

FORM B

1.	Name of the company	SBEC Systems (India) Limited
2.	Annual financial statements for the year ended	31 st March 2014
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	Repetitive
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Note No. 1 appearing in paragraph "Basis for Qualified Opinion" to the Independent Auditor's Report regarding the company has not made provision of Rs.7.66 lacs for expenses related to deputation charges of foreign technicians and consequently the loss for the year and liability are shown lower by Rs.7.66 lacs respectively & its consequential impact on EPS.</p> <p><u>Management Response:</u></p> <p>The expense of Rs. 7.66 lacs related to deputation charges of foreign technician was payable under Service Agreement entered into by the Company at the time of implementation of the project for one of its customers. However, certain dispute arose during the implementation of the project and the payment was not made and therefore no provision for the same was made. The said technician has also not made any claim for the payment. Management is of view that the expenses will be charged to Profit & Loss Account in the year in which the payment is made.</p> <p>Note No. 2 appearing in paragraph "Basis for Qualified Opinion" to the Independent Auditor's Report regarding the company has not complied with the AS 13 "Accounting for investment" regarding reversal of diminution of current quoted investment aggregating to Rs.680.17 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.680.17 lacs.</p>

		<p><u>Management Response:</u></p> <p>The company is holding 1,42,31,214 Equity Shares of SBEC Sugar Limited, the Equity Shares of which are listed with Bombay Stock Exchange Limited and is one of the promoters of SBEC Sugar Limited. Since, 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.</p>
6	Additional comments from the board/audit committee chair:	As explained above additional comments are not required.

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

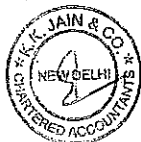
Vijay Kumar Modi
[Chairman]

Anil Jain
[Manager]
[CFO]

(R. K. Mittal)
Partner

M. No.:095459

Dated: 30/08/2014
Place: New Delhi.



G. C. JAIN
[Audit Committee Chairman]

SBEC

25th Annual Report - 2014

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

(i) Front side Cover

BOARD OF DIRECTORS

Mr. Vijay K. Modi	Chairman
Mr. Norland L.C. Suzor	Director
Mr. G.C. Jain	Director
Mr. S.S. Agarwal	Director
Dr. Anupam Bansal	Director

ALTERNATE DIRECTOR

Mr. Bindu Kumar Luthra (Alternate to Mr. Norland L.C. Suzor)

MANAGER & CHIEF FINANCIAL OFFICER

Mr. Amit Jain (Upto 15th April, 2013)
Mr. Anil Jain (w.e.f. 1st May 2013)

COMPANY SECRETARY

Ms Shivani Choudhary
(Resigned w.e.f. 10th June, 2014)

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,

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SBEC SYSTEMS (INDIA) LIMITED

CIN: L74210DL1987PLC029979

Regd. Office : 1400, Modi Tower, 98, Nehru Place, New Delhi-110 019

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Shareholders of SBEC SYSTEMS (INDIA) LIMITED will be held on Wednesday, 24th September, 2014 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

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, the Statement of Profit and Loss Account for the period ended on that date along with the Directors' Report and the Auditor's Report thereon.
2. To consider and appoint a Director in place of Mr. S. S. Agarwal, (DIN-0004840) who retires by rotation and being eligible offer himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section-139 of the Companies Act,2013 read with the Companies (Audit and Auditors) Rules and other applicable provisions,if any, the retiring auditors 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 and at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. G. C. Jain (DIN 00002696), Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five consecutive years commencing from 24th September, 2014.”

5. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Anupam Bansal (DIN-00004318) Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five consecutive years commencing from 24th September, 2014.”

6. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other amendments to these statutory provisions, Ms. Ritu Sikka (DIN- 06953465) in respect of whom notice under section 160 of the Companies Act, 2013 has been received from a member signifying her intention to propose her as a Director of the Company, be and is hereby appointed as a woman director (non executive) w.e.f. 24th September, 2014, liable to retire by rotation.”

7. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other amendments to these statutory provisions, Mr. Jagan Nath Khurana (DIN-00003817) in respect of whom notice under section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose him as a Director of the Company, be and is hereby appointed as a non-executive director of the Company w.e.f. 24th September, 2014 liable to retire by rotation.”

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

Place: New Delhi
Date: 22.08.2013

S.S. Agarwal
Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL

IN HIS/HER BEHALF AND THE PROXY NEED NOT TO BE MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE SCHEDULED TIME OF COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A BLANK PROXY FORM IS ANNEXED HEREWITH.

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, may appoint a single person as proxy, who shall not act as a proxy for any other member.

Corporate members intending to send their authorized representatives to attend the meeting 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.

2. The Register of the Members and Share Transfer Books of the Company will remain closed from 17th September, 2013 to 24th September, 2014 (both days inclusive).
3. Members are requested to notify, changes, if any, in their address to the Company.
4. Members/proxies are requested to bring attendance slips sent herewith duly filled in, for attending the meeting.
5. 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.
6. Non-Resident Shareholders are requested to inform immediately the change in the residential status on return for permanent settlement.

7. Members 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.
8. Company will be disclosing to the Stock Exchanges, as per Clause 35A of the Listing Agreement, the details of results of voting on each of the resolutions proposed in this Notice.
9. **In support of the green initiative of the Government, electronic copy of the Annual Report for Financial Year 2013-14 and notice of the twenty fifth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2013-14 and the Notice of the twenty fifth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.**
10. **We, however, request and encourage you to register your email-id for e-communication in the records of the Registrar and Share Transfer Agent and the Company mentioning your folio number. You may also, in order to register your email id send an email from the respective email id to sbecsystems@rediffmail.com with a subject "Registration of email id."**
11. Members may also note that the Notice of the twenty fifth Annual General Meeting and the Annual Report for financial year 2013-14 will also be available on the Company's website i.e. www.sbecsugar.com/sbecsystems for their download.
12. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication/information, the members may also send requests to the Company's investor email id: sbecsystems@rediffmail.com.
13. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
14. 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 up to the date of Annual General Meeting.
15. **Voting through electronic means**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):
- The instructions for e-voting are as under:
- A) In case of members receiving e-mail:
- (i) Log on to the e-voting website www.evotingindia.com.
- (ii) Click on "Shareholders" tab to cast your votes.
- (iii) Now, select the Electronic Voting Sequence Number - "EVSNS" along with "SBEC Systems (India) Limited" from the drop down menu and click on "SUBMIT"
- (iv) If you are holding shares in Demat form and have already voted earlier on www.evotingindia.com for a voting of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.
- (v) Now, fill up the following details in the appropriate boxes:

User ID:

Folio Number registered with the Company

PAN*:

Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting.

DOB# :

Enter the Date of Birth as recorded in the company records for the said folio in dd/mm/yyyy format.

Dividend Bank Details:

Enter the Dividend Bank Details as recorded in the company records for the said folio.

*Members who have not updated their PAN with the Company are requested to use first two letters of their name and the last eight digits of the folio number in the PAN field. In case the folio 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 Neeraj Sharma with folio 20000 then enter NE00020000 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the company, please enter the number of shares held by you as on 22nd August, 2014 in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members will then reach directly the EVSN selection screen. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) The details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the relevant EVSN on which you choose to vote.

(x) 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.

(xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xv) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorised to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.

B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

Please follow all steps from sl. no. (i) to sl. no. (xv) above, to cast vote.

C) The voting period begins on 18th September, 2014 (9.00 am) and ends on 20th September, 2014 (6.00 pm). During

this period shareholders' of the Company, as on the cut-off date 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and evoting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. a. Mrs. Nupur Gupta, Practicing Chartered Accountant has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.
- b. 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 favour or against, if any, forthwith to the Chairman of the Company.
- c. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be available for inspection and also placed on the website of the Company within prescribed period.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 4 & 5

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Term shall be effective prospectively.

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

The Directors in item no 4 & 5 proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company. The period of office of these Directors was liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr.G.C.Jain and Mr. Anupam Bansal being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions and whose period of office was not liable to determination by retirement by rotation..

Mr. G. C. Jain, Mr. Anupam Bansal , have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder for their appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director. Notices have been received from member(s) signifying their intention to propose appointment of these Directors along with a deposit of Rs.1, 00,000 each.

A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at Annexure A of this Notice. Except these Directors, being appointees or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at item Nos. 4&5.

The Board recommends the resolution in relation to the appointment of these Directors as Independent Directors, for the approval by the shareholders of the Company.

Item No. 6

The Board of Directors has recommended appointment of Ms. Ritu Sikka as a woman director (non-executive) with effect from the date of this AGM keeping with the requirement of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement which requires every listed company to have at least one woman director on the Board.

Ms. Ritu Sikka is not disqualified from being appointed as director in terms of Section 164 of the Act and has furnished consent to act as director. The Company has received notice in writing from a member along with requisite deposit as per section-160 of the Act proposing her appointment as director liable to retire by rotation. Brief resume of Ms. Ritu Sikka indicating her educational qualification, functional area and names of companies in which she is director, member, chairman of committees or has substantial shareholding in company etc and interse relationship as stipulated by SEBI under clause 49 of the Listing Agreement, are disclosed in Annexure A of this Notice. None of other directors or their relatives or Key Managerial Personnel of the company are financially or otherwise concerned or interested in the above resolution. The Board recommends the above resolution for approval by shareholders at the AGM.

Item No. 7

The Board of Directors has recommended appointment of Mr. Jagan Nath Khurana as a non-executive director of the Company with effect from the date of this AGM keeping with the requirement of Section 152(6) of the Act which requires not less than two-thirds of the total number of directors of a public company be persons whose period of office is liable to

determination by retirement of directors by rotation and save as otherwise expressly provided in this Act, be appointed by the company in general meeting.

Mr. Jagan Nath Khurana is not disqualified from being appointed as director in terms of Section 164 of the Act and has furnished consent to act as director. The Company has received notice in writing from a member along with requisite deposit as per section-160 of the Act proposing his appointment as director liable to retire by rotation. Brief resume of Mr. Jagan Nath Khurana indicating his educational qualification, functional area and names of companies in which he is director, member, chairman of committees or has substantial shareholding in company etc and interse relationship as stipulated by SEBI under clause 49 of the Listing Agreement, are disclosed in Annexure A of this Notice. None of other directors or their relatives or Key Managerial Personnel of the company are financially or otherwise concerned or interested in the above resolution. The Board recommends the above resolution for approval by shareholders at the AGM.

BRIEF RESUME, EXPERIENCE AND OTHER DIRECTORSHIP

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

MR. S.S. AGARWAL

Mr. S.S. Agarwal, Director, retires by rotation and being eligible offers himself for re-appointment. Mr. S.S. Agarwal is Non Executive Director of the Company. He is Graduate in Science and Law. He has more than 48 years of vast experience in finance and administration. He is on the Board of SBEC Bioenergy Ltd,, SBEC Stockholding & Investment Ltd. and Modi Casings And Packaging Pvt. Ltd. formerly known as (Modi Gourmet Ltd). He does not hold any Shares in the Company.

ANNEXURE A**MR. GULAB CHAND JAIN**

Mr. Gulab Chand Jain is an Independent Director of the Company. He is a fellow member of the Institute of Chartered Accountants of India and has more than 44 years of experience in the fields of Finance, Accounts, Taxation and Company Law matters. He is on the Board of SBEC Sugar Ltd, SBEC Bioenergy Ltd, SBEC Stockholding & Investment Ltd., Bihar Sponge Iron Ltd. and Own Investment (India) Ltd. He does not hold any share in the Company.

MR. ANUPAM BANSAL

Dr. Anupam Bansal is an Independent & Non Executive Director of the Company. Dr. Anupam Bansal is a Doctor of Medicines, Practicing Consultant, Physician & cardiologist for the last 31 years. He is on the Board of SBEC Systems (India) Limited and Win-Medicare Private Limited. He does not hold any share in the Company.

MRS. RITU SIKKA

Mrs. Ritu Sikka holds the degree the Post Graduate Diploma in Business & Management. She is having experience of more than 20 years in the field of HR & personnel. She does not hold any shares in the company.

MR. JAGAN NATH KHURANA

Mr. Jagan Nath Khurana is the fellow member of the Institute of Chartered Accountants of India and has more than 40 years of experience in the field of Finance, Accounts, Taxation and Company Law matters. He is on the Board of SBEC Bioenergy Ltd, SBEC Stockholding & Investment Ltd., Bihar Sponge Iron Ltd. He does not hold any shares in the Company.

By order of the Board

For SBEC Systems (India) Ltd.

Place: New Delhi

S.S. Agarwal

Date: 22.08.2014

Director

SBEC SYSTEMS (INDIA) LIMITED

CIN: L74210DL1987PLC029979

Registered Office : 1400, Modi tower, 98, Nehru Place, New Delhi-110 019
25th Annual General Meeting held on Wednesday, the 24th September, 2014 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) ofshares 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 25th Annual General Meeting of the Company to be held at Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110 030 on Wednesday, the 24th September, 2014 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 Financial Statements for the year ended 31 st March, 2014			
2.	Re-appointment of Mr. S.S. Agarwal, as director who retires by rotation..			
3.	Appointment of K.K. Jain & Co. Chartered Accountants from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting.			
Special Business:				
4.	Re-appoint Mr. G. C. Jain as an independent director for five years w.e.f. 24th September, 2014			
5.	Re-appoint Mr. Anupam Bansal as an independent director for five years w.e.f. 24th September, 2014			
6.	Appoint Ms. Ritu Sikka as woman director (non-executive) of the company w.e.f. 24th September, 2014			
7.	Appoint Mr. Jagan Nath Khurana as non-executive director of the company w.e.f. 24th September, 2014.			

Signed thisday of2014

Signature of shareholder

Signature of first proxy



Notes :

This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of meeting.

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

Registered Office : 1400, Modi tower, 98, Nehru Place, New Delhi-110 019

ATTENDANCE SLIP

25th Annual General Meeting held on Wednesday, the 24th September, 2014 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 25th Annual General Meeting of the Company to be held at Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110 030 on Wednesday, the 24th September, 2014 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 :

DIRECTORS' REPORT

Dear Shareholders,

Your directors take pleasure in presenting the 25th Annual Report of the Company together with Audited Accounts for the year ended 31st March 2014.

FINANCIAL RESULTS

The summarised financial results of the Company for the Financial year 2013-14 vis-a-vis 2012-13 are as under:-

Particulars	Year ended 31.03.2014 (Rs. in lacs)	Year ended 31.03.2013 (Rs. in lacs)
Sales & Other Income	66.74	91.81
Total Expenditure	110.70	101.68
Operating Profit / (Loss) before tax	(43.96)	(9.86)
Profit / (Loss) after tax	(43.96)	(9.86)

FINANCIAL PERFORMANCE

During the year under review, the sales and other income stood at Rs. 66.74 Lacs. The net loss of the Company stood at Rs. 43.96 Lacs as compared to net loss of Rs. 9.86 Lacs for the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

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 key features of the internal control system in the company are given below:

1. Assets are adequately maintained and protected against theft, burglary and other losses.
2. Transactions are properly recorded and accounted for.
3. Accounting records are maintained in compliance with all the statutory laws and reflect true and fair view.
4. There are adequate management reporting systems for control and monitoring of performance.
5. Budgetary control system is in place.
6. Periodical review of internal controls and systems by the management and Audit Committee Meeting is being done.

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.

FIXED DEPOSITS

The Company has not accepted any deposits from the Public during the period under review.

DIRECTORS

Mr. S.S. Agarwal, Director, retires by rotation and being eligible has offered himself for re-appointment.

The Independent Directors of the Company (appointed pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges) viz. Mr. G.C. Jain and Mr. Anupam Bansal are proposed to be appointed as Independent Directors of the Company as per section 149(4), 150, 152 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules, 2014, which came into effect from April 1, 2014, at the forthcoming Annual General Meeting (AGM) of the Company.

Ms. Ritu Sikka is proposed to be appointed as a woman director (non executive) at the forthcoming Annual General Meeting (AGM) of the Company, liable to retire by rotation pursuant to section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014.

Mr. Jagan Nath Khurana is proposed to be appointed as a non executive director of the Company at the forthcoming Annual General Meeting (AGM) of the Company, liable to retire by rotation pursuant to section 160 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014.

SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Company had one Subsidiary Company, namely SBEC Investments Limited. Pursuant to Ministry of Corporate Affairs General Circular No. 36/2011 dated 7th June, 2011 regarding Guidelines for Fast Track Exit Mode for defunct companies under section 560 of Companies Act, 1956, the company has made an application to the Registrar of Companies, NCT of Delhi & Haryana, New Delhi for striking off the name of the Company under Section 560 of the Companies Act, 1956, in eForm FTE vide SRN C00707000 dated 26.03.2014. Thus, as the company is under the process of striking off, the Statement under section 212 of the Companies Act, 1956 in respect of Subsidiary Company is not annexed herewith and consolidated annual accounts are not prepared.

LISTING OF SHARES

The Equity Shares of the Company are listed at Bombay, Delhi and Uttar Pradesh Stock Exchange. Applications for delisting of Shares are pending with the Delhi and Uttar Pradesh Stock Exchange.

AUDITORS

M/s K. K. Jain & Co., Chartered Accountants (Firm Registration No. 02465N), Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

ACCOUNTS AND AUDITOR'S REPORT

Reference to the Auditors comments on non-provision of expenses related to deputation charges of foreign technicians, it is hereby clarified that the expense of Rs. 7.66 lacs related to deputation charges of foreign technician was payable under Service Agreement entered into by the Company at the time of implementation of the project for one of its customers. However, certain dispute arose during the implementation of the project and the payment was not made and therefore no provision for the same was made. The said technician has also not made any claim for the payment. Management is of view that the expenses will be charged to profit & Loss Account in the year in which the payment is made.

Reference to the Auditors comments on 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, the Equity Shares of which are listed with Bombay Stock Exchange Limited and is one of the promoters of SBEC Sugar Limited. Since, 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.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. That in the preparation of the Annual Accounts, the applicable accounting standards, except the deviation from Accounting Standard -13, had been followed along with proper explanation relating to material departures;
2. That the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of affairs of the Company at the end of the financial year and of the loss of the company for that period;
3. That proper & sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
4. That the Annual Accounts are prepared on going concern basis;

CORPORATE GOVERNANCE

A Report on Corporate Governance together with a certificate from Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are annexed hereto and forms part of this report.

PARTICULARS OF EMPLOYEES

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As stipulated under the provisions of section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, a statement giving the required information for the year ended on 31st March 2014, is annexed hereto and forms part of the Directors' Report.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their appreciation and gratitude to Shareholders, all Business Associates, Employees and Bankers of the Company for their help and support continuously extended to the Company.

**For & on behalf of the Board
For SBEC Systems (India) Ltd.**

Place: New Delhi
Date: 22.08.2014

Vijay Kumar Modi
Chairman

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES RULES), 1975 (AS AMENDED).

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

S. No.	Name	Designation/ Nature of duties	Qualif- ications	Experi- ence (Years)	Date of commen- cement of employment	Total remuner- ation	Age	Last employ- ment before joining the company
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NIL

- i. **Nature of Employment:** Nil
 ii. **Other Terms & Conditions:** Nil
 iii. **Number of Equity Shares held:** Nil
 (B) Persons employed for part of the financial year under review and were in receipt of remuneration not less than Rs. 5,00,000/- per month:

S. No.	Name	Designation/ Nature of duties	Qualif- ications	Experi- ence (Years)	Date of commen- cement of employment	Total remuner- ation	Age	Last employ- ment before joining the company
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NIL

- i. **Nature of Employment:** Nil
 ii. **Other Terms & Conditions:** Nil
 iii. **Number of Equity Shares held:** Nil

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.

A. Disclosure of Particulars with respect of Conservation of Energy (Form A).

Not applicable in terms of Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988.

B. Disclosure of Particulars with respect to Technology Absorption (Form B).

Research & Development (R & D):

The company per se did not carry out any basic R&D work during the year.

Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:- N.A.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.:- N.A.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:

- (a) Technology Imported : None
 (b) Year of Import : NA
 (c) Has technology been fully absorbed : NA
 (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action : NA

C. Foreign Exchange Earning And Outgo

- i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export Plans: None

		(Rs. In Lacs)	
Particulars	Current Year	Previous Year	
Total Foreign Exchange Used	NIL	NIL	
Total Foreign Exchange Earned	NIL	NIL	

**For & on behalf of the Board
For SBEC Systems (India) Ltd.**

Place: New Delhi
Date: 22.08.2014

Vijay Kumar Modi
Chairman

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At SBEC Systems (India) Limited, Corporate Governance is an integral part of the Company's values, ethics, business practices and norms. Towards this, the company consistently evaluates and defines its management practices aimed at enhancing its commitment and delivery of the basic tenets of the Corporate Governance.

BOARD OF DIRECTORS

Composition of the Board of Directors and other details as on 31.03.2014 is as under:

Sl. No.	Name of the Directors	Category of Director	No. of Board Meetings Attended	No. of Other Directorships(*)	Committee Memberships(**) (Excluding SBEC Systems (India) Ltd.)	Committee Chairmanships(**) (Excluding SBEC Systems (India) Ltd.)	Attendance at Last AGM
1	Mr. Vijay K. Modi	Chairman and Non-Executive Director	6	Nil	Nil	Nil	Present
2	Mr. G.C. Jain	Non Executive & Independent Director	6	5	1	4	Present
3	Mr. S.S. Agarwal	Non Executive Director	6	3	1	Nil	Present
4	Dr. Anupam Bansal	Non Executive & Independent Director	1	Nil	Nil	Nil	Not Present
5	Mr. Norland L.C. Suzor	Non-Executive Director	Nil	2	Nil	Nil	Not Present
6	Mr. B.K. Luthra	Alternate to Mr. Norland L.C. Suzor	6	3	Nil	Nil	Present

(*) Directorship in companies registered under the Companies Act, 1956 excluding Directorships in private limited companies, companies covered under Section 25 of the Companies Act and Alternate Directorships.

(**) Includes only Specified Committees i.e. Audit Committee and Stakeholders Relationship Committee.

Six Board Meetings were held during the year under review on 15th April, 2013, 1st May, 2013, 28th May, 2013, 17th August, 2013, 2nd December, 2013, 2nd March 2014.

INFORMATION REGARDING RE-APPOINTMENT OF DIRECTORS

Mr. S.S. Agarwal, Director, retires by rotation and being eligible offers himself for re-appointment. Mr. S.S. Agarwal is Non Executive Director of the Company. He is Graduate in Science and Law. He has more than 49 years of vast experience in finance and administration. He is on the Board of SBEC Bioenergy Ltd, SBEC Stockholding & Investment Ltd. and Modi Casings and Packaging Private Ltd. (Formerly known as Modi Gourmet Ltd). He does not hold any Shares in the Company.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

Pursuant to Clause 49 of the Listing Agreement, the Board of Directors have adopted a Code of Conduct for Board Members and Senior Management personnel.

The Company has received affirmation of Compliance with the Code from all the Directors and Senior Management personnel for the financial year ended 31st March 2014.

AUDIT COMMITTEE

The Company has an Audit Committee comprising of three Non Executive Directors, two third of whom are Independent Directors. The Audit Committee comprises of Mr. G. C. Jain as the Chairman, Dr. Anupam Bansal and Mr. S. S. Agarwal as its members. The Company Secretary of the Company acts as the Secretary of the Audit Committee. All Members of the Audit Committee are financially literate and two members, including the Chairman of the Committee have accounting and financial management expertise.

Four Meetings of the Audit Committee were held during the year under review on 28th May 2013, 13th August 2013, 14th November 2013 and 13th February, 2014. Attendance in the above meetings is as follows:

Name of Director	No. of Meetings Held	No. of Meetings Attended
Mr. G. C. Jain	4	4
Mr. Anupam Bansal	4	4
Mr. S. S. Agarwal	4	4

SHARHOLDERS' GRIEVANCE COMMITTEE

The Shareholders' Grievance Committee comprises of Mr. Vijay Kumar Modi as the Chairman and Mr. S. S. Agarwal as the other member. The **Company Secretary of the Company acts as the Compliance Officer of the Committee.**

The functioning and terms of reference of the Committee is as prescribed under and in due compliance with the Listing Agreement with the Stock Exchanges with particular reference to complaints of shareholders relating to non - receipt of Annual Report, non – receipt of Share Certificates etc.

3 shareholders'/ investors' complaints, received directly from them or through SEBI/ Stock Exchanges and other authorities, were replied and redressed by the company to the satisfaction of the shareholder and none remained unresolved at the end of the year under review.

REMUNERATION COMMITTEE

The Remuneration Committee review the Company's policies on specific remuneration packages for Executive Directors/ Managers and recommend the same to the Board.

The Remuneration Committee consists of two Non Executive Directors. Mr. Vijay Kumar Modi, is the Chairman of the Committee and Mr. S. S. Agarwal is the other member.

The Company does not pay any remuneration to the Non – Executive Directors.

One meeting of remuneration committee was held on 01.05.2013 during the year ended 31st March, 2014.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprises of Mr. Vijay Kumar Modi as the Chairman and Mr. S. S. Agarwal as the other member. The Company Secretary of the Company acts as the Compliance Officer of the Committee.

A share transfer committee was constituted to deal with various matters relating to share transfer/transmission, allotment, issue of duplicate share certificates, approving the split and consolidation requests and other matters relating to transfer and registration of shares.

During the year under review, 9 Share Transfer Committee Meetings were held.

ANNUAL GENERAL MEETING:

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

Financial year	Venue	Date	Time	Special Resolution Passed (Yes/No)
2012-13	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi	September 27, 2013	1.00 p.m.	No
2011-12	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi	September 27, 2012	3.00 p.m.	No
2010-11	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi	September 27, 2011	2.00 p.m.	Yes

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.

DISCLOSURES:

- During the year under review, the company had no materially significant related party transactions as envisaged under the Corporate Governance Code that may have potential conflict with the interests of the company at large. However, the related party transactions during the year under review are mentioned in Note 33 to the "Notes to Accounts".
- There has been no non compliance, penalties/ strictures imposed on the Company by Stock Exchange(s) or SEBI or any other statutory authority, on any matter related to capital markets during the last three years.
- The Company is maintaining Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS IS REPORTED IN THIS ANNUAL REPORT**CEO/ CFO CERTIFICATION ON THE FINANCIAL STATEMENT**

Pursuant to Clause 49 of the Listing Agreement, the Chairman and the Chief Financial Officer have submitted the desired certificate to the Board of Directors and the same has been taken on record by the Board of Directors in their meeting held on 28.05.2014.

MEANS OF COMMUNICATION:

Wide publicity is accorded to the Quarterly, Half-yearly and the Annual Results which are published in widely circulated English daily (Financial Express) and a Hindi daily (Hari Bhumi) as is required under the Listing Agreement with the Stock Exchanges. The same are also faxed to the Stock Exchanges where the company is listed.

GENERAL SHAREHOLDER INFORMATION**Annual General Meeting:-**

Date	:	September 24, 2014
Time	:	2.00 P.M.
Venue	:	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi.

Financial Year : **1st April, 2013 to 31st March, 2014**

Financial Calendar 2013-2014 (tentative and subject to change)

Particulars	Date
1. Quarter ended 30.06.2014:	First fortnight of August, 2014
2. Quarter ended 30.09.2014:	First fortnight of November, 2014
3. Quarter ended 31.12.2014:	First fortnight of February, 2015
4. Quarter ended 31.03.2015:	First fortnight of May, 2015

Book Closure: 17th September 2014 to 24th September 2014 (both days inclusive)

Dividend Payment Date

Due to losses, no dividend has been recommended by the Board of Directors for the year ended 31st March 2014.

Listing on Stock Exchanges:

The Equity Shares of the Company are listed on the following Stock Exchanges:-

Stock Exchange	Stock Code
The Bombay Stock Exchange Limited	517360
The Uttar Pradesh Stock Exchange Limited*	S 00135
The Delhi Stock Exchange Limited*	6960

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

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.

Registrar & Transfer Agents

Beetal Financial & Computer Services (P) Ltd.

Beetal house, 3rd Floor, 99 Madangir,

Behind Local Shopping Centre,

New Delhi-110062

Ph. No. 011-29961281/82, Fax No. 011-29961284

Email:- beetal @ rediffmail.com

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.

Distribution of Shareholdings as on 31st March 2014.

Range	Shareholders		Shares		
	No. of Shares	Number	% of total holders	Number	% of total capital
Upto 500		18761	94.25	3073781	30.74
501 – 1000		749	3.76	591125	5.91
1001 – 2000		277	1.39	407265	4.07
2001 – 3000		54	0.27	136826	1.37
3001 – 4000		23	0.12	82324	0.82
4001 – 5000		13	0.07	60449	0.60
5001 – 10000		13	0.07	90509	0.91
Above 10000		16	0.08	5557721	55.58
Total		19906	100.00	10000000	100.00

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.

Address for Correspondence

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

SBEC Systems (India) Limited

1400, Modi Tower

98, Nehru Place

New Delhi - 110019

Email: sbecsystems@rediffmail.com

Nomination Facility

Shareholders desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Company in prescribed Form SH-13 for this purpose.

AUDITORS' CERTIFICATE

To,

The Members of SBEC Systems (India) Limited

We have examined the compliance of the conditions of corporate governance by **SBEC Systems (India) Limited** for the year ended on 31st March 2014, as stipulated in Clause 49 of 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 the Corporate Governance. It is neither an audit nor expression of an opinion on financial statements of the Company.

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

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

For K. K. JAIN & COMPANY

Chartered Accountants,

Firm Reg. No.02465N

(R.K. Mittal)

(PARTNER)

Membership No. 95459

Place : New Delhi

Date : 28.05.2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SBEC SYSTEMS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SBEC Systems (India) Limited, ("the Company") which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

1. The company has not made provision of Rs.7.66 lacs for expenses related to deputation charges of foreign technicians. Consequently the loss for the year and liability are shown lower by Rs.7.66 lacs respectively & its consequential impact on EPS.
2. We draw attention to Note No.30 of the financial statement where in as at March 31, 2014 the company has not complied with the AS 13 "Accounting for investment" regarding reversal of diminution of current quoted investment aggregating to Rs.680.17 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. 680.17 lacs

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph, financial statements give the information required by the Act in the manner so required and give a

true and fair view in conformity with the accounting principles generally accepted in India:

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

Emphasis of matter

Without qualifying our opinion, we draw attention to:

Note No. 29 to these financial statement wherein the accounts of the company for the year ending 31.03.2014 have been prepared on going concern basis.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) Except for the possible effects of the matter described in the basis for qualified opinion paragraph, In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

(R. K. Mittal)
(PARTNER)
M.No. : 95459

Place: New Delhi
Date : 28.05.2014

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in the Auditors' report of even date on the accounts of SBEC Systems (India) Limited, as at and for the year ended March 31, 2014

- i) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no discrepancies between the book records and physical inventory were noticed on such verifications. The substantial part of fixed assets of the company has not been disposed off during the year.
- ii) The company has no inventory.
- iii) The company has not taken/granted any loan, secured or unsecured to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act 1956.
- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services.
- v) a. The company has entered the particulars of contracts or arrangements referred to in Section 301 of the Act in the register required to be maintained under this Section.
- b. In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
- vi) The company has not accepted any deposits from the public.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) We are informed that the provisions of Section 209(1)(d) of the Companies Act, 1956 relating to the maintenance of cost records are not applicable to the company.
- ix)(a) Undisputed statutory dues including Provident Fund, Investor Education & Protection fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were outstanding at the year end for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, Sales Tax and Cess which have not been deposited on account of any dispute except the Trade Tax dues of Rs.2.55 lakh under U P Trade Tax Act for which an appeal is pending before the Assistant Commissioner – Trade Tax.
- x) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss during the year and also in the immediately preceding financial year.
- xi) Based on our audit procedures and as per the information and explanation given by the management we are of the opinion that the company has not taken any loans from any financial institutions, banks or debenture holders and hence no default on repayment of the same.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a nidhi, mutual benefit fund or society. Therefore the provision of clause 4(xiii) of the Companies (Auditor's Report) order 2003 are not applicable to the company.
- xiv) The company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provision of clause 4(XIV) of the Companies (Auditor's Report) order 2003 are not applicable to the company.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) The company has not obtained any term loan during the year ended 31st March, 2014.
- xvii) According to the information and explanation given to us and as per the books and record examined by us, no funds raised on short term basis have been used for long term investment by the Company and vice versa.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act 1956.
- xix) No debentures were issued by the company during the year. Therefore, no securities have been created.
- xx) The company has not raised any money by public issue during the year.
- xxi) To the best of our information and according to the explanations given to us, no fraud on or by the company has been noticed/ reported during the year.

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

(R. K. Mittal)
(PARTNER)
M.No. : 95459

Place: New Delhi
Date : 28.05.2014

BALANCE SHEET AS AT 31 MARCH, 2014

(Rs. in Lacs)

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	999.59	999.59
(b) Reserves and surplus	4	(1,871.96)	(1,828.00)
(c) Money received against share warrants		-	-
		<u>(872.37)</u>	<u>(828.41)</u>
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	5	607.89	550.71
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities	6	228.21	221.38
(d) Long-term provisions	7	0.24	0.58
		<u>836.34</u>	<u>772.67</u>
4 Current liabilities			
(a) Short-term borrowings	8	819.66	689.81
(b) Trade payables	9	-	16.60
(c) Other current liabilities	10	53.46	300.06
(d) Short-term provisions	11	0.20	0.20
		<u>873.32</u>	<u>1,006.67</u>
	TOTAL	<u>837.29</u>	<u>950.93</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	0.28	0.32
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
		<u>0.28</u>	<u>0.32</u>
(b) Non-current investments	13	-	5.25
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	14	-	0.83
		<u>-</u>	<u>6.08</u>
2 Current assets			
(a) Current investments	15	686.02	686.02
(b) Inventories		-	-
(c) Trade receivables	16	2.57	2.57
(d) Cash and cash equivalents	17	8.21	6.23
(e) Short-term loans and advances	18	100.00	225.09
(f) Other current assets	19	40.21	24.62
		<u>837.01</u>	<u>944.53</u>
	TOTAL	<u>837.29</u>	<u>950.93</u>
Significant Accounting Policies	2		

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
DIN 00004840

Sd/-
G.C. Jain
Director
DIN 00002696

Sd/-
Anil Jain
Manager / CFO

R.K. Mittal
Partner
Membership No. : 95459
Place : New Delhi
Date : 28.05.2014

Sd/-
Shivani Choudhary
Company Secretary

For & behalf of Board Director of
SBEC Systems (India) Limited

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

(Rs. In Lacs)

Particulars	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
A CONTINUING OPERATIONS			
Revenue from operations (gross)	20	-	-
Less: Excise duty		-	-
Revenue from operations (net)		-	-
Other income	21	66.74	91.82
Total revenue (1+2)		66.74	91.82
Expenses			
Employee benefits expense	22	9.19	10.49
Finance costs	23	90.70	82.80
Depreciation and amortisation expense	12	0.04	0.05
Administration Expenses	24	10.77	8.34
Total expenses		110.70	101.68
Profit / (Loss) before tax		(43.96)	(9.86)
Tax expense:			
(a) MAT credit (where applicable)		-	-
(b) MAT (Adj.) Excess written Back		-	-
		-	-
Profit / (Loss) from continuing operations		(43.96)	(9.86)
(a) Basic & diluted earning per equity share (in Rs.) (face value Rs. 10/- each)			
(i) Basic	38	(0.15)	(0.10)
(ii) Diluted		(0.15)	(0.10)
Significant Accounting policies	2		

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
DIN 00004840

Sd/-
G.C. Jain
Director
DIN 00002696

For & behalf of Board Director of
SBEC Systems (India) Limited

Sd/-
Anil Jain
Manager / CFO

R.K. Mittal
Partner
Membership No. : 95459
Place : New Delhi
Date : 28.05.2014

Sd/-
Shivani Choudhary
Company Secretary

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2014**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, except relating to assets given on Lease has been provided at written down value rates prescribed under Schedule XIV to the Companies Act, 1956.
- Depreciation on Fixed Assets given on Lease is provided at the rates determined on the basis of primary lease period of these assets, or the straight line rates prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher.

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

(Rs. In Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013		
AUTHORISED CAPITAL				
15,000,000 Equity Shares of Rs.10/- each.	1,500.00	1,500.00		
ISSUED , SUBSCRIBED & PAID UP CAPITAL				
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)	1,000.00	1,000.00		
Less: Calls in arrear	(0.41)	(0.41)		
TOTAL	999.59	999.59		
a. Reconciliation of number of shares (nos.)				
Outstanding at the beginning of the year	100.00	100.00		
Outstanding at the end of the year	100.00	100.00		
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, 2014		As at 31st March, 2013	
Mr. Umesh Kumar Modi	2079560	20.8%	2079560	20.8%
SBEC Systems Limited	2040000	20.4%	2040000	20.4%
Longwell Investments Pvt. Ltd.	550000	5.50%	550000	5.50%
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	192.62	192.62
Surplus in the statement of Profit & Loss		
Opening as on 01/04/12 in the statement of Profit and loss	(2,020.62)	(2,010.76)
Profit for the year	(43.62)	(9.86)
Less: Transfer to Reserves	-	-
Net surplus in the statement of Profit and loss account	(2,064.58)	(2,020.62)
TOTAL	(1,871.96)	(1,828.00)

NOTE - 5 : LONG TERM BORROWINGS

(Rs. In Lacs)

Particulars	Non current portion		Current portion	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2014
Unsecured				
Foreign Currency Loan From Overseas Corporate Body (Refer Note No. 25 & 28)	607.89	550.71	-	-
Deffered Payment Credit	-	-	-	246.15
Less : Amount disclosed under the head "other liabilities" (Refer to note 9)	-	-	-	246.15
Total	607.89	550.71	-	-

NOTE - 6 : OTHER LONG TERM LIABILITIES

(Rs. In Lacs)

Particulars	As at	
	31.03.2014	31.03.2013
Advance From Customer*	151.24	151.65
Others (Perdiem Charges) (Refer Note No. 28)	76.97	69.73
Total	228.21	221.38

* Includes advance from related parties amounting to Rs. 151.24 Lacs
(Previous year Rs. 151.24 lacs)

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

For Gratuity	0.24	0.58
Total	0.24	0.58

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

Loans repayable on demand From Corporate	819.66	689.81
Total	819.66	689.81

NOTE - 9 : TRADE PAYABLES

(Rs. In Lacs)

Particulars	Non current portion		Current portion	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Sundry creditors				
Small Scale Industries	-	-	-	-
Others	-	5.97	-	-
Bills Payable	-	10.63	-	-
TOTAL	-	16.60	-	-

The company has sought confirmation from its vendors on their status under Micro, Small and medium enterprises Development Act , 2006("MSMED Act ") which came into force from 2nd October 2006. based on the confirmations received till date, the disclosure as required by section 22 of the MSMED Act are given below :-

	As at 31.03.2014	As at 31.03.2013
A. Principal amount payable to suppliers as at year end	-	-
B. Interest due thereon as at year end	-	-
C. Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which interest relates	-	-
D. Amount of delayed payments actually made to suppliers during the year	-	-
E. Amount of interest due and payable for the year of delay in making payment (Which has been paid, but beyond the appointed day during the year) but without adding interest specified under the MSMED Act	-	-
F. Interest accrued and remaining unpaid at the end of the year	-	-

NOTE - 10 : OTHER CURRENT LIABILITIES

(Rs. In Lacs)

	As at	As at
	31.03.2014	31.03.2013
Current maturity of long term borrowing (refer note no. 5)	-	246.15
Interest accrue and due on borrowing	30.57	30.57
Salaries, wages & bonus*	0.65	1.17
Other liabilities*	22.07	21.99
Book Over Draft in Current Account	-	-
Statutory dues payable	0.17	0.18
TOTAL	<u>53.46</u>	<u>300.06</u>

* Includes 0.37 lacs payable to sh. Anil Jain (Manager)

**Includes liability to related parties amounting to 9.78 lacs

NOTE - 11 : SHORT TERM PROVISIONS

For Income Tax	<u>0.20</u>	<u>0.20</u>
TOTAL	<u>0.20</u>	<u>0.20</u>

NOTE - 12 : FIXED ASSETS

(Rs. In Lacs)

A. Tangible Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions/Adj. during the year	Disposals/Adj. during the year	As at 31.03.2014	Ast at 01.04.2013	For the year	Adjustments / Disposals	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Plant and Machinery*	0.18	-	-	0.18	0.17	-	-	0.17	0.01	0.01
Furniture & Fixture & Fittings	6.33	-	-	6.33	6.04	0.04	-	6.08	0.25	0.29
Office Equipments	0.53	-	-	0.53	0.51	-	-	0.51	0.02	0.02
TOTAL	7.04	-	-	7.04	6.72	0.04	-	6.76	0.28	0.32
Previous Year	7.04	-	-	7.04	6.67	0.05	-	6.72	0.32	0.37

NOTE - 13 : NON CURRENT INVESTMENT

(Rs. In Lacs)

Particulars	As at	As at
	31.03.2014	31.03.2013
Trade Investment		
(Unquoted, Valued at Cost)		
52,500 (Prv. Year 52,500)Equity Share of Rs. 10/- each in SBEC Investments Limited (Subsidiary Company)	-	5.25
(fully paid) (Refer note no. 26)	<u>-</u>	<u>5.25</u>

NOTE - 14 : OTHER NON-CURRENT ASSETS

(Rs. In Lacs)

Particulars	As at		As at	
	31.03.2014		31.03.2013	
Other receivable*	-			0.83
Advance to Supplier	-		23.05	
Less: Provision for Doubtful Advance	-	-	23.05	-
TOTAL				0.83

NOTE - 15 : CURRENT INVESTMENT**Trade Investment**

(Quoted, Valued at Cost)

Investment *

31,58,046 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	315.80		315.90	
Less : Provision for Dimuniation (Refer Note No. 30)	89.32	226.48	89.32	226.48
**1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	1,107.32		1,107.32	
Less : Provision for Permanent Dimuniation	647.78	459.54	647.78	459.54
TOTAL		686.02		686.02
Market value of quoted Investments (Based on closing rate of Rs. 9.60 at BSE on 31.03.2014 Previous year @ Rs. 8.41 per share)			1,366.20	1,196.85

** Out of that 70,00,000 Equity shares pledged with Shamrao Vithal

Co-operative Bank Ltd. For Working Capital Limit of SBEC Sugar Ltd.

* Investment in related Party

NOTE 16 : TRADE RECEIVABLES**

(Rs. In Lacs)

Particulars	Non current portion		Current portion	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Debts outstanding for a period exceeding six months from the date they are due for payment				
Unsecured considered good (Refer Note No. 26)	-	-	2.57	2.57
Considered Doubtful (Refer Note No. 26)	-	4.70	-	-
Less : Provision for doubtful debts	-	(4.70)	-	-
TOTAL			2.57	2.57

**Trade Receivable includes relating party amounting Rs. 2.57 lacs

NOTE - 17 : CASH AND BANK BALANCES

(Rs. In Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
Cash and Cash Equivalents		
Balance with Scheduled Banks in -		
— Current Accounts	4.59	2.09
— Cash & Stamps in hand	3.22	3.74
	<u>7.80</u>	<u>5.83</u>
Other Bank Balances		
Fixed deposit with Banks*	0.40	0.40
TOTAL	<u>8.20</u>	<u>6.23</u>

* Fixed Deposit Matured But Pledged with Sales Tax Authority

NOTE - 18 : SHORT TERM LOAN & ADVANCES

Unsecured considered good

Loans	100.00	225.00
Staff balances*	-	0.09
TOTAL	<u>100.00</u>	<u>225.09</u>

NOTE - 19 : OTHER CURRENT ASSETS

Income tax recoverable	3.26	1.85
Service Tax -(Cenvat Credit)	0.83	0.83
Interest receivable	36.12	21.94
TOTAL	<u>40.21</u>	<u>24.62</u>

NOTE 20 : REVENUE FROM OPERATIONS

(Rs. In Lacs)

Particulars	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Sale of Services	-	-
TOTAL	<u>-</u>	<u>-</u>

NOTE - 21 : OTHER INCOME

- Foreign Exchange sluccuation	-	-
- Interest	24.96	21.64
Excess Provision / Sundry Balances written back	39.67	70.18
Profit on sale of Investment	2.11	-
TOTAL	<u>66.74</u>	<u>91.82</u>

NOTE - 22 : EMPLOYEE BENEFIT EXPENSES

Particulars	(Rs. In Lacs)	
	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Salary, Wages, Bonus & other allowances	8.22	9.51
Company's Contribution To Provident & Other Funds	0.40	0.48
Staff Welfare Expenses	0.11	0.15
Gratuity	0.24	0.35
Entertainment Expenses	0.22	-
TOTAL	9.19	10.49

NOTE - 23 : FINANCE COST

Interest - Others	2.44	9.40
Bank Charges	0.47	0.59
Foreign Exchange Fluctuation	87.79	72.81
TOTAL	90.70	82.80

NOTE 24 : OTHER EXPENSES**A. ADMINISTRATION EXPENSES**

Auditor's Remuneration

Audit Fee	0.56	0.46
Tax Audit Fee	-	-
Certification Fee	-	0.11
Telephone, Postage & Telegram	0.14	0.04
Legal & Professional Charges	0.92	0.47
Travelling & Conveyance	0.14	0.26
Printing & Stationery	0.15	0.11
Insurance expenses	0.03	0.01
Misc. Expenses	0.01	0.07
Accountancy Charges	0.24	-
Books & Periodicals	0.18	-
Secretarial Expense	7.59	6.81
Amount Write off	0.83	-
TOTAL	10.77	8.34

NOTE - 25 : CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :-

(Rs in Lacs)

Particulars	Current Year	Previous Year
Trade Tax	2.55	2.55
Security to Shamrao Vithal	700.00	700.00
Co-operative Bank Ltd		
Interest on Foreign Currency Loan	170.57 @	154.52 @

@ 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 26. Balances of Sundry Debtors, Sundry Creditors and 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 27. In the absence of necessary agreements/approvals, interest on loans from foreign lenders has not been provided.

Note 28. Liability of Rs. 7.66 lakh (Previous year Rs. 7.66 lakh) related to deputation charges of foreign technicians has not been provided. The same will be provided at the time of actual payment.

Note 29. The accounts of the Company for the year ending 31.03.14 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 30. Reversal of diminution of Current Quoted investment aggregating Rs.680.17 lacs (Prv. Year Rs. 510.82 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. 680.17 lacs (Prv. Year Rs. 510.82 Lacs)

Note 31. Manager have been paid remuneration in terms of resolution and in accordance with schedule XIII to the companies Act, 1956, as under:

Remuneration to manager under section 269 of the companies Act, 1956.

	(Rs. In Lacs)**	
	Current Year	Previous Year
Salary (includes Gratuity	5.01	4.56
Contribution to Provident fund	0.40	0.32
Reimbursement of Expenses	0.63	0.18

* Remuneration excludes provisions for Gratuity determined on actuarial basis , as these are determined for the Company as a whole.

** Remuneration amounting to Rs. 5.84 lacs paid to Sh. Anil Jain (appointed manager from 01/05/2013).

Note 32. 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 33. Related Parties Disclosures

1. The names of the Related Parties as certified by the management are as follows :

a) Enterprises Where Control Exists

- i. SBEC Investments Limited (Subsidiary company)
- ii. 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. Amit jain Chief Financial Officer (appointed as Manager from under Section 269 of the Companies Act, 1956). – Upto April, 2013.

Mr. Anil jain Chief Financial Officer (appointed as Manager from under Section 269 of the Companies Act, 1956). – From May, 2013.

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 , Mrs. Himani Modi , Mr.Jayesh Modi , Modi Arts Pvt Ltd., Modi Goods and Retail Services Pvt Ltd., Jai Abhishek Investments Pvt Ltd., Kamakhya Cosmetics & Pharmaceutical 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., Swasth Investment Pvt Ltd., Umesh Modi Corp Pvt Ltd., 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*, Morgardshammer India Ltd., Win Medicare Pvt Ltd*, H.M.Tubes & Containers Pvt Ltd., * Modi Motors Pvt Ltd*, M.G.Mobile India Pvt Ltd.,Modi Gourmet Limited,Chandil Power Ltd.,Revlon Trading Bangladesh Pvt. Ltd, SBEC Bio Energy Ltd*, Meghna AutoWorks Pvt. Ltd., Mundipharma (Bangladesh) Pvt. Ltd., Jayesh Tradex 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
Income				
Services Provided	— (—)	— (—)	— (—)	— (—)
Expenses				
Remuneration	— (—)	— (—)	6.04 (5.06)	— (—)
Misc. Expenses	— (—)	— (—)	— (—)	2.43 (1.87)
Outstandings				
Payable	127.95 (127.95)	— (—)	0.37 (0.71)	33.07 (33.11)
Receivable	— (—)	— (—)	— (0.09)	2.57 (2.57)
Equity Contribution	1423.12 (1428.37)	— (—)	— (—)	— (—)

Note 34. 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 35. Current Liabilities include credit balance of Rs 0.37 lacs in the name of Mr. Anil Jain appointed as Manager under Section 269 of the Companies Act, 1956.

Note 36. 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)

	2013-14 Year	2012-13 Year	2011-12 Year	2010-11 Year	2009-10 Year
Employer's contribution to provident fund	0.40	0.48	0.45	0.39	0.56

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 For The Year Ending 31.03.14	Gratuity For The Year Ending 31.03.13	Gratuity For The Year Ending 31.03.12	Gratuity For The Year Ending 31.03.11	Gratuity For The Year Ending 31.03.10
DBP at the beginning of the year	0.58	0.23	0.20	0.09	Nil
Interest Cost	-	0.02	0.01	0.01	Nil
Current Service Cost	0.24	0.13	0.17	0.10	0.09
Benefits Paid	0.58	Nil	0.27	Nil	Nil
Actuarial (gain)/loss	Nil	0.20	0.12	Nil	Nil
DBP at the end of the year	0.24	0.58	0.23	0.20	0.09

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	0.24	0.58	0.23	0.20	0.09
Net asset/(liability) recognized in the Balance Sheet	0.24	0.58	0.23	0.20	0.09

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

Interest Cost	Nil	0.02	0.01	0.01	Nil
Current Service Cost	0.24	0.13	0.17	0.10	0.08
Expected Return on Plan Assets	Nil	Nil	Nil	Nil	Nil
Net Actuarial (Gain) / Loss recognised during the year	Nil	0.20	0.12	-	Nil
Expenses recognised in the statement of Profit & Loss	0.24	0.35	0.30	0.11	0.08

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 31.03.14		Gratuity For The Year Ending 31.03.2013		Gratuity For The Year Ending 31.03.2012		Gratuity For The Year Ending 31.03.2011		Gratuity For The Year Ending 31.03.2010	
	Duly	Modified	Duly	Modified	Duly	Modified	Duly	Modified	Duly	Modified
Mortality table (LIC)	1994-96	1994-96	1994-96	1994-96	1994-96	1994-96	1994-96	1994-96	1994-96	1994-96
Discount Rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	7.5%
Future Salary Increased	10%	10%	10%	10%	10%	10%	5.5%	5.5%	5%	5%
Expected rate of return on plan assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Withdrawal Rates										
Up to 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Up to 44 Years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%	1.00%	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 37. 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)	
Interest Payment	2.44
	(9.38)
c) EARNINGS IN FOREIGN EXCHANGE	Nil
	(Nil)
d) CIF VALUE OF IMPORTS	Nil
	(Nil)

Note 38. Earning per Share

	Current Year	Previous Year
Net Profit /(Loss) (in lakhs)	(43.96)	(9.86)
Weighted average number of equity shares during the year	99,95,900	99,95,900
Basic & Diluted Earnings per Share	Rs.(0.44)	Rs.(0.10)

Note 39. Previous Year figures are given in brackets and have been regrouped / rearranged wherever required.

In terms of our attached report of even date,

for K. K. JAIN & CO. Chartered Accountants Firm Reg. No. 02465N	Sd/- Vijay K Modi Director DIN 00004606	Sd/- S.S. Agarwal Director DIN 00004840	Sd/- G.C. Jain Director DIN 00002696	For & on behalf of board For SBEC Systems (India) Limited Sd/- Anil Jain Manager / CFO
R.K. Mittal Partner Membership No. : 95459 Place : New Delhi Date : 28.05.2014			Sd/- Shivani Choudhary Company Secretary	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**(Rs. In Lacs)**

	For the year ended 31.03.2014	For the Year ended 31.03.2013
Cash flow from operating activities		
Net profit before taxation	(43.96)	(9.86)
Adjustments for:-		
Depreciation	0.04	0.05
Other income:-		
Profit on sale of Investment	(2.11)	
Interest income	(24.96)	(21.63)
Interest Expenses	2.44	9.40
Operating profit before working capital changes	(68.55)	(22.04)
(Increase)/Decrease in sundry debtors	0.83	-
Increase/(Decrease) in sundry creditors	10.56	6.06
Cash generated from operations	(78.28)	(15.98)
Income Tax Paid / received	(1.41)	(0.02)
Net cash from operating activities	(79.69)	(16.00)
Cash flows from investing activities		
Loan/Advance given	125.09	(225.00)
Sale of Investment	7.36	-
Investment in Subsidy	-	(0.25)
Net cash from/(used in) investing activities	132.45	(225.25)
Cash flows from financing activities		
Proceeds from / (Repayment) of Loans	(59.12)	295.26
Interest paid	(2.44)	(57.98)
Interest received	10.78	-
Net cash used in financing activities	(50.78)	237.28
Net increase/(decrease) in cash and cash equivalents	1.98	(3.97)
Components of Cash and Cash Equivalents		
Cash & Cash Equivalents as on 01.04.2012 (Opening Balance)	(6.23)	(10.20)
Cash & Cash Equivalents as on 31.03.2013 (Closing Balance)	8.21	6.23
Net Increase / (decrease) as above	(1.98)	(3.97)

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) pledged with sales Tax authority which are not available for use by the company.
- {iii} Previous year figures have been regrouped/ rearranged wherever considered necessary.

In terms of our report attached

For & behalf of Board Director of
SBEC Systems (India) Limitedfor **K. K. JAIN & CO.**
Chartered Accountants
Firm Reg. No. 02465NSd/-
Vijay K Modi
Director
DIN 00004606Sd/-
S.S. Agarwal
Director
DIN 00004840Sd/-
G.C. Jain
Director
DIN 00002696Sd/-
Anil Jain
Manager / CFOR.K. Mittal
Partner
Membership No. : 95459
Place : New Delhi
Date : 28.05.2014Sd/-
Shivani Choudhary
Company Secretary

Book Post

Under Postal Certificate

If undelivered, please return to:-

SBEC SYSTEMS (INDIA) LIMITED
1400, Modi Tower,
98, Nehru Place
New Delhi-110 019.