

DIRECTORS' REPORT

To,
The Shareholders,
SBEC Systems (India) Limited
Dear Members,

Your Directors take pleasure in presenting the 29th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2018.

FINANCIAL RESULT

The Summarised Financial Results of the Company for the Financial Year 2017-18 Vis-a-Vis 2016-17 are as under:

Particulars	(Rs. in Lacs)	
	Period ended 31.03.2018	Period ended 31.03.2017
Sales & Other Income	9.28	14.94
Total Expenditure	28.53	26.45
Operating Profit/(Loss) before Tax	(54.65)	(11.51)
Profit/(Loss) After Tax	(54.65)	(11.51)

During the year under review, the revenue from other income stood at Rs. 9.28 Lacs. The net loss of the Company stood at Rs. 54.65 Lacs as compared to net loss of Rs. 11.51 Lacs for the previous year.

DIVIDEND & RESERVES

In view of the losses incurred, your Board is unable to recommend any dividend for the financial year ended March 31, 2018.

The Company has not transferred any amount to the reserves for the year ended March 31, 2018.

SHARE CAPITAL

The paid up equity capital as on March 31, 2018 was Rs.1000 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

ASSOCIATE/SUBSIDIARY/JOINT VENTURE COMPANY

As on March 31st 2018, the Company has one Associate Company i.e. SBEC Sugar Limited. Investment in the Associate is dealt with in accordance with Indian Accounting Standard (Ind-AS) 28, the consolidation of accounts of the Company with its associate are combined by using "Equity Method".

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

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

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company for the financial period 2017-18, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards and SEBI (LODR) Regulations, 2015.

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis;
- The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS

There was no change in the composition of the Board of Directors of the Company during the financial year 2017-18.

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

Mr. Jagan Nath Khurana (DIN: 0003817) who was appointed as Non-Executive Director has resigned from the Directorship w.e.f April 26, 2018.

The designation of Mr. Anupam Bansal (DIN: 00004318) is changed from Non-Executive Independent Director to Non-Executive Non Independent Director, liable to retire by rotation w.e.f August 01, 2018.

KEY MANAGERIAL PERSONNEL (KMP)

During the financial period ended 31.03.2018, following persons are Whole Time Key Managerial Personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013.

S.No.	Name	Designation
1.	Mr. Shiv Shanker Agarwal	Chief Executive Officer
2.	*Mr. Anil Jain	Chief Financial Officer
3.	**Ms. Akanksha Sharma	Company Secretary

*Mr. Anil Jain has resigned from the post of Chief Financial Officer of the Company w.e.f. from May 31, 2018 and Mr. Luv Gupta was appointed as the Chief Financial Officer of the Company w.e.f. June 01, 2018.

**Ms. Akanksha Sharma has resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. July 11, 2018 and Ms. Priyanka Negi were appointed as the Company Secretary and Compliance officer of the Company w.e.f August 01, 2018.

BOARD MEETING

The Board met Five times during the financial year 2017-18, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

COMMITTEES OF THE BOARD

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

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

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

POLICY ON DIRECTOR'S APPOINTMENT & REMUNERATION AND OTHER DETAILS

The Board, on recommendation of the Nomination & Remuneration Committee, has framed a policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters specified under said section. The policy is available on the website of the Company www.sbcsystems.com.

BOARD EVALUATION:

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

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

STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS

As required under Section 149 (7) of the Companies Act, 2013, all the Independent Directors have given declarations that they meet the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015.

STATUTORY AUDITORS

M/s. Doogar & Associates, Chartered Accounts were appointed as the Statutory Auditors of the Company at the 28th Annual General Meeting held on September 28, 2017 for a term of five consecutive years. As per the provisions of Section 139 of the Companies act, 2013, the appointment of Auditor is required to be ratified by the members at every Annual General Meeting.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 28, 2017.

The report from the Auditors on the financial statements of the Company forms part of this Annual Report.

STATUTORY AUDITORS REPORT

The Statutory Audit Report contains qualifications and the Company has given its comments on Audit Qualified Opinion for the Financial Year 2017-18, the details are mentioned below:

Response to Qualified Opinion

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

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

SECRETARIAL AUDITOR

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

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

RISK MANAGEMENT POLICY

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

The Risk Management Policy of the Company can be viewed on the Company's website www.sbecosystems.com.

INTERNAL FINANCIAL CONTROLS

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES.

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

RELATED PARTY TRANSACTIONS

The transactions entered with related parties during the year under review were on Arm's Length basis and in the ordinary course of business. The provisions of Section 188 of the Companies Act, 2013 are therefore, not attracted. All related party transactions were approved by the Audit Committee and the Board. The relevant information regarding related party transactions has been set out in Note No. 29 of the Financial Statements for the financial year ended 31.03.2018.

Thus, disclosure in Form AOC-2 is not required.

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

CORPORATE GOVERNANCE

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Corporate Governance Report along with a certificate from M/s R.K. Singhal & Associates, Company Secretaries in practice and Management Discussion and Analysis Report forms part of this Annual Report.

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

VIGIL MECHANISM & WHISTLE BLOWER POLICY

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2017-18, the Company has not made any investment nor given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to the ratio of the Remuneration of each Director to the median employees remuneration shall not apply because none of the Directors has drawn any remuneration from the Company for the financial year 2017-18. In terms of the Provisions of Section 197(12) of the Companies act, 2013 read with Rule 5(2) & (3) of the Companies Appointment & Remuneration of Managerial Personnel) Rules, 2014. None of the employees of the Company were in receipt of remuneration of more than limit specified as set out in the above said Rules.

EXTRACT OF THE ANNUAL RETURN

The details of the extract of the Annual Return in Form MGT-9 as per the provisions of Section 92 of the Companies Act, 2013 read with rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith and marked as [Annexure-D](#) to this Report.

FIXED DEPOSITS

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

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed with BSE Limited. The annual fee for the Bombay Stock Exchange have been paid promptly for the year 2017-2018.

SUSPENSION OF SHARES

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

The Company applied for revocation of suspension in trading of securities before "Bombay Stock Exchange" and got in principle approval for revocation vide letter no. LIST/COMP/KK/260/2017-18 dated July 03, 2017. One of the pre-condition required for the approval for revocation of suspension is that entire promoter shareholding shall be under lock-in for a period of 3 months from the date of commencement of trading, post resumption of trading. The Company has provided the Lock-in-certificate of all the promoters to Stock Exchange except one promoter, i.e. SBEC Systems Limited (UK), which holds approx. 20% share capital of the Company. After that, the Company hired a consultant in United Kingdom and requested them to provide the status of the shareholder. On the basis of the information and dissolution certificate, provided by the consultant, it was gathered that the shareholder Company i.e. SBEC Systems Limited (U.K) was dissolved on 19th June, 2001 and the dissolution certificate were also submitted to the Stock Exchange.

The matter is still pending with the Stock Exchange.

PERSONNEL RELATIONS

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

APPRECIATION

Your directors thank the various Central and State Government Authorities and Agencies for the continued help and cooperation extended by them. The Directors gratefully acknowledge all stakeholders of the Company viz., customers, members, dealers, vendors and banks for their excellent support during the year. The Directors also place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued cooperation to the Company.

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

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

**Place: New Delhi
Date: 31.07.2018**

ANNEXURE-A TO THE BOARD'S REPORT

Form AOC-1

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

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

Part "B": Associates and Joint Ventures

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

Name of Associates	SBEC SUGAR LIMITED
1. Latest audited Balance Sheet Date	March 31,2018
2. Date on which the Associate or Joint Venture was associated or acquired	1996-1997
3. Shares of Associate or Joint Ventures held by the Company on the year end;	
No. of Shares	14231214
Amount of Investment in Associates or Joint venture	14,23,12,140
Extend of Holding%	29.86%
4. Description of how there is significant influence	There is significant influence due to (%) of share Capital.
5. Reason why the associate/joint venture is not consolidated	Not Applicable
6. Net worth attributable to shareholding as per latest audited Balance Sheet	19,78,74,790
7. Profit/Loss for the year	
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	(85,32,57,960)

ANNEXURE-B TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2018

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there-under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there-under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under. to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period);
 - (i) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015.
- (vi) **OTHER APPLICABLE ACTS,**
 - (a) The Payment of Wages Act, 1936, and rules made there-under,
 - (b) The Minimum Wages Act, 1948, and rules made there-under,
 - (c) The Payment of Gratuity Act, 1972
 - (d) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
 - (e) The Payment of Bonus Act, 1965, and rules made there-under,

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

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

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

1. That a loan of Rs. 652.38 Lac (USD 10,04,944) is a Foreign Currency Loan from Overseas Corporate Body M/s Occident Orient Company Ltd. Mauritius, taken by the Company subject to approval of RBI/Finance Ministry, pertaining to period prior to 1999 outstanding in the books of accounts of the Company. This is an undisputed liability that the Company has been unable to pay due to its continuous losses. Further interest of USD 281974 for earlier year is payable by the company on above mentioned loan, pending approval of RBI, this liability is being shown as contingent liability.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report as under:

1. That the company had received a notice from the Bombay Stock Exchange dated 12.02.2016 regarding suspension in the trading of company's securities on account of non-compliance with various clauses/ regulations of erstwhile Listing Agreement/ Listing Regulations, 2015. On 03.07.2017, the company received an in-principal approval for revocation of suspension in trading of equity shares from the Bombay Stock Exchange and the company was advised to comply with the non-compliances marked by the BSE within one year from the date of the letter. As per the terms of in-principle approval the company had deposited the reinstatement fee of Rs. 30 Lakhs plus gst by 31.03.2018 and the balance Rs. 10 Lakh plus GST by 31.07.2018. Further, a reply was filed on 19.07.2018, along-with the supporting documents. The response of BSE to the reply filed is still awaited.
2. That there was no revenue from operations. The Company is having negative net worth of Rs. 10,24,74,026/- the Company has incurred loss of Rs. 54,65,171/- during the year ended 31.03.2018. This indicates the existence of uncertainty that may cast doubt about the Company's ability to continue as a going concern. However, the Company has prepared its financial statement on a going concern basis.

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

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

**PLACE: NEW DELHI
DATED: 31.07.2018**

Note: This report is to be read with the notes given below, which forms an integral part of this report.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the audited financial statements for the year ended on 31.03.2018 for the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For R. Singhal & Associates
Company Secretaries

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

PLACE: NEW DELHI
DATED: 31.07.2018

ANNEXURE- C TO THE BOARD'S REPORT

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lacs)

	2017-18	2016-17
The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows.		
Foreign Exchange earned	NIL	NIL
Foreign Exchange outgo	NIL	NIL

ANNEXURE- D TO THE BOARD'S REPORT

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

- | | |
|--|--|
| i) CIN:- | L74210DL1987PLC029979 |
| ii) Registration Date | 15/12/1987 |
| iii) Name of the Company | SBEC SYSTEMS (INDIA) LIMITED |
| iv) Category/Sub-Category of the Company | Public Company Limited by Shares |
| v) Address of the Registered office and contact details | 1400, Modi Tower, 98 Nehru Place, New Delhi-110019 |
| vi) Whether listed company | YES |
| vii) Name, Address and Contact details of Registrar and Transfer Agent | M/s Beetal Financial & Computer Services Private Limited
Beetal House, 3rd Floor, 99, Madangir, Behind Local
Shopping Complex, New Delhi-110062. |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% of total turnover of the company
1	Engineering activities and related technical Consultancy	7110	0%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

i) Category-wise Shareholding

Category	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	200	200	0	0	200	200	0	-
b) Central Govt.or State Govt."	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	0	980000	980000	9.8	980000	-	980000	9.80	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	0	980200	980200	9.8	980000	200	980200	9.8	-
(2) Foreign									
a) NRI- Individuals	-	2079560	2079560	20.8	2079560	-	2079560	20.8	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	2040000	2040000	20.4	-	2040000	2040000	20.4	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)"	0	5099760	5099760	51	3059560	2040200	5099760	51	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Cenntal govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS-	-	-	-	-	-	-	-	-	-
h) "Foreign Venture Capital Funds"	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
a) Bodies corporates									
i) Indian	-	302057	302057	3.02	-	302057	302057	3.02	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	0	4396316	4396316	43.96	40750	4355566	4396316	43.96	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	199561	199561	2.00	-	199561	199561	2.00	-
c) Others (specify)									
(i) NRI	-	-	-	-	-	-	-	-	-
(ii) HUF	-	2306	2306	0.02	-	2306	2306	0.02	-
(iii) Clearing Members	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	0	4900240	4900240	49	40750	4859490	4900240	49	0
Total Public Shareholding (B)= (B)(1)+(B)(2)"	0	4900240	4900240	49	40750	4859490	4900240	49	0
C. Shares held by Custodian for GDRs & ADRs"	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	10000000	10000000	100	3100310	6899690	10000000	100	0

(ii) Shareholding of Promoters

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

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

S.No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Co.
At the end of the year	No Change			

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

S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Co.
1	Bharat Janmadas dattani	109700	1.097	109700	1.097
2	ABC Holding Pvt Ltd	84200	0.84	84200	0.84
3	Moderate Leasing & Capital Services Ltd	71400	0.71	71400	0.71
4	Suresh Raj Pal	61900	0.62	61900	0.62
5	Rai Investments Limited	55500	0.55	55500	0.55
6	Prakash G Nayak	27961	0.28	27961	0.28
7	ABR Finlease & Holding Pvt Ltd	26100	0.26	26100	0.26
8	Vittu Bajranglal Agarwal	11200	0.11	11200	0.11
9	Medium Investment Co. Pvt Ltd	10600	0.11	10600	0.11
10	Rasila Dipakbhai Gaudani	8400	0.08	8400	0.08
11.	Pramila Jain	8266	0.08	8266	0.08

(v) Shareholding of Directors & KMP

S.No.	For Each of the Director and KMP Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Co.
1	Mr. Vijay Kumar Modi				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease	Nil	Nil	Nil	Nil
	At the end of the year	0	0	0	0
2	Mr. R.K Agarwal				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease	Nil	Nil	Nil	Nil
	At the end of the year	0	0	0	0
3	Mr. S.S. Agarwal - CEO				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease	Nil	Nil	Nil	Nil
	At the end of the year	0	0	0	0
4	Mr. J.N. Khurana				
	At the beginning of the year	110	0	0	0
	Date wise increase/decrease	Nil	Nil	Nil	Nil
	At the end of the year	110	0	0	0
5	Mr. Anupam Bansal				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease	Nil	Nil	Nil	Nil
	At the end of the year	0	0	0	0
6	Mr. J.C. Chawla				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease	Nil	Nil	Nil	Nil
	At the end of the year	0	0	0	0
7	Mr. Shyam Babu Vyas				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease	Nil	Nil	Nil	Nil
	At the end of the year	0	0	0	0
8	Ms. Ritu Sikka				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease	Nil	Nil	Nil	Nil
	At the end of the year	0	0	0	0
9	Mr. Anil Jain - CFO				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease	Nil	Nil	Nil	Nil
	At the end of the year	0	0	0	0
10	Ms. Akanksha Sharma -CS				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease	Nil	Nil	Nil	Nil
	At the end of the year	0	0	0	0

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	144812930	-	144812930
ii) Interest due but not paid	-	3056841	-	3056841
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	147869771	-	147869771
Change in Indebtedness during the financial year				
- Addition	-	5456607	-	5456607
- Reduction	-	-	-	-
- Net Change	-	5456607	-	5456607
Indebtedness at the end of the financial year				
i) Principal Amount	-	150269537	-	150269537
ii) Interest due but not paid	-	3056841	-	3056841
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	153326378	-	153326378

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole Time Director and / or Manager : Nil****B. Remuneration to other Directors: Nil****C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl.No. Particulars of Remuneration	Key Managerial Personnel			
	CEO	Company Secretary	CFO	Total
1. Gross Salary	Mr. S.S. Agarwal	Ms. Akanksha Sharma	Mr. Anil Jain	
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	244308	565860	810168
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	69144	-	69144
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2. Stock Option	-	-	-	-
3. Sweat Equity	-	-	-	-
4. Commission as % of profit others, specify	-	-	-	-
5. Others, please specify	-	-	-	-
Total	-	313452	565860	879312

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

II. BOARD OF DIRECTORS

Composition of Board:

As on March 31, 2018, the Company has 8 Directors. The Board of Directors consists of 4 Independent Directors. Other than the Chief Executive Officer, all other members of the Board are Non-Executive Directors. The Chairman of the Board is a Non-Executive Director. The Composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

All independent Directors possess the requisite qualifications and are very experienced in their own fields. None of the Directors is a member of more than ten committees or chairman of more than five committees in public limited companies in which they are Directors. All the Directors have given necessary disclosures as required as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The name and categories of Directors on the Board; their attendance at the Board meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships (including SBEC Systems (India) Limited) held by them in Public Companies as on March 31, 2018 are given below. Other Directorships do not include alternate directorships, Section 8 Companies, Private Companies and foreign Companies. Chairmanships/Memberships in Committees include only Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies.

Sl. No.	Name of the Directors	Category of Director	No. of Board Meetings		No. of Directorships (as on March 31, 2018)	Number of membership/ Chairmanship in other Board Committee as on March 31, 2018		Attendance at Last AGM
			Held	Attended		Member	Chairman	
1	Mr. Vijay Kumar Modi	Chairman and Non-Executive Director	5	5	3	2	1	Present
2	Mr. S.S. Agarwal	Executive Director	5	5	5	3	Nil	Present
3	Dr. Anupam Bansal	Non – Executive & Independent Director	5	1	1	1	Nil	Not Present
4	Mr.J.N. Khurana*	Non – Executive Director	5	5	4	1	Nil	Not Present
5	Ms. Ritu Sikka	Non-Executive Director	5	1	1	Nil	Nil	Not Present
6	Mr. R.K. Agarwal	Non – Executive & Independent Director	5	5	8	6	5	Present
7	Mr. J.C. Chawla	Non – Executive & Independent Director	5	5	4	6	1	Present
8	Mr. Shyam Babu Vyas	Non – Executive & Independent Director	5	1	3	3	Nil	Not Present

*Mr. J.N. Khurana resigned from the Directorship w.e.f April 26, 2018.

Board Meetings

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

The Board met five times during the financial year 2017-18. The Directors met on May 30, 2017, August 25, 2017, September 12, 2017, December 05, 2017 and February 12, 2018. The intervening gap between the two Board Meetings did not exceed 120 days. Necessary quorum was present for all meetings.

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

Disclosures of relationships between Directors inter-se

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

Details of Directors Shareholding

Mr. J.N. Khurana holds 110 Equity Shares as on 31st March, 2018.

Familiarization programme for Independent Directors

At the time of appointment, the Independent Director is explained in detail the compliances required from him/her under the Companies Act and SEBI (LODR) Regulations, 2015 and other relevant regulations and his affirmations taken.

By way of an introduction to the Company, the Chairman/CEO interacts with the newly appointed Director and explains the functioning of various divisions/ departments, the Company's market share, governance and internal control processes and other relevant information pertaining to the Company's business. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/ her to effectively fulfill his role as a Director of the Company. The details of the familiarization program of the Independent Directors are given on the website of the Company www.sbecosystems.com.

FORMAL ANNUAL EVALUATION

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

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

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

III. AUDIT COMMITTEE

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

As on March 31st, 2018, the Audit Committee Comprise Four Directors. Three Directors are Non-Executive and Independent and one is Executive Director. All the Committee members have sound knowledge of finance and accounting.

Mr. Rajeev Kumar Agarwal, Chairman of the Audit Committee was present at the Annual General meeting of the Company held on September 28th, 2017 to answer queries from the shareholders.

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

During the financial year ended March 31, 2018, the Audit Committee met 5 times on 30.05.2017, 25.08.2017, 12.09.2017, 05.12.2017 and 12.02.2018 and the maximum gap between the two Audit Committee Meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

The Composition of the Audit Committee and their attendance at the Committee meetings held during the period are as under:

Name of the Director	Designation	Category	Number of meetings during the year 2017-18	
			Held	Attended
Mr. R.K. Agarwal	Chairman	Independent Director	5	5
Mr. J.C. Chawla	Member	Independent Director	5	5
Mr. Anupam Bansal	Member	Independent Director	5	1
Mr. S.S Agarwal	Member	Executive Director	5	5

4. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

During the period ended March 31,2018 ,1 meeting of the Committee was held on May 30, 2017.

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

Name of the Director	Designation	Category	Number of meetings during the year 2017-18	
			Held	Attended
Mr. R.K. Agarwal	Chairman	Independent Director	1	1
Mr. J.C. Chawla	Member	Independent Director	1	1
Mr. V.K. Modi	Member	Non-Executive Director	1	1

Remuneration Policy

The Company has adopted a Remuneration Policy for executive and non-executive directors and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration as approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be. The remuneration policy of the Company is also placed on the website: www.sbcsystems.com.

Remuneration to Directors

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

V. Stakeholders Relationship Committee

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

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

During the financial year ended March 31, 2018, the Stakeholders' Relationship Committee met 4 times on 30.5.2017, 25.08.2017, 05.12.2017 and 12.02.2018

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

Name of the Member	Designation	Category	Number of meetings during the year 2017-18	
			Held	Attended
Mr. V.K. Modi	Chairman	Non-Executive Director	4	4
Mr. J.N. Khurana	Member	Non-Executive Director	4	4
Mr. S.S Agarwal	Member	Executive Director	4	4

During the year, the Company has received 4 complaints from the shareholders. The details of the complaint received and redressed during the financial year 2017-18 are given below:

Particulars	Status
Complaints as on April 1, 2017	Nil
Received during the year	4
Resolved during the year	4
Complaints as on March 31, 2018	Nil

Name, Designation and address of Grievance Redressal Officer:

Ms. Priyanka Negi
Company Secretary & Compliance Officer
 SBEC Systems (India) Limited
 1400, Modi Tower
 98, Nehru Place
 New Delhi - 110019
 Email: sbecsystems@rediffmail.com

6. GENERAL BODY MEETINGS:

(a) Annual General Meetings

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

Financial year	Date	Time	Special Resolution Passed (Yes/No)	Venue
2016-17	September 28, 2017	11.30 a.m.	No	Executive Club, 439, Village Shahoorpur Shahoorpur, P.O. Fatehpur Beri, New Delhi
2015-16	September 27, 2016	2.00 p.m.	No	Executive Club, 439, Village Shahoorpur Shahoorpur, P.O. Fatehpur Beri, New Delhi
2014-15	September 23, 2015	2.00 p.m.	Approval of the borrowing powers of the Board pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013	Executive Club, 439, Village Shahoorpur Shahoorpur, P.O. Fatehpur Beri, New Delhi

(b) Extraordinary General Meetings

No Extraordinary General Meeting of the Members was held during the year 2017-18.

(c) Postal Ballot

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

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

VII. MEANS OF COMMUNICATION

(a) Quarterly results

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

(b) Website

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

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

VIII. GENERAL SHAREHOLDER INFORMATION:

(a) 29th Annual General Meeting

Date & Time : September 26, 2018 at 11.30 a.m.
Venue : Executive Club, 439 Village Shahoorpur,
P.O. Fatehpur Beri, New Delhi

(b) Financial Year of the Company : 1st April, 2017 to 31st March 2018

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

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

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

The Company has paid annual Listing fees to BSE LIMITED for the year 2018-19.

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

(e) Market Price Data:

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

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

(g) Registrar and Share Transfer Agent:

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

M/s Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
New Delhi-110062
Ph.No-011-2996181-83
e-mail: beetal@beetalfinancial.com

(h) Share transfer system:

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

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

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

(i) Distribution of shareholding as on March 31, 2018:

No of Shares	Number of Shareholders	Number of Shares	% of total Shares
Upto 5000	18711	3066146	94.24
5001 - 10000	745	588261	3.75
10001 – 20000	273	400858	1.37
20001- 30000	57	144533	0.28
30001 – 40000	24	85897	0.12
40001 – 50000	14	64766	0.07
50001 – 100000	13	91418	0.06
100000 and above	16	5558121	0.08
Total	19853	10000000	100.00

(h) Shareholding Pattern as on March 31, 2018:

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

(j) Dematerialization of shares and liquidity.

The ISIN (INE689V01018) of the Company has been made live in the system of Central Depository Services (India) Limited (CDSL). The shareholders of the Company can avail the depository services and dematerialize the equity shares of the Company with any of the Depository participants registered with CDSL.

(k) 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.

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

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

(m) Plant Locations: Not Applicable

(n) Address for Correspondence:

SBEC Systems (India) Limited
1400, Modi Tower,
98, Nehru Place,
New Delhi-110019

IX. Other Disclosures

(i) Related Party Transactions

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

The Board of Directors of the Company has formulated 'Related Party Transaction Policy', which is available on website of the Company at www.sbecosystems.com

(ii) Details of Non-compliance

During the Financial Year under review the Company has received a Show Cause Notice from the Securities and Exchange Board of India ("SEBI") under sections 11 and 11B of the Securities and Exchange Board of India Act, 1992 in the matter of the SBEC Sugar Limited as your Company is a part of the Promoter Group of SBEC Sugar Limited. The promoter Group has submitted settlement application with SEBI and paid the settlement amount as per the SEBI(Settlement of Administrative and Civil Proceedings) Regulations, 2014. No penalty or fine is imposed on your Company individually other than being mentioned above.

(iii) Vigil Mechanism

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

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

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

The Company does not have any subsidiary for the financial year ended 31 March, 2018.

(v) Web link for policy on related party transactions

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

X. DISCRETIONARY REQUIREMENTS

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

1. The Board

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

2. Shareholders Rights

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

3. Modified Opinion(s) in Audit Report

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

4. Separate posts of Chairman and CEO.

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

5. Reporting of Internal Auditor

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

XI. Code of Conduct

The Company has adopted the code of conduct for all Board members and Senior Management as required under Regulation 17 of the Listing Regulations. The Code is posted on the Company's website: www.sbcsystems.com. All Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis and a declaration to this effect signed by Mr. S.S. Agarwal, Chief Executive Officer forms part of this Report.

Declaration

I, S.S. Agarwal, Director & Chief Executive Officer of SBEC Systems (India) Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors under Schedule V sub-clause (D) Regulation 34 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for the year ended March 31, 2018.

Place : New Delhi

Date : 30.05.2018

S.S. Agarwal

Chief Executive Officer

XII. THE MANAGEMENT DISCUSSION AND ANALYSIS**COMPANY STRUCTURE AND DEVELOPMENT**

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

INTERNAL CONTROLS AND SYSTEMS

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

DISCLOSURE RELATING TO SENIOR MANAGEMENT

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

CAUTIONARY STATEMENT

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

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

Sd/-

Vijay Kumar Modi

Chairman

DIN : 00004606

PLACE: NEW DELHI

DATED: 31.07.2018

AUDITORS' CERTIFICATE**To****The Members of SBEC Systems (India) Limited**

We have examined the compliance of conditions of Corporate Governance by SBEC Systems (India) Limited ("the Company") for the year ended on March 31, 2018 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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

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

**Date: 31.07.2018
Place: New Delhi**

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

Independent Auditor's Report
To the Members of M/s SBEC Systems (India) Limited

Report on the Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **M/s SBEC SYSTEMS (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (herein after referred as "IND AS") prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and IND AS and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

Basis for Qualified Opinion

We draw attention to Note No.27 of the financial statement ,the company has not complied with the Ind AS-8 "Accounting for Investment" regarding reversal of diminution of current quoted Investment aggregating to Rs.3,04,47,066/-As a result of such non reversal of diminution the Loss for the year are shown higher and Investment are shown lower by Rs.3,04,47,066/-

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except of the matter described in the Basis of Qualified Opinion paragraph above, the standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date: and
- in changes in equity for the year on that date.

Emphasis of Matters

We draw attention to note no 26 to the financial statement according to which the company has prepared its accounts on a going concern basis even though the net worth of the Company has been fully eroded. These facts cast significant doubts above the Company's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable to the company.

As required by section 143(3) of the Act, we report that:

- We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- in our opinion, the aforesaid financial statements comply with the IND AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.
- On the basis of written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, we report that none of directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164(2) of the Act.
- The company has laid down adequate internal financial controls with reference to financial statement and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.

- With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The company does not have any pending litigations which would impact its financial statements
 - The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For DOOGAR & ASSOCIATES
Chartered Accountants
FRN: 000561N

Sd/-
(Mukesh Goyal)
Partner
M. No. : 081810

Place: New Delhi
Date: 21.05.2018

Annexure "A" to the Independent Auditors' Report

Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of even date to the member on the financial statements of SBEC SYSTEMS (INDIA) Limited for the Year ended 31st March, 2018

- i) Fixed Assets:
The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
The fixed assets have been physically verifying by the management during the year and no material discrepancies were noticed on such verification.
- ii) Inventories: The Company has no finished goods stock.
- iii) Transactions with parties u/s 189 of the Companies Act, 2013
The company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties during the year covered in the register maintained under section 189 of the Companies Act, 2013
- iv) In our opinion, the Company has not entered in to any transaction covered under Sections 185 of the Act.
- v) In our opinion, the Company has complied with provisions of Sections 186 of the Act.
- vi) The Company does not have any loans or borrowing from any financial institution, banks government or debenture holds during the year. Accordingly, paragraph 3 (Viii) of the order is not applicable.
- vii) Cost records has been prescribed by the central government under clause (d) of sub section (1) of section 148 of the Act is not applicable to the company.
- viii) Deposits
The Company has not accepted any deposits during the year or in earlier years which are covered under the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- ix) Statutory Dues
According to the books and records, examined by us and information and explanations given to us, the Company is regular in depositing the undisputed statutory dues, including Provident Funds, Income tax, Tax deducted at source and other statutory dues, as applicable, with the appropriate authorities during the year.
According to the books and records, examined by us and information and explanations given to us, there were no undisputed dues as on 31st March, 2018.
- x) The Company has not raised any money by way of initial public offer or further public offer (including debts instruments) and term loans and hence the application of such money for the specified purposes does not arise.
- xi) Based upon the audit procedures performed and on the basis of information and explanations provided by the management, we report that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year under audit.
- xii) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xiii) The company is not a Nidhi Company and hence the clause is not applicable.
- xiv) According to the records of the company and information and explanation provided to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- xv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review as such the requirement of Section 42 of the Companies Act as covered under the clause is not applicable to the company.
- xvi) As per the records of the company and information and explanation provided to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause is not applicable.
- xvii) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DOOGAR & ASSOCIATES
Chartered Accountants
FRN: 000561N

Sd/-
(Mukesh Goyal)
Partner
M. No. : 081810

Place: New Delhi
Date: 21.05.2018

Annexure 'B' to Independent Auditors' Report

(Referred to in paragraph (2)(h) under the head 'Report on Other Legal and Regulatory Requirements' of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, ("the Act") to the members of SBEC Systems (India) Ltd. on the financial statements for the year ended March 31, 2018

- We have audited the internal financial control with reference to financial statement of SBEC SYSTEMS (INDIA) LIMITED ("the Company") as of March, 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

- The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement, criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

- Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

- A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

- Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

- In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria, established by the Company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For DOOGAR & ASSOCIATES
Chartered Accountants
FRN: 000561N

Sd/-
(Mukesh Goyal)
Partner
M. No. : 081810

Place: New Delhi
Date: 21.05.2018

BALANCE SHEET AS AT 31ST MARCH, 2018

(in Rs.)

Particulars	Note No.	As at 31 March, 2018	As at 31st March, 2017	As at 1st April, 2016
A ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	3	29,515	30,646	32,737
(b) Non Current Investment	4	68,602,183	68,602,183	68,602,183
		68,631,698	68,632,829	68,634,920
2 Current assets				
(a) Cash and cash equivalents	5	171,119	275,612	484,361
(b) Bank balances other than (a)above	6	40,000	40,000	40,000
(c) Short-term loans and advances	7	1,300,000	1,300,000	1,300,000
(d) Other current assets	8	5,623,446	5,467,446	5,311,446
		7,134,565	7,083,058	7,135,807
TOTAL		75,766,263	75,715,887	75,770,727
B EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	9	100,000,000	100,000,000	99,959,000
(b) Other Equity	10	(202,474,025)	(197,008,854)	(195,857,886)
		(102,474,025)	(97,008,854)	(95,898,886)
2 Non-current liabilities				
(a) Financial Liabilities				
- Borrowings	11	65,238,954	65,924,326	67,100,110
(b) Other Non Current liabilities	12	23,427,241	23,514,028	23,662,910
(c) Long-term provisions	13	126,231	85,709	75,672
		88,792,426	89,524,063	90,838,692
3 Current liabilities				
(a) Financial Liabilities				
- Borrowings	14	85,030,583	78,888,604	76,487,604
(b) Other current liabilities	15	4,417,280	4,312,075	4,343,317
		89,447,863	83,200,679	80,830,921
TOTAL		75,766,263	75,715,887	75,770,727

Significant Accounting Policies

1-2

The accompanying notes are integral part of the Financial Statements.

In terms of our report attached

For Doogar & Associates
Chartered Accountants
Firm Reg. No. 000561N

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

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

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

Sd/-
Mukesh Goyal
Partner
Membership No. : 081810

sd/-
Akanksha Sharma
Company Secretary
M.No. 36153

sd/-
Anil Jain
CFO

Place : New Delhi
Date : 21.05.2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(In Rs.)

Particulars	Note No.	Year ended 31.03.2018	Year ended 31.03.2017
I Revenue from operations	16	-	-
II Other income	17	928,159	1,494,403
III Total revenue (I+II)		928,159	1,494,403
IV Expenses:			
Employee benefits expense	18	1,253,259	1,114,882
Finance costs	19	5,251	689
Depreciation and amortisation expense	20	1,131	2,091
Other Expenses	21	1,593,689	1,527,709
Total expenses (IV)		2,853,330	2,645,371
V Profit / (Loss) before exceptional items and tax (III-IV)		(1,925,171)	(1,150,968)
VI Exceptional Items Income/(Expenses)	22	(3,540,000)	-
VII Profit / (Loss) after exceptional items and before tax (V-VI)		(5,465,171)	(1,150,968)
VIII Tax expense:			
- Current Tax		-	-
- Deferred Tax		-	-
Total		-	-
IX Profit / (Loss) for the year (VII-VIII)		(5,465,171)	(1,150,968)
Earning per equity shares:	23		
(i) Basic		(0.55)	(0.12)
(ii) Diluted		(0.55)	(0.12)

The accompanying notes are integral part of the financial Statements

In terms of our report attached

For Doogar & Associates
Chartered Accountants
Firm Reg. No. 000561N

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

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

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

Sd/-
Mukesh Goyal
Partner
Membership No. : 081810

sd/-
Akanksha Sharma
Company Secretary
M.No. 36153

sd/-
Anil Jain
CFO

Place : New Delhi
Date : 21.05.2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(in Rs.)

	As At March 31, 2018	As At March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax and extraordinary items	(5,465,171)	(1,150,968)
Adjustments for :		
Depreciation	1,131	2,091
Interest Expense	5,251	689
Interest Income	(156,000)	(156,000)
Foreign Exchange fluctuation(net)	(772,159)	(1,324,667)
Reversal of excess Provisions	-	(13,736)
	<u>(921,777)</u>	<u>(1,491,623)</u>
Operating profit/(Loss) before working capital changes	(6,386,948)	(2,642,591)
Change in working Capital :		
(Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances excluding TDS	-	-
(Increase)/Decrease in Inventories	-	-
Increase /(Decrease) in Trade Payable and Provisions	145,727	(7,469)
	<u>145,727</u>	<u>(7,469)</u>
Cash (used in) / Generated from operations	(6,241,221)	(2,650,060)
Income Tax/ TDS Paid/Refund	-	-
Net Cash (used) in / generation from operating activities	(6,241,221)	(2,650,060)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	-
Purchase of fixed assets	-	-
Proceeds from Sales of fixed assets	-	-
Net Cash (used) in/flow from investing activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	41,000
Proceeds from Long/Short term borrowings	6,141,979	2,401,000
Interest paid	(5,251)	(689)
Repayment of long /Short term borrowings	-	-
NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES	6,136,728	2,441,311
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(104,493)	(208,749)
Cash and Cash equivalents at beginning of period	275,612	484,361
Cash and Cash equivalents at end of the period (Note No 5)	171,119	275,612

*Figures in bracket indicate cash outflow.

In terms of our report attached

For Doogar & Associates
Chartered Accountants
Firm Reg. No. 000561N

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

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

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

Sd/-
Mukesh Goyal
Partner
Membership No. : 081810

sd/-
Akanksha Sharma
Company Secretary
M.No. 36153

sd/-
Anil Jain
CFO

Place : New Delhi
Date : 21.05.2018

ACCOUNTING POLICIES OF THE FINANCIAL INFORMATION

NOTE NO. 1 : Corporate Information

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

NOTE NO: 2 Significant Accounting Policies

1. Basis of preparation of financial information

- a. The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Upto the year ended 31 March, 2017, the Company prepared its financial statements in accordance with the requirements of the Generally Accepted Accounting Principles in India ('Indian GAAP'), which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Refer note 2(c) for the details of the first-time adoption exemptions availed by the Company.
- b. The financial statements have been prepared under the historical cost convention on accrual basis.
- c. First-time adoption of Indian Accounting Standards-mandatory exceptions, optional exemptions:
 - i. The Company has prepared the opening balance sheet as per Ind AS as at 1 April, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing the items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS, as required by Ind AS, and applying Ind AS in measurement of the recognized asset and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company.
 - ii. The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transaction occurring on or after 1 April, 2016 (the transition date)
 - iii. The Company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognized as on 1 April, 2016 (transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.
 - iv. The Company has applied Appendix C of Ind AS 17 "Leases" "Determining whether an Arrangement contains a Lease" to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

2. Use of Estimates

The preparation of financial statements require the management to make some estimates and assumptions which affect the reported amount of assets and liabilities and the disclosures relating the contingent liabilities as at the date of the financial statements and the reported amount of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefit, provision for tax & duties (including interest on arrear statutory dues/liabilities), the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to change in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known / materialized.

3. Revenue Recognition:

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

4. 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.

5. Fixed Assets

- a) Fixed Assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to acquisition and installation of fixed assets.
- b) 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.
- c) Depreciation on Fixed Assets is provided to the extent of depreciable amount on the written down value (WDV) method over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

6. Foreign Currency Transactions

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

Monetary foreign currency assets & liabilities remaining unsettled at the balance sheet date are translated at exchange rate prevailing on that date. Gain/

loss arising on account of realization/settlement of foreign currency transactions and on translation of foreign currency assets and liabilities are recognized in the Profit & loss account.

7. 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.

8. Investments

- a) Long Term quoted investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.
- b) Unquoted Investments are stated at cost.
- c) 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.
- d) 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.

9. Taxation

- a) Provision for current tax is made on the basis of applicable Income Tax Act, 1961
- b) Deferred tax assets and liabilities are accounted for in accordance with Ind AS 12.

10. Miscellaneous Expenditure

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

11. 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 recognized wherever the carrying amount of an asset exceeds its recoverable amount.

12. 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 cannot 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.

13. Cash and Cash Equivalent

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at Bank, cash in hand and demand deposits with bank with an original maturity of three months or less than the date of acquisition.

14. Earning Per Share

The earnings considered in accounting the Company's Earning per Share (EPS) comprise the net profit after tax and includes the post tax effect of any exceptional items. The number of shares used in computing basic & diluted EPS is the weighted average number of shares outstanding during the periods and adjusted for all events.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive shares.

15. Cash Flow Statement

Cash flow are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

Notes to Financial Statements for the Year Ended on 31st March, 2018

NOTE - 3 : PROPERTY, PLANT AND EQUIPMENT

Tangible assets

Rs.000'

Particulars	Gross Block						As at 31.03.2018
	As at 01.04.2016	Additions	Deductions /Disposal	As at 31.03.2017	Additions	Deductions /Disposal	
Plant and Equipment	17,591	-	-	17,591	-	-	17,591
Furniture & Fixtures & Fittings	632,848	-	-	6,32,848	-	-	6,32,848
Office Equipments	63,530	-	-	63,530	-	-	63,530
Total	713,969	-	-	713,969	-	-	7,13,969
(Previous Year)	713,969	-	-	713,969	-	-	7,13,969

Particulars	Depreciation						Net Book Value			As at 31.03.2018
	As at 01.04.2016	For the Year	Deduction /Adjustment	Upto 31.03.2017	For the Year	Deductions /Adjustment	Upto 31.03.2018	As at 01.04.2016	As at 31.03.2017	
Plant and Equipment	16,789	-	-	16,789	-	-	16,789	802	802	802
Furniture & Fixtures & Fittings	6,08,158	-	-	6,08,158	-	-	6,08,158	24,690	24,690	24,690
Office Equipments	56,285	2,091	-	58,376	1,131	-	59,507	7,245	5,154	4,023
Total	6,81,232	2,091	-	6,83,323	1,131	-	6,84,454	32,737	30,646	29,515
(Previous Year)	6,77,367	3,865	-	6,81,232	2,091	-	6,83,323	36,602	32,737	30,646

NOTE 4 : NON- CURRENT INVESTMENT

(in Rs.)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Trade Investment (Quoted, Valued at Cost)			
Investment			
31,57,716 Equity Shares of Rs. 10- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	31,577,160	31,577,160	31,577,160
Less : Provision for Diminution (Refer Note No.27)	8,928,624	8,928,624	8,928,624
1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	110,731,680	110,731,680	110,731,680
Less : Provision for Diminution (Refer Note No.27)	64,778,033	64,778,033	64,778,033
Total	68,602,183	68,602,183	68,602,183
Market value of quoted Investments (Based on closing rate of Rs. 6.96 at BSE on 31.03.2018 Previous year @ Rs. 12.75 per share)	99,049,249	181,447,979	108,157,226

NOTE 5 : CASH & BANK BALANCES

Cash and Cash Equivalents

Balance with Scheduled Banks in -

-- Current Accounts	147,522	87,199	216,804
Cash & Stamps in hand	23,597	188,413	267,557
TOTAL	171,119	275,612	484,361

NOTE 6 : OTHER BANK BALANCES

Other bank balances

Fixed deposit with banks *

TOTAL	40,000	40,000	40,000
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* Fixed Deposit Matured But Pledged with Sales Tax Authority

NOTE 7 : SHORT TERM LOAN & ADVANCES

Unsecured considered good

Loans - Dinesh Rajvanshi	1,300,000	1,300,000	1,300,000
TOTAL	1,300,000	1,300,000	1,300,000

NOTE 8 : OTHER CURRENT ASSETS

	(in Rs.)		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Income tax recoverable	185,300	185,300	185,300
Service Tax -(Cenvat Credit)	82,400	82,400	82,400
Interest receivable	5,355,746	5,199,746	5,043,746
TOTAL	5,623,446	5,467,446	5,311,446

NOTE 9: SHARE CAPITAL**AUTHORISED CAPITAL**

15,000,000 Equity Shares of Rs.10/- each.	150,000,000	150,000,000	150,000,000
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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)	100,000,000	100,000,000	100,000,000
Less: Calls in arrear	-	-	(41,000)
TOTAL	100,000,000	100,000,000	99,959,000

a. Reconciliation of number of shares (nos.)

Outstanding at the beginning of the year	10,000,000	10,000,000	10,000,000
Outstanding at the end of the year	10,000,000	10,000,000	10,000,000

b.(1) The company has only one class of issued shares i.e. Equity shares having par value of Rs. 10 per share . Each holder of equity shares is entitled to one vote per and equal right for dividend. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing general meeting, except in case of interim dividend . in the event of liquidation the entity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.

(2) No member shall exercise any voting rights in respect of any share on which any calls payable , or in respect of which the company has exercise its right of lien.

(3) The Company shall have a first and paramount lien upon all partly paid shares registered in the name of any member either alone or jointly with other person and such lien shall extend to all dividend from time to time, subject to section 205A of the Act, provided that the board of directors may at any time, declare shares to be exempted wholly or partly from the provision of articles.

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

Name of shareholders	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
Mr. Umesh Kumar Modi	2079560	20.8%	2079560	20.8%	2079560	20.8%
SBEC Systems Limited	2040000	20.4%	2040000	20.4%	2040000	20.4%
Longwell Investments Pvt. Ltd.	550000	5.50%	550000	5.50%	550000	5.50%

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

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

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

NOTE 10 : OTHER EQUITY

	(in Rs.)		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Share Premium Reserve			
Opening balance	19,261,774	19,261,774	19,261,774
Add:Addtion during the year	-	-	-
Closing Balance	19,261,774	19,261,774	19,261,774
Surplus /(Deficit)			
Opening balance	(216,270,628)	(215,119,660)	(208,994,135)
Profit(loss) for the year	(5,465,171)	(1,150,968)	(6,125,525)
Net surplus in the statement of Profit and loss account	(221,735,800)	(216,270,628)	(215,119,660)
TOTAL	(202,474,025)	(197,008,854)	(195,857,886)

NOTE 11 : BORROWINGS

(in Rs.)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured			
Foreign Currency Loan From Overseas Corporate Body (Refer Note No.25)	65,238,954	65,924,326	67,100,110
Total	65,238,954	65,924,326	67,100,110

NOTE 12: OTHER NON CURRENT LIABILITIES

Advance From Customer*	15,166,425	15,166,425	15,166,425
Others (Perdiem Charges)	8,260,816	8,347,603	8,496,485
Total	23,427,241	23,514,028	23,662,910

*from related parties

NOTE 13 : LONG TERM PROVISIONS

Provision for Employee Benefits :

For Gratuity	126,231	85,709	75,672
Total	126,231	85,709	75,672

NOTE 14 : SHORT TERM BORROWINGS**Unsecured**

Loans repayable on demand

From Corporate	85,030,583	78,888,604	76,487,604
Total	85,030,583	78,888,604	76,487,604

NOTE 15 : OTHER CURRENT LIABILITIES

Interest accrue and due on borrowing	3,056,841	3,056,841	3,056,841
Salaries, wages & bonus	81,412	74,557	86,064
Other liabilities*	1,198,429	1,155,519	1,176,557
Statutory dues payable	80,598	25,158	23,855
TOTAL	4,417,280	4,312,075	4,343,317

* Includes Rs 13,844/- (Previous Year Rs. 3,310/-) to related party

NOTE 16 : REVENUE FROM OPERATIONS

(in Rs.)

	Year ended 31.03.2018	Year ended 31.03.2017
Sales	-	-
Less:Excise duty/GST	-	-
	-	-

NOTE 17 : OTHER INCOME

Foreign Exchange fluctuation(net)	772,159	1,324,667
Interest	156,000	156,000
Reversal of excess provisions	-	13,736
TOTAL	928,159	1,494,403

NOTE 18 : EMPLOYEE BENEFIT EXPENSES

Salary, Wages, Bonus & other allowances	1,091,871	987,145
Company's Contribution To Provident & Other Funds	64,721	59,490
Staff Welfare Expenses	8,145	10,210
Gratuity	40,522	10,037
Entertainment Expenses	48,000	48,000
TOTAL	1,253,259	1,114,882

NOTE 19: FINANCE COST

	(in Rs.)	
	Year ended 31.03.2018	Year ended 31.03.2017
Interest - Others	2,757	59
Bank Charges	197	630
Demat Charges	2,297	-
TOTAL	5,251	689

NOTE 20: DEPRECIATION & AMORTIZATION EXPENSES

Depreciation & Amortization	1,131	2,091
	1,131	2,091

NOTE 21 :OTHER EXPENSES

Auditor's Remuneration		
-As Audit Fee	59,000	57,500
-Certification and Company Law	11,800	11,502
Telephone, Postage & Telegram	36,530	37,985
Legal & Professional Charges	17,700	20,702
Travelling & Conveyance	10,715	11,905
Printing & Stationery	11,396	10,969
Gift & Presentation	-	3,470
Filing Fee	2,400	45
Misc. Expenses	300	1,585
Accountancy Charges	50,000	54,000
Books & Periodicals	18,000	18,000
Secretarial & AGM Expenses	1,375,847	1,300,046
	1,593,689	1,527,709

NOTE 22: EXCEPTIONAL ITEMS INCOME/(EXPENDITURE)

Reinstatement Fees (Revocation of suspension in trading of equity shares)	3,540,000	-
	3,540,000	-

NOTE 23: EARNING PER SHARE(EPS)

EPS has been computed in accordance with Ind AS-33 :		
Profit /(Loss) after tax for the year	(5,465,171)	(1,150,968)
Weighted Average number of equity shares of Rs.10/- each fully paid up	10,000,000	10,000,000
Basic & Diluted Earnings per share	(0.55)	(0.12)

NOTE NO : 24 NOTES RELATED TO INDIAN ACCOUNTING STANDAREDS

1 First-time Ind AS adoption reconciliations

(A) Effects of Ind AS adoption on the balance sheet as at 31st March 2017 and 1st April 2016

Particulars	(In Rs.)					
	Previous GAAP 1.04.2016	Effect of transition to Ind AS	Ind AS 01.04.2016	Previous GAAP 31.03.2017	Effect of transition to Ind AS	Ind AS 31.03.2017
ASSETS						
Non-Current Assets						
(a) Property, Plant and Equipment	32737	-	32737	30646	-	30646
(b) Non Current Investment	68602183	-	68602183	68602183	-	68602183
	68634920	-	68634920	68632829	-	68632829
Current Assets						
(b) Financial Assets						
(i) Cash and Cash Equivalents	484361	-	484361	275612	-	275612
(ii) Bank balances other than (ii)above	40000	-	40000	40000	-	40000
(iii) Others	1300000	-	1300000	1300000	-	1300000
c) Others Current assets	5311446	-	5311446	5467446	-	5467446
	7135807	-	7135807	7083058	-	7083058
	75770727	-	75770727	75715887	-	75715887
EQUITY AND LIABILITIES						
EQUITY						
(a) Equity Share Capital	99959000	-	99959000	100000000	-	100000000
(b) Other Equity	(195857886)	-	(195857886)	(197008854)	-	(197008854)
	(95898886)	-	(95898886)	(97008854)	-	(97008854)
LIABILITIES						
Non-Current Liabilities						

a) Financial Liabilities					
-Borrowings	67100110	-	67100110	65924326	- 65924326
b) Provisions	75672	-	75672	85709	- 85709
d) Other non-Current Liabilities	23662910	-	23662910	23514028	- 23514028
	90838692	-	90838692	89524063	- 89524063

Current Liabilities

a) Financial Liabilities					
-Borrowings	76487604	-	76487604	78888604	- 78888604
	76487604	-	76487604	78888604	- 78888604
(b) Other Current Liabilities	4343317	-	4343317	4312075	- 4312075
	80830921	-	80830921	83200679	- 83200679
Total Equity and Liabilities	75770727	-	75770727	75715887	- 75715887

(B) Effects of Ind AS adoption on the Statement of Profit and Loss for the year ended March 2017

(In Rs.)

		As at 31st March 2017			
Sr.No	Paticulars	Notes	Previous GAAP	Effect of transition to Ind AS	Ind AS
I	Revenue from operations		-	-	-
II	Other Income		1,508,139	-	1,508,139
III	Total Income (I +II)		1,508,139	-	1,508,139
IV	Expenses:				
	Employee benefits expense		1,114,882	-	1,114,882
	Finance costs		689	-	689
	Depreciation and amortization expense		2,091	-	2,091
	Other expenses		1,527,709	-	1,527,709
	Total Expenses (IV)		2,645,371	-	2,645,371
V	Profit / (Loss) before exceptional and tax (III - IV)		(1,137,232)	-	(1,137,232)
VI	Exceptional Items Income/(Expenses)		-	-	-
VII	Profit / (Loss) before exceptional items and tax (VI - V)		(1,137,232)	-	(1,137,232)
VIII	Tax expense:				
	(1) Current tax		-	-	-
	(2) Deferred tax		-	-	-
	Total		-	-	-
IX	Profit/(Loss) for the year		(1,137,232)	-	(1,137,232)

(c) Effects of Ind AS adoption on the Statement of Cash Flows for the year ended March 2017

Net Cash (used) in / generation from operating activities	(2,650,060)	-	(2,650,060)
Net Cash (used) in/flow from investing activities	-	-	-
NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES	2,441,311	-	2,441,311
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(208,749)	-	(208,749)
Cash and Cash equivalents at beginning of period	484,361	-	484,361
Cash and Cash equivalents at end of the period	275,612	-	275,612

(d) Statement of changes in Equity

Paticulars	Previous GAAP 1.04.2016	Effect of Changes in Share Capital	Ind AS 01.04.2016	Previous GAAP 31.03.2017	Effect of Changes in Share Capital	Ind AS 31.03.2017
Opening Balance	100,000,000	-	100,000,000	100,000,000	-	100,000,000
Less: Calls in arrear	(41,000)	-	(41,000)	-	-	-
closing Balance	99,959,000	-	99,959,000	100,000,000	-	100,000,000

(e) Statement of Changes in Other Equity

Paticulars	Share Premium Reserve	Retained Earning	Total
Opening Balance as on 01.04.2015	19,261,774	(208,994,135)	(189,732,361)
Add:Addition During the year	-	-	-
:Loss For the year	-	(6,125,525)	(6,125,525)
closing Balance as on 31.03.2016	19,261,774	(215,119,660)	(195,857,886)
Opening Balance as on 01.04.2016	19,261,774	(215,119,660)	(195,857,886)
Add:Addition During the year	-	-	-
:Loss For the year	-	(1,150,968)	(1,150,968)
closing Balance as on 31.03.2017	19,261,774	(216,270,628)	(197,008,854)

Note 25 Contingent liabilities not provided for in respect of :-

Particulars	Current Year	Previous
Interest on Foreign Currency Loan	1,83,05,188@	1,84,97,494@
<p>@ In terms of agreement dated 14th December 2005 entered with Occident Orient Company Limited , 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.</p>		
Note 26.	The accounts of the Company for the year ending 31.03.18 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 27.	Reversal of diminution of Current Quoted investment aggregating Rs.7,37,06,657/- (Previous Year Rs. 7,37,06,657/-) has been provided. Resulting of such non reversal of diminution the loss for the year are shown higher and investment are shown lower by Rs. 3,04,47,066/- (Previous Year Rs. 11,28,45,796/-)	
Note 28.	Segment Reporting The Company operates in a single business and geographical segment and the requirements of Ind AS-108 on Segment Reporting are not relevant.	
Note 29.	Related Parties Disclosures Pursuant to compliance of Ind AS-18 on "Related Party Disclosures", the related parties were as under:	
a)	Enterprises Where Control Exists SBEC Sugar Limited (Substantial Interest Exist)	
b)	Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises. SBEC System limited (United Kingdom)	
c)	Key Managerial Personnel Mr. Anil Jain - Chief Financial Officer	
d)	Individual owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise : Mr.U.K.Modi	
e)	Relative of individual owning substantial interest and their Enterprises : Mrs.Kumkum Modi, Mr.Abhishek Modi, Ms.Meghna modi , Ms. Himani Modi , Mr.Jayesh Modi , Mrs Shreepriya Modi, Modi Arts Pvt Ltd., Modi Goods and Retail Services Pvt Ltd., Jai Abhishek Investments Pvt Ltd., Modi Diagnostics Pvt Ltd., Modi –Mundipharma Beauty Products Pvt.Ltd., Modi Senator (India) Pvt Ltd., First Move Management Services Pvt Ltd. , Beauty Products Lanka Pvt Ltd., Umesh Modi Corp Pvt Ltd., Modi-Mundipharma Healthcare Pvt. Ltd.(formerly known as Modi Omega Pharma (India) Pvt Ltd.), Modi Illva India Pvt Ltd., A to Z Holding Pvt Ltd., Longwell Investment Pvt Ltd., SBEC Sugar Limited* , Bihar Sponge Iron Ltd., Modi Mundipharma Pvt Ltd.* , Modiline Travel Service Pvt Ltd., Modi Industries Ltd., Modi Hitech India Ltd., Win Medicare Pvt Ltd*, H.M.Tubes & Containers Pvt Ltd., Modi Motors Pvt Ltd*, M.G.Mobile India Pvt Ltd., Bangladesh Beauty Products Pvt. Ltd, SBEC Bio Energy Ltd*, Meghna AutoWorks Pvt. Ltd., Mundipharma (Bangladesh) Pvt. Ltd., Jayesh Tradex Pvt. Ltd*, Mundipharma Trading Bangladesh Pvt. Ltd., SBEC Stockholding & Investment Ltd., Abhikum Leasing & Investments Pvt. Ltd., ABC Holding Pvt. Ltd., Kumabhi Investments Pvt. Ltd., Meghkum Leasing & Investment Pvt. Ltd., Technicast Engineers Ltd., M First Trading Pvt. Ltd.	
	* Indicates that during the period , there is transaction with these relatives and enterprises.	
f)	Transactions carried out with related parties referred in above, in the ordinary course of business (In Rs.)	

Nature of Transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(e) above
Remuneration	— (—)	— (—)	8,19,720 (7,38,012)	— (—)
Expenses Paid				
Secretarial Expenses/ Printing & Stationery etc.	— (—)	— (—)	— (—)	1,46,916 (89,095)
Out standings				
Payable	128,37,523 (128,37,523)	— (—)	64,174 (59,111)	23,42,746 (23,32,212)
Equity Contribution	14,23,12,140 (14,23,12,140)	— (—)	— (—)	— (—)

Note 30. 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 31. Employee Benefits

The company has adopted Ind AS- 19 'Employee Benefits'.

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

a) Defined Contribution Plan	2017-18 Year	2016-17 Year	2015-16 Year	2014-15 Year	2013-14 Year
Employer's contribution to provident fund	64,721	59,490	46,855	33,579	40,457

b) Defined Benefit Plan

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

1. Reconciliation of opening and closing balances of DBP

	Gratuity For The Year Ending 31.03.18	Gratuity For The Year Ending 31.03.17	Gratuity For The Year Ending 31.03.16	Gratuity For The Year Ending 31.03.15	Gratuity For The Year Ending 31.03.14
DBP at the beginning of the year	85,709	75,672	45,994	23,510	57,592
Interest Cost	-	-	-	-	-
Current Service Cost	40,522	10,037	29,678	22,484	23,510
Benefits Paid/ Written Back	Nil	Nil	Nil	Nil	57,592
Actuarial (gain)/loss	Nil	Nil	Nil	Nil	Nil
DBP at the end of the year	1,26,231	85,709	75,672	45,994	23,510

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

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

3. Reconciliation of amount recognized in Balance Sheet

Fair Value of Plan Assets	Nil	Nil	Nil	Nil	Nil
Present value of obligation	1,26,231	85,709	75,672	45,994	23,510
Net asset/(liability) recognized in the Balance Sheet	1,26,231	85,709	75,672	45,994	23,510

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

Interest Cost	Nil	Nil	Nil	Nil	Nil
Current Service Cost	40,522	10,037	29,678	22,484	23,510
Expected Return on Plan Assets	Nil	Nil	Nil	Nil	Nil
Net Actuarial (Gain) / Loss recognised during the year	Nil	Nil	Nil	Nil	Nil
Expenses recognised in the statement of Profit & Loss	40,522	10,037	29,678	22,484	23,510

5. Actual Return on Plan Assets

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

6. Principal Actuarial Assumptions

	Gratuity For The Year Ending 31.03.18	Gratuity For The Year Ending 31.03.2017	Gratuity For The Year Ending 31.03.2016	Gratuity For The Year Ending 31.03.2015	Gratuity For The Year Ending 31.03.2014
Mortality table (LIC)	1994-96	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified
Duly Modified					
Discount Rate	8%	8%	8%	8%	8%
Future Salary Increased	10%	10%	10%	10%	10%
Expected rate of return on plan assets	Nil	Nil	Nil	Nil	Nil
Withdrawal Rates					
Up to 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%
Up to 44 Years	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%	1.00%

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

Note 32. Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable) :

Particulars	(In Rs.)
a) STOCK, PURCHASES AND SALES OF GOODS TRADED IN :	Nil
b) EXPENDITURE IN FOREIGN CURRENCY (On cash basis)	(Nil)
Interest Payment	Nil
c) EARNINGS IN FOREIGN EXCHANGE	(Nil)
d) CIF VALUE OF IMPORTS	(Nil)

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

In terms of our attached report of even date,

For Doogar & Associates
Chartered Accountants
Firm Reg. No. 000561N

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

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

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

Sd/-
Mukesh Goyal
Partner
Membership No. : 081810
Place : New Delhi
Date : 21.05.2018

sd/-
Akanksha Sharma
Company Secretary
M.No. 36153

sd/-
Anil Jain
CFO

Independent Auditor's Report
To the Members of M/s SBEC Systems (India) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **M/s SBEC SYSTEMS (INDIA) LIMITED** ("the Company"), which comprise the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement and the Statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS Financial Statements that give a true and fair view of the financial position, financial performance and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (herein after referred as "IND AS") prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and IND AS and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except of the matter described in the Basis of Qualified Opinion paragraph above, the consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date;
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date: and
- in changes in equity for the year on that date.

Emphasis of Matters

We draw attention to note no 26 to the consolidated financial statement according to which the company has prepared its accounts on a going concern basis even though the net worth of the Company has been fully eroded. These facts cast significant doubts above the Company's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

- We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, consolidated Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- in our opinion, the aforesaid consolidated financial statements comply with the IND AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.
- On the basis of written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, we report that none of directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164(2) of the Act.
- The company has laid down adequate internal financial controls with reference to financial statement and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The company does not have any pending litigations which would impact its financial statements
 - The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For DOOGAR & ASSOCIATES
Chartered Accounts
FRN: 000561N

(Mukesh Goyal)
Partner
M. No. : 081810

Place: New Delhi
Date: 30.05.2018

Annexure 'A' to Independent Auditors' Report

(Referred to in paragraph (2)(h) under the head 'Report on Other Legal and Regulatory Requirements' of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, ("the Act") to the members of SBEC Systems (India) Ltd. on the financial statements for the year ended March 31, 2018

- We have audited the internal financial control with reference to consolidated financial statement of SBEC SYSTEMS (INDIA) LIMITED ("the Company") as of March, 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

- The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement, criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

- Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

- A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

- Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

- In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria, established by the Company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For DOOGAR & ASSOCIATES
Chartered Accounts
FRN: 000561N

(Mukesh Goyal)
Partner
M. No. : 081810

Place : New Delhi
Date : 30.05.2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(in Rs.)

Particulars	Note No.	As at 31 March, 2018	As at 31st March, 2017	As at 1st April, 2016
A ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	3	29,515	30,646	32,737
(b) Non Current Investment	4	101,636,228	353,675,219	467,220,143
		101,665,743	353,705,865	467,252,880
2 Current assets				
(a) Cash and cash equivalents	5	171,119	275,612	484,361
(b) Bank balances other than (a)above	6	40,000	40,000	40,000
(b) Short-term loans and advances	7	1,300,000	1,300,000	1,300,000
(c) Other current assets	8	5,623,446	5,467,446	5,311,446
		7,134,565	7,083,058	7,135,807
TOTAL		108,800,308	360,788,924	474,388,687
B EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	9	100,000,000	100,000,000	99,959,000
(b) Other Equity	10	(169,439,979)	88,064,182	202,760,074
		(69,439,979)	188,064,182	302,719,074
2 Non-current liabilities				
(a) Financial Liabilities				
- Borrowings	11	65,238,954	65,924,326	67,100,110
(b) Other Non Current liabilities	12	23,427,241	23,514,028	23,662,910
(c) Long-term provisions	13	126,231	85,709	75,672
		88,792,426	89,524,063	90,838,692
3 Current liabilities				
(a) Financial Liabilities				
- Borrowings	14	85,030,583	78,888,604	76,487,604
(b) Other current liabilities	15	4,417,278	4,312,075	4,343,317
		89,447,861	83,200,679	80,830,921
TOTAL		108,800,308	360,788,924	474,388,687

Significant Accounting Policies

1-2

The Accompanying notes are integral part of the financial statements

In terms of our report attached

For Doogar & Associates
Chartered Accountants
Firm Reg. No. 000561N

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

sd/-
Vijay K. Modi
Director
DIN: 0004606

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

Sd/-
Mukesh Goyal
Partner
Membership No. : 081810

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

sd/-
Akanksha Sharma
Company Secretary
M.No. 36153

sd/-
Anil Jain
CFO

Place : New Delhi
Date : 30.05.2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(In Rs.)

S No.	Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
I	Revenue from operations	16	-	-
II	Other income	17	928,159	1,494,403
III	Total revenue (I+II)		928,159	1,494,403
IV	Expenses:			
	Employee benefits expense	18	1,253,259	1,114,882
	Finance costs	19	5,251	689
	Depreciation and amortisation expense	20	1,131	2,091
	Other Expenses	21	1,593,688	1,527,709
	Total expenses (IV)		2,853,329	2,645,371
V	Profit / (Loss) before exceptional items and tax (III-IV)		(1,925,170)	(1,150,968)
VI	Exceptional Items Income/(Expenses)	22	(3,540,000)	-
VII	Profit / (Loss) after exceptional items and before tax (V-VI)		(5,465,170)	(1,150,968)
VIII	Share of Profit/(Loss) of Associates		(252,038,991)	(113,544,924)
IX	Tax expense:			
	- Current Tax		-	-
	- Deferred Tax		-	-
	Total		-	-
X	Profit / (Loss) for the year (VII-VIII)		(257,504,161)	(114,695,892)
	Earning per equity shares:	23		
	(i) Basic		(25.75)	(11.47)
	(ii) Diluted		(25.75)	(11.47)
	Significant Accounting Policies	1-2		

The Accompanying notes are integral part of the financial statements

As per our report of even date attached.

For Doogar & Associates
Chartered Accountants
Firm Reg. No. 000561N

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

sd/-
Vijay K. Modi
Director
DIN: 0004606

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

Sd/-
Mukesh Goyal
Partner
Membership No. : 081810

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

sd/-
Akanksha Sharma
Company Secretary
M.No. 36153

sd/-
Anil Jain
CFO

Place : New Delhi
Date : 30.05.2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(In Rs.)

	For the year ended 31.03.2018	For the Year ended 31.03.2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax and extraordinary items	(257,504,161)	(114,695,892)
Adjustments for :		
Depreciation	1,131	2,091
Interest Expense	5,251	689
Interest Income	(156,000)	(156,000)
Foreign Exchange fluctuation(net)	(772,159)	(1,324,667)
Reversal of excess Provisions	-	(13,736)
Share of Profit/(Loss) of Associates	252,038,991	113,544,924
	251,117,215	112,053,301
Operating profit/(Loss) before working capital changes	(6,386,946)	(2,642,591)
Change in working Capital :		
(Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances excluding TDS	-	-
(Increase)/Decrease in Inventories	-	-
Increase /(Decrease) in Trade Payable and Provisions	145,725	(7,469)
	145,725	(7,469)
Cash (used in) / Generated from operations	(6,241,221)	(2,650,060)
Income Tax/ TDS Paid/Refund	-	-
Net Cash (used) in / generation from operating activities	(6,241,221)	(2,650,060)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	-
Purchase of fixed assets	-	-
Proceeds from Sales of fixed assets	-	-
Net Cash (used) in/flow from investing activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	41,000
Proceeds from Long/Short term borrowings	6,141,979	2,401,000
Interest paid	(5,251)	(689)
Repayment of long /Short term borrowings	-	-
Net Cash Flows From /(Used) in Financing Activities	6,136,728	2,441,311
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(104,493)	(208,749)
Cash and Cash equivalents at beginning of period	275,612	484,361
Cash and Cash equivalents at the end of the period (Note No 5)	171,119	275,612

*Figures in bracket indicate cash outflow.

As per our report of even date attached

For Doogar & Associates
Chartered Accountants
Firm Reg. No. 000561N

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

sd/-
Vijay K. Modi
Director
DIN: 0004606

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

Sd/-
Mukesh Goyal
Partner
Membership No. : 081810

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

sd/-
Akanksha Sharma
Company Secretary
M.No. 36153

sd/-
Anil Jain
CFO

Place : New Delhi
Date : 30.05.2018

ACCOUNTING POLICIES OF THE CONSOLIDATED FINANCIAL INFORMATION**NOTE NO. 1 : Corporate Information**

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

NOTE NO: 2 Significant Accounting Policies**1. Principles of consolidation**

The Company has one Associate Company i.e. SBEC Sugar Limited. Investment in the Associate is dealt with in accordance with Accounting Standard (IND-AS) 28, the consolidation of accounts of the company with its associate are combined by using "Equity Method". The Company's share of the post-acquisition profits or losses is included in the carrying cost of investment.

2. Basis of preparation of financial information

- a. The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Upto the year ended 31 March, 2017, the Company prepared its financial statements in accordance with the requirements of the Generally Accepted Accounting Principles in India ("Indian GAAP"), which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Refer note 2(c) for the details of the first-time adoption exemptions availed by the Company.
- b. The financial statements have been prepared under the historical cost convention on accrual basis.
- c. First-time adoption of Indian Accounting Standards-mandatory exceptions, optional exemptions:
 - i. The Company has prepared the opening balance sheet as per Ind AS as at 1st April, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing the items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS, as required by Ind AS, and applying Ind AS in measurement of the recognized asset and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company.
 - ii. The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transaction occurring on or after 1st April, 2016 (the transition date)
 - iii. The Company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognized as on 1st April, 2016 (transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.
 - iv. The Company has applied Appendix C of Ind AS 17 "Leases" "Determining whether an Arrangement contains a Lease" to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

3. Use of Estimates

The preparation of financial statements require the management to make some estimates and assumptions which affect the reported amount of assets and liabilities and the disclosures relating the contingent liabilities as at the date of the financial statements and the reported amount of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefit, provision for tax & duties (including interest on arrear statutory dues/liabilities), the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to change in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known / materialized.

4. Revenue Recognition:

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

5. 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.

6. Fixed Assets

- a) Fixed Assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to acquisition and installation of fixed assets.
- b) 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.
- c) Depreciation on Fixed Assets is provided to the extent of depreciable amount on the written down value (WDV) method over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

7. Foreign Currency Transactions

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

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

8. 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.

9. Investments

- a) Long Term quoted investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.
- b) Unquoted Investments are stated at cost.
- c) 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.
- d) 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.

10. Taxation

- a) Provision for current tax is made on the basis of applicable Income Tax Act, 1961
- b) Deferred tax assets and liabilities are accounted for in accordance with Ind AS 12.

11. Miscellaneous Expenditure

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

12. 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 recognized wherever the carrying amount of an asset exceeds its recoverable amount.

13. 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 cannot 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.

14. Cash and Cash Equivalent

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at Bank, cash in hand and demand deposits with bank with an original maturity of three months or less than the date of acquisition.

15. Earning Per Share

The earnings considered in accounting the Company's Earning per Share (EPS) comprise the net profit after tax and includes the post tax effect of any exceptional items. The number of shares used in computing basic & diluted EPS is the weighted average number of shares outstanding during the periods and adjusted for all events.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive shares.

16. Cash Flow Statement

Cash flow are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

Notes to Financial Statements for the Year Ended on 31st March, 2018

NOTE - 3 : PROPERTY, PLANT AND EQUIPMENTS

Tangible assets

In Rs.

Particulars	Gross Block						As at 31.03.2018
	As at 01.04.2016	Additions	Deductions /Disposal	As at 31.03.2017	Additions	Deductions /Disposal	
Plant and Equipment	17,591	-	-	17,591	-	-	17,591
Furniture & Fixtures & Fittings	632,848	-	-	6,32,848	-	-	6,32,848
Office Equipments	63,530	-	-	63,530	-	-	63,530
Total	713,969	-	-	713,969	-	-	713,969
(Previous Year)	713,969	-	-	713,969	-	-	713,969

Particulars	Gross Block						Net Book Value		As at 01.04.2018	
	As at 01.04.2016	For the Year	Deduction /Adjustment	Upto 31.03.2017	For the Year	Deductions /Adjustment	Upto 31.03.2018	As at 01.04.2016		As at 01.04.2017
Plant and Equipment	16,789	-	-	16,789	-	-	16,789	802	802	802
Furniture & Fixtures & Fittings	6,08,158	-	-	6,08,158	-	-	6,08,158	24,690	24,690	24,690
Office Equipments	56,285	2,091	-	58,376	1,131	-	59,507	7,245	5,154	4,023
Total	6,81,232	2,091	-	6,83,323	1,131	-	6,84,454	32,737	30,646	29,515
(Previous Year)	6,77,367	3,865	-	6,81,232	2,091	-	6,83,323	36,602	32,737	30,646

NOTE 4 : NON- CURRENT INVESTMENT

(in Rs.)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Trade Investment (Quoted, Valued at Cost)			
Investment			
31,57,716 Equity Shares of Rs. 10- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	78,477,619	103,672,303	31,577,160
Add/ Less : Share of Associates	(55,925,377)	22,552,242	(25,194,684)
78,477,619	78,477,619	72,095,143	103,672,303
1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	275,197	110,731,680	110,731,680
Add/ Less : Share of Associates	110,731,680	-	110,731,680
Total			
Market value of quoted Investments	-	-	-
(Based on closing rate of Rs. 6.96 at BSE on 31.03.2018 Previous year @ Rs. 12.75 per share)	99,049,249	181,447,979	108,157,226

NOTE 5 : CASH & BANK BALANCES

Cash and Cash Equivalents

Balance with Scheduled Banks in -

-- Current Accounts	147,522	87,199	216,804
Cash & Stamps in hand	23,597	188,413	267,557
TOTAL	171,119	275,612	484,361

NOTE 6 : OTHER BANK BALANCES

Other bank balances

Fixed deposit with banks *

TOTAL	40,000	40,000	40,000
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* Fixed Deposit Matured But Pledged with Sales Tax Authority

NOTE 7 : SHORT TERM LOAN & ADVANCES

Unsecured considered good

Loans - Dinesh Rajvanshi

TOTAL	1,300,000	1,300,000	1,300,000
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NOTE 8 : OTHER CURRENT ASSETS

	(in Rs.)		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Income tax recoverable	185,300	185,300	185,300
Service Tax -(Cenvat Credit)	82,400	82,400	82,400
Interest receivable	5,355,746	5,199,746	5,043,746
TOTAL	5,623,446	5,467,446	5,311,446

NOTE 9: SHARE CAPITAL**AUTHORISED CAPITAL**

15,000,000 Equity Shares of Rs.10/- each.	150,000,000	150,000,000	150,000,000
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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)	100,000,000	100,000,000	100,000,000
Less: Calls in arrear	-	-	(41,000)
TOTAL	100,000,000	100,000,000	99,959,000

a. Reconciliation of number of shares (nos.)

Outstanding at the beginning of the year	10,000,000	10,000,000	10,000,000
Outstanding at the end of the year	10,000,000	10,000,000	10,000,000

b.(1) The company has only one class of issued shares i.e. Equity shares having par value of Rs. 10 per share . Each holder of equity shares is entitled to one vote per and equal right for dividend. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing general meeting, except in case of interim dividend . in the event of liquidation the entity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.

(2) No member shall exercise any voting rights in respect of any share on which any calls payable , or in respect of which the company has exercise its right of lien.

(3) The Company shall have a first and paramount lien upon all partly paid shares registered in the name of any member either alone or jointly with other person and such lien shall extend to all dividend from time to time, subject to section 205A of the Act, provided that the board of directors may at any time, declare shares to be exempted wholly or partly from the provision of articles.

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

Name of shareholders	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
Mr. Umesh Kumar Modi	2079560	20.8%	2079560	20.8%	2079560	20.8%
SBEC Systems Limited	2040000	20.4%	2040000	20.4%	2040000	20.4%
Longwell Investments Pvt. Ltd.	550000	5.50%	550000	5.50%	550000	5.50%

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

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

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

NOTE 10 : OTHER EQUITY

	(in Rs.)		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Share Premium Reserve			
Opening balance	19,261,774	19,261,774	19,261,774
Add:Addtion during the year	-	-	-
Closing Balance	19,261,774	19,261,774	19,261,774
Surplus /(Deficit)			
Opening balance	6,88,02,408	(18,34,98,300)	(27,75,96,318)
Profit(loss) for the year	(25,75,04,161)	(11,46,95,892)	46,10,94,618
Net surplus in the statement of Profit and loss account	(18,87,01,753)	6,88,02,408	18,34,98,300
TOTAL	(16,94,39,979)	8,80,64,182	20,27,60,074

NOTE 11 : BORROWINGS**(in Rs.)**

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured			
Foreign Currency Loan From Overseas Corporate Body (Refer Note No.25)	65,238,954	65,924,326	67,100,110
Total	65,238,954	65,924,326	67,100,110

NOTE 12: OTHER NON CURRENT LIABILITIES

Advance From Customer*	15,166,425	15,166,425	15,166,425
Others (Perdiem Charges)	8,260,816	8,347,603	8,496,485
Total	23,427,241	23,514,028	23,662,910

*from related parties

NOTE 13 : LONG TERM PROVISIONS

Provision for Employee Benefits :

For Gratuity	126,231	85,709	75,672
Total	126,231	85,709	75,672

NOTE 14 : SHORT TERM BORROWINGS

Unsecured

Loans repayable on demand

From Corporate	85,030,583	78,888,604	76,487,604
Total	85,030,583	78,888,604	76,487,604

NOTE 15 : OTHER CURRENT LIABILITIES

Interest accrue and due on borrowing	3,056,840	3,056,841	3,056,841
Salaries, wages & bonus	81,412	74,557	86,064
Other liabilities*	1,198,428	1,155,519	1,176,557
Statutory dues payable	80,598	25,158	23,855
TOTAL	4,417,278	4,312,075	4,343,317

* Includes Rs 13,844/- (Previous Year Rs. 3,310/-) to related party

NOTE 16 : REVENUE FROM OPERATIONS**(in Rs.)**

	Year ended 31.03.2018	Year ended 31.03.2017
Sales	-	-
Less:Excise duty/GST	-	-
	-	-

NOTE 17 : OTHER INCOME

Foreign Exchange fluctuation(net)	772,159	1,324,667
Interest	156,000	156,000
Reversal of excess provisions	-	13,736
TOTAL	928,159	1,494,403

NOTE 18 : EMPLOYEE BENEFIT EXPENSES

Salary, Wages, Bonus & other allowances	1,091,871	987,145
Company's Contribution To Provident & Other Funds	64,721	59,490
Staff Welfare Expenses	8,145	10,210
Gratuity	40,522	10,037
Entertainment Expenses	48,000	48,000
TOTAL	1,253,259	1,114,882

NOTE 19: FINANCE COST

(in Rs.)

	Year ended 31.03.2018	Year ended 31.03.2017
Interest - Others	2,757	59
Bank Charges	197	630
Demat Charges	2,297	-
TOTAL	5,251	689

NOTE 20: DEPRECIATION & AMORTIZATION EXPENSES

Depreciation & Amortization	1,131	2,091
TOTAL	1,131	2,091

NOTE 21 :OTHER EXPENSES

Auditor's Remuneration		
-As Audit Fee	59,000	57,500
-Certification and Company Law	11,800	11,502
Telephone, Postage & Telegram	36,530	37,985
Legal & Professional Charges	17,700	20,702
Travelling & Conveyance	10,715	11,905
Printing & Stationery	11,396	10,969
Gift & Presentation	-	3,470
Filing Fee	2,400	45
Misc. Expenses	300	1,585
Accountancy Charges	50,000	54,000
Books & Periodicals	18,000	18,000
Secretarial & AGM Expenses	1,375,847	1,300,046
TOTAL	1,593,688	1,527,709

NOTE 22: EXCEPTIONAL ITEMS INCOME/(EXPENDITURE)

Reinstatement Fees	3,540,000	-
(Revocation of suspension in trading of equity shares)		
TOTAL	3,540,000	-

NOTE 23: EARNING PER SHARE(EPS)

EPS has been computed in accordance with Ind AS-33 :

Profit /(Loss) after tax for the year	(25,75,04,161)	(11,46,95,892)
Weighted Average number of equity shares of Rs.10/- each fully paid up	10,000,000	10,000,000
Basic & Diluted Earnings per share	(25.75)	(11.47)

NOTE NO : 24 NOTES RELATED TO INDIAN ACCOUNTING STANDARDS

1 First-time Ind AS adoption reconciliations

(A) Effects of Ind AS adoption on the balance sheet as at 31st March 2017 and 1st April 2016

Particulars	(In Rs.)					
	Previous GAAP 1.04.2016	Effect of transition to Ind AS	Ind AS 01.04.2016	Previous GAAP 31.03.2017	Effect of transition to Ind AS	Ind AS 31.03.2017
ASSETS						
Non-Current Assets						
(a) Property, Plant and Equipment	32737	-	32737	30646	-	30646
(b) Non Current Investment	-	467220143	467220143	-	353675219	353675219
	32737	467220143	467252880	30646	353675219	353705865
Current Assets						
(a) Financial Assets						
(i) Cash and Cash Equivalents	484361	-	484361	275612	-	275612
(ii) Bank balances other than (ii)above	40000	-	40000	40000	-	40000
(iii) Others	1300000	-	1300000	1300000	-	1300000
(b) Others Current assets	5311446	-	5311446	5467446	-	5467446
	7135807	-	7135807	7083058	-	7083058
	7168544	467220143	474388687	7113704	353675219	360788924
EQUITY AND LIABILITIES						
EQUITY						
(a) Equity Share Capital	99959000	-	99959000	100000000	-	100000000
(b) Other Equity	(264460069)	467220143	202760074	(265611037)	353675219	88064182
	(164501069)	467220143	302719074	(165611037)	353675219	(188064182)
LIABILITIES						
Non-Current Liabilities						
(a) Financial Liabilities						
-Borrowings	67100110	-	67100110	65924326	-	65924326
(b) Provisions	75672	-	75672	85709	-	85709
(d) Other non-Current Liabilities	23662910	-	23662910	23514028	-	23514028
	90838692	-	90838692	89524063	-	89524063
Current Liabilities						
(a) Financial Liabilities						
-Borrowings	76487604	-	76487604	78888604	-	78888604
	76487604	-	76487604	78888604	-	78888604
(b) Other Current Liabilities	4343317	-	4343317	4312075	-	4312075
	80830921	-	80830921	83200679	-	83200679
Total Equity and Liabilities	7168544	467220143	474388687	7113704	353675219	360788923

(B) Effects of Ind AS adoption on the Statement of Profit and Loss for the year ended March 2017**(In Rs.)**

Sr.No	Particulars	Notes	As at 31st March 2017		Ind AS
			Previous GAAP	Effect of transition to Ind AS	
I	Revenue from operations		-	-	-
II	Other Income		14,94,403	-	14,94,403
III	Total Income (I +II)		14,94,403	-	14,94,403
IV	Expenses:				
	Employee benefits expense		1,114,882	-	1,114,882
	Finance costs		689	-	689
	Depreciation and amortization expense		2,091	-	2,091
	Other expenses		1,527,709	-	1,527,709
	Total Expenses (IV)		2,645,371	-	2,645,371
V	Profit / (Loss) before exceptional items and tax (III - IV)		(11,50,968)	-	(11,50,968)
VI	Share o Profit/(Loss) of Associates		-	(11,35,44,924)	(11,35,44,924)
VII	Profit / (Loss) before exceptional items and tax (V+VI)		(11,50,968)	(11,35,44,924)	(11,46,95,892)
VIII	Tax expense:				
	(1) Current tax		-	-	-
	(2) Deferred tax		-	-	-
	Total		-	-	-
IX	Profit/(Loss) for the year		(11,50,968)	(11,35,44,924)	(11,46,95,892)

(C) Effects of Ind AS adoption on the Statement of Cash Flows for the year ended March 2017

A.	Net Cash (used) in / generation from operating activities	(2,650,060)	-	(2,650,060)
B.	Net Cash (used) in/flow from investing activities	-	-	-
C.	Net Cash flow from /(USED) in Financing Activities	2,441,311	-	2,441,311
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(208,749)	-	(208,749)
	Cash and Cash equivalents at beginning of period	484,361	-	484,361
	Cash and Cash equivalents at end of the period	275,612	-	275,612

(d) Statement of changes in Equity

Particulars	Previous GAAP 1.04.2016	Effect of Changes in Share Capital	Ind AS 01.04.2016	Previous GAAP 31.03.2017	Effect of Changes in Share Capital	Ind AS 31.03.2017
Less: Calls in arrear	(41,000)	-	(41,000)	-	-	-
closing Balance	99,959,000	-	99,959,000	100,000,000	-	100,000,000

(e) Statement of Changes in Other Equity

Particulars	Share Premium Reserve	Retained Earning As per GAAP	Effect of Transition to Ind As	Total
Add: Addition During the year	-	-	-	-
: Loss For the year	-	(6,125,525)	46,72,20,143	(46,10,94,618)
Closing Balance as on 01.04.2016	19,261,774	(28,37,21,843)	46,72,20,143	18,34,98,300
Add: Addition During the year	-	-	-	-
: Loss For the year	-	(1,150,968)	(11,35,44,924)	(11,46,95,892)
closing Balance as on 31.03.2017	19,261,774	(28,48,72,811)	35,36,75,219	6,88,02,408

Note 25 Contingent liabilities not provided for in respect of :-

Particulars	Current Year	Previous Year
Interest on Foreign Currency Loan	1,83,05,188@	1,84,97,494@

@ In terms of agreement dated 14th December 2005 entered with Occident Orient Company Limited , 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 accounts of the Company for the year ending 31.03.18 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 27. Investments in Associates :

Name of the Company	Country of Incorporation	% Holding
SBEC Sugar Ltd.	India	29.86%
Carrying cost of Investment in associates		SBEC Sugar Limited
No. of Equity Shares held 29,86% of holding		1,42,30,884
Cost of Investment		14,23,08,840
Goodwill/(Capital Reserve) included in Cost of Investment		(6,86,02,183)
Share in accumulated profit/(Losses) Rs.		14,23,08,840
Share of Profit/(Loss) of Associates Rs.		(1,06,72,612)
Carrying Cost		10,16,36,228

Note 28. Segment Reporting

The Company operates in a single business and geographical segment and the requirements of Ind AS-108 on Segment Reporting are not relevant.

Note 29. Related Parties Disclosures**I. Pursuant to compliance of Ind AS-24 on "Related Party Disclosures", the related parties were as under:****a) Enterprises Where Control Exists**

SBEC Sugar Limited (Substantial Interest Exist)

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

SBEC System limited (United Kingdom)

c) Key Managerial Personnel

Mr. Anil Jain - Chief Financial Officer

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

Mr.U.K.Modi

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

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

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

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

Nature of Transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	(Rs. in Lacs) Referred in 1(e) above
Remuneration	—	—	8,19,720	—
	(—)	(—)	(7,38,012)	(—)
Expenses Paid	—	—	—	1,46,915
Secretarial Expenses/ Printing & Stationery etc.	(—)	(—)	(—)	(89,095)
Out standings	128,37,523	—	65,174	23,42,746
Payable	(128,37,523)	(—)	(59,111)	(23,32,212)
Equity Contribution	(14,23,12,140)	—	—	—
	(14,23,12,140)	(—)	(—)	(—)

Note 30. 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 31. Employee Benefits

The company has adopted Ind AS- 19 'Employee Benefits'.

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

a) Defined Contribution Plan

(In Rs.)

	2017-18 Year	2016-17 Year	2015-16 Year	2014-15 Year	2013-14 Year
Employer's contribution to provident fund	64,721	59,490	46,855	33,579	40,457

b) Defined Benefit Plan

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

1. Reconciliation of opening and closing balances of DBP

	Gratuity For The Year Ending 31.03.18	Gratuity For The Year Ending 31.03.17	Gratuity For The Year Ending 31.03.16	Gratuity For The Year Ending 31.03.15	Gratuity For The Year Ending 31.03.14
DBP at the beginning of the year	85,709	75,672	45,994	23,510	57,592
Interest Cost	-	-	-	-	-
Current Service Cost	40,522	10,037	29,678	22,484	23,510
Benefits Paid / Written back	Nil	Nil	Nil	Nil	57,592
Actuarial (gain)/loss	Nil	Nil	Nil	Nil	Nil
DBP at the end of the year	1,26,231	85,709	75,672	45,994	23,510

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

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

3. Reconciliation of amount recognized in Balance Sheet

Fair Value of Plan Assets	Nil	Nil	Nil	Nil	Nil
Present value of obligation	1,26,231	85,709	75,672	45,994	23,510
Net asset/(liability) recognized in the Balance Sheet	1,26,231	85,709	75,672	45,994	23,510

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

Interest Cost	Nil	Nil	Nil	Nil	Nil
Current Service Cost	40,522	10,037	29,678	22,484	23,510
Expected Return on Plan Assets	Nil	Nil	Nil	Nil	Nil
Net Actuarial (Gain) / Loss recognised during the year	Nil	Nil	Nil	Nil	Nil
Expenses recognised in the statement of Profit & Loss	40,522	10,037	29,678	22,484	23,510

5. Actual Return on Plan Assets

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

6. Principal Actuarial Assumptions

	Gratuity For The Year Ending 31.03.18	Gratuity For The Year Ending 31.03.2017	Gratuity For The Year Ending 31.03.2016	Gratuity For The Year Ending 31.03.2015	Gratuity For The Year Ending 31.03.2014
Mortality table (LIC)	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified
Discount Rate	8%	8%	8%	8%	8%
Future Salary Increased	10%	10%	10%	10%	10%
Expected rate of return on plan assets	Nil	Nil	Nil	Nil	Nil
Withdrawal Rates					
Up to 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%
Up to 44 Years	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%	1.00%

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

Note 32. Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable) :

Particulars	(In Rs.)
a) STOCK, PURCHASES AND SALES OF GOODS TRADED IN:	Nil
b) EXPENDITURE IN FOREIGN CURRENCY (On cash basis)	(Nil)
Interest Payment	Nil
c) EARNINGS IN FOREIGN EXCHANGE	Nil
d) CIF VALUE OF IMPORTS	Nil

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

In terms of our attached report of even date,

For Doogar & Associates
Chartered Accountants
Firm Reg. No. 000561N

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

sd/-
Vijay K. Modi
Director
DIN: 00004606

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

Sd/-
Mukesh Goyal
Partner
Membership No. : 081810

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

sd/-
Akanksha Sharma
Company Secretary
M.No. 36153

sd/-
Anil Jain
CFO

Place : New Delhi
Date : 30.05.2018

SBEC

29th Annual Report - 2018

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

BOARD OF DIRECTORS

Mr. Vijay K Modi	- Chairman
Mr. S.S. Agarwal	- Executive Director & CEO
Mr. J.N. Khurana	- Resigned w.e.f. April 26, 2018
Ms. Ritu Sikka	
Dr. Anupam Bansal	
Mr. Rajeev Kumar Agarwal	
Mr. Jagdish Chandra Chawla	
Mr. Shyam Babu Vyas	

CHIEF FINANCIAL OFFICER

Mr. Anil Jain	- Resigned w.e.f. May 31, 2018
Mr Luv Gupta	- Appointed w.e.f. June 01, 2018

COMPANY SECRETARY

Ms Akanksha Sharma	- Resigned w.e.f. July 11, 2018
Ms Priyanka Negi	- Appointed w.e.f. August 01, 2018

AUDITORS

M/s Doogar & Associates
Chartered Accountants
13, Community Centre,
East of Kailash, New Delhi-110065

BANKERS

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