

# **SBEC**

## **27th Annual Report - 2016**

**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	
Ms. Ritu Sikka	
Dr. Anupam Bansal	
Mr. G.C. Jain	- (resigned w.e.f. 12.08.2015)
Mr. Rajeev Kumar Agarwal	- (Appointed w.e.f.21.05.2015)
Mr. Jagdish Chandra Chawla	- (Appointed w.e.f. 21.05.2015)
Mr. Shyam Babu Vyas	- (Appointed w.e.f. 21.05.2015)
Mr. B.K. Luthra	- (ceased on 05.01.2016)

**CHIEF FINANCIAL OFFICER**

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

Ms Akanksha Sharma	- (Appointed w.e.f. 08.01.2016)
Ms Varsha Yadav	- (Resigned w.e.f. 30.11.2015)

**AUDITORS**

M/s K.K. Jain & Co.  
Chartered Accountants  
184 A, Garud Apartments  
Pocket-IV, Mayur Vihar Phase-I  
Delhi-110 091

**BANKERS**

Standard Chartered Bank Limited  
Canara Bank

**REGISTERED OFFICE**

1400, Modi Tower  
98, Nehru Place,  
New Delhi-110 019

**SHARE TRANSFER AGENT**

M/s Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3rd Floor, 99 Madangir,  
Behind Local Shopping Centre,  
New Delhi-110062

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## DIRECTORS' REPORT

### Dear Members,

Your Directors take pleasure in presenting the 27th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2016.

### FINANCIAL RESULT

The Summarised Financial Results of the Company for the Financial Year 2015-16 Vis-a-Vis 2014-15 are as under:

Particulars	(Rs. in Lacs)	
	Period ended 31.03.2016	Period ended 31.03.2015
Sales & Other Income	1.82	23.35
Total Expenditure	63.28	48.72
Operating Profit/(Loss) before Tax	(61.45)	(25.36)
Profit/(Loss) After Tax	(61.25)	(25.36)

During the year under review, the revenue from other income stood at Rs. 1.82 Lacs. The net loss of the Company stood at Rs. 61.25 Lacs as compared to net loss of Rs. 25.36 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, 2016.

The Company has not transferred any amount to the reserves for the year ended March 31, 2016.

### SHARE CAPITAL

The paid up equity capital as on March 31, 2016 was Rupees Ten Crores out of which Rupees Forty One Thousand are calls in arrears. 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 2016, the Company has one Associate Company i.e. SBEC Sugar Limited. Investment in the Associate is dealt with in accordance with Accounting Standard (AS) 23, 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").

### 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, 2016, 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, 2016 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 AND KEY MANAGERIAL PERSONNEL.

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

As per provision of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Rajeev Kumar Agarwal, Mr. Jagdish Chandra Chawla and Mr. Shyam Babu Vyas were appointed as Independent Directors of the Company with effect from May 21, 2015 for a period of five years commencing from September 23rd, 2015.

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

Late Shri Bindu Kumar Luthra who was initially appointed as Alternate Director of Mr. Louis Claude Norland Suzor ceased to be an Alternate Director w.e.f. 21st May, 2015. He was re-appointed as Non-Executive Director of the Company w.e.f. 21st May, 2015 and was ceased to be a Director due to death on January 05, 2016.

The Company took on record the sudden and intently demise and the invaluable contributions made by Late Mr. B.K. Luthra, as a Non-Executive Director of the Company from the time of his appointment until his Death.

Mr. G.C. Jain who was appointed as Independent Director has resigned from the Directorship w.e.f. August 12, 2015.

Ms. Varsha Yadav has resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 30th November, 2015 and Ms. Akanksha Sharma was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 08th January, 2016.

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

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

### BOARD MEETING

The Board met Five times during the financial year 2015-16, 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 pursuant section 178(3) of Companies Act, 2013, 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](http://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 their respective declarations that they meet the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013.

#### **STATUTORY AUDITORS**

The Shareholders at the 26th Annual General Meeting held on September 23, 2015, had appointed M/s K.K. Jain & Co. ( FRN – 02465N ) as Statutory Auditors of the Company to hold office until the conclusion of ensuing Annual General Meeting subject to ratification of their appointment at every intermittent AGM. M/s K.K. Jain & Co. being eligible has expressed their willingness to continue as auditors of the Company and accordingly, the ratification of their appointment is recommended to the Shareholders.

#### **STATUTORY AUDITORS REPORT**

The Statutory Audit Report contains qualifications and the Company has given its comments on Audit Qualified Opinion for the Financial Year 2015-16, the details are mentioned below:

##### **Qualifications**

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. Singhal & Associates, Company Secretaries in practice as the Secretarial Auditor to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is given in **Annexure-B** to this Report.

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

#### **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.sbcsystems.com](http://www.sbcsystems.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 134 read with 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**

As required under Section 188 of Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company places before the Audit Committee related parties transaction. The Audit Committee accords its omnibus approval for such related party transactions on annual basis. The updates on the transactions with the related parties are placed before the Audit Committee on a quarterly basis. The details are also placed before the Board of Directors for its information.

All contracts/arrangements/transactions entered into during the financial year with the related parties were on arm's length basis and were in the ordinary course of business.

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

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.sbcsystems.com](http://www.sbcsystems.com).

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

#### **CORPORATE GOVERNANCE**

In terms of Chapter IV Regulation 15 Read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Corporate Governance Report is made part of this Annual Report.

A certificate from M/s R. Singhal & Associates, Company Secretaries in practice regarding compliance of the conditions stipulated for Corporate Governance as required under Part E of Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Corporate Governance 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.

The report also contains the details as required to be provided on Board evaluation, remuneration policy, whistle blower policy/vigil mechanism etc.

#### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause B of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement, form part of this Annual Report.

#### VIGIL MECHANISM & WHISTLE BLOWER POLICY

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

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

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3) (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 2015-16, 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 2015-16. In terms of the Provisions of Section 197(12) of the Companies act, 2013 read with Rule 5(2) &(3) of the Companies Appointment & Remuneration of Managerial Personnel ) Rules, 2014. None of the employees of the Company were in receipt of remuneration of more than limit specified as set out in the above said Rules.

#### EXTRACT OF THE ANNUAL RETURN

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

#### FIXED DEPOSITS

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

#### LISTING WITH STOCK EXCHANGES

The Company's Equity Shares are listed with BSE Limited. The annual fee for the Bombay Stock Exchange have been paid promptly for the year 2015-2016. Pursuant to the requirements of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company executed fresh listing agreements with the BSE Limited on February 18,2016.

#### 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.

#### SUSPENSION OF SHARES

The Equity shares of the Company are 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 is in process for revocation of suspension of trading.

#### 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: 11-08-2016**

### 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 31,2016
2. Date on which the Associate or Joint Venture was associated or acquired	1996-1997
3. Shares of Associate or Joint Ventures held by the Company on the year end;	
No. of Shares	14,231,214
Amount of Investment in Associates or Joint venture	14,23,12,140
Extend of Holding%	29.86%
4. Description of how there is significant influence	There is significant influence due to (%) of share Capital
5. Reason why the associate/joint venture is not consolidated	Not Applicable
6. Net worth attributable to shareholding as per latest audited Balance Sheet1	(20,43,89,139)
7. Profit/Loss for the year	
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	37,317,059



**ANNEXURE- B TO THE BOARD'S REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****For The Financial Year Ended On 31st March, 2016**

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

To,  
The Members  
**SBEC SYSTEMS (INDIA) LIMITED**  
1400, Modi Tower  
98, Nehru Place  
NEW DELHI – 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 information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, 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, 2016 according to the provisions of:

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

**(vi) OTHER APPLICABLE ACTS,**

- (a) The Payment of Wages Act, 1936, and rules made there-under,
- (b) The Minimum Wages Act, 1948, and rules made there-under,
- (c) The Payment of Gratuity Act, 1972
- (d) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
- (e) The Payment of Bonus Act, 1965, and rules made there-under,

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

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

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

1. That a loan of Rs. 671.00 Lac (USD 10,04,944) is a Foreign Currency Loan from Overseas Corporate Body M/s Occident Orient Company Ltd. Mauritius, taken by the Company subject to approval of RBI/Finance Ministry, pertaining to period prior to 1999 outstanding in the books of accounts of the Company. This is an undisputed liability that the Company has been unable to pay due to its continuous losses. Further interest of USD 281974 for earlier year is payable by the company on above mentioned loan, pending approval of RBI, this liability is being shown as contingent liability.

**We further report that,**

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

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

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

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

**We further report as under:**

1. That there were no operations during the year under review, the accumulated losses continued to more than fifty percent of its net worth.
2. During the year under review, the company has received a notice from the Bombay Stock Exchange dated 12.02.2016 regarding suspension in the trading of company's securities on account of non-compliance with various clauses/ regulations of erstwhile Listing Agreement/ Listing Regulations, 2015 and the company was advised to comply with the non-compliances marked by the BSE within prescribed time frame. As informed the company has filed its reply with BSE along-with the supporting documents pertaining to compliance of various clauses & regulations of erstwhile Listing Agreement & Listing Regulations respectively.
3. The Company has one Associate Company i.e. SBEC Sugar Limited.

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

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

**PLACE: NEW DELHI  
DATED: 11.08.2016**

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 31.03.2016 for the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

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

**PLACE: NEW DELHI**  
**DATED: 11.08.2016**

## ANNEXURE- C TO THE BOARD'S REPORT

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

### A. CONSERVATION OF ENERGY

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

### B. TECHNOLOGY ABSORPTION

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

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs. In Lacs)

	2015-16	2014-15
The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows.		
Foreign Exchange earned	NIL	NIL
Foreign Exchange outgo	NIL	NIL

## ANNEXURE- D TO THE BOARD'S REPORT

### Form No. MGT - 9

#### EXTRACT OF ANNUAL RETURN

**as on the financial year ended on 31st March, 2016**

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

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	L74210DL1987PLC029979
ii)	Registration Date	12/15/1987
iii)	Name of the Company	SBEC SYSTEMS (INDIA) LIMITED
iv)	Category/Sub-Category of the Company	Public Company Limited by Shares
v)	Address of the Registered office and contact details	Village: 1400, Modi Tower, 98 Nehru Place, New Delhi-110019
vi)	Whether listed company	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent	M/s BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED BEETAL HOUSE, 99, MADANGIR, BEHIND LOCAL SHOPPING COMPLEX, NEW DELHI-110062

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

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

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

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

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

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

## i) Category-wise Shareholding

Category		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
a)	Individual/HUF	0	2079760	2079760	20.8	0	2079760	2079760	20.8	-
b)	Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c)	Bodies Corporates	0	980000	980000	9.80	-	980000	980000	9.80	-
d)	Bank/FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)		0	3059760	3059760	30.6	0	3059760	3059760	30.6	
(2) Foreign										
a)	NRI- Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	2040000	2040000	20.4	-	2040000	2040000	20.4	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter										
(A)= (A)(1)+(A)(2)		0	5099760	5099760	51.00	0	5099760	5099760	51.00	0
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks/FI	-	-	-	-	-	-	-	-	-
C)	Cenntal govt	-	-	-	-	-	-	-	-	-
d)	State Govt.	-	-	-	-	-	-	-	-	- \
e)	Venture Capital Fund	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIS	-	-	-	-	-	-	-	-	-
h)	Foreign	-	-	-	-	-	-	-	-	-
Venture Capital Funds		-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):		-	-	-	-	-	-	-	-	-
(2) Non Institutions										
a)	Bodies corporates									
i)	Indian	-	302057	302057	3.02	-	302057	302057	3.02	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals	-	-	-	-	-	-	-	-	-
i)	Individual shareholders holding nominal share capital upto Rs.2 lakhs	0	4396316	4396316	43.96	-	4396316	4396316	43.96	-
ii)	Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	199561	199561	2.00	-	199561	199561	2.00	-
c)	Others (specify)	-	-	-	-	-	-	-	-	-
(i)	NRI	-	-	-	-	-	-	-	-	-
(ii)	HUF	-	2306	2306	0.02	-	2306	2306	0.02	-
(iii)	Clearing Members	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):		0	4900240	4900240	49.00	-	4897934	4900240	49	-
Total Public Shareholding										
(B)= (B)(1)+(B)(2)										
C. Shares held by Custodian for										
GDRs & ADRs		-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		0	10000000	10000000	100	0	10000000	10000000	100	



**(ii) Shareholding of Promoters**

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

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

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

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

S.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Co.
	For Each of the Director and KMP Directors				
1	M/s Bharat Janmadas dattani	109700	1.097	109700	1.097
2	ABC Holding Pvt Ltd	84200	0.84	84200	0.84
3	Modi Leasing & Capital Services Ltd	71400	0.71	71400	0.71
4	Suresh Raj Pal	61900	0.62	61900	0.62
5	Rai Investments Limited	55500	0.55	55500	0.55
6	Prakash G nAyak	27961	0.28	27961	0.28
7	ABR Finlease & Holding Pvt Ltd	26100	0.26	26100	0.26
8	Vittu Bajranglal Agarwal	10800	0.11	10800	0.11
9	Medium Investment Co. Pvt Ltd	10600	0.11	10600	0.11
10	Rasila Dipakbhai Gaudani	8400	0.84	8400	0.84
11.	Pramila Jain	8266	0.83	8266	0.83

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

S.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Co.
	For Each of the Director and KMP Directors				
1	Mr. Vijay Kumar Modi				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
2	Mr. R.K Agarwal				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
3	Mr. S.S. Agarwal - CEO				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
4	Mr. J.N. Khurana				
	At the beginning of the year	110	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	110	0	0	0

5	Mr. Anupam Bansal				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
6	Mr. J.C. Chawla				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
7	Mr. Shyam Babu Vyas				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
8	Ms. Ritu Sikka				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
9	Mr. Anil Jain - CFO				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0
10	Ms. Akanksha Sharma -CS				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N.A	N.A	N.A	N.A
	At the end of the year	0	0	0	0

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	138087609	-	138087609
ii) Interest due but not paid	-	3056841*	-	3056841*
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>141144450</b>	-	<b>141144450</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	-	<b>5500105</b>	-	<b>5500105</b>
· Reduction	-	-	-	-
<b>Net Change</b>	-	<b>5500105</b>	-	<b>5500105</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	143587714	-	143587714
ii) Interest due but not paid	-	3056841	-	3056841
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>146644555</b>	-	<b>146644555</b>

\*Last Year Interest figure is also taken into consideration