

SBEC SYSTEMS (INDIA) LIMITED

CIN: L74210DL1987PLC029979

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

T.:011-42504954, Email id : sbecsystems@rediffmail.com, Website : www.sbecsystems.com

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Shareholders of **SBEC SYSTEMS (INDIA) LIMITED** will be held on Thursday, 26th September 2019 at the Executive Club, 439 Village Shahoorpur, P.O. Fatehpur Beri, New Delhi at 11.30 A.M. to transact the following businesses:

ORDINARY BUSINESS**1. To Consider and adopt**

- a) The Audited Standalone financial statements of the Company for the financial period ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon; and
- b) The Audited Consolidated financial statements of the Company for the financial period ended 31st March, 2019 and the Auditors Reports thereon.

2. To appoint Mr. Anupam Bansal, who retires by rotation as a Director;

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, **Mr. Anupam Bansal (DIN-00004318)**, who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS**3. Approval for Related Party Transactions**

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 23(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and any other applicable provisions, if any, the consent of the members be and is hereby accorded to enter into the related party transactions by the Company with the respective related parties on such terms and conditions as may be mutually agreed upon between the Board of Directors of the company and the related parties, as per details mentioned below w.e.f. 1st April, 2019 and every year thereafter upto maximum amount per annum not to exceed Rs. 10 Lakhs:-

S.NO.	NAME OF RELATED PARTY	PERIOD OF CONTRACT	PARTICULARS OF CONTRACT	EXPECTED MAXIMUM VALUE OF TRANSACTIONS PER ANNUM W.E.F. 1ST APRIL, 2019 (RS. LAKHS)
1.	Jayesh Tradex Private Limited	1 st April, 2019 to 31 st March,2022	Purchase of Stationery and other items	INR 10 Lakhs p.a
2.	Win Medicare Pvt. Ltd.	---do---	Support Services	
3.	Modi Motors Pvt. Ltd.	---do---	Printing of Annual Report	
4	Modi Mundipharma Private Limited	---do---	Support Services	

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things; to finalize or vary the terms and conditions of the transactions with the aforesaid parties; and to execute or authorize any person to execute all such documents, instruments and writings as may be considered necessary, relevant, usual, customary, proper and / or expedient for giving effect to this resolution and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution for the purpose of giving effect to this Resolution.”

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

**Place: New Delhi
Date: 14.08.2019**

**Priyanka Negi
Company Secretary**

NOTES:

- 1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED IN THE FORMAT SENT HEREWITH, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/AUTHORITY, AS APPLICABLE.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such person shall not act as a proxy for any other person or shareholder.

2. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
4. The Register of Members & Share Transfer Books of the Company will remain closed from 20nd September, 2019 to 26th September, 2019 (Both Days Inclusive).
5. 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.
6. Members are requested to notify, changes, if any, in their address to the Company or Beetal Financial & Computer Services Pvt. Ltd.
7. Members, holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact Company or Beetal Financial & Computer Services Pvt. Ltd.
8. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Beetal Financial & Computer Services Pvt. Ltd, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in physical form should submit their PAN to the Company.
10. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. Members/proxies are requested to bring attendance slips sent herewith duly filled in, for attending the meeting.
12. Members desiring any information as regards to accounts are requested to address their questions to the Company at least 7 days before the date of the meeting so that the required information is made available at the meeting.
13. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
14. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Beetal Financial & Computer Services Pvt. Ltd / Depositories.
15. Members holding shares in physical form are advised to make nomination in Form SH-13 in respect of their shareholding in the Company. The nomination form will be made available by the Company on request.

16. As per SEBI notification dated 03.12.2018, request for Transfer of shares held in physical form will not be processed w.e.f. 31.03.2019 and it shall be mandatory to demat the shares to get the shares transfer in their name. Shareholders are therefore requested to dematerialize their shares for transfer purpose.
17. Members may also note that the Notice of the Thirtieth Annual General Meeting and the Annual Report for financial year 2018-19 will also be available on the Company's website i.e. www.sbecosystems.com for their download.
18. Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.
19. In terms of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a brief profile of the Director, who is proposed to be re-appointed in this AGM, nature of her expertise in specific functional areas, other Directorships and committee memberships, shareholding and relationship with other Directors of the Company are given below:

Name of the Director	DIN & Date of Appointment	DOB & Nationality	Shareholding in SBEC Systems (India) Limited	List of Directorships in other Companies	Qualification & Experience	Memberships of Audit & Stakeholder relationship Committee
Mr. Anupam Bansal	00004318 14/12/2005	20.09.1953 Indian	Nil	Nil	He is doctor of Medicines, Practicing Consultant, Physician & Cardiologist	NIL
Mr. Anupam Bansal is not related to any other Director on the Board of the Company.						

20. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("**remote e-voting**") will be provided by Central Depository Services Limited (CDSL).
21. The Board of Directors has appointed Ms. Nupur Gupta, Practicing Chartered Accountant having Membership No.-075983 as Scrutinizer to scrutinize voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on Monday 23rd day of September, 2019 at 9.00 a.m. and ends on Wednesday 25th day of September, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday 19th day of September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the relevant SBEC SYSTEMS (INDIA) LIMITED on which you choose to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

- (A) Please follow all steps from sl. no. (i) to sl. no. (xx) above to cast vote.
- (B) The voting period begins on Monday 23rd Day of September, 2019 at 9:00 a.m. and ends on Wednesday, 25th day of September, 2019 at 5.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 19th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (D) Ms. Priyanka Negi, Company Secretary & Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this 30th Annual General Meeting including e-voting her mail ID is [sbecosystems@rediffmail.com](mailto:sbecsystems@rediffmail.com) and may be contacted on phone no. 011-42504954.
- (E) The Notice of the 30th Annual General Meeting are being sent to all the Members, whose names appear in the Register of Members as on cut-off date (record date) i. e. 23rd August, 2019 through the mode prescribed under the Companies Act, 2013 and also by E-Mail, wherever registered. The Members may also download a copy of the Notice from the Website of the Company www.sbecsystems.com
- (F) The Members of the Company, holding Equity Shares either in physical form or in dematerialized (demat) form as on 19th September, 2019 and not casting their vote electronically, may only cast their vote at the 30th Annual General Meeting. The voting rights of shareholders shall be in proportion to their shareholding of paid up share capital of the Company as on 19th September, 2019.
- (G) The members who have cast their vote by remote-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**Item No. 3**

Pursuant to Section 188 of the Companies Act, 2013, the Company can enter into transactions which are in the ordinary course of business and/or are on arm's length basis. Transactions that do not satisfy these criteria can be carried out only with the approval of the shareholders accorded by way of an ordinary resolution. Though all the transactions with the related parties mentioned under the resolution in Item No.3 are in the ordinary course of business and are at arm's length basis, As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has made it mandatory that all material Related Party Transactions (i.e., the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company) shall require approval of the shareholders by way of an ordinary resolution. The Audit Committee and the Board of Directors of the Company in their meetings held on August 14, 2019 have approved the transactions given in Item No.3 of the Notice. However, since these transactions, though may be on arm's length basis and also may be in the ordinary course of business, yet as an abundant caution, it is proposed to seek approval of members by passing an ordinary Resolution pursuant to Section 188 read with rules made thereunder and as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nature of Interest of Related of Related parties in the Company is given below:-

S.no.	Name of Related Party	Nature of Interest or Concern
1.	Jayesh Tradex Private Limited	Relative of the Individual (who holds more than 20% equity share capital of the Company) is the Director & majority Shareholder of the related party.
2.	Win Medicare Pvt. Ltd.	Individual (who holds more than 20% in the Company) is the Director & Shareholder of the related party.
3.	Modi Motors Pvt. Ltd.	Relative of the Individual (who holds more than 20% equity share capital of the Company) is the Director & majority Shareholder of the related party.
4	Modi Mundipharma Private Limited	Individual (who holds more than 20% in the Company) is the Director & Shareholder of the related party.

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

**Priyanka Negi
Company Secretary**

Date: 14.08.2019

Place: New Delhi

SBEC SYSTEMS (INDIA) LIMITED

CIN: L74210DL1987PLC029979

Regd Off: 1400, Hemkunt Tower, 98, Nehru Place, New Delhi-110019
T.:011-42504954, Email id : sbecsystems@rediffmail.com, Website : www.sbecsystems.com
30th Annual General Meeting held on Thursday, the 26th September, 2019 at 11.30 A.M

PROXY FORM

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

Name of the Member(s) :

Registered Address :

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on the 26th day of September, 2019 at the Executive Club, 439 Village Shahoorpur , P.O. fatehpur Beri , New Delhi at 11:30 A.M. or at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution	Vote (Optional (Refer Note))		
		For	Against	Abstain
1.	Adoption of Standalone and Consolidated Financial Statements: (a) The Audited Standalone financial statements of the Company for the financial period ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon; and (b) The Audited Consolidated financial statements of the Company for the financial period ended 31st March, 2019 and the Auditors Reports thereon.			
2.	To appoint Shri Anupam Bansal, who retires by rotation as a Director.			

Signed this day of2019

Signature of shareholder

Signature of first proxy

Affix
Revenue
Stamp of not
less than Rs.
1.00

Notes:

- 1. This form duly Filled up & completed, signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of meeting.
- 2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

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CIN: L74210DL1987PLC029979

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ATTENDANCE SLIP

30th Annual General Meeting held on Thursday, the 26th September, 2019 at 11.30 A.M.
PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint Shareholders may obtain additional Slips on request.

Name of the Member(s) :

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

I hereby record my presence at the 26th day of September, 2019 at the Executive Club, 439 Village Shahoorpur, P.O. Fatehpur Beri, New Delhi at 11:30 A.M.

SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

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

ROUTE MAP FROM QUTAB MINAR TO E CLUB



DIRECTORS' REPORT

To,
The Shareholders,
SBEC Systems (India) Limited

Dear Members,

Your Directors take pleasure in presenting the 30th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2019.

FINANCIAL RESULT

THE SUMMARISED FINANCIAL RESULTS OF THE COMPANY FOR THE FINANCIAL YEAR 2018-19 VIS-A-VIS 2017-18 ARE AS UNDER:

(Rs. In Lacs)

PARTICULARS	Period Ended 31.03.2019	Period ended 31.03.2018
SALES & OTHER INCOME	84.18	9.28
TOTAL EXPENDITURE	82.71	28.53
OPERATING PROFIT/(LOSS) BEFORE TAX	(10.33)	(54.65)
PROFIT/(LOSS) AFTER TAX	(10.33)	(54.65)

During the year under review, the revenue from other income stood at Rs. 84.18 Lacs. The net loss of the Company stood at Rs. 10.33 Lacs as compared to net loss of Rs. 54.65 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, 2019.

The Company has not transferred any amount to the reserves for the year ended March 31, 2019.

SHARE CAPITAL

The paid up equity capital as on March 31, 2019 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 2019, 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 2018-19, 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, 2019, 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, 2019 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 2018-19.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Anupam Bansal (DIN-00004318), Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself 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.

KEY MANAGERIAL PERSONNEL (KMP)

During the financial period ended 31.03.2019, 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. Luv Gupta*	Chief Financial Officer
3.	Ms. Priyanka Negi**	Company Secretary & Compliance Officer
4.	*Mr. Anil Jain	Chief Financial Officer
5.	**Ms. Akanksha Sharma	Company Secretary & Compliance Officer

*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 2018-19, 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 2018-19, 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. 28 of the Financial Statements for the financial year ended 31.03.2019. 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 2018-19, 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 2018-19. 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 ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013, extract of the Annual Return prepared in form MGT 9 pursuant to Rule 12 of the Companies (Management and Administration Rules), 2014 is furnished in **Annexure-D** which form a part of this report

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 fees for the Bombay Stock Exchange have been paid promptly for the year 2018-2019.

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.

SEXUAL HARASSMENT

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19:

No. of complaints received	:	NIL
No. of complaints disposed off	:	NIL
No. of complaints pending on end of the financial year	:	NIL

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: 14.08.2019

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 31,2019
2. Date on which the Associate was associated or acquired	1996-1997
3. Shares of Associate held by the Company on the year end;	
No. of Shares	14230884
Amount of Investment in Associates	142308840
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	(3,82,45,948)
7. Profit/Loss for the year	
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	(47,48,35,974)

ANNEXURE-B TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2019

(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 SYSTEMS (INDIA) LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

mation 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, 2019, 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, 2019 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, 2015;
 - (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,
 - (f) The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013,

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. 698.94 Lakh (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 the 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.
2. The Company has not confirmed in its Board Report that it has constituted any separate 'Internal Complaints Committee' under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. However, they have taken note and confirmed that no complaint of sexual harassment of women at workplace was received during the year under review.
3. Promoter's and promoter group's shareholding is not 100% in dematerialized form. As already detailed in Annexure 'A' of the Compliance Report attached thereon.
4. During the Financial Year under review the Company has received a show cause notice from Securities and Exchange Board of India ("SEBI") under section 11 and 11 B of the Securities and Exchange Board of India Act, 1992 in the matter of the SBEC Sugar Limited (target company) as a part of the promoter group of SBEC Sugar Limited. As per the said impugned order, the Promoter Group have violated the provisions of Regulation 3(2) of the Takeover Regulations, 2011 by acquiring shares in excess of the prescribed limit without making a public announcement under the Takeover Regulations. The management of SBEC Systems (India) Ltd., confirmed that they did not acquire even a single share nor acted as persons acting in concert with the other promoters in above-mentioned acquisition. The Company had filed an appeal before the Securities Appellant Tribunal, Mumbai; it was heard by SAT on 14th December, 2018, 08th February, 2019, 28th March, 2019 and 13th June, 2019. Next date of hearing is 01st August, 2019. The matter is sub-judice till conclusion of the proceedings.
5. In continuation to our report of the previous year. The Equity shares of the Company are presently lying suspended on the Bombay Stock Exchange as conveyed to the Company vide its notice dated 12.02.2016. 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, subject to the conditions imposed thereon. The Company has generally complied all its terms and conditions excluding 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, since it has been dissolved. In support of the same a copy of the dissolution certificate of M/s SBEC Systems Limited (UK) has been submitted. The response of BSE to the reply filed is still awaited.

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 there were no operations during the year under review. The company is having negative net worth of Rs 1035 Lakhs after incurring loss of Rs. 10.33 Lakhs during the year ended on 31.03.2019. 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 statements on a going concern basis. The management is confident to revive the business activities in near future.
2. The Auditor's in their Report have given a qualification regarding reversal of diminution of current quoted investment as a result of such non reversal of diminution the loss for the year are shown higher and investment are shown lower. The company is holding 14230884 equity shares of SBEC Sugar Limited and the company is not intending to sale/ transfer/ otherwise dispose of these shares, the management has decided not to make any provision of diminution or reversal thereof.
3. The Company has one Associate Company i.e. SBEC Sugar Limited.

For R. Singhal & Associates
Company Secretaries

(Rahul Singhal)
Prop.
M. No. 29599

Place : New Delhi
Dated : 14.08.2019

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 31.03.2019 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

(Rahul Singhal)
Prop.
M. No. 29599

Place : New Delhi
Dated : 14.08.2019

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	<u>N.A.</u>
ii)	The steps taken by the Company for utilizing alternate sources of energy	<u>N.A.</u>
iii)	The Capital investment on energy conservation equipment	<u>N.A.</u>

(B) TECHNOLOGY ABSORPTION

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lacs)

	2018-19	2017-18
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 financial year ended on 31.03.2019 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.			
I	REGISTRATION & 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 & contact details	1400, Modi Tower, Nehru Place, New Delhi-110019.	
vi	Whether listed company	Yes	
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Beetal Financial & Computer Services Pvt. Ltd Beetal House, 3rd Floor, Behind Local Shopping Complex, 99, Madangir, 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 & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Engineering activities and related technical Consultancy	7110	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES					
Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	SBEC SUGAR LIMITED	L15421UP1991PLC019160	Associate	29.86	Section 2(6)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category-wise Shareholdings

Category of Share-holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	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/Fl	-	-	-	-	-	-	-	-	-
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/Fl	-	-	-	-	-	-	-	-	-
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	-	300457	300457	3.00	1890	300457	300457	3.00	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	0	4397916	4397916	43.98	77843	4397916	4397916	43.98	-
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	79733	4900240	4900240	49	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	4900240	4900240	49	79733	4900240	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	3139293	6940440	10000000	100	0

(ii) SHAREHOLDING OF PROMOTERS									
Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year				
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	% change in share holding during the year	
1	Mr. U.K.Modi	2079560	20.8	0	2079560	20.8	0	0	
2	Ms. Meghna Modi	200	0.002	0	200	0.0020	0	0	
3	SBEC Systems limited	2040000	20.4	0	2040000	20.4	0	0	
4	Kumabhi Investment Pvt Ltd	210000	2.1	0	210000	2.1	0	0	
5	Abhikum Leasing & Investment Pvt Ltd	220000	2.2	0	220000	2.2	0	0	
6	Longwell Investments Pvt Ltd	550000	5.5	0	550000	5.5	0	0	
	TOTAL	5099760	51	0	5099760	51	0	0	

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)					
Sr. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
		NO CHANGE		NO CHANGE	
	At the end of the year				

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

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
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	32051	0.32	32051	0.32
7	ABR Finlease & Holding Pvt Ltd	26100	0.26	26100	0.26
8	Prakash A Shah	12072	0.12	12072	0.12
9	Vittu Bajranglal Agarwal	11200	0.11	11200	0.11
10	Medium Investment Co. Pvt Ltd	10600	0.11	10600	0.11

(iv) Shareholding of Directors & KMP

SI.No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Vijay Kumar Modi				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
2	Mr. R.K Agarwal				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
3	Mr. S.S. Agarwal – CEO				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
4	Mr. J.N. Khurana*				
	At the beginning of the year	110	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	110	0	0	0
5	Mr. J.C. Chawla				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
6	Mr. Shyam Babu Vyas				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
7	Mr. Anupam Bansal				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	110	0	0	0
8	Mr. Ritu Sikka				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
9	Mr. Luv Gupta - CFO				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A

	At the end of the year	Nil	Nil	Nil	Nil
10	Mr. Anil Jain**	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	110	0	0	0
11	Ms Akansha Sharma***	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	110	0	0	0
12	Ms. Priyanka Negi –CS				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	Nil	Nil	Nil	Nil

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

** Mr. Anil Jain has resigned w.e.f. May 31, 2018.

***Ms Akansha Sharma has resigned from the post of company secretary & compliance officer w.e.f. July 11, 2018 & Ms Priyanka was appointed as CS w.e.f. August 1, 2018.

(v) Indebtness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	-	165435962	-	165435962
ii) Interest due but not paid	-	3056841	-	3056841
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	168492803	-	168492803
Change in Indebtedness during the financial year				
Additions	-	9398234	-	9398234
Reduction	-	-	-	-
Net Change	-	9398234	-	9398234
Indebtedness at the end of the financial year				
i) Principal Amount	-	174834196	-	174834196
ii) Interest due but not paid	-	3056841	-	3056841
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	177891037	-	177891037

(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	Ms. Priyanka Negi	Mr. Anil Jain	Mr. Luv Gupta	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	48130	176000	59048	177500	460678
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	44307	114400	70186	220130	449023

	(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		92437	290400	129234	909701

*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.

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

Sd/-
Vijay Kumar Modi
Chairman
DIN: 00004606

Place: New Delhi
Date: 14.08.2019

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

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

Sd/-
Vijay Kumar Modi
Chairman
DIN: 00004606

Place: New Delhi
Date: 14.08.2019

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.

2. BOARD OF DIRECTORS**Composition of Board:**

As on March 31, 2019, the Company has 7 Directors. The Board of Directors at present consists of 3 Independent Directors, other than Mr. S.S. Agarwal Chief Executive Officer & Director all other members of the Board are Non-Executive Directors. The Chairman of the Board are 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(1) of the Companies Act, 2013 and Regulation 17(1) of SEBI (LODR) Regulations, 2015, Ms. Ritu Sikka, is 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, 2019 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.

SI No.	Name of the Directors	Category of Director	No. of Board Meetings Attended		No of Directorship in listed entities including this listed entity (as on March 31, 2019)	Number of membership/ Chairmanship in committee including this listed entity Board as on March 31, 2019		Attendance at Last AGM
			Held	Attended		Member	Chairman	
1	Mr. Vijay Kumar Modi	Chairman and Non-Executive Director	6	4	3	2	1	Present
2	Mr. S.S. Agarwal	Executive Director	6	6	5	3	Nil	Present
3	Mr. Anupam Bansal	Non – Executive Director	6	2	1	Nil	Nil	Not Present
4	Ms. Ritu Sikka	Non-Executive Director	6	2	1	Nil	Nil	Not Present
5	Mr. R.K. Agarwal	Non – Executive & Independent Director	6	6	8	6	5	Present
6	Mr. J.C. Chawla	Non – Executive & Independent Director	6	6	4	7	1	Present
7	Mr. Shyam Babu Vyas	Non – Executive & Independent Director	6	2	3	3	Nil	Not Present

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

Details of Other Directorships held in listed companies and the category of directorship:-

Sr. No.	Name of Director	Name of listed company	Category of Directorship
1	Mr. Vijay Kumar Modi	SBEC Sugar Limited	Non-Executive Independent Director
2	Mr. S.S. Agarwal	Bihar Sponge Iron Limited	Non-Executive Independent Director
3	Mr. Anupam Bansal	-	-
4	Ms. Ritu Sikka	-	-
5	Mr. R.K. Agarwal	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
6	Mr. J.C. Chawla	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
7	Mr. Shyam Babu Vyas	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director

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 Six times during the financial year 2018-19. The Directors met on May 21, 2018, May 30, 2018, July 31, 2018, October 10, 2018, November 12, 2018, and February 12, 2019. 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.

In the opinion of the Board, the independent directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

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.

Familiarization programmes for Independent Directors

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

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

A chart or a Matrix for skills/attributes identified by the Board of Directors as required in the context of business/sectors to function effectively is given in **Annexure-E**

Formal annual evaluation

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

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

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

3. AUDIT COMMITTEE

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

As on March, 2019 The Audit Committee comprise of three Directors. Two 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 26th, 2018 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, 2019, the Audit Committee met five times on 21.05.2018, 30.05.2018, 31.07.2018, 12.11.2018, and 12.02.2019 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 2018-19	
			held	attended
Mr. R.K. Agarwal	Chairman	Independent Director	5	5
Mr. J.C. Chawla	Member	Independent Director	5	5
Mr. S.S Agarwal	Member	Executive Director	5	5
Mr. Anupam Bansal*	Member	Independent Director	5	2

*Due to approval of change in designation of Mr. Anupam Bansal from Independent Director to Non-Executive Non-Independent Director in Annual General Meeting held on 26th September, 2018, Audit Committee has been reconstituted and Mr. Anupam Bansal has been removed from the audit committee.

4. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

During the period ended March 31, 2019, 3 meeting of the Committee were held on May 21, 2018, July 31, 2018 and October 10, 2018.

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 2018-19	
			Held	attended
Mr. R.K. Agarwal	Chairman	Independent Director	3	3
Mr. J.C. Chawla	Member	Independent Director	3	3
Mr. V.K. Modi	Member	Non-Executive Director	3	2

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.sbecosystems.com.

Remuneration to Directors

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

5. Stakeholders Relationship Committee

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

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

During the financial year ended March 31, 2019, the Stakeholders' Relationship Committee met 4 times on 30.05.2018, 31.07.2018, 12.11.2018 and 12.02.2019.

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

Name of the Member	Designation	Category	Number of meetings during the year 2018-19	
			held	attended
Mr. V.K. Modi	Chairman	Non-Executive Director	4	3
Mr. J.C. Chawla*	Member	Independent Director	4	2
Mr. S.S. Agarwal	Member	Executive Director	4	4

* Mr. J.C. Chawla has been appointed as member to the stakeholders committee in the board meeting held on 31st July, 2018.

During the year, the Company has received 2 complaints from the shareholders. The details of the complaint received and redressed during the financial year 2018-19 are given below:

Particulars	Status
Complaints as on April 1, 2018	0
Received during the year	2
Resolved during the year	2
Complaints as on March 31, 2019	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: sbecosystems@rediffmail.com

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

Financial year	Date	Time	Special Resolution Passed (Yes/No)	Venue
2017-18	September 26, 2018	11.30 a.m.	1. To consider and ratify the continuation of Shri. S.S. Agarwal as Executive Director designated as Chief Executive Officer. 2. Change in Designation of Shri. Anupam Bansal from Independent Director to Non-Executive Director of the Company.	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi.
2016-17	September 28, 2017	11.30 a.m.	No	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi.
2015-16	September 27, 2016	2.00 p.m.	No	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi.

(b) Extraordinary General Meetings

No Extraordinary General Meeting of the Members was held during the year 2018-19.

(c) Postal Ballot

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

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

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

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

(b) Website

As per the requirements of Regulation 46 of the Listing Regulations, the Company has in place a website viz. www.sbecosystems.com. The quarterly financial results, shareholding pattern, corporate governance report, the details on the Board of Directors, Senior Management Personnel, the composition of the Board of Directors / Committee of Directors, the various policies adopted by the Company viz. Vigil Mechanism, Related Party Transactions Policy, Nomination & Remuneration Policy, Policy on disclosure of material events, Policy on preservation of documents, Archival Policy, Policy on Board diversity, Familiarization Policy, Succession Plan are published in the Company's website. The Company makes use of its website for publishing official news release.

8. General Shareholder Information:**(a) 30th Annual General Meeting**

Date & Time : September 26, 2019 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, 2018 to 31st March 2019**(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 25 th Floor, P.J. Towers, Dalal Street Fort, Mumbai-400001	517360
The Delhi Stock Exchange* 3/1, Asaf Ali Road, New Delhi-110001	6960

As the process of revocation of suspension trading of shares has been going on, the company has not paid the Annual listing fees to BSE Limited to the year 2019-20 but the company will pay the same before the due date.

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 sensx, 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., 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 31,2019:**

No of Shares	Number of Shareholders	Number of Shares	% of total Shares
Upto 5000	18615	3056003	94.21
5001 - 10000	745	588461	3.77
10001 – 20000	272	399986	1.37
20001- 30000	55	138433	0.27
30001 - 40000	26	92397	0.13
40001 – 50000	14	64566	0.07
50001 - 100000	13	89961	0.06
100000 and above	17	5570193	0.08
Total	19757	10000000	100.00

(j) **Shareholding Pattern as on March 31, 2019:**

SI 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	300457	3.02
	B Individuals	4597477	45.96
	C NRI/ OCB	-	-
	D Huf	2306	0.02
	Sub-Total [B=(BI + BII)]	4900240	49.00
	Total (A+B)	10000000	100.00

(k) **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 now avail the depository services and dematerialize the equity shares of the Company with any of the Depository participants registered with CDSL.

(l) **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

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

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

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

(n) Plant Locations: Not Applicable

(o) Address for Correspondence:

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

9. Other Disclosures

(i) Related Party Transactions

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

The Company has formulated a policy on Related Party Transactions in terms of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee accorded its omnibus approval for the said related party transactions. The said policy has been uploaded on the Company's website viz. www.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.

(ii) Details of Non-compliance

During the Financial Year under review the Company has received a show cause notice from Securities and Exchange Board of India ("SEBI") under section 11 and 11 B 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.

As per the said impugned order, the Promoter Group have violated the provisions of Regulation 3(2) of the Takeover Regulations, 2011 by acquiring shares in excess of the prescribed limit without making a public announcement under the Takeover Regulations. Although SBEC Systems (India) Ltd., did not acquired even a single share nor acted as persons acting in concert with the other promoters regarding above mentioned acquisition/ adjustment of loan against the Target Company's shares.

Against the said impugned SEBI order, the Company had filed an appeal before the Securities Appellant Tribunal, Mumbai, the appeal had admitted and heard by SAT on 14th December, 2018, 08th February, 2019, 28th March, 2019 and 13th June, 2019.

Next date of hearing is 01st August, 2019.

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. Shareholder Rights

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

The Company does not have any subsidiary for the financial year ended 31 March, 2019.

(v) Details of Utilization of fund through preferential allotment

No funds were raised through preferential allotment or qualified institutions placements during the year.

(vi) Compliance certificate from company secretary in practice

A Certificate from R.Singhal & Associates, Company Secretaries, a company secretary in practice confirming that none of the directors of company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been received. The certificate is enclosed with this section as **Annexure-F**

(vii) Recommendations of any Committee

None of recommendations of any Committee of the Board which are mandatorily required was rejected by the Board during the year.

(viii) Fees for all services paid by the listed entity to the statutory auditor

An amount of INR 70800/- (including tax) was paid to M/s Doogar & Associates, Statutory Auditors for rendering their services during the year.

(ix) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year, no complaint was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(x) Cost Records

The Government has not prescribed the maintenance of cost record under section 148 of the Act for any of the services rendered by the Company.

10. NON-COMPLIANCE OF CORPORATE GOVERNANCE REPORT

There was no non-compliance of any requirements of Corporate Governance during the year.

11. 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.

6. 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, 2019.

Place: New Delhi
Date: August 14, 2019

S.S. Agarwal
Chief Executive Officer

7. GEO/CFO CERTIFICATION

A certificate duly signed by Chairman & Managing Director and CFO relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in Regulation 17(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 was placed before the Board and was taken on record.

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

Place: New Delhi
Date: 14.08.2019

Sd/-
Vijay Kumar Modi
Chairman
DIN:00004606

ANNEXURE-E**Skills and attributes identified by Board of Directors**

S.NO.	Skills	Experience	Attributes
1	Practical wisdom and good judgment	Specialized knowledge in specific area	Highest personal and professional ethical standards and honesty
2	Financial literacy – ability to read and understand a financial statement	Required Experience	Integrity, independence and free from conflict of interest.
3	Specialized professional skills viz. operations, finance, human resources, marketing, legal, corporate governance etc.	Required Experience	An enquiring and independent mind.
4	Director Education - a clear understanding of the role and duties of a director and knowledge of code of conduct and business ethics	High visibility in the field	Commitment to improve business, its continued well-being and making a difference.

5	Good interpersonal skills and ability to Communicate clearly.	Leadership and Management experience	Willingness to represent the best interests of all stakeholders and objectively appraise the Board and Management performance.
6	Decision Maker- explores options and choosing those that have the significant benefit to the organization and its performance.	Required Experience	Critical analysis and Judgment.
7	Interpersonal sensitivity – a willingness to keep an open mind and recognize other perspectives.		Strategic perspectives, able to identify opportunities and threats.
8	Ability to mentor other directors		Innovator – a willingness to challenge Management and their assumptions, stimulate Board discussion with new, alternative insights and ideas.
9	Agility to move from advisor to challenger as well as being a strong supportive voice one needed.		Motivation – drive and energy to set and achieve clear objectives and make an impact.
10	Advisory Skills		Clear personal commitment. Full participation and pro- active as a Board Member. Willingness to deal with tough issues. Maturity and discipline to know and maintain fine line between governance and management oversight.

ANNEXURE-F**CERTIFICATE**

(Pursuant to Schedule V Part C 10 (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by M/s SBEC Systems (India) Limited, having its Registered office at 1400, Hemkunt Tower, Nehru Place, New Delhi-110019 and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that during the Financial Year ended on March 31, 2019, in our opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

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

**Date: 14.08.2019
Place : New Delhi**

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

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, 2019 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: 14.08.2019
Place : New Delhi**

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SBEC SYSTEMS (INDIA)LIMITED**

Report on the Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of M/s SBEC SYSTEMS (INDIA) LIMITED ('the Company'), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and the loss and total comprehensive income(loss), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note No.26 of the financial statement, the Company has not complied with the Ind AS requirements, regarding reversal of provision for diminution of current quoted investment aggregating to Rs.665.94 Lacs. Had the company reversed the existing provision as per IND AS requirement the loss for the quarter would have been lower by an even amount and its consequent impact on EPS

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matters

We draw attention to note no 25 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the Directors as on 31st March 2019 taken on record by the Board of directors, none of the Directors is disqualified as on 31st March 2019 from being appointed as a Director in terms of section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DOOGAR & ASSOCIATES
Chartered Accountants
FRN: 000561N

Mukesh Goyal
Partner
M. No. : 081810

Place: New Delhi
Date: 28.05.2019

Annexure 'A' to Independent Auditors' Report

(Referred to in paragraph (1) (f) 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 SYETEMS (INDIA) LIMITED on the financial statements for the year ended March 31, 2019

- We have audited the internal financial control with reference to financial statement of SBEC SYSTEMS (INDIA) LIMITED ("the Company") as of March, 31, 2019 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, 2019, 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: 28.05.2019

Annexure "B" 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, 2019.

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 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, bank/government or debenture holds during the year. Accordingly, paragraph 3 (Viii) of the order is not applicable.

vii) Cost records as 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

a) 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.

b) 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, 2019.

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 Accounts
FRN: 000561N

Mukesh Goyal
Partner
M. No. : 081810

Place: New Delhi

Date: 28.05.2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(in Rs.)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
A. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	28,903	29,515
(b) Non Current Investment	4	6,86,02,183	6,86,02,183
		6,86,31,086	6,86,31,698
2. Current assets			
(a) Cash and cash equivalents	5	1,99,751	1,71,119
(b) Bank balances other than (a)above	6	40,000	40,000
(b) Short-term loans and advances	7	13,07,200	13,00,000
(c) Other current assets	8	57,79,446	56,23,446
		73,26,397	71,34,565
TOTAL		7,59,57,483	7,57,66,263
B. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	9	10,00,00,000	10,00,00,000
(b) Other Equity	10	(20,35,07,394)	(20,24,74,025)
		(10,35,07,394)	(10,24,74,025)
2. Non-current liabilities			
(a) Financial Liabilities			
-Borrowings	11	8,50,61,185	8,04,05,379
(b) Other Non Current liabilities	12	-	82,60,816
(c) Long-term provisions	13	1,26,231	1,26,231
		8,51,87,416	8,87,92,426
3. Current liabilities			
(a) Financial Liabilities			
-Borrowings	14	8,97,73,011	8,50,30,583
(b) Other current liabilities	15	45,04,450	44,17,279
		9,42,77,461	8,94,47,862
TOTAL		7,59,57,483	7,57,66,263

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/-
R.K. Agarwal
Director
DIN : 00298252

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

Sd/-
Mukesh Goyal
Partner
Membership No. : 081810

sd/-
Priyanka Negi
Company Secretary
M.No. 36819

sd/-
Luv Gupta
Chief Financial officer

Place : New Delhi
Date : 28.05.19

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(In Rs.)

Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
I Revenue from operations	16	-	-
II Other income	17	84,18,496	9,28,159
III Total revenue (I+II)		84,18,496	9,28,159
IV Expenses:			
Employee benefits expense	18	9,68,185	12,53,259
Finance costs	19	11,553	5,251
Depreciation and amortisation expense	20	612	1,131
Other Expenses	21	72,91,515	15,93,689
Total expenses (IV)		82,71,865	28,53,330
V Profit / (Loss) before exceptional items and tax (III-IV)		1,46,631	(19,25,171)
VI Exceptional Items Income/(Expenses)	22	(11,80,000)	(35,40,000)
VII Profit / (Loss) after exceptional items and before tax (V-VI)		(10,33,369)	(54,65,171)
VIII Tax expense:			
- Current Tax		-	-
- Deferred Tax		-	-
Total		-	-
IX Profit / (Loss) for the year (VII-VIII)		(10,33,369)	(54,65,171)
Earning per equity shares:	23		
(i) Basic		(0.10)	(0.55)
(ii) Diluted		(0.10)	(0.55)

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/-
R.K. Agarwal
Director
DIN : 00298252

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

Sd/-
Mukesh Goyal
Partner
Membership No. : 081810

sd/-
Priyanka Negi
Company Secretary
M.No. 36819

sd/-
Luv Gupta
Chief Financial officer

Place : New Delhi
Date : 28.05.19

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(in Rs.)

	As At March 31, 2019	As At March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax and extraordinary items	(10,33,369)	(54,65,171)
Adjustments for :		
Depreciation	612	1,131
Interest Expense	11,553	5,251
Interest Income	(1,56,000)	(1,56,000)
Foreign Exchange fluctuation(net)	46,55,806	(7,72,159)
Written back-Perdiem Charges	(82,60,816)	-
	<u>(37,48,845)</u>	<u>(9,21,777)</u>
Operating profit/(Loss) before working capital changes	(47,82,214)	(63,86,948)
Change in working Capital :		
(Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances excluding TDS	(7,200)	-
(Increase)/Decrease in Inventories	-	-
Increase /(Decrease) in Trade Payable and Provisions	87,171	1,45,727
	<u>79,971</u>	<u>1,45,727</u>
Cash (used in) / Generated from operations	(47,02,243)	(62,41,221)
Income Tax/ TDS Paid/Refund	-	-
Net Cash (used) in / generation from operating activities	(47,02,243)	(62,41,221)
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	-	-
Proceeds from Long/Short term borrowings	47,42,428	61,41,979
Interest paid	(11,553)	(5,251)
Repayment of long /Short term borrowings	-	-
NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES	47,30,875	61,36,728
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	28,632	(1,04,493)
Cash and Cash equivalents at beginning of period	1,71,119	2,75,612
Cash and Cash equivalents at end of the period (Note No 5)	1,99,751	1,71,119

*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/-
Priyanka Negi
Company Secretary
M.No. 36819

sd/-
Luv Gupta
Chief Financial officer

Place : New Delhi
Date : 28.05.19

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.
- b. The financial statements have been prepared under the historical cost convention on accrual basis.

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, 2019

NOTE - 3 : PROPERTY, PLANT AND EQUIPMENT

Tangible assets

(in Rs.)

	GROSS BLOCK				DEPRECIATION			NET CARRYING AMOUNT		
	As at 01.04.2018	Additions	Deductions /Disposal	As at 31.03.2019	As at 01.04.2018	Additions	Deductions /Disposal	As at 31.03.2019	As at 31.03.2019	As at 31.03.2019
Plant and Equipment	17,591	-	-	17,591	16,789	-	-	16,789	802	802
Furniture & Fixtures & Fittings	632,848	-	-	6,32,848	6,08,158	-	-	6,08,158	24,690	24,690
Office Equipments	63,530	-	-	63,530	59,507	612	-	60,119	3,411	4,023
TOTAL	713,969	-	-	713,969	6,84,454	612	-	6,85,066	28,903	29,515
(Previous Year)	713,969	-	-	713,969	6,83,323	1,131	-	6,84,454	29,515	-

NOTE 4 : NON- CURRENT INVESTMENT

(in Rs.)

	As at 31.03.2019	As at 01.04.2018
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	3,15,77,160	3,15,77,160
Less : Provision for Diminution (Refer Note No.26)	<u>89,28,624</u>	<u>89,28,624</u>
	2,26,48,536	2,26,48,536
1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	11,07,31,680	11,07,31,680
Less : Provision for Diminution (Refer Note No.26)	<u>6,47,78,033</u>	<u>4,59,53,647</u>
Total	6,86,02,183	6,86,02,183
Market value of quoted Investments (Based on closing rate of Rs. 9.50 at BSE on 31.03.2019 Previous year @ Rs. 6.96 per share)	13,51,96,533	9,90,49,249
NOTE 5 : CASH & BANK BALANCES		
Cash and Cash Equivalents		
Balance with Scheduled Banks in -		
-Current Accounts	1,76,704	1,47,522
Cash & Stamps in hand	23,047	23,597
TOTAL	1,99,751	1,71,119
NOTE 6 : OTHER BANK BALANCES		
Other bank balances		
Fixed deposit with banks *	40,000	40,000
TOTAL	40,000	40,000

* Fixed Deposit Matured But Pledged with Sales Tax Authority

NOTE 7 : SHORT TERM LOAN & ADVANCES

Unsecured considered good

Advance recoverable in cash or in kind or for value to be received	7,200	-
Loans - Dinesh Rajvanshi	13,00,000	13,00,000
TOTAL	13,07,200	13,00,000

NOTE 8 : OTHER CURRENT ASSETS

Income tax recoverable	1,85,300	1,85,300
Service Tax -(Cenvat Credit)	82,400	82,400
Interest receivable	55,11,746	53,55,746
TOTAL	57,79,446	56,23,446

NOTE 9: SHARE CAPITAL

(in Rs.)

	As at 31.03.2019	As at 31.03.2018
AUTHORISED CAPITAL		
15,000,000 Equity Shares of Rs.10/- each.	150,000,000	150,000,000
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
Less: Calls in arrear	-	-
TOTAL	100,000,000	100,000,000

a. Reconciliation of number of shares (nos.)

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

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 2019		As at 31st March 2018	
Mr. Umesh Kumar Modi	2079560	20.8%	2079560	20.8%
SBEC Systems Limited	2040000	20.4%	2040000	20.4%
Longwell Investments Pvt. Ltd.	550000	5.50%	550000	5.50%

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

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

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

NOTE 10 : OTHER EQUITY

(in Rs.)

	As at 31.03.2019	As at 31.03.2018
Share Premium Reserve		
Opening balance	19,261,774	19,261,774
Add:Addtion during the year	-	-
Closing Balance	19,261,774	19,261,774
Surplus /(Deficit)		
Opening balance	(22,17,35,799)	(216,270,628)
Profit(loss) for the year	(10,33,369)	(5,465,171)
Net surplus in the statement of Profit and loss account	(22,27,69,168)	(221,735,800)
TOTAL	(20,35,07,394)	(202,474,025)

NOTE 11 : BORROWINGS

(in Rs.)

	As at 31.03.2019	As at 31.03.2018
Unsecured		
Foreign Currency Loan From Overseas	6,98,94,760	6,52,38,954
Corporate Body (Refer Note No.24)		
Rupee Loans		
Body Corporate	1,51,66,425	1,51,66,425
Total	8,50,61,185	8,04,05,379

NOTE 12: OTHER NON CURRENT LIABILITIES

Others (Perdiem Charges)	-	82,60,816
Total	-	82,60,816

*from related parties

NOTE 13 : LONG TERM PROVISIONS

Provision for Employee Benefits :		
For Gratuity	1,26,231	1,26,231
TOTAL	1,26,231	1,26,231

NOTE 14 : SHORT TERM BORROWINGS

Unsecured		
Loans repayable on demand From Corporate	8,97,73,011	8,50,30,583
TOTAL	8,97,73,011	8,50,30,583

NOTE 15 : OTHER CURRENT LIABILITIES

Interest accrue and due on borrowing	30,56,841	30,56,841
Salaries, wages & bonus	71,323	81,412
Other liabilities*	13,16,592	11,98,347
Statutory dues payable	59,694	80,679
TOTAL	45,04,450	44,17,279

NOTE 16 : REVENUE FROM OPERATIONS

(in Rs.)

	Year ended 31.03.2019	Year ended 31.03.2018
Sales	-	-
Less : GST	-	-
	-	-

NOTE 17 : OTHER INCOME

Foreign Exchange fluctuation(net)	-	7,72,159
Interest	1,56,000	1,56,000
Other Income	1,680	-
Written back -Perdiem Charges	82,60,816	-
TOTAL	84,18,496	9,28,159

NOTE 18 : EMPLOYEE BENEFIT EXPENSES

Salary, Wages, Bonus & other allowances	9,03,644	10,91,871
Company's Contribution To Provident & Other Funds	63,341	64,721
Staff Welfare Expenses	-	8,145
Gratuity	-	40,522
Entertainment Expenses	1,200	48,000
TOTAL	9,68,185	12,53,259

NOTE 19: FINANCE COST

Interest - Others	10,488	2,757
Bank Charges	1,065	197
Demat Charges	-	2,297
TOTAL	11,553	5,251

NOTE 20: DEPRECIATION & AMORTIZATION EXPENSES

(in Rs.)

	Year ended 31.03.2019	Year ended 31.03.2018
Depreciation & Amortization	612	1,131
	612	1,131

NOTE 21 :OTHER EXPENSES

Auditor's Remuneration		
-As Audit Fee	59,000	59,000
-Certification and Company Law	11,800	11,800
Telephone, Postage & Telegram	16,971	36,530
Legal & Professional Charges	8,29,564	17,700
Travelling & Conveyance	9,905	10,715
Printing & Stationery	600	11,396
Filing Fee	16,200	2,400
Misc. Expenses	1,990	300
Vehicle Running Expenses	31,617	-
Foreign Exchange fluctuation	46,55,806	-
Accountancy Charges	-	50,000
Books & Periodicals	-	18,000
Secretarial & AGM Expenses	16,58,062	13,75,848
	72,91,515	15,93,689

NOTE 22: EXCEPTIONAL ITEMS INCOME/(EXPENDITURE)

Reinstatement Fees	11,80,000	35,40,000
(Revocation of suspension in trading of equity shares)		
	11,80,000	35,40,000

NOTE 23: EARNING PER SHARE(EPS)

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

Profit /(Loss) after tax for the year	(10,33,369)	(54,65,171)
Weighted Average number of equity shares of Rs.10/- each fully paid up	1,00,00,000	1,00,00,000
Basic & Diluted Earnings per share	(0.10)	(0.55)

NOTE 24 : Contingent liabilities not provided for in respect of:-

Particulars	Current Year	Previous Year
Interest on Foreign Currency Loan	1,96,11,545@	1,83,05,188@

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

NOTE 25 : The accounts of the Company for the year ending 31.03.19 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 26 : 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.6,65,94,350/- (Previous Year Rs. 3,04,47,066/-)

NOTE 27 : 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 28 : Related Parties Disclosures

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 Manager - Chief Financial Officer up to 31/05/2018
 Mr. Luv Gupta - Chief Financial Officer w.e.f 01/06/2018
 Ms. Akanksha Sharma - Company Secretary up to 11/07/2018
 Ms. Priyanka Negi - Company Secretary w.e.f 01/08/2018

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 1 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	-	-	5,55,250	-
	(-)	(-)	(8,19,720)	(-)
Expenses Paid Secretarial	-	-	-	2,09,748
Expenses /Printing & Stationery etc.	(-)	(-)	(-)	(1,46,915)
Out standing Payable	128,37,523	-	38,163	23,54,441
	(128,37,523)	(-)	(64,174)	(23,42,746)
Equity Contribution	14,23,12,140	-	-	-
	(14,23,12,140)	-	-	-

NOTE 29 : 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 30 : 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.)

	2018-19	2017-18	2016-17	2015-16	2014-15
	Year	Year	Year	Year	Year
Employer's contribution to provident fund	63,341	64,721	59,490	46,855	33,579

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 31.03.19	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
DBP at the beginning of the year	1,26,231	85,709	75,672	45,994	23,510
Interest Cost	-	-	-	-	-
Current Service Cost	-	40,522	10,037	29,678	22,484
Benefits Paid/written back	Nil	Nil	Nil	Nil	Nil
Actuarial (gain)/loss	Nil	Nil	Nil	Nil	Nil
DBP at the end of the year	1,26,231	1,26,231	85,709	75,672	45,994

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	1,26,231	85,709	75,672	45,994
Net asset/(liability) recognized in the Balance Sheet	1,26,231	1,26,231	85,709	75,672	45,994

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

Interest Cost	Nil	Nil	Nil	Nil	Nil
Current Service Cost	Nil	40,522	10,037	29,678	22,484
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	Nil	40,522	10,037	29,678	22,484

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

	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified
Mortality table (LIC)					
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 31 : NOTES RELATED TO INDIAN ACCOUNTING STANDARDS

(A) Statement of changes in Equity

Particulars	Previous 01.04.2017	Effect of Changes in Share Capital	Ind AS 31.03.2018	Effect of Changes in Share Capital	Ind AS 31.03.2019
Opening Balance	10,00,00,000	-	10,00,00,000	-	10,00,00,000
Closing Balance	10,00,00,000	-	10,00,00,000	-	10,00,00,000

(B) Statement of Changes in other Equity

Particulars	Share Premium Reserve	Retained Earning	Total
Opening Balance as on 01.04.2017	1,92,61,774	(21,62,70,628)	(19,70,08,854)
Add: Addition During the year	-	-	-
: Loss for the Year	-	(54,65,171)	(54,65,171)
Closing Balance as on 31.03.2018	1,92,61,774	(22,17,35,799)	(20,24,74,025)
Opening Balance as on 01.04.2018	1,92,61,774	(22,17,35,799)	(20,24,74,025)
Add: Addition During the year	-	-	-
: Loss for the Year	-	(10,33,369)	(10,33,369)
Closing Balance as on 31.03.2019	1,92,61,774	(22,27,69,168)	(20,35,07,394)

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 (Nil)
b) EXPENDITURE IN FOREIGN CURRENCY (On cash basis)	
Interest Payment	Nil (Nil)
c) EARNINGS IN FOREIGN EXCHANGE	Nil (Nil)
d) CIF VALUE OF IMPORTS	Nil (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

sd/-
Priyanka Negi
Company Secretary
M.No. 36819

sd/-
Luv Gupta
Chief Financial officer

Place : New Delhi
Date : 28.05.19

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SBEC SYSTEMS (INDIA) LIMITED**

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of M/s SBEC SYSTEMS (INDIA) LIMITED (hereinafter referred to as the "Holding Company") and its associate, which comprise the Consolidated Balance Sheet as at 31 March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of other auditors as referred in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner, so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its Associates as at 31 March, 2019, and the consolidated Total Comprehensive Income, the consolidated Statement of Changes in Equity and the consolidated Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its Associate in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matters

We draw attention to note no 25 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders' Information Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 financial statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance, Consolidated Total Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows of the Company including its Associates in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The Board of Directors of the Company and of its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Company.

In preparing the consolidated financial statements, the Board of Directors of the Company and of its Associates are responsible for assessing the ability of the Company and of its Associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company and of its Associates or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its Associates are also responsible for overseeing the financial reporting process of the Company and its Associates

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its Subsidiary Companies which are

Companies incorporated in India, has adequate internal financial control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its Associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its Associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidences regarding the financial information of the Company and its Associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the Independent Auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other Matters

The consolidated financial statements include the Company's share of total comprehensive loss of (1016.36 Lakhs) for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of one Associate, whose financial statements/financial information have not been audited by us. That financial statements/ financial information have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of that Associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid Associate, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of accounts as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the Statutory Auditors of its Associate Companies incorporated in India, none of the Directors of the Company and its Associate Companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; which is based on the auditor's reports of the Company and its Associate Companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those Companies, for reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors, the remuneration paid by the Company and its Associate Companies to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors:
 - i. The company and its Associates does not have any pending litigations which would impact its financial statements
 - ii. The Company and its Associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company and its Associate Companies.

For DOOGAR & ASSOCIATES
Chartered Accounts
FRN: 000561N

Mukesh Goyal
Partner
M. No. : 081810

Place: New Delhi
Date: 28.05.2019

Annexure 'A' to Independent Auditors' Report**(Referred to in paragraph (1)(f) 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) Limited on the financial statements for the year ended March 31, 2019

- We have audited the internal financial control over financial reporting of SBEC SYSTEMS (INDIA) LIMITED ("the Company") and its Associate company Incorporated in India as of March, 31, 2019 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 management of the Company and its Associates incorporated in India, are 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 and to the best of our information and according to the explanations given to us and based on the reports of other auditors as referred in other matters paragraph, the Company and its Associate Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the respective Companies 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to separate financial statements of one Associate Company incorporated in India, is based on the corresponding report of the auditor of such Company incorporated in India

For DOOGAR & ASSOCIATES
Chartered Accounts
FRN: 000561N

Place: New Delhi
Date: 28.05.2019

Mukesh Goyal
Partner
M. No. : 081810

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(in Rs.)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	28,903	29,515
(b) Non Current Investment	4	-	10,16,36,228
		28,903	10,16,65,743
2 Current assets			
(a) Cash and cash equivalents	5	1,99,751	1,71,119
(b) Bank balances other than (a)above	6	40,000	40,000
(b) Short-term loans and advances	7	13,07,200	13,00,000
(c) Other current assets	8	57,79,446	56,23,446
		73,26,397	71,34,565
TOTAL		73,55,300	10,88,00,308
B EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	9	10,00,00,000	10,00,00,000
(b) Other Equity	10	(27,21,09,577)	(16,94,39,980)
		(17,21,09,577)	(6,94,39,980)
2. Non-current liabilities			
(a) Financial Liabilities			
-Borrowings	11	8,50,61,185	8,04,05,379
(b) Other Non Current liabilities	12	-	82,60,816
(c) Long-term provisions	13	1,26,231	1,26,231
		8,51,87,416	8,87,92,426
3. Current liabilities			
(a) Financial Liabilities			
-Borrowings	14	8,97,73,011	8,50,30,583
(b) Other current liabilities	15	45,04,450	44,17,279
		9,42,77,461	8,94,47,862
TOTAL		73,55,300	10,88,00,308

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/-
R.K. Agarwal
Director
DIN : 00298252

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

Sd/-
Mukesh Goyal
Partner
Membership No. : 081810

sd/-
Priyanka Negi
Company Secretary
M.No. 36819

sd/-
Luv Gupta
Chief Financial officer

Place : New Delhi
Date : 28.05.19

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

		(In Rs.)	
Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
I	Revenue from operations	16	-
II	Other income	17	84,18,496
III	Total revenue (I+II)		9,28,159
IV	Expenses:		
	Employee benefits expense	18	9,68,185
	Finance costs	19	11,553
	Depreciation and amortisation expense	20	612
	Other Expenses	21	72,91,515
	Total expenses (IV)		82,71,865
V	Profit / (Loss) before exceptional items and tax (III-IV)		1,46,631
VI	Exceptional Items Income/(Expenses)	22	(11,80,000)
VII	Profit / (Loss) after exceptional items and before tax (V-VI)		(10,33,369)
VIII	Share of Profit/(Loss) of Associates		(10,16,36,228)
VIII	Tax expense:		
	- Current Tax		-
	- Deferred Tax		-
	Total		-
IX	Profit / (Loss) for the year (VII-VIII)		(10,26,69,597)
	Earning per equity shares:	23	
	(i) Basic		(10.27)
	(ii) Diluted		(10.27)

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/-
R.K. Agarwal
Director
DIN : 00298252

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

Sd/-
Mukesh Goyal
Partner
Membership No. : 081810

sd/-
Priyanka Negi
Company Secretary
M.No. 36819

sd/-
Luv Gupta
Chief Financial officer

Place : New Delhi
Date : 28.05.19

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(In Rs.)

	For the year ended 31.03.2019	For the Year ended 31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax and extraordinary items	(10,26,69,597)	(25,75,04,162)
Adjustments for :		
Depreciation	612	1,131
Interest Expense	11,553	5,251
Interest Income	(1,56,000)	(1,56,000)
Foreign Exchange fluctuation (net)	46,55,806	(7,72,159)
Written back -Perdiem Charges	(82,60,816)	-
Share of Profit/(Loss)of Associates	10,16,36,228	25,20,38,991
	9,78,87,383	25,11,17,214
Operating profit/(Loss) before working capital changes	(47,82,214)	(63,86,948)
Change in working Capital :		
(Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances excluding TDS	(7,200)	-
(Increase)/Decrease in Inventories	-	-
Increase /(Decrease) in Trade Payable and Provisions	87,171	1,45,727
	79,971	1,45,727
Cash (used in) / Generated from operations	(47,02,243)	(62,41,221)
Income Tax/ TDS Paid/Refund	-	-
Net Cash (used) in / generation from operating activities	(47,02,243)	(62,41,221)
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	-	-
Proceeds from Long/Short term borrowings	47,42,428	61,41,979
Interest paid	(11,553)	(5,251)
Repayment of long /Short term borrowings	-	-
NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES	47,30,875	61,36,728
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	28,632	(1,04,493)
Cash and Cash equivalents at beginning of period	1,71,119	2,75,612
Cash and Cash equivalents at end of the period (Note No 5)	1,99,751	1,71,119

*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/-
Priyanka Negi
Company Secretary
M.No. 36819

sd/-
Luv Gupta
Chief Financial officer

Place : New Delhi
Date : 28.05.19

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. 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.
- b. The financial statements have been prepared under the historical cost convention on accrual basis.

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 Consolidated Financial Statements for the Year Ended on 31st March, 2019

NOTE - 3 : PROPERTY, PLANT AND EQUIPMENT

Tangible assets

in Rs.

Particulars	Gross Block									
	As at 01.04.2018	Additions	Deductions /Disposal	As at 31.03.2019	As at 31.03.2018	Additions	Deductions /Disposal	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Plant and Equipment	17,591	-	-	17,591	16,789	-	-	16,789	802	802
Furniture & Fixtures & Fittings	632,848	-	-	6,32,848	6,08,158	-	-	6,08,158	24,690	24,690
Office Equipments	63,530	-	-	63,530	59,507	612	-	60,119	3,411	4,023
TOTAL	713,969	-	-	713,969	6,84,454	612	-	6,85,066	28,903	29,515
(Previous Year)	713,969	-	-	713,969	6,83,323	1,131	-	6,84,454	29,515	-

NOTE 4 : NON- CURRENT INVESTMENT

(in Rs.)

	As at 31.03.2019	As at 31.03.2018
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	2,25,52,242	- 7,84,77,619
Add/Less : Shares of Associates	(2,25,52,242)	- (5,59,25,377)
1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	7,90,83,986	-
Add/Less : Shares of Associates	(7,90,83,986)	- 27,51,97,600
TOTAL		10,16,36,228
Market value of quoted Investments (Based on closing rate of Rs. 9.50 at BSE on 31.03.2019 Previous year @ Rs. 6.96 per share)	13,51,96,533	9,90,49,249

NOTE 5 : CASH & BANK BALANCES

Cash and Cash Equivalents

Balance with Scheduled Banks in -

- Current Accounts

Cash & Stamps in hand

1,76,704	1,47,522
23,047	23,597
1,99,751	1,71,119

NOTE 6 : OTHER BANK BALANCES

Other bank balances

Fixed deposit with banks *

TOTAL

40,000	40,000
40,000	40,000

* Fixed Deposit Matured But Pledged with Sales Tax Authority

NOTE 7 : SHORT TERM LOAN & ADVANCES

Unsecured considered good

Advance recoverable in cash or in kind or for value to be received

Loans - Dinesh Rajvanshi

TOTAL

7,200	-
13,00,000	13,00,000
13,07,200	13,00,000

NOTE 8 : OTHER CURRENT ASSETS

Income tax recoverable

Service Tax -(Cenvat Credit)

Interest receivable

TOTAL

1,85,300	1,85,300
82,400	82,400
55,11,746	53,55,746
57,79,446	56,23,446

NOTE 9: SHARE CAPITAL

(in Rs.)

	As at 31.03.2019	As at 31.03.2018
AUTHORISED CAPITAL		
15,000,000 Equity Shares of Rs.10/- each.	150,000,000	150,000,000
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
Less: Calls in arrear	-	-
TOTAL	100,000,000	100,000,000

a. Reconciliation of number of shares (nos.)

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

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 2019		As at 31st March 2018	
Mr. Umesh Kumar Modi	2079560	20.8%	2079560	20.8%
SBEC Systems Limited	2040000	20.4%	2040000	20.4%
Longwell Investments Pvt. Ltd.	550000	5.50%	550000	5.50%

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

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

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

NOTE 10 : OTHER EQUITY

(in Rs.)

	As at 31.03.2019	As at 31.03.2018
Share Premium Reserve		
Opening balance	19,261,774	19,261,774
Add:Addtion during the year	-	-
Closing Balance	19,261,774	19,261,774
Surplus /(Deficit)		
Opening balance	(18,87,01,753)	(6,68,02,408)
Profit(loss) for the year	(10,26,69,597)	(25,75,04,162)
Net surplus in the statement of Profit and loss account	(29,13,71,351)	(18,87,01,753)
TOTAL	(27,21,09,577)	(16,94,39,980)

NOTE 11 : BORROWINGS

(in Rs.)

	As at 31.03.2019	As at 31.03.2018
Unsecured		
Foreign Currency Loan From Overseas	6,98,94,760	6,52,38,954
Corporate Body (Refer Note No.24)		
Rupee Loans		
Body Corporate	1,51,66,425	1,51,66,425
Total	8,50,61,185	8,04,05,379

NOTE 12: OTHER NON CURRENT LIABILITIES

Others (Perdiem Charges)	-	82,60,816
Total	-	82,60,816

*from related parties

NOTE 13 : LONG TERM PROVISIONS

Provision for Employee Benefits :		
For Gratuity	1,26,231	1,26,231
TOTAL	1,26,231	1,26,231

NOTE 14 : SHORT TERM BORROWINGS

Unsecured		
Loans repayable on demand From Corporate	8,97,73,011	8,50,30,583
TOTAL	8,97,73,011	8,50,30,583

NOTE 15 : OTHER CURRENT LIABILITIES

Interest accrue and due on borrowing	30,56,841	30,56,841
Salaries, wages & bonus	71,323	81,412
Other liabilities*	13,16,592	11,98,347
Statutory dues payable	59,694	80,679
TOTAL	45,04,450	44,17,279

NOTE 16 : REVENUE FROM OPERATIONS

(in Rs.)

	Year ended 31.03.2019	Year ended 31.03.2018
Sales	-	-
Less: GST	-	-
	-	-

NOTE 17 : OTHER INCOME

Foreign Exchange fluctuation(net)	-	7,72,159
Interest	1,56,000	1,56,000
Other Income	1,680	-
Written back -Perdiem Charges	82,60,816	-
TOTAL	84,18,496	9,28,159

NOTE 18 : EMPLOYEE BENEFIT EXPENSES

Salary, Wages, Bonus & other allowances	9,03,644	10,91,871
Company's Contribution To Provident & Other Funds	63,341	64,721
Staff Welfare Expenses	-	8,145
Gratuity	-	40,522
Entertainment Expenses	1,200	48,000
TOTAL	9,68,185	12,53,259

NOTE 19: FINANCE COST

Interest - Others	10,488	2,757
Bank Charges	1,065	197
Demat Charges	-	2,297
TOTAL	11,553	5,251

NOTE 20: DEPRECIATION & AMORTIZATION EXPENSES

(in Rs.)

	Year ended 31.03.2019	Year ended 31.03.2018
Depreciation & Amortization	612	1,131
	612	1,131

NOTE 21 :OTHER EXPENSES

Auditor's Remuneration		
-As Audit Fee	59,000	59,000
-Certification and Company Law	11,800	11,800
Telephone, Postage & Telegram	16,971	36,530
Legal & Professional Charges	8,29,564	17,700
Travelling & Conveyance	9,905	10,715
Printing & Stationery	600	11,396
Filing Fee	16,200	2,400
Misc. Expenses	1,990	300
Vehicle Running Expenses	31,617	-
Foreign Exchange fluctuation	46,55,806	-
Accountancy Charges	-	50,000
Books & Periodicals	-	18,000
Secretarial & AGM Expenses	16,58,062	13,75,848
	72,91,515	15,93,689

NOTE 22: EXCEPTIONAL ITEMS INCOME/(EXPENDITURE)

Reinstatement Fees	11,80,000	35,40,000
(Revocation of suspension in trading of equity shares)		
	11,80,000	35,40,000

NOTE 23: EARNING PER SHARE(EPS)

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

Profit /(Loss) after tax for the year	(10,26,69,597)	(25,75,04,162)
Weighted Average number of equity shares of Rs.10/- each fully paid up	1,00,00,000	1,00,00,000
Basic & Diluted Earnings per share	(10.27)	(25.75)

NOTE 24 : 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 14 th December 2005 entered with Occident Orient Company Limited, with the approval of the Reserve Bank of India (RBI), interest of USD 2,81,974/- (Previous Year USD 2,81,974/-) for earlier years is payable by the company on Foreign Currency Loan of USD 10,04,944. Pending approval of RBI, this liability is being shown as contingent liability.		

NOTE 25 : The accounts of the Company for the year ending 31.03.19 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 26 : 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.	(4,01,64,197)	
Carrying Cost	Nil	

NOTE 27 : 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 28 : Related Parties Disclosures

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 Manager - Chief Financial Officer up to 31/05/2018
Mr. Luv Gupta - Chief Financial Officer w.e.f 01/06/2018
Ms. Akanksha Sharma - Company Secretary up to 11/07/2018
Ms. Priyanka Negi - Company Secretary w.e.f 01/08/2018

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 1 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	- (-)	- (-)	5,55,250 (8,19,720)	- (-)
Expenses Paid Secretarial	-	-	-	2,09,748
Expenses/Printing & Stationery etc.	(-)	(-)	(-)	(1,46,915)
Out standing Payable	128,37,523 (128,37,523)	- (-)	38,163 (64,174)	23,54,441 (23,42,746)
Equity Contribution	14,23,12,140 (14,23,12,140)	- (-)	- (-)	- (-)

NOTE 29 : 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 30 : 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

(Rs. in lacs)

	2018-19	2017-18	2016-17	2015-16	2014-15
	Year	Year	Year	Year	Year
Employer's contribution to provident fund	63,341	64,721	59,490	46,855	33,579

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 31.03.19	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
DBP at the beginning of the year	1,26,231	85,709	75,672	45,994	23,510
Interest Cost	-	-	-	-	-
Current Service Cost	-	40,522	10,037	29,678	22,484
Benefits Paid/written back	Nil	Nil	Nil	Nil	Nil
Actuarial (gain)/loss	Nil	Nil	Nil	Nil	Nil
DBP at the end of the year	1,26,231	1,26,231	85,709	75,672	45,994

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

	Gratuity For The Year Ending 31.03.19	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
Fair Value of Plan Assets	Nil	Nil	Nil	Nil	Nil
Present value of obligation	1,26,231	1,26,231	85,709	75,672	45,994
Net asset/(liability) recognized in the Balance Sheet	1,26,231	1,26,231	85,709	75,672	45,994

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

Interest Cost	Nil	Nil	Nil	Nil	Nil
Current Service Cost	Nil	40,522	10,037	29,678	22,484
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	Nil	40,522	10,037	29,678	22,484

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

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 31 : NOTES RELATED TO INDIAN ACCOUNTING STANDARDS

(A) Statement of changes in Equity

Particulars	Previous 01.04.2017	Effect of Changes in Share Capital	Ind AS 31.03.2018	Effect of Changes in Share Capital	Ind AS 31.03.2019
Opening Balance	10,00,00,000	-	10,00,00,000	-	10,00,00,000
Closing Balance	10,00,00,000	-	10,00,00,000	-	10,00,00,000

(B) Statement of Changes in other Equity

Particulars	Share Premium Reserve	Retained Earning	Total
Opening Balance as on 01.04.2017	1,92,61,774	6,88,02,408	8,80,64,182
Add: Addition During the year	-	-	-
: Loss for the Year	-	(25,75,04,162)	(25,75,04,162)
Closing Balance as on 31.03.2018	1,92,61,774	(18,87,01,754)	(16,94,39,980)
Opening Balance as on 01.04.2018	1,92,61,774	(18,87,01,754)	(16,94,39,980)
Add: Addition During the year	-	-	-
: Loss for the Year	-	(10,26,69,597)	(10,26,69,597)
Closing Balance as on 31.03.2019	1,92,61,774	(29,13,71,351)	(27,21,09,577)

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
	(Nil)
b) EXPENDITURE IN FOREIGN CURRENCY (On cash basis)	
Interest Payment	Nil
	(Nil)
c) EARNINGS IN FOREIGN EXCHANGE	Nil
	(Nil)
d) CIF VALUE OF IMPORTS	Nil
	(Nil)

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

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
Place : New Delhi
Date : 28.05.19

sd/-
Priyanka Negi
Company Secretary
M.No. 36819

sd/-
Luv Gupta
Chief Financial officer

SBEC

30th Annual Report - 2019

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 Luv Gupta - Appointed w.e.f. June 01, 2018

COMPANY SECRETARY

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

Contents

Directors' Report.....	1-12
Corporate Governance Report.....	13-20
Auditor's Certificate on Corporate Governance.....	20-20
Auditor's Report.....	21-23
Balance Sheet.....	24-24
Profit and Loss Account.....	25-25
Cash Flow Statement.....	26-26
Notes to Accounts.....	27-34
Consolidated Accounts.....	35-49

Cover # (iv)

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