

# **SBEC**

## **33<sup>rd</sup> Annual Report - 2022**

**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. 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, 3<sup>rd</sup> Floor, 99 Madangir,  
Behind Local Shopping Centre,  
New Delhi-110062

**Contents**

Directors' Report.....	1-9
Corporate Governance Report .....	10-17
Auditor's Certificate on Corporate Governance.....	18-18
Auditor's Report.....	19-23
Balance Sheet .....	24-24
Profit and Loss Account.....	25-25
Cash Flow Statement .....	26-26
Statement of Changes in Equity .....	27-27
Notes to Accounts.....	28-40
Consolidated Accounts .....	41-60

## DIRECTORS' REPORT

To,

The Shareholders,  
SBEC Systems (India) Limited

Dear Members,

Your Directors take pleasure in presenting the 33<sup>rd</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2022.

### FINANCIAL RESULT

The Company's financial performance (Standalone & Consolidated) for the financial year ended March 31, 2022 along-with that of the previous financial ended March 31, 2021 is summarized below: (Rs. in Lacs)

PARTICULARS	Standalone		Consolidated	
	PERIOD ENDED 31.03.2022	PERIOD ENDED 31.03.2021	PERIOD ENDED 31.03.2022	PERIOD ENDED 31.03.2021
SALES & OTHER INCOME	296.83	22.83	296.83	22.83
TOTAL EXPENDITURE	142.90	26.45	142.90	26.45
OPERATING PROFIT/(LOSS) BEFORE TAX	153.93	(3.62)	153.93	(3.62)
PROFIT/(LOSS) AFTER TAX	129.92	(3.62)	129.92	(3.62)

During the year under review, the revenue from other income stood at Rs. 296.83 Lacs. The net profit of the Company stood at Rs. 129.92 Lacs as compared to net loss of Rs. 3.62 Lacs during the previous year.

### DIVIDEND & RESERVES

In order to conserve the resources for future growth of the Company, the Board of Directors has not declared any dividend for the year under review.

The Company has not transferred any amount to the reserves for the year ended March 31, 2022.

### SHARE CAPITAL

The paid up equity capital as on March 31, 2022 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, 2022, 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 which occurred in between the financial year ended on 31<sup>st</sup> March, 2022 and date of the report of the Company which affects the financial position of the Company.

### DIRECTORS

In terms of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 Mr. Shiv Shankar Agarwal, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

During the year under review there was no change in the composition of Board of Directors.

Mr. Rohit Garg (DIN: 03296571), Non-Executive Non-Independent Director has resigned from the Directorship w.e.f July 26, 2022.

The Board has appointed Mr. Salil Seth (DIN: 09697511) as a Non-Executive Independent Director w.e.f August 16, 2022 and upto the date of forthcoming Annual General Meeting. The Board recommends his appointment for the consideration of the members of the Company at the Annual General Meeting.

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, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the financial year ended March 31, 2022;
- 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 31.03.2022, 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 four times during the financial year 2021-22, 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.sbecosystems.com](http://www.sbecosystems.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**

The Shareholders of the Company at the Annual General Meeting held on September 28, 2017 appointed M/s. Doogar & Associates, Chartered Accounts (Firm Regn No. 000561N) as the Auditors of the Company for a period of 5 years and term of the Auditors shall expire at the conclusion of the forthcoming Annual General Meeting of the Company.

Accordingly, upon recommendation by the Audit Committee, the Board of Directors, at its Meeting held on 08<sup>th</sup> August 2022 has recommended for approval of the Shareholders at the ensuing 33<sup>rd</sup> AGM of the Company, the appointment of M/s K.K. Jain & Co., Chartered Accountants (Firm Registration No.02465N), as the "Statutory Auditors" of the Company, for a term of 5 (Five) Years, to hold office from the conclusion of the 33<sup>rd</sup> AGM till the conclusion of the 38<sup>th</sup> AGM. The Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for appointment as Auditors of the Company.

**STATUTORY AUDITORS REPORT**

The Statutory Audit Report contains qualifications and the Company has given its comments on Audit Qualified Opinion for the Financial Year 2021-22, 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 sell/ 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.

**CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements have been prepared by the Company in accordance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remarks.

**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 Soniya Gupta & Associates, Company Secretaries 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.sbectsystems.com](http://www.sbectsystems.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.

**DEPOSITS**

During the financial year, Company has not accepted any deposit from public within the meaning of section 73 and 76 of the Companies Act, 2013 and Rules made thereunder.

**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 Soniya Gupta & 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.

**RELATED PARTY TRANSACTIONS**

In compliance with the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions (RPTs) and manner of dealing with RPTs. During the year under review, the Policy has been amended to incorporate the regulatory amendments in the SEBI Listing Regulations. The updated Policy can be accessed on the Company's website which is available on the Company's website at [www.sbectsystems.com](http://www.sbectsystems.com).

All transactions with related parties during FY 2021-22 were reviewed and approved by the Audit Committee and were at Arm's Length Price (ALP) and in the Ordinary Course of Business (OCB). Prior omnibus approval was obtained for all RPTs which were of repetitive nature and entered in the OCB and on an ALP basis. The transactions entered into pursuant to the omnibus approval so granted were reviewed by Audit Committee on quarterly basis.

Pursuant to the third proviso of Section 188(1) of the Act, the compliance with the provisions of Section 188(1) is not applicable, where all RPTs are carried out in the OCB and under ALP basis. Accordingly, the disclosure of RPTs as required under Section 134(3) (h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in form AOC-2 is not applicable to the Company for FY 2021- 22. However, the Company had material RPTs during FY 2021-22 under SEBI Listing Regulations. Hence, the same have been disclosed as form AOC-2 enclosed as **Annexure C**.

Details of RPTs entered into by the Company, in terms of Ind AS-24 are disclosed in notes to the financial statements forming part of this Integrated Report. There was no other material RPTs entered into by the Company with its Promoters, Directors, KMPs or other designated persons during FY 2021- 22, except those reported in the financial statements.

None of your Directors or KMPs had any pecuniary relationships or transactions with the Company during FY 2021-22.

Approval of Members is being sought for the material RPTs for FY 2022-23 at the ensuing AGM.

**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-D** to this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the financial year 2021-22, 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 2021-22. 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 RECORDS AND AUDIT**

During the period under review the provisions relating to maintaining of cost record and conduct Cost Audit are not applicable to the Company.

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) read with 134(3) of the Act, Annual Return (in e-form MGT-7) for the financial year ended March 31, 2022 is available on the Company's website at: [www.sbecosystems.com](http://www.sbecosystems.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 settlement of trade of equity shares changed from 'P' group to 'XT' group .W.e.f July 07, 2022

The annual fees for the Bombay Stock Exchange have been paid promptly for the year 2021-22.

**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 2021-22:

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.

Place: New Delhi  
Date: 08.08.2022

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

**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****(In Rs. Lakhs)**

Name of Associates	SBEC SUGAR LIMITED
1. Latest audited Balance Sheet Date	March 31, 2022
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	(1214.09)
7. Profit/Loss for the year	
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	(1140.71)

**For & behalf of the Board of  
SBEC Systems (India) Limited****Sd/-  
Vijay Kumar Modi  
Chairman  
DIN: 00004606****Place: New Delhi  
Date: 08.08.2022****ANNEXURE-B TO THE BOARD'S REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****For The Financial Year Ended On 31<sup>st</sup> March, 2022**

(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 of  
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** having CIN: L74210DL1987PLC029979 (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 re-port that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022 according to the provisions of undernoted Acts, Regulations and Guidelines applicable on the Company

- The **Companies Act, 2013 (the Act)** and the Rules made thereunder;
- The Securities and Exchange Board of India (**Listing Obligations and Disclosure Requirements**) **Regulations, 2015** thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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;
- The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) 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;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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 Insolvency and Bankruptcy Code, 2016
  - g) 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 Agreement entered into by the Company with BSE Ltd. (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. 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 promoter 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 Appellate Tribunal, Mumbai. Whereas the promoter group namely (Shri Umesh Kumar Modi, Ms. Kumkum Modi, Mr. 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 Appellate 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 Appeals before the Hon'ble Supreme Court of India have been connected and the pleadings therein are complete. The said Civil Appeal was listed before the Hon'ble Supreme Court of India on August 18, 2021 and the matter is still pending for further proceedings.

2. 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.
3. Mr. Shyam Babu Vyas was not registered with data bank as required under Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2020.
4. The Shareholding of promoters and the promoter's group are dematerialized only to the extent of 60% shares as on 31.03.2022.

We further report that,

1. The Company has one Associate Company i.e. SBEC Sugar Limited.

For Soniya Gupta & Associates

Sd/-  
(Soniya Gupta)  
Proprietor  
M. No. 7493  
CP M. No. 8136  
UDIN : F007493D000761543

Dated: 08.08.2022  
Place: New Delhi

**Annexure "A"**

To,

**The Members of**  
**SBEC SYSTEMS (INDIA) LIMITED**  
 1400, Hemkunt Tower 98, Nehru Place  
 New Delhi 110019

Our report of even date is to be read alongwith this letter.

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.
4. Wherever 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 Soniya Gupta & Associates**

**Sd/-**  
**(Soniya Gupta)**  
**Proprietor**  
**M. No. 7493**  
**CP M. No. 8136**

**Dated: 08.08.2022**  
**Place: New Delhi**

**ANNEXURE- C TO THE BOARD'S REPORT****Form No. AOC-2**

**[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the**  
**Companies (Accounts) Rules, 2014]**

The Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis– There were no contracts or arrangements or transactions entered into by the Company, which were not at arm's length basis.
2. Details of material contracts or arrangements or transactions at arm's length basis–
  - (a) Name(s) of the related party : SBEC Sugar Limited
  - (b) Nature of relationship : Associate Company
  - (c) Nature of contracts/arrangements/transactions : Royalty Income
  - (d) Duration of the contracts/arrangements/transactions: NA
  - (e) Salient terms of the contracts or arrangements or transactions including the value, if any: Ongoing, repetitive, in ordinary course of business and on arm's length basis
  - (f) Date(s) of approval by the Board, if any:
  - (g) Amount paid as advances, if any: NA

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

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

**Place: New Delhi**  
**Date: 08.08.2022**

**ANNEXURE- D 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)

	2021-22	2020-21
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

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

Sd/-  
Vijay Kumar Modi  
Chairman  
DIN: 00004606

Place: New Delhi  
Date: 08.08.2022