

SBEC

31st Annual Report - 2020

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

BOARD OF DIRECTORS

Mr. Vijay K Modi - Chairman
Mr. S.S. Agarwal - Executive Director & CEO
Ms. Ritu Sikka
Dr. Anupam Bansal
Mr. Rajeev Kumar Agarwal
Mr. Jagdish Chandra Chawla
Mr. Shyam Babu Vyas

CHIEF FINANCIAL OFFICER

Mr Luv Gupta

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms Priyanka Negi

AUDITORS

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

BANKERS

HDFC Bank

REGISTERED OFFICE

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

SHARE TRANSFER AGENT

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

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DIRECTORS' REPORT

To,
The Shareholders,
SBEC Systems (India) Limited

Dear Members,

Your Directors take pleasure in presenting the 31st Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2020..

FINANCIAL RESULT

THE SUMMARISED FINANCIAL RESULTS OF THE COMPANY FOR THE FINANCIAL YEAR 2019-20 VIS-A-VIS 2018-19 ARE AS UNDER:

(Rs. In Lacs)

PARTICULARS	Period Ended 31.03.2020	Period ended 31.03.2019
SALES & OTHER INCOME	1.56	84.18
TOTAL EXPENDITURE	99.18	82.71
OPERATING PROFIT/(LOSS) BEFORE TAX	(111.71)	(10.33)
PROFIT/(LOSS) AFTER TAX	(113.56)	(10.33)

During the year under review, the revenue from other income stood at Rs. 1.56 Lacs. The net loss of the Company stood at Rs. 113.56 Lacs as compared to net loss of Rs. 10.33 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, 2020.

The Company has not transferred any amount to the reserves for the year ended March 31, 2020.

SHARE CAPITAL

The paid up equity capital as on March 31, 2020 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 2020, 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").

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2020 and date of the report of the Company which affects the financial position of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company for the financial period 2019-20, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards and SEBI (LODR) Regulations, 2015.

DIRECTORS

There were no changes in the Composition of the Board of Directors of the Company during the financial year 2019-20.

In terms of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 Ms. Ritu Sikka, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, have offered herself for re-appointment. The Board recommends her re-appointment for the consideration of the members of the Company at the Annual General Meeting. Brief profile of Ms. Ritu Sikka has been given in the Notice convening the Annual General Meeting.

Mr. Rajeev Kumar Agarwal (DIN: 00298252), Mr. Jagdish Chander Chawla (DIN: 05316202) and Mr. Shyam Babu Vyas (DIN: 02025415) were appointed as an Independent Director of the company at the 26th Annual General Meeting of the company held on 23rd September, 2015 for a consecutive period of five years (first term) and they hold office as Independent Director of the Company upto 22nd September, 2020.

Based on the performance evaluation & recommendation by the Nomination & Remuneration Committee, the Board of directors recommends the re-appointment of Mr. Rajeev Kumar Agarwal, Mr. Jagdish Chander Chawla and Mr. Shyam Babu Vyas as Independent Directors for a second term of **five consecutive years** i.e. from 23rd September, 2020 to 22nd September, 2025.

Particulars of Directors seeking re-appointment have been given in the explanatory statement annexed to this notice for the Annual General Meeting.

All the Directors have made necessary disclosures as required under various provisions of the Companies Act, 2013 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, 2020, 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, 2020 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.

KEY MANAGERIAL PERSONNEL (KMP)

During the financial period ended 31.03.2020, 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

BOARD MEETING

The Board met Five times during the financial year 2019-20, 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

Presently the Company has the following mandatory 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.sbectsystems.com.

BOARD EVALUATION:

As required under Section 134(3)(p) of the Companies Act, 2013 read with 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

Pursuant to the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014 M/s. Doogar & Associates, Chartered Accounts (Firm Regn No. 000561N) were appointed as the Statutory Auditors for a term of 5 years, in their 28th AGM held on September 28, 2017. They hold office till the 33rd AGM to be held in 2022.

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 2019-20, the details are mentioned below:

Response to Qualified Opinion in Standalone Financial Statement

Non reversal of diminution of current quoted investment, it is hereby clarified that the company is holding 1,42,30,884 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.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 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. 27 of the Financial Statements for the financial year ended 31.03.2020.

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.sbcsystems.com

FIXED DEPOSITS

During the financial year, Company has not accepted any deposit from public within the meaning of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

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 2019-20, 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 2019-20. 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.

COST AUDITOR

During the period under review, Cost Audit is not applicable to the Company.

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.

SECRETARIAL STANDARD

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government as required under Section 118(10) of the Companies Act, 2013.

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 2019-2020.

REVOCATION OF SUSPENSION OF SHARES

The Equity shares of the Company were lying suspended on the BSE Limited due to penal reasons. They were last quoted on the BSE Limited on 6th September 2001 at Rs. 2.30 per share.

The Company applied for revocation of suspension in trading of securities before “BSE Limited”, subsequently, after complying with all the formalities with the Bombay Stock Exchange, the Company had received approval for revocation of suspension in trading of equity shares from the BSE on 23rd December, 2019.

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 2019-20:

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: 29.08.2020**

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, 2020
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	(2,43,01,829)
7. Profit/Loss for the year	
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	(4,66,98,324)

ANNEXURE-B TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2020

(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 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, 2020, 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, 2020 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 as amended from time to time;
 - (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 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (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. 756.92 Lakh 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 Shareholding of promoters and the promoter's group are dematerialized only to the extent of 60% shares as on 31.03.2020.
 3. 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 an 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 Appellate Tribunal, Mumbai; it was heard by SAT on 14th December, 2018, 08th February, 2019, 28th March, 2019, 13th June, 2019 and 1st August, 2019. Against the said impugned SEBI order, the Company had filed appeal No.1 (No.443/2018) before the Securities Appellate Tribunal, Mumbai. The Securities Appellate Tribunal vide its order dated 29.01.2020, has allowed the Appeal No.1 (No.443/2018) filed by M/s. SBEC Systems (India) Limited and also set aside the directions issued by the SEBI qua open offer.
 4. 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.
 5. During the course of verification, it was observed that the BSE Limited had imposed a penalty of Rs. 11,800/- (Eleven Thousand Eight Hundred Only) on the Company for delay in filing of its Financial Results for the quarter ended 31st December 2019, as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The meeting of the Board of Director of the Company was scheduled on 14th February, 2020 to consider and approve the unaudited Financial Results for the quarter and nine months ended 31st December 2019 and intimation and publication of Board Meeting was also submitted on the BSE Limited site. However, due to want of quorum the Board Meeting had to be adjourned and with the approval of all the Directors present. It was decided to hold the adjourned meeting on 18th February, 2020. The Company has paid the penalty levied on it.
 6. As per examination of records and information available to us, the Company has not maintained the structured digital database as on the date of the signing of this report. However, the Company has maintained all requisite documents and registers manually and is in the process of its digitalization.
 7. That SBEC Systems Limited (UK) is directly/indirectly under common control with the reporting enterprises. It holds 20.4% share capital of the Company. As informed by the management and as per the dissolution certificate the said company has been dissolved as on 19.06.2001. However, neither shares held by it were transferred and nor any document was available with the Company to verify how the shares were dealt with at the time of its dissolution.

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 1148.64 Lakhs after incurring loss of Rs. 113.56 Lakhs during the year ended on 31.03.2020. 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 Company has one Associate Company i.e. SBEC Sugar Limited.

For R. Singhal & Associates
Company Secretaries

Sd/-
(Rahul Singhal)

Prop.

M. No. 29599

UDIN : A029599B000575903

Place : New Delhi
Dated : 13.08.2020

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 31.03.2020 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
UDIN : A029599B000575903

Place : New Delhi
Dated : 13.08.2020

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)

	2019-20	2018-19
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 31.03.2020 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 98, 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	

III	PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES				
SI 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	980000	-	980000	9.8	980000	-	980000	9.80	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (1)	980200	200	980200	9.8	980000	200	980200	9.8	
(2) Foreign									
a) NRI- Individuals	2079560	-	2079560	20.8	2079560	-	2079560	20.8	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	2040000	2040000	20.4	-	2040000	2040000	20.4	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	2079560	2040000	4119560	41.2	2079560	2040000	4119560	41.2	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	3059560	2040000	5099760	51	3059560	2040200	5099760	51	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Cenrntral govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-