

**FORM B**

1.	<b>Name of the company</b>	SBEC Systems (India) Limited
2.	<b>Annual financial statements for the year ended</b>	31 <sup>st</sup> March 2015
3.	<b>Type of Audit qualification</b>	Qualified
4.	<b>Frequency of qualification</b>	Repetitive
5.	<b>Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:</b>	<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 &amp; its consequential impact on EPS.</p> <p><b>Management Response:</b> 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 &amp; 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.8.46 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.8.46 lacs.</p> <p><b>Management Response:</b> 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.	<b>Additional comments from the board/audit committee chair:</b>	As explained above additional comments are not required.

# SBEC SYSTEMS (INDIA) LIMITED

CIN: L74210DL1987PLC029979

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

T.:011-42504665, 42504555, Email Id.: sbecsystems@rediffmail.com

## NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Shareholders of SBEC SYSTEMS (INDIA) LIMITED will be held on Wednesday, 23rd September 2015 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 2015, the 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. J.N. Khurana, (DIN-00003817) who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Auditors and to fix their remuneration by passing the following resolution as an Ordinary Resolution:

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

### SPECIAL BUSINESS

4. **Appointment of Mr. Rajeev Kumar Agarwal as an Independent Director of the Company.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 149,152 and other applicable provisions of the Companies Act, 2013, and Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Mr. Rajeev Kumar Agarwal (DIN:00298252), who was appointed as an Additional Independent Director of the Company by the Board of Directors of the Company with effect from May 21, 2015 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Rajeev Kumar Agarwal as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from 23rd September, 2015 and whose office shall not be liable to retire by rotation".

5. **Appointment of Mr. Jagdish Chander Chawla as an Independent Director of the Company.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 149,152 and other applicable provisions of the Companies Act, 2013, and Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Mr. Jagdish Chander Chawla (DIN:05316202), who was appointed as an Additional Independent Director of the Company by the Board of Directors of the Company with effect from May 21, 2015 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Jagdish Chander Chawla as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years commencing from 23rd September, 2015 and whose office shall not be liable to retire by rotation".

6. **Appointment of Mr. Shyam Babu Vyas as an Independent Director of the Company.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 149,152 and other applicable provisions of the Companies Act, 2013, and Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri. Shyam Babu Vyas (DIN:02025415), who was appointed as an Additional Independent Director of the Company by the Board of Directors of the Company with effect from May 21, 2015 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Shri. Shyam Babu Vyas as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years commencing from 23rd September, 2015 and whose office shall not be liable to retire by rotation".

7. **Regularization of Additional Director, Mr. Bindu Kumar Luthra.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Bindu Kumar Luthra (DIN-00004154) who was appointed as an Additional Director with effect from May 21, 2015 by the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 and Article 45 of Article of Association of the Company and who holds the office upto the date of this Annual General Meeting and in

respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Bindu Kumar Luthra as a candidate for the office of director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

#### 8. To Approve Borrowing Limits of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs. 50 crores [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorized to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.”

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

**Place: New Delhi  
Date: 12.08.2015**

**Vijay Kumar Modi  
Chairman**

#### NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the business under Item Nos. 4 to 8 of the Notice, is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors under Items No. 4 to 7 of the Notice, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN HIS/HER BEHALF AND THE PROXY NEED NOT TO BE MEMBER OF THE COMPANY.**

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

herewith.

Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, 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.

3. The Register Of Members & Share Transfer Books of the Company Will Remain Closed From 17th September, 2015 To 23rd September, 2015 (Both Days Inclusive).
4. Members are requested to notify, changes, if any, in their address to the Company or Beetal Financial & Computer Services Pvt. Ltd.
5. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Beetal Financial & Computer Services Pvt. Ltd, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
6. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Members/proxies are requested to bring attendance slips sent herewith duly filled in, for attending the meeting.
8. 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.
9. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. To support the ‘Green Initiative’ Members who have not registered their e-mail addresses are requested to register the same with Beetal Financial & Computer Services Pvt. Ltd / Depositories.
11. Members holding shares in physical form are advised to make nomination in Form SH-13 in respect of their shareholding in the Company. The nomination form will be made available by the Company on request.
12. Members may also note that the Notice of the Twenty sixth Annual General Meeting and the Annual Report for financial year 2014-15 will also be available on the Company’s website

i.e. [www.sbecosystems.com](http://www.sbecosystems.com) for their download.

13. Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 A.M to 1.00 P.M upto the date of Annual General Meeting.
14. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).
15. The Board of Directors has appointed Ms.Nupur Gupta, Practicing Chartered Accountant as Scrutinizer to scrutinize voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

### Instructions for the voting through electronic means

The instructions for members for voting electronically are as under:-

#### In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

##### PAN\*

Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

##### DOB#

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

##### Dividend Bank Details#

Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
  - (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this

Notice.

- (xi) Click on the EVSN for the relevant **SBEC SYSTEMS (INDIA) LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Sunday 20th Day of September, 2015 at 9:00 A.M. and ends on Tuesday, 22th day of September, 2015 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on

the cut-off date (record date) of Wednesday, 16th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (D) Mr. S.S. Agarwal, Director & CEO of the Company shall be responsible for addressing all the grievances in relation to this 26th Annual General Meeting including e-voting his mail ID is [sbecsystems@rediffmail.com](mailto:sbecsystems@rediffmail.com) and may be contacted on phone no. 011-42504878.
- (E) The Notice of the 26th Annual General Meeting are being sent to all the Members, whose names appear in the Register of Members as on cut-off date (record date) i. e. 21st August, 2015 through the mode prescribed under the Companies Act, 2013 and also by E-Mail, wherever registered. The Members may also download a copy of the Notice from the Website of the Company ([www.sbecsystems.com](http://www.sbecsystems.com))
- (F) The Members of the Company, holding Equity Shares either in physical form or in dematerialized (demat) form as on 21st August, 2015 and not casting their vote electronically, may only cast their vote at the 26th Annual General Meeting. The voting rights of shareholders shall be in proportion to their shareholding of paid up share capital of the Company as on 21st August, 2015.

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

**ITEM NO. 4 TO 6**

The Board of Directors of the company had appointed Mr. Rajeev Kumar Agarwal, Mr. Jagdish Chander Chawla & Mr. Shyam Babu Vyas as an Additional Director with effect from May 21, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013, read with Article 45 of the Articles of Association of the Company.

Mr. Rajeev Kumar Agarwal, Mr. Jagdish Chander Chawla & Mr. Shyam Babu Vyas will hold office up to the date of the ensuing AGM. The Company has received notice(s) in writing under the provisions of Section 160 of the Companies Act, 2013, from member(s) proposing the candidature of Mr. Rajeev Kumar Agarwal, Mr. Jagdish Chander Chawla and Mr. Shyam Babu Vyas for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.

In the opinion of the Board Mr. Rajeev Kumar Agarwal, Mr. Jagdish Chander Chawla & Mr. Shyam Babu Vyas fulfils the conditions for appointment as an Independent Director (s) specified in Companies

Act, 2013 and the Rules made there under and the provisions as laid down in the Listing Agreement and they are independent of the Management.

Mr. Rajeev Kumar Agarwal, Mr. Jagdish Chander Chawla & Mr. Shyam Babu Vyas 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. 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.

The terms and conditions for the appointment of above Directors shall be open for inspection at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

The resolution seeks the approval of members for the appointment of Mr. Rajeev Kumar Agarwal, Mr. Jagdish Chander Chawla and Mr. Shyam Babu Vyas as an Independent Director of the Company for a term of five consecutive years commencing from 23rd September, 2015 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. They are not liable to retire by rotation.

A brief profile of Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is annexed to 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 to 6.

In compliance with the provisions of Section 149 read with schedule IV of the Act, the appointment of these Directors are now being placed before the Members for their approval as an Ordinary Resolution.

#### ITEM NO.7

Mr. Bindu Kumar Luthra was appointed as an Additional Director w.e.f. May 21, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 45 of Article of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the Company proposing Mr. B.K. Luthra candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013 and his office is liable to retire by rotation.

The Board feels that presence of Mr. B.K. Luthra on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 7 for adoption.

A brief profile of Mr. Bindu Kumar Luthra to be appointed, indicating nature of his expertise and other disclosure as required under Clause 49 of the Listing Agreement, is annexed to this Notice.

None of the Directors, except Mr. B.K. Luthra and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolutions set out at item no. 7 for approval of the members as an ordinary resolution.

#### ITEM NO.8

At the Annual General Meeting held on January 18, 1996, members of the Company by way of an ordinary resolution had accorded their consent to the Board of Directors to borrow funds, to the extent of Rs. 30 Crores (Rupees Thirty Crore only) in excess of the paid up capital and free reserves of the Company.

Consequent to implementation of Section 180(1)(c) of the Companies Act, 2013, notified from September 12, 2013 and based on the clarifications issued by Ministry of Corporate Affairs (MCA), the Board of Directors shall not borrow any sums of money, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the limits specified, except with the consent of the members accorded by way of Special Resolution.

Taking into consideration the requirements of additional funds, it is expected that the limit of Rs. 30 Crores sanctioned will not be adequate. The consent of the Shareholders is therefore, sought in accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013, to enable Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 50 Crores (Rupees Fifty Crores only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

Resolution 8 as set out in the Notice for the approval of members of the Company as Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution except to the extent of their shareholding in the Company, if any.

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

**Place: New Delhi  
Date: 12.08.2015**

**Vijay Kumar Modi  
Chairman**

## Brief profile of the Directors to be appointed is given below :

Name of the Director(s)	DIN	Date of Birth	Date of Appointment	Qualification and experience	List of outside Directorships as on Appointment Date	No. of Committee (as on Appointment Date)	
						Membership(s)	Chairmanship(s)
Mr. Jagan Nath Khurana	00003817	13/03/1945	24/09/2014	He is a Chartered Accountant having more than 40 years of Experience in the field of Accounts finance, taxation and Company Law matters.	1. Modi Santa Fe India P Ltd. 2. SBEC Bio-energy Ltd. 3. SBEC Stockholding & Investment Pvt. Ltd. 4. ApoggePte Ltd. 5. Modi Illva India Pvt. Ltd. 6. Modi-Mundipharma Pvt. Ltd. 7. Bihar Sponge Iron Limited 8. Moderate Services UK Pvt. Ltd. 9. MI Spirits India Limited	1	Nil
Mr. Bindu kumar Luthra	00004154	19/12/1949	21/05/2015	He is a chemical engineer having vast experience in the field of management, administration & technical aspects of the industry of over 30 Years	1. A B C Holding Private Ltd. 2. SJA Technical Consultants Private Ltd 3. G S Pharmbutor Private Limited 4. Technicast Engineers Ltd 5. Modi Hitech India Limited 6. Chandil Power Limited 7. First Move Management Services Private Limited 8. G.S.Nutrition Private Limited 9. H.M. Tubes And Containers Pvt. Ltd	Nil	Nil
Mr. JagdishChander Chawla	05316202	23/02/1946	21/05/2015	He has a vast experience in the area of Management and Administration of over 37 years.	1. Bihar Sponge Iron Limited 2. SBEC Bio-energy Limited	3	-
Mr. Rajeev Kumar Agarwal	00298252	03/01/1949	21/05/2015	Has experience in the area of Finance, Accounts, management, administration & technical aspects of the industry of over 30 Years	1. SBEC Bio-energy Limited 2. Bihar Sponge Iron Limited 3. SBEC Stockholding and Investment Ltd.	3	3
Mr. ShyamBabu Vyas	02025415	21/10/1953	21/05/2015	He has a vast experience in the area of Management and Administration of over 33 years.	1. Bihar Sponge Iron Limited 2. Shyam Vyas Marc Pvt. Ltd	2	Nil

**SBEC SYSTEMS (INDIA) LIMITED**

CIN: L74210DL1987PLC029979

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

T.:011-42504665, 42504555, Email Id.: sbecsystems@rediffmail.com

26th Annual General Meeting held on Wednesday, the 23rd September, 2015 at 2.00 P.M.

**PROXY FORM**

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

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

Registered Address : .....

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

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

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

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

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

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 26th Annual General Meeting of the Company to be held at Executive Club, 439, Village Shahrpur, P.O. Fatehpur Beri, New Delhi - 110 030 on Wednesday, the 23<sup>rd</sup> September, 2015 at 2.00 p.m. and at any adjournment thereof in respect of such resolution as are indicated below :

S. No.	Resolution	Vote (Optional (Refer Note))		
		For	Against	Abstain
1.	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2015.			
2.	Re-Appointment of Mr. J.N. Khurana who retires by rotation and being eligible offers herself for re-appointment.			
3.	Re-appointment of M/s. K.K. Jain & Co., Chartered Accountants, Auditors and fixing their remuneration.			
<b>Special Business</b>				
4.	Appointment of Mr. R.K. Agarwal as an Independent Director.			
5.	Appointment of Mr. J.C. Chawla as an Independent Director.			
6.	Appointment of Mr. ShyamBabu Vyas as an Independent Director.			
7.	Appointment of Mr. B.K. Luthra as Non-Executive Director.			
8.	To Approve Borrowing Limits of the Company			

Signed this .....day of .....2015

Signature of shareholder

Signature of first proxy

Affix  
Revenue  
Stamp of not  
less than Rs.  
1.00

**Notes :**

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

**SBEC SYSTEMS (INDIA) LIMITED**

CIN: L74210DL1987PLC029979

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

T.:011-42504665, 42504555, Email Id.: sbecsystems@rediffmail.com

**ATTENDANCE SLIP**

26th Annual General Meeting held on Wednesday, the 23<sup>rd</sup> September, 2015 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 26th Annual General Meeting of the Company to be held at Executive Club, 439, Village Shahrpur, P.O. Fatehpur Beri, New Delhi - 110 030 on Wednesday, the 23<sup>rd</sup> September, 2015 at 2.00 p.m.

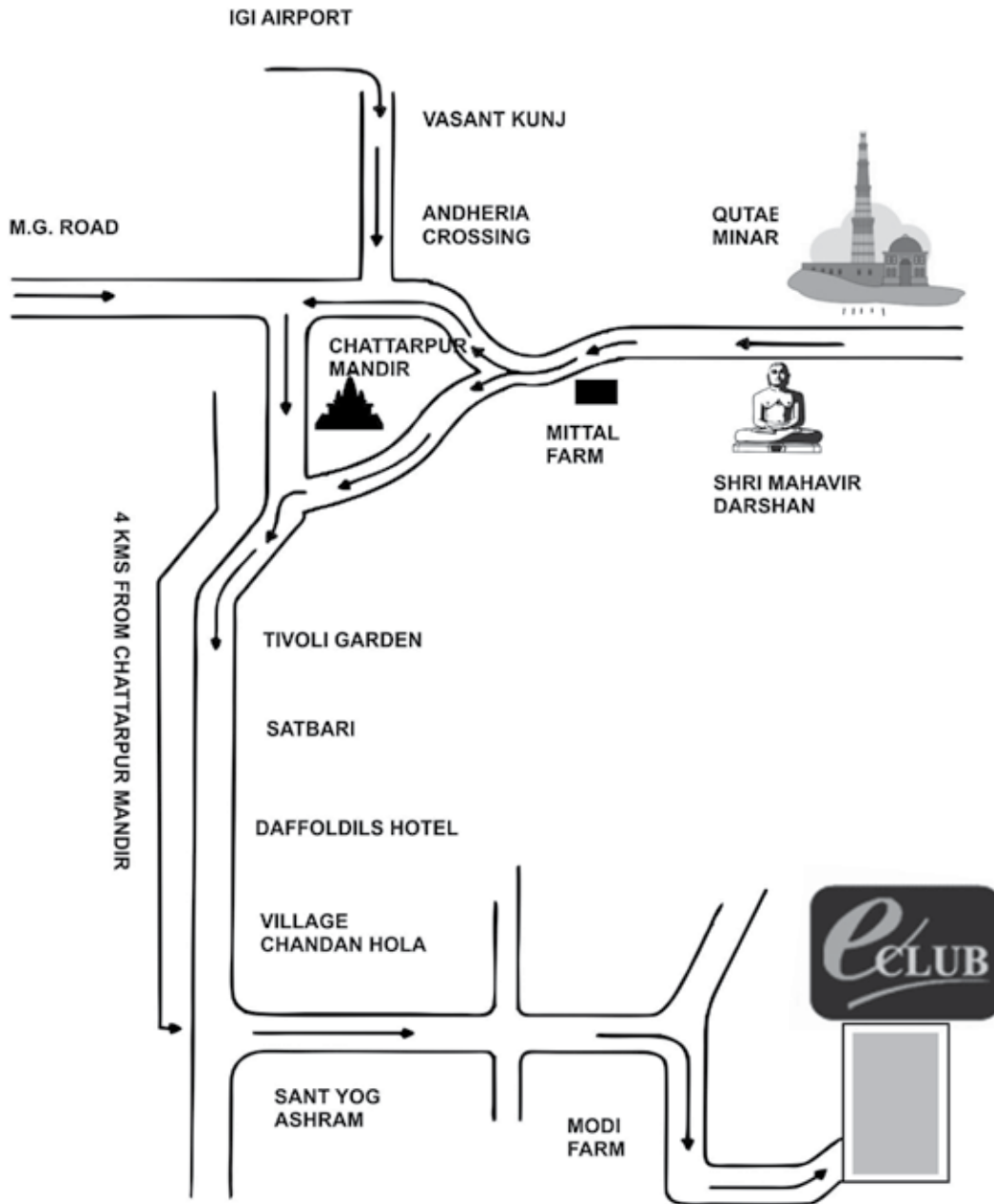
SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

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

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



### ROUTE MAP FROM QUTAB MINAR TO E CLUB



## DIRECTORS' REPORT

### Dear Members,

Your Directors take pleasure in presenting the 26th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2015.

### FINANCIAL RESULT

The Summarised Financial Results of the Company for the Financial Year 2014-15 Vis-a-Vis 2013-14 are as under:

Particulars	(Rs. in Lacs)	
	Period ended 31.03.2015	Period ended 31.03.2014
Sales & Other Income	23.35	66.74
Total Expenditure	48.72	110.70
Operating Profit/(Loss) before Tax	(25.36)	(43.96)
Profit/(Loss) After Tax	(25.36)	(43.96)

During the year under review, the sales and other income stood at Rs. 23.35 Lacs. The net loss of the Company stood at Rs. 25.36 Lacs as compared to net loss of Rs. 43.96 Lacs for the previous year.

### DIVIDEND & RESERVES

In view of the losses incurred, your Board is unable to recommend any dividend for the financial year ended March 31, 2015.

The Company has not transferred any amount to the reserves for the year ended March 31, 2015.

### SHARE CAPITAL

The paid up equity capital as on March 31, 2015 was Rs.10.00 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

### 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 E-Form FTE vide SRN C00707000 dated 26.03.2014. Thus, the Ministry of Corporate Affairs vide their letter dated 02/08/2014 has been struck off the name of the Company from the Register.

### DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the provisions contained in Section 134 (5) of the Companies Act, 2013, your Directors to the best of their knowledge and belief and according to information and explanations obtained from the management, confirm that:

- in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with

the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- The Directors have prepared the Annual Accounts on a going concern basis.
- The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Jagan Nath Khurana (DIN 00003817), Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Mr. Rajeev Kumar Agarwal, Mr. Jagdish Chandra Chawla and Mr. Shyam Babu Vyas was appointed as an Additional Non-executive Director of the Company with effect from May 21, 2015 and holds office upto the date of the forthcoming Annual General Meeting.

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

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

Mr. Bindu Kumar Luthra who has been appointed as an alternate director during the absence of Mr. Louis Claude Norland Suzor be and is hereby ceased to be the alternate director and appointed as additional Non-Executive Director of the Company w.e.f. 21st May, 2015.

All the Independent Directors viz., Mr. Rajeev Kumar Agarwal, Mr. Jagdish Chandra Chawla and Mr. Shyam Babu Vyas have submitted declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Ms. Shivani Chaudhary has resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 10th June, 2014 and Ms. Varsha Yadav was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 1st May, 2015.

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

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

The Board met Four times during the financial year 2014-15, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

In accordance with the provisions of Section 134 of the Act and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the performance of Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee and also the directors individually. The manner in which the evaluation was carried out and the process adopted has been mentioned in the Corporate Governance Report.

The Board, on the recommendation of the Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration and also framed the criteria for determining qualifications, positive attributes and independence of directors. The Remuneration Policy and criteria for Board nominations are given in **Annexure - A** to this Report.

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

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

#### **AUDITORS AND AUDITORS REPORT**

The Shareholders at the 25th Annual General Meeting held on September 24, 2014, had appointed M/s K.K. Jain & Co. ( FRN – 02465N ) as Statutory Auditors of the Company to hold office until the conclusion of ensuing Annual General Meeting subject to ratification of their appointment at every intermittent AGM. M/s K.K. Jain & Co. being eligible has expressed their willingness to continue as auditors of the Company and accordingly, the ratification of their appointment is recommended to the Shareholders.

#### **Qualifications**

The observation made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

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.

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

#### **SECRETARIAL AUDITOR**

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

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

Reference to the Secretarial Auditors comment that the Company has not updated Fixed Asset Register, the management is in process for preparing the fixed Asset Register.

#### **RISK MANAGEMENT**

As required under Clause 49 of the Listing Agreement, the provisions of Clause 49 (VI) (C) as given in Part- B i.e. Constitution of Risk Management Committee shall be applicable to top 100 listed Companies by market capitalization as at the end of the immediate financial year. As the Company not fall under the category of top 100 listed Companies, the Company is not required to constitute a Risk Management Committee.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

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

#### **RELATED PARTY TRANSACTIONS**

All contracts/arrangements/transactions entered into during the financial year with the related parties were on arm's length basis and were in the ordinary course of business. Section 188(1) of the Companies Act, 2013 exempts related party transactions that are in the ordinary course of business and are on arm's length basis. However, under clause 49 of the Listing Agreement, all material Related Party Transactions requires approval of the shareholders through special resolution.

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

The policy on dealing with Related Party Transactions as approved by the Board is available at the investors section of the Company's website at [www.sbecosystems.com](http://www.sbecosystems.com)

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

#### **CORPORATE GOVERNANCE**

The Report on corporate governance as stipulated under the Listing Agreement forms part of this Report. The requisite certificate confirming compliance with the conditions of corporate governance is attached to the Corporate Governance Report. The report also contains the details as required to be provided on Board evaluation, remuneration policy, whistle blower policy/vigil mechanism etc.

The CEO and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under the Listing Agreement.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement, form part of this Annual Report.

**DISCLOSURES****Committees of the Board**

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

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

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

**VIGIL MECHANISM & WHISTLE BLOWER POLICY**

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

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

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

During the financial year 2014-15, the company has not made any investment nor given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

**PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to the ratio of the Remuneration of each Director to the median employees remuneration shall not apply because none of the Directors has drawn any remuneration from the Company for the financial year 2014-15. In terms of the Provisions of Section 197(12) of the Companies act, 2013 read with Rule 5(2)&(3) of the Companies Appointment & Remuneration of Managerial Personnel ) Rules, 2014 None of the employees of the Company were in receipt of remuneration of more than limit specified as set out in the above said Rules.

**EXTRACT OF THE ANNUAL RETURN**

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

**FIXED DEPOSITS**

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

**PERSONNEL RELATIONS**

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

**APPRECIATION**

Your directors thank the various Central and State Government Authorities and Agencies for the continued help and cooperation extended by them. The Directors gratefully acknowledge all stakeholders of the Company viz., customers, members, dealers, vendors and banks for their excellent

support during the year. The Directors also place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued cooperation to the Company.

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

**Place: New Delhi  
Date: 12-08-2015**

**Sd/-  
Vijay Kumar Modi  
Chairman**

**ANNEXURE- A TO THE BOARD'S REPORT****NOMINATION AND REMUNERATION POLICY****PREAMBLE**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all the Directors, Key Managerial personnel and employees of the Company and in terms of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial personnel (KMP) and Senior Management has been formulated by of the Nomination and Remuneration Committee ("NRC") as approved by the Board of Directors of the Company.

**CONSTITUTION OF COMMITTEE**

The Board of Directors of the Company (the Board) constituted the Committee be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than half are independent Directors. The Chairman of the Committee is an Independent Director. However, the Chairperson of the Company (whether executive or non-executive) may be appointed as member of the NRC but shall not chair such Committee.

**OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

**APPLICABILITY**

- a) Directors (Executive or Non-executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel

**DEFINITIONS**

“Act” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“Board” means Board of Directors of the Company.

“Directors” mean Directors of the Company.

“Key Managerial Personnel” means

- i. Chief Executive Officer or the Managing Director or the Manager and in their absence, a whole time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary;
- iv. such other officer as may be prescribed.

**Policy for appointment and removal of Director, KMP and Senior Management****1. Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**2. Term / Tenure****a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**b) Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such

Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**3. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**4. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**5. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**POLICY FOR REMUNERATION TO DIRECTORS/ KMPs/ SENIOR MANAGEMENT PERSONNEL****1. Remuneration to Managing/ Whole-time/ Executive/ Managing Director, KMP and Senior Management Personnel:**

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

**2. Remuneration to Non-Executive/ Independent Director:**

The Non-Executive Independent Director may receive sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder and Articles of Association of the Company or any other enactment for the time being in force.

**3. Duties in Relation Nomination Matters**

The duties of Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act.
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Recommend any necessary changes to the Board; and
- Considering any other matters as may be requested by the Board.

#### DUTIES IN RELATION TO REMUNERATION MATTERS

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee
- Considering any other matters as may be requested by the Board

#### REVIEW AND AMENDMENT

- The NRC or the Board may review the policy as and when it deems necessary.
- The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this policy, if it thinks necessary.
- This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

## ANNEXURE- B TO THE BOARD'S REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2015

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,  
The Members  
**SBEC SYSTEMS (INDIA) LIMITED**  
1400, Modi Tower,  
98 Nehru Place,  
New Delhi-110019

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company

and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2015 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under. to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
  - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: and
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- OTHER APPLICABLE ACTS,
  - The Payment of Wages Act, 1936, and rules made there-under,
  - The Minimum Wages Act, 1948, and rules made there-under,
  - The Payment of Gratuity Act, 1972
  - The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
  - The Payment of Bonus Act, 1965, and rules made there-under,

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with Bombay Stock Exchange.

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

1. That the Company has not updated its Fixed Asset Register.
2. That a loan of Rs. 633.72 Lac (USD 10,04,944) is a Foreign Currency Loan from Overseas Corporate Body M/s Occident Orient Company Ltd. Mauritius, taken by the Company subject to approval of RBI/Finance Ministry, pertaining to period prior to 1999 outstanding in the books of accounts of the Company. This is an undisputed liability that the Company has been unable to pay due to its continuous losses.

We further report that,

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

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

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

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

We further report as under:

That there were no operations during the year under review, the accumulated losses continued to more than fifty percent of its net worth.

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

Place : New Delhi  
Date : 12.08.2015

(Rahul Singhal)  
Prop.  
M. No. 29599

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

## **ANNEXURE A**

To,  
The Members  
**SBEC SYSTEM (INDIA) LIMITED**  
1400, Modi Tower  
98, Nehru Place  
NEW DELHI – 110 019

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the audited financial statements for the year ended on 31.03.2015 for the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Place : New Delhi  
Date : 12.08.2015

(Rahul Singhal)  
Prop.  
M. No. 29599

## ANNEXURE- C TO THE BOARD'S REPORT

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

### A. CONSERVATION OF ENERGY

- |                                                                              |      |
|------------------------------------------------------------------------------|------|
| i) The steps taken or impact on conservation of energy                       | N.A. |
| ii) The steps taken by the Company for utilizing alternate sources of energy | N.A. |
| iii) The Capital investment on energy conservation equipment                 | N.A. |

### B. TECHNOLOGY ABSORPTION

- |                                                                                                                                |      |
|--------------------------------------------------------------------------------------------------------------------------------|------|
| i) The efforts made towards technology absorption                                                                              | N.A. |
| ii) The benefits derived like product improvement, cost reduction, product development or import substitution                  | N.A. |
| iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - | N.A. |
| (a) The details of technology imported                                                                                         | None |
| (b) The year of import                                                                                                         | N.A. |
| (c) Whether the technology been fully absorbed                                                                                 | N.A. |
| (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and                            | N.A. |
| (e) The expenditure incurred on Research and Development                                                                       | N.A. |

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(In Rs.)

	2014-15	2013-14
The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows.		
Foreign Exchange earned	NIL	NIL
Foreign Exchange outgo	NIL	NIL

## ANNEXURE- D TO THE BOARD'S REPORT

### Form No. MGT - 9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- |                                                                        |                                                                                                                                            |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| i) CIN:-                                                               | L74210DL1987PLC029979                                                                                                                      |
| ii) Registration Date                                                  | 03/05/1991                                                                                                                                 |
| iii) Name of the Company                                               | SBEC SYSTEMS (INDIA) LIMITED                                                                                                               |
| iv) Category/Sub-Category of the Company                               | Public Company Limited by Shares                                                                                                           |
| v) Address of the Registered office and contact details                | Village: 1400, Modi Tower, 98 Nehru Place, New Delhi-110019                                                                                |
| vi) Whether listed company                                             | YES                                                                                                                                        |
| vii) Name, Address and Contact details of Registrar and Transfer Agent | M/s BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED<br>BEETAL HOUSE, 99, MADANGIR, BEHIND LOCAL SHOPPING COMPLEX,<br>NEW DELHI-110062 |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiaries/ Associate	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA



**IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**
**i) Category-wise Shareholding**

Category of	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	2079760	2079760	20.8	-	2079760	2079760	20.8	-
b) Central Govt. of State Bank Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	3020000	3020000	30.2	-	3020000	3020000	30.20	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	-	<b>5099760</b>	<b>5099760</b>	<b>51</b>	-	<b>5099760</b>	<b>5099760</b>	<b>51</b>	-
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	-	<b>5099760</b>	<b>5099760</b>	<b>51</b>	-	<b>5099760</b>	<b>5099760</b>	<b>51</b>	-
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Cenntal govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	-	302057	302057	3.02	-	302057	302057	3.02	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	4385516	4385516	43.86	-	4385516	4385516	43.86	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	210361	210361	2.1	-	210361	210361	2.1	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
(i) NRI	-	-	-	-	-	-	-	0.00	-
(ii) HUF	-	2306	2306	0.02	-	2306	2306	0.02	-
(iii) Clearing Members	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	-	<b>4900240</b>	<b>4900240</b>	<b>49</b>	-	<b>4900240</b>	<b>4900240</b>	<b>49</b>	-
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>10000000</b>	<b>10000000</b>	<b>100</b>	-	<b>10000000</b>	<b>10000000</b>	<b>100</b>	-

**(ii) Shareholding of Promoters**

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

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

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

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

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

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

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

5	Mr. Anupam Bansal				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
6	Mr. Norland L.C. Suzor				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
7	Mr.B.K. Luthra				
	At the beginning of the year	110	0	110	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
8	Mr.Ritu Sikka				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
12	Mr. Anil Jain -Manager cum CFO				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
12	Ms. Shivani Choudhary -CS				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	14,27,54,902	-	14,27,54,902
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	14,27,54,902	-	14,27,54,902
<b>Change in Indebtedness during the financial year</b>				
· Addition	-	-	-	-
· Reduction	-	72,50,000	-	(72,50,000)
<b>Net Change</b>	-	72,50,000	-	(72,50,000)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	13,80,87,609	-	13,80,87,609
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	13,80,87,609	-	13,80,87,609

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

S.No. Particulars of Remuneration	Mr. Anil Jain - Manager	Total Amount
<b>1. Gross Salary</b>		
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	6.09	6.09
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2. Stock option	-	-
3. Sweat Equity	-	-
4. Commission as % of profit others (specify)	-	-
5. Others, please specify	-	-
Total (A)	6.09	6.09
Ceiling as per the Act		

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors		
(a)	Fee for attending board committee meetings	-	-
(b)	Commission	-	-
(c)	Others, please specify	-	-
	Total (1)	-	-
2.	Other Non Executive Directors		
(a)	Fee for attending board committee meetings	-	-
(b)	Commission	-	-
(c)	Others, please specify.	-	-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act.	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl.No. Particulars of Remuneration	Key Managerial Personnel			Total
	CEO	Company Secretary	CFO	Total
<b>1. Gross Salary</b>				
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	18,667*	-	18,667
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2. Stock Option	-	-	-	-
3. Sweat Equity	-	-	-	-
4. Commission as % of profit others, specify	-	-	-	-
5. Others, please specify	-	-	-	-
Total	-	18,667*	-	18,667

\* Ms. Shivani Choudhary, Company Secretary resigned w.e.f 10.06.2014.

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

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

## REPORT ON CORPORATE GOVERNANCE

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

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

### II. BOARD OF DIRECTORS

As on March 31, 2015, the Company has 8 Directors all of are Non-Executive Directors. 3 of the 8 Board Members are Independent Directors. The Chairman of the Board is a Non-Executive Director. The Composition of the Board is in conformity with Clause 49 of the Listing Agreements with the Stock Exchanges. As required under Section 149(3) of the Companies Act, 2013, Ms. Ritu Sikka , a woman director on the Board of Directors of the Company.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in companies other than SBEC Systems as on March 31, 2015 Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 of Companies Act, 2013 / Section 25 of the Companies Act, 1956 and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit, Stakeholders Relationship of public limited companies are given below:

Sl. No.	Name of the Directors	Category of Director	No. of Board Meetings Attended	No. of Other Directorships	Committee Member-ships (Excluding SBEC Systems (India) Ltd.)	Committee Chairman-ships (Excluding SBEC Systems (India) Ltd.)	Attendance at Last AGM
1	Mr. Vijay K. Modi	Chairman and Non-Executive Director	3	1	Nil	Nil	Present
2	Mr. G.C. Jain	Non – Executive & Independent Director	4	4	1	4	Present
3	Mr. S.S. Agarwal@	Non-Executive Director	4	3	Nil	Nil	Present
4	Dr.Anupam Bansal	Non – Executive & Independent Director	1	Nil	Nil	Nil	Not Present
5	Mr. J.N. Khurana	Non – Executive Director	2	2	1	Nil	Not Present
6	Mr. Norland L. C. Suzor*	Non – Executive & Independent Director	Nil	2	Nil	Nil	Not Present
7.	Ms. Ritu Sikka	Non-Executive Director	1	Nil	Nil	Nil	Not Present
8.	Mr. B.K. Luthra#	Alternate to Mr. Norland L.C. Suzor	4	3	Nil	Nil	Not Present
9.	Mr. R.K. Agarwal###	Non – Executive & Independent Director	-	N.A	N.A	N.A	N.A
10	Mr. J.C. Chawla ##	Non – Executive & Independent Director	-	N.A	N.A	N.A	N.A
11.	Mr. Shyam Babu Vyas ##	Non – Executive & Independent Director	-	N.A	N.A	N.A	N.A

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

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

(#) Mr. B.K. Luthra was appointed as alternate Director of Mr. Norland L.C. Suzor is ceased to be an alternate Director and was appointed as Additional Director w.e.f. 21st May, 2015.

(##) Mr. R.K. Agarwal , Mr. J.C. Chawla and Mr. Shyam Babu Vyas was appointed as an Additional Director on 21st May, 2015.

#### Details of Directors Shareholding:

None of the above Directors except Mr. B.K. Luthra holds 110 shares in the Company as on 31st March, 2015.

#### Membership on other Boards

Independent Directors are expected not to serve on the Boards of competing Companies. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five committees across all the companies in which they are Directors. For this purpose, only membership and chairmanship in Audit Committee and Stakeholders Relationship Committee are considered. Every director informs the Company about the Committee positions he/she occupies in other companies and notifies the changes as and when takes place.

### Board Meetings

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

Four Board meetings were held during the year ended March 31, 2015. These were held on May 29, 2014, August 22, 2014, November 13, 2014, February 06, 2015 and the maximum gap between the two Board Meetings did not exceed 120 days. Necessary quorum was present for all meetings.

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

### Code of Conduct

The Company has adopted the code of conduct for all Board members and Senior Management as required under Clause 49 of the Listing Agreement. The Code is posted on the Company's website: [www.sbecosystems.com](http://www.sbecosystems.com). All Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis and a declaration to this effect signed by Mr. S.S. Agarwal, Chief Executive Officer is attached to this Report.

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually and the Committees viz., Audit, Nomination & Remuneration and Stakeholders Relationship. A structured questionnaire was prepared after taking into consideration the inputs received from the Directors covering various aspects such as attendance, quality contributions to Board deliberations, providing perspectives and feedback going beyond the information provided by the management, commitment to shareholder and other stakeholders interests etc.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc. The performance evaluation of Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at their meeting held separately.

### Board Training and Induction (Familiarization programme)

At the time of appointment, the Director is explained in detail the compliances required from him under the Companies Act and Listing Agreement and other relevant regulations and his affirmations taken.

By way of an introduction to the Company, the Chairman/CEO interacts with the newly appointed Director and explains the functioning of various divisions/departments, the Company's market share, governance and internal control processes and other relevant information pertaining to the Company's business. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfill their role as a Director of the Company. This is also given at the investors section of the Company's website [www.sbecosystems.com](http://www.sbecosystems.com).

### BOARD COMMITTEES

The Board has constituted Committees consisting of Executive and Non-Executive Directors to ensure focused attention on various facets of business and for better accountability. Pursuant to the Companies Act, 2013, as on March 31, 2015 the Company has the following Committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Share Transfer Committee

Each of the above Committees has been mandated to operate within a given framework. The Company Secretary acts as Secretary to all the Committees. The Minutes of the proceedings of the Committee Meetings are circulated to the Directors and noted at the Board Meeting.

### III. AUDIT COMMITTEE

The Board of Directors at its meeting held on November 13, 2014 reconstituted the Audit Committee to align the term of reference of the Committee in accordance with the provisions of the Companies Act, 2013.

The powers, role and terms of reference of the Committee are in consonance with the requirements mandated under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

As on March 31, 2015, the Audit Committee of the Board comprises three members viz., Mr. G.C. Jain, Independent Director as the Chairman, Mr. Anupam Bansal and Mr. S.S. Agarwal as its members. The Company Secretary acts as the Secretary to the Audit Committee.

The Internal Auditors have been engaged by the company for review and assessment of the internal policies of the company. Internal Auditors and Statutory Auditors are also invited to the meeting of the Audit Committee as and when required by the Committee. Besides them head of finance is permanent invitee of the Audit Committee.

During the financial year ended 31st March, 2015, the Audit Committee met Four times on May 29, 2014, August 14, 2014, November 13, 2014, and February 6, 2015 and the maximum gap between the two Audit Committee Meetings did not exceed four months. The necessary quorum was present for all the meetings.

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

S. No	Name of the Member	Category	Number of meetings during the year 2014-15	
			Held	Attended
1.	Mr. G.C. Jain Chairman*	Non- Executive & Independent Director	4	4
2.	Mr. Anupam Bansal	Non -Executive & Independent Director	4	4
3.	Mr. S.S. Agarwal	Non -Executive Director	4	4
4.	Mr. R.K. Agarwal	Non-Executive Independent Director	-	-

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

#### **Role and Terms of Reference**

The terms of reference of the Audit Committee are broadly as under:

- Regular review of accounts, accounting policies, financial and risk management policies, disclosures, etc.
- Review of the major accounting entries, based on exercise of judgment by management and review of significant adjustments arising out of audit.
- Review of qualifications in the draft audit report and suggesting action points.
- Establishing and reviewing the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board.
- The Committee shall have post audit discussions with the independent auditors to ascertain any area of concern.
- Establishing the scope and frequency of internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems
- Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process
- To look into matters pertaining to the Director's Responsibility Statement with respect to compliance with accounting standards and accounting policies.
- Appointment, remuneration and terms of appointment of statutory and internal auditors
- Compliance with stock exchange legal requirements concerning financial statements, to the extent applicable
- The Committee shall look into any related party transactions, i.e., transactions of the Company of a material nature, with promoters or management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large, including approval or any subsequent modification of such transactions.
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever necessary
- Evaluation of internal financial controls and risk management systems
- Review the functioning of the vigil mechanism
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee.

#### **Powers of Audit Committee**

- Investigate any activity within its terms of reference
- Seek information from any employee
- Obtain outside legal or other professional advice
- Secure attendance of outsiders with relevant expertise, if it considers necessary

#### **Review of information by the Audit Committee**

- Management discussion and analysis of financial condition and results of operations
- Financial statements and draft audit report, including quarterly / half-yearly financial information
- Reports relating to compliance with laws and to risk management
- Records of related party transactions
- Management letters / letters of internal control weaknesses issued by statutory / internal auditors and
- The appointment, removal and terms of remuneration of the head of the internal audit function etc.

#### **IV NOMINATION AND REMUNERATION COMMITTEE**

Pursuant to Section 178 (1) of the Companies Act, 2013 the Board of Directors in its meeting held on November 13, 2014 the Remuneration Committee of the Company was renamed as "Nomination & Remuneration Committee" to align the composition and terms of reference of the Committee in accordance with the provisions of Companies Act, 2013.

#### **Composition and the details of the Meetings of the Committee held and attended during the year 2014-2015.**

As on March 31, 2015, the Nomination & Remuneration Committee comprises Four members viz., Mr. V.K. Modi, Mr. S.S. Agarwal, Mr. Anupam Bansal and Mr. G.C. Jain, an independent director, is the Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee. Mr. G. C. Jain, Chairman of the Committee was present at the Annual General Meeting held on September 25, 2014.

There was no meeting held during the year under review.

#### **Terms of Reference**

The role of the Nomination and Remuneration Committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down and recommend to the board their appointment, removal and shall carry out evaluation of every director's performance.

3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
6. Determine and recommend to the Board, the remuneration payable including any revision in remuneration payable to Managing Director/Executive Directors/ Non-Executive Directors.
7. Take into consideration and ensure compliance of the provisions under Schedule V of the Companies Act, 2013 and the rules made thereunder while determining the remuneration.
8. Consider such other matters as the Board may advise the Committee.

#### REMUNERATION POLICY

##### Non- Executive Directors

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

#### V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Shareholders' Grievance Committee was re-constituted to Stakeholder Relationship Committee w.e.f November 13, 2014 with reference to the provisions of Section 178(5) of the Companies Act, 2013. The Committee comprises of Mr. Vijay Kumar Modi as the Chairman and Mr. S. S. Agarwal and Mr. J.N. Khurana as the other member. The Company Secretary of the Company acts as the Compliance Officer of the Committee.

The Stakeholder Relationship Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, issue of duplicate certificates, transmission of shares and other miscellaneous complaints.

The role of the Stakeholders Relationship committee shall, inter-alia, include the following:

1. Dealing with the investor's complaints like delay in transfers of shares, non-receipt of balance sheet, non-receipt of declared dividends/share certificates, dematerialization of shares, replacement of lost/stolen/ mutilated share certificates, etc.
2. Investigate into investors complaints and take necessary steps for redressal thereof
3. To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Companies Act, 2013 and the rules made thereunder, Listing Agreements and the guidelines issued by SEBI or any other regulatory authority.
4. Approval of the share transfers and/or delegation thereof.

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

During the financial year 2014-15, the Committee met four times on May 29, 2014, August 14, 2014, November 13, 2014 and February 6, 2015.

S.No.	Name of the Member	Category	Number of meetings during the year 2014-15	
			Held	Attended
1.	Mr. Vijay Kumar Modi Chairman	Non- Executive Director	4	4
2.	Mr. S.S. Agarwal	Non -Executive Director	4	4
3.	Mr. J.N. Khurana *	Non -Executive Director	4	1

Mr. J.N. Khurana was appointed as member of the committee from 13th November, 2014.

**The details of the complaint received and redressed during the financial year 2014-15 are given below:**

Particulars	Status
Complaints as on April 1, 2014	NIL
Received during the year	7
Resolved during the year	7
Pending as on March 31, 2015	NIL

In terms of Clause 47(f) of the Listing Agreement, the designated e-mail address for investor's complaints is sbecsystems@rediffmail.com

**Name, Designation and address of Compliance officer:**

Ms. Varsha Yadav  
 Company Secretary  
 SBEC Systems (India) Limited  
 1400, Modi Tower  
 98, Nehru Place  
 New Delhi - 110019  
 Email: sbecsystems@rediffmail.com



**VI. SHARE TRANSFER COMMITTEE**

The Share Transfer Committee of the Board of Directors specifically addresses issues relating to transfer, split, and consolidation of shares. The composition of committee and the details of the meetings attended by the members for the financial year 2014-15 are given below

S. No	Name of the Member	Category	Number of meetings during the year 2014-15	
			Held	Attended
1.	Mr. Vijay Kumar Modi Chairman	Non- Executive Director	7	7
2.	Mr. S.S. Agarwal	Non -Executive Director	7	7

During the Financial Year the Committee met on 14th April, 2014, 21st April, 2014, 5th November, 2014, 30th December, 2014, 15th January, 2015, 28th January, 2015, 3rd February, 2015 respectively.

**Terms of Reference:**

1. To look in to request for transfer and transmission of shares
2. to issue Duplicate Share certificate in lieu of original share certificate.
3. to issue split Share Certificate as requested by the Member.
4. To take all such steps as may be necessary in this regard.

**VI. GENERAL BODY MEETINGS****(a) Annual General Meetings**

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

Financial year	Date	Time	Special Resolution Passed (Yes/No)	Venue
2013-14	September 24, 2014	2.00 p.m.	No	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi.
2012-13	September 27, 2013	1.00 p.m.	No	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi.
2011-12	September 27, 2012	3.00 p.m.	No	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi.

**(b) Extraordinary General Meetings**

No Extraordinary General Meeting of the Members was held during the year 2014-15.

**(c) Postal Ballot**

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

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

**VII. DISCLOSURES**

- (i) During the year, there were no material related party transactions that may have potential conflicts with the interests of the Company at large. Transactions with related parties are disclosed in Notes to Accounts. Disclosures from Senior Management that there had been no material financial and commercial transactions that had a potential conflict with the interest of the Company at large were placed before the Board.
- (ii) There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by Stock Exchanges or Securities Exchange Board of India or any statutory authority on any mater related to the capital markets during the last three years.
- (iii) The Company has complied with all the mandatory requirements on Corporate Governance as specified in Clause 49 of the Listing Agreement with the Stock Exchanges. A compliance report in the prescribed format has been submitted to the Stock Exchanges for all the quarters.
- (iv) The Company has also complied with the following non-mandatory requirements:

**a) Shareholder Rights**

The Quarterly, Half-yearly and Audited Financial Results are published in English language in newspaper having nation-wide circulation and also in regional language newspaper of the region where registered office of the Company is situated. Annual Report containing the detailed Balance Sheet and Profit & Loss Statement is also being sent to individual shareholder of the Company.

**b) Audit qualifications**

As mentioned in Directors Report

**c) Reporting of Internal Auditor**

The Internal Auditors of the Company directly report to the Audit Committee

**(v) Share Capital Audit**

A qualified practicing Company Secretary carried out the audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Share Capital audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The audit is carried out every quarter and report thereon is submitted to the Stock Exchanges and is placed before the Board of Directors.

**(vi) Compliance**

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

**(vii) Prevention of Insider Trading**

The Securities and Exchange Board of India vide its Notification dated January 15, 2015 has notified The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (New Regulations). The New Regulations will come into effect from May 15, 2015 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 shall stand repealed from that date. Under the New Regulations, the requirements of initial disclosures are applicable to promoter, key managerial personnel and director of a company and requirements of continual disclosures are applicable to promoter, employee and director of a company. As required under the New Regulations, the Company has formulated a Code of practices and procedures for fair disclosures of unpublished price sensitive information and a Code of Conduct to regulate, monitor and report trading by insiders in securities of the Company.

**(viii) Vigil Mechanism and Whistle Blower Policy**

The Company pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement has established a whistle blower policy and vigil mechanism for Directors and employees to report serious concerns that could have a large impact on the Company such as incorrect financial reporting, unethical behaviour, actual or suspected fraud, unlawful and serious and improper conduct. The said mechanism provides for adequate safeguards against harassment or victimization of person who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate cases. No employee of the Company was denied access to the Audit Committee. The said Whistle Blower Policy & Vigil Mechanism has been posted on Company's website: [www.sbcsystems.com](http://www.sbcsystems.com)

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

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

**INTERNAL CONTROLS AND SYSTEMS**

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

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

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

**DISCLOSURE RELATING TO SENIOR MANAGEMENT**

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

**CAUTIONARY STATEMENT**

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

**(x) Means of communication**

The Annual Reports, notices and other communications have been sent to each shareholder through the permitted mode. As per the statutory requirements under Clause 41 of the Listing Agreement with the Stock Exchanges, the quarterly/annual financial results are generally published in "Financial Express" and "Hari Bhoomi". The financial results, shareholding pattern and other updates on the working of the Company have been posted on the Company's website: [www.sbcsystems.com](http://www.sbcsystems.com). Besides the above, the Company also submits, inter-alia, to the Stock Exchanges, the full version of the Annual Report; quarterly report on corporate governance; quarterly/ yearly financial results; quarterly shareholding pattern; quarterly secretarial audit report; details of appointment/resignation of Directors and Company Secretary and such other reports as may be specified. The Company has also designated the email id: [sbcsystems@rediffmail.com](mailto:sbcsystems@rediffmail.com) exclusively for investor servicing.

**(xi) GENERAL SHAREHOLDER INFORMATION**

## 1. 26th Annual General Meeting:

Date & Day	September 23, 2015, Wednesday
Time	2.00 P.M.
Venue	Executive club, 439 , Village Sahoorpur, P.O. FAtchpur Beri, New Delhi

**2. Financial Calendar**

The Financial Year covers the period from April 1, 2015 to March 31, 2016. (Both days Inclusive)

For First Quarter UFR ended 30.06.2015 : By 14th August, 2015  
 For Second Quarter UFR ended 30.09.2015 : By 15th November, 2015  
 For Third Quarter UFR ended 31.12.2015 : By 15th February, 2015  
 For Audited Financial results for the year ended : 31.03.2016

**3. Date of Book Closure**

September 17, 2015 to September 23, 2015 (Both days inclusive)

**4. Dividend Payment Date**

Not Applicable

**5. 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 Uttar Pradesh Stock Exchange Limited by virtue of SEBI Exit order No. WTM/RKA/MRD/49/2015 dated 09.06.2015 is no more a Stock Exchange.

\*\* 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.

**6. 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.

**7. Registrar & Share Transfer Agent**

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

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

Beetal House, 3rd Floor,  
 99, Madangir, Near Dada Harsukhdas Mandir,  
 Behind Local Shopping Complex  
 New Delhi –110062  
 Ph. No. 011- 29961281-83  
 Fax: 011-29961284 Email: beetal@beetalfinancial.com

**8. Share Transfer System**

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

The Company obtains half yearly certificate from a Company Secretary in Practice relating compliance with the shares transfer formalities as required under Clause 47 ( c ) of the Listing Agreement with the Stock Exchange and files a copy of the certificate with the Stock Exchanges, from time to time.

**9. Distribution of Shareholdings as on 31st March, 2015.**

No of Shares	Number of Shareholders	Number of Shares	% of total Shares
Upto 5000	18761	3073781	94.25
5001 - 10000	749	591125	3.76
10001 - 20000	277	407265	1.39
20001- 30000	54	136826	0.27
30001 - 40000	23	82324	0.12
40001 - 50000	13	60449	0.07
50001 - 100000	13	90509	0.07
100000 and above	16	5557721	0.08
<b>Total</b>	<b>19906</b>	<b>10000000</b>	<b>100.00</b>

## 10. SHAREHOLDING PATTERN AS ON MARCH 31, 2015

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

## 11. Dematerialization of equity Shares and liquidity

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

## 12. 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.

## 13. 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

## 14. CEO/ CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, the Certificate duly signed by Mr. S.S. Agarwal, Chief Executive Officer and Mr. Anil Jain, Chief Financial Officer of the Company (w.e.f. 21st May, 2015) was placed before the Board of Directors at its meeting held on August 12, 2015.

## 15. CODE OF CONDUCT

The Company had adopted the Code of Conduct for all employees, Non- Executive Directors. The Code of Conduct for the Employees as well as Non- Executive Directors is posted on the Company's Website.

Further, all the Board Members and Senior Management personnel (as per Clause 49 of the Listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Chief Executive Officer forms part of this report.

**Declaration**

I, S.S. Agarwal, Director & Chief Executive Officer of SBEC Systems ( India) Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2015.

Place: New Delhi

Date: August 12, 2015

Sd/-  
S.S. Agarwal  
Chief Executive Officer

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

Place: New Delhi  
Date: 12-08-2015

Sd/-  
Vijay Kumar Modi  
Chairman

## 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 31<sup>st</sup> March 2015, 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)

Place : New Delhi  
Date : 12.08.2015

Membership No. 95459

### INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SBEC SYSTEMS (INDIA) LIMITED

#### Report on the Financial Statements

1 We have audited the accompanying financial statements of SBEC Systems (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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

2 The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

#### Auditor's Responsibility

3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements

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

#### Basis for Qualified Opinion

6. 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.

7. We draw attention to Note No.28 of the financial statement where in as at March 31, 2015 the company has not complied with the AS 13 "Accounting for investment" regarding reversal of diminution of current quoted investment aggregating to Rs.8.46 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. 8.46 lacs

#### Qualified Opinion

8. 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, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2015;
- ii) in case of the Statement of Profit and Loss, of the loss for the year ended on that date
- iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date

#### Emphasis of Matters

9 We draw attention to note 27 to the financial statements according to which the company has prepared its accounts on a going concern basis even though the net worth of the Company has been fully eroded. These facts cast significant doubt about the Company's ability to continue as a going concern,

#### Report on Other Legal and Regulatory Requirements

10 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

- 11 As required by section 143(3) of the Act, we further report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The company did not have any branch during the year.
  - d. 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;
  - e. except for the possible effects of the matter described in the basis for qualified opinion paragraph, in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
  - f. in our opinion, the going concern matter described in the Emphasis of Matters paragraph above may have an adverse effect on the functioning of the company
  - g. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
  - h. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014::
    - (i) The Company does not have any pending litigations which would impact its financial position
    - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
    - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

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

**(R. K. Mittal)**  
Partner  
M. No.95459

Place: Delhi  
Date :21.05.2015

**Annexure referred to in paragraph 10 Our Report of even date to the members of M/s SBEC Systems (India) Limited on the accounts of the company for the year ended 31st March, 2015**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (ii) The Company had no Inventory during the year.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes;
- (c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise
- (viii) The company's accumulated losses as at 31.03.2015 were more than fifty percent of its net worth. The Company has incurred cash losses both in the current financial year and in the immediately preceding financial year.
- (ix) According to the records of the company examined by us and as per the information and explanations given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures
- (x) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year
- (xi) In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year
- (xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

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

**(R. K. Mittal)**  
Partner  
M. No.95459

Place: Delhi  
Date :21.05.2015

## BALANCE SHEET AS AT 31 MARCH, 2015

(in Rs.)

Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	99,959,000	99,959,000
(b) Reserves and surplus	4	(189,732,361)	(187,195,505)
(c) Money received against share warrants		-	-
		<u>(89,773,361)</u>	<u>(87,236,505)</u>
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	63,371,769	60,789,062
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities	6	23,148,811	22,821,778
(d) Long-term provisions	7	45,994	23,510
		<u>86,566,574</u>	<u>83,634,350</u>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	8	74,715,840	81,965,840
(b) Trade payables	9	-	-
(c) Other current liabilities	10	4,230,006	5,345,156
(d) Short-term provisions	11	20,050	20,050
		<u>78,965,896</u>	<u>87,331,046</u>
	<b>TOTAL</b>	<u><b>75,759,109</b></u>	<u><b>83,728,891</b></u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	36,602	28,183
		<u>36,602</u>	<u>28,183</u>
<b>2 Current assets</b>			
(a) Current investments	13	68,602,183	68,602,183
(b) Trade receivables	14	-	257,408
(c) Cash and cash equivalents	15	586,775	820,709
(d) Short-term loans and advances	16	1,300,000	10,000,000
(e) Other current assets	17	5,233,549	4,020,408
		<u>75,722,507</u>	<u>83,700,708</u>
	<b>TOTAL</b>	<u><b>75,759,109</b></u>	<u><b>83,728,891</b></u>
<b>Significant Accounting Policies</b>	2		

In terms of our report attached

For & on behalf of board  
For SBEC Systems (India) Limited

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

sd/-  
Vijay K Modi  
Director  
DIN 00004606

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

sd/-  
J.N. Khurana  
Director  
DIN 00003817

sd/-  
Anil Jain  
Manager / CFO

R.K. Mittal  
Partner  
Membership No. : 95459  
Place : New Delhi  
Date : 21.05.2015

sd/-  
Varsha Yadav  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015**

(In Rs.)

Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>A CONTINUING OPERATIONS</b>			
Revenue from operations	18	-	-
Other income	19	<u>2,335,470</u>	<u>6,674,335</u>
<b>Total revenue (1+2)</b>		<u>2,335,470</u>	<u>6,674,335</u>
<b>Expenses</b>			
Employee benefits expense	20	709,763	918,798
Finance costs	21	2,913,304	9,070,111
Depreciation and amortisation expense	12	1,281	4,357
Other Expenses	22	1,247,978	1,076,580
<b>Total expenses</b>		<u>4,872,326</u>	<u>11,069,846</u>
<b>Profit / (Loss) before tax</b>		<b>(2,536,856)</b>	<b>(4,395,511)</b>
<b>Tax expense:</b>			
(a) MAT credit (where applicable)		-	-
(b) MAT (Adj.) Excess written Back		-	-
		-	-
<b>Profit / (Loss) from continuing operations</b>		<u><b>(2,536,856)</b></u>	<u><b>(4,395,511)</b></u>
(a) Basic & diluted earning per equity share (in Rs.) (face value Rs. 10/- each)			
(i) Basic	38	<b>(0.25)</b>	<b>(0.44)</b>
(ii) Diluted		-	-
<b>Significant Accounting policies</b>	<b>2</b>		

In terms of our report attached

For & on behalf of board  
For SBEC Systems (India) Limitedfor **K. K. JAIN & CO.**  
Chartered Accountants  
Firm Reg. No. 02465Nsd/-  
Vijay K Modi  
Director  
DIN 00004606sd/-  
S.S. Agarwal  
Director & CEO  
DIN 00004840sd/-  
J.N. Khurana  
Director  
DIN 00003817sd/-  
Anil Jain  
Manager / CFOR.K. Mittal  
Partner  
Membership No. : 95459sd/-  
Varsha Yadav  
Company SecretaryPlace : New Delhi  
Date : 21.05.2015



**NOTE NO. 1 COMPANY OVERVIEW:**

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

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

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

**ii. Revenue Recognition**

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

**iii. Inventory Valuation**

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

**iv. Fixed Assets**

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

**v. Foreign Currency Transactions**

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

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

**vi. Employee Benefits**

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

**vii. Investments**

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

- iii. Current investments are valued at carrying value without any adjustment for increase/diminution, if any is accounted at the time of sale of such investments.
- iv. Where long term investments are reclassified as current investments, transfers are made at the lower of cost or carrying amount at the date of transfer. Where investments are reclassified from current to long term, transfers are made at the lower of cost or fair value at the date of transfer. Thereafter, the investments are valued at that transfer price less provision for any diminution.

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

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

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

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

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

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

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

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

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

#### **xi. Earning per Share**

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

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

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

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

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

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

**NOTE - 3 : SHARE CAPITAL**

(In Rs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>AUTHORISED CAPITAL</b>		
15,000,000 Equity Shares of Rs.10/- each.	<u>150,000,000</u>	<u>150,000,000</u>
<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
10,000,000 Equity Shares of Rs.10/- each fully paid-up (Previous year 10,000,000 Equity Shares of Rs.10/- each fully paid-up)	<u>100,000,000</u>	<u>100,000,000</u>
Less: Calls in arrear	<u>(41,000)</u>	<u>(41,000)</u>
<b>TOTAL</b>	<u>99,959,000</u>	<u>99,959,000</u>
a. Reconciliation of number of shares (nos.)		
Outstanding at the beginning of the year	100,000,000	100,000,000
Outstanding at the end of the year	100,000,000	100,000,000
b. (1) The company has only one class of issued shares i.e. Equity shares having par value of Rs. 10 per share . Each holder of equity shares is entitled to one vote per and equal right for dividend. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing general meeting, except in case of interim dividend . in the event of liquidation the entity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.		
(2) No member shall exercise any voting rights in respect of any share on which any calls payable , or in respect of which the company has exercise its right of lien.		
(3) The Company shall have a first and paramount lien upon all partly paid shares registered in the name of any member either alone or jointly with other person and such lien shall extend to all dividend from time to time, subject to section 205A of the Act, provided that the board of directors may at any time, declare shares to be exempted wholly or partly from the provision of articles.		
c. Detail of shareholders holding more than 5 percent of equity shares :		
<b>Name of shareholders</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
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	19,261,774	19,261,774
<b>Surplus in the statement of Profit &amp; Loss</b>		
Opening Balance	(206,457,279)	(202,061,768)
Profit for the year	(2,536,856)	(4,395,511)
Less: Transfer to Reserves	-	-
Net surplus in the statement of Profit and loss account	<u>(208,994,135)</u>	<u>(206,457,279)</u>
<b>TOTAL</b>	<u>(189,732,361)</u>	<u>(187,195,505)</u>

**NOTE - 5 : LONG TERM BORROWINGS**

(Rs. In Lacs)

Particulars	Non current portion		Current portion	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>Unsecured</b>				
<b>Foreign Currency Loan From Overseas Corporate Body (Refer Note No. 23 &amp; 25)</b>	<u>63,371,769</u>	<u>60,789,062</u>	-	-
<b>Total</b>	<u>63,371,769</u>	<u>60,789,062</u>	-	-

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

(In Rs.)

Particulars	As at	
	31.03.2015	31.03.2014
Advance From Customer*	15,124,425	15,124,425
Others (Perdiem Charges) (Refer Note No. 26)	8,024,386	7,697,353
<b>Total</b>	<b>23,148,811</b>	<b>22,821,778</b>

\* from related parties

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

For Gratuity	45,994	23,510
<b>Total</b>	<b>45,994</b>	<b>23,510</b>

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

Loans repayable on demand From Corporate	74,715,840	81,965,840
<b>Total</b>	<b>74,715,840</b>	<b>81,965,840</b>

**NOTE - 9 : TRADE PAYABLES**

(in Rs.)

Particulars	Non current portion		Current portion	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Sundry creditors	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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	
	31.03.2015	31.03.2014
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**

(In Rs.)

	<b>As at 31.03.2015</b>	As at 31.03.2014
Interest accrue and due on borrowing	<b>3,056,841</b>	3,056,841
Salaries, wages & bonus*	<b>64,873</b>	64,561
Other liabilities**	<b>1,096,489</b>	2,206,698
Statutory dues payable	<b>11,803</b>	17,056
<b>TOTAL</b>	<b><u>4,230,006</u></b>	<u>5,345,156</u>

\*\* Includes liability to related parties amounting to Rs. 1049/- (previous year Rs. 978405/-)

\*Other liability includes amounting Rs. 57,708/- (previous year Rs. 36815/-) related to Sh. Anil Jain (Manager)

**NOTE - 11 : SHORT TERM PROVISIONS**

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

**NOTE - 12 : FIXED ASSETS**

(In Rs. )

**A. Tangible Assets**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Additions/Adj. during the year	Disposals/Adj. during the year	As at 31.03.2015	As at 01.04.2014	For the year	Adjustments / Disposals	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Plant and Machinery*	17,591	-	-	17,591	16,789	-	-	16,789	802	802
Furniture & Fixture & Fittings	632,848	-	-	632,848	608,158	-	-	608,158	24,690	24,690
Office Equipments	53,830	9,700	-	63,530	51,139	1,281	-	52,420	11,110	2,691
<b>TOTAL</b>	704,269	9,700	-	713,969	676,086	1,281	-	677,367	36,602	28,183
Previous Year	704,269	-	-	704,269	671,729	4,357	-	676,086	28,183	32,540

**NOTE - 13 : CURRENT INVESTMENT**

(In Rs.)

Particulars	Non current portion		Current portion	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>Trade Investment</b>				
(Quoted, Valued at Cost)				
<b>Investment *</b>				
31,58,046 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	31,580,460		31,580,460	
Less : Provision for Dimuniation (Refer Note No. 28) **1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	8,931,924	<u>22,648,536</u>	8,931,924	<u>22,648,536</u>
Less : Provision for Permanent Dimuniation (Refer Note No. 28)	<u>110,731,680</u>		<u>110,731,680</u>	
<b>TOTAL</b>	<u>64,778,033</u>	<u>68,602,183</u>	<u>64,778,033</u>	<u>68,602,183</u>
Market value of quoted Investments (Based on closing rate of Rs. 9.60 at BSE on 31.03.2015 Previous year @ Rs. 9.60 per share)		69,448,324		136,619,654
* Investment in related Party				

**NOTE 14 : TRADE RECEIVABLES\*\***

(in Rs.)

Particulars	Non current portion		Current portion	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>Debts outstanding for a period exceeding six months from the date they are due for payment</b>				
Unsecured considered good	-	-	-	257,408
<b>TOTAL</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,408</u>

\*\*Trade Receivable includes relating party amounting Rs. Nill (Previous year Rs. 257408/-)

**NOTE - 15 : CASH AND BANK BALANCES**

(in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Cash and Cash Equivalents</b>		
Balance with Scheduled Banks in -		
— Current Accounts	273,397	459,126
— Cash & Stamps in hand	273,378	321,583
	<u>546,775</u>	<u>780,709</u>
<b>Other Bank Balances</b>		
Fixed deposit with Banks*	40,000	40,000
<b>TOTAL</b>	<u>586,775</u>	<u>820,709</u>

\* Fixed Deposit Matured But Pledged with Sales Tax Authority

**NOTE - 16 : SHORT TERM LOAN & ADVANCES**

(in Rs.)		
Particulars	As at 31.03.2015	As at 31.03.2014
<b>Unsecured considered good</b>		
Loans	1,300,000	10,000,000
Staff balances*	-	-
<b>TOTAL</b>	<u>1,300,000</u>	<u>10,000,000</u>

**NOTE - 17 : OTHER CURRENT ASSETS**

Income tax recoverable	185,300	326,341
Service Tax -(Cenvat Credit)	82,400	82,400
Interest receivable	4,965,849	3,611,667
<b>TOTAL</b>	<u>5,233,549</u>	<u>4,020,408</u>

**NOTE 18 : REVENUE FROM OPERATIONS**

( in Rs.)		
Particulars	For the Year ended 31.03.2015	For the Year ended 31.03.2014
Sale of Services	-	-
<b>TOTAL</b>	<u>-</u>	<u>-</u>

**NOTE - 19 : OTHER INCOME**

Foreign Exchange fluctuation	-	-
Interest	1,364,851	2,495,753
Excess Provision / Sundry Balances written back	970,619	3,967,351
Profit on sale of Investment	-	211,231
<b>TOTAL</b>	<u>2,335,470</u>	<u>6,674,335</u>

**NOTE - 20 : EMPLOYEE BENEFIT EXPENSES**

Particulars	( in Rs.)	
	For the Year ended 31.03.2015	For the Year ended 31.03.2014
Salary, Wages, Bonus & other allowances	609,907	822,039
Company's Contribution To Provident & Other Funds	33,579	40,457
Staff Welfare Expenses	7,793	10,792
Gratuity	22,484	23,510
Entertainment Expenses	36,000	22,000
<b>TOTAL</b>	<b><u>709,763</u></b>	<b><u>918,798</u></b>

**NOTE - 21 : FINANCE COST**

Interest - Others	260	243,790
Bank Charges	2,292	46,838
Foreign Exchange Fluctuation	2,909,740	8,779,482
Demat Charges	1,012	-
<b>TOTAL</b>	<b><u>2,913,304</u></b>	<b><u>9,070,111</u></b>

**NOTE 22 : OTHER EXPENSES**

Auditor's Remuneration	56,180	56,180
Telephone, Postage & Telegram	14,000	14,481
Legal & Professional Charges	43,318	91,903
Travelling & Conveyance	8,374	14,357
Printing & Stationery	8,857	15,074
Insurance expenses	-	393
Misc. Expenses	7,045	1,125
Accountancy Charges	24,000	24,000
Books & Periodicals	18,000	17,550
Secretarial Expense	810,796	758,796
Amount Write off	257,408	82,721
<b>TOTAL</b>	<b><u>1,247,978</u></b>	<b><u>1,076,580</u></b>



**Note 23 Contingent liabilities not provided for in respect of :-**

Particulars	Current Year (Rs in Lacs)	Previous Year (Rs in Lacs)
Trade Tax	2.55	2.55
Security to Shamrao Vithal Co-operative Bank Ltd.	-	700.00
Interest on Foreign Currency Loan	177.81@	170.57@

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

Note 25. In the absence of necessary agreements/approvals, interest on loans from foreign lenders has not been provided.

Note 26. 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 27. The accounts of the Company for the year ending 31.03.15 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 28. Reversal of diminution of Current Quoted investment aggregating Rs.8.46 lacs ( Prv. Year Rs. 680.17 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. 8.46 lacs (Prv. Year Rs. 680.17 Lacs)

Note 29. Manager have been paid remuneration in terms of resolution and in accordance with schedule V to the companies Act, 2013, as under:  
Remuneration to manager under section 197 of the companies Act, 2013.

Particulars	Current Year (Rs in Lacs)	Previous Year (Rs in Lacs)
Salary	5.76	5.01
Contribution to Provident fund	0.33	0.40

\* Remuneration excludes provisions for Gratuity determined on actuarial basis ,

**Note 30. 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 31. Related Parties Disclosures****1. The names of the Related Parties as certified by the management are as follows :**

- a) Enterprises Where Control Exists  
SBEC Sugar Limited (Substantial Interest Exist)
- b) Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises.
  - i. SBEC System limited (United Kingdom)
- c) Key Managerial Personnel  
Mr. Amit Jain Manager –Upto April 2013  
Mr. Anil Jain Manager–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., 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\*., Modi Hitech 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,(upto 17.01.2014) Chandil Power Ltd.(upto 29.09.2014) ,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
<b>Income</b>				
Services Provided	—	—	—	9.71
	(—)	(—)	(—)	(0.07)
<b>Expenses</b>				
Remuneration	—	—	6.09	—
	(—)	(—)	(5.41)	(—)
Misc. Expenses	—	—	—	2.57
	(—)	(—)	(—)	(—)
Purchase of Fixed Asset	—	—	—	0.10
	(—)	(—)	(—)	(—)
<b>Outstandings</b>				
Payable	127.95	—	0.52	23.30
	(127.95)	(—)	(0.37)	(33.07)
Receivable	—	—	—	—
	(—)	(—)	(—)	(2.57)
Equity Contribution	1423.12	—	—	—
	(1423.12)	(—)	(—)	(—)

**Note 32. 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 33. Current Liabilities include credit balance of Rs 0.52 (Previous year Rs. 0.37 lacs) in the name of Mr. Anil Jain appointed as Manager.****Note 34. 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)

	2014-15 Year	2013-14 Year	2012-13 Year	2011-12 Year	2010-11 Year
Employer's contribution to provident fund	0.33	0.40	0.48	0.45	0.39

**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	0.24	0.58	0.23	0.20	0.09
Interest Cost	-	-	0.02	0.01	0.01
Current Service Cost	0.22	0.24	0.13	0.17	0.10
Benefits Paid	Nil	0.58	Nil	0.27	Nil
Actuarial (gain)/loss	Nil	Nil	0.20	0.12	Nil
<b>DBP at the end of the year</b>	<b>0.46</b>	<b>0.24</b>	<b>0.58</b>	<b>0.23</b>	<b>0.20</b>

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

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

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

Fair Value of Plan Assets	Nil	Nil	Nil	Nil	Nil
Present value of obligation	0.46	0.24	0.58	0.23	0.20
Net asset/(liability) recognized in the Balance Sheet	0.46	0.24	0.58	0.23	0.20

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

Interest Cost	Nil	Nil	0.02	0.01	0.01
Current Service Cost	0.22	0.24	0.13	0.17	0.10
Expected Return on Plan Assets	Nil	Nil	Nil	Nil	Nil
Net Actuarial (Gain) / Loss recognised during the year	Nil	Nil	0.20	0.12	—
Expenses recognised in the statement of Profit & Loss	0.22	0.24	0.35	0.30	0.11

**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 31.03.15	Gratuity For The Year Ending 31.03.2014	Gratuity For The Year Ending 31.03.2013	Gratuity For The Year Ending 31.03.2012	Gratuity For The Year Ending 31.03.2011
Mortality table (LIC)	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified
Discount Rate	8%	8%	8%	8%	7.5%
Future Salary Increased	10%	10%	10%	5.5%	5%
Expected rate of return on plan assets	Nil	Nil	Nil	Nil	Nil
Withdrawal Rates					
Up to 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%
Up to 44 Years	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%	1.00%

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

**Note 35. 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) <b>Stock, Purchases and Sales of Goods traded in:</b>	Nil
b) <b>EXPENDITURE IN FOREIGN CURRENCY (On cash basis)</b>	
Interest Payment	Nil
	(2.44)
c) <b>EARNINGS IN FOREIGN EXCHANGE</b>	Nil
	(Nil)
d) <b>CIF VALUE OF IMPORTS</b>	Nil
	(Nil)

**Note 36. Earning per Share**

	Current Year	Previous Year
Net Profit /(Loss) (in lakhs)	(25.37)	(43.96)
Weighted average number of equity shares during the year	99,95,900	99,95,900
Basic & Diluted Earnings per Share	Rs.(0.25)	Rs.(0.44)

**Note 37. Previous Year figures are given in brackets and have been regrouped / rearranged wherever required.**

In terms of our attached report of even date,

For & on behalf of board  
For SBEC Systems (India) Limited

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

Sd/-  
Vijay K Modi  
Director  
DIN 00004606

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

Sd/-  
J.N. Khurana  
Director  
DIN 00003817

Sd/-  
Anil Jain  
Manager / CFO

R.K. Mittal  
Partner  
Membership No. : 95459  
Place : New Delhi  
Date : 21.05.2015

Sd/-  
Varsha Yadav  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(Rs. in Lacs)

	For the year ended 31.03.2015	For the Year ended 31.03.2014
<b>Cash flow from operating activities</b>		
Net profit before taxation	(25.36)	(43.96)
Adjustments for:-		
Depreciation	0.01	0.04
Other income:-		
Profit on sale of Investment	-	(2.11)
Interest income	(13.65)	(24.96)
Interest Expenses	0.00	2.44
<b>Operating profit before working capital changes</b>	<b>(39.00)</b>	<b>(68.55)</b>
(Increase)/Decrease in sundry debtors	3.99	0.83
Increase/(Decrease) in sundry creditors	(7.67)	(10.56)
<b>Cash generated from operations</b>	<b>(42.68)</b>	<b>(78.28)</b>
Income Tax Paid / received	0.00	(1.41)
<b>Net cash from operating activities</b>	<b>(42.68)</b>	<b>(79.69)</b>
<b>Cash flows from investing activities</b>		
Loan/Advance given	87.00	125.09
Sale of Investment	-	7.36
Purchase of Fixed Assets	(0.10)	0.00
Investment in Subsidy	0.00	-
<b>Net cash from/(used in) investing activities</b>	<b>86.90</b>	<b>132.45</b>
<b>Cash flows from financing activities</b>		
Proceeds from / (Repayment) of Loans	(46.67)	(59.12)
Interest paid	0.00	(2.44)
Interest received	0.10	10.78
<b>Net cash used in financing activities</b>	<b>(46.57)</b>	<b>(50.78)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2.35)</b>	<b>1.98</b>
<b>Components of Cash and Cash Equivalents</b>		
Opening Cash & Cash Equivalents	(8.21)	(6.23)
Closing Cash & Cash Equivalents	5.86	8.21
Net Increase / (decrease) as above	(2.35)	1.98

**Note:-**

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

In terms of our report attached

For & on behalf of board  
For SBEC Systems (India) Limitedfor **K. K. JAIN & CO.**  
Chartered Accountants  
Firm Reg. No. 02465NSd/-  
Vijay K Modi  
Director  
DIN 00004606Sd/-  
S.S. Agarwal  
Director & CEO  
DIN 00004840Sd/-  
J.N. Khurana  
Director  
DIN 00003817Sd/-  
Anil Jain  
Manager / CFOR.K. Mittal  
Partner  
Membership No. : 95459  
Place : New Delhi  
Date : 21.05.2015Sd/-  
Varsha Yadav  
Company Secretary

**SBEC**

**26th Annual Report - 2015**

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

**BOARD OF DIRECTORS**

Mr. Vijay K. Modi	Chairman
Mr. Norland L.C. Suzor	Director (Ceased w.e.f. 21.05.2015)
Mr. G.C. Jain	Director (Resigned w.e.f. 12.08.2015)
Mr. S.S. Agarwal	Director & CEO (w.e.f. 21.05.2015)
Dr. Anupam Bansal	Director
Mr. J.N. Khurana	Director
Ms Ritu Sikka	Director

**ALTERNATE DIRECTOR**

Mr. Bindu Kumar Luthra	(Alternate to Mr. Norland L.C. Suzor) (Ceased w.e.f. 21.05.2015)
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**CHIEF FINANCIAL OFFICER**

Mr. Anil Jain	(w.e.f. 21.05.2015)
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**COMPANY SECRETARY**

Ms Varsha Yadav	(Appointed w.e.f. 01.05.2015)
Ms Shivani Choudhary	(Resigned w.e.f. 10.06.2014)

**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,  
New Delhi-110062

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*If undelivered, please return to:-*

**SBEC SYSTEMS (INDIA) LIMITED**

1400, Modi Tower,

98, Nehru Place

New Delhi-110 019.