

SBEC

23rd Annual Report - 2012

SBEC SYSTEMS (INDIA) LIMITED

(Sugar, Bio-Energy & Control Systems)

BOARD OF DIRECTORS

Mr. Vijay K. Modi Chairman

Mr. Norland L.C. Suzor

Mr. G.C. Jain

Mr. S.S. Agarwal

Dr. Anupam Bansal

ALTERNATE DIRECTOR

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

MANAGER & CHIEF FINANCIAL OFFICER

Mr. Amit Jain

COMPANY SECRETARY

Ms Shwetambery Khurana

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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NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Shareholders of SBEC SYSTEMS (INDIA) LIMITED will be held on Thursday, the 27th day of September 2012 at the Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi at 3:00 P.M. to transact the following businesses:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012, the Profit and Loss Account for the period ended on that date along with the Directors' Report and the Auditors' Report thereon.
- To consider and appoint a Director in place of Mr. S. S. Agarwal, who retires from the office by rotation, and being eligible, offer himself for re-appointment.
- To consider and appoint a Director in place of Mr. Anupam Bansal, who retires from the office by rotation, and being eligible, offer himself for re-appointment.
- To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

M/s K.K. Jain & Co., Chartered Accountants (Firm Registration No. 02465N), the retiring Auditors, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, Schedule XIII as amended from time to time and other applicable provisions, if any, of the Companies Act, 1956 and approval of the Central Government (if required), Mr. Amit Jain be and is hereby appointed as Manager, within the meaning of section 2(24) of the Companies Act, 1956 for a period of three years with effect from 1st January, 2012 on the following terms and conditions:

S.N.	Particulars	Amount (in Rs.)
1	Basic Salary	19,500 p.m.
2	HRA / Leased Accommodation	50% of the basic salary p.m.
3	Conveyance Allowance	800 p.m.
4	Reimbursement of Medical Expenses	7% of basic salary per month
5	Bonus / Ex-gratia	As per the policy of the company
6	Leave Travel Assistance	8.33% basic salary
7	Provident Fund	12% of the basic salary
8	Special Allowance	517 p.m.
Other Terms		
1	Gratuity	As per policy of the Company
2	Leave Encashment	As per policy of the Company

In case of absence or inadequacy of profits in any financial year, Mr. Amit Jain shall be paid the above remuneration subject to the ceilings specified in Section II of Part II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to increase the remuneration of Mr. Amit Jain from time to time, on the recommendation of Remuneration Committee, subject to the overall limit not exceeding Rs. 75000/- p.m. including perks".

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

Place : New Delhi
Date : 28th August, 2012

**Shwetambery Khurana
Company Secretary**

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF AND A 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 HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. A BLANK PROXY FORM IS ANNEXED HERewith.**
- The Register of the Members and Share Transfer Books of the Company will remain closed from 20th September, 2012 to 27th September, 2012 (both days inclusive).
- An explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
- Members/Proxies are requested to bring Attendance Slips sent herewith duly filled in, for attending the Meeting.
- Members desiring any information as regards to accounts are requested to address their questions to the Company Secretary at least 7 days before the date of the meeting so that the required information is made available at the meeting.
- Non-Resident Shareholders are requested to inform immediately the change in the residential status on return for permanent settlement.
- As per the provisions of the Companies Act, 1956, as amended, facility for making nominations is available to individuals holding shares in the Company. The Nomination can be made in Form-2B, which can be obtained from the Share Department of the Company.
- The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by permitting companies to communicate with its members through electronic mode. Members are requested to register their e-mail address with the Company or its Registrar & Transfer Agent, Beetal Financial & Computer Services (P) Limited. Members are also requested to update/intimate changes in their email address from time to time.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 5**

Mr. Amit Jain was appointed as Manager with in the meaning of Section 2(24) pursuant to the provision of Section 269 of the Companies Act, 1956 by the Board of Directors, on the recommendation of Remuneration Committee, in the Board meeting held on 1st January, 2012 for a period of three years with effect from 1st January, 2012.

Mr. Amit Jain is a Chartered Accountant and has experience in the field of Accounts and Finance, the Board recommends this resolution for your approval. The Explanatory statement together with accompanying notice may be treated as an abstract of terms of appointment and memorandum of interest under section 302 of the Companies Act, 1956.

None of the directors of your Company is interested in this resolution.

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

BRIEF RESUME, EXPERIENCE AND OTHER DIRECTORSHIP**MR. S.S. AGARWAL**

Mr. S.S. Agarwal is Non Executive Director of the Company. He is Graduate in Science and Law. He has more than 47 years of vast experience in finance and administration. He is on the Board of SBEC Bioenergy Ltd, SBEC Investment Ltd, SBEC Stockholding & Investment Ltd. and Modi Gourmet Ltd. He does not hold any Shares in the Company

DR. ANUPAM BANSAL

Dr. Anupam Bansal is an Independent & Non Executive Director of the Company. Dr. Anupam Bansal is a Doctor of Medicines, Practicing Consultant, Physician & cardiologist for the last 31 years. He is not on the Board of any other Public Limited Company. He does not hold any share in the Company.

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

Place : New Delhi
Date : 28th August, 2012

**Shwetambery Khurana
Company Secretary**

DIRECTORS' REPORT

Dear Shareholders,

Your directors take pleasure in presenting the 23rd Annual Report of the Company together with Audited Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS

The summarised financial results of the Company for the Financial year 2011-12 vis-a-vis 2010-11 are as under:-

Particulars	Year ended	Year ended
	31.03.2012 (Rs. in Lacs)	31.03.2011 (Rs. in Lacs)
Sales & Other Income	9.13	17.62
Total Expenditure	23.79	16.54
Operating Profit / (Loss)		
before tax	(14.66)	1.08
Profit / (Loss) after tax	(14.66)	1.62

FINANCIAL PERFORMANCE

During the year under review, the sales and other income stood at Rs 9.13 Lacs. The net loss of the Company stood at Rs. 14.66 Lacs as compared to net profit of Rs. 1.62 Lacs for the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

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

INTERNAL CONTROLS AND SYSTEMS

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

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The company's human resources philosophy is to establish and build a strong performance and competence driven culture with greater sense of accountability and responsibility. The effort to rationalize and streamline the workforce is a continuous process. The industrial relations scenario remained harmonious throughout the year.

DISCLOSURE RELATING TO SENIOR MANAGEMENT

During the year under review there was no material financial or commercial transaction where senior management personnel has personal interest that may have potential conflict with the interest of the Company at large. The Company has received necessary declarations from the senior management personnel.

FIXED DEPOSITS

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

DIRECTORS

In accordance with the provisions of Section 256 of the Companies Act, 1956 and Article 43 of the Articles of Association of the Company, Mr. S.S.Agarwal, Non- Executive Director and Dr. Anupam Bansal, Independent & Non- Executive Director will retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has one Subsidiary Company, namely SBEC Investments Limited. The Statement under section 212 of the Companies Act, 1956 in respect of Subsidiary Company is annexed herewith.

In accordance with the General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors has decided not to annex the annual accounts of its Subsidiary Company in this Annual Report. The annual accounts of the Subsidiary Company and the related detailed information shall be made available to the shareholders of the Company and the Subsidiary Company seeking such information at any point of time. The annual accounts of the Subsidiary Company shall also be kept for inspection by any shareholder at the registered office of the Company and of the Subsidiary Company concerned. The Company shall furnish a hard copy of details of account of the Subsidiary Company to any shareholder on demand.

LISTING OF SHARES

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

AUDITORS

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

AUDITOR'S REPORT

The notes to accounts referred to in the Auditors Report are self-explanatory and, therefore, don't call for any further comments.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. That in the preparation of the Annual Accounts, the applicable accounting standards, except the deviation from Accounting Standard -11 and Accounting Standard -13, had been followed along with proper explanation relating to material departures;
2. That the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of affairs of the Company at the end of the financial year and of the loss of the company for that period;
3. That proper & sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
4. That the Annual Accounts are prepared on going concern basis;

CORPORATE GOVERNANCE

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

PARTICULARS OF EMPLOYEES

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As stipulated under the provisions of section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, a statement giving the required information for the year ended on 31st March 2012, is annexed hereto and forms part of the Directors' Report.

ACKNOWLEDGEMENTS

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

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

Place : New Delhi
Date : 28th August, 2012

**Vijay K. Modi
Chairman**

ANNEXURE TO DIRECTORS' REPORT

Information required pursuant to section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 forming part of the Directors Report for the year ended 31st March 2012.

- A. CONSERVATION OF ENERGY** : Not Applicable
B. TECHNOLOGY ABSORPTION :

The information required to be disclosed under Rule 2 of the previously mentioned Rules is given hereunder in Form B.

FORM B

Form for disclosure of particulars with respect to Technology Absorption, Research and Development (R&D).

Research & Development : NIL

Technology absorption, adaptation and innovation

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

- (a) Technology Imported : NIL
- (b) Year of Import : NA
- (c) Has technology been fully absorbed : NA
- (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action : NA

C. FOREIGN EXCHANGE EARNING AND OUTGO

- i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export Plans:

Not applicable as the company has not been carrying on or intending to carry on any export activities in near future.

ii) (Rs. in Lacs)

	Current Year	Previous Year
Total Foreign Exchange Used	Nil	Nil
Total Foreign Exchange Earned	Nil	Nil

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

Place : New Delhi
Date : 28th August, 2012

**Vijay K. Modi
Chairman**

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

Composition of the Board of Directors and other details as on 31.03.2012 is as under:

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

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

(**) Includes only Specified Committees i.e. Audit Committee and Shareholders Grievance Committee

Six Board Meetings were held during the year under review on 3rd June 2011, 18th July 2011, 16th August 2011, 7th November 2011, 1st January 2012 and 26th March 2012.

INFORMATION REGARDING RE- APPOINTMENT OF DIRECTORS

Mr. S.S. Agarwal, Director, retires by rotation and being eligible offers himself for re-appointment. Mr. S.S. Agarwal is Non Executive Director of the Company. He is Graduate in Science and Law. He has more then 47 years of vast experience in finance and administration. He is on the Board of SBEC Bioenergy Ltd, SBEC Investment Ltd, SBEC Stockholding & Investment Ltd. and Modi Gourmet Ltd. He does not hold any Shares in the Company

Dr. Anupam Bansal, Director, retires by rotation and being eligible offers himself for re-appointment. Dr. Anupam Bansal is an Independent & Non Executive Director of the Company. Dr. Anupam Bansal is a Doctor of Medicines, Practicing Consultant, Physician & cardiologist for the last 31 years. He is not on the Board of any other Public Limited Company. He does not hold any share in the Company.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

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

The Company has received affirmation of Compliance with the Code from all the Directors and Senior Management personnel for the financial year ended 31st March 2012.

AUDIT COMMITTEE

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

Four Meetings of the Audit Committee were held during the year under review on 4th May 2011, 8th August 2011, 7th November 2011 and 4th February, 2012. Attendance in the above meetings is as follows:

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

SHARHOLDERS' GRIEVANCE COMMITTEE

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

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

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

REMUNERATION COMMITTEE

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

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

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

One meeting of remuneration committee was held on 1st January 2012 during the year ended 31st March 2012.

SHARE TRANSFER COMMITTEE

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

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

During the year under review, 10 Share Transfer Committee Meetings were held.

ANNUAL GENERAL MEETING:

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

Year	Location	Date	Time	Special Resolution Passed (Yes/No)
2011	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi.	September 27, 2011	2.00 P.M.	Yes
2010	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi.	September 27, 2010	2.00 P.M.	Yes
2009	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi.	September 25, 2009	2.00 P.M.	Yes

POSTAL BALLOT:

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

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

DISCLOSURES:

- During the year under review, the company had no materially significant related party transactions as envisaged under the Corporate Governance Code that may have potential conflict with the interests of the company at large. However, the related party transactions during the year under review are mentioned in Note 39 to the “Notes to Accounts”.
- There has been no non compliance, penalties/ strictures imposed on the Company by Stock Exchange(s) or SEBI or any other statutory authority, on any matter related to capital markets during the last three years.
- At present, the company does not have any Whistle Blower Policy.

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

Pursuant to Clause 49 of the Listing Agreement, the Chairman and the Chief Financial Officer have submitted the desired certificate to the Board of Directors and the same has been taken on record by the Board of Directors in their meeting held on 28th August 2012.

MEANS OF COMMUNICATION:

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

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

Date	: September 27, 2012
Time	: 3:00 P.M.
Venue	: Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi.

Financial Year : 1st April, 2011 to 31st March, 2012

Financial Calendar 2012-2013 (tentative and subject to change)

Particulars	Date
1. Quarter ended 30.06.2012:	First fortnight of August, 2012
2. Quarter ended 30.09.2012:	First fortnight of November, 2012
3. Quarter ended 31.12.2012:	First fortnight of February, 2013
4. Quarter ended 31.03.2013:	First fortnight of May, 2013

Book Closure: 20th September 2012 to 27th September 2012 (both days inclusive)

Dividend Payment Date

Due to losses no dividend has been recommended by the Board of Directors for the year ended 31st March 2012.

Listing on Stock Exchanges:

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

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

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

Market Price Data:

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

Registrar & Transfer Agents

Beetal Financial & Computer Services (P) Ltd.

Beetal house, 3rd Floor, 99 Madangir,

Behind Local Shopping Centre,

New Delhi-110062

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

Email:- beetal @ rediffmail.com

Share Transfer System

The share transfer requests sent by shareholders are manually checked. If the transfer deed and enclosures are valid, the shares are transferred within a month 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 a month of receipt of request.

Distribution of Shareholdings as on 31st March 2012.

Range	Shareholders		Shares	
	No. of Shares	Number	% of total holders	Number
Upto 500	18794	94.27	3078353	30.78
501 – 1000	746	3.74	589180	5.89
1001 – 2000	276	1.38	405265	4.05
2001 – 3000	54	0.27	136826	1.37
3001 – 4000	23	0.12	82297	0.82
4001 – 5000	14	0.07	64649	0.65
5001 – 10000	14	0.07	96509	0.97
Above 10000	15	0.08	5546921	55.47
Total	19936	100.00	10000000	100.00

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

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

Address for Correspondence

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

SBEC Systems (India) Limited

1400, Modi Tower

98, Nehru Place

New Delhi - 110019

Email: sbecsystems@rediffmail.com

Nomination Facility

Shareholders desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Company in prescribed Form 2B for this purpose.

AUDITORS' CERTIFICATE

To,

The Members of SBEC Systems (India) Limited

We have examined the compliance of the conditions of corporate governance by SBEC Systems (India) Limited for the year ended on 31st March 2012, 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

(K.K. Jain)

(PARTNER)

Place : New Delhi

Date : 28th August 2012

Membership No. 005436

AUDITORS' REPORT**TO THE MEMBERS OF SBEC SYSTEMS (INDIA) LIMITED**

We have audited the attached Balance Sheet of **SBEC Systems (India) Limited** as at 31st March, 2012 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements, based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies Auditor's Report Order, 2003, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Orders.
3. Further to our comments in the Annexure, referred to above, we report that:
 - i. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of accounts as required by Law, have been kept by the Company so far as appears from our examination of the books of the Company.
 - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement, dealt with by this Report, are in agreement with the books of account of the Company.
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards, referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 and Companies (Accounting Standard) Rule 206, issued by the central government in exercise of the power conferred under sub section (1) (a) of section 642 of the Companies Act, 1956 to the extent applicable except :
 - A.) Accounting Standard – 13 “ Accounting for Investments” referred Note No. - 32.
 - B.) Accounting Standard – 11 “The Effect of change in foreign exchange rate” referred Note No.- 33.
 - v. Based on the declaration made by the directors of the company and the information and explanations given to us, none of the Directors is, as at 31.03.2012, prima-facie disqualified from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956..
 - vi. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet, Profit and Loss Account and Cash Flow Statement read with the Schedules and Notes thereon specifically Note No. 30 regarding Going concern basis and subject to the consequential impact on the result for the period of **Note No 29 regarding non-provision of expenses related to deputation charges of foreign technicians , Note No 31 regarding Non provision of interest on foreign**

currency loan, Note No.32 regarding non reversal of diminution of current investments, Note No. 33 regarding non provision of exchange rate fluctuation of foreign liabilities, Note No. 34 regarding unaccounted of consequential effect of supplier settlement order(s) passed by the Hon'ble Delhi High Court and Note no. 35 regarding non-provision of interest on overdue payment of foreign suppliers give the information required by the Companies Act, 1956, in the manners so required and a true and fair view:-

- (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012 and
- (b) In the case of the Profit & Loss Account of the loss for the year ended on that date.
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **K. K. JAIN & COMPANY,**
Chartered Accountants,
Firm Reg. No.02465N

(K.K. JAIN)
(PARTNER)

Place : New Delhi

Date : 28th August, 2012

Membership No. 005436

Annexure referred to in paragraph 2 of our Report of even date to the Member of SBEC SYSTEMS (INDIA) LIMITED on the accounts as at and for the year ended 31st March, 2012

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies between the book records and the physical inventory were noticed in respect of the assets physically verified.
- (c) In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. (a) Inventories have been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of records of inventory produced to us, in our opinion, the company has maintained proper records of inventories. There were no material discrepancies noticed on physical verification of inventory as compared to the book record.

3. The company has not taken/granted any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control in respect of these areas.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
(b) In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five Lakhs in respect of any party during the year have been made at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business..
8. We are informed that the provisions of Section 209(1)(d) of the Companies Act, 1956 relating to the maintenance of cost records are not applicable to the Company.
9. (i) Undisputed statutory dues including Provident Fund, Investor Education & Protection fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess have generally been regularly deposited with the appropriate authorities.
(ii) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were outstanding at the year end for a period of more than six months from the date they became payable.
(iii) According to the information and explanation given to us, there are no dues of Income Tax, Custom Duty, Wealth Tax, service Tax, Excise Duty, Sales Tax and Cess which have not been deposited on account of any dispute except the Trade Tax dues of Rs. 2.55 lakh under U P Trade Tax Act for which an appeal is pending before the Assistant Commissioner – Trade Tax.
10. The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss during the year but has not incurred cash losses during the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanation given by the management we are of the opinion that the company has not taken any loans from any financial institutions, banks or debenture holders and hence no default on repayment of the same.
12. According to the information and explanations given to us and based on the documents and records produced to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
16. The company has not obtained any term loan during the year ended 31st March, 2012.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the company, we report that no funds raised on short-term basis have been used for long-term investments.
18. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
19. No debenture were issued by the company. Therefore, no securities have been created.
20. The company has not raised any money by a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **K. K. JAIN & COMPANY,**
Chartered Accountants,
Firm Reg. No.02465N

(K.K. JAIN)
(PARTNER)

Place : New Delhi
Date : 28th August, 2012

Membership No. 005436

BALANCE SHEET AS AT 31 MARCH, 2012

(Rs. in Lacs)

Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	999.59	999.59
(b) Reserves and surplus	4	(1,818.14)	(1,803.48)
(c) Money received against share warrants		-	-
		<u>(818.55)</u>	<u>(803.89)</u>
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	5	517.04	517.04
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities	6	217.12	217.10
(d) Long-term provisions	7	0.23	0.20
		<u>734.39</u>	<u>734.34</u>
4 Current liabilities			
(a) Short-term borrowings	8	97.06	7.85
(b) Trade payables	9	16.60	16.60
(c) Other current liabilities	10	678.39	887.11
(d) Short-term provisions	11	0.20	0.20
		<u>792.25</u>	<u>911.76</u>
TOTAL		<u>708.09</u>	<u>842.21</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	0.37	0.45
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
		<u>0.37</u>	<u>0.45</u>
(b) Non-current investments	13	5.00	5.00
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	14	1.13	1.14
		<u>6.13</u>	<u>6.14</u>
2 Current assets			
(a) Current investments	15	686.03	816.82
(b) Inventories		-	-
(c) Trade receivables	16	2.57	2.57
(d) Cash and cash equivalents	17	10.20	7.69
(e) Short-term loans and advances	18	0.09	-
(f) Other current assets	19	2.70	8.54
		<u>701.59</u>	<u>835.62</u>
TOTAL		<u>708.09</u>	<u>842.21</u>
Significant Accounting Policies	2		

The notes referred to above form an integral part of the Balance Sheet

In terms of our report attached

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

Vijay K Modi
Director
DIN 00004606

S.S. Agarwal
Director
DIN 00004840

G.C. Jain
Director
DIN 00002696

B.K. Luthra
Director
DIN 00004154

K. K. Jain
Partner
Membership No. : 005436

Shwetambery Khurana
Company Secretary

Amit Jain
Manager & CFO

Place : New Delhi
Date : 28th August, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

(Rs. In Lacs)

Particulars	Note No.	For the year ended 31.03.2012	For the year ended 31.03.2011
A CONTINUING OPERATIONS			
Revenue from operations (gross)	20	-	17.00
Less: Excise duty		-	-
Revenue from operations (net)		-	17.00
Other income	21	9.13	0.62
Total revenue		9.13	17.62
Expenses			
Employee benefits expense	22	8.43	7.64
Finance costs	23	8.35	0.06
Depreciation and amortisation expense	12	0.08	0.09
Administration Expenses	24	6.93	8.75
Total expenses		23.79	16.54
Profit / (Loss) before tax		(14.66)	1.08
Tax expense:			
(a) MAT credit (where applicable)		-	(0.20)
(b) MAT (Adj.) Excess written Back		-	0.74
		-	0.54
Profit / (Loss) from continuing operations		(14.66)	1.62
(a) Basic & diluted earning per equity share (in Rs.) (face value Rs. 10/- each)			
(i) Basic	38	(0.15)	0.02
(ii) Diluted			
Significant Accounting policies	2		

The notes referred to above form an integral part of the Statement of Profit & Loss

In terms of our report attached

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

Vijay K Modi
Director
DIN 00004606

S.S. Agarwal
Director
DIN 00004840

G.C. Jain
Director
DIN 00002696

B.K. Luthra
Director
DIN 00004154

K. K. Jain
Partner
Membership No. : 005436

Shwetambery Khurana
Company Secretary

Amit Jain
Manager & CFO

Place : New Delhi
Date : 28th August, 2012

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2012**NOTE NO. 1 : COMPANY OVERVIEW**

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

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

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

ii. Revenue Recognition

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

iii. Inventory Valuation

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

iv. Fixed Assets

- Fixed Assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to acquisition and installation of fixed assets.
- Fixed assets acquired under Hire Purchase Scheme are capitalized at their principal value and interest implicit in the hire rental is charged off as revenue expense.
- Depreciation on Fixed Assets, except relating to assets given on Lease has been provided at written down value rates prescribed under Schedule XIV to the Companies Act, 1956.
- Depreciation on Fixed Assets given on Lease is provided at the rates determined on the basis of primary lease period of these assets, or the straight line rates prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher.

v. Foreign Currency Transactions

Foreign currency transactions during the period are recorded at the rates prevailing at the date of transaction. Liabilities payable in foreign currencies are stated at bank's T.T. selling rates of exchange except liability payable in Foreign Currencies as on 31.03.2009 are stated at bank TT selling rate of exchange as on 31.03.2009. The resultant gain or loss, if any is reflected in the Profit & Loss Account, except exchange difference on liabilities incurred for acquisition of fixed assets which are capitalised. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.

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 where ever the carrying amount of an asset exceeds its recoverable amount.

xi. Earning per Share

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

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

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

xii. Provisions and Contingent Liabilities

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

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

NOTE - 3 : SHARE CAPITAL

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
AUTHORISED CAPITAL		
15,000,000 Equity Shares of Rs.10/- each.	1,500.00	1,500.00
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
10,000,000 Equity Shares of Rs.10/- each fully paid-up		
(Previous year 10,000,000 Equity Shares of Rs.10/- each fully paid-up)	1,000.00	1,000.00
Less: Calls in arrear	(0.41)	(0.41)
TOTAL	999.59	999.59

- a. Reconciliation of number of shares (nos.)
- | | | |
|--|--------------------|-------------|
| Outstanding at the beginning of the year | 1,00,00,000 | 1,00,00,000 |
| Outstanding at the end of the year | 1,00,00,000 | 1,00,00,000 |
- b. (1) The company has only one class of issued shares i.e. Equity shares having par value of Rs. 10 per share . Each holder of equity shares is entitled to one vote per and equal right for dividend. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing general meeting, except in case of interim dividend . in the event of liquidation the entity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.
- (2) No member shall exercise any voting rights in respect of any share on which any calls payable , or in respect of which the company has exercise its right of lien.
- (3) The Company shall have a first and paramount lien upon all partly paid shares registered in the name of any member either alone or jointly with other person and such lien shall extend to all dividend from time to time, subject to section 205A of the Act, provided that the board of directors may at any time, declare shares to be exempted wholly or partly from the provision of articles.

- c. Detail of shareholders holding more than 5 percent of equity shares :

Name of shareholders	As at 31st March, 2012		As at 31st March, 2011	
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. None of the securities are convertible into shares at the end of the reporting period.
No calls are unpaid by any director or officer of the company during the year.

NOTE - 4 : RESERVES & SURPLUS

Share Premium Reserve	192.62	192.62
Surplus in the statement of Profit & Loss		
Opening as on 01/04/11 in the statement of Profit and loss	(1,996.10)	(1,997.72)
Profit for the year	(14.66)	1.62
Less: Transfer to Reserves	-	-
Net surplus in the statement of Profit and loss account	(2,010.76)	(1,996.10)
TOTAL	(1,818.14)	(1,803.48)

NOTE - 5 : LONG TERM BORROWINGS

(Rs. In Lacs)

Particulars	Non current portion		Current portion	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Unsecured				
Foreign Currency Loan From Overseas Corporate Body (Refer Note No. 25,28 &31 & 33)	517.04	517.04		
Deffered Payment Credit			368.15	514.92
Other Supplier Credit			209.17	266.67
TOTAL			577.32	781.59
Less : Amount disclosed under the head "other liabilities" (Refer to note 9)	-	-	577.32	781.59
Total	517.04	517.04	-	-

NOTE - 6 : OTHER LONG TERM LIABILITIES

(Rs. In Lacs)

Particulars	As at	
	31.03.2012	31.03.2011
Advance From Customer*	151.65	151.63
Others (Perdiem Charges) (Refer Note No. 29)	65.47	65.47
Total	217.12	217.10

* Includes advance from related parties amounting to Rs. 151.23 Lacs

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

For Gratuity	0.23	0.20
Total	0.23	0.20

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

Loans repayable on demand From Corporate	97.06	7.85
Total	97.06	7.85

NOTE - 9 : TRADE PAYABLES

(Rs. In Lacs)

Particulars	Non current portion		Current portion	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Sundry creditors				
Small Scale Industries	-	-	-	-
Others (Refer Note No. 27)	5.97	5.97		
Bills Payable (refer Note No. 27)	10.63	10.63	-	-
TOTAL	16.60	16.60	-	-

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

	As at 31.03.2012	As at 31.03.2011
A. Principal amount payable to suppliers as at year end	-	-
B. Interest due thereon as at year end	-	-
C. Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which interest relates	-	-
D. Amount of delayed payments actually made to suppliers during the year	-	-
E. Amount of interest due and payable for the year of delay in making payment (Which has been paid, but beyond the appointed day during the year) but without adding interest specified under the MSMED Act	-	-
F. Interest accrued and remaining unpaid at the end of the year	-	-

NOTE - 10 : OTHER CURRENT LIABILITIES

(Rs. In Lacs)

	As at 31.03.2012	As at 31.03.2011
Current maturity of long term borrowing (refer note no. 5 , 33 & 34)	577.32	781.59
Interest accrue and due on borrowing (Refer Note No. 33 ,34 & 35)	79.16	75.46
Salaries, wages & bonus	0.91	1.27
Other liabilities*	20.80	19.72
Book Overdraft in Current Account	-	8.94
Statutory dues payable	0.20	0.13
TOTAL	678.39	887.11

* Includes liability to related parties amounting to Rs. 978405/-

** Other Liability includes amounting Rs. 4095/- related to Sh. Amit Jain(Manager)

NOTE - 11 : SHORT TERM PROVISIONS

For Income Tax	0.20	0.20
TOTAL	0.20	0.20

NOTE - 12 : FIXED ASSETS

(Rs. In Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions during the year	Disposals/Adj. during the year	As at 31.03.2012	Ast at 01.04.2011	For the year	Adjustments / Disposals	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Plant and Machinery*	0.18	-	-	0.18	0.17	-	-	0.17	0.01	0.01
Furniture & Fixture & Fittings	6.33	-	-	6.33	5.91	0.08	-	5.99	0.34	0.42
Office Equipments	0.53	-	-	0.53	0.51	-	-	0.51	0.02	0.02
TOTAL	7.04	-	-	7.04	6.59	0.08	-	6.67	0.37	0.45
Previous Year	7.04	-	-	7.04	6.50	0.09	-	6.59	0.45	0.54

NOTE - 13 : NON CURRENT INVESTMENT

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
Trade Investment		
(Unquoted, Valued at Cost)		
50,000 (Prv. Year 50,000)Equity Share of Rs. 10/- each in SBEC Investments Limited (Subsidiary Company)	5.00	5.00
(fully paid) (Refer note no. 26)	<u>5.00</u>	<u>5.00</u>

NOTE - 14 : OTHER NON-CURRENT ASSETS

(Rs. In Lacs)

Particulars	As at		As at	
	31.03.2012		31.03.2011	
Other receivable*		1.13		1.14
Advance to Supplier	23.05		23.05	
Less: Provision for Doubtfull Advance	23.05	-	23.05	-
TOTAL		<u>1.13</u>		<u>1.14</u>

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

(Quoted, Valued at Cost)

Investment *

31,58,046 (Prv. Year 44,65,962) Equity Shares of Rs. 10- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	315.80		446.60	
Less : Provision for Dimuniation (Refer Note No. 32)	89.32	226.49	89.32	357.28
**1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	1,107.32		1,107.32	
Less : Provision for Permanent Dimuniation	647.78	459.54	647.78	459.54
TOTAL		<u>686.03</u>		<u>816.82</u>

Market value of quoted Investments

(Based on closing rate of Rs. 8.17 at BSE on 31.03.2012)

Previous year @ Rs. 13.89 per share) 1,162.69 2,158.39

** Out of that 70,00,000 Equity shares pledged with Shamrao Vithal Co-operative Bank Ltd. For Working Capital Limit of SBEC Sugar Ltd.

* Investment in related Party

NOTE 16 : TRADE RECEIVABLES**

(Rs. In Lacs)

Particulars	Non current portion		Current portion	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Sundry creditors				
Small Scale Industries				
Debts outstanding for a period exceeding six months from the date they are due for payment				
Unsecured considered good (Refer Note No. 27)	-	-	2.57	2.57
Considered Doubtful (Refer Note No. 27)	4.70	4.70	-	-
	4.70	4.70	2.57	2.57
Less : Provision for doubtful debts	4.70	4.70	-	-
(A)	-	-	2.57	2.57
Other Receivables				
Unsecured considered good	-	-	-	-
Considered doubtful	-	-	-	-
	-	-	-	-
Less : Provision for doubtful debts	-	-	-	-
(B)	-	-	-	-
TOTAL	(A+B)	-	2.57	2.57

**Trade Receivable includes relating party amounting Rs. 257408/-

NOTE - 17 : CASH AND BANK BALANCES

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
Cash and Cash Equivalents		
Balance with Scheduled Banks in -		
— Current Accounts	4.48	1.61
Cash & Stamps in hand	5.32	5.68
	<u>9.80</u>	<u>7.29</u>
Other bank balances		
Fixed deposit with banks *	0.40	0.40
TOTAL	<u>10.20</u>	<u>7.69</u>

* Fixed Deposit Matured But Pledged with Sales Tax Authority

NOTE - 18 : SHORT TERM LOAN & ADVANCES

Staff balances*	0.09	-
TOTAL	<u>0.09</u>	<u>-</u>

* Recoverable from Sh. Amit jain (Manager)

NOTE - 19 : OTHER CURRENT ASSETS

Income tax recoverable	1.88	7.72
Service Tax -(Cenvat Credit)	0.82	0.82
TOTAL	<u>2.70</u>	<u>8.54</u>

NOTE 20 : REVENUE FROM OPERATIONS

(Rs. In Lacs)

Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Sale of Services	-	17.00
TOTAL	<u>-</u>	<u>17.00</u>

NOTE - 21 : OTHER INCOME

Foreign Exchange fluctuation	9.13	-
Interest	-	0.62
Excess Provision / Sundry balances written back	0.00	-
TOTAL	<u>9.13</u>	<u>0.62</u>

NOTE - 22 : EMPLOYEE BENEFIT EXPENSES

Particulars	(Rs. In Lacs)	
	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Salary, Wages, Bonus & other allowances	7.54	7.14
Company's Contribution To Provident & Other Funds	0.45	0.39
Staff Welfare Expenses	0.14	-
Gratuity	0.30	0.11
TOTAL	8.43	7.64

NOTE - 23 : FINANCE COST

Interest - Others	7.96	-
Bank Charges	0.39	0.06
TOTAL	8.35	0.06

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

Auditor's Remuneration				
Audit Fee	0.44		0.44	
Tax audit fees	0.11		0.11	
Certification Fee	0.11	0.66	0.11	0.66
Telephone, Postage & Telegram		0.04		0.04
Legal & Professional Charges		0.23		2.61
Travelling & Conveyance		0.13		-
Printing & Stationery		0.09		0.01
Insurance expenses		0.00		-
Misc. Expenses		0.02		0.01
Provision for Doubtfull Advance		0.01		-
Secretarial Expenses		5.75		5.42
TOTAL		6.93		8.75

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

(Rs in Lacs)

Particulars	Current Year	Previous Year
Trade Tax	2.55	2.55
Security to Shamrao Vithal Co-operative Bank Ltd	700.00	Nil
Interest on Foreign Currency Loan	145.30 @	127.28 @

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

- Note 26. The Company holds 100% (Previous year 100%) shares of SBEC Investment Limited.
- Note 27. Balances of Sundry Debtors, Sundry Creditors and Loan and advances in few cases are subject to confirmation and reconciliation. However in the opinion of the management the differences arising on such reconciliation, if any, are not likely to be material.
- Note 28. In the absence of necessary agreements/approvals, interest on loans from foreign lenders has not been provided.
- Note 29. 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 30. The accounts of the Company for the year ending 31.03.12 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 31. Liability of Rs.28.74Lacs (USD 55,781.77) (previous year Rs.25,18 Lacs) in respect of interest on foreign currency loan has not been provided. The same will be provided at the time of actual payment.
- Note 32. Reversal of diminution of Current Quoted investment aggregating Rs.31.53 lacs(Prv. Year Rs. 89.32 Lacs) has not been provided. Resulting of such non reversal of diminution the loss for the year and investment are shown higher by Rs. 31.53 lacs (Prv. Year Rs. 89.32 Lacs)
- Note 33. Difference on exchange rate fluctuation on Foreign Liabilities amounting to Rs.1.79 lacs (previous year Rs. 176.55 lacs has not been provided. The fluctuation in foreign transaction, if any will be accounted for in the year of remittance/final adjustment. Resulting of such non provision the loss for the year and liability are shown lower by Rs.1.79 lacs (Prv. Year Profits shown lower and liability shown higher by Rs. 176.55 lacs)
- Note 34. In respect of disputes with two foreign parties / suppliers M/s Silver webull Sweden AB and M/s Haggulunds drives AB Sweden the Hon'ble Delhi High Court has passed order dated 01/09/2010 and 21/09/2010 directing the company to settle the outstanding of these suppliers in instalments on the dates stated in the orders. The consequential effect of the orders has not been accounted. Resulting of such non provision the Loss for the year and liability are shown higher by Rs. 106.77 lacs.
- Note 35. Liability of Rs. 5.48 lacs (USD 10628.94) (Prv. Year - Nil) in respect of interest on deffered payment credit and supplier credits has not been provided. The same will be provided at the time of actual payment. Resulting on such non provision the loss for the year and liability are shown lower by Rs. 5.48 lacs.
- Note 36. Expenses pertaining to Prv. Year, included under relevant expenses heads, amount to Rs. 1,88,375/- (Prv. Year – Nil).
- Note 37. Managers have been paid remuneration in terms of resolution and in accordance with Schedule XIII to the Companies Act, 1956, as under:
Remuneration to Sh Anil Jain ((Up to 31/12/2011) and Sh. Amit Jain (from 01/01/2012) appointed manager under section 269 of the Companies Act, 1956.

(Rs in Lacs)

Particulars	Current Year	Previous Year
Salary (includes Gratuity	4.50	4.31
Leave Encashment & Bonus)		
Contribution to Provident fund	0.29	0.26
Reimbursement of Expenses	0.37	0.15

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

** Remuneration amounting to Rs. 1.13 lacs paid to Sh. Amit Jain (appointed manager from 01/01/2012) is subject to approval of shareholders by a ordinary resolution to be passed at the general meeting of the company.

Note 38. **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 39. **Related Parties Disclosures**

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

- a) Enterprises Where Control Exists
 - i. SBEC Investments Limited (Subsidiary company)
 - ii. SBEC Sugar Limited (Substantial Interest Exist)
- b) Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises.
 - i. SBEC System limited (United Kingdom)
- c) Key Managerial Personnel

Mr. Anil Jain, Chief Financial Officer (appointed as Manager up to 31/12/2011 under Section 269 of the Companies Act, 1956).

Mr. Amit jain Chief Financial Officer (appointed as Manager from 01/01/2012 under Section 269 of the Companies Act, 1956).

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

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

Mrs.Kumkum Modi, Mr.Abhishek Modi, Ms.Meghna modi , Mrs. Himani Modi , Mr.Jayesh Modi , Modi Arts Pvt Ltd., Modi Goods and Retail Services Pvt Ltd., Jai Abhishek Investments Pvt Ltd., Kamakhya Cosmetics & Pharmaceutical Pvt.Ltd. , Modi Diagnostics Pvt Ltd., Modi Revlon Pvt.Ltd., Modi Senator (India) Pvt Ltd., First Move Management Services Pvt Ltd. , Revlon Lanka Pvt Ltd., Swasth Investment Pvt Ltd., Umesh Modi Corp Pvt Ltd., Modi Omega Pharma (India) Pvt Ltd., Modi Iliva India Pvt Ltd., A to Z Holding Pvt Ltd., Longwell Investment Pvt Ltd., SBEC Sugar Limited* , Bihar Sponge Iron Ltd., Modi Mundipharma Pvt Ltd. , Modiline Travel Service Pvt Ltd., Modi Industries Ltd*, Morgardshammer India Ltd., Win Medicare Pvt Ltd*, H.M.Tubes & Containers Pvt Ltd., * Modi Motors Pvt Ltd*, M.G.Mobile India Pvt Ltd.,Modi Gourmet Limited,Chandil Power Ltd.,Revlon Trading Bangladesh Pvt. Ltd, SBEC Bio Energy Ltd*, Meghna AutoWorks Pvt. Ltd., Mundipharma (Bangladesh) Pvt. Ltd., Jayesh Tradex Pvt. Ltd.

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

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

(Rs. in Lacs)

Nature of Transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above
Income				
Services Provided	—	—	—	—
	(—)	(—)	(—)	(—)
Expenses				
Remuneration	—	—	5.18	—
	(—)	(—)	(4.72)	(—)
Misc. Expenses	—	—	—	1.87
	(—)	(—)	(—)	(1.85)
Outstandings				
Payable	127.95	—	0.37	30.50
	(127.94)	(—)	(0.90)	(30.49)
Receivable	—	—	0.05	—
	(—)	(—)	(—)	(—)
Equity Contribution	1428.12	—	—	—
	(1558.92)	(—)	(—)	(—)

Note 40. **Earning per Share**

	Current Year	Previous Year
Net Profit / (Loss) (in Rupees)	(14.66)	1.62
Weighted average number of equity shares during the year	99,95,900	99,95,900
Basic & Diluted Earnings Per Share (in Rupees)	(0.15)	0.02

Note 41. **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 42. (a) Current Liabilities include credit balance of Rs. 0.37 lacs (Previous year cr. Balance Rs 0.90 lacs in the name of Mr. Anil Jain) in the name of Mr. Amit Jain appointed as Manager under Section 269 of the Companies Act, 1956.

(b) Current Liabilities include Rs.0.36 lacs (Previous year 0.37 lacs) in the name of Shwetambery Khurana as Company Secretary under the Companies Act, 1956.

Note 43. **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

	2011-12 Year	2010-11 Year	2009-10 Year
Employer's contribution to provident fund	0.45	0.39	0.56

b) Defined Benefit Plan

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

1. Reconciliation of opening and closing balances of DBP

(Rs. in Lacs)

	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	0.20	0.09	Nil
Interest Cost	0.01	0.01	Nil
Current Service Cost	0.17	0.10	0.09
Benefits Paid	0.27	Nil	Nil
Actuarial (gain)/loss	0.12	Nil	Nil
DBP at the end of the year	0.23	0.20	0.09

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

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

3. Reconciliation of amount recognized in Balance Sheet

Fair Value of Plan Assets	Nil	Nil	Nil
Present value of obligation	0.23	0.20	0.09
Net Asset / (Liability) recognized in the Balance Sheet	0.23	0.20	0.09

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

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

5. Actual Return on Plan Assets

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

6. Principal Actuarial Assumptions

(Rs. in Lacs)

	Gratuity for the Year ending 31.03.12	Gratuity for the Year ending 31.03.11	Gratuity for the Year ending 31.03.10
Mortality table (LIC)	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified
Discount Rate	8%	8%	7.5%
Future Salary Increased	10%	5.5%	5%
Expected rate of return on plan assets	Nil	Nil	Nil
Withdrawal Rates			
Up to 30 Years	3.00%	3.00%	3.00%
Up to 44 Years	2.00%	2.00%	2.00%
Above 44 Years	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. The actuary certifies the above information.

Disclosure in respect of previous four annual periods as required by Revised AS-15 'Employee Benefits' is not presented as the management considers it impracticable in the absence of requisite information

Note 44. Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable) :

Particulars	(Rs. in Lacs)
a) Stock, Purchases and Sales of Goods traded in:	Nil
b) EXPENDITURE IN FOREIGN CURRENCY (On cash basis)	
Interest Payment	9.69
	(Nil)
c) EARNINGS IN FOREIGN EXCHANGE	Nil
	(Nil)
d) CIF VALUE OF IMPORTS	Nil
	(Nil)

Note 45. Previous Year figures are given in brackets and have been regrouped / rearranged wherever required.

In terms of our attached report of even date,

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

Vijay K Modi
Director
DIN 00004606

S.S. Agarwal
Director
DIN 00004840

G.C. Jain
Director
DIN 00002696

B.K. Luthra
Director
DIN 00004154

K. K. Jain
Partner
Membership No. : 005436

Shwetambery Khurana
Company Secretary

Amit Jain
Manager & CFO

Place : New Delhi
Date : 28th August, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. In Lacs)

	For the year ended 31.03.2012	For the Year ended 31.03.2011
Cash flow from operating activities		
Net profit before taxation	(14.66)	1.08
Adjustments for:-		
Depreciation	0.08	0.09
Deferred Revenue Expenses		
Other income:-		
Dividend		
Interest income		
Interest Expenses	7.96	-
Operating profit before working capital changes	(6.62)	1.17
(Increase)/Decrease in sundry debtors	-	8.34
(Increase)/Decrease in loans and advances	(0.09)	1.75
Increase/(Decrease) in sundry creditors	0.04	(18.77)
Cash generated from operations	(0.05)	(8.68)
Income Tax Paid / received	5.84	0.50
Net cash from operating activities	(0.82)	(7.01)
Cash flows from investing activities		
Sale of Investment	130.79	-
Net cash from/(used in) investing activities	130.79	-
Cash flows from financing activities		
Proceeds from / (Repayment) of Loans	(123.21)	7.85
Interest paid	(4.26)	-
Net cash used in financing activities	(127.46)	7.85
Net increase/(decrease) in cash and cash equivalents	2.51	0.84
Components of Cash and Cash Equivalents		
Cash & Cash Equivalents as on 01.04.2011 (Opening Balance)	7.69	6.85
Cash & Cash Equivalents as on 31.03.2012 (Closing Balance)	10.20	7.69
Net Increase /(decrease) as above	2.51	0.84

Note:-

- {i} The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on "Cash Flow Statement".
- {ii} Cash and Cash equivalents include FDR Rs. 40,000/- (Prv. Year Rs. 40,000/-) pledge with sales Tax authority which are not available for use by the company
- {iii} Previous year figures have been regrouped/ rearranged wherever considered necessary.

The Notes referred to above form an integral part of the Cash Flow Statement

In terms of our report of even date, attached

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

Vijay K Modi
Director
DIN 00004606

S.S. Agarwal
Director
DIN 00004840

G.C. Jain
Director
DIN 00002696

B.K. Luthra
Director
DIN 00004154

K. K. Jain
Partner
Membership No. : 005436

Shwetambery Khurana
Company Secretary

Amit Jain
Manager & CFO

Place : New Delhi
Date : 28th August, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1.	Name of the Subsidiary	SBEC Investments Limited
2.	Financial year of the Company	01.04.2011 to 31.03.2012
3.	Shares held in the subsidiary Company at the end of the financial year of the Subsidiary	50000 Company
4.	Extent of holding	100%
5.	Change in the Company's interest in the Subsidiary between the end of the Financial Year of the Subsidiary and the end of the Company's Financial Year.	N.A.
6.	The net aggregate of Profits of the Subsidiary Company so far as they concern the members of the Company.	
	a) Dealt with in the Accounts of the Company for the year ended 31st March, 2012.	Nil
	b) Not dealt within the Accounts of the Company for the year ended 31st March, 2012.	Rs. 29,804/-
7.	The net aggregate of the Profits / (loss) of the Subsidiary Company for the previous Financial years so far as they concern the members of the Company.	
	a) Dealt with in the Accounts of the Company for the year ended 31st March, 2011.	Nil
	b) Not dealt within the Accounts of the Company for the year ended 31st March, 2011	Rs. 26,891/-
8.	Material Changes which have occurred between the end of the Financial Year of the Subsidiary and the end of the Company's Financial Year in respect of:-	
	a) Fixed Assets	Nil
	b) Investments	Nil
	c) Money lent by the Subsidiary Company	Nil
	d) Moneys borrowed by the Subsidiary Company other than for meeting the Current Liabilities.	Nil

FINANCIAL INFORMATION OF SUBSIDIARY COMPANY UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	:	SBEC Investments Ltd.
Capital	:	Rs. 5,00,000
Reserves	:	Rs. 1,60,832
Total Assets	:	Rs. 6,96,264
Total Liabilities	:	Rs. 6,96,264
Investment	:	Nil
Turnover / Total Income	:	Rs. 54,973
Profit before Tax	:	Rs. 43,274
Provision of Taxation	:	Rs. 13,470
Profit after Tax	:	Rs. 29,804
Proposed Dividend	:	Nil

Vijay K Modi
Director
DIN 00004606

S.S. Agarwal
Director
DIN 00004840

G.C. Jain
Director
DIN 00002696

B.K. Luthra
Director
DIN 00004154

Shwetambery Khurana
Company Secretary

Amit Jain
Manager & CFO

Place : New Delhi
Date : 28th August, 2012

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF SBEC SYSTEMS (INDIA) LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SBEC SYSTEMS (INDIA) LIMITED AND ITS SUBSIDIARY

We have audited the attached Consolidated Balance Sheet of SBEC SYSTEMS (INDIA) LIMITED and its subsidiary as at 31st March 2012, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date. These consolidated financial statements are the responsibility of SBEC Systems (India) Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiary M/s SBEC Investments Limited for the period ended 31st March 2012 whose financial statements reflect total assets of Rs. 6.96 lacs as at 31st March 2012 and Profit of Rs. 0.30 lacs for the year ended on that date. These financial statements have been audited by other auditor whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of other auditor.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting standard (AS) 21 – Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of separate financial statements of SBEC Systems (India) Limited and its subsidiary included in the consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet, Profit and Loss Account and Cash Flow Statement read with the Schedules and Notes thereon specifically note no. 29 regarding Going concern basis and subject to the consequential impact on the result for the period of **Note No 28 regarding non-provision of expenses related to deputation charges of foreign technicians , Note No 30 regarding Non provision of interest on foreign currency loan, Note No.31 regarding non reversal of diminution of current investments, Note No. 32 regarding non provision of exchange rate fluctuation of foreign liabilities, Note No. 33 regarding unaccounted of consequential effect of supplier settlement order(s) passed by the Hon'ble Delhi High Court and Note No. - 34 regarding non-provision of interest on overdue payment of foreign suppliers** give the information required by the Companies Act, 1956, in the manners so required and a true and fair view:-

- a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of SBEC Systems (India) Limited and its subsidiary as at 31st March 2012. and
- b) In the case of the Consolidated Profit and Loss Account of the consolidated results of operation of SBEC Systems (India) Limited and its subsidiary for the year ended on that date.
- c) In the case of Consolidate Cash Flow Statement of the consolidated cash flow of SBEC Systems (India) Limited and its subsidiary for the year ended on that date.

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

(K. K. JAIN)
Partner

Membership No. 005436

Place : New Delhi

Dated :28th August,2012

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2012

(Rs. in Lacs)

Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	999.59	999.59
(b) Reserves and surplus	4	(1,816.53)	(1,802.17)
(c) Money received against share warrants		-	-
		<u>(816.94)</u>	<u>(802.58)</u>
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	5	517.04	517.04
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities	6	217.12	217.10
(d) Long-term provisions	7	0.23	0.20
		<u>734.39</u>	<u>734.34</u>
4 Current liabilities			
(a) Short-term borrowings	8	97.06	7.85
(b) Trade payables	9	16.60	16.60
(c) Other current liabilities	10	678.61	887.22
(d) Short-term provisions	11	0.34	0.32
		<u>792.61</u>	<u>911.99</u>
TOTAL		<u>710.06</u>	<u>843.75</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	0.37	0.45
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
		<u>0.37</u>	<u>0.45</u>
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	13	1.13	1.14
		<u>1.13</u>	<u>1.14</u>
2 Current assets			
(a) Current investments	14	686.03	816.82
(b) Inventories		-	-
(c) Trade receivables	15	2.57	2.57
(d) Cash and cash equivalents	16	16.32	13.90
(e) Short-term loans and advances	17	0.09	-
(f) Other current assets	18	3.55	8.87
		<u>708.56</u>	<u>842.16</u>
TOTAL		<u>710.06</u>	<u>843.75</u>
Significant Accounting Policies	2		

The Note referred to above form an integral part of the balance Sheet

In terms of our report attached

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

Vijay K Modi
Director
DIN 00004606

S.S. Agarwal
Director
DIN 00004840

G.C. Jain
Director
DIN 00002696

B.K. Luthra
Director
DIN 00004154

K. K. Jain
Partner
Membership No. : 005436

Shwetambery Khurana
Company Secretary

Amit Jain
Manager & CFO

Place : New Delhi
Date : 28th August, 2012

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

(Rs. In Lacs)

Particulars	Note No.	For the year ended 31.03.2012	For the year ended 31.03.2011
A CONTINUING OPERATIONS			
Revenue from operations (gross)	19	-	17.00
Less: Excise duty		-	-
Revenue from operations (net)		-	17.00
Other income	20	9.68	1.04
Total revenue (1+2)		9.68	18.04
Expenses			
Employee benefits expense	21	8.43	7.64
Finance costs	22	8.36	0.06
Depreciation and amortisation expense	12	0.08	0.09
Administration Expenses	23	7.04	8.79
Total expenses		23.91	16.58
Profit / (Loss) before tax		(14.23)	1.46
Tax expense:			
(a) Current Tax Expense for current year		(0.14)	(1.12)
(b) Current tax expense relating to prior year		-	-
(c) MAT credit (where applicable)		-	(0.20)
(d) MAT (Adj.) Excess written Back		-	0.74
		(0.13)	0.42
Profit / (Loss) from continuing operations		(14.37)	1.88
(a) Basic & diluted earning per equity share (in Rs.) (face value Rs. 10/- each)			
(i) Basic	38	(0.14)	0.02
(ii) Diluted			
Significant Accounting policies	2		

The Note referred to above form an integral part of the Statement of Profit & Loss.

In terms of our report attached

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

Vijay K Modi
Director
DIN 00004606

S.S. Agarwal
Director
DIN 00004840

G.C. Jain
Director
DIN 00002696

B.K. Luthra
Director
DIN 00004154

K. K. Jain
Partner
Membership No. : 005436

Shwetambery Khurana
Company Secretary

Amit Jain
Manager & CFO

Place : New Delhi

Date : 28th August, 2012

NOTE NO. - 1 : PRINCIPAL OF CONSOLIDATION

- a) The financial statements of the Parent company and the subsidiary company have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra group transactions and the unrealised profits.
- b) The financial statements of the Parent company and the subsidiary company have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- c) The financial statements of the subsidiary used in consolidation are drawn up to the same reporting date as of the company i.e. up to March'2012.

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

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

ii. Revenue Recognition

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

iii. Inventory Valuation

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

iv. Fixed Assets

- Fixed Assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to acquisition and installation of fixed assets.
- Fixed assets acquired under Hire Purchase Scheme are capitalized at their principal value and interest implicit in the hire rental is charged off as revenue expense.
- Depreciation on Fixed Assets, except relating to assets given on Lease has been provided at written down value rates prescribed under Schedule XIV to the Companies Act, 1956.
- Depreciation on Fixed Assets given on Lease is provided at the rates determined on the basis of primary lease period of these assets, or the straight line rates prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher.

v. Foreign Currency Transactions

Foreign currency transactions during the period are recorded at the rates prevailing at the date of transaction. Liabilities payable in foreign currencies are stated at bank's T.T. selling rates of exchange except liability payable in Foreign Currencies as on 31.03.2009 are stated at bank T.T. selling rate of exchange as on 31.03.2009. The resultant gain or loss, if any is reflected in the Profit & Loss Account, except exchange difference on liabilities incurred for acquisition of fixed assets which are capitalised. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.

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. Custom Duty

Custom duty on machinery lying in bond and in transit is accounted for at the time of clearance thereof.

viii. 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.

ix. 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.

x. Miscellaneous Expenditure

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

xi. 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.

xii. 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 is 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 dilutive potential equity shares.

xiii Provisions and Contingent Liabilities

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

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

NOTE - 3 : SHARE CAPITAL

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
AUTHORISED CAPITAL		
15,000,000 Equity Shares of Rs.10/- each.	1,500.00	1,500.00
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
10,000,000 Equity Shares of Rs.10/- each fully paid-up		
(Previous year 10,000,000 Equity Shares of Rs.10/- each fully paid-up)	1,000.00	1,000.00
Less: Calls in arrear	(0.41)	(0.41)
TOTAL	999.59	999.59
Reconciliation of number of shares (nos.)		
Outstanding at the beginning of the year	10,000,000	10,000,000
Outstanding at the end of the year	10,000,000	10,000,000

(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.

Detail of shareholders holding more than 5 percent of equity shares :

Name of shareholders	As at 31st March, 2012		As at 31st March, 2011	
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%

None of shares have been reserved for issue under options and contracts/commitments for sale of shares/disinvestment as at the balance sheet date.

None of the securities are convertible into shares at the end of the reporting period.

No calls are unpaid by any director or officer of the company during the year.

NOTE - 4 : RESERVES & SURPLUS

(Rs. In Lacs)

Particulars	As at	
	31.03.2012	31.03.2011
Share Premium Reserve	192.62	192.62
Surplus in the statement of Profit & Loss		
Opening as on 01/04/11 in the statement of Profit and loss	(1994.79)	(1,996.68)
Profit for the year	(14.36)	1.89
Less: Transfer to Reserves	-	-
Net surplus in the statement of Profit and loss account	(2,009.15)	(1,994.79)
TOTAL	(1,816.53)	(1,802.17)

NOTE - 5 : LONG TERM BORROWINGS

(Rs. In Lacs)

Particulars	Non current portion		Current portion	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Unsecured				
Foreign Currency Loan From Overseas Corporate Body (Refer Note No. 24,27, 30 & 32)	517.04	517.04		
Deffered Payment Credit			368.15	514.92
Other Supplier Credit			209.17	266.67
Total			577.32	781.59
Less : Amount disclosed under the head "other liabilities" (Refer to note 9)	-	-	577.32	781.59
Total	517.04	517.04	-	-

NOTE - 6 : OTHER LONG TERM LIABILITIES

(Rs. In Lacs)

Particulars	As at	
	31.03.2012	31.03.2011
Advance From Customer*	151.65	151.63
Others (Perdiem Charges) (Refer Note No. 28)	65.47	65.47
Total	217.12	217.10

* Includes advance from related parties amounting to Rs. 151.23 Lacs

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

For Gratuity	0.23	0.20
Total	0.23	0.20

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

Loans repayable on demand From Corporate	97.06	7.85
Total	97.06	7.85

NOTE - 9 : TRADE PAYABLES

(Rs. In Lacs)

Particulars	Non current portion		Current portion	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Sundry creditors				
Small Scale Industries	-	-	-	-
Others (Refer Note No. 26)	5.97	5.97		
Bills Payable (refer Note No. 26)	10.63	10.63	-	-
TOTAL	16.60	16.60	-	-

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

	As at 31.03.2012	As at 31.03.2011
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

Current maturity of long term borrowing (refer note no. 5 , 32, & 33)	577.32	781.59
Interest accrue and due on borrowing (Refer Note No. 32 ,33 & 34)	79.16	75.46
Salaries, wages & bonus	0.91	1.27
Other liabilities*	21.02	19.83
Book Overdraft in Current Account	-	8.94
Statutory dues payable	0.20	0.13
TOTAL	678.61	887.22

* Includes liability to related parties amounting to Rs. 978405/-

** Other Liability includes amounting Rs. 4095/- related to Sh. Amit Jain(Manager)

NOTE - 11 : SHORT TERM PROVISIONS

For Income Tax	0.34	0.32
TOTAL	0.34	0.32

NOTE - 12 : FIXED ASSETS

(Rs. In Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions during the year	Disposals/Adj. during the year	As at 31.03.2012	As at 01.04.2011	For the year	Adjustments / Disposals	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Plant and Machinery*	0.18	-	-	0.18	0.17	-	-	0.17	0.01	0.01
Furniture & Fixture & Fittings	6.33	-	-	6.33	5.91	0.08	-	5.99	0.34	0.42
Office Equipments	0.53	-	-	0.53	0.51	-	-	0.51	0.02	0.02
TOTAL	7.04	-	-	7.04	6.59	0.08	-	6.67	0.37	0.45
Previous Year	7.04	-	-	7.04	6.50	0.09	-	6.59	0.45	0.54

NOTE - 13 : OTHER NON-CURRENT ASSETS

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
Other receivable*	1.13	1.14
Advance to Supplier	23.05	23.05
Less: Provision for Doubtfull Advance	23.05	-
TOTAL	1.13	1.14

NOTE - 14 : CURRENT INVESTMENT

(Rs. In Lacs)

Particulars	As at 31.03.2012		As at 31.03.2011	
Trade Investment				
(Quoted, Valued at Cost)				
Investment *				
31,58,046 (Prv. Year 44,65,962) Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	315.80		446.60	
Less : Provision for Dimuniation (Refer Note No. 32)	89.32	226.49	89.32	357.28
**1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	1,107.32		1,107.32	
Less : Provision for Permanent Dimuniation	647.78	459.54	647.78	459.54
TOTAL		686.03		816.82
Market value of quoted Investments (Based on closing rate of Rs. 8.17 at BSE on 31.03.2012 Previous year @ Rs. 13.89 per share)		1,162.69		2,158.39

** Out of that 70,00,000 Equity shares pledged with Shamrao Vithal Co-operative Bank Ltd. For Working Capital Limit of SBEC Sugar Ltd.

TOTAL

* Investment in related Party

NOTE 15 : TRADE RECEIVABLES**

(Rs. In Lacs)

Particulars	Non current portion		Current portion	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Debts outstanding for a period exceeding six months from the date they are due for payment				
Unsecured considered good (Refer Note No. 26)	-	-	2.57	2.57
Considered Doubtful (Refer Note No. 26)	4.70	4.70	-	-
	4.70	4.70	2.57	2.57
Less : Provision for doubtful debts	4.70	4.70	-	-
	(A) -	-	2.57	2.57
Other Receivables				
Unsecured considered good	-	-	-	-
Considered doubtful	-	-	-	-
Less : Provision for doubtful debts	-	-	-	-
	(B) -	-	-	-
TOTAL	(A+B) -	-	2.57	2.57

**Trade Receivable includes relating party amounting Rs. 257408/-

NOTE - 16 : CASH AND BANK BALANCES

(Rs. In Lacs)

Particulars	As at 31.03.2012		As at 31.03.2011	
Cash and Cash Equivalents				
Balance with Scheduled Banks in -				
— Current Accounts		4.51		1.73
— Fixed deposits		6.09		6.09
Cash & Stamps in hand		5.32		5.68
		15.92		13.50
Other bank balances				
Fixed deposit with banks *		0.40		0.40
TOTAL		16.32		13.90

* Fixed Deposit Matured But Pledged with Sales Tax Authority

NOTE - 17 : SHORT TERM LOAN & ADVANCES

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
Staff balances*	0.09	-
TOTAL	0.09	-

* Recoverable from Sh. Amit jain (Manager)

NOTE - 18 : OTHER CURRENT ASSETS

Interest accrued on deposits	0.75	0.25
Income tax recoverable	1.98	7.80
Service Tax -(Cenvat Credit)	0.82	0.82
TOTAL	3.55	8.87

NOTE - 19 : REVENUE FROM OPERATIONS

(Rs. In Lacs)

Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Sale of Services	-	17.00
TOTAL	-	17.00

NOTE - 20 : OTHER INCOME

Foreign Exchange fluctuation	9.13	-
Interest	0.55	1.04
Excess Provision / Sundry balances written back	0.00	-
TOTAL	9.68	1.04

NOTE - 21 : EMPLOYEE BENEFIT EXPENSES

Salary, Wages, Bonus & other allowances	7.54	7.14
Company's Contribution To Provident & Other Funds	0.45	0.39
Staff Welfare Expenses	0.14	-
Gratuity	0.30	0.11
TOTAL	8.43	7.64

NOTE - 22 : FINANCE COST

Interest - Others	7.96	0.00
Bank Charges	0.40	0.06
TOTAL	8.36	0.06

NOTE - 23 : ADMINISTRATION EXPENSES**A. ADMINISTRATION EXPENSES**

Auditor's Remuneration

Audit Fee 0.53 0.47

Tax audit fees 0.11 0.11

Certification Fee 0.11 0.75 0.11 0.69

Telephone, Postage & Telegram 0.04 0.04

Legal & Professional Charges 0.25 2.62

Travelling & Conveyance 0.13 -

Printing & Stationery 0.09 0.01

Insurance expenses 0.00 0.00

Misc. Expenses 0.02 0.01

Provision for Doubtfull Advance 0.01 -

Secretarial Expenses 5.75 5.42

TOTAL 7.04 8.79

Note - 24 : **Contingent liabilities not provided for in respect of :-**

(Rs in Lacs)

Particulars	Current Year	Previous Year
Trade Tax	2.55	2.55
Security to Shamrao Vithal Co-operative Bank Ltd	700.00	Nil
Interest on Foreign Currency Loan	145.30 @	127.28 @

@ 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 25. The Company holds 100% (Previous year 100%) shares of SBEC Investment Limited.
- Note 26. Balances of Sundry Debtors, Sundry Creditors and Loan and advances in few cases are subject to confirmation and reconciliation. However in the opinion of the management the differences arising on such reconciliation, if any, are not likely to be material.
- Note 27. In the absence of necessary agreements/approvals, interest on loans from foreign lenders has not been provided.
- Note 28. Liability of Rs. 7.66 lakh (Previous year Rs. 7.66 lakh) related to deputation charges of foreign technicians has not been provided. The same will be provided at the time of actual payment.
- Note 29. The accounts of the Company for the year ending 31.03.12 have been prepared on going concern basis. The management is confident to revive the business activities in near future depending upon more favourable conditions prevailing in the market bearing unforeseen circumstances.
- Note 30. Liability of Rs.28.74Lacs (USD 55,781.77) (previous year Rs.25.18 Lacs) in respect of interest on foreign currency loan has not been provided. The same will be provided at the time of actual payment.
- Note 31. Reversal of diminution of Current Quoted investment aggregating Rs.31.53 Lacs (Prv. Year Rs. 89.32 Lacs) has not been provided. Resulting of such non reversal of diminution the loss for the year and investment are shown higher by Rs. 31.53 Lacs (Prv. Year Rs. 89.32 Lacs)
- Note 32. Difference on exchange rate fluctuation on Foreign Liabilities amounting to Rs.1.79 Lacs (previous year Rs. 176.55 Lacs has not been provided. The fluctuation in foreign transaction, if any will be accounted for in the year of remittance/final adjustment. Resulting of such non provision the loss for the year and liability are shown lower by Rs.1.79 Lacs (Prv. Year Profits shown lower and liability shown higher by Rs. 176.55 Lacs)
- Note 33. In respect of disputes with two foreign parties / suppliers M/s Silver webull Sweden AB and M/s Hagglunds drives AB Sweden the hon'ble delhi high court has passed order dated 01/09/2010 and 21/09/2010 directing the company to settle the outstanding of these suppliers in instalments on the dates stated in the orders. The consequential effect of the orders has not been accounted. Resulting of such non provision the Loss for the year and liability are shown higher by Rs. 106.77 Lacs.
- Note 34. Liability of Rs. 5.48 Lacs (USD 10628.94) (Prv. Year - Nil) in respect of interest on deferred payment credit and supplier credits has not been provided. The same will be provided at the time of actual payment. Resulting on such non provision the loss for the year and liability are shown lower by Rs. 5.48 Lacs.
- Note 35. Managers have been paid remuneration in terms of resolution and in accordance with Schedule XIII of the Companies Act, 1956, as under: Remuneration to Sh Anil Jain (Up to 31/12/2011) and Sh. Amit Jain (from 01/01/2012) appointed manager under section 269 of the Companies Act, 1956.

(Rs in Lacs)

Particulars	Current Year	Previous Year
Salary (includes Gratuity Leave Encashment & Bonus)	4.50	4.31
Contribution to Provident fund	0.29	0.26
Reimbursement of Expenses	0.37	0.15

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

** Remuneration amounting to Rs. 1.13 Lacs paid to Sh. Amit Jain (appointed manager from 01/01/2012) is subject to approval of shareholders by an ordinary resolution to be passed at the general meeting of the company.

Note 36. **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 37. **Related Parties Disclosures**

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

- Enterprises Where Control Exists
SBEC Sugar Limited (Substantial Interest Exist)
- Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises.
 - SBEC System limited (United Kingdom)
- Key Managerial Personnel
Mr. Anil Jain, Chief Financial Officer (appointed as Manager up to 31/12/2011 under Section 269 of the Companies Act, 1956).
Mr. Amit jain Chief Financial Officer (appointed as Manager from 01/01/2012 under Section 269 of the Companies Act, 1956).
- 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
- Relative of individual owning substantial interest and their Enterprises :
Mrs. Kumkum Modi, Mr.Abhishek Modi, Ms.Meghna modi , Mrs. Himani Modi , Mr.Jayesh Modi , Modi Arts Pvt Ltd., Modi Goods and Retail Services Pvt Ltd., Jai Abhishek Investments Pvt Ltd., Kamakhya Cosmetics & Pharmaceutical Pvt.Ltd. , Modi Diagnostics Pvt Ltd., Modi Revlon Pvt.Ltd., Modi Senator (India) Pvt Ltd., First Move Management Services Pvt Ltd. , Revlon Lanka Pvt Ltd., Swasth Investment Pvt Ltd., Umesh Modi Corp Pvt Ltd., Modi Omega Pharma (India) Pvt Ltd., Modi Ilva India Pvt Ltd., A to Z Holding Pvt Ltd., Longwell Investment Pvt Ltd., SBEC Sugar Limited*, Bihar Sponge Iron Ltd., Modi Mundipharma Pvt Ltd. , Modiline Travel Service Pvt Ltd., Modi Industries Ltd*., Morgardshammer India Ltd., Win Medicare Pvt Ltd*, H.M.Tubes & Containers Pvt Ltd*, Modi Motors Pvt Ltd*, M.G.Mobile India Pvt Ltd.,Modi Gourmet Limited,Chandil Power Ltd.,Revlon Trading Bangladesh Pvt. Ltd, SBEC Bio Energy Ltd*, Meghna AutoWorks Pvt. Ltd., Mundipharma (Bangladesh) Pvt. Ltd., Jayesh Tradex Pvt. Ltd.

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

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

(Rs. in Lacs)

Nature of Transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above
Income				
Services Provided	— (—)	— (—)	— (—)	— (—)
Expenses				
Remuneration	— (—)	— (—)	5.18 (4.72)	— (—)
Misc. Expenses	— (—)	— (—)	— (—)	1.87 (1.85)
Outstandings				
Payable	127.95 (127.94)	— (—)	0.37 (0.90)	30.50 (30.49)
Receivable	— (—)	— (—)	0.05 (—)	— (—)
Equity Contribution	1423.12 (1553.92)	— (—)	— (—)	— (—)

Note 38. Earning per Share

(Rs in Lacs)

Particulars	Current Year	Previous Year
Net Profit /(Loss) (in Rupees)	(14.36)	1.89
Weighted average number of equity sharem during the year	99,95,900	99,95,900
Basic & diluted Earnings per Share (in Rupees)	(0.14)	0.02

Note 39. 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 40. (a) Current Liabilities include credit balance of Rs. 0.37 lacs (Previous year cr. Balance Rs 0.90 Lacs in the name of Mr. Anil Jain) in the name of Mr. Amit Jain appointed as Manager under Section 269 of the Companies Act, 1956.

(b) Current Liabilities include Rs.0.36 Lacs (Previous year 0.37 Lacs) in the name of Shwetambery Khurana as Company Secretary under Companies Act 1956.

Note 41. 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

	2011-12 Year	2010-11 Year	2009-10 Year
Employer's contribution to provident fund	0.45	0.39	0.56

b) Defined Benefit Plan

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

1. Reconciliation of opening and closing balances of DBP

(Rs. in Lacs)

	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	0.20	0.09	Nil
Interest Cost	0.01	0.01	Nil
Current Service Cost	0.17	0.10	0.09
Benefits Paid	0.27	Nil	Nil
Actuarial (gain)/loss	0.12	Nil	Nil
DBP at the end of the year	0.23	0.20	0.09

2. Reconciliation of opening and closing balances of Fair Value of Plan Assets			
Fair value of plan assets as at the beginning of the year	Nil	Nil	Nil
Expected return	Nil	Nil	Nil
Actuarial (gain / loss)	Nil	Nil	Nil
Contribution by employer	Nil	Nil	Nil
Benefits paid	Nil	Nil	Nil
Settlement cost			
Fair value of plan assets as at the end of the year	Nil	Nil	Nil
Actual return on plan assets			
3. Reconciliation of amount recognized in Balance Sheet			
Fair Value of Plan Assets	Nil	Nil	Nil
Present value of obligation	0.23	0.20	0.09
Netasset/(liability) recognized in the Balance Sheet	0.23	0.20	0.09
4. Expense Recognized during the period in Profit & Loss A/c.			
Interest Cost	0.01	0.01	Nil
Current Service Cost	0.17	0.10	0.08
Expected Return on Plan Assets	Nil	Nil	Nil
Net Actuarial (Gain) / Loss recognised during the year	0.12	—	Nil
Expenses recognised in the statement of Profit & Loss	0.30	0.11	0.08
5. Actual Return on Plan Assets			
Expected return on Plan Assets	Nil	Nil	Nil
Actuarial (Gain) / Loss recognised during the year	Nil	Nil	Nil
Actual return on plan assets	Nil	Nil	Nil
6. Principal Actuarial Assumptions			
Mortality table (LIC)	1994-96	1994-96	1994-96
	Duly Modified	Duly Modified	Duly Modified
Discount Rate	8%	8%	7.5%
Future Salary Increased	10%	5.5%	5%
Expected rate of return on plan assets	Nil	Nil	Nil
Withdrawal Rates			
Up to 30 Years	3.00%	3.00%	3.00%
Up to 44 Years	2.00%	2.00%	2.00%
Above 44 Years	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. The actuary certifies the above information.

Disclosure in respect of previous four annual periods as required by Revised AS-15 'Employee Benefits' is not presented as the management considers it impracticable in the absence of requisite information

Note 42. Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable) :

a) Stock, Purchases and Sales of Goods traded in:		Nil
Particulars		(Rs. in Lacs)
b) EXPENDITURE IN FOREIGN CURRENCY (On cash basis)		
Interest Payment		9.69
		(Nil)
c) EARNINGS IN FOREIGN EXCHANGE		Nil
		(Nil)
d) CIF VALUE OF IMPORTS		Nil
		(Nil)

Note 43. Previous Year figures are given in brackets and have been regrouped / rearranged wherever required.

In terms of our attached report of even date,

for K. K. JAIN & CO. Chartered Accountants Firm Reg. No. 02465N	Vijay K Modi Director DIN 00004606	S.S. Agarwal Director DIN 00004840	G.C. Jain Director DIN 00002696	B.K. Luthra Director DIN 00004154
K. K. Jain Partner Membership No. : 005436 Place : New Delhi Date : 28th August, 2012			Shwetambery Khurana Company Secretary	Amit Jain Manager & CFO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. In Lacs)

	For the year ended 31.03.2012	For the Year ended 31.03.2011
Cash flow from operating activities		
Net profit before taxation	(14.23)	1.46
Adjustments for:-		
Depreciation	0.08	0.09
Deferred Revenue Expenses	-	
Other income:-		
Dividend	-	-
Interest income	(0.55)	(0.42)
Interest Expenses	7.96	-
Operating profit before working capital changes	(6.75)	1.13
(Increase)/Decrease in sundry debtors	-	8.34
(Increase)/Decrease in loans and advances	(0.72)	1.78
Increase/(Decrease) in sundry creditors	0.15	(18.74)
Cash generated from operations	(0.57)	(8.62)
Income Tax Paid / received	5.84	0.38
Net cash from operating activities	(1.46)	(7.10)
Cash flows from investing activities		
Sale of Investment	130.79	-
Net cash from/(used in) investing activities	130.79	-
Cash flows from financing activities		
Proceeds from / (Repayment) of Loans	(123.21)	7.85
Interest received	0.55	0.42
Interest paid	(4.26)	-
Net cash used in financing activities	(126.91)	8.27
Net increase/(decrease) in cash and cash equivalents	2.42	1.17
Components of Cash and Cash Equivalents		
Cash & Cash Equivalents as on 01.04.2011 (Opening Balance)	13.90	12.73
Cash & Cash Equivalents as on 31.03.2012 (Closing Balance)	16.32	13.90
Net Increase /(decrease) as above	2.42	1.17

Note:-

- (i) The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on "Cash Flow Statement".
- (ii) Cash and Cash equivalents include FDR Rs. 40,000/- (Prv. Year Rs. 40,000/-) pledge with Sales Tax Authority which are not available for use by the company
- (iii) Previous year figures have been regrouped/ rearranged wherever considered necessary.

The Notes referred to above form an integral part of the Cash Flow Statement**In terms of our report of even date, attached,**

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

Vijay K Modi
Director
DIN 00004606

S.S. Agarwal
Director
DIN 00004840

G.C. Jain
Director
DIN 00002696

B.K. Luthra
Director
DIN 00004154

K. K. Jain
Partner
Membership No. : 005436

Shwetambery Khurana
Company Secretary

Amit Jain
Manager & CFO

Place : New Delhi
Date : 28th August, 2012

SBEC SYSTEMS (INDIA) LIMITED

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

PROXY FORM

I /
 We.....
 of.....
 being a Member / Members of the above named Company hereby appoint.....
 of in the district of.....
 or failing him/her.....
 of in the district of

as my/our Proxy to attend and vote for me/us, on my/our behalf at the 23rd Annual General Meeting of the Company to be held at Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110 030 on 27th September, 2012 at 3:00 P.M. and at any adjournment thereof.

As Witness my / our hand / hands this.....day of.....2012

Signature.....

Folio No.

Affix a Revenue Stamp Here

SIGNATURE OF PROXY

- N.B. : (1) The Proxy need not to be a member.
 (2) The proxy form duly signed and stamped should reach the Company's Registered Office at least 48 hours before the time of the Meeting.

.....PLEASE TEAR HERE.....

SBEC SYSTEMS (INDIA) LIMITED

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

ATTENDANCE SLIP

Please bring this Attendance Slip to the meeting hall and hand it over at the entrance.

I/We hereby record my / our presence at the 23rd Annual General Meeting of the Company to be held at Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110 030 on 27th September, 2012 at 3 :00 P.M.

Name of the Shareholder

Folio No.

Name of Proxy, if any

(in Block Letters, to be filled in by the Proxy, instead of the Member)

No. of Share held

To be signed at the time of handing over the slip
--

Member's / Proxy signature

Book Post
Under Postal Certificate

If undelivered, please return to:-
SBEC SYSTEMS (INDIA) LIMITED
1400, Modi Tower,
98, Nehru Place
New Delhi-110 019.