

SBEC

32nd Annual Report - 2021

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
Mr. Rohit Garg
Mr. Jagdish Chander Chawla
Mr. Shyam Babu Vyas
Ms. Asha Agarwal

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 32nd Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2021.

FINANCIAL RESULT

The summarised financial results of the company for the financial year 2020-21 vis-a-vis 2019-20 are as under:

(Rs. in Lacs)

PARTICULARS	PERIOD ENDED 31.03.2021	PERIOD ENDED 31.03.2020
SALES & OTHER INCOME	22.83	1.56
TOTAL EXPENDITURE (INCLUDING EXCEPTIONAL ITEMS)	26.45	113.27
OPERATING PROFIT/(LOSS) BEFORE TAX	(3.62)	(111.71)
PROFIT/(LOSS) AFTER TAX	(3.62)	(113.56)

During the year under review, the revenue from other income stood at Rs. 22.83 Lacs. The net loss of the Company stood at Rs. 3.62 Lacs as compared to net loss of Rs. 113.56 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, 2021.

The Company has not transferred any amount to the reserves for the year ended March 31, 2021.

SHARE CAPITAL

The paid up equity capital as on March 31, 2021 was Rs.1000 Lacs. During the year under review, the Company has not issued any class of shares nor granted stock options.

ASSOCIATE/SUBSIDIARY/JOINT VENTURE COMPANY

As on March 31, 2021, 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, 2021 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 2020-21, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards and SEBI (LODR) Regulations, 2015.

DIRECTORS

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.

During the year under review the Board has appointed Mr. Rohit Garg as Non-Executive Non-Independent Director and Ms. Asha Agarwal as Non-Executive Independent Director w.e.f February 12, 2021 and upto the date of forthcoming Annual General Meeting. The Board recommends the appointment for the consideration of the members of the Company at the Annual General Meeting.

During the year under review Mr. Rajeev Kumar Agarwal (DIN: 00298252), Non-Executive Independent Director of the Company passed away on December 5th, 2020 and Mr. Anupam Bansal (DIN: 00004318) who was appointed as Non-Executive Director has resigned from the Directorship w.e.f February 12, 2021.

Brief Particulars of Directors seeking re-appointment/appointment have been given in the annexure to the notice convening 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:-

- so as to give a true and fair view of the state of affairs of the Company as at in the preparation of the annual accounts for the financial year ended March 31, 2021, 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 March 31, 2021 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 year ended 31.03.2021, 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

BOARD MEETING

The Board met six times during the financial year 2020-21, 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 already 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 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 the year 2022.

STATUTORY AUDITORS REPORT

The Statutory Audit Report contains qualifications and the Company has given its comments on Audit Qualified Opinion for the Financial Year 2020-21, 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 do 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 31.03.2021.

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.sbectsystems.com

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 detailed 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 2020-21, 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 2020-21. 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 was in receipt of remuneration of more than the 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

Pursuant to Section 92(3) read with Section 134(3) of the Act, Annual Return (in e-form MGT-7) for the financial year ended March 31, 2021 is available on the Company's website at: www.sbectsystems.com

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.

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed with BSE Limited. The annual fees of the Bombay Stock Exchange have been paid promptly for the year 2020-21.

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 2020-21:

No. of complaints received : NIL
No of complaints disposed off : 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 of
SBEC Systems (India) Limited
Sd/-
Vijay Kumar Modi
Chairman
DIN: 00004606**

**Place: New Delhi
Date: 13.08.2021**

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, 2021
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	
7. Profit/Loss for the year	(8,73,47,787)
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	(21,11,38,509)

ANNEXURE-B TO THE BOARD'S REPORT**Form No. MR-3****SECRETARIAL AUDIT REPORT****For The Financial Year Ended On 31st March, 2021**

(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, Hemkunt, Tower 98,

Nehru Place, New Delhi, 110019

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, 2021, 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, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

- (e) 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;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable during the audit period**
- (g) 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;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable during the audit period**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable during the audit period** and;
- (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. 735.65 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 31.03.2021.
3. The Securities and Exchange Board of India on September 17, 2018 had issued directions to the Promoter group of the Company (namely Shri Umesh Kumar Modi, Kumkum Modi, Jayesh Modi, Longwell Investments Private Limited, A to Z Holdings Pvt. Ltd., Moderate Leasing and Capital Services Limited and SBEC Systems (India) Limited), severally or jointly to make a public announcement to acquire the shares of Target Company (i.e. SBEC SUGAR LIMITED) in accordance with the provisions of the Takeover Regulations, 2011, within a period of 45 days from the date of the above mentioned order. The shareholding/ voting rights of the promoter group had increased from 54.46% (2,59,51,083 Shares) as on June 30, 2014 to 63.86% (3,04,32,117 shares) as on September 30, 2014. In addition to the aforesaid acquisition, one of the lending promoters i.e. Moderate Leasing and Capital Services limited had also acquired 1.31% of SBEC Sugar Limited during March 18, 2015 to March 23, 2015, which increased the shareholding of promoter group to 65.17%. 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 announcement for open offer.

Against the said impugned SEBI order, M/S SBEC Systems (India) Limited had filed appeal no. 1 (No. 443/2018) before the Securities Appellant Tribunal, Mumbai.

Whereas the promoter group namely (Shri Umesh Kumar Modi, Kumkum Modi, Jayesh Modi, Longwell Investments Private Limited, A to Z Holdings Pvt. Ltd., Moderate Leasing and Capital Services Limited) had filed appeal no. 2 (No. 444/2018) before the Securities Appellant Tribunal, Mumbai.

The Hon'ble Securities Appellate Tribunal upon hearing the said Appeal vide its order dated January 29, 2020 has allowed the Appeal No. 1 (Appeal No.443 of 2018) and partly allowed Appeal No. 2 (Appeal No.444 of 2018), whereby, the directions issued by SEBI for open offer vide order dated September 17, 2018 qua promoters namely SBEC System (India) Limited, Shri. Umesh Kumar Modi, Smt. Kumkum Modi, Shri. Jayesh Modi and Longwell Investment Private Limited has been set aside, however, the directions issued by SEBI for Open Offer vide order dated September 17, 2018 issued qua the promoters namely A to Z Holdings Pvt. Ltd. and Moderate Leasing & Capital Services Ltd. (the acquirer of the shares) has been modified in terms of Regulation 32(1)(b) and they had been directed to sell the shares acquired in violation of the SAST Regulation and to transfer the proceeds of the same to the Investor Protection Fund established under the SEBI (Investor Protection and Education Fund), 2009 within a period of 6 (Six) months from the date of the order i.e. from January 29, 2020.

The promoters namely A to Z Holdings Pvt. Ltd. and Moderate Leasing & Capital Services Ltd. (the acquirer of the shares) could not comply with the order dated January 29, 2020, therefore, the said promoters approached the Hon'ble Securities Appellate Tribunal vide Misc. Application no. 209 / 2020 seeking an extension of 6 (six) months for compliance of the order dated January 29, 2020 inter-alia on the grounds of operations of the said promoters being shut due to the pandemic COVID – 19. The said Misc. Application was listed before Hon'ble Securities Appellate Tribunal on July 29, 2020 and dismissed vide order dated July 29, 2020.

In the meantime, the Securities Exchange Board of India filed a Civil Appeal bearing nos. 2995 – 2996 / 2020 before the Hon'ble Supreme Court of India on July 29, 2020 against the order dated January 29, 2020 passed by Hon'ble Securities Appellate Tribunal.

Furthermore, the promoters namely A to Z Holdings Pvt. Ltd. and Moderate Leasing & Capital Services Ltd. have also filed a Civil Appeal bearing no. 3002 / 2020 before the Hon'ble Supreme Court of India on August 11, 2020 against the order dated July 29, 2020 passed by Hon'ble Securities Appellate Tribunal.

It is important to point out that both the Civil Appeal and the Counter Appeal before the Hon'ble Supreme Court of India have been connected and the pleadings therein are complete. The said Civil Appeal is now listed before the Hon'ble Supreme Court of India for further proceedings.

4. The Company has not 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. As per examination of records and information available to us, the company has maintained the software for digitisation the database of the Company w.e.f. 31.03.2021 in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015.

6. 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.
7. The Company has not obtained the Registration of Mr. Shyam Babu Vyas, independent directors with database of independent director maintained with MCA during the year ended 31.03.2021.

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 Rs1152.25 Lakhs after incurring loss of Rs. 3.62 Lakhs during the year ended on 31.03.2021. 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 : A029599C000767446

Dated: 13.08.2021
Place: Meerut

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 not verified the correctness and appropriateness of financial records and books of accounts of the company. We have relied on the audited financial statements and statutory auditor report for the year ended on 31.03.2021 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.
7. Due to the prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

For R. Singhal & Associates
Company Secretaries
Sd/-
(Rahul Singhal)
Prop.
M. No. 29599
UDIN : A029599C000767446

Dated: 13.08.2021
Place: Meerut

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	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)

	2020-21	2019-20
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

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

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

INTERNAL CONTROLS AND SYSTEMS

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

DISCLOSURE RELATING TO SENIOR MANAGEMENT

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

CAUTIONARY STATEMENT

The above Management Discussion and Analysis Report contain "forward looking statements" within the meaning of applicable laws, and regulations and are futuristic in nature. All statements that address expectations or projections for 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.

Place: New Delhi
Date: 13.08.2021

For & behalf of the Board of
SBEC Systems (India) Limited
Sd/-
Vijay Kumar Modi
Chairman
DIN: 00004606

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

a. Composition of Board:

As on March 31, 2021, the Company has 7 Directors. The Board of Directors at present consists of 3 Independent Directors, other than the Chief Executive Officer; all other members of the Board are Non-Executive Directors. The Chairman of the Board is a Non-Executive Director. The Composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

As required under Section 149(1) of the Companies Act, 2013 and Regulation 17(1) of SEBI (LODR) Regulations, 2015, Ms. Ritu Sikka and Ms. Asha Agarwal are woman directors 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, 2021 are given below. Other Directorships do not include alternate directorships, Section 8 Companies, Private Companies and foreign Companies. Chairmanships/Memberships in Committees include only Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies.

Sl No.	Name of the Directors	Category of Director	No. of Board Meetings Attended		No of Directorship in Public Company including this listed entity (as on March 31, 2021)	Number of membership/ Chairmanship in committee including this listed entity Board as on March 31, 2021		Attendance at Last AGM
			Held	Attended		Member	Chairman	
1	Mr. Vijay Kumar Modi	Chairman and Non-Executive Director	6	6	7	6	5	Present
2	Mr. S.S. Agarwal	Executive Director	6	6	5	3	NIL	Present
3	Mr. Anupam Bansal*	Non-Executive Director	6	1	NA	NA	NA	Not Present
4	Ms. Ritu Sikka	Non-Executive Director	6	1	1	NIL	NIL	Not Present
5	Mr. R.K. Agarwal**	Non-Executive Independent Director	4	3	NA	NA	NA	Present
6	Mr. J.C. Chawla	Non-Executive Independent Director	6	6	5	9	2	Present
7	Mr. Shyam Babu Vyas	Non-Executive Independent Director	6	1	3	4	NIL	Not Present
8	Ms. Asha Agarwal***	Non-Executive Independent Director	6	NA	1	NIL	2	NA
9	Mr. Rohit Garg***	Non-Executive Director	6	NA	4	NIL	NIL	NA

* Mr. Anupam Bansal, Non-Executive Non-Independent Director resigned from the directorship w.e.f February 12, 2021

**Mr. R.K. Agarwal Non-Executive Independent Director of the Company passed away on December 5, 2020.

***Mr. Rohit Garg was appointed as a Non-Executive Non-Independent Director and Ms. Asha Agarwal was appointed as a Non-Executive Independent Director w.e.f February 12, 2021.

b. Name of other listed entities where Directors of the company are Directors 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 Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
2	Mr. S.S. Agarwal	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
3	Ms. Asha Agarwal	-	-
4	Ms. Ritu Sikka	-	-
5	Mr. J.C. Chawla	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
6	Mr. Shyam Babu Vyas	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
7	Mr. Rohit Garg	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director