                 |                 |                   |   |                 |                 |                   |          |
| a) NRI- Individuals   | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| b) Other Individuals  | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| c) Bodies Corp.   | -   | 2040000         | 2040000         | 20.4              | -   | 2040000         | 2040000         | 20.4              | -        |
| d) Banks/FI   | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| e) Any other...   | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| <b>SUB TOTAL (A) (2)</b>  | <b>-</b>  | <b>-</b>        | <b>-</b>        | <b>-</b>          | <b>-</b>                                  | <b>-</b>        | <b>-</b>        | <b>-</b>          | <b>-</b> |
| <b>Total Shareholding of Promoter</b>   |   |                 |                 |                   |   |                 |                 |                   |          |
| <b>(A)= (A)(1)+(A)(2)</b>   | <b>0</b>  | <b>5099760</b>  | <b>5099760</b>  | <b>51.00</b>      | <b>0</b>                                  | <b>5099760</b>  | <b>5099760</b>  | <b>51.00</b>      | <b>0</b> |
| <b>B. PUBLIC SHAREHOLDING</b>   |   |                 |                 |                   |   |                 |                 |                   |          |
| <b>(1) Institutions</b>   |   |                 |                 |                   |   |                 |                 |                   |          |
| a) Mutual Funds   | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| b) Banks/FI   | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| c) Cenntral govt  | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| d) State Govt.  | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| e) Venture Capital Fund   | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| f) Insurance Companies  | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| g) FIIS   | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| h) Foreign  | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| Venture Capital Funds   | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| i) Others (specify)   | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| <b>SUB TOTAL (B)(1):</b>  | <b>-</b>  | <b>-</b>        | <b>-</b>        | <b>-</b>          | <b>-</b>                                  | <b>-</b>        | <b>-</b>        | <b>-</b>          | <b>-</b> |
| <b>(2) Non Institutions</b>   |   |                 |                 |                   |   |                 |                 |                   |          |
| a) Bodies corporates  |   |                 |                 |                   |   |                 |                 |                   |          |
| i) Indian   | -   | 302057          | 302057          | 3.02              | -   | 302057          | 302057          | 3.02              | -        |
| ii) Overseas  | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| b) Individuals  |   |                 |                 |                   |   |                 |                 |                   |          |
| i) Individual shareholders holding nominal share capital upto Rs.2 lakhs            | 0   | 4396316         | 4396316         | 43.96             | -   | 4396316         | 4396316         | 43.96             | -        |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs | 0   | 199561          | 199561          | 2.00              | -   | 199561          | 199561          | 2.00              | -        |
| c) Others (specify)   | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| (i) NRI   | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| (ii) HUF  | -   | 2306            | 2306            | 0.02              | -   | 2306            | 2306            | 0.02              | -        |
| (iii) Clearing Members  | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| <b>SUB TOTAL (B)(2):</b>  | <b>0</b>  | <b>4900240</b>  | <b>4900240</b>  | <b>49.00</b>      | <b>-</b>                                  | <b>4897934</b>  | <b>4900240</b>  | <b>49</b>         | <b>-</b> |
| <b>Total Public Shareholding</b>  |   |                 |                 |                   |   |                 |                 |                   |          |
| <b>(B)= (B)(1)+(B)(2)</b>   | <b>-</b>  | <b>4900240</b>  | <b>4900240</b>  | <b>49.00</b>      | <b>-</b>                                  | <b>4897934</b>  | <b>4900240</b>  | <b>49</b>         | <b>-</b> |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                              | -   | -               | -               | -                 | -   | -               | -               | -                 | -        |
| <b>Grand Total (A+B+C)</b>  | <b>0</b>  | <b>10000000</b> | <b>10000000</b> | <b>100</b>        | <b>0</b>                                  | <b>10000000</b> | <b>10000000</b> | <b>100</b>        | <b>-</b> |

**(ii) Shareholding of Promoters**

| S.N. | Shareholder's Name                   | Shareholding at the beginning of the year |                       |   | Shareholding at the end of the year |                       |   |  |
|------|--------------------------------------|---|-----------------------|---|-------------------------------------|-----------------------|---|--|
|      |                                      | No. of Share                              | % of total of the Co. | % of shares Pledged/ encumbered to total shares | No. shares                          | % of total of the Co. | % of shares Pledged/ encumbered to total shares | % change in shareholding during the year |
| 1    | Mr. U.K.Modi                         | 2079560                                   | 20.80                 | 0   | 2079560                             | 20.80                 | 0   | 0  |
| 2    | Ms. Meghna Modi                      | 200                                       | 0.00                  | 0   | 200                                 | 0.00                  | 0   | 0  |
| 3    | SBEC Systems limited                 | 2040000                                   | 20.40                 | 0   | 2040000                             | 20.40                 | 0   | 0  |
| 4    | Kumabhi Investment Pvt Ltd           | 210000                                    | 2.10                  | 0   | 210000                              | 2.10                  | 0   | 0  |
| 5    | Abhikum Leasing & Investment Pvt Ltd | 220000                                    | 2.20                  | 0   | 220000                              | 2.20                  | 0   | 0  |
| 6    | Longwell Investments Pvt Ltd         | 550000                                    | 5.50                  | 0   | 550000                              | 5.50                  | 0   | 0  |
|      | <b>TOTAL</b>                         | <b>5099760</b>                            | <b>51.00</b>          | <b>49.19</b>                                    | <b>5099760</b>                      | <b>51.00</b>          | <b>0</b>  | <b>0</b>                                 |

**(III) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

| S.No. | Shareholding at the beginning of the year  |                              | Cumulative Shareholding during the year |                              |
|-------|--|------------------------------|---|------------------------------|
|       | No. of Shares                              | % of total shares of the Co. | No. of Shares                           | % of total shares of the Co. |
|       | For Each of the Director and KMP Directors |                              |   |                              |
|       | At the end of the year                     |                              |   |                              |
|       | No Change                                  |                              |   |                              |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

| S.No. | Shareholding at the beginning of the year  |                              | Cumulative Shareholding during the year |                              |       |
|-------|--|------------------------------|---|------------------------------|-------|
|       | No. of Shares                              | % of total shares of the Co. | No. of Shares                           | % of total shares of the Co. |       |
|       | For Each of the Director and KMP Directors |                              |   |                              |       |
| 1     | M/s Bharat Janmadas dattani                | 109700                       | 1.097                                   | 109700                       | 1.097 |
| 2     | ABC Holding Pvt Ltd                        | 84200                        | 0.84                                    | 84200                        | 0.84  |
| 3     | Modi Leasing & Capital Services Ltd        | 71400                        | 0.71                                    | 71400                        | 0.71  |
| 4     | Suresh Raj Pal                             | 61900                        | 0.62                                    | 61900                        | 0.62  |
| 5     | Rai Investments Limited                    | 55500                        | 0.55                                    | 55500                        | 0.55  |
| 6     | Prakash G nAyak                            | 27961                        | 0.28                                    | 27961                        | 0.28  |
| 7     | ABR Finlease & Holding Pvt Ltd             | 26100                        | 0.26                                    | 26100                        | 0.26  |
| 8     | Vittu Bajranglal Agarwal                   | 10800                        | 0.11                                    | 10800                        | 0.11  |
| 9     | Medium Investment Co. Pvt Ltd              | 10600                        | 0.11                                    | 10600                        | 0.11  |
| 10    | Rasila Dipakbhai Gaudani                   | 8400                         | 0.84                                    | 8400                         | 0.84  |
| 11.   | Pramila Jain                               | 8266                         | 0.83                                    | 8266                         | 0.83  |

**(v) Shareholding of Directors & KMP**

| S.No. | Shareholding at the beginning of the year  |                              | Cumulative Shareholding during the year |                              |
|-------|--|------------------------------|---|------------------------------|
|       | No. of Shares  | % of total shares of the Co. | No. of Shares                           | % of total shares of the Co. |
|       | For Each of the Director and KMP Directors   |                              |   |                              |
| 1     | Mr. Vijay Kumar Modi   |                              |   |                              |
|       | At the beginning of the year   | 0                            | 0                                       | 0                            |
|       | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A                          | N.A                                     | N.A                          |
|       | At the end of the year   | 0                            | 0                                       | 0                            |
| 2     | Mr. R.K Agarwal  |                              |   |                              |
|       | At the beginning of the year   | 0                            | 0                                       | 0                            |
|       | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A                          | N.A                                     | N.A                          |
|       | At the end of the year   | 0                            | 0                                       | 0                            |
| 3     | Mr. S.S. Agarwal - CEO   |                              |   |                              |
|       | At the beginning of the year   | 0                            | 0                                       | 0                            |
|       | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A                          | N.A                                     | N.A                          |
|       | At the end of the year   | 0                            | 0                                       | 0                            |
| 4     | Mr. J.N. Khurana   |                              |   |                              |
|       | At the beginning of the year   | 110                          | 0                                       | 0                            |
|       | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A                          | N.A                                     | N.A                          |
|       | At the end of the year   | 110                          | 0                                       | 0                            |

|    |  |     |     |     |     |
|----|--|-----|-----|-----|-----|
| 5  | Mr. Anupam Bansal  |     |     |     |     |
|    | At the beginning of the year   | 0   | 0   | 0   | 0   |
|    | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A | N.A | N.A | N.A |
|    | At the end of the year   | 0   | 0   | 0   | 0   |
| 6  | Mr. J.C. Chawla  |     |     |     |     |
|    | At the beginning of the year   | 0   | 0   | 0   | 0   |
|    | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A | N.A | N.A | N.A |
|    | At the end of the year   | 0   | 0   | 0   | 0   |
| 7  | Mr. Shyam Babu Vyas  |     |     |     |     |
|    | At the beginning of the year   | 0   | 0   | 0   | 0   |
|    | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A | N.A | N.A | N.A |
|    | At the end of the year   | 0   | 0   | 0   | 0   |
| 8  | Ms. Ritu Sikka   |     |     |     |     |
|    | At the beginning of the year   | 0   | 0   | 0   | 0   |
|    | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A | N.A | N.A | N.A |
|    | At the end of the year   | 0   | 0   | 0   | 0   |
| 9  | Mr. Anil Jain - CFO  |     |     |     |     |
|    | At the beginning of the year   | 0   | 0   | 0   | 0   |
|    | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A | N.A | N.A | N.A |
|    | At the end of the year   | 0   | 0   | 0   | 0   |
| 10 | Ms. Akanksha Sharma -CS  |     |     |     |     |
|    | At the beginning of the year   | 0   | 0   | 0   | 0   |
|    | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A | N.A | N.A | N.A |
|    | At the end of the year   | 0   | 0   | 0   | 0   |

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

|  | Secured Loans excluding deposits | Unsecured Loans  | Deposits | Total Indebtedness |
|--|----------------------------------|------------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                  |          |                    |
| i) Principal Amount  | -                                | 138087609        | -        | 138087609          |
| ii) Interest due but not paid                              | -                                | 3056841*         | -        | 3056841*           |
| iii) Interest accrued but not due                          | -                                | -                | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | -                                | <b>141144450</b> | -        | <b>141144450</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                  |          |                    |
| · Addition   | -                                | <b>5500105</b>   | -        | <b>5500105</b>     |
| · Reduction  | -                                | -                | -        | -                  |
| <b>Net Change</b>  | -                                | <b>5500105</b>   | -        | <b>5500105</b>     |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                  |          |                    |
| i) Principal Amount  | -                                | 143587714        | -        | 143587714          |
| ii) Interest due but not paid                              | -                                | 3056841          | -        | 3056841            |
| iii) Interest accrued but not due                          | -                                | -                | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | -                                | <b>146644555</b> | -        | <b>146644555</b>   |

\*Last Year Interest figure is also taken into consideration

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager.**

| S.No. Particulars of Remuneration  | Mr. Anil Jain - Manager | Total Amount |
|--|-------------------------|--------------|
| <b>1. Gross Salary</b>   |                         |              |
| (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 0.56                    | 0.56         |
| (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                   | -                       | -            |
| (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961    | 0.57                    | 0.57         |
| 2. Stock option  | -                       | -            |
| 3. Sweat Equity  | -                       | -            |
| 4. Commission as % of profit others (specify)                                    | -                       | -            |
| 5. Others, please specify  | -                       | -            |
| Total (A)  | 1.13                    | 1.13         |
| Ceiling as per the Act   |                         |              |

**B. Remuneration to other directors: Nil****C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| Sl.No. Particulars of Remuneration   | Key Managerial Personnel |                   |                       |                  | Total       |
|--|--------------------------|-------------------|-----------------------|------------------|-------------|
|  | CEO                      | Company Secretary |                       | CFO              | Total       |
|  | Ms. S.S. Agarwal         | Ms. Varsha Yadav* | Ms. Akanksha Sharma** | Mr. Anil Jain*** |             |
| <b>1. Gross Salary</b>   |                          |                   |                       |                  |             |
| (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | -                        | 0.7               | 0.75                  | 2.78             | 4.23        |
| (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | -                        | -                 | -                     | -                | -           |
| (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961        | -                        | -                 | -                     | 2.86             | 2.86        |
| 2. Stock Option  | -                        | -                 | -                     | -                | -           |
| 3. Sweat Equity  | -                        | -                 | -                     | -                | -           |
| 4. Commission as % of profit others, specify   | -                        | -                 | -                     | -                | -           |
| 5. Others, please specify  | -                        | -                 | -                     | -                | -           |
| <b>Total</b>   | -                        | <b>0.7</b>        | <b>0.75</b>           | <b>5.64</b>      | <b>7.09</b> |

\* Ms Varsha Yadav who was appointed as Company Secretary on May 1,2015 resigned from the post w.e.f. November 30,2015.

\*\* Ms Akanksha Sharma was appointed as Company Secretary w.e.f. January 08,2016.

\*\*\* Mr. Anil Jain was appointed as CFO w.e.f. May 21,2015.

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/NCLT/Court) | Appeal made if (If any give details) |
|-------------------------------------|------------------------------|-------------------|--|---------------------------|--------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                           |                                      |
| Penalty                             | Nil                          | Nil               | Nil  | Nil                       | Nil                                  |
| Punishment                          | Nil                          | Nil               | Nil  | Nil                       | Nil                                  |
| Compounding                         | Nil                          | Nil               | Nil  | Nil                       | Nil                                  |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                           |                                      |
| Penalty                             | Nil                          | Nil               | Nil  | Nil                       | Nil                                  |
| Punishment                          | Nil                          | Nil               | Nil  | Nil                       | Nil                                  |
| Compounding                         | Nil                          | Nil               | Nil  | Nil                       | Nil                                  |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                           |                                      |
| Penalty                             | Nil                          | Nil               | Nil  | Nil                       | Nil                                  |
| Punishment                          | Nil                          | Nil               | Nil  | Nil                       | Nil                                  |
| Compounding                         | Nil                          | Nil               | Nil  | Nil                       | Nil                                  |

## REPORT ON CORPORATE GOVERNANCE

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

At SBEC Systems ( India) Limited, 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 constitutes the strong foundation on which successful commercial enterprise is built and enhancing the organization wealth generating capacity. The company's has also a strong believes of fair, transparent and ethical governance practices.

### II. BOARD OF DIRECTORS

#### Composition of Board:

As on March 31, 2016, the Company has 8 Directors. The Board of Directors at present consist of 4 Independent Directors. Other than the Chief Executive Officer, all other members of the Board are Non-Executive Directors. The Chairman of the Board is a Non-Executive Director. The Composition of the Board is in conformity with Regulation 17 of SEBI(Listing Obligations and Disclosures Requirements) Regulations,2015.

As required under Section 149(3) of the Companies Act, 2013, Ms. Ritu Sikka, a woman director on the Board of Directors of the Company.

All independent Directors possess the requisite qualifications and are very experienced in their own fields. None of the Directors is a member of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their Directorship and have been taken on record by the Board at its meeting held on May 27, 2016.

The name and categories of Directors on the Board; their attendance at the Board meeting and last annual general meeting; number of other board of directors or committees in which a director is a member or chairperson as on March 31,2016 (including SBEC Systems (India)Ltd. are given as follows:

| Sl. No. | Name of the Directors     | Category of Director                   | No. of Board Meetings |          | No. of Other Director-ships (as on March) 31, 2016)# | Number of membership/ Chairmanship in other Board Committee as on March 31, 2016 ## |          | Attendance at Last AGM |
|---------|---------------------------|--|-----------------------|----------|--|---|----------|------------------------|
|         |                           |  | Held                  | Attended |  | Member  | Chairman |                        |
| 1       | Mr. Vijay Kumar Modi      | Chairman and Non-Executive Director    | 5                     | 2        | 3  | Nil   | Nil      | Present                |
| 2       | Mr. S.S. Agarwal (@)      | Executive Director                     | 5                     | 5        | 4  | 1   | Nil      | Present                |
| 3       | Dr. Anupam Bansal         | Non – Executive & Independent Director | 5                     | 1        | 1  | Nil   | Nil      | Not Present            |
| 4       | Mr.J.N. Khurana           | Non – Executive Director               | 5                     | 4        | 4  | 1   | Nil      | Not Present            |
| 5       | Ms. Ritu Sikka            | Non-Executive Director                 | 5                     | 1        | 1  | Nil   | Nil      | Not Present            |
| 6       | Mr. R.K. Agarwal*         | Non – Executive & Independent Director | 5                     | 4        | 8  | 5   | 5        | Present                |
| 7       | Mr. J.C. Chawla*          | Non – Executive & Independent Director | 5                     | 4        | 4  | 5   | 1        | Not Present            |
| 8       | Mr. Shyam Babu Vyas *     | Non – Executive & Independent Director | 5                     | 1        | 3  | N.A   | N.A      | Not Present            |
| 9       | Mr. Norland L.C. Suzor ** | Non-Executive & Independent Director   | 5                     | Nil      | N.A  | N.A   | N.A      | N.A                    |
| 10      | Mr. B.K. Luthra***        | Non-Executive Director                 | 5                     | 3        | N.A  | N.A   | N.A      | Not Present            |
| 11      | Mr. G.C. Jain @@          | Non-Executive & Independent Director   | 5                     | Nil      | N.A  | N.A   | N.A      | N.A                    |

#### Notes

# Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 of Companies Act, 2013 / Section 25 of the Companies Act, 1956 and of companies incorporated outside India.

## For this Purpose only Audit Committee and Stakeholders Relationship Committee have been considered as Stipulated in the Regulation 26 of SEBI (LODR) Regulations, 2015.

(@)Mr. S.S. Agarwal , Director of the Company designated as Chief Executive Officer of the Company w.e.f. 21st May, 2015.

(\*)Mr. R.K. Agarwal , Mr. J.C. Chawla and Mr. Shyam Babu Vyas was appointed as an Independent Director who holds office for a term of five consecutive years from on 23rd September, 2015.

(\*\*)Mr. Norland L.C. Suzor ceased to be Director under section 167 of the Companies Act, 2013.w.e.f. 21st May, 2015.

(\*\*\*)Mr. B.K. Luthra ,appointed as an Non-executive Director on 21st May,2015 expired on January 05,2016 due to death.

(@@) Mr. G.C. Jain resigned from the office of Director of the Company w.e.f. August 12,2015 due to old age.



**Board Meetings**

The Board meets atleast 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 are distributed to the Directors in advance.

The Board met Five times during the financial year 2015-16. The Directors met on May 21, 2015, August 12, 2015, November 05,2015, January 08,2016, February 09,2016.The intervening 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.

**Disclosures of relationships between Directors inter-se**

None of the Directors is related to each other on the Board of the Company and to the Key Managerial Personnel of the Company.

**Details of Directors Shareholding**

Mr. J.N. Khurana holds 110 Equity Shares as on 31st March, 2016.

**Familiarization programme for Independent Directors**

At the time of appointment, the Independent Director is explained in detail the compliances required from him under the Companies Act 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 fulfill his role as a Director of the Company. The details of the familiarization program of the Independent Directors are given on the website of the Company [www.sbecosystems.com](http://www.sbecosystems.com).

**FORMAL ANNUAL EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually and the Committees viz., Audit, Nomination & Remuneration and Stakeholders Relationship Committee.

A structured questionnaire was prepared after taking into consideration the inputs received from the Directors covering various aspects such as attendance, quality contributions to Board deliberations, providing perspectives and feedback going beyond the information provided by the management, commitment to shareholder and other stakeholders interests etc.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc. 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.

**3.AUDIT COMMITTEE**

The powers, role and terms of reference of the Committee are in consonance with the requirements specified under Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

As on March, 2016 The Audit Committee Comprise Four Directors. Three Directors are Non-Executive Independent and one is Executive Director.All the Committee members have sound knowledge of finance and accounting.

Mr. Rajeev Kumar Agarwal, Chairman of the Audit Committee was present at the Annual General meeting of the Company held on September 23rd, 2015 to answer queries from the shareholders.

The Company Secretary acts as the Secretary of the Committee. The Head of Finance, Internal Auditors and Statutory Auditors attend the meetings of the Committee on the invitation of the Company.

During the financial year ended March 31, 2016, the Audit Committee met 4 times on 21.5.2015, 12.8.2015, 5.11.2015 and 09.02.2016 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 their attendance at the Committee meetings held during the period is as under:

| Name of the Member | Designation | Category             | Number of meetings during the year 2015-16 |          |
|--------------------|-------------|----------------------|--|----------|
|                    |             |                      | Held                                       | Attended |
| Mr. R.K. Agarwal * | Chairman    | Independent Director | 4  | 3        |
| Mr. G.C. Jain *    | Chairman    | Independent Director | 4  | 1        |
| Mr. J.C. Chawla**  | Member      | Independent Director | 4  | 3        |
| Mr. Anupam Bansal  | Member      | Independent Director | 4  | 4        |
| Mr. S.S Agarwal    | Member      | Executive Director   | 4  | 4        |

\*Mr. R.K. Agarwal was appointed as a Member & Chairman of the Audit Committee from May 21, 2015 and Mr. G.C. Jain resigned from the Board from August 12, 2015

\*\*Mr. J.C. Chawla was appointed as a Member of the Audit Committee from August 12,2015.

**4. NOMINATION AND REMUNERATION COMMITTEE**

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

The terms of reference of the Committee are in accordance with Schedule II Part D of the Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Chairman of the Nomination and Remuneration Committee attend the last Annual General Meeting. The Company Secretary acts as the Secretary of the Committee.

During the period ended March 31,2016 , 3 Meetings of the Committee were held on 01.05.2015, 21.05.2015 and 08.01.2016.

The Composition of the Nomination& Remuneration Committee and their attendance at the Committee meetings held during the period is as under:

| Name of the Member   | Designation | Category             | Number of meetings during the year 2015-16 |          |
|----------------------|-------------|----------------------|--|----------|
|                      |             |                      | Held                                       | Attended |
| Mr. R.K. Agarwal *   | Chairman    | Independent Director | 3  | 1        |
| Mr. G.C. Jain *      | Chairman    | Independent Director | 3  | 0        |
| Mr. J.C. Chawla      | Member      | Independent Director | 3  | 1        |
| Mr. V.K. Modi        | Member      | Independent Director | 3  | 2        |
| Mr. S.S Agarwal      | Member      | Executive Director   | 3  | 3        |
| Mr. Anupam Bansal ** | Member      | Independent Director | 3  | 0        |

\*Mr. R.K. Agarwal was appointed as a Member & Chairman of the Audit Committee from May 21, 2015 and Mr. G.C. Jain resigned from the Board from August 12, 2015

\*\* Mr. Anupam Bansal resigned from the Membership of the Committee on from August 12, 2015.

#### Remuneration Policy

The Company has adopted a Remuneration Policy for executive and non-executive directors and persons who maybe 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.sbecosystems.com](http://www.sbecosystems.com).

#### Remuneration to Directors

The Company does not pay any sitting fees/ remuneration to the Non- Executive Directors.

#### 5. Stakeholders Relationship Committee

The Company has a Board Committee namely 'Stakeholders Relationship Committee' as required under the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 to look into various issues relating to shareholders including the redressal of shareholders complaints, share transfers/transmission/issue of duplicate shares etc.

The Stakeholders Relationship Committee functions under the Chairmanship of Mr. V.K. Modi, a Non-Executive Director. The other members of the Committee are Mr. S.S. Agarwal and Mr. J.N. Khurana. The Company Secretary of the Company acts as the Compliance Officer of the Committee.

During the financial year ended March 31, 2016, the Audit Committee met 4 times on 21.5.2015, 12.8.2015, 5.11.2015 and 09.02.2016

The composition of the Committee and their attendance at the Committee meetings held is are under:

| Name of the Member | Designation | Category               | Number of meetings during the year 2015-16 |          |
|--------------------|-------------|------------------------|--|----------|
|                    |             |                        | Held                                       | Attended |
| Mr. V.K. Modi      | Chairman    | Non-Executive Director | 4  | 2        |
| Mr. J.N. Khurana   | Member      | Non-Executive Director | 4  | 4        |
| Mr. S.S Agarwal    | Member      | Executive Director     | 4  | 4        |

During the year, the Company received 16 complaints from the shareholders. The details of the complaint received and redressed during the financial year 2015-16 are given below:

| Particulars                     | Status |
|---------------------------------|--------|
| Complaints as on April 1, 2015  | NIL    |
| Received during the year        | 16     |
| Resolved during the year        | 15     |
| Complaints as on March 31, 2016 | 1*     |

\*Complaint pending as on March 31, 2016 was resolved on June 14,2016

All complaints were responded to as per applicable guidelines and regulations.

#### Name, Designation and address of Grievance Redressal Officer:

**Ms. Akanksha Sharma**

**Company Secretary & Compliance Officer**

SBEC Systems (India) Limited

1400, Modi Tower

98, Nehru Place

New Delhi - 110019

Email: sbecosystems@rediffmail.com

**6. GENERAL BODY MEETINGS:****(a) Annual General Meetings****Location and time of the last three Annual General Meetings:-**

| Financial year | Date              | Time      | Special Resolution Passed (Yes/No)   | Venue   |
|----------------|-------------------|-----------|--|---|
| 2014-15        | September 23,2015 | 2.00 p.m. | Approval of the borrowing powers of the Board pursuant to the provisions of Section 180(1)(c) of the Companies Act,2013. | Executive Club, 439, Village Shahoorpur Shahoorpur, P.O. Fatehpur Beri, New Delhi |
| 2013-14        | September 24,2014 | 2.00 p.m. | No   | Executive Club, 439, Village Shahoorpur Shahoorpur, P.O. Fatehpur Beri, New Delhi |
| 2012-13        | September 27,2013 | 1.00 p.m. | No   | Executive Club, 439, Village Shahoorpur Shahoorpur, P.O. Fatehpur Beri, New Delhi |

**(b) Extraordinary General Meetings**

No Extraordinary General Meeting of the Members was held during the year 2015-16.

**(c) Postal Ballot**

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

No resolution which requires approval of Members by postal ballot is being proposed at the ensuing Annual General Meeting.

**7. MEANS OF COMMUNICATION****(a) Quarterly results**

The Company's quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has listing arrangements. These financial results, in the prescribed format, as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are published in leading local language and national newspapers in compliance with Regulation 47 (1) (b) of the said Regulations. These results are not sent individually to the shareholders. The results are normally being published in "The Financial Express" in English and in the regional language newspaper "Avam-E-Hind" in Hindi.

**(b) Website**

The Company has in place a website viz. [www.sbecosystems.com](http://www.sbecosystems.com) The quarterly financial results, shareholding pattern, corporate governance report, the details on the Board of Directors, Senior Management Personnel, the composition of the Board of Directors / Committee of Directors, the various policies adopted by the Company viz. Vigil Mechanism, Related Party Transactions Policy, Nomination & Remuneration Policy, Policy on disclosure of material events, Policy on preservation of documents, Archival Policy, Policy on Board diversity, Familiarization Policy, Succession Plan are published in the Company's website. The Company makes use of its website for publishing official news release.

The Company as a part of its code of conduct adopted under the SEBI's (Prevention of Insider Trading) Regulations, does not meet any institutional investors or analysts. Only the Chairman of the Company is authorized to meet them and there have been no occasions in the past 12 months where the Chairman met the institutional investors or the analysts.

**8. General Shareholder Information:****(a) 27th Annual General Meeting**

**Date & Time** : September 27,2016 at 2.00 p.m.  
**Venue** : Executive Club, 439 Village Shahoorpur, P.O. FatehpurBeri, New Delhi

**(b) Financial Year of the Company** : 1st April,2015 to 31st March 2016

**(c) Particulars of Dividend payment** : No dividend is declared during the year.

**(d) Name and Address of Stock Exchange at which listed entity's securities are listed:**

| Name & Address of Stock Exchange :  | Stock Code |
|---|------------|
| The Bombay Stock Exchange :<br>25th Floor, P.J. Towers,<br>Dalal Street Fort, Mumbai-400001 | 517360     |
| The Delhi Stock Exchange* :<br>3/1, Asaf Ali Road,<br>New Delhi-110001                      | 6960       |

The Company has paid annual Listing fees to BSE LIMITED for the year 2016-17.

\*The applications for delisting of the shares of the Company from the Stock Exchanges at Delhi are pending. However, the shares of the Company will continue to remain listed at the Bombay Stock Exchange, which has a nationwide coverage.

**(e) Market Price Data:**

The Equity Shares of the Company are lying suspended on the Bombay Stock Exchange Ltd. They were last quoted on the Bombay Stock Exchange on 6th September 2001 at Rs. 2.30 per share. The Company is in process for revocation of suspension of trading

(f) **Performance in comparison to broad based indices such as BSE sensex, CRISIL Index, etc: Not Applicable (As shares are suspended)**

(g) **Registrar and Share Transfer Agent:**

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

**M/s Beetal Financial & Computer Services (P) Ltd.**

Beetal House, 3rd Floor, 99 Madangir,

Behind Local Shopping Centre,

New Delhi-110062

Ph.No-011-2996181-83

e-mail: beetal@beetalfinancial.com

(h) **Share transfer system:**

The share transfer requests sent by shareholders are manually checked. If the transfer deed and enclosures are valid, the shares are transferred within 15 days with the approval of the Share Transfer Committee, otherwise objection memo is sent to the transferor with necessary advice to take the required steps. The process is done within 15 days of receipt of request.

The Company seeks to ensure that all transfers are approved for registration within the stipulated period. Pursuant to Regulation 40 (9) & (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on half-yearly basis have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company.

With a view to expediting the approval process, the Board of Directors has severally authorized the Chairman of the Board of Directors, the Chairman of the Stakeholders Relationship Committee and the Company Secretary to approve the transfer of shares.

(i) **Distribution of shareholding as on March 31, 2016:**

| No of Shares    | Number of Shareholders | Number of Shares | % of total Shares |
|-----------------|------------------------|------------------|-------------------|
| Upto 500        | 18761                  | 3073781          | 94.25             |
| 501 - 1000      | 749                    | 591125           | 3.76              |
| 1001 – 2000     | 277                    | 407265           | 1.39              |
| 2001- 3000      | 54                     | 136826           | 0.27              |
| 3001 - 4000     | 23                     | 82324            | 0.12              |
| 4001 - 5000     | 13                     | 60449            | 0.07              |
| 5001 - 10000    | 13                     | 90509            | 0.07              |
| 10000 and above | 16                     | 5557721          | 0.08              |
| <b>Total</b>    | <b>19906</b>           | <b>10000000</b>  | <b>100.00</b>     |

(j) **Shareholding Pattern as on March 31, 2016:**

| SI No.Category of Shareholder        | Total No. of Shares | % of Shareholding |
|--------------------------------------|---------------------|-------------------|
| <b>A PROMOTER AND PROMOTER GROUP</b> | 5099760             | 51.00             |
| <b>Sub Total (A)</b>                 | 5099760             | 51.00             |
| <b>B PUBLIC SHAREHOLDING</b>         |                     |                   |
| <b>I INSTITUTIONS</b>                |                     |                   |
| <b>a FDI</b>                         | -                   | -                 |
| <b>II NON-INSTITUTIONS</b>           |                     |                   |
| <b>a Bodies Corporate</b>            | 302057              | 3.02              |
| <b>b Individuals</b>                 | 4595877             | 45.96             |
| <b>c NRI/ OCB</b>                    | -                   | -                 |
| <b>d Huf</b>                         | 2306                | 0.02              |
| <b>Sub-Total [B=(BI + BII)]</b>      | <b>4900240</b>      | <b>49.00</b>      |
| <b>Total (A+B)</b>                   | <b>10000000</b>     | <b>100.00</b>     |

(k) **Dematerialization of shares and liquidity:**

The Shares of the Company are still in Physical form, no dematerialization has been done.

(l) **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.

(m) **Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not have any activity towards Commodity Price Risk. Company neither has any hedging activity nor has any cover for foreign exchange risks.

(n) **Plant Locations: Not Applicable**

(o) **Address for Correspondence:**

**SBEC Systems (India) Limited**

1400, Modi Tower,

98, Nehru Place,

New Delhi-110019

**9. Other Disclosures****(i) Related Party Transactions**

During the year, there were no material related party transactions that may have potential conflicts with the interests of the Company at large. Transactions with related parties are disclosed in Notes to Accounts. Disclosures from Senior Management that there had been no material financial and commercial transactions that had a potential conflict with the interest of the Company at large were placed before the Board.

The Board of Directors of the Company has formulated 'Related Party Transaction Policy', which is available on website of the Company at [www.sbectsystems.com](http://www.sbectsystems.com)

**(ii) Details of Non-compliance**

There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by Stock Exchanges or Securities Exchange Board of India or any statutory authority on any matter related to the capital markets during the last three years.

**(iii) Vigil Mechanism**

In compliance of Section 177(9) & (10) of the Companies Act, 2013 and in terms of Regulation 22 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has established a Whistle Blower Policy and the same has been uploaded in the Company's website [www.sbectsystems.com](http://www.sbectsystems.com). The said policy has also been made available at the Office of the Company to enable the employees to report concerns, if any, directly to the Chairman of the Board and to the Chairman of the Audit Committee. All the employees are given direct access to the Audit Committee Chairman to report their concerns, if any. The employees are also apprised of the availability of the whistle blower policy at the time of their induction into the Company. There were no occasions during the year under review where any concerns were reported under the said policy.

**(iv) Compliance with the Mandatory and Non-Mandatory Requirements.****Shareholder Rights**

The Company has complied with all the Mandatory requirements stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also adopted the non-mandatory requirements to the extent and in the manner as stated hereinabove.

The Company does not have any subsidiary for the financial year ended 31 March, 2016.

The Company has formulated a policy on Related Party Transactions in terms of Regulation 23 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee accorded its omnibus approval for the said related party transactions at its meeting held on 26 May, 2015 in terms of Regulation 23 (3) of the said Regulations. The said policy has been uploaded in the Company's website viz. [www.sbectsystems.com](http://www.sbectsystems.com). The transactions with the related parties are being placed before the audit committee and the board on a quarterly basis for it to review the same in terms of Regulation 23 (3) (d) of the said Regulations.

**(v) Web link for policy on related party transactions**

The Company has formulated a policy on Related Party Transactions in terms of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee accorded its omnibus approval for the said related party transactions. The said policy has been uploaded on the Company's website viz. [www.sbectsystems.com](http://www.sbectsystems.com). The transactions with the related parties are being placed before the Audit Committee and the Board on quarterly basis for it to review the same in terms of Regulation 23(3)(d) of the said Regulations.

**10. DISCRETIONARY REQUIREMENTS**

As required under Part E of Schedule II the details of discretionary requirements are given below:

**1. The Board**

The Company has not set up any office for the Non-executive Chairman and no expenses and reimbursement of expenses are incurred in the performance of his duties.

**2. Shareholders Rights**

The quarterly/half yearly un-audited results and Audited Financial Results after being subjected to a Limited Review by the Statutory Auditors, are published in English language in newspaper having nation-wide circulation and also in regional language newspaper of the region where registered office of the Company is situated. Annual Report containing the detailed Balance Sheet and Profit & Loss Statement is also being sent to individual shareholder of the Company.

**3. Modified Opinion(s) in Audit Report**

The Auditors have issued a qualified opinion on the statutory financial statements of the Company. Details of which are mentioned in Directors Report.

**4. Separate posts of Chairman and CEO.**

Mr. Vijay Kumar Modi, Chairman of the Company is a Non-Executive Director. Mr. S.S. Agarwal was appointed as a Chief Executive Officer with effect from 21st May, 2015.

**5. Reporting of Internal Auditor**

The Company has appointed M/s Sarat Jain & Associates, Chartered Accountants, as Internal Auditors to do Internal Audit of the Company and they report directly to the Audit Committee on a quarterly basis on their findings and corrective actions.

**(11) 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.sbectsystems.com](http://www.sbectsystems.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 Mr. S.S. Agarwal, Chief Executive Officer forms part of this Report.

**Declaration**

I, S.S. Agarwal, Director & Chief Executive Officer of SBEC Systems (India) 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 under Schedule V sub-clause (D) Regulation 34 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for the year ended March 31, 2016.

Place: New Delhi  
Date: August 11, 2016

Sd/-  
S.S. Agarwal  
Chief Executive Officer



**(12) THE MANAGEMENT DISCUSSION AND ANALYSIS****COMPANY STRUCTURE AND DEVELOPMENT**

Your Company is in the business of supplying equipment and consultancy services to the industries. The management is confident to revive more business activities in near future depending upon more favorable conditions prevailing in the market barring unforeseen circumstances.

**INTERNAL CONTROLS AND SYSTEMS**

The Company has an appropriate internal control system for its various functions with the ultimate objective of improving efficiency in its operations, better financial management and compliance with regulations and applicable laws. The Company has appointed an Internal Auditor. All operating parameters are well defined and monitored periodically. The detail internal audit reports are discussed at length at various levels and thereafter the said reports are also placed before the Audit Committee for review and discussion.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company's Human Resources Philosophy is to establish and build a strong performance and competence driven culture with greater sense of accountability and responsibility. The effort to rationalize and streamline the workforce is a continuous Process. The industrial relations scenario remained harmonious throughout the year.

**DISCLOSURE RELATING TO SENIOR MANAGEMENT**

During the year under review there was no material financial or commercial Transaction Where Senior Management Personnel has personal interest that may have potential conflict with the interest of the company at large. The Company has received necessary declarations from the Senior Management Personnel.

**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.

**For & behalf of the Board  
for SBEC Systems ( India) Limited**

**Sd/-  
Vijay Kumar Modi  
Chairman  
DIN:00004606**

**Place: New Delhi  
Date: 11-08-2016**

**AUDITORS' CERTIFICATE**

**To**

**The Members of SBEC Systems (India) Limited**

We have examined the compliance of conditions of Corporate Governance by SBEC Systems (India)Limited ("the Company") for the year ended on March 31, 2016 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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 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 the provisions as specified in chapter IV Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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

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

**Sd/-  
Rahul Singhal  
Proprietor  
M.No. 29599**

**Date: 11.08.2016  
Place: New Delhi**

## INDEPENDENT AUDITOR'S REPORT

To the Members of M/s SBEC Systems (India) Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of M/s SBEC Systems (India) Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. 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 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Basis for Qualified Opinion

6. We draw attention to Note No.24 of the financial statement where in as at March 31, 2016 the company has not complied with the AS 13 "Accounting for investment" regarding reversal of diminution of current quoted investment aggregating to Rs.395.55 lacs. As a result of such non reversal of diminution the loss for the year are shown higher and Investment are shown lower by Rs. 395.55 lacs

#### Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for qualified opinion paragraph the aforesaid 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, of the state of affairs of the Company as at 31 March 2016, and its loss and its cash flows for the year ended on that date.

#### Emphasis of Matters

8. We draw attention to note 23 to the financial statements according to which the company has prepared its accounts on a going concern basis even though the net worth of the Company has been fully eroded. These facts cast significant doubt about the Company's ability to continue as a going concern,

#### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

#### 10. Further to our comments in annexure A, as required by Section 143(3) of the Act, 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 financial statements dealt with by this report are in agreement with the books of account ;
- d. except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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 B"; and
- g. in our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i The Company does not have any pending litigations which would impact its financial position
  - ii The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

**For K. K. JAIN & CO.**  
**Chartered Accountants**  
**Firm Registration No.002465N**

Sd/-  
**(R. K. Mittal)**  
**Partner**  
**M. No.95459**

Place : Delhi  
Date : 27.05.2016

### **Annexure A referred to in paragraph 8 Our Report of even date to the members of M/s SBEC Systems (India) Limited on the accounts of the company for the year ended 31st March, 2016**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.  
(c) The company has no immovable properties.
- (ii) There were no inventories during the year.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 of the Act.  
In our opinion, the company has complied with the provisions of Section 186 of the Act.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Service Tax, duty of Custom , duty of Excise, Value added Tax, Cess and other statutory dues, as applicable, with the appropriate authorities in India ;  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Sales Tax ,Service Tax, Sales Tax, duty of Custom , duty of Excise, Value added Tax or Cess which have not been deposited on account of any disputes
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) According to the information and explanation given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid (and)/ provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**Annexure - B to the Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s SBEC Systems (India) Limited ("the Company") as of 31 March 2016 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 ('ICAI'). 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 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 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 (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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 31 March 2016, 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/-**  
**(R. K. Mittal)**  
**Partner**  
**M. No.95459**

**Place: Delhi**  
**Date: 27.05.2016**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

(in Rs.)

| Particulars                            | Note No.     | As at<br>31 March, 2016 | As at<br>31 March, 2015 |
|--|--------------|-------------------------|-------------------------|
| <b>A EQUITY AND LIABILITIES</b>        |              |                         |                         |
| <b>1 Shareholders' funds</b>           |              |                         |                         |
| (a) Share capital                      | 3            | 99,959,000              | 99,959,000              |
| (b) Reserves and surplus               | 4            | (195,857,886)           | (189,732,361)           |
|  |              | (95,898,886)            | (89,773,361)            |
| <b>2 Non-current liabilities</b>       |              |                         |                         |
| (a) Long-term borrowings               | 5            | 67,100,110              | 63,371,769              |
| (b) Other long-term liabilities        | 6            | 23,662,910              | 23,148,811              |
| (c) Long-term provisions               | 7            | 75,672                  | 45,994                  |
|  |              | 90,838,692              | 86,566,574              |
| <b>3 Current liabilities</b>           |              |                         |                         |
| (a) Short-term borrowings              | 8            | 76,487,604              | 74,715,840              |
| (b) Other current liabilities          | 9            | 4,343,317               | 4,230,006               |
| (c) Short-term provisions              | 10           | -                       | 20,050                  |
|  |              | 80,830,921              | 78,965,896              |
|  | <b>TOTAL</b> | <b>75,770,727</b>       | <b>75,759,109</b>       |
| <b>B ASSETS</b>                        |              |                         |                         |
| <b>1 Non-current assets</b>            |              |                         |                         |
| (a) Fixed assets                       |              |                         |                         |
| (i) Tangible assets                    | 11           | 32,737                  | 36,602                  |
|  |              | 32,737                  | 36,602                  |
| <b>2 Current assets</b>                |              |                         |                         |
| (a) Current investments                | 12           | 68,602,183              | 68,602,183              |
| (b) Cash and cash equivalents          | 13           | 524,361                 | 586,775                 |
| (c) Short-term loans and advances      | 14           | 1,300,000               | 1,300,000               |
| (d) Other current assets               | 15           | 5,311,446               | 5,233,549               |
|  |              | 75,737,990              | 75,722,507              |
|  | <b>TOTAL</b> | <b>75,770,727</b>       | <b>75,759,109</b>       |
| <b>Significant Accounting Policies</b> | 2            |                         |                         |

In terms of our report attached

sd/-  
for K. K. JAIN & CO.  
Chartered Accountants  
Firm Reg. No. 02465N  
Vijay K Modi  
Director  
DIN 00004606

sd/-  
S.S. Agarwal  
Director & CEO  
DIN 00004840

sd/-  
R.K. Agarwal  
Director  
DIN : 00298252

sd/-  
J.C. Chawla  
Director  
DIN: 05316202

Sd/-  
R.K. Mittal  
Partner  
Membership No. : 95459

sd/-  
Akanksha Sharma  
Company Secretary

sd/-  
Anil Jain  
CFO

Date : 27.05.2016  
Place : New Delhi



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

(In Rs.)

| Particulars   | Note No. | For the year<br>ended 31.03.2016 | For the year<br>ended 31.03.2015 |
|---|----------|----------------------------------|----------------------------------|
| <b>A CONTINUING OPERATIONS</b>  |          |                                  |                                  |
| Revenue from operations (Gross)   |          | -                                | -                                |
| Other income  | 16       | 182,034                          | 2,335,470                        |
| <b>Total revenue (1+2)</b>  |          | <b>182,034</b>                   | <b>2,335,470</b>                 |
| <b>Expenses</b>   |          |                                  |                                  |
| Employee benefits expense   | 17       | 912,814                          | 709,763                          |
| Finance costs   | 18       | 4,200,939                        | 2,913,304                        |
| Depreciation and amortisation expense   | 11       | 3,865                            | 1,281                            |
| Other Expenses  | 19       | 1,209,991                        | 1,247,978                        |
| <b>Total expenses</b>   |          | <b>6,327,609</b>                 | <b>4,872,326</b>                 |
| <b>Profit / (Loss) before tax</b>   |          | <b>(6,145,575)</b>               | <b>(2,536,856)</b>               |
| <b>Tax expense:</b>   |          |                                  |                                  |
| Excess Provision Written back   |          | 20,050                           | -                                |
|   |          | <b>20,050</b>                    | <b>-</b>                         |
| <b>Profit / (Loss) from continuing operations</b>                                   |          | <b>(6,125,525)</b>               | <b>(2,536,856)</b>               |
| (a) Basic & diluted earning per equity share (in Rs.)<br>(face value Rs. 10/- each) |          |                                  |                                  |
| (i) Basic   | 20       | (0.61)                           | (0.25)                           |
| (ii) Diluted  |          | -                                | -                                |
| <b>Significant Accounting policies</b>  | <b>2</b> |                                  |                                  |

## In terms of our report attached

for K. K. JAIN & CO.  
Chartered Accountants  
Firm Reg. No. 02465N

sd/-  
Vijay K Modi  
Director  
DIN 00004606

sd/-  
S.S. Agarwal  
Director & CEO  
DIN 00004840

sd/-  
R.K. Agarwal  
Director  
DIN : 00298252

sd/-  
J.C. Chawla  
Director  
DIN: 05316202

Sd/-  
R.K. Mittal  
Partner  
Membership No. : 95459

sd/-  
Akanksha Sharma  
Company Secretary

sd/-  
Anil Jain  
CFO

Date : 27.05.2016  
Place : New Delhi

**NOTE NO. 1 COMPANY OVERVIEW:**

SBEC Systems (India) Limited is an engineering and consultancy company primarily engaged in render scientific, technical, engineering, professional, commercial and all other types of skilled services and deal in designs, plans and specifications of all type of contracts turnkey or otherwise, assignments, process and undertake fabrication, erection, commissioning of projects and providing high-tech equipment to sugar and power industries.

**NOTE : 2 SIGNIFICANT ACCOUNTING POLICIES****i. Basis of Accounting**

The Accounts of the Company are prepared under the historical cost convention and in accordance with the applicable accounting standards, except where otherwise stated. For recognition of income and expenses, accrual basis of accounting is being followed.

**ii. Revenue Recognition**

- a) Consultancy Contracts/Works Contracts are recognized on percentage of completion method.
- b) Sales are recognized on despatch of goods by the Company to its customers. Sales values are inclusive of Sales Tax.

**iii. Inventory Valuation**

Stores, Spare Parts and Components are valued at Cost. For this purpose, cost is ascertained on FIFO basis. Goods purchased for resale are valued at lower of cost or realizable value. Provision for obsolescence is made on the stocks, wherever required.

**iv. Fixed Assets**

- Fixed Assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to acquisition and installation of fixed assets.
- Fixed assets acquired under Hire Purchase Scheme are capitalized at their principal value and interest implicit in the hire rental is charged off as revenue expense.
- Depreciation on Fixed Assets is provided to the extent of depreciable amount on the written down value (WDV) method over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

**v. Foreign Currency Transactions**

Transactions in Foreign Currency are recognised at rates prevailing on the date of transactions.

Monetary foreign currency assets & liabilities remaining unsettled at the balance sheet date are translated at exchange rate prevailing on that date. Gain/loss arising on account of realization/settlement of foreign currency transactions and on translation of foreign currency assets and liabilities are recognized in the Profit & loss account.

**vi. Employee Benefits**

- a) Short Term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss account of the year in which the related service is rendered.
- b) Post employment and other long-term employee benefits are recognized as an expense in the Profit & Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses of the post employment and other long term benefits are charged to the Profit & Loss account of the year.

**vii Investments**

- i. Long Term quoted investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.

- 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.
- iv. Where long term investments are reclassified as current investments, transfers are made at the lower of cost or carrying amount at the date of transfer. Where investments are reclassified from current to long term, transfers are made at the lower of cost or fair value at the date of transfer. Thereafter, the investments are valued at that transfer price less provision for any diminution.

#### **viii. Accounting for Taxes**

Current Corporate Tax is provided on the results for the year after considering applicable tax rates and law.

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date.

Deferred Tax Assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### **ix. Miscellaneous Expenditure**

Technicians Fees and Expenditure on acquisition of technical Know How are written off over a period of five years.

#### **x. Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication exists, the recoverable amount is estimated. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

#### **xi. Earning 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.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends related to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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 dilative potential equity shares.

#### **xii. Provisions and Contingent Liabilities**

Provisions are recognized by present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount can not be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow or resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non- occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

**NOTE - 3 : SHARE CAPITAL**

(In Rs)

| Particulars  | As at<br>31.03.2016      | As at<br>31.03.2015 |
|--|--------------------------|---------------------|
| <b>AUTHORISED CAPITAL</b>  |                          |                     |
| 15,000,000 Equity Shares of Rs.10/- each.                              | <u>150,000,000</u>       | <u>150,000,000</u>  |
| <b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>                       |                          |                     |
| 10,000,000 Equity Shares of Rs.10/- each fully paid-up                 |                          |                     |
| (Previous year 10,000,000 Equity Shares of Rs.10/- each fully paid-up) | <b>100,000,000</b>       | 100,000,000         |
| Less: Calls in arrear  | <b>(41,000)</b>          | (41,000)            |
| <b>TOTAL</b>   | <u><b>99,959,000</b></u> | <u>99,959,000</u>   |

- a. Reconciliation of number of shares (nos.)
- |  |                    |             |
|--|--------------------|-------------|
| Outstanding at the beginning of the year | <b>100,000,000</b> | 100,000,000 |
| Outstanding at the end of the year       | <b>100,000,000</b> | 100,000,000 |
- b. (1) The company has only one class of issued shares i.e. Equity shares having par value of Rs. 10 per share . Each holder of equity shares is entitled to one vote per and equal right for dividend. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing general meeting, except in case of interim dividend . in the event of liquidation the entity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.
- (2) No member shall exercise any voting rights in respect of any share on which any calls payable , or in respect of which the company has exercise its right of lien.
- (3) The Company shall have a first and paramount lien upon all partly paid shares registered in the name of any member either alone or jointly with other person and such lien shall extend to all dividend from time to time, subject to section 205A of the Act, provided that the board of directors may at any time, declare shares to be exempted wholly or partly from the provision of articles.
- c. Detail of shareholders holding more than 5 percent of equity shares :

| Name of shareholders           | As at 31st March, 2016 |              | As at 31st March, 2015 |              |
|--------------------------------|------------------------|--------------|------------------------|--------------|
| Mr. Umesh Kumar Modi           | <b>2079560</b>         | <b>20.8%</b> | <b>2079560</b>         | <b>20.8%</b> |
| SBEC Systems Limited           | <b>2040000</b>         | <b>20.4%</b> | <b>2040000</b>         | <b>20.4%</b> |
| Longwell Investments Pvt. Ltd. | <b>550000</b>          | <b>5.50%</b> | <b>550000</b>          | <b>5.50%</b> |

- d. None of shares have been reserved for issue under options and contracts/commitments for sale of shares/disinvestment as at the balance sheet date.
- e. None of the securities are convertible into shares at the end of the reporting period.
- f. No calls are unpaid by any director or officer of the company during the year.

**NOTE - 4 : RESERVES & SURPLUS**

|   |                             |                      |
|---|-----------------------------|----------------------|
| Share Premium Reserve                                   | <b>19,261,774</b>           | 19,261,774           |
| <b>Surplus in the statement of Profit &amp; Loss</b>    |                             |                      |
| Opening Balance   | <b>(208,994,135)</b>        | (206,457,279)        |
| Profit for the year                                     | <b>(6,125,525)</b>          | (2,536,856)          |
| Less: Transfer to Reserves                              | -                           | -                    |
| Net surplus in the statement of Profit and loss account | <u><b>(215,119,660)</b></u> | <u>(208,994,135)</u> |
| <b>TOTAL</b>  | <u><b>(195,857,886)</b></u> | <u>(189,732,361)</u> |

**NOTE - 5 : LONG TERM BORROWINGS**

(In Rs.)

| Particulars  | Non current portion |                     | Current portion     |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31.03.2016 | As at<br>31.03.2015 | As at<br>31.03.2016 | As at<br>31.03.2015 |
| <b>Unsecured</b>   |                     |                     |                     |                     |
| Foreign Currency Loan From Overseas Corporate Body<br>(Refer Note No. 20 & 22) | <u>67,100,110</u>   | 63,371,769          | -                   | -                   |
| <b>Total</b>   | <u>67,100,110</u>   | <u>63,371,769</u>   | <u>-</u>            | <u>-</u>            |

**NOTE - 6 : OTHER LONG TERM LIABILITIES**

(In Rs.)

| Particulars                                  | As at<br>31.03.2016 | As at<br>31.03.2015 |
|--|---------------------|---------------------|
| Advance From Customer*                       | <u>15,166,425</u>   | 15,124,425          |
| Others (Perdiem Charges) (Refer Note No. 26) | <u>8,496,485</u>    | 8,024,386           |
| <b>Total</b>                                 | <u>23,662,910</u>   | <u>23,148,811</u>   |

\* from related parties

**NOTE - 7 : LONG TERM PROVISIONS****Provision for Employee Benefits :**

|              |               |               |
|--------------|---------------|---------------|
| For Gratuity | <u>75,672</u> | 45,994        |
| <b>Total</b> | <u>75,672</u> | <u>45,994</u> |

**NOTE - 8 : SHORT TERM BORROWINGS****Unsecured**

|  |                   |                   |
|--|-------------------|-------------------|
| Loans repayable on demand From Corporate | <u>76,487,604</u> | 74,715,840        |
| <b>Total</b>                             | <u>76,487,604</u> | <u>74,715,840</u> |

**NOTE - 9 : OTHER CURRENT LIABILITIES**

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Interest accrue and due on borrowing | <u>3,056,841</u> | 3,056,841        |
| Salaries, wages & bonus              | <u>86,064</u>    | 64,873           |
| Other liabilities*                   | <u>1,176,557</u> | 1,096,489        |
| Statutory dues payable               | <u>23,855</u>    | 11,803           |
| <b>TOTAL</b>                         | <u>4,343,317</u> | <u>4,230,006</u> |

\*Includes Rs. 2100/- (Previous Year Rs. 1049/-) for related party and Rs. 51412/- (Previous year Rs. 51708/- to Shri. Anil Jain)

**NOTE - 10 : SHORT TERM PROVISIONS**

|                |          |               |
|----------------|----------|---------------|
| For Income Tax | -        | <u>20,050</u> |
| <b>TOTAL</b>   | <u>-</u> | <u>20,050</u> |



**NOTE - 11 : FIXED ASSETS**

(In Rs. )

**A. Tangible Assets**

| PARTICULARS                       | GROSS BLOCK         |                                   |                                   |                     | DEPRECIATION        |                 |                            |                     | NET BLOCK           |                     |
|-----------------------------------|---------------------|-----------------------------------|-----------------------------------|---------------------|---------------------|-----------------|----------------------------|---------------------|---------------------|---------------------|
|                                   | As at<br>01.04.2015 | Additions/Adj.<br>during the year | Disposals/Adj.<br>during the year | As at<br>31.03.2016 | As at<br>01.04.2015 | For the<br>year | Adjustments /<br>Disposals | As at<br>31.03.2016 | As at<br>31.03.2016 | As at<br>31.03.2015 |
| Plant and Machinery               | 17,591              | -                                 | -                                 | 17,591              | 16,789              | -               | -                          | 16,789              | 802                 | 802                 |
| Furniture & Fixture<br>& Fittings | 632,848             | -                                 | -                                 | 632,848             | 608,158             | -               | -                          | 608,158             | 24,690              | 24,690              |
| Office Equipments                 | 63,530              | -                                 | -                                 | 63,530              | 52,420              | 3,865           | -                          | 56,285              | 7,245               | 11,110              |
| <b>TOTAL</b>                      | <b>713,969</b>      | <b>-</b>                          | <b>-</b>                          | <b>713,969</b>      | <b>677,367</b>      | <b>3,865</b>    | <b>-</b>                   | <b>681,232</b>      | <b>32,737</b>       | <b>36,602</b>       |
| Previous Year                     | 704,269             | 9,700                             | -                                 | <b>713,969</b>      | 676,086             | 1,281           | -                          | <b>677,367</b>      | <b>36,602</b>       | 28,183              |

**NOTE - 12 : CURRENT INVESTMENT**

(In Rs.)

| Particulars  | Non current portion |                          | Current portion     |                          |
|--|---------------------|--------------------------|---------------------|--------------------------|
|  | As at<br>31.03.2016 | As at<br>31.03.2015      | As at<br>31.03.2016 | As at<br>31.03.2015      |
| <b>Trade Investment</b>  |                     |                          |                     |                          |
| (Quoted, Valued at Cost)   |                     |                          |                     |                          |
| <b>Investment *</b>  |                     |                          |                     |                          |
| 31,58,046 Equity Shares of Rs. 10/- each in<br>SBEC Sugar Limited (fully paid) @ Rs 10/- per share   | 31,580,460          |                          | 31,580,460          |                          |
| Less : Provision for Dimuniation (Refer Note No. 32)   | <u>8,931,924</u>    | <b>22,648,536</b>        | <u>8,931,924</u>    | <b>22,648,536</b>        |
| 1,10,73,168 Equity Shares of Rs. 10/- each in<br>SBEC Sugar Limited (fully paid) @ Rs 10/- per share | 110,731,680         |                          | 110,731,680         |                          |
| Less : Provision for Permanent Dimuniation (Refer Note No. 28)                                       | 64,778,033          | <b>45,953,647</b>        | <u>64,778,033</u>   | <b>45,953,647</b>        |
| <b>TOTAL</b>   |                     | <b><u>68,602,183</u></b> |                     | <b><u>68,602,183</u></b> |
| Market value of quoted Investments<br>(Based on closing rate of Rs. 7.60 at BSE on 31.03.2016)       |                     |                          |                     |                          |
| Previous year @ Rs. 4.88 per share)  |                     | <b>108,157,226</b>       |                     | <b>69,448,324</b>        |
| * Investment in related Party  |                     |                          |                     |                          |

**NOTE - 13 : CASH AND BANK BALANCES**

(in Rs.)

| Particulars                       | As at<br>31.03.2016   | As at<br>31.03.2015 |
|-----------------------------------|-----------------------|---------------------|
| <b>Cash and Cash Equivalents</b>  |                       |                     |
| Balance with Scheduled Banks in - |                       |                     |
| — Current Accounts                | <b>216,804</b>        | 273,397             |
| — Cash & Stamps in hand           | <b>267,557</b>        | 273,378             |
|                                   | <b><u>484,361</u></b> | <u>546,775</u>      |
| <b>Other Bank Balances</b>        |                       |                     |
| Fixed deposit with Banks*         | <b>40,000</b>         | 40,000              |
| <b>TOTAL</b>                      | <b><u>524,361</u></b> | <u>586,775</u>      |

\* Fixed Deposit Matured But Pledged with Sales Tax Authority

**NOTE - 14 : SHORT TERM LOAN & ADVANCES**

(in Rs.)

| Particulars                      | As at<br>31.03.2016 | As at<br>31.03.2015 |
|----------------------------------|---------------------|---------------------|
| <b>Unsecured considered good</b> |                     |                     |
| Loans                            | 1,300,000           | 1,300,000           |
| <b>TOTAL</b>                     | <u>1,300,000</u>    | <u>1,300,000</u>    |

**NOTE - 15 : OTHER CURRENT ASSETS**

|                              |                  |                  |
|------------------------------|------------------|------------------|
| Income tax recoverable       | 185,300          | 185,300          |
| Service Tax -(Cenvat Credit) | 82,400           | 82,400           |
| Interest receivable          | 5,043,746        | 4,965,849        |
| <b>TOTAL</b>                 | <u>5,311,446</u> | <u>5,233,549</u> |

**NOTE - 16 : OTHER INCOME**

|   |                |                  |
|---|----------------|------------------|
| Foreign Exchange fluctuation                    | -              | -                |
| Interest  | 158,737        | 1,364,851        |
| Excess Provision / Sundry Balances written back | 23,297         | 970,619          |
| Profit on sale of Investment                    | -              | -                |
| <b>TOTAL</b>                                    | <u>182,034</u> | <u>2,335,470</u> |

**NOTE - 17 : EMPLOYEE BENEFIT EXPENSES**

( in Rs.)

| Particulars                                       | For the Year<br>ended 31.03.2016 | For the Year<br>ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| Salary, Wages, Bonus & other allowances           | 800,281                          | 609,907                          |
| Company's Contribution To Provident & Other Funds | 46,855                           | 33,579                           |
| Staff Welfare Expenses                            | -                                | 7,793                            |
| Gratuity  | 29,678                           | 22,484                           |
| Entertainment Expenses                            | 36,000                           | 36,000                           |
| <b>TOTAL</b>                                      | <u>912,814</u>                   | <u>709,763</u>                   |

**NOTE - 18 : FINANCE COST**

|                              |                  |                  |
|------------------------------|------------------|------------------|
| Interest - Others            | 40               | 260              |
| Bank Charges                 | 458              | 2,292            |
| Foreign Exchange Fluctuation | 4,200,441        | 2,909,740        |
| Demat Charges                | -                | 1,012            |
| <b>TOTAL</b>                 | <u>4,200,939</u> | <u>2,913,304</u> |

**NOTE 19 : OTHER EXPENSES**

( in Rs.)

| Particulars                   | For the Year<br>ended 31.03.2016 | For the Year<br>ended 31.03.2015 |
|-------------------------------|----------------------------------|----------------------------------|
| Auditor's Remuneration        | 79,911                           | 56,180                           |
| Telephone, Postage & Telegram | 30,750                           | 14,000                           |
| Legal & Professional Charges  | 49,802                           | 43,318                           |
| Travelling & Conveyance       | 11,610                           | 8,374                            |
| Printing & Stationery         | 8,979                            | 8,857                            |
| Misc. Expenses                | 6,635                            | 7,045                            |
| Accountancy Charges           | 24,000                           | 24,000                           |
| Books & Periodicals           | 18,000                           | 18,000                           |
| Secretarial Expense           | 980,301                          | 810,796                          |
| Amount Write off              | 3                                | 257,408                          |
| <b>TOTAL</b>                  | <b>1,209,991</b>                 | <b>1,247,978</b>                 |

**Note 20 Contingent liabilities not provided for in respect of :-**

| Particulars                       | Current Year<br>(Rs in Lacs) | Previous Year<br>(Rs in Lacs) |
|-----------------------------------|------------------------------|-------------------------------|
| Trade Tax                         | -                            | 2.55                          |
| Interest on Foreign Currency Loan | 188.27@                      | 177.81@                       |

@ In terms of agreement dated 14th December 2005 entered with Occident Orient Company Limited and subject to approval of the Reserve Bank of India (RBI), interest of USD 2,81,974/- (Previous Year USD 2,81,974/-) for earlier years is payable by the company on Foreign Currency Loan of USD 10,04,944. Pending approval of RBI, this liability is being shown as contingent liability.

Note 21. Balances of Loan and advances in few cases are subject to confirmation and reconciliation. However in the opinion of the management the differences arising on such reconciliation, if any, are not likely to be material.

Note 22. In the absence of necessary agreements/approvals, interest on loans from foreign lenders has not been provided.

Note 23. The accounts of the Company for the year ending 31.03.16 have been prepared on going concern basis. The management is confident to revive the business activities in near future depending upon more favourable conditions prevailing in the market bearing unforeseen circumstances.

Note 24. Reversal of diminution of Current Quoted investment aggregating Rs.395.55 lacs (Previous Year Rs. 8.46 Lacs) has not been provided. Resulting of such non reversal of diminution the loss for the year are shown higher and investment are shown lower by Rs. 395.55 lacs (Previous Year Rs. 8.46 Lacs)

Note 25. Manager has been paid remuneration in terms of resolution and in accordance with schedule V to the companies Act, 2013, as under:  
Remuneration to manager under section 197 of the Companies Act, 2013.

(Rs. in Lacs)

| Particulars                    | Current Year<br>(Rs in Lacs) | Previous Year<br>(Rs in Lacs) |
|--------------------------------|------------------------------|-------------------------------|
| Salary                         | 6.41                         | 5.76                          |
| Contribution to Provident fund | 0.36                         | 0.33                          |

\*Remuneration excludes provisions to gratuity determined on accrual basis.

**Note 26. Segment Reporting**

The Company operates in a single business and geographical segment and the requirements of Accounting Standard 17 on Segment Reporting are not relevant.

**Note 27. Related Parties Disclosures****1. The names of the Related Parties as certified by the management are as follows :****a) Enterprises Where Control Exists**

SBEC Sugar Limited (Substantial Interest Exist)

**b) Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises.**

i. SBEC System limited (United Kingdom)

**c) Key Managerial Personnel**

Mr. S.S. Agarwal - Chief Executive Officer (w.e.f 21/05/2015)

Mr. Anil Jain - Chief Financial Officer (w.e.f. 21/05/2015)

Ms. Akanksha Sharma - Company Secretary (w.e.f.08/01/2016)

**d) Individual owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise :**

Mr.U.K.Modi

e) **Relative of individual owning substantial interest and their Enterprises :**

Mrs.Kumkum Modi, Mr.Abhishek Modi, Ms.Meghna modi , Ms. Himani Modi , Mr.Jayesh Modi , Modi Arts Pvt Ltd., Modi Goods and Retail Services Pvt Ltd., Jai Abhishek Investments Pvt Ltd., Modi Diagnostics Pvt Ltd., Modi Revlon Pvt.Ltd., Modi Senator (India) Pvt Ltd., First Move Management Services Pvt Ltd. , Revlon Lanka Pvt Ltd., Umesh Modi Corp Pvt Ltd., Modi-Mundipharma Healthcare Pvt. Ltd.(formerly known as Modi Omega Pharma (India) Pvt Ltd.), Modi Illva India Pvt Ltd., A to Z Holding Pvt Ltd., Longwell Investment Pvt Ltd., SBEC Sugar Limited\* , Bihar Sponge Iron Ltd., Modi Mundipharma Pvt Ltd.\* , Modiline Travel Service Pvt Ltd., Modi Industries Ltd., Modi Hitech India Ltd., Win Medicare Pvt Ltd\*, H.M.Tubes & Containers Pvt Ltd., Modi Motors Pvt Ltd\*, M.G.Mobile India Pvt Ltd.,Revlon Trading Bangladesh Pvt. Ltd, SBEC Bio Energy Ltd\*, Meghna AutoWorks Pvt. Ltd., Mundipharma (Bangladesh) Pvt. Ltd., Jayesh Tradex Pvt. Ltd\*, Mundipharma Trading Bangladesh Pvt. Ltd., SBEC Stockholding & Investment Ltd., Abhikum Leasing & Investments Pvt. Ltd., ABC Holding Pvt. Ltd., Kumabhi Investments Pvt. Ltd., Meghkum Leasing & Investment Pvt. Ltd., Technicast Engineers Ltd., M First Trading Pvt. Ltd.

\* Indicates that during the period , there is transaction with these relatives and enterprises.

2. **Transactions carried out with related parties referred in 1 above, in the ordinary course of business**

(Rs. in Lacs)

| Nature of Transactions                                 | Referred in 1(a) above | Referred in 1(b) above | Referred in 1(c) above | Referred in 1(e) above |
|--|------------------------|------------------------|------------------------|------------------------|
| <b>Income</b>  |                        |                        |                        |                        |
| Balance written back                                   | —                      | —                      | —                      | —                      |
|  | —                      | —                      | —                      | (9.71)                 |
| <b>Expenses</b>  |                        |                        |                        |                        |
| Remuneration   | —                      | —                      | 6.76                   | —                      |
|  | (—)                    | (—)                    | (6.09)                 | (—)                    |
| Balance written off                                    | —                      | —                      | —                      | 2.57                   |
|  | (—)                    | (—)                    | (—)                    | (—)                    |
| Secretarial Expenses/<br>Printing & Stationery         | —                      | —                      | —                      | 1.13                   |
|  | (—)                    | (—)                    | (—)                    | ( 0.98 )               |
| <b>Amount paid by other party on behalf of company</b> | —                      | —                      | —                      | 0.01                   |
|  | (—)                    | (—)                    | (—)                    | ( 0.01)                |
| <b>Amount Received</b>                                 | 0.42                   | —                      | —                      | —                      |
|  | (—)                    | (—)                    | (—)                    | (—)                    |
| <b>Purchase of fixed Asset</b>                         | —                      | —                      | —                      | —                      |
|  | (—)                    | (—)                    | (—)                    | (0.10)                 |
| <b>Out standings</b>                                   |                        |                        |                        |                        |
| Payable  | 128.38                 | —                      | 0.51                   | 23.31                  |
|  | (127.95)               | (—)                    | (0.52)                 | (23.30)                |
| Receivable   | —                      | —                      | —                      | —                      |
|  | (—)                    | (—)                    | (—)                    | (2.57)                 |
| Equity Contribution                                    | 1423.12                | —                      | —                      | —                      |
|  | (1423.12)              | (—)                    | (—)                    | (—)                    |

**Note 28. Deferred Taxation**

The Company has no deferred tax liability. There are deferred tax assets on account of unabsorbed depreciation and carried forward business losses, which as a matter of prudence have not been recognised.

Note 29. Current Liabilities include credit balance of Rs.0.51 (Previous year Rs. 0.52 lacs) in the name of Mr. Anil Jain appointed as Manager,

### Note 30. Employee Benefits

The company has adopted Revised AS- 15 'Employee Benefits'. In accordance with the transitional provision of revised AS - 15, additional liability (net of tax) under new method.

Contributions to Defined Benefit /Contribution Plan, recognized as expense for the year are as under:

#### a) Defined Contribution Plan

(Rs. in Lacs)

|   | 2015-16<br>Year | 2014-15<br>Year | 2013-14<br>Year | 2012-13<br>Year | 2011-12<br>Year |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Employer's contribution to provident fund | 0.47            | 0.33            | 0.40            | 0.48            | 0.45            |

#### b) Defined Benefit Plan

The employees' gratuity fund scheme is a Defined Benefit Plan (DBP). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### 1. Reconciliation of opening and closing balances of DBP

|                                   | Gratuity<br>For The<br>Year Ending<br>31.03.16 | Gratuity<br>For The<br>Year Ending<br>31.03.15 | Gratuity<br>For The<br>Year Ending<br>31.03.14 | Gratuity<br>For The<br>Year Ending<br>31.03.13 | Gratuity<br>For The<br>Year Ending<br>31.03.12 |
|-----------------------------------|--|--|--|--|--|
| DBP at the beginning of the year  | 0.46   | 0.24   | 0.58   | 0.23   | 0.20   |
| Interest Cost                     | -  | -  | -  | 0.02   | 0.01   |
| Current Service Cost              | 0.30   | 0.22   | 0.24   | 0.13   | 0.17   |
| Benefits Paid                     | Nil  | Nil  | 0.58   | Nil  | 0.27   |
| Actuarial (gain)/loss             | Nil  | Nil  | Nil  | 0.20   | 0.12   |
| <b>DBP at the end of the year</b> | <b>0.76</b>                                    | <b>0.46</b>                                    | <b>0.24</b>                                    | <b>0.58</b>                                    | <b>0.23</b>                                    |

#### 2. Reconciliation of opening and closing balances of Fair Value of Plan Assets

|   |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|
| Fair value of plan assets as at the beginning of the year | Nil | Nil | Nil | Nil | Nil |
| Expected return   | Nil | Nil | Nil | Nil | Nil |
| Actuarial (gain / loss)                                   | Nil | Nil | Nil | Nil | Nil |
| Contribution by employer                                  | Nil | Nil | Nil | Nil | Nil |
| Benefits paid   | Nil | Nil | Nil | Nil | Nil |
| Settlement cost   | Nil | Nil | Nil | Nil | Nil |
| Fair value of plan assets as at the end of the year       | Nil | Nil | Nil | Nil | Nil |
| Actual return on plan assets                              |     |     |     |     |     |

#### 3. Reconciliation of amount recognized in Balance Sheet

|   |      |      |      |      |      |
|---|------|------|------|------|------|
| Fair Value of Plan Assets                             | Nil  | Nil  | Nil  | Nil  | Nil  |
| Present value of obligation                           | 0.76 | 0.46 | 0.24 | 0.58 | 0.23 |
| Net asset/(liability) recognized in the Balance Sheet | 0.76 | 0.46 | 0.24 | 0.58 | 0.23 |

#### 4. Expense Recognized during the period in Profit & Loss A/c.

|  |      |      |      |      |      |
|--|------|------|------|------|------|
| Interest Cost  | Nil  | Nil  | Nil  | 0.02 | 0.01 |
| Current Service Cost                                   | 0.30 | 0.22 | 0.24 | 0.13 | 0.17 |
| Expected Return on Plan Assets                         | Nil  | Nil  | Nil  | Nil  | Nil  |
| Net Actuarial (Gain) / Loss recognised during the year | Nil  | Nil  | Nil  | 0.20 | 0.12 |
| Expenses recognised in the statement of Profit & Loss  | 0.30 | 0.22 | 0.24 | 0.35 | 0.30 |

#### 5. Actual Return on Plan Assets

|  |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|
| Expected return on Plan Assets                     | Nil | Nil | Nil | Nil | Nil |
| Actuarial (Gain) / Loss recognised during the year | Nil | Nil | Nil | Nil | Nil |
| Actual return on plan assets                       | Nil | Nil | Nil | Nil | Nil |

**6. Principal Actuarial Assumptions**

|  | Gratuity For The Year Ending 31.03.16 1994-96 |          | Gratuity For The Year Ending 31.03.2015 1994-96 |          | Gratuity For The Year Ending 31.03.2014 1994-96 |          | Gratuity For The Year Ending 31.03.2012 1994-96 |          | Gratuity For The Year Ending 31.03.2012 1994-96 |          |
|--|---|----------|---|----------|---|----------|---|----------|---|----------|
|  | Duly  | Modified | Duly  | Modified | Duly  | Modified | Duly  | Modified | Duly  | Modified |
| Discount Rate                          |   | 8%       |   | 8%       |   | 8%       |   | 8%       |   | 8%       |
| Future Salary Increased                |   | 10%      |   | 10%      |   | 10%      |   | 10%      |   | 5.5%     |
| Expected rate of return on plan assets |   | Nil      |   | Nil      |   | Nil      |   | Nil      |   | Nil      |
| Withdrawal Rates                       |   |          |   |          |   |          |   |          |   |          |
| Up to 30 Years                         |   | 3.00%    |   | 3.00%    |   | 3.00%    |   | 3.00%    |   | 3.00%    |
| Up to 44 Years                         |   | 2.00%    |   | 2.00%    |   | 2.00%    |   | 2.00%    |   | 2.00%    |
| Above 44 Years                         |   | 1.00%    |   | 1.00%    |   | 1.00%    |   | 1.00%    |   | 1.00%    |

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

**Note 31. Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable) :**

| Particulars  | (Rs. in Lacs) |
|--|---------------|
| a) Stock, Purchases and Sales of Goods traded in:  | Nil           |
| b) EXPENDITURE IN FOREIGN CURRENCY (On cash basis) | (Nil)         |
| Interest Payment                                   | Nil           |
|  | (Nil)         |
| c) EARNINGS IN FOREIGN EXCHANGE                    | Nil           |
|  | (Nil)         |
| d) CIF VALUE OF IMPORTS                            | Nil           |
|  | (Nil)         |

**Note 32. Earning per Share**

|  | Current Year | Previous Year |
|--|--------------|---------------|
| Net Profit /(Loss) (in lakhs)                            | (61.26)      | (25.37)       |
| Weighted average number of equity shares during the year | 9,995,900    | 9,995,900     |
| Basic & Diluted Earnings per Share                       | Rs.(0.61)    | Rs.(0.26)     |

**Note 33. Previous Year figures are given in brackets and have been regrouped / rearranged wherever required.**

In terms of our report attached

for K. K. JAIN & CO.  
Chartered Accountants  
Firm Reg. No. 02465N

sd/-  
Vijay K Modi  
Director  
DIN 00004606

sd/-  
S.S. Agarwal  
Director & CEO  
DIN 00004840

sd/-  
R.K. Agarwal  
Director  
DIN : 00298252

sd/-  
J.C. Chawla  
Director  
DIN: 05316202

Sd/-  
R.K. Mittal  
Partner  
Membership No. : 95459

sd/-  
Akanksha Sharma  
Company Secretary

sd/-  
Anil Jain  
CFO

Date : 27.05.2016  
Place : New Delhi



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Rs. in Lacs)

|   | For the year<br>ended 31.03.2016 | For the Year<br>ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| <b>Cash flow from operating activities</b>                          |                                  |                                  |
| Net profit before taxation  | (6145575)                        | (2536856)                        |
| Adjustments for:-   |                                  |                                  |
| Depreciation  | 3865                             | 1281                             |
| Other income:-  |                                  |                                  |
| Profit on sale of Investment  | -                                | -                                |
| Interest income   | (158737)                         | (1364851)                        |
| Interest Expenses   | -                                | -                                |
| <b>Operating profit before working capital changes</b>              | <b>6300447</b>                   | <b>(3900426)</b>                 |
| (Increase)/Decrease in sundry debtors & other current assets        | -                                | 398449                           |
| Increase/(Decrease) in sundry creditors & other current liabilities | <b>657088</b>                    | <b>(765633)</b>                  |
| <b>Cash generated from operations</b>                               | <b>(5643359)</b>                 | <b>(4267610)</b>                 |
| Income Tax Paid / received  | -                                | 0.00                             |
| <b>Net cash from operating activities</b>                           | <b>(5643359)</b>                 | <b>(4267610)</b>                 |
| <b>Cash flows from investing activities</b>                         |                                  |                                  |
| Loan/Advance given  | -                                | 8700000                          |
| Sale of Investment  | -                                | -                                |
| Purchase of Fixed Assets  | -                                | (9700)                           |
| Investment in Subsidy   | -                                | -                                |
| <b>Net cash from/(used in) investing activities</b>                 | <b>-</b>                         | <b>8690300</b>                   |
| <b>Cash flows from financing activities</b>                         |                                  |                                  |
| Proceeds from / (Repayment) of Loans                                | <b>5500105</b>                   | (4667293)                        |
| Interest paid   | -                                | -                                |
| Interest received   | <b>80840</b>                     | 10669                            |
| <b>Net cash used in financing activities</b>                        | <b>5580945</b>                   | <b>(4656624)</b>                 |
| <b>Net increase/(decrease) in cash and cash equivalents</b>         | <b>(62414)</b>                   | <b>(233934)</b>                  |
| <b>Components of Cash and Cash Equivalents</b>                      |                                  |                                  |
| Opening Cash & Cash Equivalents                                     | <b>(586775)</b>                  | (820709)                         |
| Closing Cash & Cash Equivalents                                     | <b>524361</b>                    | 586775                           |
| Net Increase / (decrease) as above                                  | <b>(62414)</b>                   | (233934)                         |

**Note:-**

- (i) The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on "Cash Flow Statement".
- (ii) Cash and Cash equivalents include FDR Rs. 0.40 lacs (Prv. Year Rs. 0.40 lacs pledge with sales Tax authority which are not available for use by the company)
- (iii) Previous year figures have been regrouped/ rearranged wherever considered necessary.

The Schedule referred to above are integral part of the Balance Sheet

In terms of our report attached

for K. K. JAIN & CO.  
Chartered Accountants  
Firm Reg. No. 02465N

sd/-  
Vijay K Modi  
Director  
DIN 00004606

sd/-  
S.S. Agarwal  
Director & CEO  
DIN 00004840

sd/-  
R.K. Agarwal  
Director  
DIN : 00298252

sd/-  
J.C. Chawla  
Director  
DIN: 05316202

Sd/-  
R.K. Mittal  
Partner  
Membership No. : 95459

sd/-  
Akanksha Sharma  
Company Secretary

sd/-  
Anil Jain  
CFO

Date : 27.05.2016  
Place : New Delhi

**SBEC SYSTEMS (INDIA) LIMITED**

CIN: L74210DL1987PLC029979

Regd Off: 1400, Hemkunt Tower, 98, Nehru Place, New Delhi-110019

T.:011-42504665, 42504555, Email id : sbecsystems@rediffmail.com, Website : www.sbecsystems.com

**NOTICE**

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the Shareholders of **SBEC SYSTEMS (INDIA) LIMITED** will be held on **Tuesday, 27<sup>th</sup> September 2016 at the Executive Club, 439 Village Shahoorpur, P.O. Fatehpur Beri, New Delhi at 2.00 P.M.** to transact the following businesses:

**ORDINARY BUSINESS**

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016, the Profit and Loss Account for the period ended on that date along with the Directors' Report and the Auditor's Report thereon.
- To consider and appoint a Director in place of Mrs. Ritu Sikka, (DIN-06953465) who retires by rotation and being eligible offer herself for re-appointment.
- To appoint Auditors and to fix their remuneration by passing the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, Appointment of M/s K.K. Jain & Co., Chartered Accountants (Firm Registration No.02465N), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed upon by the Audit Committee/ Board of Directors in consultation with the Statutory Auditors."

**By order of the Board  
For SBEC Systems (India) Ltd.**

**Place: NewDelhi  
Date: 11.08.2016**

**Vijay Kumar Modi  
Chairman  
DIN: 00004606**

**NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN HIS/HER BEHALF AND THE PROXY NEED NOT TO BE MEMBER OF THE COMPANY.**

The instrument appointing proxy in order to be effective should be duly completed, stamped and signed and must be deposited at the registered office of the company at least 48 (FOURTY EIGHT HOURS) before the scheduled time of commencement of the annual general meeting. A blank proxy form is annexed herewith.

- Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder. Corporate members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
- The Register of Members & Share Transfer Books of the Company will remain closed from 21st September, 2016 to 27th September, 2016 (Both Days Inclusive).
- Members are requested to notify, changes, if any, in their address to the Company or Beetal Financial & Computer Services Pvt. Ltd.
- Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Beetal Financial & Computer Services Pvt. Ltd, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

- Members/proxies are requested to bring attendance slips sent herewith duly filled in, for attending the meeting.
- Members desiring any information as regards to accounts are requested to address their questions to the Company at least 7 days before the date of the meeting so that the required information is made available at the meeting.
- The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
- To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Beetal Financial & Computer Services Pvt. Ltd / Depositories.
- Members holding shares in physical form are advised to make nomination in Form SH-13 in respect of their shareholding in the Company. The nomination form will be made available by the Company on request.
- Members may also note that the Notice of the Twenty Seventh Annual General Meeting and the Annual Report for financial year 2015-16 will also be available on the Company's website i.e. [www.sbecsystems.com](http://www.sbecsystems.com) for their download.
- Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 A.M to 1.00 P.M upto the date of Annual General Meeting.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in physical form should submit their PAN to the Company.
- In terms of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a brief profile of the Director, who is proposed to be re-appointed/appointed in this AGM, nature of her expertise in specific functional areas, her other Directorships and committee memberships, shareholding and relationship with other Directors of the Company are given below:

| Name of the Director | Din & Date of Appointment | DOB & Nationality | Shareholding in SBEC Systems (India) Ltd. | List of Directorships in other Companies | Qualification & Experience  | Memberships/Chairmanships of Audit & Stakeholder relationship Committee |
|----------------------|---------------------------|-------------------|---|--|---|---|
| Mrs.Ritu Sikka       | 06953465                  | 07.12.69          | Nil                                       | Nil                                      | She holds the degree of Post Graduate Diploma in Business & Management. She is having experience of more than 20 years in the field of HR & personnel | Nil   |

Mrs. Ritu Sikka is not related to any other Director on the Board of the Company.

- In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("**remote e-voting**") will be provided by Central Depository Services Limited (CDSL).

17. The Board of Directors has appointed Ms. Nupur Gupta, Practicing Chartered Accountant as Scrutinizer to scrutinize voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- The instructions for shareholders voting electronically are as under:**
- i. The voting period begins on Saturday 24th day of September, 2016 and ends on Monday 26th day of September, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday 20th day of September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - iii. Click on Shareholders.
  - iv. Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - v. Next enter the Image Verification as displayed and Click on Login.
  - vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - vii. If you are a first time user follow the steps given below:
 

**For Members holding shares in Demat Form and Physical Form**

**PAN**

    - Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
    - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
    - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

**Dividend Bank Details OR Date of Birth (DOB)**

    - Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
    - If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
  - viii. After entering these details appropriately, click on "SUBMIT" tab.
  - ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - xi. Click on the EVSN for the relevant SBEC SYSTEMS (INDIA) LIMITED on which you choose to vote.
  - xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - xviii. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
  - xix. **Note for Non – Individual Shareholders and Custodians**
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
    - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- GENERAL INSTRUCTIONS:**
- (A) The voting period begins on Saturday 24th Day of September, 2016 at 9:00 A.M. and ends on Monday, 26th day of September, 2016 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 20th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - (C) Ms. Akanksha Sharma, Company Secretary & Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this 27th Annual General Meeting including e-voting his mail ID is [sbecsystems@rediffmail.com](mailto:sbecsystems@rediffmail.com) and may be contacted on phone no. 011-42504842.
  - (D) The Notice of the 27th Annual General Meeting are being sent to all the Members, whose names appear in the Register of Members as on cut-off date (record date) i. e. 19th August, 2016 through the mode prescribed under the Companies Act, 2013 and also by E-Mail, wherever registered. The Members may also download a copy of the Notice from the Website of the Company [www.sbecsystems.com](http://www.sbecsystems.com)
  - (E) The Members of the Company, holding Equity Shares either in physical form or in dematerialized (demat) form as on 20th September, 2016 and not casting their vote electronically, may only cast their vote at the 27th Annual General Meeting. The voting rights of shareholders shall be in proportion to their shareholding of paid up share capital of the Company as on 19th August, 2016.

By order of the Board  
For SBEC Systems (India) Ltd.

Place: NewDelhi  
Date: 11.08.2016

Vijay Kumar Modi  
Chairman  
DIN: 00004606

**SBEC SYSTEMS (INDIA) LIMITED**

CIN: L74210DL1987PLC029979

Regd Off: 1400, Hemkunt Tower, 98, Nehru Place, New Delhi-110019

T.:011-42504665, 42504555, Email id : sbecsystems@rediffmail.com, Website : www.sbecsystems.com

27<sup>th</sup> Annual General Meeting held on Tuesday, the 27<sup>th</sup> September, 2016 at 2.00 P.M.

**PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : .....

Registered Address : .....

DPID: ..... CLID: ..... Reg. Folio No. : ..... No. of Shares: .....

I / We, being the member(s) of ..... shares of the above named Company, hereby appoint :

1. Name : ..... of ..... having an E-mail ID: ..... Signature....., failing him/her;

1. Name : ..... of ..... having an E-mail ID: ..... Signature....., failing him/her;

1. Name : ..... of ..... having an E-mail ID: ..... Signature....., failing him/her;

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 27<sup>th</sup> Annual General Meeting of the Company to be held at Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110 030 on Tuesday, the 27<sup>th</sup> September, 2016 at 2.00 p.m. and at any adjournment thereof in respect of such resolution as are indicated below :

| S. No. | Resolution  | Vote (Optional (Refer Note)) |         |         |
|--------|---|------------------------------|---------|---------|
|        |   | For                          | Against | Abstain |
| 1.     | Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the Financial Year ended March 31,2016 |                              |         |         |
| 2.     | Re-appointment of Mrs. Ritu Sikka who retires by rotation and being eligible offers herself for re-appointment.                                   |                              |         |         |
| 3.     | Re-appointment of M/s K.K Jain & Co., Chartered Accountants, Auditors and fixing their remuneration   |                              |         |         |

Signed this .....day of .....2016

Signature of shareholder

Signature of first proxy

|   |
|---|
| Affix<br>Revenue<br>Stamp of not<br>less than Rs.<br>1.00 |
|---|

**Notes :**

1. This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a BodyCorporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company alongwith the power of Attorney, if any under which the Proxy Form is signed, not less than 48 hours before the time for holding the meeting.
2. It is optional to indicate your preference, if you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.

**SBEC SYSTEMS (INDIA) LIMITED**

CIN: L74210DL1987PLC029979

Regd Off: 1400, Hemkunt Tower, 98, Nehru Place, New Delhi-110019

T.:011-42504665, 42504555, Email id : sbecsystems@rediffmail.com, Website : www.sbecsystems.com

**ATTENDANCE SLIP**

27<sup>th</sup> Annual General Meeting held on Tuesday, the 27<sup>th</sup> September, 2016 at 2.00 P.M.

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

Joint Shareholders may obtain additional Slips on request.

Name of the Member(s) : .....

DPID: ..... CLID: ..... Reg. Folio No. : ..... No. of Shares: .....

I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company to be held at Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110 030 on Tuesday, the 27<sup>th</sup> September, 2016 at 2.00 p.m.

**SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING**

If, Shareholder, please sign here : ..... If Proxy, please sign here : .....

### ROUTE MAP FROM QUTAB MINAR TO E CLUB







*If undelivered, please return to:-*

**SBEC SYSTEMS (INDIA) LIMITED**

1400, Modi Tower,

98, Nehru Place

New Delhi-110 019.